

## ASX ANNOUNCEMENT

5 February 2025

### Final Environmental Approvals Received for Next Phase of Development at Solaroz

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or **Company**) is pleased to confirm that Environmental Impact Assessment (**EIA**) approval has now been received for the next phase of exploration and evaluation activities in the 'Central Block' (comprising Chico I, V and VI, Payo 2 South and Silvia Irene) and 'Northern Block' (comprising Payo 1 and Payo 2 North ) concessions at the Solaroz Lithium Brine Project in Argentina (**Solaroz**).

The Central and Northern blocks (10,666 hectares) are where the majority of the existing lithium resources<sup>1</sup> at Solaroz are located and where the majority of the next phase of exploration and evaluation activities is proposed to be conducted (refer Figure 1).

Following the EIA approvals received in December 2024 for the Mario Angel and Payo concessions<sup>2</sup>, approvals have now been received for exploration and evaluation activities to recommence across all of the Solaroz concessions.

Under the terms of an amended sale agreement between Lithium Energy and CNGR Netherlands New Energy Technology B.V. (**CNNET**)<sup>3</sup> for the sale of the whole of Lithium Energy's interest in Solaroz for consideration totalling US\$63 million (~A\$97 million)<sup>4</sup> cash (the **Solaroz Sale**), CNNET is responsible for funding the local operations and next phases of development at Solaroz from 1 January 2025, utilising an up to US\$15 million loan funding mechanism to be provided by CNNET to Solaroz.<sup>5</sup>

Lithium Energy and CNNET are currently in the process of jointly determining a suitable work programme consistent with the scope of the approved EIAs. Lithium Energy will provide further updates with regard to the next phase of exploration, evaluation and development activities at Solaroz once this work programme has been finalised.

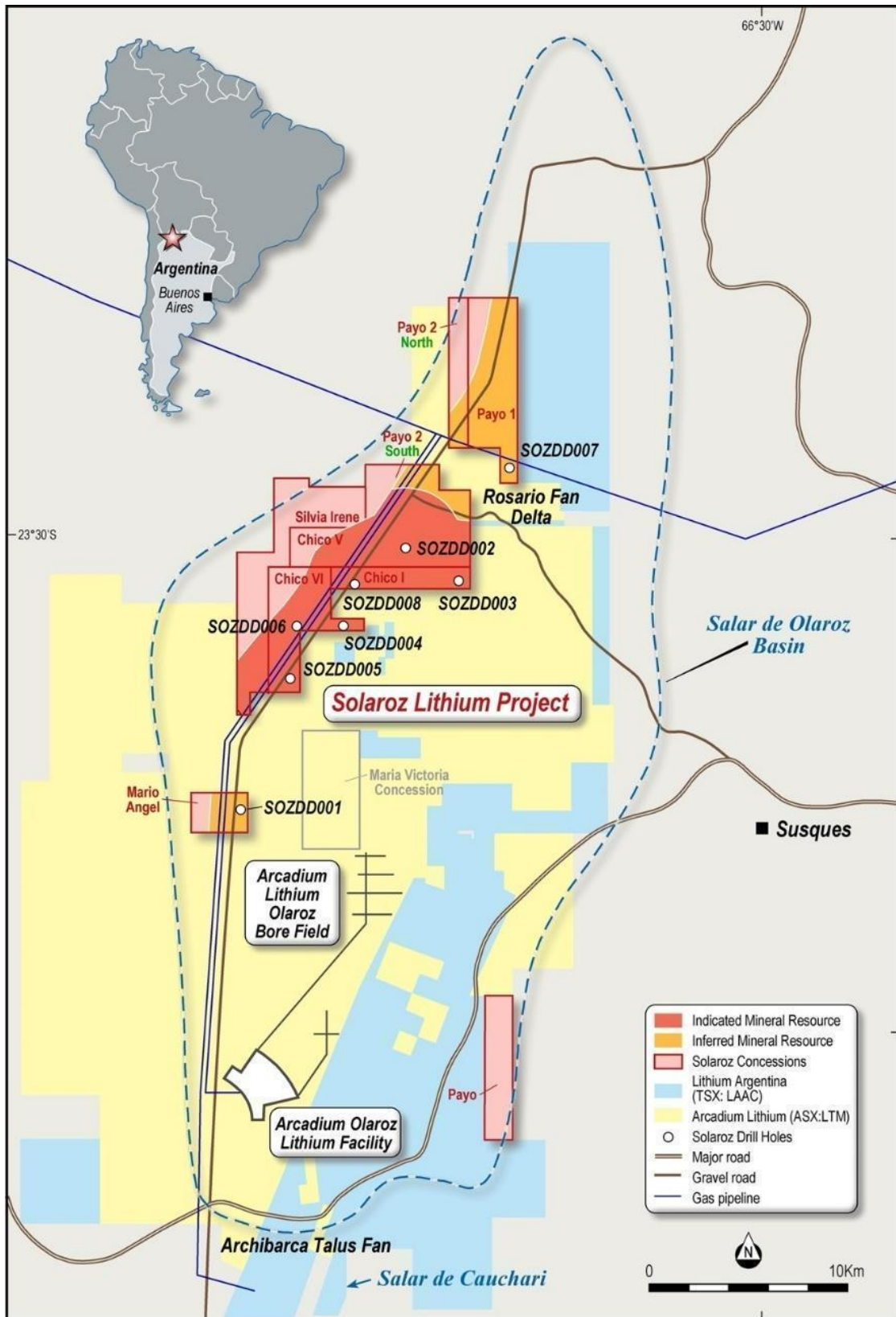
1 Refer LEL ASX Announcement dated 26 October 2023: Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource

2 Refer LEL ASX Announcement dated 23 December 2024: Environmental Approvals Update at Solaroz

3 CNNET is a subsidiary of Chinese listed CNGR Advanced Material Co Ltd (Shenzhen Stock Exchange Code: 300919) (**CNGR**), one of the world's largest producers of precursors cathode active materials used by many leading companies in the battery materials supply chain

4 Based on an assumed exchange rate of US\$1.00 : A\$0.65

5 Refer LEL ASX Announcement dated 6 December 2024: Amended Terms of A\$97 million Sale of Solaroz Lithium Project and LEL's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 16 December 2024



**Solaroz Lithium Project, Argentina  
Solaroz Concessions Location Plan**

www.lithiumenergy.com.au

Figure 1: Mineral Resource Areas within Solaroz Concessions (and Drillhole Locations) in Oloroz Salar (Adjacent to Arcadium Lithium and Lithium Argentina Concessions)

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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 (where a JORC Indicated and Inferred Mineral Resource of lithium has been delineated) located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. Lithium Energy shares the lithium rights in the Olaroz Salar basin with lithium carbonate producers Arcadium Lithium plc (ASX:LTM) (subject to an acquisition by Rio Tinto announced on 9 October 2024) and Lithium Argentina Corporation (TSX:LAAC). Prior to the announced sale of the Solaroz Project (settlement pending), Lithium Energy had completed a Scoping Study on Solaroz and had been investigating the development of a 20/40ktpa lithium carbonate equivalent (LCE) production facility using conventional evaporation ponds; the Company has also been evaluating direct-lithium extraction (DLE) technologies. The Burke and Corella Graphite Projects (LEL:100%) in Queensland, Australia, contains high grade JORC Indicated and Inferred Mineral Resources of graphite.

On 3 April 2024, Lithium Energy and NOVONIX Limited (ASX:NVX) announced the merger of their adjoining Burke and Mt Dromedary Queensland Natural Graphite Deposits into Lithium Energy subsidiary, Axon Graphite Limited (Proposed ASX Code: AXG), which will undertake a \$15M to \$25M IPO and seek admission to ASX as a dedicated vertically-integrated mine to Battery Anode Material (BAM) product manufacturing company. Lithium Energy's spin-out of Axon Graphite is subject to shareholder approval at a general meeting to be held on 7 February 2025.

On 30 April 2024, Lithium Energy announced the sale of its interest in the Solaroz Project to a subsidiary of CNGR Advanced Materials Co Ltd (CNGR) for US\$63 Million (~A\$97 Million) cash. On 6 December 2024, Lithium Energy announced amended Solaroz sale terms (with completion in two tranches (April 2025 and January 2026) and with no change to the total cash consideration). Lithium Energy shareholders approved the proposed sale of Solaroz at a general meeting held on 8 August 2024 (in respect of the original sale agreement) and on 15 January 2025 (in respect of the amended sale agreement).

On 25 October 2024, ASX determined that Lithium Energy did not have a sufficient level of operations to warrant the continued quotation of its securities in the context of the agreement to dispose of its main undertaking (being the Solaroz Project) and suspended the Company's securities from trading on ASX. Lithium Energy expects that the suspension will remain in place until it has satisfied ASX that it has a sufficient level of operations to justify the reinstatement of quotation of its shares on ASX and or is otherwise compliant with the Listing Rules of the ASX.

Pending completion of the sale of Solaroz, Lithium Energy will continue to advance operations at Solaroz, with funding to be provided by CNGR (under the terms of the amended sale agreement), advance the Axon Graphite IPO and investigate and potentially undertake (where appropriate) investment opportunities principally in the battery mineral projects sector in Australia and overseas, subject to compliance with the Listing Rules of the ASX.