

ASX ANNOUNCEMENT

14 March 2025

Tenement Consolidation Creates Significant New District-Scale Gold-Copper Belt Project in Central Queensland

SUMMARY

- Lithium Energy has entered into binding agreements to consolidate a number of contiguous exploration tenements in Central Queensland that are prospective for gold, porphyry copper and VMS mineralisation. The tenements are adjacent to and surround the historic Mt Morgan Gold Mine.
- The tenements with an area of 1,795 km² have been consolidated to create a significant new district-scale project named the “**Capricorn Gold-Copper Belt Project**”.
- Consideration for the acquisition of a 100% interest in the consolidated tenement package comprises:
 - \$3 Million in cash payable over 2 years;
 - Contingent Payments (up to \$2.5 Million in total) on achievement of exploration success and feasibility study milestones; and
 - A 2% NSR royalty (with partial buy-back option).
- Terms of acquisition include a \$4 Million expenditure commitment by Lithium Energy over 2 years.
- An extensive exploration program over high priority targets is to commence immediately following completion of the acquisition.
- The Capricorn Gold-Copper Belt Project tenement consolidation forms part of the Company’s strategy towards seeking the reinstatement of its shares to quotation, subject to further consultation with ASX.

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or **Company**) is pleased to confirm that it has entered into binding acquisition agreements with private and public company vendors to consolidate approximately 1,795 km² of contiguous granted and application stage exploration permits in Central Queensland, forming a significant new consolidated district-scale exploration project called the Capricorn Gold-Copper Belt Project (**Project** or **Capricorn Project**) (Figure 1).

These granted tenements and tenement applications cover a large area and are considered by Lithium Energy to be prospective for gold, porphyry copper and volcanic massive sulphide (**VMS**) mineralisation. The Company has, in determining to enter into these transactions, reviewed and taken into account a substantial amount of historical exploration data relating to the Project area. This historical data has not however yet been fully validated by the Company to the extent that it can be reported to JORC Code (2012) standards. As the Company advances with its own exploration work on the Project tenements it will continue with its review of the historical data. The Company does not believe that the form and nature of the historic exploration data over the Project area is sufficiently material for its disclosure in this announcement.

The terms of the acquisition include cash consideration from Lithium Energy of \$3 Million payable over two years (split between the tenement vendors), a series of contingent payments (up to \$2.5 Million in total) upon achievement of certain milestones and a 2% Net Smelter Return (NSR) Royalty (with a partial buy-back option in favour of the Company). Lithium Energy has also committed to a minimum exploration and evaluation expenditure of \$4 Million on the Project tenements within the next two years.

Lithium Energy Executive Chairman, William Johnson:

The acquisition of the Capricorn Project is the first new project acquisition since the Company sold its flagship Solaroz Lithium Brine Project in Argentina and sets an exciting new direction for Lithium Energy.

This is the first time that this extensive group of tenements has been consolidated under a single ownership. The Capricorn Project acquisition presents the Company with an exciting series of prospective targets in an area surrounding and adjacent to the historically highly productive Mt Morgan gold mine.

Following completion of the acquisition, Lithium Energy will undertake an extensive program of exploration activities including data compilation, geophysics and drilling to test the highest priority target zones in the Capricorn Project – including seeking repeats of multiple Mt Morgan style gold-copper and porphyry copper-molybdenum prospects.

With regard to the current suspension of the Company's shares from trading on the ASX following the sale of the Solaroz Project, the ASX has confirmed that one of the conditions for reinstatement to quotation is for the Company to demonstrate a sufficient level of activities. The commencement of activities on the Capricorn Project will be an important step towards the lifting of the suspension.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

William Johnson
Executive Chairman

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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. 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) (Axon Graphite), which will undertake a \$15M to \$25M initial public offering (IPO) and seek admission to ASX as a dedicated vertically-integrated mine to Battery Anode Material (BAM) product manufacturing company. Lithium Energy shareholders approved the proposed spin-out of Axon Graphite at a general meeting 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).

The Company announced on 25 October 2024 that ASX had determined the Company did not have a sufficient level of operations to warrant the continued quotation of its securities in the context of Lithium Energy having entered into a sale agreement to dispose of its main undertaking (being the Solaroz Lithium Project). The Company's securities were accordingly suspended from trading on ASX. The Company has subsequently engaged with the ASX to address the conditions required for the lifting of the suspension. Efforts are currently focused on meeting ASX's criteria for the Company's reinstatement to quotation, including resuming exploration drilling at the Solaroz Lithium Project. Additionally, the Company is pursuing the acquisition of new resource projects, such as the Capricorn Gold-Copper Belt Project, as part of its strategy to achieve reinstatement of its securities.

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.

CAPRICORN GOLD-COPPER BELT PROJECT

The Capricorn Gold-Copper Belt Project tenements surround the historically prolific Mt Morgan gold mine in Queensland (**Mt Morgan Mine**) which operated from 1883 until 1981, producing ~50 Mt of ore at 4.99 g/t Au and 0.72% Cu, containing **7.65 million ounces of Au, 1.2 million ounces of Ag and 360kt of Cu**.^{1, 2, 3}

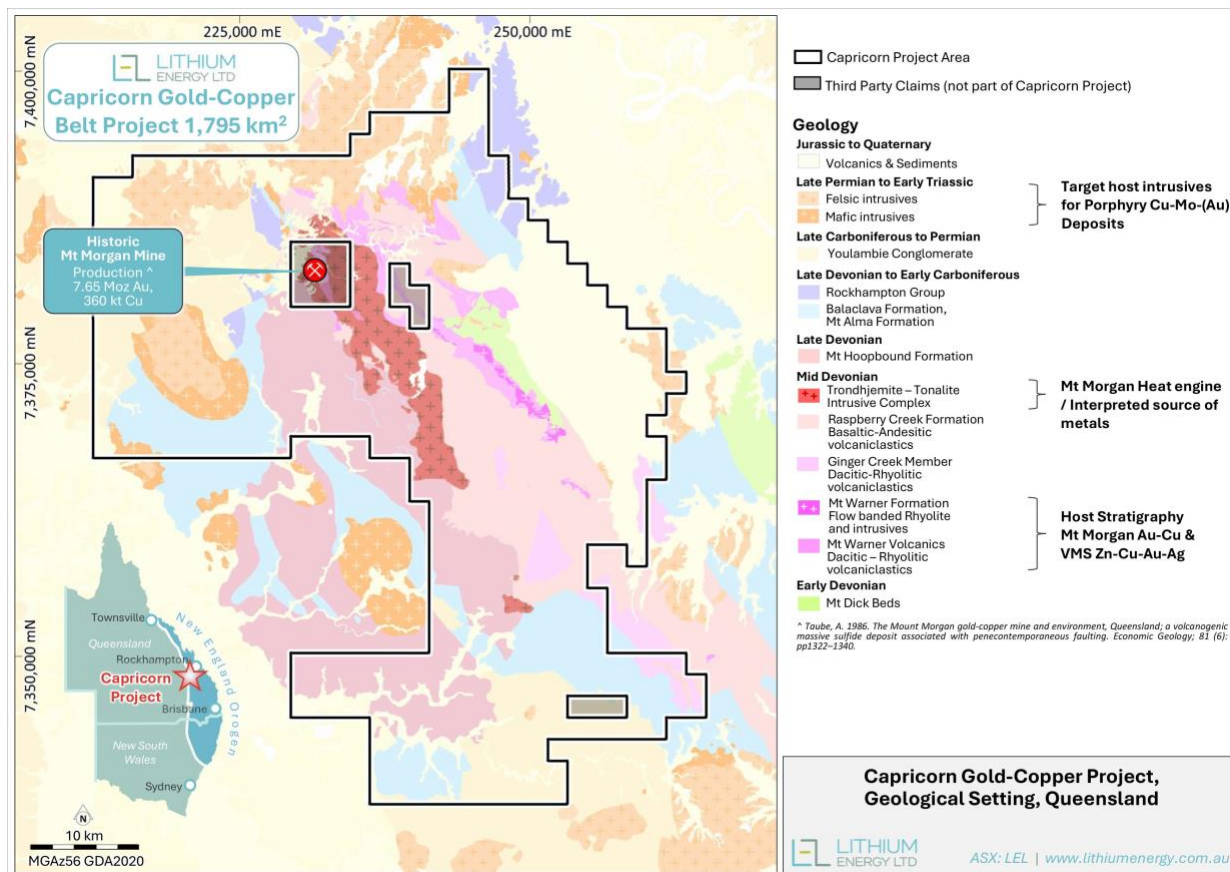


Figure 1: Location Map of Capricorn Gold-Copper Belt Project showing geological setting

The Capricorn Project contains multiple targets for gold, copper, molybdenum and zinc mineralisation, including over 30 km of strike length of the Middle Devonian age Mt Morgan Intrusive Complex which is interpreted to be the source of the Mt Morgan Mine gold and copper mineralisation^{1,4}. The Mt Morgan Mine itself is not included in the Capricorn Project, though one focus of exploration activity for gold will be to test for repeats of Mt Morgan style gold mineralisation along strike within the Project area.

Upon completion of the acquisition of the first (51%) tranche of the Capricorn Project, which is expected to occur during March/April 2025, the Company plans to undertake an extensive program of exploration using modern geophysical techniques. (including the use of advanced 3D analytics which will be applied to historical and new data) to guide an extensive drilling program over identified priority areas, targeting multiple large-scale Au, Cu, Mo, and Zn mineralised systems.

- 1 Ulrich, T., Golding, S.D., Kamber, B.S., Zaw, K. and Taube, A., 2003. Different mineralization styles in a volcanic-hosted ore deposit: the fluid and isotopic signatures of the Mt Morgan Au-Cu deposit, Australia. *Ore Geology Reviews*, 22(1-2), pp.61-90
- 2 Taube, A., 1986. The Mount Morgan gold-copper mine and environment, Queensland; a volcanogenic massive sulfide deposit associated with penecontemporaneous faulting. *Economic Geology*, 81(6), pp.1322-1340.
- 3 D'Arcy, K., 2018. EPM 25678, Mountain Maid, Third Annual Technical Report For the Twelve Months Ending 8 April, 2018.
- 4 Arnold, G.O. and Sillitoe, R.H., 1989. Mount Morgan gold-copper deposit, Queensland, Australia; evidence for an intrusion-related replacement origin. *Economic Geology*, 84(7), pp.1805-1816.

CAPRICORN PROJECT TENEMENTS MAP

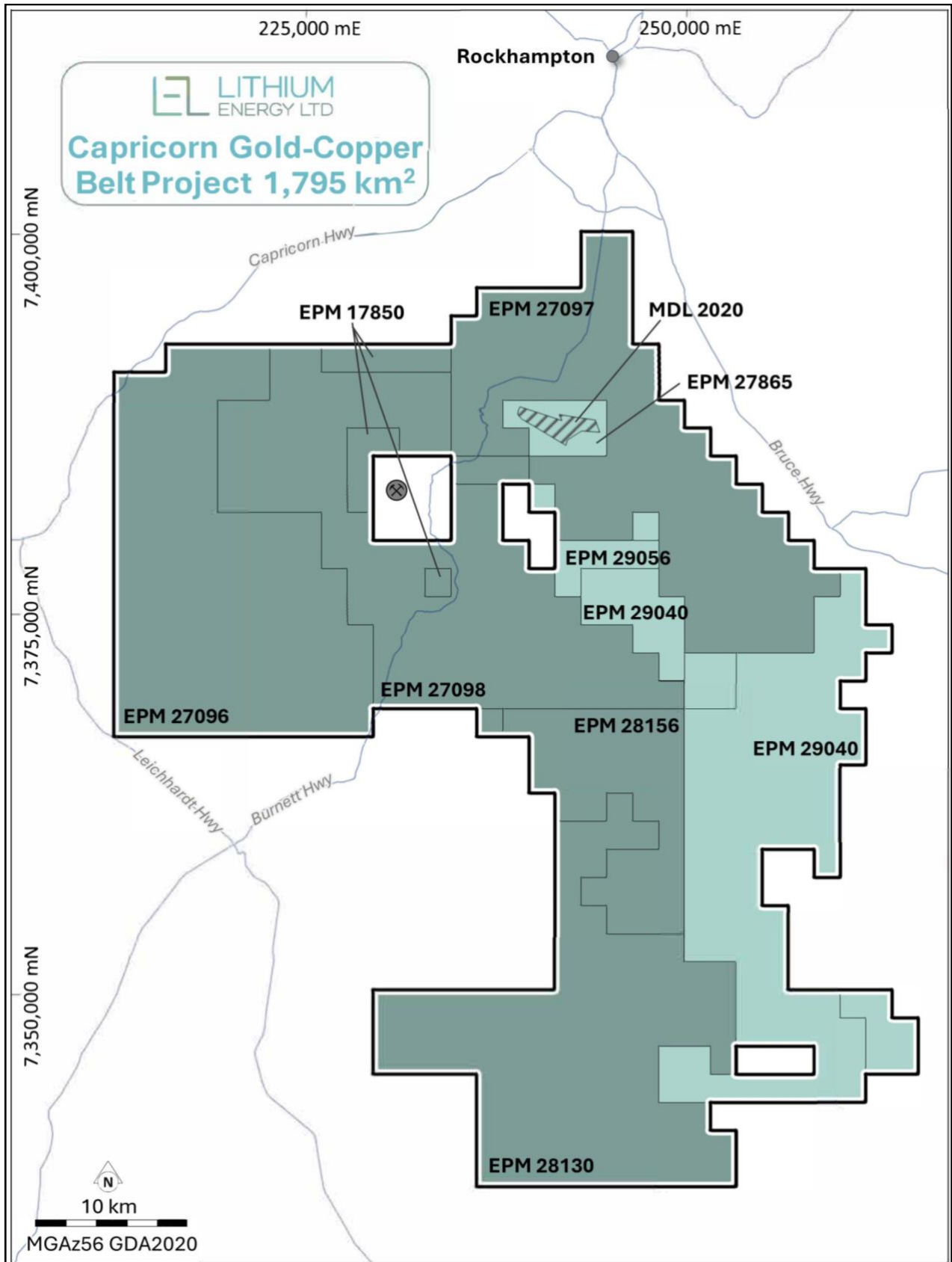


Figure 2: Capricorn Gold-Copper Belt Project Tenements

PROJECT TENEMENTS

Current Holder/ Applicant	Tenement Name	Tenement Type and No.	Status	Grant/ Application Date	Expiry Date (subject to renewal)	Area (sub-blocks)	Area (km ²)
GBZ	Mt Morgan	EPM 17850	Granted	15 April 2010	14 April 2025 (pending renewal)	13	42.06
GBZ	Mt Morgan West	EPM 27096	Granted	27 August 2019	26 August 2024 (pending renewal)	100	323.5
GBZ	Mt Morgan East	EPM 27097	Granted	10 January 2021	9 January 2026	92	297.62
GBZ	Mt Morgan Central	EPM 27098	Granted	15 December 2020	14 December 2025	98	317.03
GBZ	Mount Usher	EPM 27865	Application	1 April 2021	Up to 5 years after grant	7	22.65
GBZ	Mount Usher	MDL 2020	Application	4 November 2020	Up to 5 years after grant	265.1 Ha	2.651
PTr	Capella North	EPM 28156	Granted	15 November 2023	14 November 2028	34	109.99
PTr	Capella South	EPM 28130	Granted	15 November 2023	14 November 2028	99	320.27
PTr	Dee Ranges	EPM 29040	Application	21 May 2024	Up to 5 years after grant	96	310.56
PTr	Dee Ranges 2	EPM 29056	Application	1 July 2024	Up to 5 years after grant	16	51.76

Notes:

EPM is an exploration permit for minerals

GBZ is GBM Resources Limited (ACN 124 752 745) (ASX:GBZ)

PTr is PTr Resources Pty Ltd (ACN 153 851 702)

JORC CODE (2012) COMPETENT PERSON'S STATEMENT

The information in this document that relates to Exploration Results in relation to the Capricorn Gold-Copper Belt Project is based on information compiled by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG, who is a Member of the Australian Institute of Geoscientists (**AIG**). Mr Smith is an Executive Director of Lithium Energy Limited. Mr Smith has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has 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 (2012)**). Mr Smith consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.

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ANNEXURE B

TERMS OF ACQUISITION OF CAPRICORN PROJECT

Lithium Energy and subsidiaries (**LEL Group**) have entered into agreements to acquire a 100% interest in the Capricorn Project, as follows:

- (a) an Asset Sale Agreement (dated 12 March 2025) between LEL (as Buyer Guarantor), LEM, MM (as Buyer) and GBZ (as Seller) to acquire the GBZ tenements and mining information (**GBZ Agreement**);
- (b) an Asset Sale Agreement (dated 12 March 2025) between LEL (as Buyer Guarantor), LEM, MMS (as Buyer), PTr (as Seller) and MZPL and GSGC (as Seller Guarantors), to acquire the PTr tenements and mining information (**PTr Agreement**); and
- (c) a Royalty Deed (dated 12 March 2025) between LEL (as Buyer Guarantor), LEM (as Payer), MM, MMS and MMM and PTr (as Payees) (**Royalty Deed**).

A summary of the material terms of the GBZ Agreement and PTr Agreement (which are on identical terms to save for the value of the consideration and the Seller Guarantor provisions in the PTr Agreement) (collectively, **Agreements**) are as follows:

<p>Parties</p>	<p>Under the GBZ Agreement:</p> <ol style="list-style-type: none"> (1) Lithium Energy Limited (ABN 94 647 135 108) (ASX:LEL) (LEL) (as Buyer Guarantor); (2) LE Minerals Pty Ltd (ABN 18 682 458 537), being as subsidiary of LEL (LEM); (3) Mt Morgan Pty Ltd (ABN 33 684 352 752), being a subsidiary of LEM (MM) (as Buyer); and (4) GBM Resources Limited (ABN 91 124 752 745) (ASX:GBZ) (GBZ) (as Seller). <p>Under the PTr Agreement:</p> <ol style="list-style-type: none"> (1) LEL (as Buyer Guarantor); (2) LEM; (3) Mt Morgan South Pty Ltd (ABN 15 683 532 578), being a subsidiary of LEM (MMS) (as Buyer); (4) Great Southern Gold Corp. (Incorporation No. BC1089189) (GSGC) (as a Seller Guarantor); (5) Management Z Pty Ltd (ABN 64 607 535 704), being a subsidiary of GSGC (MZPL) (as a Seller Guarantor); and (6) PTr Resources Pty Ltd (ABN 34 153 851 702), being s subsidiary of MZPL (PTr) (as Seller).
<p>Completion in 2 Tranches</p>	<p>The acquisition of the GBZ tenements and PTr tenements (collectively, Tenements) and mining information under the Agreements will occur in 2 tranches:</p> <ol style="list-style-type: none"> (a) Tranche 1 – transfer of a 51% interest in the Tenements and 100% of the mining information, to be completed after the satisfaction or waiver of the Conditions (Tranche 1 Completion Date); and (b) Tranche 2 – transfer of the remaining 49% interest in the Tenements, to be completed 21 months after the Tranche 1 Completion Date (Tranche 2 Completion Date). <p>Completion of each tranche under the GBZ Agreement shall occur contemporaneously with completion of each tranche under the PTr Agreement.</p>

<p>Consideration</p>	<p>Consideration payable by the Buyers to the Sellers are as follows (ex GST):</p> <p>(1) Cash Purchase Price totalling \$3,025,290 comprising:</p> <p>(a) Deposit: \$100,000 Paid on execution of the Agreements (Execution Date) to GBZ (\$66,667) and PTr (\$33,333). The deposit is refundable if Tranche 1 does not complete due to a breach by the Seller or if an insolvency event occurs in relation to the Seller prior to Tranche 1 Completion.</p> <p>(b) Tranche 1 Completion Payment: \$600,000 Payable on the Tranche 1 Completion Date to GBZ (\$400,000) and PTr (\$200,000).</p> <p>(c) Tranche 1 Deferred Payment: \$825,290 Payable 9 months after the Tranche 1 Completion Date to GBZ (\$561,675) and PTr (\$263,615).</p> <p>(d) Tranche 2 Payment: \$1,500,000 Payable 21 months after the Tranche 1 Completion Date to GBZ (\$1,000,000) and PTr (\$500,000).</p> <p>(2) Contingent Payments totalling up to \$2,500,000 comprising:</p> <p>(a) First JORC MRE: \$250,000 (capped at \$1,000,000) Payable on the delineation and public announcement of a maiden JORC Mineral Resource Estimate (MRE) located within any of the Tenements, to GBZ (\$166,667) and PTr (\$83,333). This payment may be made on multiple maiden MRE's delineated on different deposits but is capped at a total of \$1,000,000.</p> <p>(b) First Scoping Study: \$500,000 Payable on the completion and public announcement of a Scoping Study in respect of the development of one or more mineral deposits located within any of the Tenements, to GBZ (\$333,333) and PTr (\$166,667). This payment shall be paid only once.</p> <p>(c) First DFS: \$1,000,000 Payable on the completion and public announcement of a Definitive Feasibility Study (in respect of the development of one or more mineral deposits within any of the Tenements, to GBZ (\$666,666) and PTr (\$333,334). This payment shall be paid only once.</p> <p>(3) 2% NSR Royalty (pursuant to the Royalty Deed).</p>
<p>Expenditure Commitment</p>	<p>The LEL Group will fund a minimum \$4,000,000 expenditure on the Tenements up to the Tranche 2 Completion Date, as follows:</p> <p>(a) Period 1: Within 6 months of the Tranche 1 Completion Date: \$500,000.</p> <p>(b) Period 2: Between 6 to 12 months of the Tranche 1 Completion Date: \$1,000,000; and</p> <p>(c) Period 3: Between 12 to 21 months of the Tranche 1 Completion Date: \$2,500,000.</p> <p>The LEL Group may incur more expenditure in Period 2, which will reduce the required expenditure in Period 3 or incur less expenditure in Period 2, which will increase the required expenditure in Period 3.</p> <p>The Buyers may at their election accelerate the completion of Tranche 2 by paying the Tranche 2 Payment to the Sellers without the need for the LEL Group to fully complete</p>

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	the balance of the Period 2 and Period 3 (as the case may be) expenditure commitments.
Conditions	<p>The Agreements are conditional upon the satisfaction or waiver of conditions precedent on or before 4 months after the Execution Date, including relevantly:</p> <ul style="list-style-type: none"> (a) the Buyer being satisfied with due diligence investigations within 14 days after the Execution Date (or such later date as agreed between the parties); (b) execution of all required material contracts; (c) receipt of RTX's waiver of a first right of refusal (in respect of the Moonmera Blocks) under the Rio Agreement; (d) the assignment of all material contracts and required material contracts (including the Rio Agreement and Rio Royalty) from the Seller to the Buyer on terms approved by the Buyer; (e) the receipt of any consents and approvals required under material contracts and required material contracts; and (f) the receipt of any required regulatory approvals.
Failure to make Tranche 1 Deferred Payment	If the Buyers fail to make the Tranche 1 Deferred Payment or the LEL Group fails to complete a minimum \$500,000 expenditure, within 9 months after the Tranche 1 Completion Date, each Buyer will transfer back their respective 51% interest in the Tenements to the relevant Seller for nominal consideration.
Failure to complete Tranche 2	<p>If after Tranche 1 completion, Tranche 2 completion does not occur within 24 months after the Tranche 1 Completion Date, the parties agree to form an unincorporated joint venture for the on-going development of the Tenements/Project (Joint Venture) with the initial participating interests in the Joint Venture being:</p> <ul style="list-style-type: none"> (a) MM – 25.5%; (b) MMS – 25.5%; (c) GBZ –32.67%; and (d) PTr –16.33%. <p>LEM will be appointed the initial manager and operator of the Joint Venture and the parties agree to undertake good faith negotiations to enter into an industry standard joint venture agreement (the JVA) and joint venture management and operation agreement. The JVA will have an industry standard dilution mechanism; the initial contribution of each Joint Venture party is deemed to be equal to their interest in the Joint Venture expressed as a percentage of the actual amount of expenditure completed by the LEL Group on the Tenements/Project as at the date of formation of the Joint Venture.</p>
Covenant	The Seller covenants (until the later of 5 years after the Execution Date or 3 years after the Tranche 2 Completion Date) not to use confidential information (which includes exploration results) to (directly or indirectly) apply for or acquire an interest in any tenements within a one sub-block radius from the boundaries of the Tenements.
Guarantees	<p>LEL will guarantee the obligations and performance of MM and MMS (as the Buyers) under the Agreements.</p> <p>MZPL and GSGC will (jointly and severally) guarantee the obligations and performance of PTr (as the Seller) under the PTr Agreement.</p>
Warranties	<p>The Agreements include:</p> <ul style="list-style-type: none"> (a) customary warranties and indemnities for a transaction of this nature to apply up until completion of Tranche 1; and

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	(b) limited warranties to apply after the completion of Tranche 1 until the completion of Tranche 2, subject to usual limitations on claims and indemnities.
Termination	A non-defaulting party may elect to terminate the Agreement if Tranche 1 or Tranche 2 does not complete due to a breach by the defaulting party. If a Tranche 2 Condition is not waived or satisfied within 24 months after the Tranche 1 Completion Date, a party may terminate the Agreement. A Buyer may terminate the Agreement at any time by providing 30 days notice.
Governing law	The Agreements are governed by the laws of Western Australia.

A summary of the Royalty Deed is as follows:

Parties	(1) LEL (as Payer Guarantor); (2) LEM (as Payer); (3) MM; (4) MMS; (5) PTr (as a Payee); and (6) Mt Morgan Metals Pty Ltd (ABN 17 154 596 906), being a subsidiary of GBZ (MMM) (as a Payee).
Royalty	An aggregate 2% Net Smelter Return (NSR) on the sale of product produced from the Tenements, to GBZ (1.333%) and PTr (0.667%), payable quarterly.
Inclusive of other royalties	The Royalty is inclusive of any pre-existing or other royalties payable in respect of the Tenements, including a 1% NSR royalty owed to Rio Tinto Exploration Pty Limited (RTX) in respect of the 5 'Moonmera' sub-blocks within GBZ's EPM 27098 (Mt Morgan Central) (Moonmera Blocks) (Rio Royalty) under a 2016 agreement (Rio Agreement).
Buy-back right	LEM may buy-back 0.5% of the Royalty from MMM (0.333%) and PTr (0.167%) at any time at a cost of \$500,000, payable to MMM (\$333,333) and PTr (\$166,667).
Conditions	(a) MM acquiring all the GBZ Tenements and other mining rights pursuant to the GBZ Agreement. (b) MMS acquiring all the PTr Tenements and other mining rights pursuant to the PTr Agreement.
Guarantee	LEL will guarantee the obligations and performance of LEM under the Royalty Deed.
Other	Customary terms and conditions for a NSR, including customary provisions in relation to calculation, adjustment, notification, record keeping and audits (financial and technical), commingling, non-arm's length transactions, dispute resolution, expert determinations and customary covenants, warranties and indemnities.

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