

ASX Announcement | 6 February 2025

Loyal Lithium's 2025 Strategy to Broaden North American Business

Highlights

- Loyal Lithium's 2025 strategy aims to broaden its North American lithium-led battery minerals and technology business beyond hard rock lithium exploration.
- North America remains Loyal Lithium's primary focus, with a plan to capitalise on President Trump's Executive Order declaring a National Energy Emergency, addressing the need for a reliable and dynamic energy grid.
- The North American interconnected electrical grid is the largest in the world, with high per capita energy consumption that is forecast to increase significantly due to the adoption of electric vehicles (EVs) and hyper-scaling of AI data centres.
- Loyal Lithium's 2025 strategy focuses on U.S. minerals and connected supply chain technologies that support the development of a dynamic electrical grid.
- Loyal Lithium's impressive collection of North American hard rock lithium assets will be maintained while exploring the emerging North American Ground to Grid opportunity.
- With \$5.5 million in funding, Loyal Lithium is well-positioned to advance its 2025 strategy within a revitalised North American energy market.

Loyal Lithium Limited (ASX:LLI) (**Loyal Lithium, LLI**, or the **Company**) is pleased to announce its strategic plan for 2025, aiming to broaden its North American battery minerals and technology portfolio beyond hard rock lithium exploration. North America remains Loyal Lithium's primary focus, with a plan to capitalise on President Trump's Executive Order Declaring a National Energy Emergency, addressing the need for a reliable and dynamic energy grid. The North American interconnected electrical grid is the largest in the world with high per capita energy consumption that is forecast to increase significantly due to the adoption of electric vehicles and hyper-scaling of AI data centres. Loyal Lithium's 2025 strategy focuses on U.S. minerals and connected supply chain technologies that support the development of a dynamic electrical grid. Loyal Lithium's impressive collection of North American lithium assets will be maintained while exploring the emerging North American Ground to Grid opportunity. With \$5.5 million in funding, Loyal Lithium is well-positioned to advance its 2025 strategy within a revitalised North American energy market.

Loyal Lithium's Managing Director, Mr. Adam Ritchie, commented:

"In this evolving political and economic landscape, we see a remarkable opportunity emerging in North America. Loyal Lithium is uniquely positioned to capitalise on this moment and broaden our business, thanks to our newly strengthened board, key partnerships, and a deep understanding of the North American market."

"With a strong treasury and an impressive hard rock lithium portfolio, we are well-prepared to seize this North American ground-to-grid opportunity within a once-in-a-lifetime energy transition."

Focus on North America

North America remains Loyal Lithium's primary focus, with enhanced opportunities and economic momentum driven by the Trump Administration and the anticipated Canadian federal election. The political landscape in North America presents a unique opportunity for Loyal Lithium to capitalize on favourable policies and economic conditions to advance its strategy to broaden its North American battery minerals and technology portfolio beyond hard rock lithium exploration.

Trump's National Energy Emergency and the Electrical Grid

President Trump recently declared a national energy emergency, emphasising the urgent need to enhance the United States' energy infrastructure and achieve energy independence. Treasury Secretary Scott Bessent highlighted that the U.S. is in an "energy race" with China, underscoring the importance of securing domestic energy resources and developing a dynamic reliable electrical grid. This declaration aims to address the inadequacies in the current energy supply and infrastructure, which have led to high energy prices and an unreliable grid.

The executive order highlights the importance of a reliable, diversified, and affordable energy supply for national security and economic stability. A key component of this initiative is the modernization and expansion of the electrical grid to ensure it can meet the increasing demand for energy. The administration is also committed to lowering red tape and regulations to expedite the approval process for mines and other critical infrastructure projects in order to achieve its goals.

The declaration underscores the necessity of a robust and resilient electrical grid to support the nation's manufacturing, transportation, agriculture, and defence industries. By prioritizing the development of domestic energy resources and improving the electrical grid, the Trump administration seeks to create jobs, reduce reliance on foreign energy, and support economic

growth. This focus on the electrical grid is crucial as it forms the backbone of the nation's energy infrastructure, ensuring the reliable and efficient distribution of electricity across the country.

Need for Smarter Electrical Grids

With the anticipated increase in energy consumption across North America, the need for smarter, more dynamic electrical grids is fundamental. The evolving energy landscape, driven by the growth of electric vehicles and AI data centres, demands more energy from a dynamic grid that can adapt to varying energy needs and integrate a diverse energy mix, including transient renewable energy sources. Copper and Lithium, among other critical minerals and metals, will play a pivotal role in this energy transformation, providing the necessary energy storage solutions to support the development of a more resilient and efficient grid.

The administration's ambitions include the \$500 billion Stargate Project, a joint venture by OpenAI, Oracle, and SoftBank, aimed at building AI data centres and clean energy facilities across the U.S. This project is expected to create 100,000 jobs and significantly boost the energy infrastructure. The growth of AI and connected data centres further emphasizes the need for a robust electrical grid, as AI technologies require substantial power to operate.

Loyal Lithium's impressive collection of North American hard rock lithium assets will continue to be maintained, while an alternative strategy for its sedimentary-hosted Scotty Lithium Project will be progressed to realise value in a non-dilutive way for shareholders. To achieve this, it is planned that 51% of the Scotty Lithium Project will be spun out into its own ASX listing, with a priority offer to LLI shareholders. The record date for this offer will be announced shortly.

With \$5.5 million in funding, Loyal Lithium is well-positioned to advance its 2025 strategy within a revitalised North American energy market. This strong financial position will enable the Company to invest in key projects and initiatives, driving growth and creating value for shareholders.

This announcement has been authorised for release by Loyal Lithium's Board of Directors.

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About Loyal Lithium

Loyal Lithium Limited (ASX: LLI) is a well-structured, listed North American lithium-led battery minerals and technology company with projects in Tier 1 North American mining jurisdictions, including the Northwest Territories in Canada, the James Bay Lithium District in Quebec, Canada, and Nevada, USA. Through the systematic advancement of its projects, the Company aims to play a significant role in the North American energy market by discovering and delineating JORC-compliant resources, thereby creating value for its shareholders.

Future Performance

This announcement may contain certain forward-looking statements and opinion. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of the Company and which are subject to change without notice and could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Nothing contained in this announcement, nor any information made available to you is, or and shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Loyal Lithium Limited.