

ASX ANNOUNCEMENT

30 April 2025

Receipt of US\$26 Million on Completion of Tranche 1 Solaroz Sale

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or **Company**) is pleased to confirm that it has received US\$26 million cash on completion of Tranche 1 in respect of the US\$63 million (~A\$97 million)¹ staged sale of the Company's interest in the Solaroz Lithium Brine Project (**Solaroz Project**) in Argentina to CNGR Netherlands New Energy Technology B.V. (**CNNET**), a subsidiary of CNGR Advanced Material Co. Ltd. (Shenzhen Stock Exchange Code: 300919) (**CNGR**)².

Tranche 1 comprises the transfer of Lithium Energy's 39.9% shareholding in Solaroz S.A. (**Solaroz**) (which owns the Solaroz Project (with Lithium Energy retaining a 50.1% shareholding) and the assignment of a US\$12 million (~A\$18.5 million) loan amount (owed by Solaroz to Lithium Energy).

Lithium Energy has received **US\$26 million** (~A\$40 million) from CNNET on completion of Tranche 1. Previous deposits paid by CNNET to Lithium Energy totalling **US\$7.8 million** (~A\$12 million) has also been applied towards the consideration payable by CNNET under Tranche 1. Accordingly, Lithium Energy has received a total of **US\$33.8 million** (~A\$52 million) in respect of the Tranche 1 sale.

Tranche 2, comprising the transfer of the 50.1% balance of Lithium Energy's shareholding in Solaroz and the assignment of the balance of the outstanding loan amount (owed by Solaroz), is due to be completed on 9 January 2026. The balance of the US\$63 million purchase price payable by CNNET comprises:

- (a) **US\$21.7 million** (~A\$33.4 million) (**Tranche 2 Amount**) payable on the completion of Tranche 2 on 9 January 2026;
- (b) **US\$3 million** (~A\$4.6 million) (**Escrow Account Amount**) to be transferred by CNNET to a joint escrow account on the completion of Tranche 2 and held for the benefit of both Lithium Energy and CNNET for a period of one year, to serve as security for Lithium Energy's performance under the Solaroz Sale Agreement, after which it will be released to Lithium Energy (on 8 January 2027); and
- (c) **US\$4.5 million** (~A\$6.9 million) (**Deferred Consideration**) payable if the Benchmark Lithium Carbonate Price exceeds US\$23,000/tonne averaged over any 4-month period beginning from the completion of Tranche 1 and ending 12 months after the completion of Tranche 2 (i.e. between 29 April 2025 and 8 January 2027).

CNNET will have 2 nominees on the Solaroz Board upon the completion of Tranche 1; Lithium Energy retains Board control of Solaroz with 2 nominees holding the President and Vice-President positions (with the President having a casting vote).

¹ Based on an assumed exchange rate of US\$1.00 : A\$0.65

² Refer to LEL Announcement dated 6 December 2024: Amended Terms of A\$97 Million Sale of Solaroz Lithium Project

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An indicative timetable for completion of the Solaroz Sale is set out below:

Event	Date
Execution of a deed of amendment (incorporating the Solaroz sale agreement) ²	3 December 2024
Shareholder approval of the Solaroz Sale (under the Solaroz sale agreement) for the purposes of ASX Listing Rule 11.2 ³	15 January 2025
Receipt of US\$6 million Second Deposit ⁴	20 January 2025
Completion of Tranche 1 and sale of 39.9% interest in Solaroz to CNET	29 April 2025
Receipt of US\$26 million Tranche 1 Amount	30 April 2025
Expected completion of Tranche 2 and receipt of US\$21.7 million Tranche 2 Amount	9/10 January 2026
Expected Release of US\$3 million Escrow Account Amount from escrow (subject to there being no claims from CNET arising under the Solaroz sale agreement)	8 January 2027
Potential receipt of US\$4.5 million Deferred Consideration if the Benchmark Lithium Carbonate Price exceeds US\$23,000/tonne averaged over any 4-month period	Between 29 April 2025 to 8 January 2027

Note: Some of the dates above are indicative only and are subject to (a) any changes that may be agreed between Lithium Energy and CNET/CNGR or (b) any changes that may be agreed in consultation with the ASX. The Company will update Shareholders via the ASX market announcements platform and Lithium Energy's website as appropriate when the relevant events are reached, changed, or decisions made.

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³ Refer to LEL Announcement dated 15 January 2025: Results of General Meeting and LEL's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 16 December 2024

⁴ Refer to LEL Announcement dated 20 January 2025: US\$6 Million Received as Second Deposit for Solaroz Sale