

## Completion of Oversubscribed Capital Raising for Development of Lithium and Graphite Projects

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or **Company**) is pleased to announce the completion of a \$6.4 Million capital raising (before costs) via the issue of 8,000,000 shares at an issue price of \$0.80 per share (**Issue**).

The Issue was completed within the Company's additional 10% placement capacity (approved at the last AGM), to new and existing institutional, sophisticated and professional shareholders/investors. Canaccord Genuity (Australia) Limited acted as Lead Manager to the Issue, which was significantly oversubscribed.

The funds raised will be used to advance the on-going development of the Company's Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland.

The main focus areas for Lithium Energy post this capital raising are as follows:

### Solaroz Lithium Brine Project

- Delineation of a maiden JORC Mineral Resource Estimate.
- On-going resource definition drilling and the drilling/installation of large diameter wells for (production) pump testing.
- On-going engineering and other technical and feasibility studies relating to the commercial development (into production) of Solaroz.
- Development work with Lanshen on the construction and commissioning of a 3,000tpa (battery grade lithium carbonate) demonstration plant on the Mario Angel concession.

### Burke and Corella Graphite Projects

- Completion of Prefeasibility Study (**PFS**) for the development of a vertically integrated Purified Spherical Graphite (**PSG**) (a battery anode precursor material) manufacturing facility in Queensland, utilising Burke Graphite (and potentially Corella Graphite) as feedstock.
- Completion of PSG testwork programme on the Burke bulk (flake graphite) concentrate, required to support the PSG Plant portion of the PFS.
- Completion of initial metallurgical test work programme on Corella Graphite.

The Company notes that major shareholder, Strike Resources Limited (ASX:SRK)<sup>1</sup>, has completed the sale of 3 million Lithium Energy shares at a price of \$0.80 per share at the same time. Strike remains the largest shareholder with 31,410,000 shares (30.49%, post Issue). Strike has confirmed to the Company that it has no present intention to sell any more shares for at least the next six months.

1 Lithium Energy (holding the battery minerals assets) was spun-out of Strike Resources following the successful completion of LEL's \$9 million initial public offering (IPO) under a Prospectus (dated 30 March 2021)



### About Solaroz Lithium Brine Project

The flagship Solaroz Lithium Brine Project (LEL:90%) comprises 8 mineral concessions (totalling ~12,000 hectares) (**Solaroz**) located on the Salar de Olaroz basin (the **Olaroz Salar**) in North-West Argentina within South America's 'Lithium Triangle'.

The Olaroz Salar covers ~45,000 hectares and Lithium Energy is one of only three groups that control the lithium concession rights on the Olaroz Salar, with the remainder of these lithium rights held by Allkem Limited (ASX/TSX:AKE) (**Allkem**)<sup>2</sup> and Lithium Americas Corporation (TSX/NYSE:LAC) (**Lithium Americas**).

Allkem's Olaroz Lithium Facility (in a joint venture with Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015)) has been extracting lithium brine and producing lithium carbonate since ~2015.<sup>3</sup> Lithium Americas' Cauchari-Olaroz Project (in a joint venture with Ganfeng Lithium) has recently commenced production of lithium carbonate on the neighbouring Salar de Cauchari.<sup>4</sup>

To date, 6 diamond core holes have been completed/are currently being completed to date (out of an initial 10 hole, 5,000 metre programme). 3 drill rigs are now operating on the Olaroz Salar with Holes 4 and 5 pending completion<sup>5</sup> and Hole 6 in progress<sup>6</sup>. Drilling (to date) has encountered massive **intersections of lithium-rich brines** in the upper and lower (Deep Sand Unit) aquifers **of up to 473.5 metres thick** (in Hole 4) and **lithium concentrations of up to 555 mg/l** (in Hole 1<sup>7</sup>).

Lithium Energy is finalising a Scoping Study (being prepared by Hatch) for the production of battery grade lithium carbonate from the lithium rich brines at Solaroz, via both traditional pond evaporation and DLE technology<sup>8</sup>.

Lithium Energy has entered into an agreement for Xi'an Lanshen New Material Technology Co., Ltd (**Lanshen**) to manufacture and commission a 3,000tpa battery grade lithium carbonate Plant on the Mario Angel concession, using their proprietary sorbent-based direct lithium extraction (**DLE**) technology. Lanshen will supply, build and initially operate the Plant at its own cost, with Lithium Energy being responsible for securing all necessary approvals and permits and establishing the necessary supporting site infrastructure. Lithium Energy is entitled to purchase the plant once constructed, if it meets pre-agreed acceptance criteria – the value together with detailed plant specifications, technical, engineering and operating parameters (including the final acceptance criteria) will be outlined in a more detailed agreement to be executed before September 2023<sup>9</sup>.

### About Burke and Corella Graphite Projects

Lithium Energy is developing 100% owned Burke and Corella Graphite Projects located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km).

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2 Allkem has recently announced a US\$10.6 billion merger with lithium processing technology company, Livent Corporation (NYSE:LTHM) - refer Allkem ASX Announcement 10 May 2023: Allkem and Livent to Create a Leading Global Integrated Lithium Chemicals Producer

3 Source: Allkem ASX announcements

4 Source: Lithium Americas public releases

5 Refer LEL ASX announcement dated 15 May 2023: Further Assays Confirm Significant Lithium Brine Concentrations Across Massive Intersections at Solaroz

6 Refer LEL ASX announcement dated 19 May 2023: Hole 6 Commences at Solaroz Lithium Brine Project with Third Drilling Rig

7 Refer LEL ASX Announcement dated 10 March 2023: Positive Specific Yields and Significant Averaged Lithium Concentrations in SOZDD001 at Solaroz Lithium Brine Project

8 Refer LEL ASX Announcement dated 20 March 2023: Commencement of Lithium Brine Scoping Study at Solaroz

9 Refer LEL ASX Announcement dated 20 June 2023: Agreement with Lanshen to Build and Fund a 3,000tpa Battery Grade Lithium Plant at Solaroz

An infill drilling programme (completed in January 2023)<sup>10</sup> on the Burke tenement has delivered a significant increase in the size and confidence of the JORC Mineral Resource Estimate (**Burke Deposit**):

- **Total Mineral Resource of 9.1Mt at 14.4% Total Graphitic Carbon (TGC)** for a total of **1.3Mt contained graphite** (at a 5% TGC cut-off grade), comprising:
  - **Indicated Mineral Resource of 4.5Mt at 14.7% TGC for 670kt of contained graphite**; and
  - **Inferred Mineral Resource of 4.5Mt at 14.2% TGC for 640kt of contained graphite**.
- Within the mineralisation envelope there is included a higher grade **Total Mineral Resource of 7.1Mt at 16.2% TGC for 1.1Mt of contained graphite** (at a 10% TGC cut-off grade).<sup>11</sup>

A maiden resource definition drilling programme (completed in April 2023<sup>12</sup>) on the Corella tenement has delivered a maiden JORC Inferred Mineral Resource Estimate (**Corella Deposit**)<sup>13</sup>:

- Inferred Mineral Resource delivers **13.5Mt at 9.5% TGC for 1.3Mt contained graphite** (at a 5% TGC cut-off grade)
- Within the mineralisation envelope, there is included a higher grade Inferred Mineral Resource of **4.5Mt at 12.7% TGC for 0.57Mt of contained graphite** (at a 10% TGC cut-off grade)

With the addition of the Corella Deposit, Lithium Energy's total Graphite Inventory (across the Burke and Corella Deposits) has now doubled to **2.6Mt of contained graphite**.

Lithium Energy is undertaking a Prefeasibility Study (being prepared by Wave International) for the development of a vertically integrated Purified Spherical Graphite (**PSG**) (a battery anode precursor material) manufacturing facility in Queensland, utilising Burke Graphite (and potentially Corella Graphite) as feedstock<sup>14</sup>.

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#### **AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:**

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#### **ABOUT LITHIUM ENERGY LIMITED (ASX:LEL)**

Lithium Energy Limited is an ASX listed battery minerals company which is developing its flagship Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland. The Solaroz Lithium Project (LEL:90%) comprises 12,000 hectares of highly prospective lithium mineral concessions located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. Lithium Energy shares the lithium rights on the Olaroz Salar with lithium carbonate producers Allkem Limited (ASX/TSX:AKE) and Lithium Americas Corporation (TSX/NYSE:LAC). The Burke and Corella Graphite Projects (LEL:100%) in Queensland, Australia, contains high grade graphite deposits – Lithium Energy is undertaking a Prefeasibility Study on a proposed vertically integrated battery anode material manufacturing facility in Queensland.

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10 Refer LEL ASX Announcements dated 22 February 2023: Update – Infill Drilling Results at Burke Graphite Deposit and 16 February 2023: Significant High Grade Graphite Intercepts Continue at Burke Graphite Deposit

11 Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 2 of LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

12 Refer LEL ASX Announcement dated 17 April 2023: Completion of Drilling Programme at Corella Graphite Prospect

13 Refer LEL ASX Announcement dated 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

14 Refer LEL ASX Announcement dated 23 May 2023: Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS

## JORC CODE COMPETENT PERSONS' STATEMENTS

(1) The information in this document that relates to Exploration Results in relation to the Solaroz Lithium Brine Project is extracted from the following ASX market announcements made by Lithium Energy Limited dated:

- 1 June 2023 entitled "Hole 6 Intersects Conductive Brines in Upper Aquifer at Solaroz Lithium Brine Project"
- 15 May 2023 entitled "Further Assays Confirm Significant Lithium Brine Concentrations Across Massive Intersections at Solaroz"
- 12 May 2023 entitled "Massive Intersections of Brine Continue at Solaroz at up to ~780 Metre Depth"
- 1 May 2023 entitled "Massive Intersections of Lithium Rich Brine Confirm World Class Potential of Solaroz Lithium Project"
- 19 April 2023 entitled "Holes 4 and 5 Encounter Significant Intersections of Conductive Brines at Solaroz Lithium Project"
- 14 March 2023 entitled "Further Significant Lithium Discovery Extends Mineralisation at Solaroz Lithium Brine Project"
- 10 March 2023 entitled "Positive Specific Yields and Significant Averaged Lithium Concentrations in SOZDD001 at Solaroz Lithium Brine Project"

The information in the original announcements is based on information compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG), a Competent Person who is a Member of the Australasian Institute of Geoscientists (AIG). Mr Smith is an Executive Director of Lithium Energy Limited. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (referred to above).

(a) The information in this document that relates to Mineral Resources in relation to the Burke and Corella Graphite Projects is extracted from the following ASX market announcements made by Lithium Energy dated:

- 16 June 2023 entitled "Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory"
- 5 April 2023 entitled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence"

The information in the original announcements is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Shaun Searle, who is a Member of AIG. Mr Searle is an employee of Ashmore Advisory Pty Ltd, an independent consultant to Lithium Energy Limited. Mr Searle has the requisite experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (referred to above).

## FORWARD LOOKING STATEMENTS

This document contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Lithium Energy, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Lithium Energy and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of minerals/commodities, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Lithium Energy believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Lithium Energy does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.