

ASX Announcement | 8 August 2023

Intensive Inaugural Field Program Commenced at the Trieste Lithium Project, James Bay, Canada

Highlights:

- Field work has commenced at the Trieste Lithium Project with Dahrouge Geological Consulting (DGC) now in the field targeting high-priority areas, with government forest fire restrictions now lifted.
- Loyal Lithium will complete an intensified and focused exploration program with up to 16 personnel and 3 helicopters, which aims to collecting samples in a prioritised order.
- Loyal Lithium's extensive winter program informed the design of this field program, including a regional/local geological assessment, review of historical data (outcrop, geochemical, till, and lake samples), high-resolution aeromagnetic acquisition and analysis, and multispectral satellite image analysis.
- A pre-emptive drilling permit has been prepared based on the high priority targets to enable a swift transition to drilling in the autumn/winter of 2023 for sites with positive field results.
- The Trieste Lithium Project is a large-scale lithium project located 14km east of Winsome Resources' (ASX: WR1) Adina Lithium Project, which recorded a significant lithium mineralised pegmatite intercept¹.
- Loyal Lithium remains the single largest landholder within the highly prospective Trieste Greenstone Belt, with a land position of 251 km².

Loyal Lithium Limited (ASX:LLI) (**Loyal Lithium, LLI**, or the **Company**) is pleased to announce that field work is now underway at the Trieste Lithium Project, targeting high-priority areas in collaboration with Dahrouge Geological Consulting (DGC). Capitalising on the lifted government forest fire restrictions, the Company has launched an intensified exploration program with the involvement of up to 16 personnel and 3 helicopters. This comprehensive inaugural field program aims to collect 1,720 prioritized samples. A pre-emptive drilling permit, based on high-priority targets, has been prepared to facilitate a swift transition to drilling upon obtaining positive field results. Positioned strategically just 14km East of Winsomes' Adina Lithium Project in the highly prospective Trieste Greenstone Belt, the Trieste Lithium Project offers significant potential, bolstered by Loyal Lithium's status as the region's largest landholder.

Loyal Lithium's Managing Director, Mr Adam Ritchie, commented:

"We are thrilled to begin the Trieste Summer Field Program, with the invaluable support of our partners at Dahrouge Geological Consulting. Their remarkable efforts have ensured seamless resource allocation for a successful summer field season."

"Our winter preparations, including thorough data analysis, have paved the way for a strategic exploration approach on this large prospective landholding. Thanks to DGC's experience and foresight, we've already prepared a drilling plan for swift action upon positive results."

"Our aim is to be comprehensive, leaving no opportunity unexplored, by collecting as many samples as possible."

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Figure 1 – Trieste Lithium Project – DGC In Field Geologist inspecting pegmatite

SUMMER FIELD PROGRAM

Loyal Lithium’s summer field program is a prioritised and comprehensive prospecting, outcrop rock chip and glacial till sampling initiative. The program’s prospecting focus is high value targets that were identified through the inputs collected and assessed during the Canadian winter of 2022/2023. The abundance of historical and new data collected by Loyal Lithium has directed the Company’s efforts towards the highly prospective northwest zone, which encompasses a volcanic mafic “greenstone” belt and a large pegmatite-de-tilly intrusive to the south of the greenstone belt. Additionally, a smaller zone in the southeast features comparable geological occurrences. These zones are shown categorised in the figure below as first order of priority.

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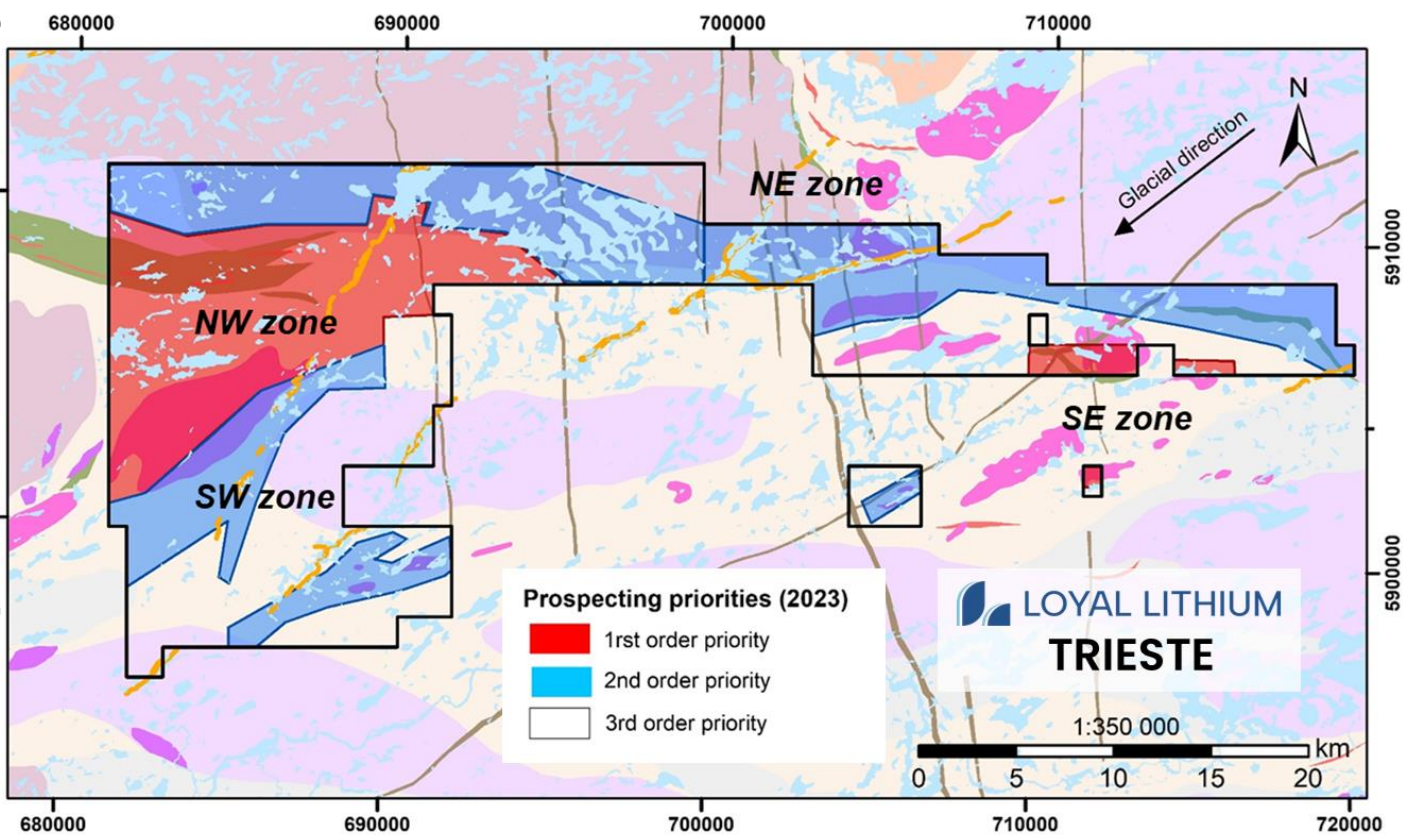


Figure 2 – Trieste Lithium Project – Late Summer Field Program Areas Prioritised

The extensive prospecting program aims to collect rock chip samples from the prioritised areas. The first priority is to complete systematic and closely spaced traverses in the NW zone, focusing on the high-value targets. Soil and glacial till will also be sampled on traverses across the Tilly intrusive, situated south of the greenstone belt, and in the areas with limited historical mapping, located east of the greenstone, where extensions of the structure are interpreted to occur. Furthermore, the first priority southeast zone will also have systematic and closely spaced traverses conducted due to the historical observation of crystal structures with a pegmatite among the greenstone.

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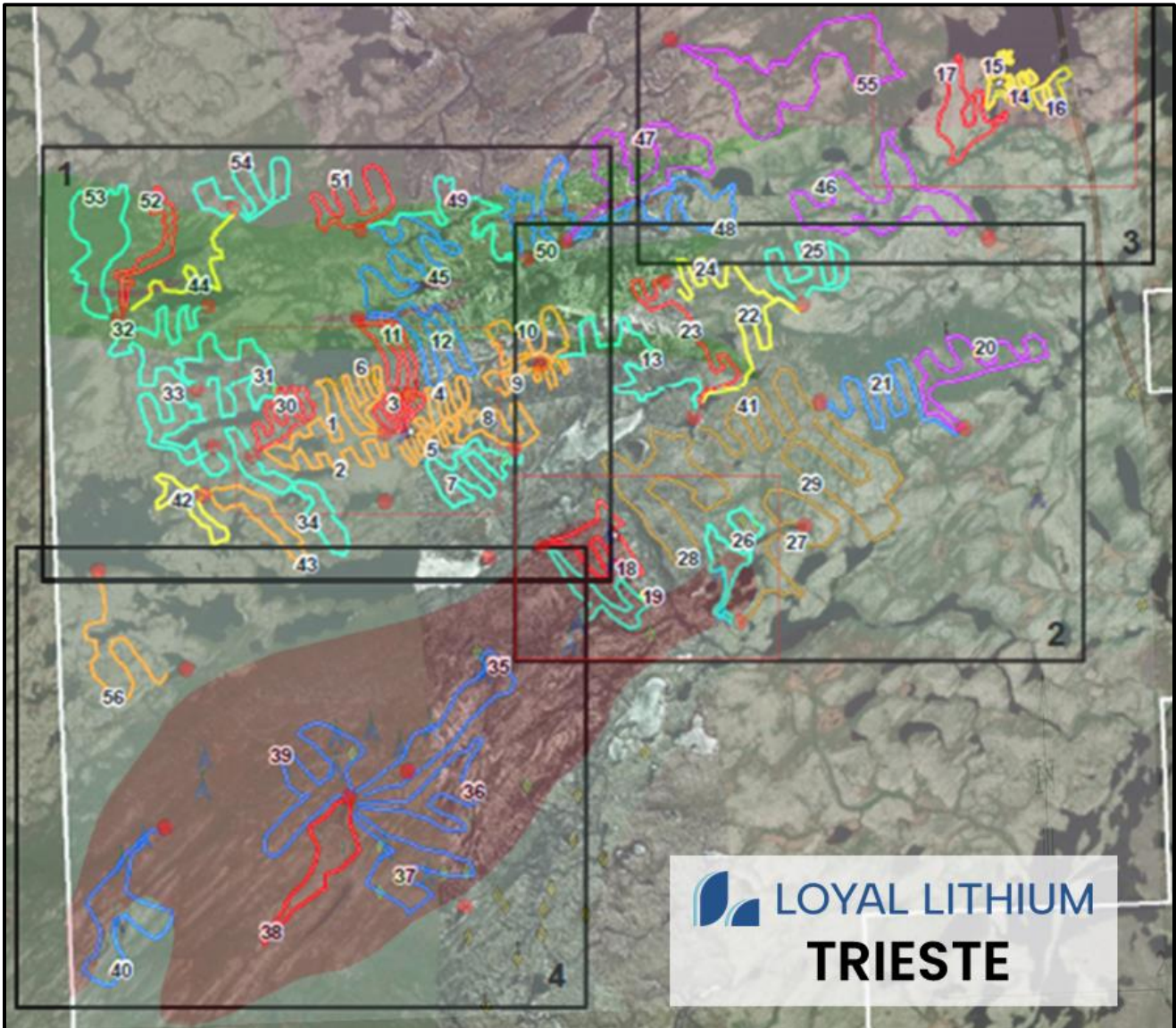


Figure 3 - Trieste Lithium Project – Summer Field Program Prioritised Traverses

The objective of the comprehensive till sampling program is to collect samples of the high priority targets, utilizing a tight sample grid due to the potential for the occurrence of Lithium-bearing pegmatites. Wider-spaced lines will be used to detect signals across the rest of the property. A tight sample spacing will be deployed along the sampling grid lines to better locate any anomalous source(s). If any anomalies are detected across the regional (wider-spaced) sample lines, they will be considered for a subsequent sampling program.

Loyal Lithium's extensive winter program has informed the design of this comprehensive summer program. Inputs such as a regional/local geological assessment, historical data review (outcrop, geochemical, till, and lake samples), high-resolution aeromagnetic analysis, and multispectral analysis have all been essential inputs and will enable focused and efficient exploration techniques are utilized at the highly prospective Trieste Lithium Project.

THE TRIESTE LITHIUM PROJECT

The 100% owned Trieste Lithium Project is a large-scale lithium Project located 14km east of Winsome Resources' (ASX: WRI) Adina Lithium Project drill hole that recently recorded a significant Lithium mineralised intercept of 1.34% over 107.6m⁽¹⁾. Importantly, Loyal Lithium acquired the Trieste Lithium Project in October 2022 prior to the recent drill campaign results at the Adina Lithium Project.

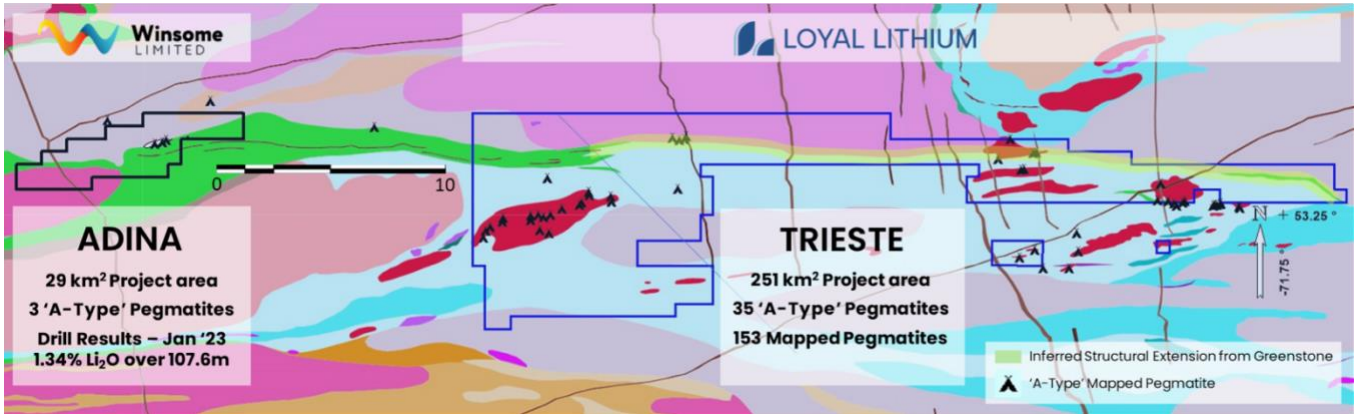


Figure 4 - Trieste Lithium Project – GSQ Region Interpretation (1:100k)

Loyal Lithium is the largest land holder within the highly prospective Trieste Greenstone Belt. The Trieste Lithium Project covers 251 km², which is 8.6 times larger than Winsome Resources' (ASX: WRI) Adina Lithium Project. The project area includes a 39 km long contact zone in the Trieste Greenstone Belt with a significant amount of historical data. Although the Project hasn't ever previously been explored for lithium, it does contain an anomalous historical lithium assay site and newly identified very high values of pegmatite lithium indicator elements including caesium and rubidium.

Director Incentives

Subject to shareholder approval, the Board proposes to provide the following Performance Rights to its Managing Director, Mr Adam Ritchie and its Executive Chairman, Mr Peretz Schapiro.

It is proposed that Mr Ritchie will be issued 3,000,000 Performance Rights with the following vesting conditions:

- i) 500,000 Performance Rights vesting on:
 - a. The volume weighted share price being greater than \$1.50 over 20 consecutive days in which trading in the Company's securities occurred, and
 - b. 12 months continuous employment from the 8th August 2023
- ii) 500,000 Performance Rights vesting on:
 - a. The volume weighted share price being greater than \$2.00 over 20 consecutive days in which trading in the Company's securities occurred, and
 - b. 12 months continuous employment from the 8th August 2023

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- iii) 250,000 Performance Rights vesting on:
 - a. The commencement of a drilling campaign on any LLI Hard Rock Lithium asset in the Northwest Territories, Canada, and
 - b. 12 months continuous employment from the 8th August 2023
- iv) 250,000 Performance Rights vesting on:
 - a. The commencement of a drilling campaign on any LLI Hard Rock Lithium asset in Quebec, Canada, and
 - b. 12 months continuous employment from the 8th August 2023
- v) 500,000 Performance Rights vesting on:
 - a. The determination of a Hard Rock Lithium JORC compliant inferred resource of at least 10mt @ a minimum 1% Li₂O eq. in the Northwest Territories, Canada, and
 - b. 12 months continuous employment from the 8th August 2023
- vi) 500,000 Performance Rights vesting on:
 - a. The determination of a Hard Rock Lithium JORC compliant inferred resource of at least 10mt @ a minimum of 1% Li₂O eq. in Quebec, Canada, and
 - b. 12 months continuous employment from the 8th August 2023
- vii) 250,000 Performance Rights vesting on:
 - a. The determination of a Hard Rock Lithium JORC compliant inferred resource of at least 20mt @ a minimum of 1% Li₂O eq. in the Northwest Territories, Canada, and
 - b. 18 months continuous employment from the 8th August 2023
- viii) 250,000 Performance Rights vesting on:
 - a. The determination of a Hard Rock Lithium JORC compliant inferred resource of at least 20mt @ a minimum of 1% Li₂O eq. in Quebec, Canada, and
 - b. 18 months continuous employment from the 8th August 2023

Mr Schapiro will be issued an 1,000,000 Performance Rights with the following vesting conditions:

- i) 250,000 Performance Rights vesting on:
 - a. The volume weighted share price being greater than \$1.50 over 20 consecutive days in which trading in the Company's securities occurred, and
 - b. 12 months continuous employment from the 8th August 2023
- ii) 250,000 Performance Rights vesting on:
 - a. The volume weighted share price being greater than \$2.00 over 20 consecutive days in which trading in the Company's securities occurred, and
 - b. 12 months continuous employment from the 8th August 2023

- iii) 250,000 Performance Rights vesting on:
 - a. The determination of a Hard Rock Lithium JORC compliant inferred resource of at least 10mt @ a minimum of 1% Li₂O eq. in any Canadian province, and
 - b. 12 months continuous employment from the 8th August 2023

- iv) 250,000 Performance Rights vesting on:
 - a. The determination of a Hard Rock Lithium JORC compliant inferred resource of at least 20mt @ a minimum of 1% Li₂O eq. in any Canadian province, and
 - b. 18 months continuous employment from the 8th August 2023

This announcement has been authorised for release by Loyal Lithium's Board of Directors

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About Loyal Lithium

Loyal Lithium Limited (ASX: LLI) is a well-structured listed resource exploration company with projects in Tier 1 North American mining jurisdictions in the Northwest Territories, Canada, James Bay Lithium District in Quebec, Canada and Nevada, USA. Through the systematic exploration of its projects, the Company aims to delineate JORC compliant resources, creating value for its shareholders.

Future Performance

This announcement may contain certain forward-looking statements and opinion. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of the Company and which are subject to change without notice and could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Nothing contained in this announcement, nor any information made available to you is, or and shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Loyal Lithium Limited.

Qualified and Competent Person

The information in this announcement that relates to exploration results, is based, and fairly reflects, information compiled by Mr Darren Allingham, who is the Company's geologist. Mr Allingham is a Fellow of the Australian Institute of Geoscientists. Mr Allingham has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results and Mineral Resources (JORC Code). Mr Allingham consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.

References

¹ ASX Announcement WRI: 6th January 2023. Strong lithium mineralisation recorded from first Adina drill hole assays

² ASX Announcement LLI: 27 February 2023. High Resolution Aeromagnetic Survey completed at Trieste Lithium Project to support Pre-emptive Drilling Permit Application

³ ASX Announcement LLI: 20th October 2022. Monger triples land position with the acquisition of the Trieste Lithium Project in the James Bay Lithium District, Quebec

⁴ ASX Announcement LLI: 27 March 2023 Identification of Multiple High Value Targets at Trieste Lithium Project, James Bay, Canada

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