

QUARTERLY ACTIVITIES REPORT

for the quarter ending 31 March 2025

30 April 2025

SUMMARY

Solaroz Lithium Brine Project (Argentina) Sale

- On 15 January 2025, shareholders approved the disposal of the Company's interests in the Solaroz Lithium Project under an amended sale agreement with CNGR, which is now unconditional.
- On 20 January 2025, Lithium Energy received a **US\$6 million** (~A\$9.2 million) Second Deposit from CNGR.
- On 30 April 2025, Lithium Energy received **US\$26 million** (~A\$40 million) on completion of Tranche 1 under the Solaroz Sale Agreement (39.9%) - Lithium Energy has now received a total of **US\$33.8 million** (~A\$52 million) (including the deposits) in respect of the Tranche 1 sale.
- Tranche 2 under the Solaroz Sale Agreement 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 (due to the Company from Solaroz) to CNET will be completed on 9 January 2026.

Capricorn Gold-Copper Belt Project (Queensland) Acquisition

- On 12 March 2025, Lithium Energy entered into Asset Sale Agreements with 2 vendors to acquire a 100% interest in 10 contiguous exploration tenements of 1,795 km² (adjacent to and surrounding the historic Mt Morgan Gold Mine) in Central Queensland to create the significant new district-scale **Capricorn Gold-Copper Belt Project**, which Lithium Energy considers to be prospective for gold, porphyry copper and volcanic massive sulphide (**VMS**) mineralisation.
- The acquisition will occur in 2 tranches (51% ownership on satisfaction of various conditions and 49% 21 months thereafter) in consideration of staged payments to the vendors totalling ~\$3 million, a series of contingent payments (of up to \$2.5 million) on achievement of defined exploration success and feasibility study milestones, a 2% NSR royalty and a \$4 million expenditure commitment on the tenements over a period of up to 21 months. The first tranche (51%) acquisition is pending satisfaction of conditions precedent related to the assignment of material contracts and the receipt of any consents and approvals required under those material contracts.

Axon Graphite Limited IPO/spin-out

- On 7 February 2025, shareholders approved the proposed spin-out of Axon Graphite Limited, as required by ASX under the Listing Rules.

Suspension of Trading from ASX

- The Company expects that its suspension from ASX will remain in place until it has satisfied ASX that it has a sufficient level of operations to justify the reinstatement of its shares to quotation or it has satisfied any conditions imposed by ASX to the reinstatement of the shares to quotation.

Future Activities

- The Company's efforts are currently focused on meeting ASX's criteria for the reinstatement of its shares to quotation. This process involves Lithium Energy pursuing the acquisition of new resource projects, such as the Capricorn Gold-Copper Belt Project, in order to have a sufficient level of operations to enable the reinstatement of its securities as soon as possible.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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Executive Chairman

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Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or **LEL** or **Company**) is pleased to report on activities completed during and subsequent to the quarter ending 31 March 2025.

SUSPENSION OF TRADING FROM ASX

The Company announced on 25 October 2024¹ that ASX had determined that 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) and suspended the Company's securities from trading on ASX.²

The Company has subsequently engaged with the ASX to ascertain the conditions required for the reinstatement of its securities to quotation. The Company expects that the suspension will remain in place until:

- (a) The Company has satisfied ASX that it has a sufficient level of operations to justify the reinstatement of its shares to quotation; or
- (b) The Company has satisfied any other conditions imposed by ASX to the reinstatement of the shares to quotation which may include an acquisition of a new resource project(s) by the Company.

The Company's efforts are currently focused on meeting ASX's criteria for the reinstatement of the Company's securities to quotation. To achieve the same, Lithium Energy is pursuing the acquisition of new resource projects, such as the Capricorn Gold-Copper Belt Project, as part of its strategy to achieve the reinstatement of its securities as soon as possible.

PROJECTS

SOLAROZ LITHIUM BRINE PROJECT (ARGENTINA) (50.1%; pending completion of sale)

Sale of Solaroz Project for US\$63 Million / ~A\$97 Million

Lithium Energy has entered into a Share Sale Agreement (**Solaroz Sale Agreement**) with CNGR Netherlands New Energy Technology B.V. (**CNNET**), a subsidiary of CNGR Advanced Material Co. Ltd. (Shenzhen Stock Exchange Code: 300919) (**CNGR**), in respect of the sale of Lithium Energy's 90% interest in the Argentinian company, Solaroz S.A. (**Solaroz**) (which owns the Solaroz Lithium Brine Project) for consideration totalling US\$63 million (~A\$97 million³) cash, which includes the assignment of a loan owed by Solaroz to Lithium Energy (**Loan**) (the **Solaroz Sale**). Lithium Energy shareholders approved the proposed sale of Solaroz at a general meeting held on 8 August 2024⁴ (in respect of the original sale agreement⁵) and on 15 January 2025⁶ (in respect of an amended sale agreement⁷).

1 Refer to LEL Announcement dated 25 October 2024: ASX Decision to Suspend Trading in LEL Securities

2 Refer also LEL Announcement dated 25 October 2024: Suspension from Quotation

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

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

5 Refer to LEL ASX Announcement dated 30 April 2024: Sale of Solaroz Lithium Project for A\$97 Million

6 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

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

Completion of the Solaroz Sale will occur in two tranches:

- (a) **Tranche 1** – comprising the transfer of a 39.9% shareholding in Solaroz (with Lithium Energy retaining a 50.1% shareholding) and the assignment of a US\$12 million (~A\$18.5 million) Loan amount, which was completed on 29 April 2025 (in Argentina)⁸ - Lithium Energy has received a total of **US\$33.8 million** (~A\$52 million) in respect of the Tranche 1 sale; and
- (b) **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, to be completed on 9 January 2026.

The US\$63 million (~A\$97 million³) purchase price will be paid to Lithium Energy as follows:

- (a) A **US\$1.8 million** (A\$2.713 million⁹) **First Deposit** was received in May 2024 after execution of the original sale agreement; and
- (b) A **Second Deposit** of **US\$6 million** (~A\$9.2 million) was received on 20 January 2025¹⁰, after receipt of Lithium Energy shareholder approval in respect of the amended sale agreement.
- (c) **US\$26 million** (~A\$40 million) (**Tranche 1 Amount**) was received on 30 April 2025⁸, on completion of Tranche 1;
- (d) **US\$21.7 million** (~A\$33.4 million) (**Tranche 2 Amount**) is payable on the completion of Tranche 2 on 9 January 2026;
- (e) **US\$3 million** (~A\$4.6 million) (**Escrow Account Amount**) will be transferred by CNET to a joint escrow account on the completion of Tranche 2 and held for the benefit of both Lithium Energy and CNET 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
- (f) **US\$4.5 million** (~A\$6.9 million) (**Deferred Consideration**) is 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).

CNET has also agreed to provide up to US\$15 million funding for Solaroz from 1 January 2025 to the completion of Tranche 2 (on 9 January 2026), on the same terms as the Lithium Energy Loan to Solaroz (**CNET Loan**). CNET has advanced US\$192,800 to date under the CNET Loan.

CNET 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).

A summary of the amended sale agreement is set out in Annexure B to Lithium Energy's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 16 December 2024.

8 Refer to LEL Announcement dated 30 April 2025: Receipt of US\$26 Million on Completion of Tranche 1 Solaroz Sale

9 The carrying value for accounting purposes as at 30 June 2024

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

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

Event	Date
Execution of a deed of amendment (incorporating the amended sale agreement) ⁷	3 December 2024
Shareholder approval of the Solaroz Sale (under the amended sale agreement) for the purposes of ASX Listing Rule 11. ⁶	15 January 2025
Receipt of US\$6 million Second Deposit ¹⁰	20 January 2025
Completion of Tranche 1 and sale of 39.9% interest in Solaroz to CNNET ⁸	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 CNNET arising under the Amended 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 CNNET/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.

Environmental Approvals

Environmental Impact Assessment (EIA) approvals were received in December 2024 (for the Mario Angel and Payo concessions)¹¹ and February 2025 (for 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)¹² (refer **Error! Reference source not found.1**) to support the next phase of exploration and evaluation field work at the Solaroz Project. The Central and Northern blocks (10,666 hectares) are where the majority of the existing lithium resources¹³ at Solaroz are located and where the majority of the next phase of exploration activities is proposed to be conducted.

Solaroz Development Program

Lithium Energy has secured an up to US\$15 million (~A\$23.1 million³) commitment from CNNET to fund (as loans to Solaroz) the development of the Solaroz Project from 1 January 2025 under the amended sale agreement (the CNNET Loan). Lithium Energy and CNNET, through Solaroz, will undertake the next phases of exploration and evaluation at the Solaroz Project utilising the CNNET Loan, which is proposed to include the following work programs:

- large diameter wells drilled and installed on target areas for pump testing;
- hydrological studies to support groundwater modelling to define lithium brine extraction rates;
- additional (including in-fill) drill holes in the Central Block (Chico I, V and VI, Payo 2 South and Silvia Irene concessions), to improve the confidence in correlation of lithology, porosity and brine concentration between holes in the Central Block;
- drilling to further evaluate the Northern Block (Payo 1 and Payo 2 North concessions); and
- process test work (equivalent to metallurgical test work) on relevant lithium brine samples.

¹¹ Refer to LEL Announcement dated 23 December 2024: Environmental Approvals Update at Solaroz

¹² Refer to LEL Announcement dated 5 February 2025: Final Environmental Approvals Received for Next Phase of Development at Solaroz

¹³ Refer LEL Announcement dated 26 October 2023: Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource

About Solaroz Lithium Brine Project (Argentina)

Lithium Energy’s Solaroz Lithium Brine Project comprises 8 mineral concessions totalling approximately 12,000 hectares, located approximately 230 kilometres north-west of the provincial capital city of Jujuy within South America’s ‘Lithium Triangle’ in North-West Argentina in the Salar de Olaroz basin (the **Olaroz Salar**).

The Solaroz Project is directly adjacent to two world class Lithium brine production assets – Rio Tinto Limited’s¹⁴ (ASX/LSR:RIO) Olaroz Lithium Facility and Lithium Argentina Corporation’s¹⁵ (TSX:LAAC) Cauchari-Olaroz Facility.

The Solaroz Mineral Resource Estimate is **3.3Mt** Lithium Carbonate Equivalent (**LCE**).¹⁶ Within the 3.3Mt LCE Total Mineral Resource, there is a **high-grade core of 1.3Mt of LCE** with an average concentration of **400 mg/l Lithium**. Further details are in the Lithium Energy’s ASX Announcement dated 26 October 2023 and titled ‘Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource’. This high-grade core underpins the October 2023 Scoping Study outcomes (with 20ktpa and 40ktpa LCE production) using conventional evaporation ponds processing.¹⁷

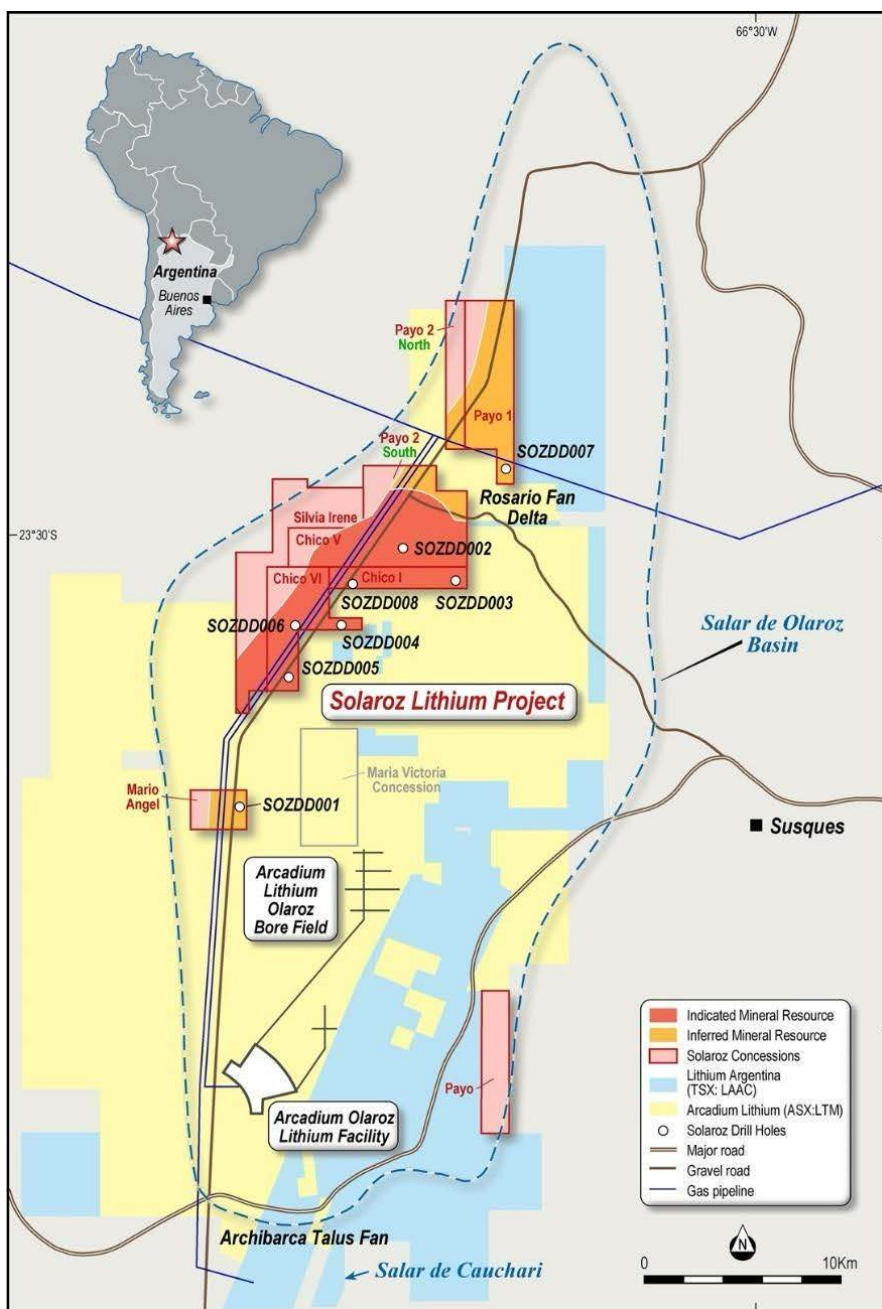


Figure 1: Mineral Resource Areas within Solaroz Concessions (and Drillhole Locations) in Olaroz Salar (Adjacent to Arcadium Lithium and Lithium Argentina Concessions)

Solaroz Lithium Project, Argentina
Solaroz Concessions Location Plan

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14 Previously owned by Arcadium Lithium plc (former ASX/NYSE:LTM/ALTM); RIO acquired LTM under a scheme of arrangement which was completed in March 2025; refer RIO ASX/LSE Announcements dated 6 March 2025: Rio Tinto completes acquisition of Arcadium Lithium, 9 October 2024: Rio Tinto to acquire Arcadium Lithium and 9 October 2024: Presentation on acquisition of Arcadium Lithium

15 Lithium Argentina was separated, under a reorganisation, from Lithium Americas Corporation (TSX:LAC), in October 2023

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

17 Refer LEL Announcement dated 31 October 2023: Scoping Study Highlights Solaroz Potential as a Large Scale, Long Life, High Margin Lithium Project - the Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets in this announcement continue to apply and have not materially changed

CAPRICORN GOLD-COPPER BELT PROJECT (QUEENSLAND) (100%; pending completion)

On 12 March 2025, Lithium Energy entered into Asset Sale Agreements with 2 vendors to acquire a 100% interest in 10 contiguous exploration tenements of 1,795 km² (adjacent to and surrounding the historic Mt Morgan Gold Mine) in Central Queensland (refer Figure 2) to create the significant new district-scale Capricorn Gold-Copper Belt Project (**Capricorn Project**), which Lithium Energy considers to be prospective for gold, porphyry copper and volcanic massive sulphide (**VMS**) mineralisation.¹⁸

The acquisition will occur in 2 tranches (51% ownership on satisfaction of various conditions and 49% 21 months thereafter) in consideration of staged payments to the vendors totalling ~\$3 Million, a series of contingent payments (of up to \$2.5 Million) on achievement of defined exploration success and feasibility study milestones, a 2% Net Smelter Return (**NSR**) royalty and a \$4 Million expenditure commitment on the tenements over a period of up to 21 months.

Upon completion of the acquisition of the first (51%) tranche of the Capricorn Project, which is expected to occur in May 2025, Lithium Energy plans to undertake a review of historic exploration data that exists over parts of the project area and 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.

Further details of the Capricorn Project are in Lithium Energy's ASX Announcement dated 14 March 2025: Tenement Consolidation Creates Significant New District-Scale Gold-Copper Belt Project in Central Queensland.

Capricorn 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)

¹⁸ Refer LEL Announcement dated 14 March 2025: Tenement Consolidation Creates Significant New District-Scale Gold-Copper Belt Project in Central Queensland

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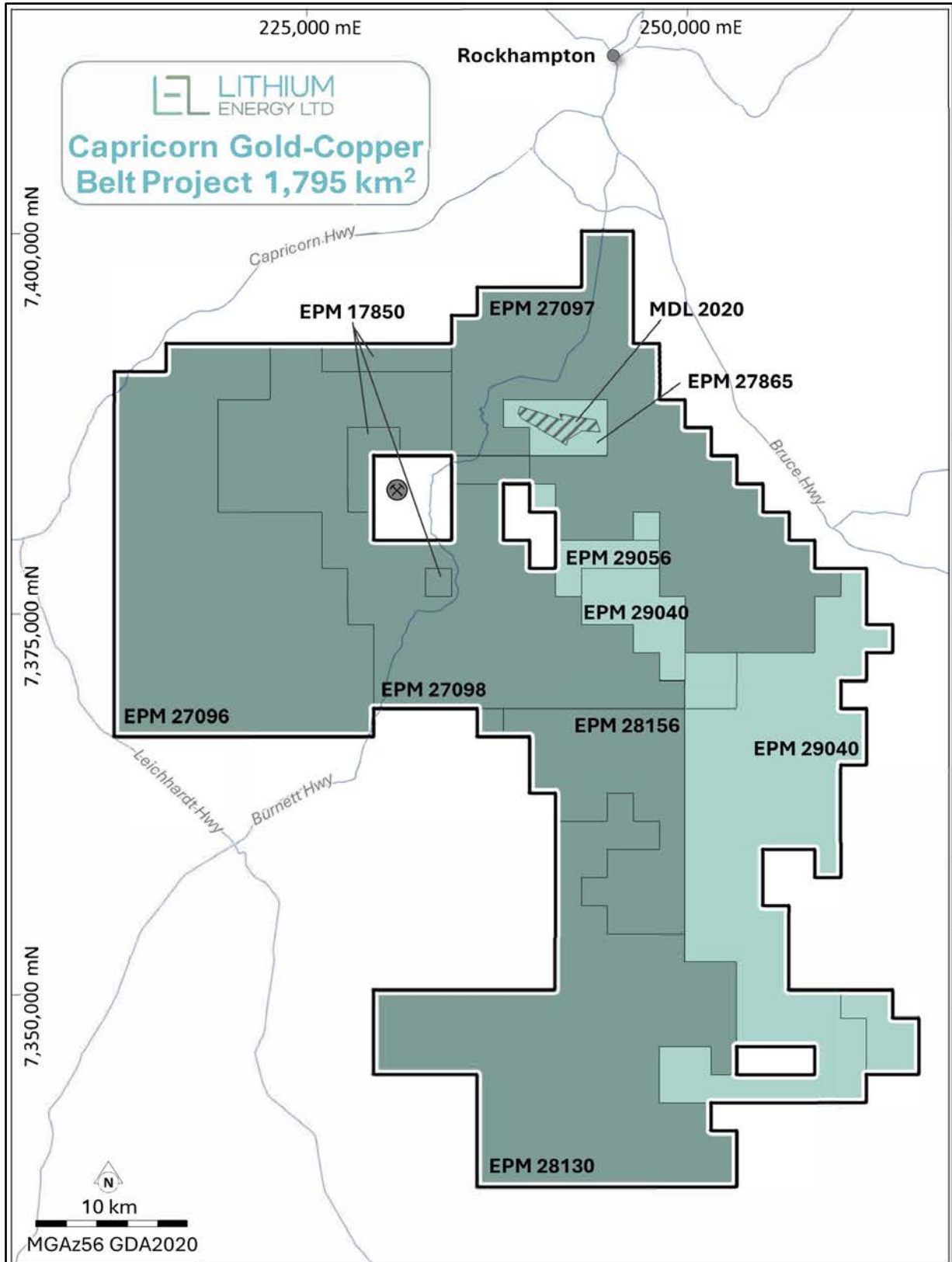


Figure 2: Capricorn Gold-Copper Belt Project Tenements

Note: Unshaded sections do not form part of the Capricorn Project

Terms of Acquisition

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

- (a) an Asset Sale Agreement (dated 12 March 2025) with GBM Resources Limited (ASX:GBZ) (**GBZ**) to acquire the GBZ tenements/tenement applications (**GBZ Tenements**) and mining information (**GBZ Agreement**);
- (b) an Asset Sale Agreement (dated 12 March 2025) with PTr Resources Pty Ltd (**PTr**) to acquire the PTr tenements/tenement applications (**PTr Tenements**) and mining information (**PTr Agreement**); and
- (c) a Royalty Deed (dated 12 March 2025) with Mt Morgan Metals Pty Ltd (being a subsidiary of GBZ) (**MMM**), and PTr (as Payees) (**Royalty Deed**).

The acquisition of the GBZ Tenements and PTr Tenements (collectively, **Tenements**) and mining information under the GBZ/PTr Agreements will occur in 2 tranches:

- (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 various 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**).

Completion of each tranche under the GBZ Agreement will occur contemporaneously with and is conditional upon completion of each tranche under the PTr Agreement and vice versa.

Consideration payable to the vendors are as follows (ex GST):

- (i) **Cash Purchase Price** totalling **\$3,025,290** comprising:
 - (a) **Deposit: \$100,000:** Paid on execution of the GBZ/PTr 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.
 - (b) **Tranche 1 Completion Payment: \$600,000:** Payable on the Tranche 1 Completion Date to GBZ (\$400,000) and PTr (\$200,000).
 - (c) **Tranche 1 Deferred Payment: \$825,290:** Payable 9 months after the Tranche 1 Completion Date to GBZ (\$561,675) and PTr (\$263,615).
 - (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).
- (ii) **Contingent Payments** totalling up to **\$2,500,000** comprising:
 - (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 within the Tenements but is capped at a total of \$1,000,000. That is, if more than 4 separate MRE's are published within any of the Tenements, no further contingent payments are payable.
 - (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.
 - (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.

- (iii) **2% NSR Royalty** on the sale of any mineral product produced from the Tenements, to MMM (1.333%) and PTr (0.667%) (pursuant to the Royalty Deed). Lithium Energy 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). 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**).

The GBZ/PTr Agreements are conditional upon the satisfaction or waiver of conditions precedent (**Conditions**) on or before 4 months after the Execution Date (12 March 2025), including relevantly:

- (a) Lithium Energy's due diligence investigations – which has been satisfied as at the date of this report;
- (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 (under the GBZ Agreement) – which as at the date of this report has been satisfied;
- (d) the assignment of all material contracts and required material contracts (including the Rio Agreement and Rio Royalty, under the GBZ Agreement) 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.

Further details about the terms of the GBZ/PTr Agreements and the Royalty Deed are in Lithium Energy's ASX Announcement dated 14 March 2025: Tenement Consolidation Creates Significant New District-Scale Gold-Copper Belt Project in Central Queensland.

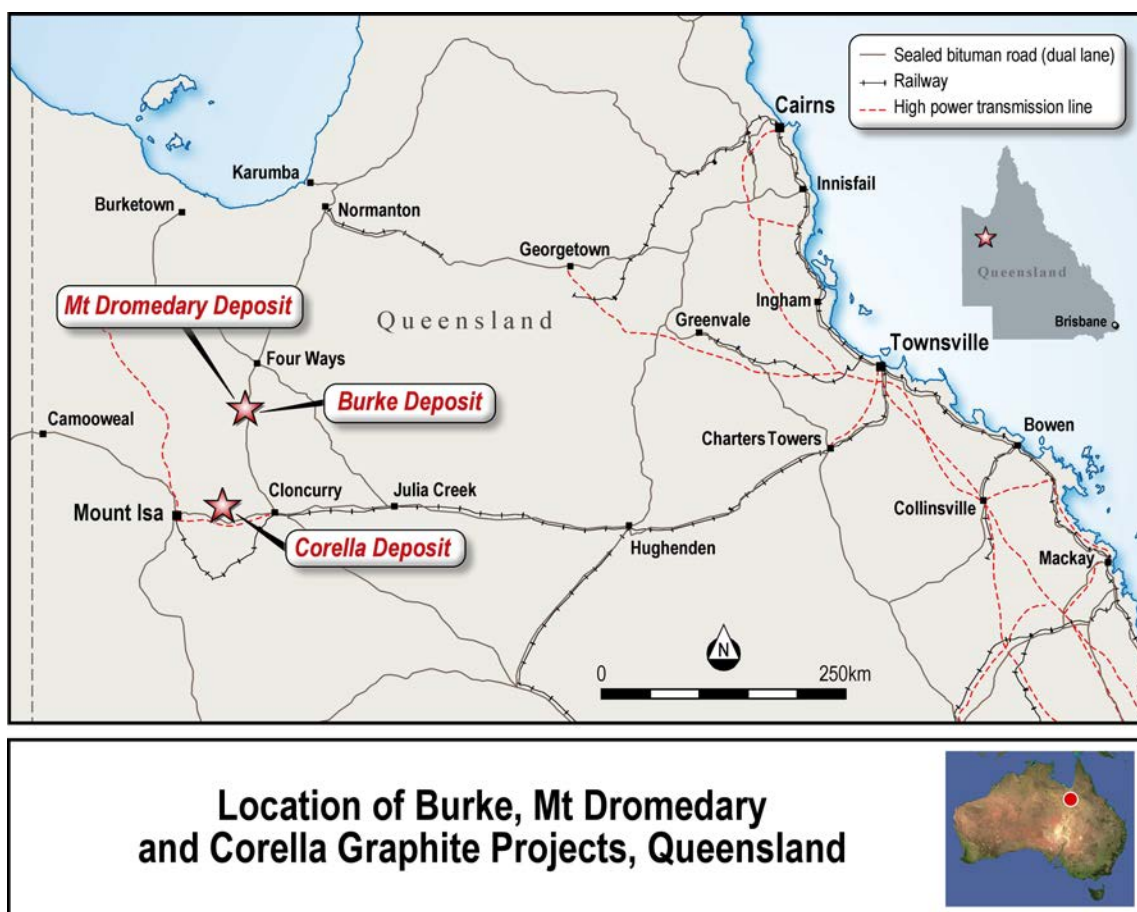
BURKE AND CORELLA GRAPHITE PROJECTS (QUEENSLAND, AUSTRALIA)

(100%)

Proposed Merger with NOVONIX's Mt Dromedary Graphite Project (Queensland)

On 3 April 2024, Lithium Energy entered into a Share Sale and Purchase Agreement (**Mt Dromedary SPA**) with NOVONIX Limited (ASX:NVX) (**NOVONIX**) to acquire its high-grade Mt Dromedary Graphite Deposit, which is located directly adjacent to and is a continuation of the graphite mineralisation within **Lithium Energy's** Burke Graphite Deposit, in Queensland (refer **Error! Reference source not found.**).¹⁹

Lithium Energy and NOVONIX proposes to spin-out their consolidated high-grade graphite assets via an Initial Public Offering (**IPO**) by Axon Graphite Limited (proposed ASX Code: AXG) (**Axon Graphite**) (currently a subsidiary of Lithium Energy).



Location of Burke, Mt Dromedary and Corella Graphite Projects, Queensland

Figure 3: Location of Lithium Energy's Burke and Corella Graphite Projects and NOVONIX's Mt Dromedary Graphite Project in Queensland, Australia

The Axon Graphite IPO will involve the merger of the high-grade natural graphite assets of Lithium Energy (the Burke and Corella Graphite Deposits) and NOVONIX (the Mt Dromedary Graphite Deposit) to form a distinct vertically integrated Battery Anode Material (**BAM**) manufacturing business in Queensland, Australia and an offer of shares at \$0.20 each (**Offer**) to raise a minimum of \$15 million (before costs) (**Minimum Subscription**), with the ability to accept applications in respect of up to a further \$10 million (before costs) for a total of up to \$25 million (**Maximum Subscription**). Axon Graphite intends to apply for admission to the Official List of the ASX in connection with its IPO.

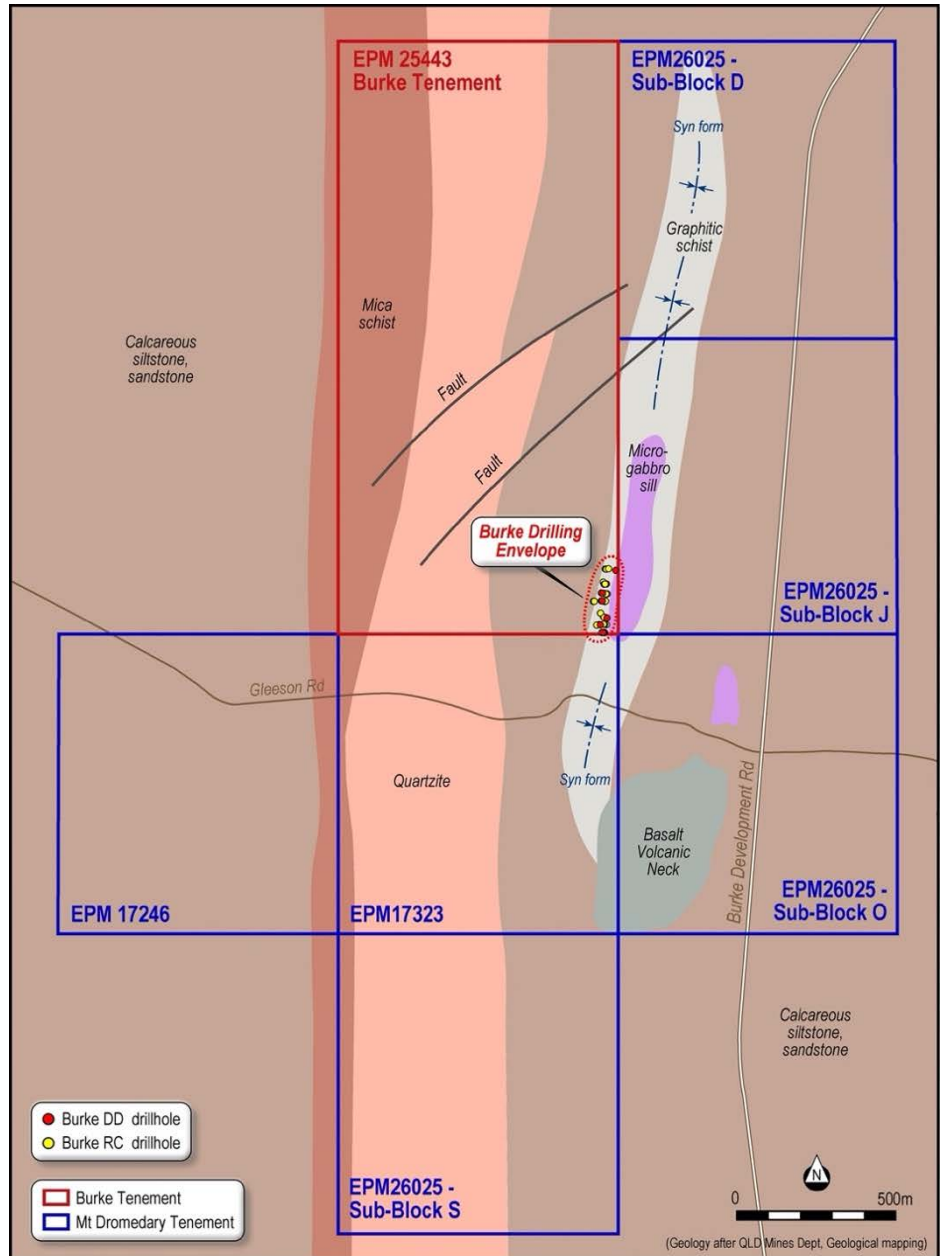
¹⁹ Refer LEL Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO

Lithium Energy and NOVONIX will each retain upside exposure to Axon Graphite and the Burke, Corella and Mt Dromedary Graphite Projects through a 22.2% to 28.6% cornerstone equity shareholding (50 million shares each; based on a raising of \$15 to \$25 million) in Axon Graphite post-Listing.

At Listing, Axon Graphite’s initial combined graphite inventory of 4.42Mt will comprise:

- **Mt Dromedary Graphite Deposit** - total JORC Indicated and Inferred Graphite Mineral Resource of 12.7Mt graphite at 14.5% Total Graphitic Carbon (TGC), for a total 1.83Mt of contained graphite²⁰;
- **Burke Graphite Deposit** - total JORC Indicated and Inferred Mineral Resource of 9.1Mt at 14.4% TGC, for 1.31Mt of contained graphite²¹; and
- **Corella Graphite Deposit** – total Inferred Mineral Resource of 13.5Mt at 9.5% TGC, for 1.28Mt of contained graphite²².

By consolidating these adjacent graphite assets currently held by Lithium Energy and NOVONIX, Axon Graphite will hold a substantial, world class inventory of high-grade graphite. Since the Mt Dromedary and Burke Deposits form part of the same graphite mineralisation zone, there is potential for significant operational synergies and economies of scale to be gained by combining these two deposits.



**Drill Holes & Tenements
Burke & Mt Dromedary Graphite Projects, Queensland**



Figure 4: Burke & Mt Dromedary Graphite Projects: Tenements, Geology, Burke Drill Holes and Drilling Envelope

20 Refer Joint LEL and NVX ASX Announcement dated 10 September 2024: Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review
21 Refer LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence
22 Refer LEL ASX Announcement dated 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

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Shareholder Approval at General Meeting on 7 February 2025

The Proposed Spin-Out is regarded by the ASX as a spin-out of a major asset for the purposes of Listing Rule 11.4, which is permitted for a listed company if:

- (a) the securities in the spin-out vehicle (other than those being retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company, or in another way that, in ASX's opinions is fair in all the circumstances; or
- (b) the company's shareholders approve the spin out.

ASX had previously provided in-principle advice to Lithium Energy that paragraph (a) did apply to the Proposed Spin-Out and accordingly, shareholder approval was not required for the Proposed Spin-Out. However, given timing considerations and changes to Lithium Energy's circumstances, including entering into the Amended Solaroz Sale Agreement, ASX had advised that:

- (i) paragraph (a) (above) did not apply to the Proposed Spin-Out; and
- (ii) Lithium Energy shareholders were required to approve the Proposed Spin-Out under paragraph (b) above.

Shareholders approved the Proposed Spin-Out for the purposes of ASX Listing Rule 11.4.1(b) (under paragraph (b) above) at a General Meeting held on 7 February 2025.²³

Terms of Proposed Merger

The merger of the Burke and Mt Dromedary Projects will be affected through Axon Graphite acquiring NOVONIX's wholly-owned subsidiary, MD South Tenements Pty Ltd (**MDCo**), in consideration for the issue of 50 million shares at an issue price of \$0.20 per share (valued at \$10 million in aggregate).

MDCo holds the tenement interests comprising the Mt Dromedary Graphite Project. The tenements comprising the Burke and Corella Graphite Projects are held by Burke Minerals Pty Ltd (**BMPL**), which is a wholly-owned subsidiary of Axon Graphite.

Completion of the MDCo SPA is conditional on, relevantly:

- (a) ASX providing Axon Graphite with a list of conditions which, once satisfied, would result in ASX admitting Axon Graphite to the Official List; and
- (b) all liabilities of MDCo owed to NOVONIX and any related body corporate or otherwise (if any) being released, forgiven or discharged.

If the conditions to the MDCo SPA are not satisfied or waived, or have become incapable of being satisfied, on or before 2 August 2025 (or such later date as the parties may agree in writing), either party may terminate the MDCo SPA.

Under the MDCo SPA, NOVONIX is entitled to nominate two directors to Axon Graphite's board of directors, with Lithium Energy and NOVONIX to agree on the appointment of an independent Non-Executive Chair.

NOVONIX's nominees to the Board are Anthony Bellas (appointed on 15 May 2024 as an Executive Director) and Christopher Burns (appointed on 31 May 2024 as a Non-Executive Director). Mr Bellas is also the Deputy Non-Executive Chair of NOVONIX and Dr Burns is a Special Advisor to the NOVONIX Board (and was formerly the CEO of NOVONIX until 24 January 2025).

²³ Refer LEL Announcement dated 7 February 2025: Results of General Meeting and LEL's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 8 January 2025

Axon Graphite has also agreed to offer eligible NOVONIX shareholders a right to participate in the Offer under priority offer (alongside a priority offer to eligible Lithium Energy shareholders).

Lithium Energy and NOVONIX have also entered into an IPO Funding Deed to jointly fund costs incurred by Axon Graphite in undertaking the IPO. Axon Graphite will repay any funds advanced by Lithium Energy and NOVONIX after the successful completion of its Listing.

Further details of the proposed merger, including a summary of the key terms of the MDCo SPA, are in Lithium Energy's ASX Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO and Lithium Energy's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 8 January 2025.

Proposed Axon Graphite IPO/Offer

Axon Graphite proposes to:

- (a) undertake an IPO of 75 million shares at an issue price of \$0.20 per share to raise a minimum of \$15 million (before costs) (being the Minimum Subscription), with the ability to accept applications in respect of up to a further 50 million shares to raise up to an additional \$10 million (before costs) (with the total raising of \$25 million being the Maximum Subscription) under a Prospectus; and
- (b) seek admission to the Official List of the ASX and quotation of its shares on ASX (**Listing**).

The Offer will comprise:

- (a) a **Lithium Energy Priority Offer**, which is open to eligible Lithium Energy shareholders; and
- (b) a **NOVONIX Priority Offer**, which is open to eligible NOVONIX shareholders,
(together, the **Priority Offers**) and, to the extent of any shortfall after the allocation of shares under the Priority Offers:
 - (c) an **Institutional Offer**, which is an invitation (by the Lead Manager, in consultation with Axon Graphite) to certain institutional investors in Australia and permitted overseas jurisdictions to apply for shares under the Prospectus; and
 - (d) a **Public Offer**, which is open to the general public in Australia.

The Offer will be conditional upon:

- (a) the conditions precedent to the MDCo SPA being satisfied or waived (as applicable) and completion occurring under the MDCo SPA;
- (b) Axon Graphite raising the Minimum Subscription under the Offer; and
- (c) ASX approving Axon Graphite's application for Listing.

Axon Graphite has appointed Petra Capital Pty Ltd as Lead Manager in respect of the Offer.

The timetable associated with the completion of the Proposed Spin-Out (including the completion of the Offer and MDCo SPA) will be contained in the Axon Graphite Prospectus and announced by Lithium Energy on ASX.

Further details of the Offer (including the Priority Offers) are also in Lithium Energy's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 8 January 2025.

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The Battery Anode Material (BAM) Strategy

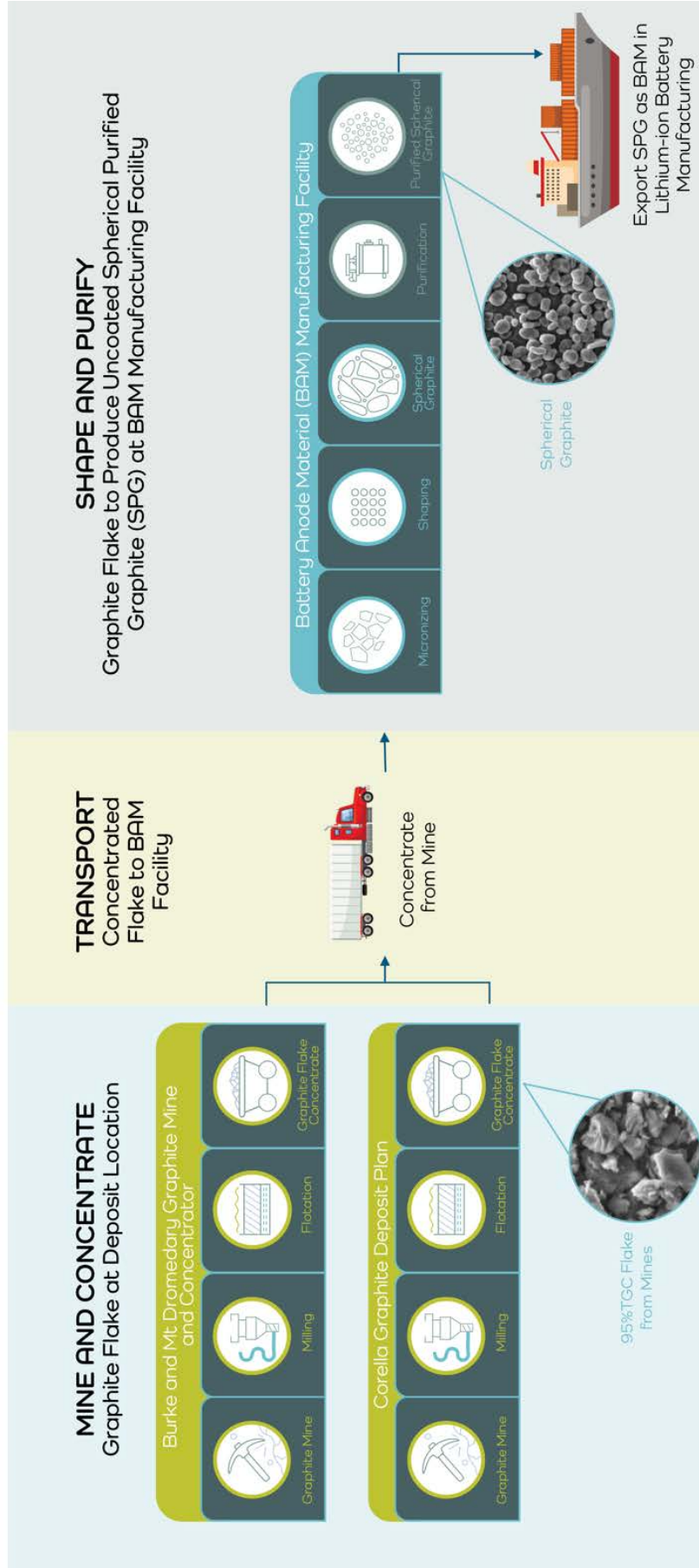


Figure 5: Illustrative Vertically Integrated Operations from Graphite Mine to Manufacturing of BAM Product

Battery Anode Material (BAM) Manufacturing Business Strategy

The focus of Axon Graphite is to advance its status from a graphite exploration and evaluation company to a graphite miner and BAM producer through the commercial exploitation of its Burke/Mt Dromedary and Corella Graphite Projects.

Axon Graphite intends to evaluate the potential development of a vertically integrated BAM business through the establishment of a BAM manufacturing facility in Queensland (**BAM Facility**), fed by high quality graphite to be mined and concentrated from the company's high-grade Burke/Mt Dromedary and Corella Graphite Deposits.

Axon Graphite envisages mining graphite initially from the combined Mt Dromedary and Burke Deposits and producing a +95% TGC graphite flake concentrate at the mine site. The graphite flake concentrate will then be transported to a BAM Facility for processing. The BAM Facility is expected to firstly mechanically shape and spheronise the flakes followed by chemical purification to form spherical purified graphite (**SPG**), which could be additionally surface coated to produce coated spherical purified graphite (**CSPG**), which are both high quality BAM products. It is proposed that these SPG or CSPG products will be sold as a battery anode material for use in the manufacturing of lithium-ion batteries or battery energy storage solutions.

After the completion of the IPO, Axon Graphite will advance a BAM development strategy taking into account the much larger graphite inventory, expected operational synergies and economies of scale be gained by combining the Burke and Mt Dromedary Graphite Deposits. To this end, Axon Graphite also intends to apply a portion of the funds raised under the IPO towards the design, construction and operation of a BAM Pilot Plant.

Further details of Axon Graphite business overview are in Annexure F of Lithium Energy's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 8 January 2025.

About Burke and Corella Graphite Projects

Lithium Energy's (100% owned) graphite projects are located in the Cloncurry region in North Central Queensland (refer **Error! Reference source not found.**):

- (1) The Burke Graphite Project comprises EPM 25443 (the **Burke Tenement** or **Burke**) (of ~6.47km²), located ~130km by road north of Cloncurry, adjacent to the Burke Development Road and adjacent to the Mt Dromedary Graphite Project held by NOVONIX (refer also **Error! Reference source not found.**); and
- (2) The Corella Graphite Project comprises EPM 25696 (the **Corella Tenement** or **Corella**) (of ~19.41km²), located ~40km by road west of Cloncurry and ~170km by road south of the Burke/Mt Dromedary Tenements, adjacent to the Barkly Highway that links Mount Isa to Cloncurry.

The projects have access to well-developed transport infrastructure, including airports at Cloncurry and Mount Isa (located ~250km by road from Burke/Mt Dromedary) and a Port in Townsville (located ~783km by road or rail from Cloncurry) (refer to **Error! Reference source not found.**).

Lithium Energy has previously succeeded in doubling its Total Graphite Inventory to 2.6Mt of contained graphite across the Corella and Burke tenements, with the delineation of a maiden JORC Inferred Mineral Resource Estimate of 13.5Mt at 9.5% TGC for 1.3Mt contained graphite at Corella Tenement²⁴ and an upgrade of the Burke Tenement deposit to a total JORC Indicated and Inferred Mineral Resource of 9.1Mt at 14.4% TGC for a total of 1.3Mt contained graphite²⁵.

²⁴ Refer LEL Announcement dated 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

²⁵ Refer LEL Announcements dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

The Beijing General Research Institute of Mining and Metallurgy (**BGRIMM**) in China has completed a comprehensive flowsheet development metallurgical test work program on a ~one (1) tonne representative sample of graphite from the Burke Deposit recovered from diamond core drilling undertaken in January 2023) to assess and develop an optimised flake concentrator flowsheet, with key results as follows²⁶:

- (a) achieved key objectives of grade (>95% TGC) and recovery (>85%) using standard flotation and regrind milling technology;
- (b) completed concentrator process flowsheet optimisation test work;
- (c) produced >95% TGC graphite flake concentrate suitable for use as test feedstock material; and
- (d) defined key concentrator design input metrics including reagent dosing rates and types, flotation and regrind and flotation cell residence times, for feasibility study purposes.

ProGraphite GmbH in Germany has completed spheronising and purification test work on ~15kg of 95.6% TGC graphite concentrate produced by BGRIMM -house pilot plant²⁷ using graphite from the Burke Deposit.

This BAM test work has defined²⁸:

- (a) the process flowsheet requirements to produce a high purity 99.97% TGC SPG product, which will be suitable as feedstock for the battery anode production process; and
- (b) the metallurgical and process design criteria (including key metrics such as reagent consumption, product size, product recovery and purification conditions) to be used as inputs to the BAM Facility process design for feasibility study purposes.

26 Refer LEL Announcement dated 23 May 2023: Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS

27 Refer LEL Announcement dated 28 July 2023: Burke and Corella Graphite Projects Testwork Update

28 Refer LEL Announcement dated 27 November 2023: Testwork Results Highlight Exceptional Potential of Burke Graphite as Battery Anode Material

CORPORATE

Future Activities

Lithium Energy will, through Solaroz and in consultation with CNNET, (until the full completion of the Solaroz Sale in January 2026) undertake the next phases of exploration and evaluation at the Solaroz Lithium Project utilising the US\$15 million CNNET Loan.

Lithium Energy's future activities may also depend in part on whether the Axon Graphite IPO is successful and the application of the ASX Listing Rules in relation to the lifting of the suspension of the Company's shares from quotation and its reinstatement to the ASX:

(a) If the Axon Graphite IPO is successful:

- (i) Lithium Energy will consider the acquisition of battery mineral projects building upon the expertise developed in this sector by the Company, with a particular focus on lithium (brines and hard rock), copper, cobalt, vanadium, manganese and rare earth elements (REE). The Company will investigate the full spectrum of potential opportunities from grass roots exploration projects to advanced production or near production assets that present significant value accretive upside. If deemed suitable, the Company will also look to invest in related mineral commodities if they meet similar acceptable project metrics. The Company will prioritise projects located in Australia and North and South America.

In this scenario, ASX may require Lithium Energy to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which will involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX. Accordingly, material acquisition(s) may be subject to the Company's re-compliance with the ASX Listing Rules.

- (ii) The Company may also consider returning part of the (net after-tax) proceeds from the sale of the Solaroz Project to shareholders, subject to an assessment of the taxation consequences (to Lithium Energy and shareholders) and the quantum of funds required to secure and develop the Company's new mineral projects.

(b) If the Axon Graphite IPO does not proceed:

- (i) Lithium Energy may apply part of the net proceeds from the sale of the Solaroz Project to advance the development of its own Burke and/or Corella Graphite Projects to create a vertically-integrated mine to BAM manufacturing facility, as was originally contemplated prior to entering into the MDCo SPA with Axon Graphite, NOVONIX and MDCo.

In this scenario, the Company will seek a reinstatement of its shares to quotation (pursuant to ASX Listing Rule 12.1) on the basis that the advancement of the Burke and/or Corella Graphite Projects together with the Capricorn Gold-Copper Belt Project (and potentially other new projects) constitutes a sufficient level of operations to support reinstatement.

- (ii) The Company may also consider returning part of the (net after-tax) proceeds from the sale of the Solaroz Project to shareholders, subject to an assessment of the taxation consequences (to Lithium Energy and the Company's shareholders) and the quantum of funds required to secure and develop the Company's new mineral projects.

Securities on Issue (31 March 2025)

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	112,001,569	-	112,001,569
Broker Options (\$1.50, 20 September 2025) ²⁹	-	750,000	750,000
Executive Options (\$1.06, 4 October 2025) ³⁰	-	17,500,000	17,500,000
Securities Incentive Plan (SIP) Options (\$1.32, 30 November 2025) ³¹	-	400,000	400,000
Executive Options (\$0.935, 10 August 2026) ³²	-	250,000	250,000
TOTAL	112,001,569	18,900,000	130,901,569

During the quarter, the following unlisted options lapsed³³:

Class of Security	Exercise Price	Date of Lapse	Number of options
SIP Options (\$1.595, 15 February 2025) ³⁴	\$0.1595	15 February 2025	100,000

Summary of Expenditure Incurred³⁵

A summary of expenditure incurred by Lithium Energy during the quarter, in relation to cash flows from operating and investing activities reported in the accompanying Appendix 5B Cash Flow Report is as follows:

For Quarter ending 31 March 2025	Expenditure Incurred / Cash Outflows: \$'000		
	Operating	Investing	Total
Exploration and evaluation expenditure and tenements	2	485	487
Personnel expenses	372		372
Occupancy expenses	31		31
Corporate expenses	153		153
Administration expenses	92		92
Axon Graphite IPO/spin-out costs		142	142
Total Expenditure	650	627	1277

There were no mining production and development activities during the quarter.

Payments to Related Parties³⁶

During the quarter, Lithium Energy paid a total of \$217k in respect of Directors' remuneration, comprising salaries, PAYG remittances to the ATO and statutory employer superannuation contributions. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.

²⁹ Refer LEL Announcement dated 21 September 2022: Notification regarding unquoted securities – LEL

³⁰ Refer LEL Announcement dated 5 October 2022: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022

³¹ Refer LEL Announcement dated 5 December 2022: Notification regarding unquoted securities – LEL

³² Refer LEL Announcement dated 16 August 2023: Notification regarding unquoted securities – LEL

³³ Refer LEL Announcement dated 17 February 2025: Notification of cessation of securities – LEL

³⁴ Refer LEL Announcement dated 18 February 2022: Notification regarding unquoted securities – LEL

³⁵ Per ASX Listing Rule 5.3.1

³⁶ Per ASX Listing Rule 5.3.5

MINERAL RESOURCE ESTIMATES

Solaroz Lithium Brine Project (Argentina)

(90%)

Solaroz has a JORC Mineral Resource as follows³⁷:

- **Total Mineral Resource of 3.3Mt LCE** (at a zero Li mg/l cut-off grade), comprising (refer Table 1):
 - **Indicated Mineral Resource of 2.36Mt LCE**; and
 - **Inferred Mineral Resource of 0.9Mt LCE**.
- Within the 3.3Mt LCE Total Mineral Resource, there is a **high-grade core of 1.3Mt of LCE** with an **average concentration of 400 mg/l Lithium** (at a 320 mg/l Li cut-off grade) (refer Table 2).

Table 1: Upgraded Total JORC Indicated and Inferred Mineral Resource

Mineral Resource Category	Lithology Units	Sediment Volume (million m ³)	Specific Yield %	Brine volume	Lithium (Li)		LCE Tonnes
				million m ³	mg/l	Tonnes	
Indicated Mineral Resource	A (Upper Aquifer)	7,200	10.0%	720	245	176,600	940,000
	B (Halite Salt Unit)	1,731	4.0%	69	340	23,600	125,000
	C (Lower Aquifer)	4,671	6.5%	304	363	110,000	590,000
	D (Tertiary Bedrock)	5,651	5.8%	328	406	133,000	705,000
	Total	19,253	7.4%	1,421	312	443,200	2,360,000
Inferred Mineral Resource	A	3,589	10.0%	359	245	88,000	470,000
	B	3,060	4.0%	122	340	42,000	220,000
	C	1,058	6.5%	69	362	25,000	130,000
	D	634	5.8%	37	405	15,000	80,000
	Total	8,340	7.0%	587	289	170,000	900,000
TOTAL INDICATED & INFERRERD MINERAL RESOURCE			7.3%		305		3,260,000

Notes:

- The Indicated Mineral Resource Estimate encompasses the Chico I, Chico V, Chico VI, Payo 2 South and Silvia Irene (Central Block) concessions
- The Inferred Mineral Resource Estimate encompasses the Mario Angel, Payo 2 South and Silvia Irene, Payo 1 and Payo 2 North concessions, and is in addition to the Indicated Mineral Resource Estimate
- Lithium (Li) is converted to lithium carbonate (Li₂CO₃) equivalent (LCE) using a conversion factor of 5.323
- Totals may differ due to rounding
- Reported at a zero Lithium mg/l cut-off grade
- Total Specific Yields are weighted averages

³⁷ Refer to ASX Announcement dated 26 October 2023: Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource

Table 2: Upgraded High-Grade Core within Total JORC Indicated and Inferred Mineral Resource

Mineral Resource Category	Lithology Units	Sediment Volume (million m ³)	Specific Yield %	Brine volume	Lithium (Li)		LCE Tonnes
				million m ³	mg/l	Tonnes	
Indicated Mineral Resource	A	878	10.0%	88	349	30,000	165,000
	B	1,289	4.0%	52	357	18,000	100,000
	C	3,288	5.6%	183	401	75,000	390,000
	D	4,881	4.8%	235	425	100,000	530,000
	Total	10,337	5.2%	557	400	223,000	1,185,000
Inferred Mineral Resource	B	92	4.0%	4	418	1,500	8,000
	C	436	5.7%	25	401	10,000	53,000
	D	109	4.9%	5	405	2,000	12,000
	Total	637	5.3%	34	403	13,500	73,000
TOTAL INDICATED & INFERRED MINERAL RESOURCE (HIGH-GRADE CORE)			5.2%		400		1,258,000

Notes:

- The high-grade core comprises JORC Indicated and Inferred Mineral Resources estimated within the mineralisation envelope of (not in addition to) the Mineral Resource Estimates outlined in Table 1
- The Indicated Mineral Resource encompasses the Chico I, Chico V, Chico VI, Payo 2 South and Silvia Irene (Central Block) concessions
- The inferred Mineral Resource encompasses the southern Mario Angel (Units B and C) and Payo 1 and Payo 2 North (Northern Block) (Unit D) concessions, and is in addition to the Indicated Mineral Resource Estimate
- Reported at a 320 mg/l Lithium cut-off grade
- Refer Notes (c) and (d) of Table 1

For further details, refer to the Company's ASX Announcement dated 26 October 2023: Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource.

Burke Graphite Project (Queensland, Australia)

(100%)

The Burke Deposit (on Burke EPM 25443 tenement) has a JORC Mineral Resources as follows³⁸:

- **Total Mineral Resource of 9.1Mt at 14.4% Total Graphitic Carbon (TGC) for a total of 1.3Mt contained graphite** (at a 5% TGC cut-off grade), comprising (refer Table 3):
 - **Indicated Mineral Resource of 4.5Mt at 14.7% TGC for 670kt of contained graphite;** and
 - **Inferred Mineral Resource of 4.5Mt at 14.2% TGC for 640kt of contained graphite.**
- Within the mineralisation envelope there is included a higher grade **Total Mineral Resource of 7.1Mt at 16.2% TGC for 1.1Mt of contained graphite** (at a 10% TGC cut-off grade).³⁹

Table 3: Burke Tenement - JORC Indicated and Inferred Mineral Resource Estimate

Mineral Resource Category	Weathering State	Resource (Mt)	Total Graphitic Carbon (TGC) (%)	Contained Graphite (kt)
Indicated Mineral Resource	Weathered	0.2	12.5	30
	Primary	4.3	14.8	640
	Sub-total	4.5	14.7	670
Inferred Mineral Resource	Weathered	0.1	8.1	10
	Primary	4.4	14.4	630
	Sub-total	4.5	14.2	640
Total Indicated and Inferred Mineral Resource	Weathered	0.3	11.1	40
	Primary	8.7	14.6	1,270
	TOTAL	9.1	14.4	1,310

Notes:

- (a) Mineral Resource estimates are reported above a cut-off grade of 5% TGC; Mineral Resources reported on a dry in-situ basis; Totals may differ due to rounding.
- (b) For further details, refer to the Company's ASX Announcement dated 5 April 2023 entitled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence".

³⁸ Refer LEL ASX Announcements 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

³⁹ Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 2 of LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

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Corella Graphite Project (Queensland, Australia)

(100%)

The Corella Deposit (on Corella EPM25696 tenement) has a JORC Mineral Resources as follows⁴⁰:

- Inferred Mineral Resource delivers **13.5Mt at 9.5% TGC** for **1.3Mt contained graphite** (at a 5% TGC cut-off grade) (refer Table 4).
- Within the mineralisation envelope, there is included a higher grade Inferred Mineral Resource of **4.5Mt at 12.7% TGC** for 0.57Mt of contained graphite (at a 10% TGC cut-off grade).⁴¹

Table 4: Corella Tenement - JORC Inferred Mineral Resource Estimate

Mineral Resource Category	Weathering State	Resource (Mt)	TGC (%)	Contained Graphite (kt)
Inferred Mineral Resource	Weathered	4.5	9.7	440
	Primary	9.0	9.3	840
	TOTAL	13.5	9.5	1,280

Notes:

- Mineral Resource estimates are reported above a cut-off grade of 5% TGC; Mineral Resources reported on a dry in-situ basis; Totals may differ due to rounding.
- For further details, refer to the Company's ASX Announcement dated 16 June 2023 entitled "Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory"

⁴⁰ Refer LEL ASX Announcement 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

⁴¹ Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 3 of LEL ASX Announcement 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

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LIST OF MINERAL CONCESSIONS

Lithium Energy has interests in the following mineral tenements as at the end of the quarter and currently:

Solaroz Lithium Brine Project (Argentina)

(90%; pending completion of sale)

Concession Group	Tenement Name	Area (Ha)	Province	File No
Northern Block	Payo 1	1,973	Jujuy	1516-M-2010
	Payo 2 (North)	758	Jujuy	1515-M-2010
	Payo 2 (South)	1,435		
Central Block	Chico I	835	Jujuy	1229-M-2009
	Chico V	1,800	Jujuy	1312-M-2009
	Chico VI	1,400	Jujuy	1313-M-2009
	Silvia Irene	2,465	Jujuy	1706-S-2011
Southern Block	Mario Ángel	543	Jujuy	1707-S-2011
	Payo	990	Jujuy	1514-M-2010

Burke and Corella Graphite Projects (Queensland, Australia)

(100%)

Tenement Name	Tenement Type and No.	Grant Date	Expiry Date	Area (blocks)	Area (km ²)
Burke	EPM 25443	4/9/2014	3/9/2028	2 sub-blocks	6.47
Corella	EPM 25696	2/4/2015	1/4/2030	6 sub-blocks	19.41
Leichhardt Crossing	EPM 28715	12/4/2023	11/4/2028	30-sub-blocks	97.05

- EPM means Exploration Permit for Minerals
- Each sub-block is 3.235 square kilometres (using projected coordinate system GDA2020 / MGA zone 54)

JORC CODE COMPETENT PERSON'S STATEMENTS

Solaroz Lithium Brine Project (Argentina)

(1) The information in this document that relates to Mineral Resources in relation to the Solaroz Lithium Brine Project is extracted from the following ASX market announcements made by Lithium Energy Limited dated:

- 26 October 2023 entitled "Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource"
- 29 June 2023 entitled "Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina"

The information in the original announcements is based on information compiled by Mr Murray Brooker (MAIG, MIAH), a Competent Person who is a Member of Member of the Australian Institute of Geoscientists (AIG). Mr Brooker is an employee of Hydrominex Geoscience Pty Ltd, an independent consultant to Lithium Energy Limited. Mr Brooker has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (referred to above).

Capricorn Gold-Copper Belt Project (Queensland)

(1) The information in this document that relates to Exploration Results in relation to the Capricorn Gold-Copper Belt Project is extracted from the following ASX market announcement made by Lithium Energy Limited dated:

- 14 March 2025 entitled "Tenement Consolidation Creates Significant New District-Scale Gold-Copper Belt Project in Central Queensland"

The information in the original announcement is based on information compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG), a Competent Person who is a Member of 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 being undertaken to qualify as a Competent Person as defined in the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (referred to above).

Burke and Corella Graphite Projects

(1) The information in this document that relates to Mineral Resources in relation to the Burke and Corella Graphite Projects is extracted from the following ASX market announcements made by Lithium Energy Limited dated:

- 16 June 2023 entitled "Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory"
- 5 April 2023 entitled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence"

The information in the original announcements is based on information compiled by Mr Shaun Searle, a Competent Person who is a Member of the AIG. Mr Searle is an employee of Ashmore Advisory Pty Ltd, an independent consultant to Lithium Energy Limited. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (referred to above).

- (2) The information in this document that relates to test work results in relation to the Burke Graphite Project is extracted from the following ASX market announcement made by Lithium Energy Limited dated:
- 11 March 2024 entitled "Exceptional Battery Testing Results Achieved with Burke Spherical Purified Graphite"
 - 27 November 2023 entitled "Testwork Results Highlight Exceptional Potential of Burke Graphite as Battery Anode Material"
 - 23 May 2023 entitled "Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS"

The information in the original announcement is based on information compiled by Mr Graham Fyfe, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Fyfe is an employee (General Manager, Projects) of Lithium Energy Limited. Mr Fyfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement (referred to above).

Mt Dromedary Graphite Project

- (1) The information in this document that relates to Mineral Resources in relation to the Mt Dromedary Graphite Project is extracted from the following ASX market announcement made jointly by Lithium Energy Limited and NOVONIX Limited (ASX:NVX) dated:
- 10 September 2024 entitled "Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review"

The information in the original announcement is based on information compiled by Mr Shaun Searle, a Competent Person who is a Member of the AIG. Mr Searle is an employee of Ashmore Advisory Pty Ltd, an independent consultant to Axon Graphite Limited (a subsidiary of Lithium Energy Limited). Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (referred to above).

Lithium Energy's ASX Announcements may be viewed and downloaded from the Company's website: www.lithiumenergy.com.au or the ASX website: www.asx.com.au under ASX code "LEL".

FORWARD LOOKING STATEMENTS

This document contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Lithium Energy, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Lithium Energy and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of minerals/commodities, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns and other matters either within or outside the control of the Company. Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Lithium Energy believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable based on information currently available to it. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Lithium Energy does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

Appendix 5B

Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report

Name of entity

LITHIUM ENERGY LIMITED (ASX:LEL) and its controlled entities

ABN

94 647 135 108

Quarter Ended (current quarter)

31 March 2025

Consolidated statement of cash flows

	Current Quarter Mar-2025 \$A' 000	Year to Date 9 months \$A' 000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2)	(2)
(b) development	-	-
(c) production	-	-
(d) staff costs	(372)	(1,019)
(e) administration and corporate costs	(276)	(942)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	69
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(616)	(1,894)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(110)	(110)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(375)	(901)
(e) investments	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current Quarter Mar-2025 \$A' 000	Year to Date 9 months \$A' 000
2.2	Proceeds from the disposal of:		
	(a) entities	9,662	9,662
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	Axon Graphite Limited IPO/spin-out costs	(142)	(268)
2.6	Net cash from / (used in) investing activities	9,035	8,383
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	(145)	(78)
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(145)	(78)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,648	3,396
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(616)	(1,894)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	9,035	8,383
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(145)	(78)
4.5	Effect of movement in exchange rates on cash held	(93)	22
4.6	Cash and cash equivalents at end of period	9,829	9,829

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter \$A' 000	Previous Quarter \$A' 000
5.1 Bank balances	9,776	1,595
5.2 Call deposits	53	53
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,829	1,648

6. Payments to related parties of the entity and their associates	Current Quarter \$A' 000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	(217)
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A' 000	Amount drawn at quarter end \$A' 000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end	-
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Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Nil

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8. Estimated cash available for future operating activities	\$A' 000
8.1 Net cash from / (used in) operating activities (item 1.9)	(616)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(375)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(991)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,829
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	9,829
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.92

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Not applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

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Authorised By:



30 April 2025

Victor Ho
Company Secretary

See Chapter 19 of ASX Listing Rules for defined terms

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee"
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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