

MARKET ANNOUNCEMENT

Hole 6 Commences at Solaroz Lithium Brine Project with Third Drilling Rig

SUMMARY

- Lithium Energy has commenced drilling the sixth diamond drill hole (SOZDD006) of its initial 10 hole, 5,000 metre resource definition drilling programme at Solaroz.
- Hole 6 is located along a ~15 kilometre zone in the north-west region of the Olaroz Salar where previous drillholes 1, 3, 4 and 5 have encountered massive intersections of lithium-rich brines of up to 473.5 metres thick (at up to 787.5 metre depth) with lithium concentrations of up to 555 mg/l.
- Drilling is targeting conductive brines identified by geophysics to depths of up to 600 metres below surface at SOZDD006.
- Three drill rigs are now operating to advance towards defining a maiden JORC Mineral Resource of lithium at Solaroz.

Lithium Energy Limited (ASX:LEL) (**Lithium Energy or Company**) is pleased to announce that drilling has commenced at the sixth hole (SOZDD006) at its highly prospective flagship Solaroz Lithium Brine Project in Argentina, in the heart of South America's world renowned Lithium Triangle (**Solaroz**).

Solaroz (12,000 hectares) is located on the Salar de Olaroz basin (the **Olaroz Salar**), where Lithium Energy shares lithium concession rights with lithium majors, Allkem Limited (ASX/TSX:AKE) and Lithium Americas Corporation (TSX/NYSE:LAC) (refer Figure 3).

Hole 6 is located within the Chico VI concession, along a ~15 kilometre zone between SOZDD001 and SOZDD003 where drilling (to date) has encountered massive **intersections of lithium-rich brines** in the upper and lower (Deep Sand Unit) aquifers **of up to 473.5 metres thick** (in Hole 4, with hole completion pending¹) and **lithium concentrations of up to 555 mg/l** (in Hole 1²) (refer Figure 1).

Based on the interpretation of geophysical surveys, Lithium Energy proposes to drill Hole 6 to a target depth of approximately 600 metres below surface.

There are three drill rigs now operating at Solaroz. Brine sampling followed by geophysical logging for porosity and specific yield measurements are pending at Holes 4 and 5¹ - the drill rigs at these sites will shortly (after hole completion at Holes 4 and 5) mobilise to commence drilling at new Holes 7 and 8.

1 Refer LEL ASX Announcement dated 15 May 2023: Further Assays Confirm Significant Lithium Brine Concentrations Across Massive Intersections at Solaroz

2 Refer LEL ASX Announcement dated 10 March 2023: Positive Specific Yields and Significant Averaged Lithium Concentrations in SOZDD001 at Solaroz Lithium Brine Project



With the addition of the third drilling rig, the Company is rapidly advancing towards defining a significant maiden JORC Resource of Lithium at Solaroz.

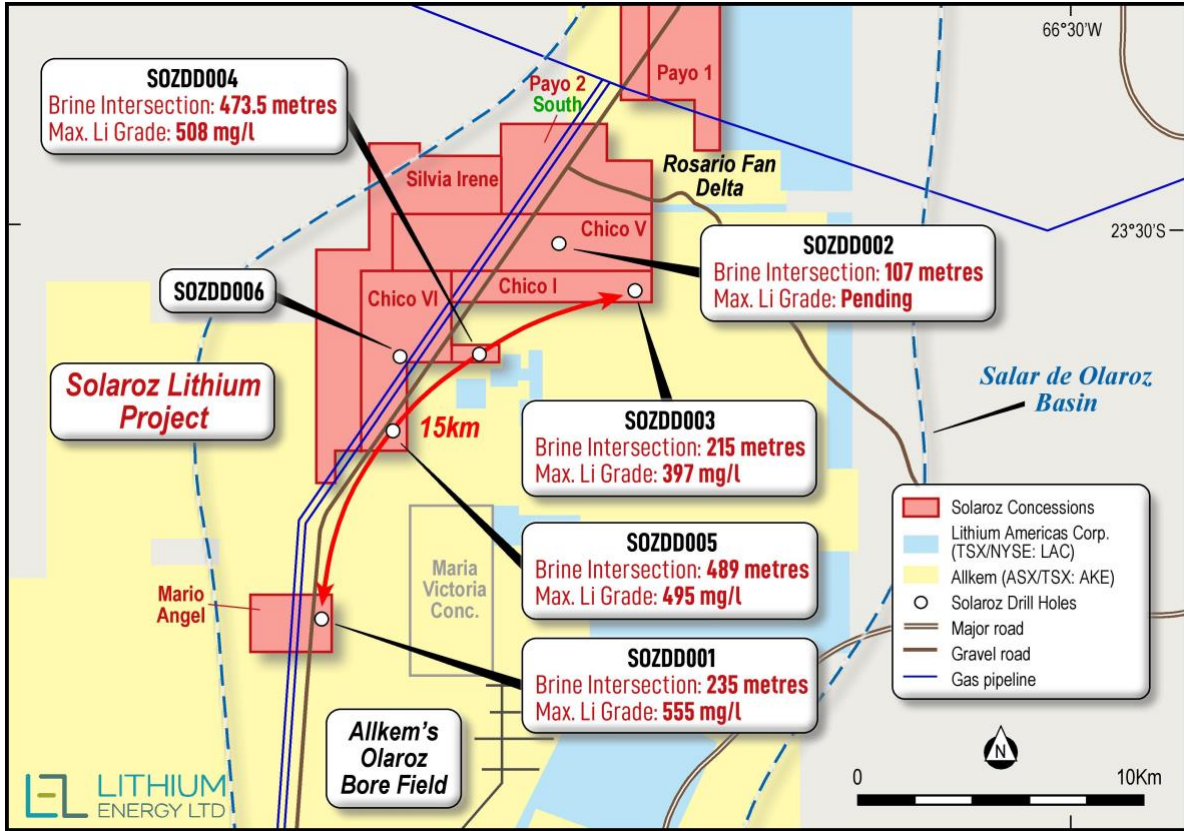


Figure 1: Location of Drillhole 6 (SOZDD006) Across 15km Zone Between Solaroz Drillholes Where Massive Intersections of Conductive Brines with High Lithium Concentrations Encountered

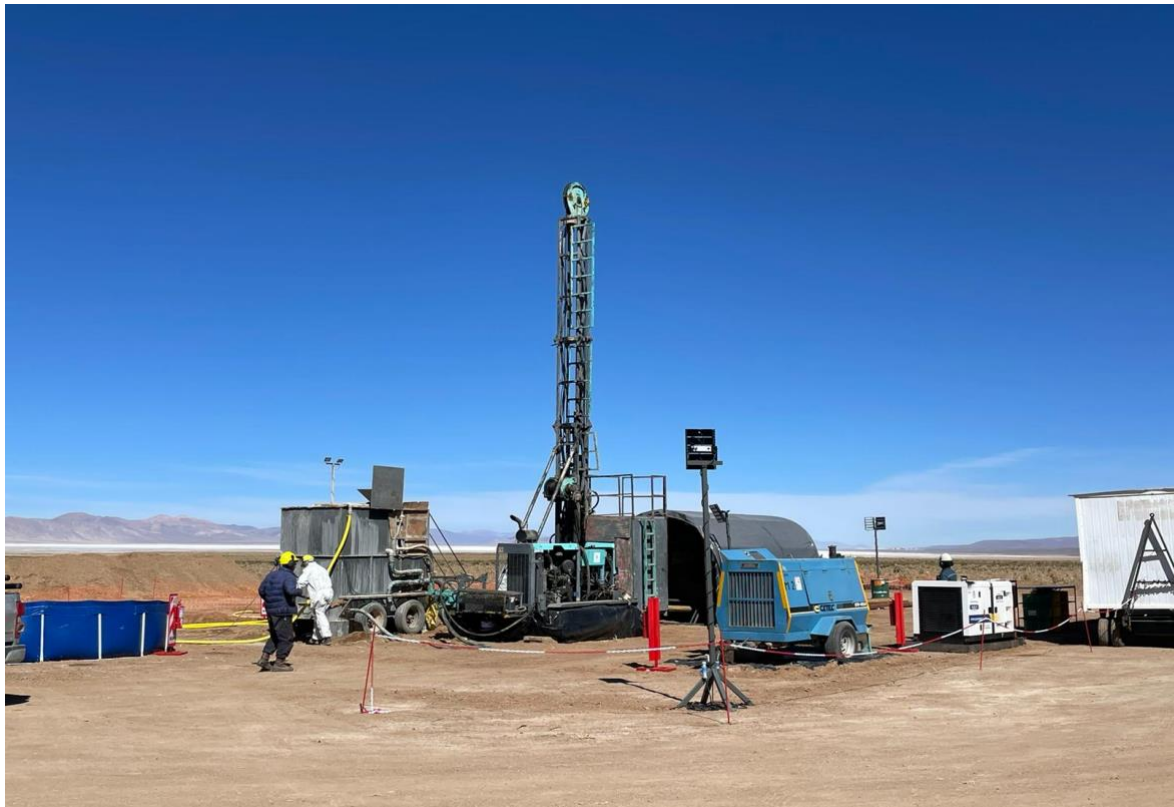
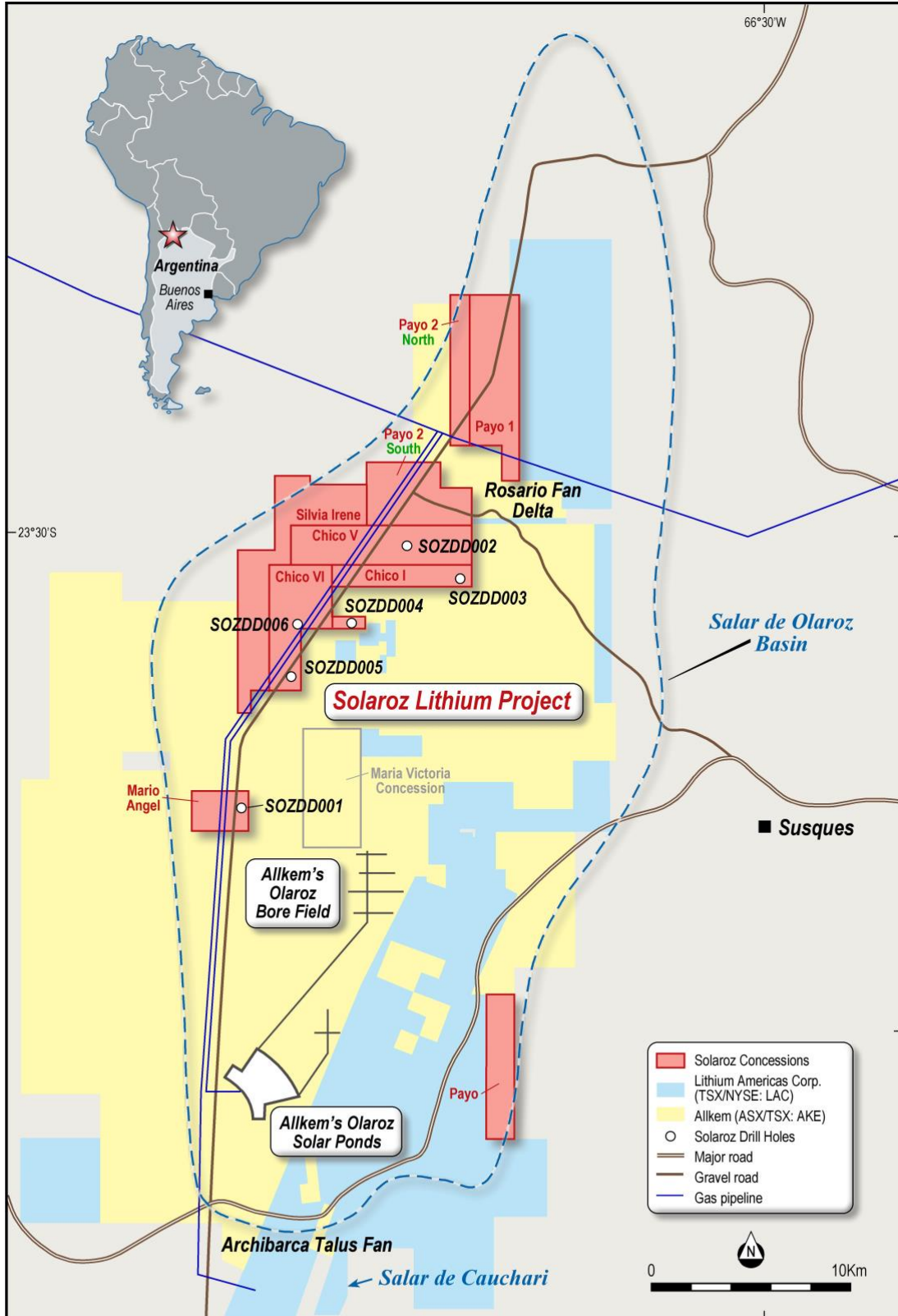


Figure 2: Diamond Drill Rig at SOZDD006, Chico VI Concession on Olaroz Salar

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Solaroz Lithium Project, Argentina
Solaroz Concessions Location Plan

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Figure 3: Solaroz Drill Hole Locations within Solaroz Concessions in Oloroz Salar (Adjacent to Allkem and LAC Concessions)

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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 Graphite Project in Queensland. The Solaroz Lithium Project (LEL:90%) comprises 12,000 hectares of highly prospective lithium mineral concessions located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. The Solaroz Lithium Project is directly adjacent to or principally surrounded by mineral concessions being developed into production by Allkem Limited (ASX/TSX:AKE) and Lithium Americas Corporation (TSX/NYSE:LAC). The Burke Graphite Project (LEL:100%) contains a high grade graphite deposit and presents an opportunity to participate in the anticipated growth in demand for graphite and graphite related products.

JORC CODE COMPETENT PERSON'S STATEMENTS

The information in this document that relates to Exploration Results (in relation to drillholes SOZDD002 and SOZDD003) are based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG. Mr Smith is a Member of the Australian Institute of Geoscientists (AIG) and an Executive Director of the Company. Mr Smith has the requisite experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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**). Mr Smith consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The information in this document that relates to other Exploration Results and Exploration Targets in relation to the Solaroz Lithium Project is extracted from the following ASX market announcements made by Lithium Energy dated:

- 15 May 2023 entitled "Further Assays Confirm Significant Lithium Brine Concentrations Across Massive Intersections at Solaroz"
- 12 May 2023 entitled "Massive Intersections of Brine Continue at Solaroz at up to ~780 Metre Depth"
- 1 May 2023 entitled "Massive Intersections of Lithium Rich Brine Confirm World Class Potential of Solaroz Lithium Project"
- 19 April 2023 entitled "Holes 4 and 5 Encounter Significant Intersections of Conductive Brines at Solaroz Lithium Project"
- 14 March 2023 entitled "Further Significant Lithium Discovery Extends Mineralisation at Solaroz Lithium Brine Project"
- 10 March 2023 entitled "Positive Specific Yields and Significant Averaged Lithium Concentrations in SOZDD001 at Solaroz Lithium Brine Project"
- 27 February 2023 entitled "Drilling Continues to Advance at Solaroz Lithium Brine Project"
- 31 January 2023 entitled "Drilling Continues to Encounter Significant Intersections of Highly Conductive Brines at Solaroz Lithium Project"
- 14 December 2022 entitled "Intersections of Conductive Brines Encountered in Further Drillholes at Solaroz Lithium Project in Argentina"
- 16 November 2022 entitled "Drilling Completed at Maiden Drillhole at Solaroz Lithium Brine Project"
- 1 November 2022 entitled "Further Significant Lithium Concentrations Encountered in Maiden Drillhole at Solaroz Lithium Brine Project"
- 19 October 2022 entitled "Major Lithium Discovery Confirmed In First Drillhole of Maiden Programme at the Solaroz Lithium Brine Project"
- 5 October 2022 entitled "Significant Intersection of Highly Conductive Brines in Maiden Drillhole at Solaroz Lithium Brine Project"
- 18 August 2022 entitled "Highly Encouraging Geophysics Paves Way for Commencement of Drill Testing of Brines at Solaroz"
- 9 May 2022 entitled "Geophysics Expanded Across all Concessions to Refine Drill Targets at Solaroz Lithium Project"

- 8 June 2021 entitled "Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina"
- 26 May 2021 entitled "Geophysical Data Supports Highly Encouraging Exploration Potential for Solaroz"

The information in the original announcements is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG). Mr Smith is a Member of the AIG and a Director of the Company. Mr Smith has the requisite experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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).

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. 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. 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.