

ASX ANNOUNCEMENT

22 October 2024

Timetable for Solaroz Sale Completion Extended by 60 Days

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or **Company**) refers to its previous announcements regarding the sale of the whole of the Company's 90% interest in the Solaroz Lithium Brine Project in Argentina (**Solaroz Project**) to CNGR Netherlands New Energy Technology B.V. (**CNNET**) for consideration totalling US\$63 Million (~A\$97 Million¹) cash (the **Solaroz Sale**).²

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.

Completion of the sale was to occur after the satisfaction (or waiver, as applicable) of a number of conditions precedent under the Solaroz Sale agreement (**Conditions**) on or before 25 October 2024. Whilst some of the Conditions have already been satisfied, including Lithium Energy shareholder approval³ and receipt by CNNET/CNGR of all necessary Chinese ODI (overseas direct investment) and foreign exchange control regulatory approvals⁴, several Conditions remain outstanding. The material Conditions still outstanding are:

- (a) CNNET's registration as a foreign company in Argentina (required to receive transfer of shares in Solaroz S.A.) - which CNGR has advised was filed in August 2024 and is currently being processed by the relevant authority in Argentina; and
- (b) receipt of environmental and concession related approvals relating to the Solaroz Project – these principally relate to securing approvals of updated Environmental Impact Assessment (**EIA**) applications to undertake the next phases of exploration and evaluation (including drilling, installation of water bores and pump test wells) on the Solaroz Project concessions; EIA applications were filed earlier in the year in this regard and are currently in the final stages of being reviewed and approved by the relevant local government agencies.

Whilst some or all of the outstanding Conditions may still be satisfied before 25 October 2024, CNNET has requested that the time for completion be extended by a further 60 days to 24 December 2024, as permitted under the Solaroz Sale agreement.

The Company will provide further updates as material Conditions are attained.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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

² Refer LEL ASX Announcements dated 8 August 2024: Shareholders Approve Sale of Interests in Solaroz Lithium Brine Project, 3 June 2024: Chinese Regulatory Approvals Secured by CNGR to Acquire Solaroz Lithium Project and 30 April 2024: Sale of Solaroz Lithium Project for A\$97 Million

³ Refer LEL ASX Announcement dated 8 August 2024: Results of General Meeting and Lithium Energy's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 3 July 2024

⁴ Refer LEL ASX Announcement dated 3 June 2024: Chinese Regulatory Approvals Secured by CNGR to Acquire Solaroz Lithium Project

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) 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.

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 for US\$63 Million (~A\$97 Million) cash; completion is subject to the satisfaction (or waiver, as applicable) of a number of conditions precedent, including receipt of regulatory approvals (in China and Argentina, as required) and receipt of environmental and concession related approvals relating to Solaroz.

Pending completion of the sale of Solaroz, Lithium Energy will focus on advancing the Axon Graphite IPO and continuing to advance operations at Solaroz, including securing the relevant approvals required to satisfy applicable conditions precedent to the sale.