ASX ANNOUNCEMENT

21 May 2026

Airborne Geophysical Surveys Underway at Capricorn Gold-Copper Belt Project

SUMMARY

- Airborne geophysical surveys have commenced over the Capricorn Project.
- A 11,500 line kilometre fixed wing and helicopter Aeromagnetic and Radiometric (AMagRad) survey will be flown across most of the granted tenure.
- A ~890 line kilometre helicopter Electromagnetic (AEM) survey will cover the stratigraphic belt that hosts the historic Mount Morgan Gold Mine.
- The high-resolution data will be used to verify and assess the prospectivity of historical prospects and identify and prioritise new areas for gold and copper exploration.

Lithium Energy Limited (ASX: LEL) (**Lithium Energy** or the **Company**) is undertaking ~12,490 line kilometre airborne geophysical surveys over the Capricorn Gold-Copper Belt Project in central Queensland (**Capricorn Project**).

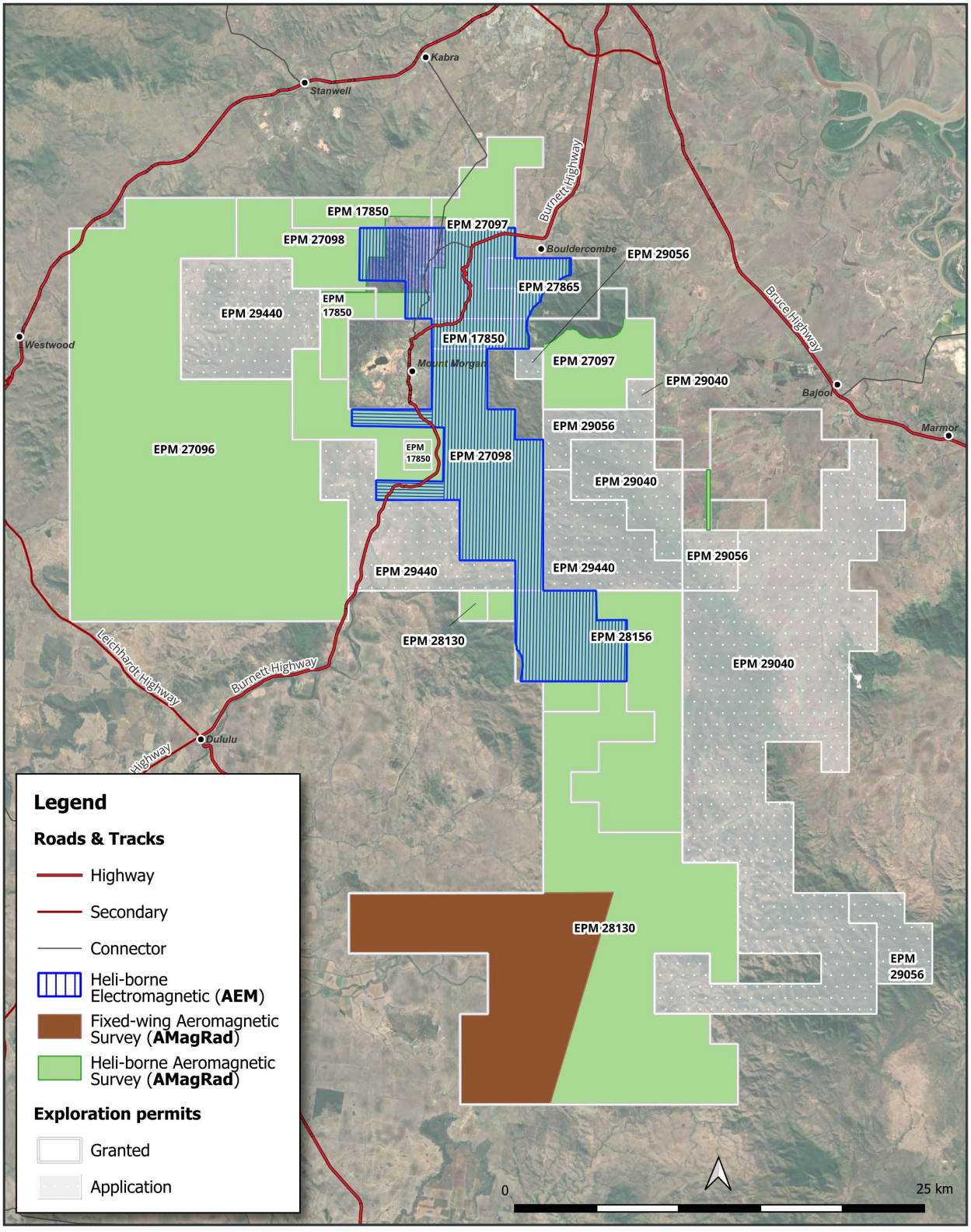
Lithium Energy is focussed on exploring the Capricorn Project for high-grade polymetallic deposits similar to those historically mined at the Mt Morgan Gold Mine.

The fixed wing and helicopter airborne geophysical surveys will be conducted over most of the granted tenements, which surround the historical Mt Morgan Gold Mine, to obtain detailed, magnetic, radiometric and electromagnetic datasets. The low-altitude flights will generate high resolution data to enable effective definition of geological structures and development of lithological interpretations and models of geological anomalies, leading to the identification of areas of exploration focus for Mt Morgan porphyry-volcanic massive sulphide (**VMS**) style systems within the Capricorn Project.

Figure 1 illustrates the areas covered by the airborne geophysical surveys:

- The fixed-wing airborne aeromagnetic and radiometric (**AMagRad**) survey (shown in brown) has been completed, covering ~1,500 line kilometres, along 100 metre spaced, north-south oriented lines;
- A heli-borne AMagRad survey will cover both green and blue areas for ~10,000 line kilometres, to be flown north-south on 100 metre spaced lines; and
- A heli-borne electromagnetic (**AEM**) survey area, shown in blue, will be flown on 200 metre spaced north-south lines for ~890 line kilometres, with 100 metre infill where additional detail is required.

The fixed-wing AMagRad survey was completed on 18 May 2026. The heli-borne AMagRad and AEM surveys are scheduled to commence on or about 26 May 2026 and expected to be completed by the end of June 2026.



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Capricorn Project
Geophysical Survey (2026)

Projection: GDA94 / MGA zone 56

Figure 1: Airborne Geophysical Surveys over Capricorn Project granted tenements

Data from the airborne geophysical surveys will be processed over the course of the program. Interpretation of these results are expected to:

- Support/verify previously identified historical prospects which, in combination with historical geochemical and mapping data, will facilitate a decision on whether to undertake further exploration, including a first-pass drilling program; and
- Provide details of new and previously unrecognised geophysical anomalies that will be prioritised by prospectivity for further exploration.

The AEM survey (shown in blue in Figure 1) is designed to cover the stratigraphic belt that hosts the Mt Morgan Gold Mine site (refer Figure 2), to potentially detect the relative conductance of massive sulphide bodies that could be associated with Mt Morgan style or VMS style gold(**Au**)-copper (**Cu**) mineralisation systems.

The AMagRad survey (brown, blue and green in Figure 1) will cover the majority of the granted tenements within the Capricorn Project, to provide structural detail not available from low-resolution historical geophysical survey datasets. Aeromagnetic data may potentially define volcanic intrusive bodies (such as porphyry copper-gold deposits) that occur in the area and highlight the potential structural controls to mineralisation in volcano-sedimentary units that may host VMS deposits. Magnetic anomalism is associated with iron-rich deposits and VMS style mineralisation is characterised by magnetite-hematite alteration haloes.

Radiometric data is collected simultaneously with the aeromagnetic data and will compare the natural radiation of three elements – Potassium, Thorium and Uranium – each of which dominate different geological environments. Potassic alteration is of particular interest as it is associated with porphyry and VMS deposit styles. VMS deposits typically have strong geophysical contrasts with their host rocks, including density, gravity, magnetic susceptibility and intensity, conductivity and resistivity, as well as acoustic velocity.

The three datasets – aeromagnetic, radiometric and electromagnetic – will be compared and contrasted in 3D to define and prioritise anomalism. Coincident magnetic and conductive anomalism is one target suggestive of VMS style copper mineralisation, where copper has a conductive signature and magnetite alteration has a magnetic signature.

Lithium Energy will continue to apply appropriate geophysical methods where they aid in the identification of priority targets for drilling.

BACKGROUND

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

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 sulphide 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.

The Capricorn Project contains multiple targets for gold, copper, molybdenum (**Mo**) and zinc (**Zn**) mineralisation (refer Figure 2), 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 [4,1] and along the Dee Range volcanic massive sulphide (**VMS**) Zn-Cu-Au-Ag Belt [5].

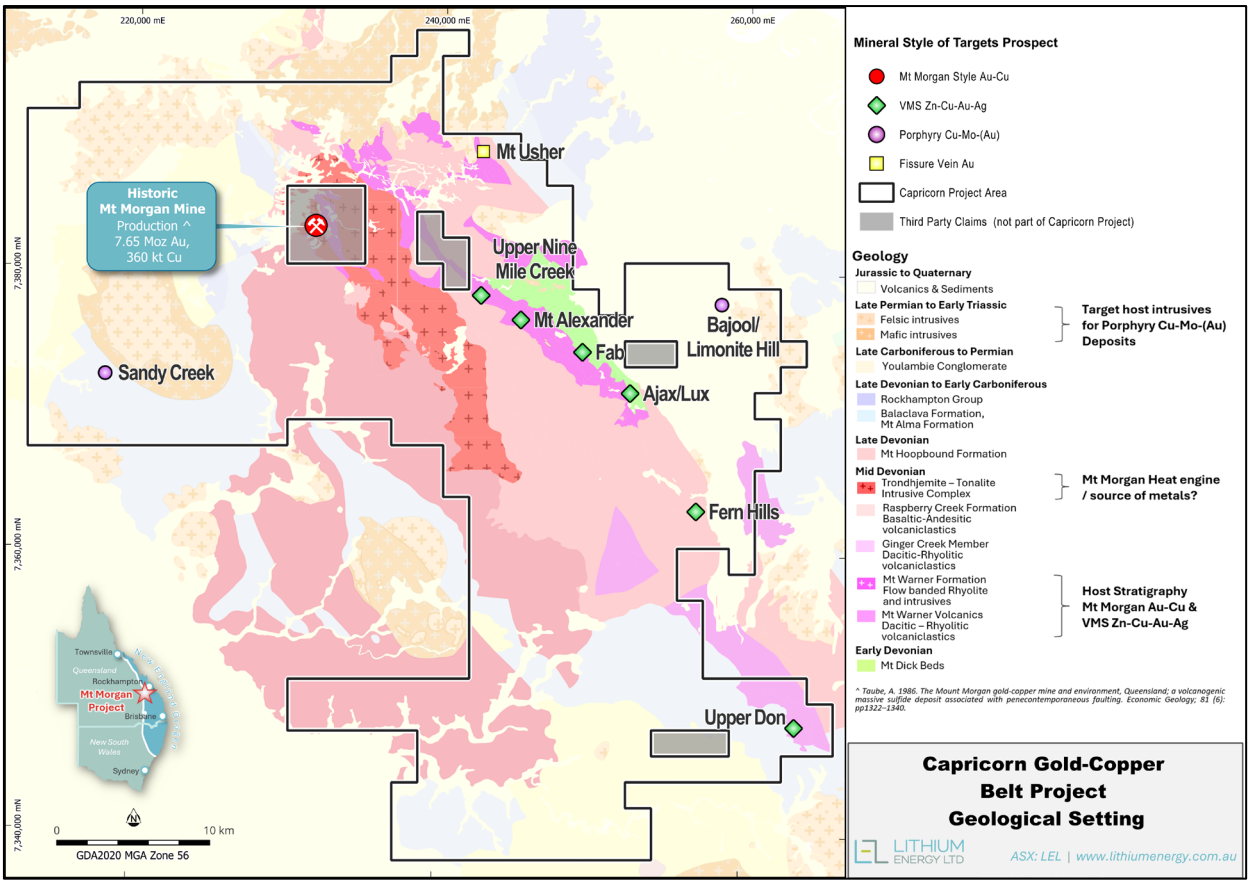


Figure 2: Location Map of Capricorn Project showing geological settings and existing target prospects

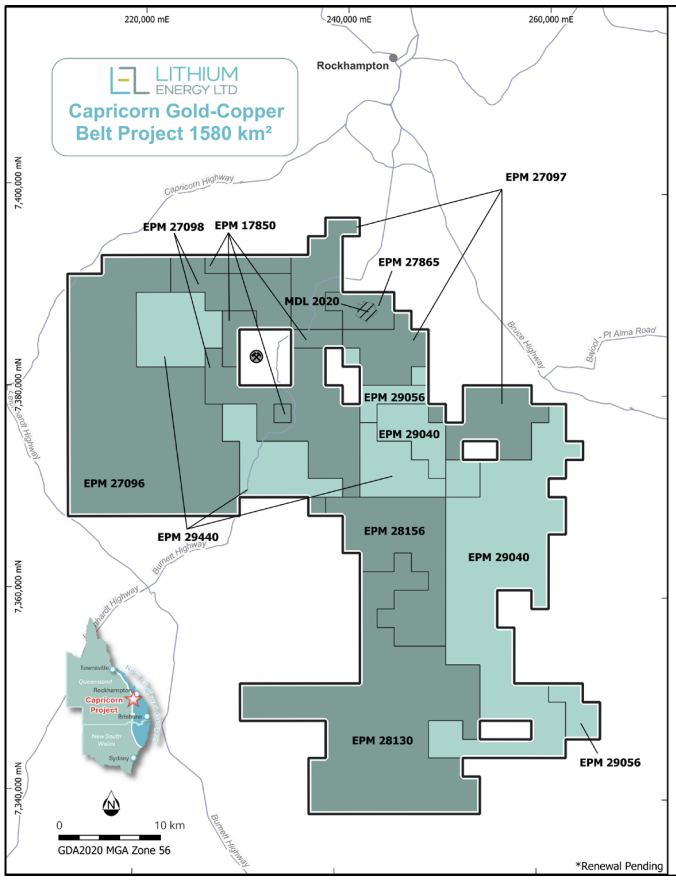
Whilst historical open file geological, geochemical and geophysics datasets exist across the Capricorn Project tenements, minimal cohesive exploration has occurred over these tenements since the 1990s. With the application of more modern interpretations of the regional geology, advances in geophysical and geochemical survey techniques and the consolidation of large amounts of historical data for the Capricorn Project area, Lithium Energy is undertaking an extensive program of exploration using modern techniques (including 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 gold, copper, molybdenum and zinc mineralised systems – including Mt Morgan style, porphyry and VMS (refer Figure 2).

Lithium Energy currently has a 51% interest in the Capricorn Project tenements (Figure 3) and has the right to acquire the balance of 49% on or before April 2027, pursuant to asset sale agreements with the vendors. [6]

4 Refer LEL Announcement dated 5 September 2025: Mt Morgan Style Mineralisation Identified at Capricorn Gold-Copper Belt Project

5 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.

6 Refer LEL ASX Announcements dated 14 July 2025: Completion of 51% Tranche 1 Acquisition of Capricorn Gold-Copper Belt Project and 14 March 2025: Tenement Consolidation Creates Significant New District-Scale Gold-Copper Belt Project in Central Queensland



Tenement Name	Tenement Type and No.	Status	Grant/ Application Date	Expiry Date	Area (sub blocks)	Area (km²)
'Mt Morgan'	EPM 17850	Granted	15 Apr 10	14 Apr 27	13	40.82
Mt Morgan West	EPM 27096	Granted	27 Aug 19	26 Aug 27	100	313.78
Mt Morgan East	EPM 27097	Granted	10 Jan 21	9 Jan 2026*	46	144.39
Mt Morgan Central	EPM 27098	Granted	15 Dec 20	14 Dec 30	49	153.79
Mt Morgan South	EPM 29440	Application	3 March 26	Up to 5 years after grant	49	153.74
Mount Usher	EPM 27865	Granted	27 Oct 25	26 Oct 30	7	21.98
Mount Usher	MDL 2020	Granted	26 Oct 25	30 Oct 30	-	2.65
Capella North	EPM 28156	Granted	15 Nov 23	14 Nov 28	34	106.58
Capella South	EPM 28130	Granted	15 Nov 23	14 Nov 28	93	291.21
Dee Ranges	EPM 29040	Application	21 May 24	Up to 5 years after grant	96	300.9
Dee Ranges 2	EPM 29056	Application	1 Jul 24	Up to 5 years after grant	16	50.16

Capricorn Gold-Copper Belt Project
Exploration Permits and Licences
Queensland

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Figure 3: Capricorn Gold-Copper Belt Project Tenements

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