

ASX ANNOUNCEMENT

26 May 2026

Sale of Graphite Assets for \$20 Million

SUMMARY

- Lithium Energy to sell its Queensland Burke, Mt Dromedary and Corella Graphite Projects to M Battery Materials Pty Ltd (MBM) for \$20 million with \$5 million payable in cash and \$15 million in shares (Consideration Shares).
- MBM has existing graphite and vanadium exploration assets in Queensland and intends to undertake a minimum \$15 million 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 is owned and led by Matt Latimore (founder of M Resources) and Gerhard Redelinghuys and sits within and leverages the capabilities of the broader M Resources Group ecosystem.
- Lithium Energy will seek shareholder approval to distribute the Consideration Shares in-specie to Lithium Energy shareholders, prior to MBM's listing on ASX (In-Specie Distribution), provided ASX has not imposed escrow conditions on these shares. If ASX imposes escrow, Lithium Energy will seek shareholder approval to distribute 75% of the Consideration Shares after the end of the escrow period (as imposed by ASX).
- Lithium Energy intends to subscribe for MBM shares under the IPO, subject to finalisation of a subscription agreement with MBM.
- Post successful completion of the MBM IPO (assuming a \$15 million raising) and the In-Specie Distribution (for 100% of the Consideration Shares), Lithium Energy shareholders will collectively hold an aggregate 33.33% of MBM.
- Lithium Energy will seek shareholder approval for the Graphite Sale and In-Specie Distribution (if ASX does not impose escrow) – after MBM has lodged its Prospectus, expected within the next 3 months.

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or the **Company**) is pleased to announce that it has entered into a share sale and purchase agreement (**SPA**) with M Battery Materials Pty Ltd (**MBM**) for the sale of Lithium Energy's 100% interest in the Burke, Mt Dromedary and Corella Graphite Projects in central Queensland (**Graphite Projects**) for consideration totalling \$20 Million, comprising \$5 million cash and \$15 million in shares in MBM (**Consideration Shares**) (the **Graphite Sale**).

MBM owns graphite and vanadium exploration projects in Queensland with its Yambungan Graphite Project (refer Annexure B) located ~8km kilometres from Lithium Energy's Burke/Mt Dromedary Graphite Projects (refer Annexure C). MBM is owned and led by Matt Latimore (founder of M Resources) and Gerhard Redelinghuys (former founder and Managing Director/CEO of ASX-listed Bowen Coking Coal Limited (ASX:BCB)). Mr Latimore is proposed to be the Non-Executive Chairman and Mr Redelinghuys is proposed to be the Managing Director of MBM upon the company's listing on ASX.

MBM plans to raise a minimum \$15 million under an Initial Public Offering (**IPO**) and seek admission to the Official List of the ASX as a specialist battery materials company focused on developing and supplying minerals and materials that are critical to the global energy transition.

Lithium Energy will seek shareholder approval to distribute the Consideration Shares in-specie to shareholders (**In-Specie Distribution**), subject to whether and to what extent ASX imposes escrow on these shares (as further outlined below).

Lithium Energy has determined that the securitisation of the Company's Graphite Assets into MBM will provide the best means of commercially exploiting and attracting strategic financial and technical support to potentially develop the combined graphite assets into a larger-scale vertically-integrated mine to BAM product manufacturing business and provide exposure to a dedicated battery materials company focused on developing and supplying minerals and materials that are critical to the global energy transition. Lithium Energy shareholders will retain exposure to the Graphite Assets as MBM shareholders (if the Consideration Share are not subject to escrow and are transferred to shareholders under the In-Specie Distribution) or via their shareholding in Lithium Energy (if the In-Specie Distribution does not occur and the Consideration Shares are retained by the Company).

Executive Chairman of Lithium Energy, Mr William Johnson:

In September 2025, Lithium Energy successfully completed the consolidation of the adjacent high quality Burke and Mr Dromedary Graphite Deposits which, together with the Company's Corella Graphite Deposit) created a world-class inventory of high-grade graphite in Queensland.

Combining these graphite deposits with the neighbouring graphite and vanadium assets held by M Battery Materials will create an even more substantial and diversified battery minerals asset base. The proposed IPO of these assets and in-specie distribution of shares to Lithium Energy shareholders will provide shareholders with a valuable direct exposure to this new M Resources Group affiliated, global scale battery minerals focussed company.

Founder and President of M Resources and the M Group, Mr Matt Latimore:

We are pleased to add these high-quality assets to the M Battery Materials portfolio, creating a high-grade graphite project on a global scale. Building on the strong work completed to date, we will now advance the assets through key study and approval stages, with a focus on accelerating development toward battery anode material production. Our integrated capabilities across development, supply chains, marketing and finance position us to unlock significant value.

Sale of Graphite Assets

The sale of the Graphite Assets will be effected through the sale of Lithium Energy's 100% shareholding in Axon Graphite Limited (pending conversion to a proprietary company) (**Axon Graphite**) to MBM under the SPA. Axon Graphite owns 100% of Burke Minerals Pty Ltd (**BMPL**) (which owns the Burke and Corella Project tenements) and MD South Tenements Pty Ltd (**MDSTPL**) (which owns the Mt Dromedary Project tenements).

A summary of the key terms of the SPA (dated 25 May 2026) is set out in Annexure A to this announcement.

The SPA is conditional upon the following matters (**Conditions**) (which are further outlined in Annexure A):

- Completion of due diligence to the satisfaction of both parties by on or about 8 June 2026;
- MBM receiving confirmation from ASX as to the company's suitability for admission to ASX;
- Lithium Energy receiving all necessary shareholder approval(s) to complete the SPA and to effect the In-Specie Distribution before MBM's quotation on ASX (unless not required under the SPA);
- MBM receiving a decision from the ASX confirming (subject to the conditions therein) the company's admission to the official list of the ASX and the quotation of its securities on ASX, on terms acceptable to MBM and the parties being satisfied that MBM will be able to meet any conditions imposed by ASX and any other conditions of the IPO;

- There being no ‘Material Adverse Change’ (as defined in the SPA) in relation to MBM and AXG, BMPL and MDSTPL (taken as a whole); and
- All liabilities of AXG, BMPL and MDSTPL owed to Lithium Energy (or any related body corporate) being released, forgiven or discharged.

If the Conditions are not satisfied or waived, or have become incapable of being satisfied, on or before 2 November 2026 (or such later date as the parties may agree in writing), either party may terminate the SPA. However, no termination right will arise if the relevant party has not co-operated with the other party and used their best efforts to satisfy each of the Conditions.

Lithium Energy is entitled to nominate one director to MBM’s board of directors and the parties have agreed that Lithium Energy Chairman, William Johnson, will be appointed a Non-Executive Director after the parties have declared satisfaction of due diligence under the SPA.

M Battery Materials IPO

MBM plans to raise a minimum \$15 million (with a target maximum of \$25 million) under an IPO Prospectus and seek admission to the Official List of the ASX.

Lithium Energy intends to subscribe for shares under the MBM Prospectus, subject to finalisation of a subscription agreement with MBM.

MBM is still finalising the terms of its Prospectus but the parties have agreed that the MBM capital structure (based on a \$15 million capital raising) will be as follows (subject to changes by agreement of the parties):

Pro-Forma MBM Capital Structure	\$15 Million Raising	
	No. Shares	Fund Raised
Proposed IPO at \$0.50 Issue Price	30,000,000	\$15,000,000
Post-IPO Shareholders	No. Shares	% of Post-IPO Issued Capital
Existing MBM shareholders	30,000,000	33.33%
Lithium Energy/Shareholders of Lithium Energy (from In-Specie Distribution)	30,000,000	33.33%
New shareholders under IPO	30,000,000	33.33%
Total	90,000,000	100%
Indicative Market Capitalisation (based on \$0.50 IPO Issue Price)	\$45,000,000	

MBM has advised that its IPO Prospectus is expected to be lodged with ASIC within the next 3 months.

In-Specie Distribution of MBM Shares

As part of the IPO and ASX admission process, MBM is consulting with ASX on the extent to which the Consideration Shares will be subject to escrow under the Listing Rules.

Under the SPA, Lithium Energy 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 follows:

- If ASX does not impose escrow on the Considerations Shares when distributed in-specie to Lithium Energy shareholders or imposes escrow only on MBM shares distributed in-specie to LEL directors and officers - Lithium Energy will seek shareholder approval and, if granted, implement the In-Specie Distribution for 100% of the Consideration Shares after completion under the SPA and before MBM’s quotation on ASX; and

- (b) In all other cases, where ASX has imposed escrow on the Considerations Shares – Lithium Energy 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 escrow period (as imposed by ASX).

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) Lithium Energy shareholders fail to approve the In-Specie Distribution referred to in (a) above.

Lithium Energy will also engage with the Australian Tax Office (**ATO**) on the taxation implications of the In-Specie Distribution (including to Lithium Energy recipient shareholders).

Further details of the In-Specie Distribution, including an indicative timetable, the eligibility and record date for determining entitlements and the taxation implications (subject to receipt of ATO's response at that time) will be outlined in the Meeting Document to seek shareholder approval for the In-Specie Distribution (referred to below).

Shareholder Approvals

Lithium Energy will seek shareholder approval for the Graphite Sale and In-Specie Distribution, as required under the ASX Listing Rules and Corporations Act.

The Notice of General Meeting and Explanatory Statement will include a short-form prospectus in respect of the MBM shares, which will also contain a copy of an MBM prospectus (**Meeting Document**).

Lithium Energy will convene a general meeting as soon as practicable after MBM has lodged its IPO Prospectus with ASIC.

It is anticipated that the MBM Prospectus and Lithium Energy Meeting Document will be finalised within the next 3 months.



About M Battery Materials

MBM is a specialist battery materials company focused on supplying minerals and materials that are critical to the global energy transition. The business is centred on the development of high-grade graphite and vanadium assets, with the commodities being strategically important to future battery and industrial supply chains.

MBM sits within the broader M Resources Group ecosystem and leverages the capabilities of M Resources' globally active mining and commodities business, with deep expertise in resource development, steelmaking supply chains, trading and finance.

MBM is owned and led by Matt Latimore (founder of M Resources) and Gerhard Redelinghuys (former founder and Managing Director/CEO of ASX-listed Bowen Coking Coal Limited (ASX:BCB), both of whom are experienced in building and advancing resources businesses.

Mr Latimore is proposed to be the Non-Executive Chairman and Mr Redelinghuys is proposed to be the Managing Director of MBM upon the company's listing on ASX.

MBM was established as a critical minerals investment and development platform, assembling a portfolio of battery and critical mineral projects in Australia. The company's growth is based on targeted acquisitions and project consolidation, for long-term value creation. MBM's current portfolio comprises the Yambungan Graphite Project and the Burwood West, Richmond Downs, Dalgonally and Millungera Vanadium Projects across north-west Queensland, with both regional concentration and commodity diversity (refer Annexure B).

MBM is currently a proprietary company and will be converted to a public company ahead of the company issuing its IPO Prospectus and applying for admission to the Official List of the ASX.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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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.

JORC CODE (2012) COMPETENT PERSONS' STATEMENTS

- (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 Australasian Institute of Geoscientists (**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 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (**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).

- (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 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).

- (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 announcements 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 announcements is based on information compiled by Mr Graham Fyfe, who is a Member of AUSIMM. Mr Fyfe was an employee (General Manager, Projects) of Lithium Energy Limited between 24 October 2022 and 5 September 2025. 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 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).

- (3) The information in this document that relates to Exploration Results in relation to the 2025/2026 drilling program at the Burke and Mt Dromedary Graphite Projects is extracted from the following ASX market announcements made by Lithium Energy Limited dated:

- 10 March 2026 entitled "Receipt of Initial Assay Results from Resource Upgrade Drilling Program at Burke-Mt Dromedary Graphite Deposits"
- 22 December 2025 entitled "Phase 1 Drilling Complete at Burke and Mt Dromedary Graphite Deposits in Queensland"

The information in the original announcements is based on information compiled by Mr Nicholas Payne (BSc.Hons (Geology) (UWA) AusIMM). Mr Payne is a Member of AusIMM. Mr Payne is an employee (Senior Resource Geologist) of Lithium Energy Limited. Mr Payne 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).

SUMMARY OF SHARE SALE AND PURCHASE AGREEMENT (SPA)

Parties	<p>Lithium Energy Limited (ABN 94 647 135 108) (ASX:LEL) (Lithium Energy or LEL or Seller)</p> <p>Axon Graphite Limited (ABN 73 119 438 265) (conversion Axon Graphite Pty Ltd pending) to AXG or Company)</p> <p>M Battery Materials Pty Ltd (ABN 81 681 767 000) (conversion to M Battery Materials Limited pending) (MBM or Buyer)</p>
MBM IPO	The parties acknowledge that MBM proposes to undertake an initial public offering of its shares pursuant to a prospectus (to raise a minimum of \$15 million, with a target maximum of \$25 million) and associated application for admission to the official list of the ASX and the quotation of its securities on the ASX (Quotation) (IPO).
Share Sale	<p>Sale of 50 million shares in the capital of AXG by Lithium Energy to MBM, comprising 100% of the issued capital of AXG.</p> <p>AXG owns 100% of the following subsidiaries:</p> <p>(a) Burke Minerals Pty Ltd (ABN 52 166 886 826) (BMPL), which owns the tenements comprising the Burke (EPM 25443) and Corella (EPM 25696) Graphite Projects and the Leichhardt Crossing tenement (EPM 28715) (Burke Mining Interests); and</p> <p>(b) MD South Tenements Pty Ltd (ABN 89 609 223 46) (MDSTPL), which has interests in the tenements comprising the Mt Dromedary Graphite Project: EPM 17246, EPM 17323 and EPM 26025 (Sub-Blocks D, J, O and S within Normanton 3123 Block) (Mt Dromedary Mining Interests).</p>
Consideration	<p>\$20 million, comprising:</p> <p>(a) \$5 million cash; and</p> <p>(b) MBM shares worth \$15 million, issued at MBM's IPO prospectus offer price.</p>
Conditions	<p>Completion is subject to and conditional upon the following relevant material conditions precedent:</p> <p>(a) Both the Buyer and Seller electing to proceed with the SPA after completion of due diligence (within 14 days after the date of the SPA);</p> <p>(b) MBM receiving an in-principle decision from the ASX advising that ASX is not aware of any reasons that would cause MBM not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 Condition 1 or that would cause ASX to exercise its discretion to refuse admission to the official list under Listing Rule 1.19 and does not intend to treat any of the Consideration Shares (other than the Director Consideration Shares) as Restricted Securities;</p> <p>(c) Lithium Energy receiving all necessary shareholder approval(s) to complete the SPA and to effect the In-Specie Distribution before Quotation (unless not required under the SPA (refer In-Specie Distribution below));</p> <p>(d) MBM receiving a final decision from the ASX confirming (subject to the conditions therein) its admission to the official list of the ASX and the quotation of its securities on ASX, on terms acceptable to MBM and the parties being satisfied that MBM will be able to meet any conditions imposed by ASX and any other conditions of the IPO;</p> <p>(e) There being no 'Material Adverse Change' (as defined in the SPA) in relation to MBM and AXG, BMPL and MDSTPL (taken as a whole); and</p> <p>(f) All liabilities of AXG, BMPL and MDSTPL owed to Lithium Energy (or any related body corporate) being released, forgiven or discharged.</p>
Completion	2 business days after the Conditions have been satisfied or waived.

Cut-Off Date	2 November 2026 (If any of the Conditions are not satisfied or waived, or become incapable of being satisfied by this Cut-Off Date, then any party may terminate the SPA)
In-Specie Distribution	<p>Lithium Energy will distribute the Consideration Shares to eligible shareholders based on whether and to what extent ASX imposes escrow (and otherwise subject to ASX's requirements), as follows:</p> <p>(a) Lithium Energy will seek shareholder approval and, if granted, implement an In-Specie Distribution for 100% of the Consideration Shares after completion under the SPA and before MBM's Quotation on ASX:</p> <p>(i) if ASX does not impose escrow on any of the Considerations Shares; or</p> <p>(ii) If ASX imposes escrow only on MBM shares proposed to be distributed in-specie to LEL directors and officers (Director In-Specie Shares).</p> <p>(b) Lithium Energy will seek shareholder approval and, if granted, implement an In-Specie Distribution for 75% of the Consideration Shares within 10 business days after the end of the escrow period (as imposed by ASX) (75% In-Specie Distribution):</p> <p>(i) if ASX imposes escrow on all of the Considerations Shares; or</p> <p>(ii) If ASX imposes escrow on MBM shares other than the Director In-Specie Shares (subject to MBM not exercising their right to terminate the SPA).</p> <p>Lithium Energy has agreed (to the extent permitted by law) not to exercise any rights in relation to matters pertaining to the composition of the MBM Board during the escrow period and until the completion of the 75% In-Specie Distribution (where applicable).</p>
Lithium Energy Shareholder Approvals	<p>Lithium Energy proposes to seek shareholder approval in respect of:</p> <p>(a) the disposal of AXG under the SPA, for the purposes of Listing Rule 11.4.1(b); and</p> <p>(b) the In-Specie Distribution.</p>
MBM Share Capital Structure	<p>The proposed composition of the MBM Share Capital Structure (post-IPO, assuming the minimum \$15 million raising and an assumed \$0.50 offer price) is as follows:</p> <p>(i) Existing MBM shareholders - 30 million shares;</p> <p>(ii) Lithium Energy - 30 million shares (subject to the In-Specie Distribution);</p> <p>(iii) IPO shareholders - between 30 million shares (based on minimum subscriptions of \$15 million) and 50 million shares (based on target maximum subscriptions of \$25 million) (issued at \$0.50 per share) (subject to changes agreed by the parties).</p> <p>MBM will apply for quotation of the above shares on ASX (subject to ASX imposed escrow).</p>
LEL Nominee on MBM Board	Lithium Energy is entitled to nominate one director to the Board of MBM, who will be appointed after the satisfaction of Condition (a) (referred to above). The parties have agreed that William Johnson will be appointed Non-Executive Director.
Buyer's Other Termination Rights	<p>MBM may terminate the SPA at any time before Completion if:</p> <p>(a) ASX imposes escrow on the Consideration Shares (other than the Director Consideration Shares);</p> <p>(b) Lithium Energy shareholders have failed to approve the In-Specie Distribution; or</p> <p>(c) Lithium Energy shareholders have failed to approve any other necessary shareholder approvals.</p>
Governing law	The SPA is governed by Queensland law.
Other	Customary terms and conditions for a transaction of this nature, including customary covenants, warranties and indemnities (including by Lithium Energy), customary caps and limitations on claims, and other customary termination mechanisms.

ABOUT M BATTERY MATERIALS GRAPHITE AND VANADIUM PROJECTS¹

M Battery Materials’ exploration projects are located in the North-West Mineral Province of Queensland which hosts various mines producing a wide range of minerals. The area is serviced by an array of infrastructure including rail to the port of Townsville.

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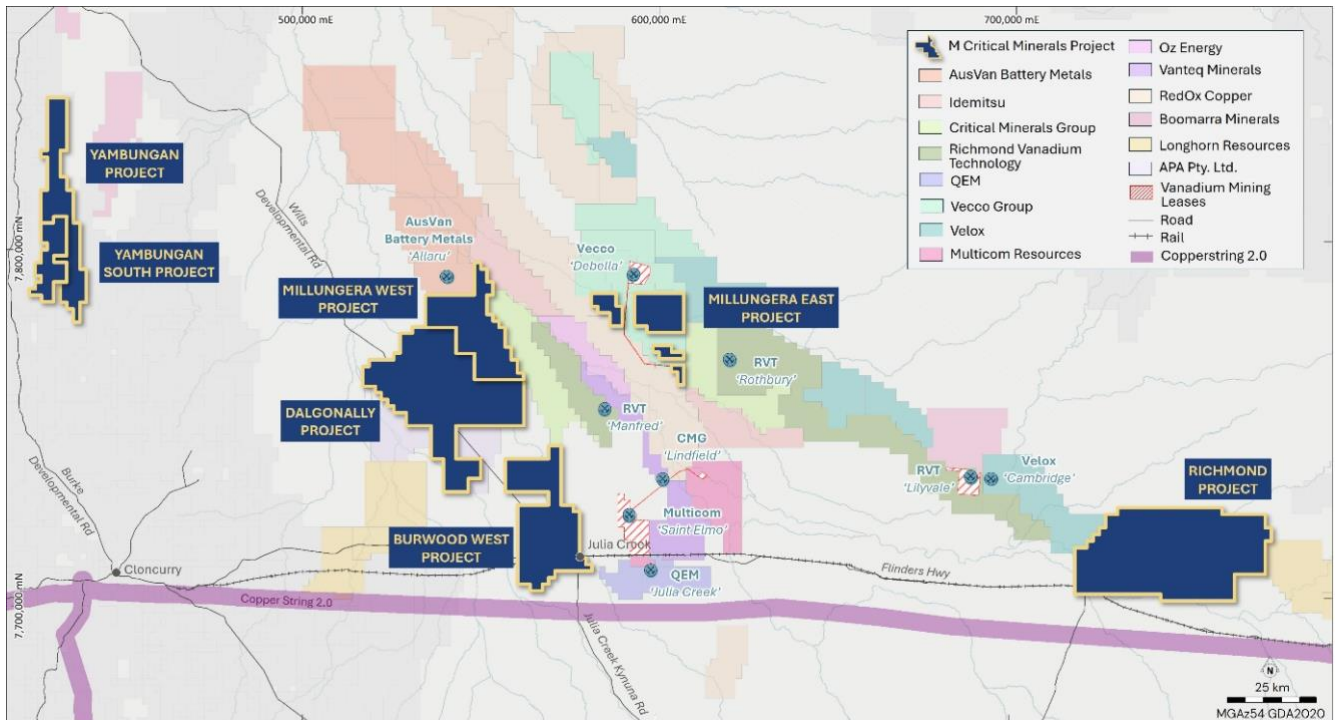


Figure 1: Location of M Battery Materials Graphite and Vanadium Projects in Queensland

M Battery Materials subsidiary, Yambungan Pty Ltd, holds the Yambungan and Yambungan South Graphite Projects, located approximately 8km east of Lithium Energy’s Burke/Mt Dromedary Graphite Projects. Yambungan (EPM 26413) was acquired from Rio Tinto in December 2024 and is located within the Boomarra Fault Zone on the eastern margin of the Mary Kathleen Domain. Yambungan South (EPM 29210) is an adjacent tenement to Yambungan.

M Battery Materials acquired V205 Pty Ltd in 2024 and is one of the largest tenement holders in the Julia Creek Vanadium fields covering more than 1,000km² close to existing infrastructure (including rail). These vanadium projects (Richmond Downs, Burwood West, Dalgonally, Millungera East and Millungera West) are primarily in the shallow Toolebuc Formation proximate to advanced vanadium companies such as Vecco, Richmond Vanadium, Multicom and Critical Minerals Group.

¹ As advised by M Battery Materials Pty Ltd

Tenement Details

Tenement Holder	Tenement Name	Tenement No.	Grant Date	Expiry Date	Area (sub-blocks)	Area (km ²)
Yambungan	Yambungan	EPM 26413	8/9/2017	7/9/2027	100	100
Yambungan	Yambungan South	EPM 29210	19/3/2026	18/3/2031	46	147
V205	Burwood West	EPM 28323	19/6/2023	18/6/2028	70	224
V205	Burwood West 2	EPM 28407	31/10/2023	30/10/2028	98	313
V205	Richmond Downs 1	EPM 28382	13/11/2023	12/11/2028	91	291
V205	Richmond Downs 3	EPM 28383	30/6/2022	29/6/2027	98	313
V205	Richmond Downs 2	EPM 28384	30/6/2022	29/6/2027	93	297
V205	Richmond Downs 4	EPM 28385	30/6/2022	29/6/2027	87	278
V205	Dalgonally 1	EPM 28408	23/7/2025	22/7/2032	100	320
V205	Dalgonally 2	EPM 28409	23/7/2025	22/7/2032	100	320
V205	Dalgonally 3	EPM 28410	23/7/2025	22/7/2032	100	320
V205	Millungera West	EPM 29076	29/7/2025	28/7/2030	100	320
Redel	Millungera	EPM 29089	29/7/2025	28/7/2030	25	80
V205	Millungera East	EPM 29077	29/7/2025	28/7/2030	73	234

Notes:

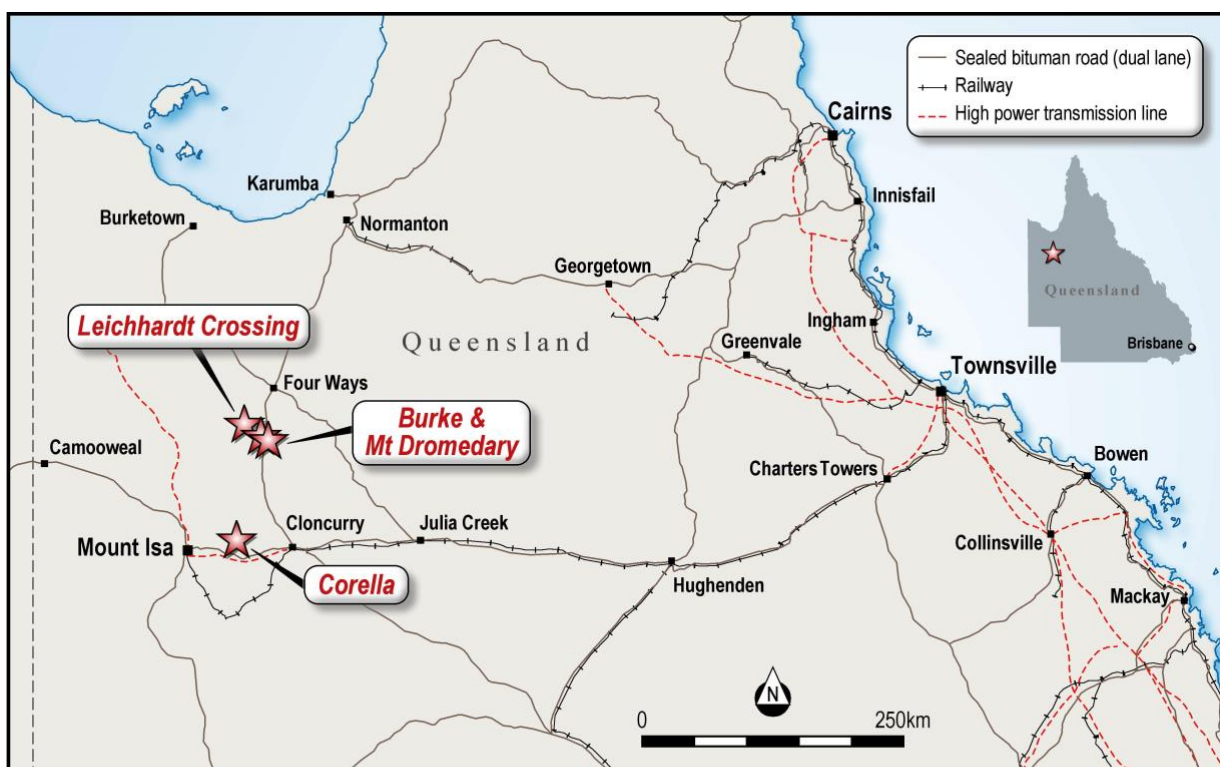
- (1) **Yambungan** is Yambungan Pty Ltd ABN 40 681 780 218, a subsidiary of M Battery Materials Pty Ltd
- (2) **V205** is V205 Pty Ltd ABN 65 657 600 130, a subsidiary of M Battery Materials Pty Ltd
- (3) **Redel** is Redel Resources Pty. Ltd. ACN 155 689 080; EPM 29089 is pending transfer from Redel to V205

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ABOUT LITHIUM ENERGY GRAPHITE PROJECTS

Lithium Energy’s (100% owned) Graphite Projects are located in the Cloncurry region in North Central Queensland (refer Figure 2):

- (1) the **Burke Graphite Project** comprises EPM 25443 (**Burke**) (of ~6.47km²), located ~130km by road north of Cloncurry, adjacent to the Burke Development Road;
- (2) the **Mt Dromedary Graphite Project** comprises EPM 17246, EPM 17323 and EPM 26025 (Sub-Blocks D, J, O and S within Normanton 3123 Block) (**Mt Dromedary**) (of 19.41km²), which are contiguous to the Burke Tenement²; and
- (3) the **Corella Graphite Project** comprises EPM 25696 (**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.



Location of Projects/Tenements, Queensland 

Figure 2: Location of Burke/Mt Dromedary and Corella Graphite Projects and Leichhardt Crossing Tenement in Queensland

The Graphite 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 Figure 2).

2 Refer LEL ASX Announcement dated 25 September 2025: Acquisition of Mt Dromedary Graphite Project

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The Graphite Projects hold a substantial, world class, high-grade **graphite inventory of 4.42Mt** comprising:

- **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 graphite³;
- **Burke Graphite Deposit** - total JORC Indicated and Inferred Mineral Resource of **9.1Mt at 14.4% TGC**, for **1.31Mt** of contained graphite⁴; and
- **Corella Graphite Deposit** – total Inferred Mineral Resource of **13.5Mt at 9.5% TGC**, for **1.28Mt** of contained graphite⁵.

The Burke and Mt Dromedary Deposits comprise resources of graphite with average (>14% TGC) grades significantly higher than most global peers.

Resource Upgrade Drilling at Burke and Mt Dromedary Deposits

Lithium Energy commenced an in-fill resource development drilling (comprising RC and diamond core (including metallurgical and geotechnical) holes) in December 2025 on the Burke and Mt Dromedary tenements.⁶

The objective of this drilling program is to ascertain the graphite mineralisation between the existing Burke⁷ and Mt Dromedary⁸ Deposits to delineate a combined upgraded and expanded JORC Indicated and inferred Mineral Resource across the Burke and Mt Dromedary tenements (refer **Error! Reference source not found.**).

To date, Lithium Energy has completed 42 RC holes (totalling ~4,839m) and 5 diamond holes (totalling ~426m), with a further 4 RC drill holes (for ~650m) expected to be completed by the first week of June 2026 (subject to weather).

Samples have been progressively submitted for assay and Lithium Energy has received the assay results from 7 RC holes (Holes 24RCDH02 to 24RCDH08) completed in December 2025.⁹ The balance of the assay results for both RC and diamond holes will be released when received and analysed.

3 Refer Joint LEL and NVX ASX Announcement dated 10 September 2024: Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review

4 Refer LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

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

6 Refer LEL ASX Announcement dated 22 December 2025: Phase 1 Drilling Complete at Burke and Mt Dromedary Graphite Deposits in Queensland

7 Refer LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

8 Refer Joint LEL and NVX ASX Announcement dated 10 September 2024: Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review

9 Refer LEL ASX Announcement dated 10 March 2026: Receipt of Initial Assay Results from Resource Upgrade Drilling Program at Burke-Mt Dromedary Graphite Deposits

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Burke JORC Mineral Resource

The Burke Deposit (on Burke EPM 25443 tenement) has the following JORC Mineral Resource estimate¹⁰:

- 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 1):
 - 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).¹¹

Table 1: 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:

- 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 5 April 2023 entitled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence".

¹⁰ Refer LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

¹¹ 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

Mt Dromedary JORC Mineral Resource

The Mt Dromedary Deposit (on the Mt Dromedary Tenements) has the following Mineral Resource estimate:¹²

- Total Mineral Resource of 12.7Mt at 14.5% TGC for a total of 1.83Mt contained graphite (at a 5% TGC cut-off grade), comprising (refer Table 2):
 - Indicated Mineral Resource of 8.3Mt at 15.2% TGC for 1,260kt of contained graphite; and
 - Inferred Mineral Resource of 4.3Mt at 13.2% TGC for 570kt of contained graphite; and
- within the mineralisation envelope, there is included a higher grade Total Mineral Resource of 8.5Mt at 18.4% TGC for 1.56Mt of contained graphite (at a 10% TGC cut-off grade).¹³

Table 2: Mt Dromedary Tenements - JORC Indicated and Inferred Mineral Resource Estimate

Category	Weathering State	Resource (Mt)	TGC (%)	Contained Graphite (kt)
Indicated Mineral Resource	Weathered	1.5	14.8	230
	Primary	6.8	15.2	1,030
	Sub-total	8.3	15.2	1,260
Inferred Mineral Resource	Weathered	0.3	11.8	30
	Primary	4.1	13.3	540
	Sub-total	4.3	13.2	570
Total Indicated and Inferred Mineral Resource	Weathered	1.8	14.3	260
	Primary	10.8	14.5	1,570
	TOTAL	12.7	14.5	1,830

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 joint ASX Announcement with NVX dated 10 September 2024: Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review

Corella JORC Mineral Resource

The Corella Deposit (on Corella EPM25696 tenement) has the following JORC Mineral Resource estimate¹⁴:

- Inferred Mineral Resource delivers 13.5Mt at 9.5% TGC for 1.3Mt contained graphite (at a 5% TGC cut-off grade) (refer Table 3).
- 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).¹⁵

Table 3: 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"

¹² Refer Joint LEL and NVX ASX Announcement dated 10 September 2024: Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review

¹³ Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 3 of Joint LEL and NVX ASX Announcement dated 10 September 2024: Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review

¹⁴ Refer LEL ASX Announcement dated 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

¹⁵ 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

Burke Test Work

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 follows¹⁶:

- (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 plant¹⁷ using graphite from the Burke Deposit.

This Battery Anode Material (**BAM**) test work has defined¹⁸:

- (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 a BAM Facility process design for feasibility study purposes.

Tenement Details

Tenement Holder	Tenement Name	Tenement Type and No.	Grant Date	Expiry Date	Area (sub-blocks)	Area (km ²)
BMPL	Burke	EPM 25443	4/9/2014	3/9/2028	2	6.47
BMPL	Corella	EPM 25696	2/4/2015	1/4/2030	6	19.41
BMPL	Leichhardt Crossing	EPM 28715	12/4/2023	11/4/2028	30	97.05
MDSTPL	Pigeon South	EPM 17246	26/10/2010	25/10/2027	1	3.235
	Pigeon South	EPM 17323	20/10/2010	19/10/2027	1	3.235
Dingo	Boomarra Consolidation	EPM 26025	14/12/2015	13/12/2030 (Normanton Sub-Blocks only)	4	12.94

Notes:

- (1) **BMPL** is Burke Minerals Pty Ltd (ABN 52 166 886 826), a subsidiary of Lithium Energy Limited
- (2) **MDSTPL** is MD South Tenements Pty Ltd (ABN 89 609 223 467), a subsidiary of Lithium Energy Limited
- (3) **Dingo** is Dingo Minerals Pty Ltd ACN 690 667 933, a subsidiary of Breakthrough Minerals Limited (ASX:BTM).
- (4) **Normanton Sub-Blocks** comprise Sub-Blocks D, J, O and S within Normanton 3123 Block of EPM 26025
- (5) MDSTPL's Interest in the Normanton Sub-Blocks within EPM 26025 is held pursuant to:
 - (a) Mount Dromedary Development Rights Agreement (**DRA**) between NOVONIX Limited (ASX:NVX) ABN 54 157 690 830 (then known as Graphitecorp Limited) (**NVX**) and Exco Resources Pty Limited ACN 080 339 671 (then known as Exco Resources Limited) (**Exco**) (dated on or about 29 August 2016); the DRA was assigned by NVX to MDSTPL under the MRD; the DRA was novated by Exco to Dingo (on 23 March 2026) under the Deed of Novation.
 - (b) Mineral Rights Deed (Mt Dromedary MDL) (**MRD**) between NVX, MDSTPL and Exco (dated 23 February 2024); the MRD was novated by Exco to Dingo (on 23 March 2026) under the Deed of Novation.
 - (c) Deed of Consent and Novation - Development Rights Agreement and Mineral Rights Deed (**Deed of Novation**) between Exco, Dingo and MDSTPL (dated 21 January 2026).

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

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

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