LE MINERALS LIMITED

ASX: LEL

ASX ANNOUNCEMENT

21 September 2026

Update on Sale of Graphite Assets

LE Minerals Limited (ASX:LEL) (**LE Minerals**, **LEL** or the **Company**) refers to its share sale and purchase agreement (**SPA**) with M Battery Materials Limited (**MBM**) for MBM to acquire the Company's Burke, Mt Dromedary and Corella Graphite Projects in Queensland (**Graphite Projects**) for $20 million (with $5 million payable in cash (**Cash Consideration**) and $15 million in shares (**Consideration Shares**)) (the **Graphite Sale**), as announced on 26 May 2026[1].

MBM has existing graphite and vanadium exploration assets in Queensland and intends to undertake a minimum $15 million Initial Public Offering (**IPO**) and seek a listing on ASX as a specialist battery materials company focused on developing and supplying minerals and materials that are critical to the global energy transition

MBM has advised that after consultations with ASX, ASX has advised that on receipt of a formal application for admission to the official list, ASX would likely confirm to MBM that (**ASX Advice**):

(a) LE Minerals is a 'promoter' of MBM and the Graphite Projects are 'classified assets', as defined in Chapter 19 of the Listing Rules;

(b) As the Graphite Sale is a proposal to acquire a classified asset from a promoter within 2 years of MBM's application for admission, Listing Rule 1.1 Condition 11 requires that the consideration must be restricted securities (subject to escrow conditions), or otherwise consideration representing reimbursement of expenditure incurred by the promoter in developing the classified asset;

(c) The reimbursement of expenditure in relation to the Graphite Projects in the amount of $2,231,503 would not contravene Listing Rule 1.1 Condition 11, subject to MBM demonstrating to ASX's satisfaction that LEL incurred that expenditure in developing the classified asset; and

(d) Consideration securities:

    (i) issued to LEL (as a promoter), related parties and their associates will be subject to the standard 24-month escrow period from quotation of MBM; and

    (ii) distributed to LEL shareholders under the proposed LEL in-specie distribution (other than those held by promoters, related parties and their associates) will be subject to escrow for 12 months from the date of issue, consistent with the applicable escrow treatment under Category 4, Appendix 9 of the Listing Rules.

MBM has advised that they have made further submissions to ASX for approval of an increase in the amount of permitted cash reimbursement referred to in paragraph (c) above, based on the expenditure incurred by LE Minerals (**Cash Reimbursement Amount**).

1 Refer LEL ASX Announcement dated 26 May 2026: Sale of Graphite Assets for $20 Million

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In light of the ASX Advice, the parties have entered into a deed of variation to the SPA which encompasses the following relevant amendments:

(a) The Cash Consideration will now be defined by reference to the Cash Reimbursement Amount and being not less than $2 million and more than $5 million (previously $5 million);

(b) The value of the Consideration Shares will now be defined by reference to $20 million less the Cash Consideration (previously $15 million); and

(c) The date for the satisfaction or waiver of the conditions to the SPA is extended from 2 November 2026 to 22 December 2026 – if the conditions are not satisfied or waived, or have become incapable of being satisfied, on or before this date (or such later date as the parties may agree in writing), either party may terminate the SPA.

The value of the total consideration under the Graphite Sale is unchanged at $20 million.

Under the SPA, LE Minerals has agreed to distribute the Consideration Shares to eligible shareholders (the **In-Specie Distribution**) based on whether and to what extent ASX imposes escrow. As ASX has imposed escrow conditions on the Considerations Shares (per the ASX Advice referred to above), under the terms of the SPA, LE Minerals will seek shareholder approval and, if granted, implement the In-Specie Distribution for 75% of the Consideration Shares within 10 business days after the completion of the 24-month escrow period from quotation of MBM.

LE Minerals also note that MBM has a right to terminate the SPA if:

(i) ASX imposes escrow on the Considerations Shares (other than in respect of the MBM shares distributed in-specie to LEL directors and officers); and

(ii) LEL shareholders fail to approve the In-Specie Distribution.

LE Minerals will convene a general meeting to seek shareholder approval for the Graphite Sale as required under the ASX Listing Rules as soon as practicable after MBM has lodged its IPO Prospectus with ASIC.

It is anticipated that the MBM Prospectus and LE Minerals Meeting Document will be finalised within the next 2 months.

The In-Specie Distribution will also require shareholder approval under the ASX Listing Rules and Corporations Act. LE Minerals will convene a general meeting for the In-Specie Distribution closer to the end of the escrow period (24 months after quotation of MBM) or earlier, at the Directors' determination (subject to the escrow conditions imposed by ASX).

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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