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Annual Report **2023**



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Chairman's Letter



Dear Shareholders,

I am pleased to present to you Lithium Energy's 2023 Annual Report, outlining our pathway to development across our significant mining project assets.

2023 has been a year of great achievements and growth, further positioning the Company in its goals to contribute to the global energy transition.

While detailed throughout the report, I would like to briefly recount our key achievements for 2023:

- Announcement of the JORC Inferred Mineral Resource Estimate (MRE) of 3.3 Million tonnes of Lithium Carbonate Equivalent (LCE) at the Solaroz Lithium Brine Project in Argentina.
- Commencement of a Scoping Study for the production of battery grade lithium carbonate from the lithium rich brines at Solaroz.
- Binding agreement with Lanshen to construct a battery grade lithium DLE demonstration plant at Solaroz.
- Doubling of Company's Total Graphite Inventory at the Burke and Corella Projects to 2.6Mt of contained graphite.
- Commencement of a Pre-Feasibility study to manufacture high value Battery Anode precursor material in Australia.
- Two successful capital raises completed in September 2022 (\$15 million) and June 2023 (\$6.4 million).

"Lithium Energy is uniquely positioned in that it is one of the very few companies which offers investors exposure to the two most important ingredients used in EV batteries - lithium and graphite."

This outstanding list of achievements is a testament to our experienced team and their dedication and commitment to developing our assets into Tier-1 Projects.

We have also demonstrated an unwavering commitment to sustainability and social responsibility, including implementing a number of innovative and rewarding social programs with local communities in Argentina.

Lithium Energy is uniquely positioned in that it is one of the very few companies which offers investors exposure to the two most important ingredients used in EV batteries - lithium and graphite. Lithium (which is part of the cathode in a lithium-ion battery) is the lightest of all metals, with the greatest electrochemical potential and largest specific energy per weight. Graphite is also an essential component of lithium ion batteries making up the anode in these batteries and can typically represent 50% by weight of material in a battery.

With our advanced quality lithium and graphite assets, Lithium Energy truly is uniquely positioned to take advantage of the global energy transformation.

I would like to acknowledge and thank everyone who has contributed to the success of the Company, the board of directors, senior management team, employees, consultants, advisors and most importantly our shareholders for their support.

I look forward to keeping you informed on the Company's progress as we move rapidly towards development and to the exciting year ahead.

Yours sincerely

William Johnson



Company Projects

Lithium Energy Limited (ASX: LEL) (Lithium Energy or Company) is an Australian based battery minerals company with lithium and graphite projects in Argentina and Australia, developing mineral projects to contribute to de-carbonisation of the world as a supplier of critical minerals and products for the battery industry.

The Company is primarily focused on its flagship Solaroz Lithium Brine Project in Argentina, where the Company has defined a highly significant Maiden JORC Inferred Mineral Resource Estimate of 3.3 Million tonnes of Lithium Carbonate Equivalent (LCE). The Solaroz Lithium Project comprises 12,000 hectares of lithium mineral concessions located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina.

Closer to home, Lithium Energy is rapidly advancing the development of the Burke and Corella Graphite Projects, which comprise two high-grade graphite deposits located in Queensland. The two deposits support the Company's vision of developing a vertically integrated business which aims to produce high value Spherical Purified Graphite (PSG) which is a key ingredient of the Li-ion battery anode, using graphite sourced from its Graphite Projects in Queensland. Graphite flake is manufactured into high quality PSG, which is required to produce the anode in the Li-ion battery. Our graphite assets provide our Company a further opportunity to participate in the anticipated growth across the Li-ion batteries used in electric vehicle (EV) and Energy Storage Solutions that support the renewable energy revolution.

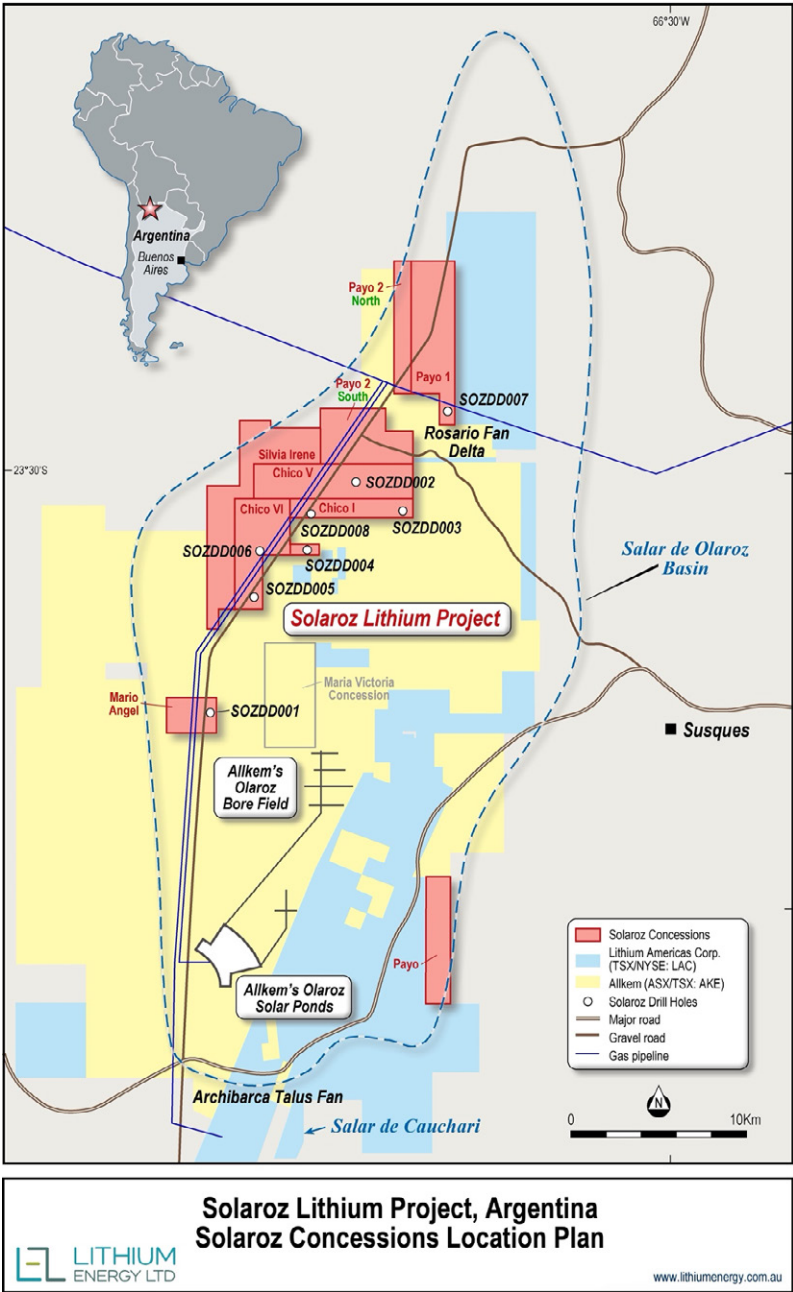


Figure 1: Solaroz Lithium Project concessions and location plan

Solaroz Lithium Brine Project

The Solaroz Lithium Project (**Solaroz**) comprises 12,000 hectares of mineral concessions hosting a significant lithium discovery located within the Salar de Olaroz Basin (Olaroz Salar) in South America’s ‘Lithium Triangle’ in north-west Argentina. Argentina holds the world’s biggest lithium brine resources and is currently the world’s third largest producer of lithium, after Australia and Chile.

The Company has successfully delineated a maiden JORC Inferred Mineral Resource Estimate (MRE)¹ of 3.3 Million tonnes of Lithium Carbonate Equivalent (LCE) at Solaroz. The location of Solaroz is considered by Lithium Energy to be highly strategic, being located in the same Olaroz Salar as the Olaroz Lithium Facility (operated by

Allkem Limited (ASX/TSX:AKE) in a joint venture with Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015)) producing lithium carbonate from lithium-rich brine extracted from bore fields drilled on the Olaroz Salar. Solaroz is also in close proximity to the recently commissioned Olaroz-Cauchari lithium carbonate production facility operated by a joint venture between Lithium Americas Corp (TSX:LAC) and Ganfeng Lithium.

The Olaroz Salar covers ~45,000 hectares and Lithium Energy is one of only three groups that control the lithium concession rights on the Olaroz Salar, with the remainder of these lithium rights held by Allkem and Lithium Americas.

¹ Refer to ASX Announcement 29 June 2023 - Significant Maiden JORC Lithium Resource of 3.3 Mt LCE at Solaroz Project in Argentina

Maiden JORC Resource

A maiden 10 hole, 5,000 metre drilling programme commenced at Solaroz in September 2022 where early results confirmed high-grade lithium brine mineralisation, including up to ~235 metres of lithium brine mineralisation and highly encouraging lithium concentrations of up to 555 mg/L².

Further drilling confirmed lithium concentrations generally increased at depth, with more concentrated lithium rich brines deeper in the sediments, below an important confining layer which separates the deeper sequence of gravel and sand from the upper sequence.

The results from Solaroz drillholes 1 to 5, together with interpretation of previously conducted geophysics enabled the Company to establish a significant maiden JORC Inferred Mineral Resource Estimate (MRE)³ of **3.3 Million tonnes of Lithium Carbonate Equivalent (LCE)** at Solaroz in June 2023. Within the 3.3Mt LCE Resource, there is a **high-grade core of 1.34Mt of LCE** with an average concentration of **405 mg/l Lithium** (at a 350 mg/l Lithium cut-off grade).

Table 1 : Solaroz JORC Inferred Mineral Resource Estimate

Units	Sediment Volume m ³	Specific Yield %	Brine Volume m ³	Million Litres	Li mg/l	Li Kg	Li Tonnes	LCE Tonnes
A (Upper Aquifer)	8,290,800,000	13.0	1,077,804,000	1,077.804	255	274,840,020	274,840	1,460,000
B (Halite Salt Unit)	1,968,600,000	4.0	78,744,000	78.74	345	2,7166,680	27,167	140,000
C (Lower Aquifer)	7,584,000,000	11.5	872,160,000	872.160	374	32,6187,840	326,188	1,730,000
Total	17,843,400,000	11.4	2,028,708,000	2,028.708	310	62,8194,540	628,195	3,330,000

Notes:

- (a) The Mineral Resource Estimate encompasses the Mario Angel, Chico I, Chico V, Chico VI, Payo 2 South and Silvia Irene concessions.
- (b) Lithium (Li) is converted to lithium carbonate (Li₂CO₃) equivalent (LCE) using a conversion factor of 5.323.
- (c) Totals may differ due to rounding.
- (d) Reported at a zero Lithium mg/l cut-off grade.

Table 2: High-Grade Core within Solaroz JORC Inferred Mineral Resource Estimate

Units	Sediment Volume m ³	Specific Yield %	Brine Volume m ³	Million Litres	Li mg/l	Li Kg	Li Tonnes	LCE Tonnes
A (Upper Aquifer)	325,000,000	13.0	42,250,000	42.250	376	15,886,000	16,000	85,000
B (Halite Salt Unit)	690,400,000	4.0	27,616,000	27.616	379	10,466,464	10,000	56,000
C (Lower Aquifer)	4,787,600	11.5	550,574,000	550.574	408	22,4634,192	225,000	1,195,000
Total	5,803,000,000	10.7	620,440,000	620.440	405	25,0986,656	251,000	1,340,000

Notes:

- (a) The high-grade core is a JORC Inferred Mineral Resource estimated within the mineralisation envelope of (not in addition to) the Mineral Resource Estimate outlined in Table 1.
- (b) Reported at a 350 mg/l Lithium cut-off grade.
- (c) Refer Notes (a) to (c) of Table 1.

² Refer to ASX Announcement 29 June 2023 - Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina

³ Refer to ASX Announcement 29 June 2023 - Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina

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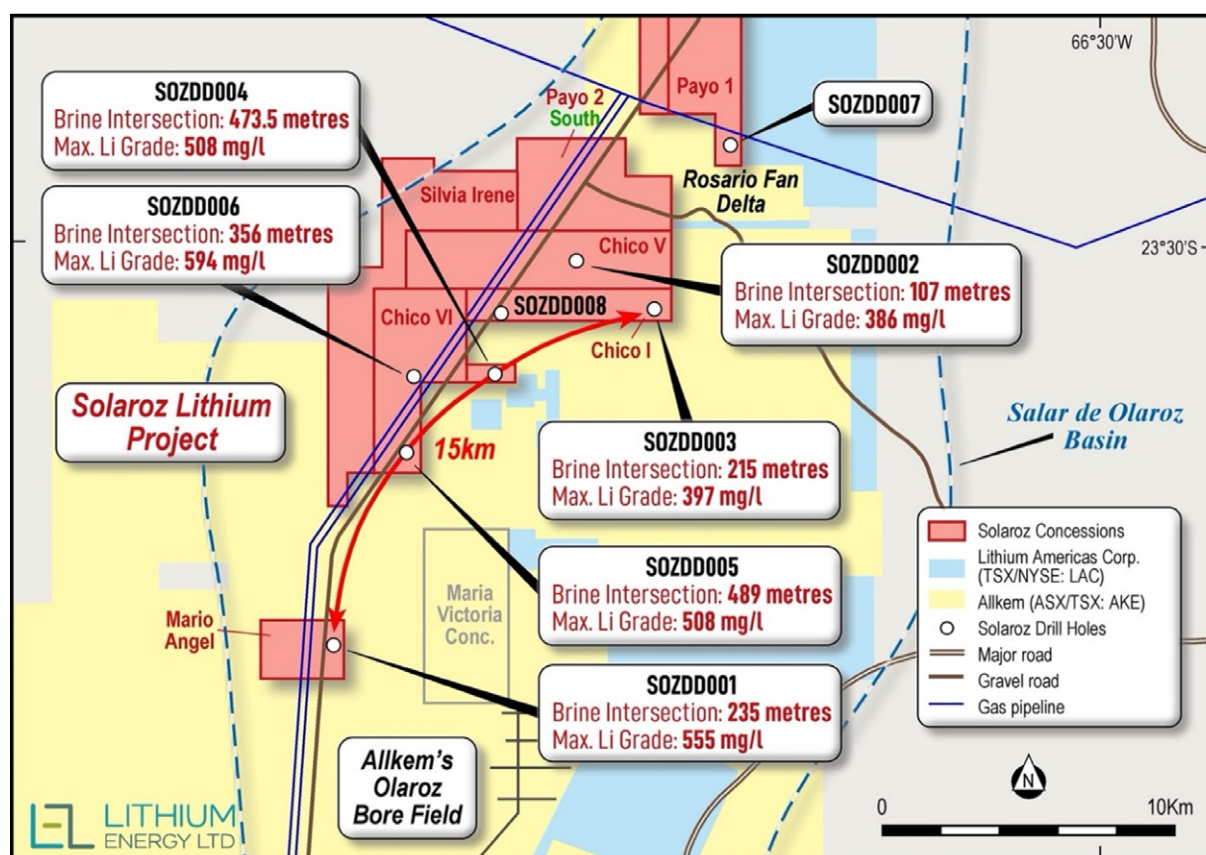


Figure 2: Location of drillholes across >15km between Solaroz drillholes, where massive intersections of conductive brines with high lithium concentrations have been encountered

This initial 3.3 Mt LCE Resource encompassed an area covered by the first 5 holes of the initial 10 hole drilling programme and encompasses portions of the 'Central Block' of concessions (Chico I, V and VI, Payo 2 South and Silvia Irene) and the southern Mario Angel concession (refer Figures 1 and 2) totaling 4,777 hectares out of the total ~12,000 hectare area of the Solaroz concessions.

The Company commissioned independent resource consultant Mr Murray Brooker of Hydrominex Geoscience Pty Ltd to undertake the JORC-2012 MRE at Solaroz.

Following the announcement of the MRE, drilling continued at Solaroz with drillhole 6 (SOZDD006), producing the highest lithium concentration grade encountered to date⁴. SOZDD006 was completed to a depth of ~623 metres and intersected 356 metres of lithium-rich brines (across the upper and lower aquifers)

with concentrations of up to 594 mg/l lithium. SOZDD006 results will be used to review the maiden JORC Inferred Mineral Resource Estimate announced in June 2023⁵.

Drilling at step-out Hole 7 (SOZDD007)⁶ is underway to test the Northern Block of concessions with lithium rich brines having been intersected in this hole and with drilling continuing to target further lithium rich brines in this hole and in further planned holes targeting upgrades to the MRE for the balance of the ~12,000 ha at Solaroz.

In addition to resource expansion, infill drilling is planned to upgrade the current Resource from an Inferred category, with test production wells to be installed in support of on-going engineering and other technical and feasibility studies relating to the commercial development (into production) of Solaroz.

⁴ Refer to ASX Announcement 27 July 2023 – Highest Lithium Concentrations Encountered at Solaroz Lithium Project in Hole 6

⁵ Refer to ASX Announcement 29 June 2023 – Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina

⁶ Refer to ASX Announcement 13 July 2023 – Drilling Commences at Hole 7 and Hole 6 Intersects Lithium-Rich Brines at Solaroz Lithium Project



Figure 3: Lanshen DLE test facility in Xian, China

Scoping Study

In March 2023 the Company appointed Hatch to undertake a Scoping Study for the production of battery grade lithium carbonate from the lithium rich brines at Solaroz, via both traditional pond evaporation and DLE technology⁷.

Hatch is a global multidisciplinary project management, engineering, and professional services consultancy with extensive experience in critical minerals. Hatch has substantial experience in lithium engineering processing of brines, including projects located on salars in Argentina.

The Scoping Study will include an engineering study and analysis to determine the optimal processing methodology for Solaroz lithium brines. As part of this work, Hatch will undertake a trade-off study to develop alternative flowsheet configurations (for the processing and upgrading of lithium brines and production of battery grade lithium carbonate) at Solaroz, including the following:

- (1) A conventional brine evaporation pond process design - as implemented by Solaroz neighbours in the Salar de Olaroz basin, the Olaroz Lithium Facility of Allkem Limited (ASX/TSX:AKE) and the Cauchari-Olaroz Project being developed by Lithium Americas Corporation (TSX:LAC), and others; and
- (2) Direct Lithium Extraction (DLE) options, which replaces the use of evaporation ponds - DLE consists of several chemical processes that can bypass the need for large evaporation ponds for the production of lithium from brines.

Demonstration Plant

Whilst the Scoping Study was progressing, the Company entered into an agreement with Xi'an Lanshen New Material Technology Co., Ltd (**Lanshen**) to construct a battery grade lithium plant at Solaroz⁸. Lanshen is a leading provider of DLE technology and plant manufacturing, with industrial scale commercial DLE plants currently in operation, with major shareholders including China Minmetals and Softbank Capital.

The agreement with Lanshen is to construct a DLE demonstration plant on the Mario Angel concession to produce 3,000tpa battery grade lithium carbonate. Lanshen will fund the cost of manufacturing and commissioning with Lithium Energy entitled to purchase if acceptance criteria are satisfied.

The DLE demonstration plant, will not impact on the broader Solaroz concessions for which the Scoping Study which is evaluating both pond evaporation and DLE is progressing.

Tenement Acquisition

In October 2022 Lithium Energy reached agreement with the Owner of mineral concessions (totalling ~12,000 ha) which comprise the Solaroz Project, for the early exercise of the option with a cash payment of US\$3.84 million (~A\$6 million), being a (40%) discount of US\$2.49 million (~A\$3.9 million)⁹.

Lithium Energy (through its 90% owned subsidiary in Argentina, Solaroz S.A. (Solaroz)) originally entered into an Option and Purchase Agreement (dated March 2019) with the registered legal and beneficial owner (Owner) of mineral concessions (totalling ~12,000 ha) which comprise the Solaroz Project.

⁷ Refer to ASX Announcement 20 March 2023 – Commencement of Lithium Brine Scoping Study at Solaroz

⁸ Refer to ASX Announcement 20 June 2023 – Agreement with Lanshen to Build and Fund a 3,000tpa Battery Grade Lithium Plant at Solaroz

⁹ Refer to ASX Announcement 31 October 2022 - Early Exercise of Option to Acquire Solaroz Lithium Brine Project Concessions

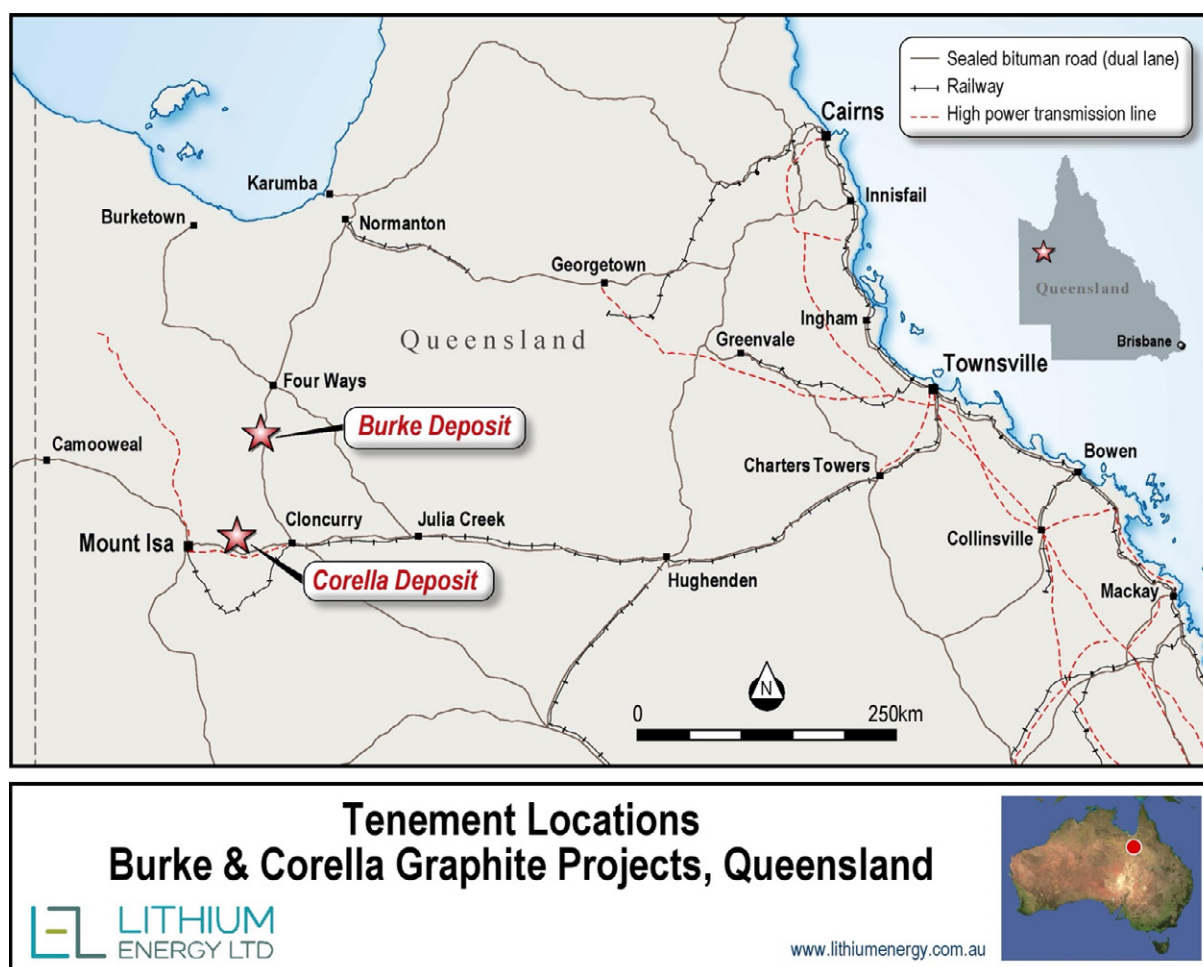


Figure 4: Burke & Corella Graphite Projects location map

Burke and Corella Graphite Projects

Lithium Energy is actively developing a vertically integrated Battery Anode Material (BAM) business in Australia. The Company plans to utilise the high grade graphite from the Company's Burke and Corella graphite deposits as feed sources to a Purified Spherical Graphite (PSG) manufacturing facility located in Townsville, Queensland.

The Burke Graphite Project comprises EPM 25443 (the Burke Tenement) and the Corella Graphite Project comprises EPM 25696 (the Corella Tenement) being two granted Exploration Permits for Minerals (EPM) totalling approximately 26 square kilometres located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km).

The Burke Tenement is located 125km north of Cloncurry adjacent to the Mt Dromedary Graphite Project held by Novonix Limited (ASX: NVX). The Corella Tenement is located 40km west of Cloncurry near the Flinders Highway that links Mt Isa to Townsville.

During the year, Lithium Energy succeeded in doubling its Total Graphite Inventory to **2.6Mt of contained graphite**, with the delineation of a maiden JORC Inferred Mineral Resource Estimate of **13.5Mt at 9.5% total graphitic carbon (TGC)** for 1.3Mt contained graphite at Corella Tenement¹⁰ and an upgrade of the Burke Deposit to a total JORC Indicated and Inferred Mineral Resource of **9.1Mt at 14.4% TGC** for a total of 1.3Mt contained graphite¹¹.

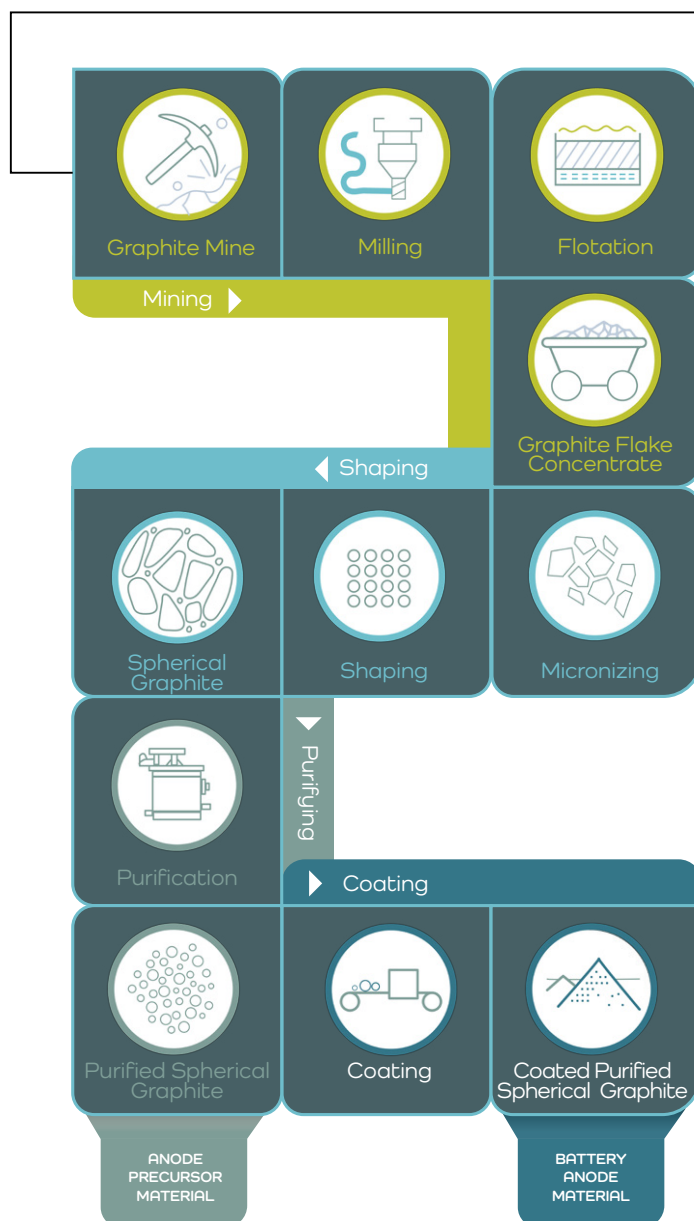
To achieve this significant growth in graphite inventory, two separate drilling campaigns were undertaken at the Burke and Corella Tenements.

¹⁰ Refer to ASX Announcement 16 June 2023 - Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

¹¹ Refer to ASX Announcement 5 April 2023 - Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

Burke Graphite Deposit

HOW Li-ion Battery Anode Material is Made



An extensive drilling programme commenced at the Burke Tenement in early December 2022 comprising a combination of 29 RC holes (totalling ~2,600m) and 7 diamond core (metallurgical and geotechnical) holes (totalling ~700m), with the objective to upgrade part of the maiden JORC Inferred Mineral Resource, to facilitate the completion of studies on establishing a Purified Spherical Graphite (PSG) Anode manufacturing facility.

Assay results confirmed the Burke Deposit as one of the highest-grade graphite deposits globally, with significant intercepts of exceptionally high-grade graphite content over 20% TGC and over thick widths in multiple drill holes¹².

The drilling programme on the Burke Tenement delivered outstanding results, to not only convert a significant portion of the previous Inferred JORC Mineral Resource Estimate (MRE)¹³ to Indicated status, but also increasing the size of the resource by nearly 50% from 6.3Mt at 16.0% TGC to 9.1Mt at 14.4% TGC, of which 4.5Mt has been classified as Indicated Mineral Resource (all at a cut-off grade of 5%)¹⁴. The total graphite inventory of the Burke Deposit has accordingly increased from 1Mt of contained graphite to 1.3Mt.

¹² Refer to ASX Announcements 22 February 2023 - Maiden Mineral Resource Estimate Confirms Burke Project as one of the World's Highest Grade Natural Graphite Deposits

¹³ Refer to Strike Resources Limited (ASX:SRK) ASX Announcement 13 November 2017 - Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

¹⁴ Refer to ASX Announcement 5 April 2023 - Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

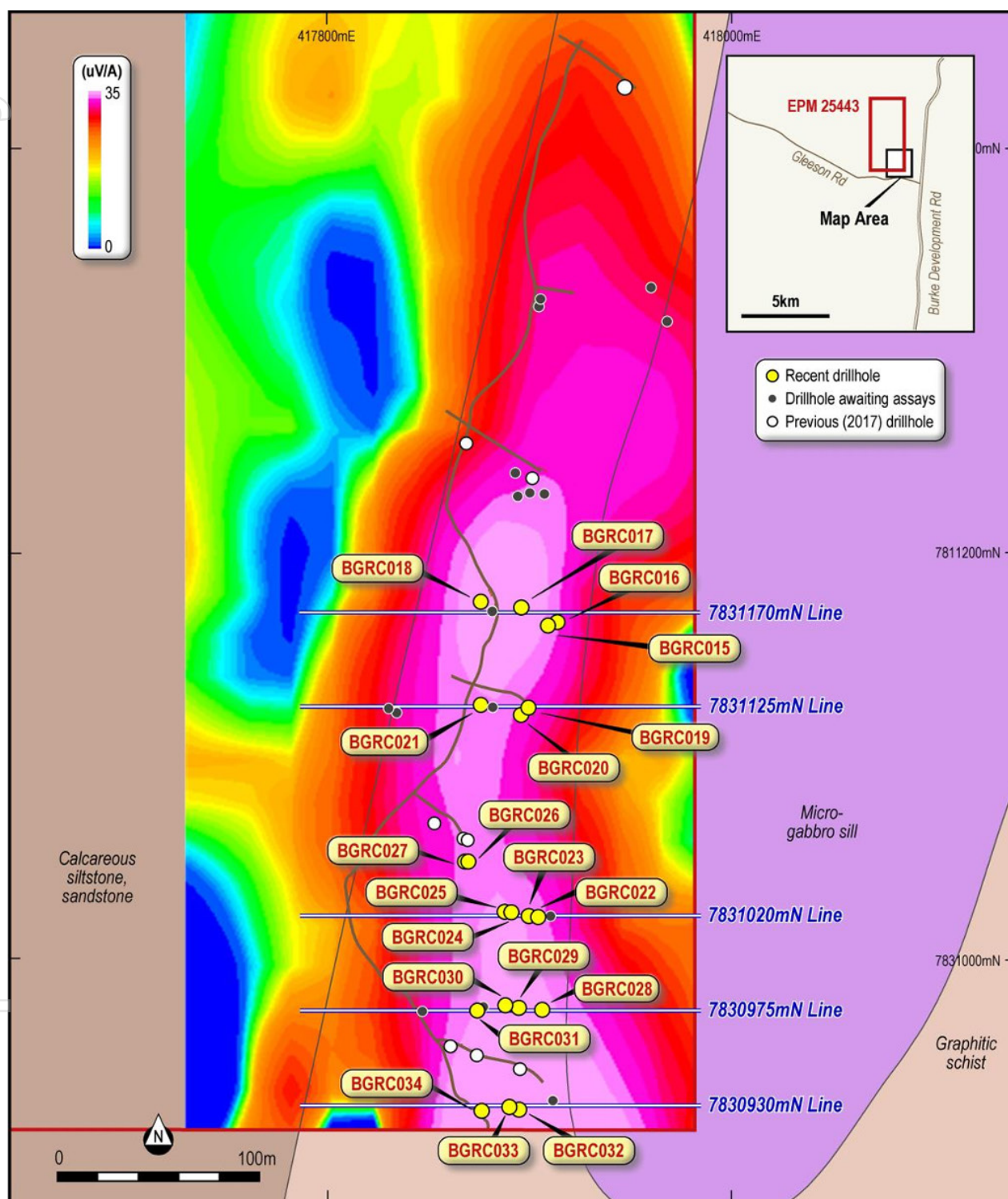
Table 3: Burke April 2023 Mineral Resource Estimate (5% TGC Cut-off Grade)

Indicated Mineral Resources			
Type	Tonnage	TGC	Cont. Graphite
	Mt	%	kt
Weathered	0.2	12.5	30
Primary	4.3	14.8	640
Total	4.5	14.7	670
Inferred Mineral Resource			
Type	Tonnage	TGC	Cont. Graphite
	Mt	%	kt
Weathered	0.1	8.1	10
Primary	4.4	14.4	630
Total	4.5	14.2	640
Total Mineral Resource			
Type	Tonnage	TGC	Cont. Graphite
	Mt	%	kt
Weathered	0.3	11.1	40
Primary	8.7	14.6	1,270
Total	9.1	14.4	1,310

Notes:

- Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.
- The Statement of Estimates of Mineral Resources has been compiled by Mr. Shaun Searle who is a Director of Ashmore Advisory and a Member of the AIG. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).
- All Mineral Resources figures reported in the table above represent estimates at April, 2023. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results.
- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
- TGC = total graphitic carbon.

The substantial Increase in the Total Mineral Resource allows the Company to consider enhanced scale of development options and provides significant upside to further resource expansion as the resource remains open to the north and will provide targets for future resource development drilling programmes.



Burke Tenement - EM Survey & Drill Holes Burke Graphite Project, Queensland, Australia



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Figure 5: Location of drillholes and cross-sections lines on the Burke Tenement



Figure 6: Burke Graphite recovered from core drilling, January 2023

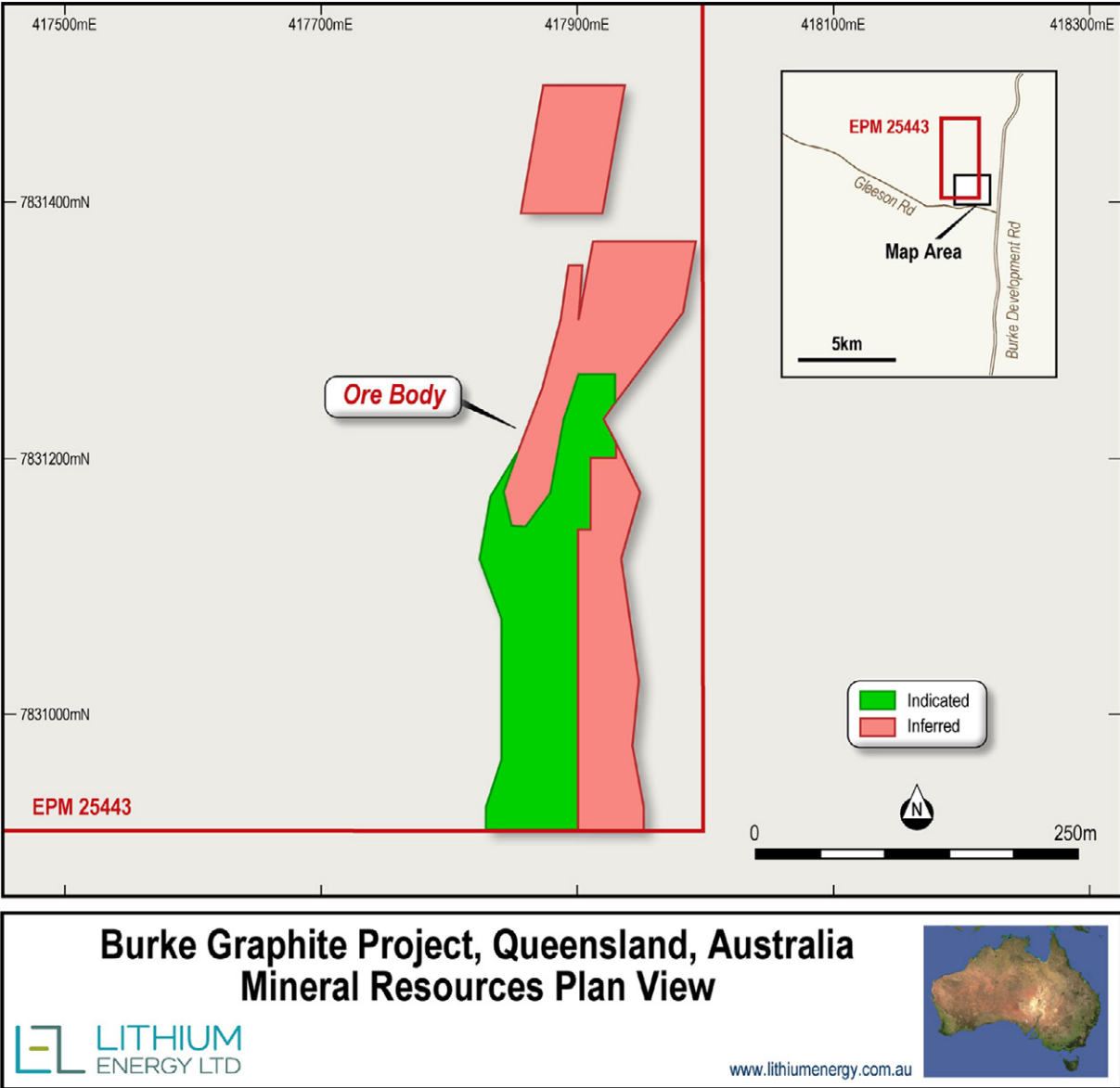


Figure 7: Burke Graphite Project Mineral Resources plan view

Corella Graphite Deposit

Drilling at the Burke Tenement was then followed in March 2023 by a resource definition drilling programme at the Corella Tenement, using a combination of RC, diamond core and geotechnical holes. The drilling programme comprised of 16 RC holes totally ~1,600 metres and was completed in April 2023, alongside an extensive surface rock chip sampling programme¹⁵.

The maiden drilling programme at the Corella Graphite Project confirmed a significant graphite discovery, with assays showing multiple intercepts of high-grade graphite content over 15% TGC across thick widths in multiple drill holes with individual intercepts up to 27.4% TGC¹⁶.

Corella delivered its maiden Inferred Mineral Resource of 13.5Mt at 9.5% Total Graphitic Carbon (TGC) for 1.3Mt contained graphite (at a 5% TGC cut-off grade) in June 2023¹⁷. Included within the mineralisation envelope is 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).

Table 4 : Corella June 2023 Mineral Resource Estimate (5% TGC Cut-off Grade)

Inferred Mineral Resource			
Type	Tonnage	TGC	Cont. Graphite
	Mt	%	kt
Weathered	4.5	9.7	440
Primary	9.0	9.3	840
Total	13.5	9.5	1,280

Notes:

- Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.
- The Statement of Estimates of Mineral Resources has been compiled by Mr. Shaun Searle who is a Director of Ashmore Advisory and a Member of the AIG. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).
- All Mineral Resources figures reported in the table above represent estimates at June, 2023. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results.
- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
- TGC = total graphitic carbon.

Significant upside exists at Corella, as the resource remains open to the east and west and at depth.

A metallurgical test work programme will be undertaken to assess Corella Graphite as potential additional feedstock for an expanded purified spherical graphite (PSG) production facility based in Queensland.

¹⁵ Refer to ASX Announcements 17 April 2023 - Completion of Drilling Programme at Corella Graphite Prospect and 2 June 2023 - Significant High Grade Graphite Discovery at the Corella Project

¹⁶ Refer to ASX Announcement 17 April 2023 - Completion of Drilling Programme at Corella Graphite Prospect and 2 June 2023 - Significant High Grade Graphite Discovery at the Corella Project

¹⁷ Refer to ASX Announcement 16 June 2023 - Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

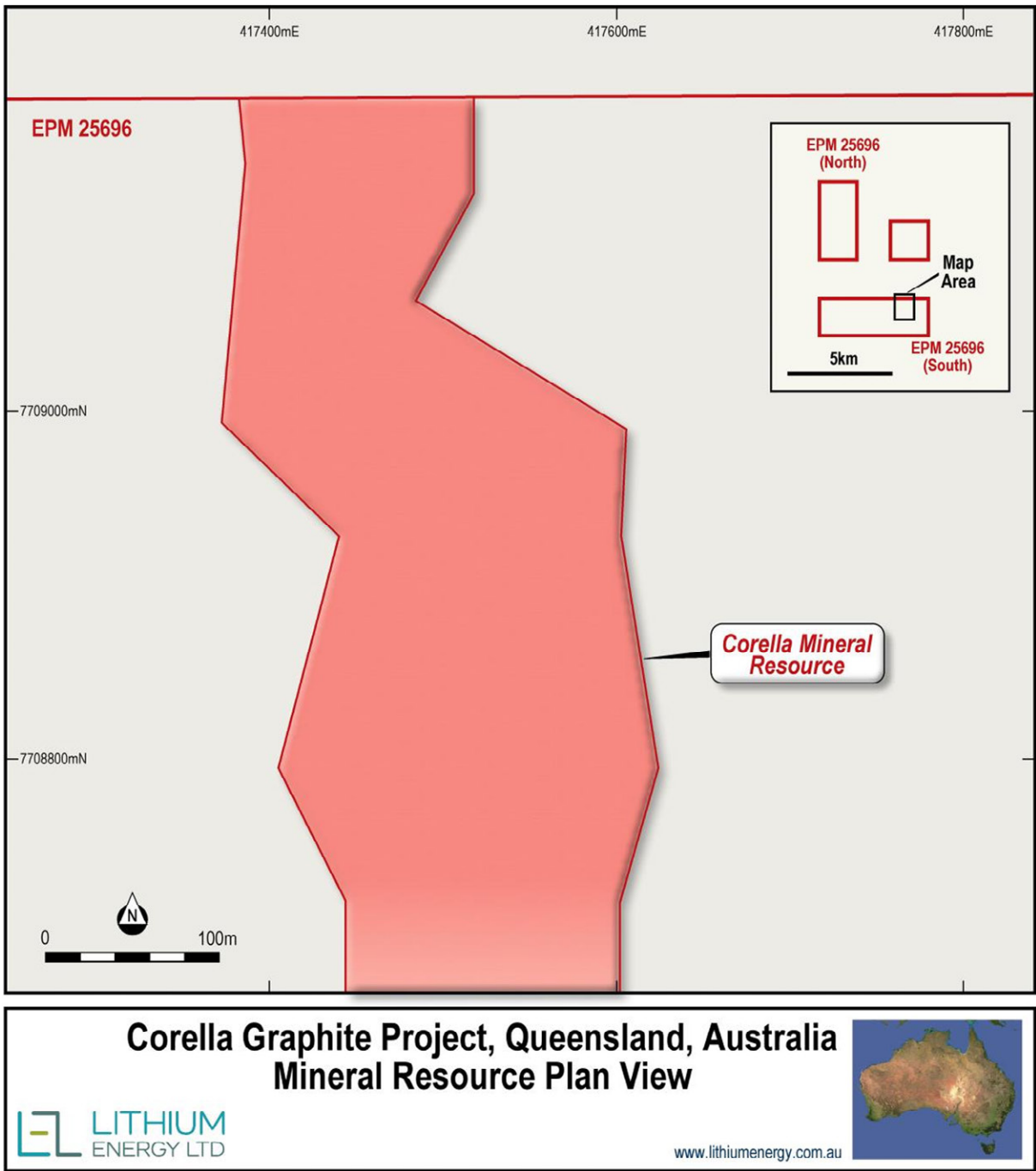


Figure 8: Corella JORC Inferred Mineral Resource - plan view on Corella Tenement

Testwork Programmes

Chinese Beijing General Research Institute for Mining and Metallurgy Technology Group (BGRIMM) was appointed to undertake a comprehensive flowsheet development metallurgical testwork programme on the Burke Deposit; results will support the Pre-Feasibility Study which will assess the viability of establishing a PSG manufacturing facility¹⁸.

The BGRIMM testwork confirmed excellent metallurgical testwork results where standard floatation and regrind processes effectively upgraded the Burke graphite flake to, to concentrate grades of >95% Total Graphitic Carbon (TGC) and overall graphite recoveries by of >87%¹⁹. This graphite flake concentrate is suitable as feedstock to the PSG manufacturing facility.

The key metrics in relation to reagents, flotation and regrind residence times and recovery were determined and will be used as inputs to the concentrator process design in the Pre-Feasibility Study (PFS).

The bulk (flake graphite) concentrate required as feed material for the PSG testwork programme will be produced (at the BGRIMM in-house Pilot Plant) using the process metrics defined by the flowsheet definition testwork. This bulk concentrate will be provided to Prographite, a German specialist consultant, to conduct the PSG testwork required to support the PSG Plant portion of the PFS.

Prefeasibility Study

The Company has appointed Wave International Pty Ltd (Wave) and the Measured Group to conduct a Prefeasibility Study (PFS), which will identify the requirements, operational outcomes and commercial parameters for a proposed vertically integrated Purified Spherical Graphite (PSG) manufacturing facility in Queensland utilising graphite from the Burke Deposit as feedstock.

Wave International is a well known and highly qualified engineering consulting service provider with extensive experience in graphite concentration and battery anode material plant design.

The PFS work is being undertaken by Wave in conjunction with the Measured Group, who will conduct the mine and pit design components of the PFS.

The PFS is on track for completion in December 2023.

Corporate

Lithium Energy completed a \$15 million capital raising (before costs) in September 2022²⁰ via the issue of 15,000,000 shares at an issue price of \$1.00 per share.

The issue was completed to new and existing institutional and sophisticated and professional shareholders/investors. Canaccord Genuity (Australia) Limited acted as Lead Manager to the placement which was heavily oversubscribed.

The funds raised were used to accelerate and expand exploration activities at the Solaroz Lithium Brine Project in Argentina, to advance the development of the Burke Graphite Project (Queensland) and for general working capital purposes.

A further \$6.4M share placement of 8M shares at \$0.80 per share was completed in June 2023²¹ to continue the advancement of the on-going development of the Company's Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland.

The Issue was completed to new and existing institutional, sophisticated and professional shareholders/investors. Canaccord Genuity (Australia) Limited acted as Lead Manager to the Issue, which was significantly oversubscribed.

¹⁸ Refer to ASX Announcement 16 March 2023 - Burke Graphite Metallurgical Testwork Programme Commences in China

¹⁹ Refer to ASX Announcement 24 May 2023 - Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS

²⁰ Refer to ASX Announcement 15 September 2022 - \$15 Million Capital Raising to Accelerate Drilling at Solaroz Lithium Brine Project in Argentina

²¹ Refer to ASX Announcement 23 June 2023 - Completion of Oversubscribed Capital Raising for Development of Lithium and Graphite Projects

Sustainability

Lithium Energy is pleased to provide an updated on its sustainability initiatives for 2023. The Company is committed to complying with applicable laws and regulations relating to health, safety, environment and community impacts. Fostering innovation and with a passion for a sustainable future, the Company actively supports local communities and aims to minimise environment impacts through sustainable development.



Hydro crane assistance for building of workshop – Olaroz Chico



Donations for the festival of Olaroz Chico "Queen" and for the school and the El Toro club



Company member explaining an EIA update – El Toro Community



Environmental monitoring – Air quality measurement

Community

Lithium Energy has been working closely with several local communities in Argentina which are located in the vicinity of the Solaroz Project.

The Company is committed to creating development opportunities within these communities and where possible uses local companies to provide transport, accommodation, food, and other key services to help support its operations on site and to keep the site running smoothly.

Lithium Energy has had a continuous presence in these communities, promoting initiatives such as student scholarships (at the community of Olaroz Chico), providing building materials for a dining room (Olaroz Chico), and contributing to the maintenance of Provincial Route 77, improving access to the community of El Toro.

In addition, the Company has provided donations aimed at contributing to the cultural needs and traditions of local Aboriginal communities, including delivery of construction materials for the Olaroz Chico Church, El Toro Elementary School and food and supplies for local festivities and events.

Environment

All work undertaken by the Company is performed according to comprehensive Environmental Impact Assessments (EIA), which are undertaken in advance by the Company and its consultants and approved by the relevant Government agencies and local communities.

The Company regularly engages with the community, participating in assemblies to listen to local concerns and provide an update on its present and future activities.

The Company actively participates in environmental monitoring on its land concessions, engaging government agencies and community advisors to participate in the environmental monitoring activities.

Directors' Report

The Directors present their report on Lithium Energy Limited ABN 94 647 135 108 (ASX Code: LEL) (**Company** or **LEL**) and its controlled entities (the **Consolidated Entity** or **Lithium Energy**) for the period from 1 July 2022 to 30 June 2023 (**Balance Date**) (**financial year**).

LEL is a company limited by shares that was incorporated in Western Australia on 14 January 2021 as a wholly-owned subsidiary of Strike Resources Limited (ASX:SRK) (**Strike** or **SRK**). Lithium Energy (holding battery minerals assets) was spun-out of Strike following the successful completion of LEL's \$9 million initial public offering (**IPO**) under a Prospectus (dated 30 March 2021).

The Company was admitted to the Official List of the Australian Securities Exchange (**ASX**) on 17 May 2021 and commenced quotation/trading on ASX on 19 May 2021.

Lithium Energy has prepared a consolidated financial report incorporating the entities that it controlled during the financial year.

PRINCIPAL ACTIVITIES

Lithium Energy Limited is an ASX listed resource company which is developing its flagship Solaroz Lithium Brine Project (LEL:90%) in Argentina and its Burke and Corella Graphite Projects (LEL:100%) in Queensland.

Lithium Energy's principal activities during the financial year were:

- Advancing the development of its Solaroz Lithium-Brine Project in Argentina, including undertaking exploration (geophysics and drilling) and a scoping study and delineating an initial maiden JORC Mineral Resource;
- Advancing the development of its Burke Graphite Project in Queensland including undertaking exploration (drilling), testwork (metallurgical and purification and spheronisation), commencing a prefeasibility study (for a vertically integrated Purified Spherical Graphite manufacturing facility in Queensland) and upgrading the JORC Mineral Resource; and
- Advancing the development of its Corella Graphite Project in Queensland including undertaking exploration (drilling) and delineating an initial maiden JORC Mineral Resource.

OPERATING RESULTS

	June 2023 \$	June 2022 \$
Consolidated		
Total revenue and income	514,731	102,746
Total expenses	(12,581,582)	(2,408,112)
Loss before tax	(12,066,851)	(2,305,366)
Income tax expense	-	-
Loss after tax	(12,066,851)	(2,305,366)

Directors' Report

CASH FLOWS

	June 2023 \$	June 2022 \$
Consolidated		
Net cash flow from operating activities	(3,894,165)	(1,415,871)
Net cash flow from investing activities	(13,584,925)	(6,881)
Net cash flow from financing activities	19,917,636	-
Net change in cash held	2,438,546	(1,422,752)
Effect of exchange rate changes on cash held	325,128	100,959
Cash held at period end	9,436,225	6,672,551

FINANCIAL POSITION

	June 2023 \$	June 2022 \$
Consolidated		
Cash	9,436,225	6,672,551
Exploration and evaluation expenditure	21,251,803	7,306,914
Receivables	484,628	220,194
Other assets	2,147,532	53,608
Liabilities	(1,196,495)	(166,814)
Net assets	32,123,693	14,086,453
Issued capital	34,574,590	15,006,458
Reserves	13,049,681	2,513,722
Accumulated losses	(15,050,839)	(3,431,629)
Parent interest	32,573,432	14,088,551
Non-controlling interest	(449,739)	(2,098)
Total equity	32,123,693	14,086,453

DIVIDENDS

No dividends have been paid or declared during the financial year.

Directors' Report

CAPITAL MANAGEMENT

Securities on Issue

The following securities were on issue as at Balance Date:

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	103,010,000	-	103,010,000
Executive Options (\$0.30, 18 Mar 2024) ¹	-	10,000,000	10,000,000
Broker Options (\$0.30, 4 May 2024) ²	-	4,000,000	4,000,000
Executive Options (\$1.39, 29 Nov 2024) ³	-	3,500,000	3,500,000
SIP Options (\$1.595, 15 February 2025) ⁴	-	100,000	100,000
Broker Options (\$1.50, 20 September 2025) ⁵	-	750,000	750,000
Executive Options (\$1.06, 4 October 2025) ⁶	-	17,500,000	17,500,000
SIP Options (\$1.32, 30 November 2025) ⁷	-	400,000	400,000
TOTAL	103,010,000	36,250,000	139,260,000

Capital Raisings

In September 2022, the Company completed a \$15 million capital raising (before costs) via the issue of 15,000,000 shares at an issue price of \$1.00 per share.⁸ The issue was completed within the Company's 15% placement capacity and additional 10% placement capacity (approved at the 2021 Annual General Meeting (AGM)) under the ASX Listing Rules, to new and existing institutional and sophisticated and professional shareholders/investors.

In June 2023, the Company completed a \$6.4 million capital raising (before costs) via the issue of 8,000,000 shares at an issue price of \$0.80 per share.⁹ The issue was completed within the Company's additional 10% placement capacity (approved at the 2022 AGM) under the ASX Listing Rules, to new and existing institutional and sophisticated and professional shareholders/investors.

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- 1 Refer Section 16.3 (Rights Attaching to Executive Options) of the Company's Prospectus (dated 30 March 2021) for terms and conditions of the Executive Options
 - 2 Refer Section 16.2 (Rights Attaching to Broker's Options) of the Company's Prospectus (dated 30 March 2021) for terms and conditions of the Broker Options
 - 3 Refer LEL Announcement dated 2 December 2021: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of New Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 18 October 2021 and released on ASX on 28 October 2021
 - 4 Refer LEL Announcement dated 18 February 2022: Notification regarding unquoted securities – LEL
 - 5 Refer LEL Announcement dated 21 September 2022: Notification regarding unquoted securities – LEL
 - 6 Refer LEL Announcement dated 5 October 2022: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022
 - 7 Refer LEL Announcement dated 5 December 2022: Notification regarding unquoted securities – LEL
 - 8 Refer LEL Announcements dated 15 September 2022: 15 Million Capital Raising to Accelerate Drilling at Solaroz Lithium Brine Project in Argentina and 21 September 2022: Application for quotation of securities – LEL
 - 9 Refer LEL Announcements dated 23 June 2023: Completion of Oversubscribed Capital Raising for Development of Lithium and Graphite Projects and 29 June 2023: Application for quotation of securities – LEL

Directors' Report

Canaccord Genuity (Australia) Limited acted as Lead Manager to both placements, which were significantly oversubscribed.

Option Issues

The following options were issued during the financial year:

Class of Unlisted Options	Issue Date	Exercise Price	Expiry Date	Number of Options
Broker Options (\$1.50, 20 September 2025)	21 Sept 2022	\$1.50	20 Sept 2025	750,000
Executive Options (\$1.06, 5 October 2025)	5 Oct 2022	\$1.06	4 Oct 2025	17,500,000
SIP Options (\$1.32, 30 November 2025)	5 Dec 2022	\$1.32	30 Nov 2025	400,000

The Executive Options (\$1.06, 5 October 2025) were issued after receipt of shareholder approval at the Company's 2022 AGM held on 5 October 2022.¹⁰

The following options were issued subsequent to Balance Date:

Class of Unlisted Options	Issue Date	Exercise Price	Expiry Date	Number of Options
SIP Options (\$0.935, 10 August 2026) ¹¹	14 Aug 2023	\$0.935	10 Aug 2026	250,000

Restricted Securities Released from Escrow

The following restricted securities (imposed under the ASX Listing Rules) were released from escrow during the financial year¹²:

Class of Security	Number	Expiry of Escrow Period
Fully paid ordinary shares	34,860,000	19 May 2023 (24 months from date of Quotation ¹³)
Executive Options (\$0.30, 18 Mar 2024) ¹	10,000,000	19 May 2023 (24 months from Quotation)
Broker Options (\$0.30, 4 May 2024) ²	4,000,000	19 May 2023 (24 months from Quotation)

¹⁰ Refer LEL Announcement dated 5 October 2022: Results of 2022 Annual General Meeting and LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022

¹¹ Refer LEL Announcement dated 16 August 2023: Notification regarding unquoted securities – LEL

¹² Refer LEL Announcement dated 11 May 2023: Notice of Release of Escrowed Securities - Shares and Options

¹³ The Company was admitted to the Official List of ASX on 17 May 2021 and commenced quotation/trading on ASX on 19 May 2021

Directors' Report

Securities Incentive Plan

The Company has adopted a Securities Incentive Plan (**Plan** or **SIP**)¹⁴ pursuant to which the Board may offer to eligible persons the opportunity to subscribe for securities in the Company on such terms and conditions as the Board may decide and otherwise pursuant to the rules of the Plan. The purpose of the Plan is to:

- (a) assist in the reward, retention, and motivation of 'Eligible Participants' (which includes directors¹⁵, employees and contractors);
- (b) link the reward of Eligible Participants to shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Company by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities (which includes a share, a right to a share, an option over an issued or unissued security and a convertible security).

The Company has reviewed the existing Plan in light of recent changes to the Corporations Act and will propose an updated Plan for adoption by shareholders at the upcoming 2023 AGM.

REVIEW OF OPERATIONS

Solaroz Lithium Brine Project (Argentina)

(90%)

Lithium Energy holds a 90% interest in the Solaroz Lithium Brine Project (**Solaroz**) located on the Salar de Olaroz basin (**Olaroz Salar**) within South America's 'Lithium Triangle' in North-West Argentina.

A summary of material developments in relation to Solaroz during the financial year (and to the date of this report) are as follows:

- (1) Established a strong local Solaroz team (based in San Salvador de Jujuy), which includes a General Manager, Senior and Field Geologists, Accounting/Finance team and a Mining Lawyer.
- (2) Advanced an initial 10 hole, 5,000 metre drilling programme, which has discovered significant intersections of lithium-rich brines in the upper and lower (Deep Sand Unit) aquifers on a number of Solaroz concessions – 6 holes have been completed to date with Holes 7 (SOZDD007) and 8 (SOZD008) currently being drilled.
- (3) Delineated an initial maiden JORC **Inferred Mineral Resource Estimate (MRE) of 3.3Mt of Lithium Carbonate Equivalent (LCE)**. Within the 3.3Mt LCE Resource, there is a **high-grade core of 1.34Mt of LCE** with an average concentration of **405 mg/l Lithium** (at a 350 mg/l Lithium cut-off grade).¹⁶ The MRE was based on assays received from the first 5 holes drilled. Positive results from the remaining holes in the initial 10 hole programme has the potential to upgrade the MRE in terms of resource size and confidence (to a JORC Indicated Mineral Resource category).

¹⁴ Refer LEL Announcement dated 17 May 2021: Securities Incentive Plan Terms; a summary of the Plan is also in Section 16.4 (Securities Incentive Plan) of the Lithium Energy Prospectus (dated 30 March 2021)

¹⁵ The issue of securities to Directors and Key Management Personnel will require prior shareholder approval, as required under the ASX Listing Rules and/or Corporations Act, as applicable

¹⁶ Refer LEL Announcement dated 29 June 2023: Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina

Directors' Report

- (4) Undertaking a Scoping Study (prepared by Hatch, a global professional services firm) encompassing alternative configurations for the processing and upgrading of lithium brines and production of battery grade lithium carbonate:
- (a) A conventional brine evaporation pond process design - as implemented by Solaroz neighbours, the Olaroz Lithium Facility of Allkem Limited (ASX/TSX:AKE) and the Cauchari-Olaroz Project of Lithium Americas Corporation (TSX:LAC), and other lithium brine projects in South America; and
 - (b) A Direct Lithium Extraction (**DLE**) option, which involves a number of chemical processes that can bypass the need for large evaporation ponds, potentially reducing development/production timelines and improving environmental sustainability.
- (5) Entered into a framework agreement for Xi'an Lanshen New Material Technology Co., Ltd (**Lanshen**) to manufacture and commission a 3,000tpa battery grade lithium carbonate demonstration plant (**Plant**) on the Mario Angel concession at Solaroz, using their proprietary sorbent-based DLE technology.¹⁷ Lanshen will supply, build and initially operate the Plant at its own cost, with Lithium Energy being responsible for securing all necessary approvals and permits and establishing the necessary supporting site infrastructure. Lithium Energy is entitled to purchase the plant once constructed, if it meets pre-agreed acceptance criteria – the value together with detailed plant specifications, technical, engineering and operating parameters (including the final acceptance criteria) will be outlined in a more detailed agreement to be executed. Mario Angel was selected for the site of the proposed Plant as it is a relatively small (543 hectares), discrete stand-alone concession ideally suited for DLE test purposes. The testing and plant operation at Mario Angel will also not impact on the development of the broader concession holdings at Solaroz. The structure of the proposed commercial arrangements with Lanshen for the construction and commissioning of the Plant is regarded as very positive for Lithium Energy as it significantly reduces the upfront capital costs in evaluating this DLE production option for Solaroz.
- (6) Exercised the option to acquire the Solaroz concessions in consideration of US\$3.84 million.¹⁸ Lithium Energy (through its 90% owned subsidiary in Argentina, Solaroz S.A.), had previously entered into an Option and Purchase Agreement (dated March 2019) (**Option Agreement**) with the registered legal and beneficial owner (**Owner**) of mineral concessions which comprise the Solaroz Project. Under the Option Agreement, Solaroz S.A. was required to make a series of payments in cash and (at the election of the company) shares over 4 years totalling US\$6.59 million to the Owner. Lithium Energy had (prior to the option exercise) made option payments totalling US\$0.26 million, with US\$6.33 million remaining to be paid in tranches (with the final payment due in October 2025).¹⁹ The US\$3.84 million paid on early exercise of the option represents a (40%) discount of US\$2.49 million.
- (7) Completed extensive geophysics programme on Solaroz concessions, comprising:
- (a) Passive seismic surveys, to determine the base of the underlying basement rock, being the theoretical depth limit of potential lithium mineralisation; and
 - (b) Transient Electromagnetic geophysics (**TEM**) surveys, to identify the depth of conductive brines.

¹⁷ Refer LEL ASX Announcement dated 20 June 2023: Agreement with Lanshen to Build and Fund a 3,000tpa Battery Grade Lithium Plant at Solaroz

¹⁸ Refer LEL ASX Announcement dated 31 October 2022: Early Exercise of Option to Acquire Solaroz Lithium Brine Project Concessions

¹⁹ Refer also, Note 21(d) (Contingencies - Deferred Payments Relating to Acquisition of Solaroz Lithium (Argentina)) to the financial statements in the Company's 2022 Annual Report

Directors' Report

For further details, refer to the following Lithium Energy announcements released on Solaroz during the past year:

- 5 September 2023: Conventional Solar Evaporation Option for Solaroz Lithium Project as Multiple EV Battery Parties Seek Partnership
- 29 August 2023: Lithium Mineralisation encountered in Northern Solaroz Concession
- 1 August 2023: Experienced Lithium Operations Executive Appointed General Manager Solaroz in Argentina
- 27 July 2023: Highest Lithium Concentrations Encountered at Solaroz Lithium Project in Hole 6
- 13 July 2023: Drilling Commences at Hole 7 and Hole 6 Intersects Lithium-Rich Brines at Solaroz Lithium Project
- 29 June 2023: Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina
- 20 June 2023: Agreement with Lanshen to Build and Fund a 3,000tpa Battery Grade Lithium Plant at Solaroz
- 1 June 2023: Hole 6 Intersects Conductive Brines in Upper Aquifer at Solaroz Lithium Brine Project
- 19 May 2023: Hole 6 Commences at Solaroz Lithium Brine Project with Third Drilling Rig
- 15 May 2023: Further Assays Confirm Significant Lithium Brine Concentrations Across Massive Intersections at Solaroz
- 12 May 2023: Massive Intersections of Brine Continue at Solaroz at up to ~780 Metre Depth
- 1 May 2023: Massive Intersections of Lithium Rich Brine Confirm World Class Potential of Solaroz Lithium Project
- 19 April 2023: Holes 4 and 5 Encounters Significant Intersections of Conductive Brines at Solaroz Lithium Project.
- 21 March 2023: Advancement of Drilling Programme at Solaroz Lithium Brine Project
- 20 March 2023: Commencement of Lithium Brine Scoping Study at Solaroz
- 14 March 2023: Further Significant Lithium Discovery Extends Mineralisation at Solaroz Lithium Brine Project
- 10 March 2023: Positive Specific Yields and Significant Averaged Lithium Concentrations in SOZDD001 at Solaroz Lithium Brine Project
- 27 February 2023: Drilling Continues to Advance at Solaroz Lithium Brine Project
- 31 January 2023: Drilling Continues to Encounter Significant Intersections of Highly Conductive Brines at Solaroz Lithium Project
- 14 December 2022: Intersections of Conductive Brines Encountered in Further Drillholes at Solaroz Lithium Project in Argentina
- 28 November 2022: Drilling Programme Advances at Solaroz Lithium Brine Project in Argentina
- 16 November 2022: Drilling Completed at Maiden Drillhole at Solaroz Lithium Brine Project
- 1 November 2022: Further Significant Lithium Concentrations Encountered in Maiden Drillhole at Solaroz Lithium Brine Project
- 31 October 2022: Early Exercise of Option to Acquire Solaroz Lithium Brine Project Concessions

Directors' Report

- 19 October 2022: Major Lithium Discovery Confirmed In First Drillhole of Maiden Programme at the Solaroz Lithium Brine Project
- 12 October 2022: Drilling Continues Towards Target Depth in Hole 1 at Solaroz Lithium Brine Project
- 5 October 2022: Significant Intersection of Highly Conductive Brines in Maiden Drillhole at Solaroz Lithium Brine Project
- 21 September 2022: Drilling of First Hole Advancing on Schedule at Solaroz Lithium Brine Project in Argentina
- 12 September 2022: Landmark Maiden Drilling Programme Commences at the Solaroz Lithium Brine Project in Argentina
- 8 September 2022: Rig Mobilising for Landmark Maiden Drilling Programme at Solaroz Lithium Brine Project in Argentina
- 29 August 2022: TEM Geophysics Surveys Completed - Site Preparations Complete for Maiden Drilling Commencement
- 18 August 2022: Highly Encouraging Geophysics Paves Way for Commencement of Drill Testing of Brines at Solaroz
- 27 July 2022: Exploration Advancing at the Solaroz Lithium Project - Geophysics Nearing Completion and Drill Rig Secured

Burke and Corella Graphite Projects (Queensland, Australia)

(100%)

Lithium Energy is developing (100% owned) graphite projects located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km):

- (1) The **Burke Graphite Project** comprises EPM 25443 (the **Burke Tenement** or **Burke**) (of ~6.58km²), located 125km north of Cloncurry adjacent to the Mt Dromedary Graphite Project held by Novonix Limited (ASX:NVX); and
- (2) The **Corella Graphite Project** comprises EPM 25696 (the **Corella Tenement** or **Corella**) (of ~19.74km²), located 40km west of Cloncurry near the Flinders Highway that links Mt Isa to Townsville. Corella is located ~120km south of Burke.

A summary of material developments in relation to Burke and Corella during the financial year (and to the date of this report) are as follows:

- (1) Completed an infill drilling programme (29 Reverse Circulation (**RC**) holes totalling ~2,600m and 7 diamond core (metallurgical and geotechnical) holes totalling ~700m) on the Burke Tenement in January 2023²⁰ and upgraded the Burke Deposit to a **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:
 - **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.

²⁰ Refer LEL ASX Announcements dated 22 February 2023: Update – Infill Drilling Results at Burke Graphite Deposit and 16 February 2023: Significant High Grade Graphite Intercepts Continue at Burke Graphite Deposit

Directors' Report

- (2) Completed a maiden resource definition drilling programme (16 RC holes totalling ~1,600m) on the Corella Tenement in April 2023²¹ and delineated an initial maiden JORC **Inferred Mineral Resource** Estimate for the Corella Deposit of **13.5Mt at 9.5% TGC for 1.3Mt contained graphite** (at a 5% TGC cut-off grade)²².
- (3) Undertaking a Prefeasibility Study (**PFS**) (being prepared by Wave International Pty Ltd and the Measured Group and expected to be completed in December 2023) for the development of a vertically integrated Purified Spherical Graphite (**PSG**) (a battery anode precursor material) manufacturing facility in Queensland.²³ The PFS envisages mining graphite from the Burke Graphite Deposit and producing a +95% TGC graphite flake concentrate at the mine site. The flake concentrate will then be transported to a proposed PSG manufacturing facility in Queensland for processing by firstly mechanically shaping and spheronising the flakes and then chemically purifying the spheronised graphite to form a high quality PSG product, for sale as an anode precursor material for use in lithium-ion battery manufacturing or for battery energy storage solutions.
- (4) Engaged the Beijing General Research Institute for Mining and Metallurgy Technology Group (**BGRIMM**) in China to complete a comprehensive flowsheet development metallurgical testwork programme on a ~one tonne representative sample of Burke Graphite, to assess and develop an optimised flake concentrator flowsheet. BGRIMM has successfully achieved key objectives of grade (>95% TGC) and recovery (>85%) using standard flotation and regrind milling technology utilising Burke Graphite.²⁴ BGRIMM has completed the concentrator process flowsheet optimisation testwork that will be required to produce a >95% TGC graphite flake concentrate, which will be suitable as feedstock for a proposed PSG Plant. BGRIMM's in-house Pilot Plant has produced sufficient 95% TGC bulk flake concentrate from the Burke Graphite samples to conduct the next phase PSG testwork required to support the PFS.²⁵
- (5) Engaged ProGraphite GmbH in Germany to use a ~15kg sample of Burke Graphite (95% TGC) flake concentrate (produced by the BGRIMM Pilot Plant) as test feedstock material to undertake a comprehensive testwork programme to define and optimise the metallurgical and process conditions to produce PSG suitable for use in lithium-ion battery anodes.²⁵
- (6) Undertaking a flowsheet development metallurgical testwork programme with BGRIMM on a ~500kg sample of Corella Graphite; bulk flake concentrate produced will also undergo PSG testwork by ProGraphite.²⁵
- (7) Completed CSIRO characterisation, purification and spheronisation testwork on natural Burke Graphite with preliminary (unoptimised) results considered highly encouraging as they closely approach or meet the relevant industry benchmarks typically required for lithium-ion battery anode material.²⁶

For further details, refer to the following Lithium Energy announcements released on the Burke and Corella Graphite Projects during the past year:

- 28 July 2023: Burke and Corella Graphite Projects Testwork Update

21 Refer LEL ASX Announcements dated 17 April 2023: Completion of Drilling Programme at Corella Graphite Prospect and 2 June 2023: Significant High Grade Graphite Discovery at the Corella Project

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

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

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

25 Refer LEL ASX Announcements dated 28 July 2023: Burke and Corella Graphite Projects Testwork Update and 23 May 2023: Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS

26 Refer LEL ASX Announcement dated 1 December 2022: Burke Graphite Shows Excellent Lithium-Ion Battery Anode Potential

Directors' Report

- 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory
- 2 June 2023: Significant High Grade Graphite Discovery at the Corella Project
- 24 May 2023: Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS
- 17 April 2023: Completion of Drilling Programme at Corella Graphite Prospect
- 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence
- 28 March 2023: Maiden Resource Drilling Programme Underway at Corella Graphite Prospect
- 16 March 2023: Burke Graphite Metallurgical Testwork Commences in China
- 22 February 2023: Update - Infill Drilling Results at Burke Graphite Deposit
- 16 February 2023: Significant High Grade Graphite Intercepts Continue at Burke Graphite Deposit
- 9 February 2023: Burke Graphite Deposit Continues to Deliver Exceptional Drilling Results
- 3 February 2023: Multiple Exceptional Drilling Results from Burke Graphite Deposit
- 22 December 2022: Completion of RC Infill Drilling at Burke Graphite Deposit
- 2 December 2022: Resource Development Drilling Underway at Burke Graphite
- 1 December 2022: Burke Graphite Shows Excellent Lithium-Ion Battery Anode Potential

Quarterly Reports

Further information on Lithium Energy's activities and operations during the financial year are also contained in Lithium Energy's Quarterly Activities and Cash Flow Reports lodged on ASX dated:

- 31 July 2023: Quarterly Report – 30 June 2023
- 30 April 2023: Quarterly Report – 31 March 2023
- 31 January 2023: Quarterly Report – 31 December 2022; and
- 1 November 2022: Quarterly Report – 30 September 2022.

Directors' Report

Material Business Risks

Lithium Energy's exploration and development operations will be subject to the normal risks of mineral exploration and development, and any revenues will be subject to factors beyond Lithium Energy's control. The material business risks that may affect Lithium Energy are summarised below:

Exploration Risk: Lithium Energy's resource projects are at various stages of exploration. There is no assurance that future exploration will result in the discovery of an economic resource or reserve or that it can be economically exploited. Future exploration activities may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs/recovery rates, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and personnel, local communities/indigenous and existing land/lease holder stakeholder engagements, changing government regulations and many other factors beyond the control of Lithium Energy. Exploration and evaluation costs are based on certain assumptions in relation to the nature, method and timing of these activities, which are subject to significant uncertainties and, accordingly, the actual costs may materially differ. Cost estimates and the underlying assumptions may not be realised in practice, which may materially and adversely affect Lithium Energy's financial performance and or position.

Resource Estimation Risk: Resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. Resource estimates which depend on interpretations may require adjustment. Adjustments to resource estimates could affect Lithium Energy's future plans and ultimately its financial performance. Mineral and commodity price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Feasibility and Development Risks: There is risk associated with the successful commercial exploitation of resource discoveries. Such exploitation would involve securing necessary approvals from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied or in a timely manner. Advancing exploitation may involve the

participation of other parties/stakeholders whose interests and objectives may differ from Lithium Energy's. There is a complex, multidisciplinary process involved to evaluate and assess development pathways and undertake feasibility-related studies to support a development proposal. Evaluations/assessments and studies and associated technical works may not achieve the results expected. Even if supported by a positive feasibility study, a project may not be successfully developed for a range of technical, commercial and or financial reasons.

Commodity Pricing and Technology Risk: The commercial prospects of Lithium Energy (if exploration success is achieved) is dependent principally upon the demand for lithium (in particular, lithium carbonate) and natural graphite (in particular, graphite related battery anode materials). This demand is mainly a function of the demand for lithium and graphite materials as a component of electrical batteries. Battery technology is a rapidly advancing field and there is a risk that the demand for these minerals/commodities may change as a result of technological changes in this sector. Such changes may reduce the demand and therefore the price of lithium/graphite materials as a component of batteries which in turn will have significant impact upon the commercial prospects of Lithium Energy.

Key Personnel: In formulating its exploration and evaluation programmes, feasibility-related studies and development strategies, Lithium Energy relies on the experience and expertise of its directors, senior executives and other senior management. There is a risk that key personnel may leave their employment, which may adversely affect the business, at least in the short term. Recruiting and retaining qualified, skilled and experienced key personnel in the minerals/commodities sectors and geography in which Lithium Energy operates may also be challenging in a strong and competitive resources sector.

Future Funding: Lithium Energy's ongoing exploration, evaluation and development activities will require substantial further funding in the future. Any additional equity capital may be dilutive to shareholders and may be undertaken at lower issue prices than the current market price. Debt financing, if available, may involve restrictive covenants which limit Lithium Energy's operations and business strategy. There is no assurance that appropriate funding, if and when needed, will be available on terms satisfactory to Lithium Energy or at all. The inability to obtain funding will adversely affect Lithium Energy and may result in some or all of its projects not proceeding or

Directors' Report

their scale and/or scope being altered or defaults in licences or permits or agreements occurring, which, if not remedied, could result in forfeiture of its tenements.

Foreign Jurisdiction: Lithium Energy holds its interest in the Solaroz Lithium Project in Argentina through its 90% shareholding in an Argentine registered company. This overseas company is subject to risks normally associated with the conduct of business in foreign countries. Risks pertaining to Argentina may include, among other things, political risk, uncertain economic environments (such as hyper-inflation, increasing interest rates and significant fluctuations in foreign exchange), disruptions to logistics, access to infrastructure and services (water, power and gas), labour disputes, corruption, civil disturbances and crime, arbitrary changes in law or policies, opposition to mining from environmental or other non-governmental organisations or changes in political attitudes towards mining activities and earthquakes and severe weather conditions.

Foreign Exchange Risk: The expenditure of Lithium Energy is and will be in Australian, United States and Argentine currencies, exposing the Company to fluctuations and volatility of the rates of exchange between the Australian dollar, United States dollar and Argentine peso as determined in international markets. Lithium Energy does not currently undertake any hedging of foreign currency items, however as operations develop and expand, more sophisticated foreign exchange risk management strategies may be adopted.

Access Risk: There may be areas of Lithium Energy's projects over which indigenous rights exist or are claimed by indigenous owners. Similarly, Lithium Energy's tenements may encroach on existing land or lease holders. As such, Lithium Energy's ability to gain access to the tenements or to progress from the exploration phase to the development and mining phases of operations, may require reaching agreement with these stakeholders to facilitate access and development, which is not assured, on terms satisfactory to Lithium Energy, or at all. Negotiations with stakeholders may also result in a delay with the development of Lithium Energy's projects.

Regulatory Risk: Lithium Energy's operations are subject to various Federal, State/Provincial and local laws and regulations, including those relating to exploration, development and mining permit and licence requirements, industrial relations, environment, land use, royalties, water, native title/indigenous and Aboriginal cultural heritage, mine safety and occupational work, health and safety. Approvals, licences and permits required to comply with such rules may be subject to the discretion of the applicable government officials/authorities. No assurance can be given that Lithium Energy will be successful in maintaining such authorisations in full force and effect without modification or revocation. To the extent such

approvals are required and not retained or obtained in a timely manner or at all, Lithium Energy may be curtailed or prohibited from continuing or proceeding with exploration and production. Lithium Energy's business and results of operations could be adversely affected if applications lodged for relevant licences are not granted. Mineral tenements are also subject to periodic renewal, which may be subject to the discretion of the relevant government official/authority or renewal conditions (such as increased expenditure and work commitments and/or compulsory relinquishment of tenement areas). The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Lithium Energy.

Environmental Risk: The operations and activities of Lithium Energy are subject to environmental laws and regulations. Lithium Energy is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase Lithium Energy's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Lithium Energy to incur significant expenses and undertake significant investments which could have a material adverse effect on Lithium Energy's business, financial condition and performance.

Climate Change Risk: The operations and activities of Lithium Energy may be subject to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact Lithium Energy and its profitability. Climate change may also cause certain physical and environmental risks that cannot be predicted by Lithium Energy, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate pattern.

Pandemic and other Public Health Risks: Future health pandemics (such as COVID-19) and other possible outbreaks of viruses/disease may have a significant adverse effect on Lithium Energy's business. The spread of such diseases amongst management, employees, contractors, suppliers and logistic networks, as well as any health related government imposed quarantine and isolation requirements, may reduce the ability to operate and have detrimental financial implications. More broadly, Lithium Energy may also be affected by the macroeconomic effects and likely ensuing financial volatility in the economies where the Company operates.

Directors' Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of Lithium Energy save as otherwise disclosed in this Directors' Report or the financial statements and notes thereto.

FUTURE DEVELOPMENTS

Lithium Energy will continue to:

- advance the exploration, evaluation and development of its Solaroz Lithium-Brine Project in Argentina;
- advance the exploration, evaluation and development of its Burke and Corella Graphite Projects in Queensland, Australia; and
- potentially investigate and pursue other prospective projects in the battery minerals sector.

The likely outcomes of these activities depend on a range of technical and economic factors and also industry, geographic and other strategy specific issues (including the impacts of health pandemics). In the opinion of the Directors, it is not possible or appropriate to make a prediction on the results of these activities, the future course of markets or the forecast of the likely results of Lithium Energy's activities.

ENVIRONMENTAL REGULATION

Lithium Energy holds mineral tenement/concession licences issued by the relevant mining and environmental protection authorities of the countries in which it operates (from time to time). In the course of its mineral exploration, evaluation and development activities, Lithium Energy adheres to licence conditions and environmental regulations imposed upon it by various authorities (as applicable). Lithium Energy has complied with all licence conditions and environmental requirements (as applicable) during the financial year and up to the date of this report. There have been no known material breaches of Lithium Energy's licence conditions and environmental regulations during the financial year and up to the date of this report.

Directors' Report

BOARD OF DIRECTORS

William M. Johnson

Executive Chairman

Appointed 14 January 2021

Qualifications MA (Oxon), MBA

Experience William Johnson holds a Masters Degree in Engineering Science from Oxford University, England and an MBA from Victoria University, New Zealand. His 40-year business career spans multiple industries and countries, with executive/CEO experience in mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman, North Africa and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly experienced public company director and has considerable depth of experience in corporate governance, business strategy and operations, investment analysis, finance and execution.

Special responsibilities None (other than as Chairman of the Board of Directors)

*Relevant interest in securities*²⁷ 110,000 shares
2,850,000 Executive Options (\$0.30, 18 March 2024)
1,000,000 Executive Options (\$1.39, 29 November 2024)
5,000,000 Executive Options (\$1.06, 4 October 2025)

Current directorships in listed entities Managing Director of Strike Resources Limited (ASX:SRK) (since 25 March 2013; Director since 14 July 2006)

Executive Director of Bentley Capital Limited (ASX:BEL) (since 1 January 2016; Director since March 2009)

Former directorships in other listed entities in past 3 years Molopo Energy Limited (delisted 1 April 2021; former ASX:MPO) (31 May 2018 to 26 May 2021)

Peter C. Smith

Executive Director

Appointed 18 March 2021

Qualifications BSc (Geophysics) (Sydney), AIG, ASEG

Experience Peter Smith has 36 years' experience in mineral exploration having worked for Normandy, Pasminco, BHP-Billiton and Cliffs Natural Resources. Mr Smith has held exploration management positions in ASX-listed NGM Resources Limited (ASX:NGM) and NYSE-listed Cliffs Natural Resources (as Regional Exploration Manager for Australia and Oceania) and has been a Director of Volta Mining Limited (ASX:VTM) and Castillo Copper Limited (ASX:CCZ). Mr Smith brings a broad range of skills and experience in mineral exploration.

Special responsibilities None

*Relevant interest in securities*²⁸ 450,000 shares
1,450,000 Executive Options (\$0.30, 18 March 2024)
500,000 Executive Options (\$1.39, 29 November 2024)
2,500,000 Executive Options (\$1.06, 4 October 2025)

Other current directorships in listed entities None

Former directorships in other listed entities in past 3 years Non-Executive Director of Castillo Copper Limited (ASX:CCZ) (April 2018 to January 2020)

²⁷ Refer LEL ASX Announcement released on 5 October 2022: Change of Director's Interest Notice - William Johnson

²⁸ Refer LEL ASX Announcement released on 5 October 2022: Change of Director's Interest Notice - Peter Smith

Directors' Report

Farooq Khan

Executive Director

Appointed 14 January 2021

Qualifications BJuris, LLB (*Western Australia*)

Experience Farooq Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.

Special responsibilities None

Relevant interest in 25,000 shares

*securities*²⁹ 2,850,000 Executive Options (\$0.30, 18 March 2024)
1,000,000 Executive Options (\$1.39, 29 November 2024)
5,000,000 Executive Options (\$1.06, 4 October 2025)

Other current directorships Executive Chairman of:

- in listed entities*
- Strike Resources Limited (ASX:SRK) (since 18 December 2015; Director since 1 October 2015)
 - Orion Equities Limited (ASX:OEQ) (since 23 October 2006)
 - Bentley Capital Limited (ASX:BEL) (since 2 December 2003)

Executive Chairman and Managing Director of:

- Queste Communications Ltd (ASX:QUE) (since 10 March 1998)

Former directorships in other -
listed entities in past 3 years

29 Refer LEL ASX Announcement released on 5 October 2022: Change of Director's Interest Notice - Farooq Khan

Directors' Report

COMPANY SECRETARY

Victor P.H. Ho

Company Secretary

Appointed 14 January 2021

Qualifications BCom, LLB (Western Australia), CTA

Experience Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 23+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America (Peru, Chile and Argentina), Indonesia and the Middle East (Saudi Arabia and Oman)) transactions, capital raisings, resources project (debt) financing, spin-outs/demergers and IPO's/re-listings on ASX and capital management initiatives and has extensive experience in public company administration, corporations' law, ASIC/ASX compliance and investor/shareholder relations.

Relevant interest in securities 96,154 shares
2,850,000 Executive Options (\$0.30, 18 March 2024)
1,000,000 Executive Options (\$1.39, 29 November 2024)
5,000,000 Executive Options (\$1.06, 4 October 2025)

Other positions held in listed entities Executive Director and Company Secretary of:

- Strike Resources Limited (ASX:SRK) (Director since 17 January 2014; Secretary since 30 September 2015)
- Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000; Director since 4 July 2003)
- Queste Communications Ltd (ASX:QUE) (Secretary since 30 August 2000; Director since 3 April 2013)

Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004)

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the financial year (including Directors' circulatory resolutions), and the numbers of meetings attended by each Director of the Company:

Name of Director	No. Meetings Attended	Max. Possible Meetings
William Johnson	21	21
Farooq Khan	21	21
Peter Smith	21	21

Board Committees

During the financial year and as at the date of this Directors' Report, the Company did not have separate designated Audit, Remuneration or Nomination Committees. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special Board sub-committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate corporate governance and ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of an audit, remuneration or nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing separate audit, remuneration or nomination committees.

Remuneration Report

This Remuneration Report details the nature and amount of remuneration for each Director and Company Executive (being a company secretary or senior manager) (**Key Management Personnel**) of the Company.

The information provided under headings (1) to (8) below has been audited for compliance with section 300A of the *Corporations Act 2001 (Cth)* as required under section 308(3C).

(1) Key Management Personnel disclosed in this report

Name	Position	Tenure
William Johnson	Executive Chairman	Since 14 January 2021 (on incorporation of the Company)
Farooq Khan	Executive Director	Since 14 January 2021 (on incorporation of the Company)
Peter Smith	Executive Director	Since 18 March 2021
Victor Ho	Company Secretary	Since 14 January 2021 (on incorporation of the Company)

(2) Remuneration Policy

The Board determines the remuneration structure of all Key Management Personnel having regard to Lithium Energy's strategic objectives, scale and scope of operations and other relevant factors, including experience and qualifications, length of service, market practice (including available data concerning remuneration paid by other listed companies in particular companies of comparable size and nature within the resources sector in which Lithium Energy operates), the duties and accountability of Key Management Personnel and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company.

Non-Executive Directors: The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. Payments to the Non-Executive Directors are reviewed annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders and is currently set at \$250,000 per annum in aggregate. Fees for Non-Executive Directors are not linked to the performance of the Company. Non-Executive Directors are entitled to receive incentive equity-based benefits (subject to shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves. The Company has adopted a Securities Incentive Plan (Plan), which the Directors are eligible to participate in, however, any securities proposed to be issued to a Director under the Plan or otherwise will require prior shareholder approval under the ASX Listing Rules and Corporations Act. There are currently no Non-Executive Directors appointed to the Board though the Company will consider appointing such directors in the future should the size and scale of the operations of the Company warrant such appointment(s).

Senior Executives: The Company is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. The remuneration of Senior Executives, including a Managing Director (if appointed) and Executive Directors (including the Executive Chairman), may be fixed by the Board and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission on or percentage of operating revenue. A salary may be provided wholly in cash unless the Directors, with the agreement of the Executive Director/Chairman concerned, determine that the whole or part of a salary is to be satisfied in the form of non-cash benefits, including the issue or purchase of shares in the Company or the grant of options or rights to subscribe for such shares (subject to the Corporations Act and ASX Listing Rules).

Remuneration Report

In addition to the foregoing, the longer-term remuneration of Senior Executives may include participation in any equity incentive scheme, as approved by shareholders. By remunerating Senior Executives through performance and long-term incentive plans in addition to their fixed remuneration, the Company aims to align the interests of senior executives with those of shareholders.

Fixed Cash Short-Term Employment Benefits: The Board has determined the following fixed cash remuneration for current Key Management Personnel as follows (as at 30 June 2023):

- (a) Mr William Johnson (Executive Chairman) - a base salary fee of \$100,000 per annum plus employer superannuation contributions;
- (b) Mr Peter Smith (Executive Director) - a base salary fee of \$250,000 per annum plus employer superannuation contributions;
- (c) Mr Farooq Khan (Executive Director) - a base salary fee of \$100,000 per annum plus employer superannuation contributions;
- (d) Mr Victor Ho (Company Secretary) - a base salary fee of \$100,000 per annum plus employer superannuation contributions.

Special Exertions and Reimbursements: Pursuant to the Company's Constitution, each Director is also entitled to receive:

- Payment for reimbursement of all reasonable travelling, accommodation and other expenses incurred by a Director when travelling to or from meetings of the Directors or when otherwise engaged on the business of the Company; and
- In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

Short-Term Benefits: The Company does not have any short-term incentive (STI) cash bonus schemes (or equivalent) in place for Key Management Personnel. The Company reserves the right to implement STI remuneration measures for Key Management Personnel if appropriate in the future.

Long Term Benefits: The Company does not have any long-term incentive (LTI) cash bonus schemes (or equivalent) in place for Key Management Personnel. The Company reserves the right to implement LTI remuneration measures for Key Management Personnel if appropriate in the future.

Equity-Based Benefits: During the financial year, the Company (after receipt of shareholder approval at the 2022 AGM) granted unlisted Executive Options (each with an exercise price of \$1.06 and an expiry date of 4 October 2025) to the Executive Directors and the Company Secretary as part of their remuneration³⁰ - refer 'Equity Based Benefits in Section (4) below. There were no shares issued as a result of the exercise of options issued to Key Management Personnel during the financial year. The Company may propose the issue of securities to Key Management Personnel in the future (as an equity-based incentive benefit), which will be put to shareholders for approval at that time (as required under the ASX Listing Rules and/or Corporations Act).

30 Refer LEL Announcement dated 5 October 2022: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022

Remuneration Report

Securities Incentive Plan: The Company has adopted a Securities Incentive Plan (**Plan** or **SIP**)³¹ pursuant to which the Board may offer to eligible persons (including Key Management Personnel) the opportunity to subscribe for securities (i.e. a share, option, performance right or other convertible security) in the Company on such terms and conditions as the Board may decide and otherwise pursuant to the rules of the Plan. The purpose of the Plan is to (a) assist in the reward, retention, and motivation of personnel; (b) link the reward of personnel to shareholder value creation; and (c) align the interests of personnel with shareholders of the Company by providing an opportunity to personnel to receive an equity interest in the Company.

During the financial year, the Company granted 400,000 SIP Options (each with an exercise price of \$1.32, an expiry date of 30 November 2025) to an employee (not a Key Management Personnel), as part of their remuneration.³²

Post-Employment Benefits: The Company does not presently provide retirement benefits to Key Management Personnel. The Company notes that shareholder approval is required where a Company proposes to make a “termination payment” (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year’s “base salary” (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

Performance-Related Benefits and Financial Performance of Company: Save for any applicable STI(s), LTI(s) or equity-based benefits that may be provided to Key Management Personnel from time to time, the remuneration of Key Management Personnel is fixed, is not dependent on the satisfaction of a performance condition and is unrelated to the Company’s performance. The Company reserves the right to implement remuneration measures that are performance related or linked to the Company’s performance if appropriate in the future (subject to prior shareholder approval where applicable).

In considering the Company's performance and its effects on shareholder wealth, Directors have had regard to the data set out below for the latest financial year, previous 2022 financial year and the financial period to 30 June 2021 (the Company does not have a full year financial dataset as it was only incorporated on 14 January 2021):

	2023	2022	2021
Loss Before Income Tax (\$)	(12,066,851)	2,305,366	1,128,361
Basic Loss per share (cents)	12.67	2.88	4.08
Dividends Paid (total) (\$)	-	-	-
VWAP Share Price on ASX for financial year/period (\$)	0.94	0.90	0.42
Closing Bid Share Price on ASX at 30 June (\$)	0.86	0.63	0.37

Company Constitution: The Company’s Constitution³³ also contains provisions in relation to the remuneration of the Managing Director, Executive Director and Non-Executive Directors. A summary of these provisions are in Section 13.4 (Remuneration of Directors) of the Lithium Energy Prospectus (dated 30 March 2021).

31 Refer LEL Announcement dated 17 May 2021: Securities Incentive Plan Terms; a summary of the Plan is also in Section 16.4 (Securities Incentive Plan) of the Lithium Energy Prospectus (dated 30 March 2021)

32 Refer LEL Announcement dated 5 December 2022: Notification regarding unquoted securities – LEL

33 Refer LEL ASX Announcement released on 17 May 2021: Constitution

Remuneration Report

Corporate Governance Principles: The Company's Corporate Governance Statement (CGS) also addresses matters pertaining to the Board, Senior Management and Remuneration. The latest (2022) version of the Company's CGS was released on ASX on 8 September 2022. This CGS will be updated (and released on ASX) when finalising the Company's upcoming 2023 Annual Report. The latest version of the CGS may also be downloaded from the Company's website: <https://lithiumenergy.com.au/who-we-are/corporate-governance/>

(3) Details of Remuneration of Key Management Personnel

Details of the nature and amount of each element of remuneration of each Key Management Personnel paid or payable by the Company during the financial year are as follows:

2023		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity-Based Benefits	
		Cash salary and fees	Non-cash benefit	Superannuation	Long service leave	Shares & options ^(a)	
KMP	Performance - related %	\$	\$	\$	\$	\$	Total \$
Directors:							
William Johnson	-	83,333	-	8,750	-	2,837,723	2,929,806
Peter Smith	-	208,333	-	21,875	-	1,418,862	1,649,070
Farooq Khan	-	83,333	-	8,750	-	2,837,723	2,929,806
Company Secretary:							
Victor Ho	-	78,733	-	8,267	-	2,837,723	2,924,723

Note:

- (a) Equity-based benefits comprise the issue of Executive Options after receipt of shareholder approval (refer Section (4) below).

2022		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity-Based Benefits	
		Cash salary and fees \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & options ^(b) \$	
KMP	Performance - related %						Total \$
Directors:							
William Johnson	-	75,000	-	7,500	-	384,075	466,575
Peter Smith	-	150,000	-	15,000	-	192,037	357,037
Farooq Khan	-	75,000	-	7,500	-	384,075	466,575
Company Secretary:							
Victor Ho	-	75,000	-	7,500	-	384,075	466,575

Note:

- (b) Equity-based benefits comprise the issue of Executive Options after receipt of shareholder approval – refer to the Company's Notice of Annual General Meeting and Explanatory Statement dated 18 October 2021 and released on ASX on 28 October 2021.

Remuneration Report

(4) Equity-Based Benefits

The Company (after receipt of shareholder approval at the 2022 AGM held on 5 October 2022) has granted Executive Options to Key Management Personnel as part of their remuneration during the financial year, as follows³⁴:

KMP	No. of Options	Grant Date	Exercise Price	Expiry Date	% Vested
William Johnson	5,000,000	5 October 2022	\$1.06	4 October 2025	100%
Peter Smith	2,500,000	5 October 2022	\$1.06	4 October 2025	100%
Farooq Khan	5,000,000	5 October 2022	\$1.06	4 October 2025	100%
Victor Ho	5,000,000	5 October 2022	\$1.06	4 October 2025	100%

Further details in relation to the grant of these Executive Options are in the Company's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022. The terms and conditions of these Executive Options are in Annexure B (Terms and Conditions of New Executive Options) of the Notice of Annual General Meeting and Explanatory Statement and may also be downloaded from the Company's website: <https://lithiumenergy.com.au/investors/terms-of-issue/>.

The assessed accounting fair value of these Executive Options (refer 2023 Equity-Based Benefits in Section (3)) is calculated using an options valuation model which assumes (as at the date of grant) an underlying Company share price of \$1.02, a risk-free rate of 3.16% per annum (based on the 3 year Australian bond yield rate) and a volatility rate of 86% for the underlying shares in the Company. Further details are in Note 16 (Shared Based Payments) of the notes to the financial statements.

(5) Terms of Appointment

The Company does not presently have formal service or employment agreements with any Key Management Personnel but may enter into such agreements in the future.

The Company has issued letters of appointment (acknowledged by each Director) to confirm the terms of each Director's appointment as an Executive Director (Executive Chairman in the case of William Johnson), which include matters pertaining to their remuneration, their role, duties and accountabilities, their tenure (as a Director and as an executive), review of their performance, conflicts of interest, confidentiality, rights of access to corporate information, Director's indemnity and insurance, the disclosure of interests in securities, right to seek independent professional advice and professional development.

All Directors have entered into a Director's Disclosure Agreement with the Company pursuant to which the Director is obliged to provide the necessary information to the Company in a timely manner to enable the Company to comply with its disclosure obligations to ASX in relation to Directors' interests in securities and in contracts relevant to securities.

³⁴ Refer LEL Announcement dated 5 October 2022: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022

Remuneration Report

All Directors have entered into a Director's Access, Indemnity and Insurance Deed with the Company to regulate certain matters between the Company and each Director, both during the time the Director holds office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries).

The Company has not entered into a formal agreement with the Company Secretary, but his terms of employment were resolved by the Board. The Company Secretary has entered into an Officer's Indemnity and Insurance Deed with the Company on terms similar to the Directors' Deeds.

(6) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

(7) Engagement of Remuneration Consultants

The Company has not engaged any remuneration consultants to provide remuneration recommendations in relation to Key Management Personnel during the period. The Board has established a policy for engaging external Key Management Personnel remuneration consultants which includes, inter alia, that the Directors only are responsible for approving all engagements of and executing contracts to engage remuneration consultants and for receiving remuneration recommendations from remuneration consultants regarding Key Management Personnel. Furthermore, the Company has a policy that remuneration advice provided by remuneration consultants be quarantined from Management (who are not Directors) where applicable.

(8) Securities held by Key Management Personnel

The number of ordinary shares in the Company held by Key Management Personnel is set below:

Shares

Key Management Personnel	Balance at 30 June 2022	Received as part of remuneration	Net Other Change	Balance at 30 June 2023
William Johnson	110,000	-	-	110,000
Peter Smith	450,000	-	-	450,000
Farooq Khan	25,000	-	-	25,000
Victor Ho	96,154	-	-	96,154

Executive Options (\$0.30, 18 March 2024)

Key Management Personnel	Balance at 30 June 2022	Received as part of remuneration	Net Other Change	Balance at 30 June 2023
William Johnson	2,850,000	-	-	2,850,000
Peter Smith	1,450,000	-	-	1,450,000
Farooq Khan	2,850,000	-	-	2,850,000
Victor Ho	2,850,000	-	-	2,850,000

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Remuneration Report

Executive Options (\$1.39, 29 November 2024)

Key Management Personnel	Balance at 30 June 2022	Received as part of remuneration	Net Other Change	Balance at 30 June 2023
William Johnson	1,000,000	-	-	1,000,000
Peter Smith	500,000	-	-	500,000
Farooq Khan	1,000,000	-	-	1,000,000
Victor Ho	1,000,000	-	-	1,000,000

Executive Options (\$1.06, 5 October 2025)

Key Management Personnel	Balance at 30 June 2022	Received as part of remuneration	Net Other Change	Balance at 30 June 2023
William Johnson	-	5,000,000	-	5,000,000
Peter Smith	-	2,500,000	-	2,500,000
Farooq Khan	-	5,000,000	-	5,000,000
Victor Ho	-	5,000,000	-	5,000,000

Notes:

- (A) The Executive Options (\$0.30, 18 March 2024) were granted on 19 March 2021, each with an exercise price of \$0.30 and an expiry date of 18 March 2024 and are subject to escrow until 19 May 2023. The terms and conditions of these Executive Options are in Section 16.3 (Rights Attached to Executive Options) of the Lithium Energy Prospectus (dated 30 March 2021).
- (B) The Executive Options (\$1.39, 29 November 2024) were granted on 30 November 2021, each with an exercise price of \$1.39 and an expiry date of 29 November 2024. The terms and conditions of these Executive Options are in Annexure B (Terms and Conditions of New Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 18 October 2021 and released on ASX on 28 October 2021.
- (C) The Executive Options (\$1.06, 4 October 2025) were granted on 5 October 2025, each with an exercise price of \$1.06 and an expiry date of 4 October 2025. The terms and conditions of these Executive Options are in Annexure B (Terms and Conditions of New Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022.
- (D) The disclosures of security holdings above are in accordance with the accounting standards which require disclosure of securities held directly, indirectly or beneficially by each key management person, a close member of the family of that person, or an entity over which either of these persons have, directly or indirectly, control, joint control or significant influence (as defined under Accounting Standard AASB 124 Related Party Disclosures).

(9) Voting and Comments on the Remuneration Report at Last AGM

At the Company's most recent (2022) AGM, a resolution to adopt the prior year (2022) Remuneration Report was passed on a poll with 98.9% of votes in favour of adopting the Remuneration Report.³⁵ No comments were made on the Remuneration Report at the AGM.

This concludes the audited Remuneration Report.

³⁵ Refer LEL ASX Announcement dated 5 October 2022: Results of 2022 Annual General Meeting

Directors' Report

DIRECTORS' AND OFFICERS' INSURANCE

The Company insures Directors and Officers against liability they may incur in respect of any wrongful acts or omissions made by them in such capacity (to the extent permitted by the *Corporations Act 2001 (Cth)*) (**D&O Policy**). Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

DIRECTORS' AND OFFICERS' DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the *Corporations Act 2001 (Cth)*), the Company has also entered into an Access, Indemnity and Insurance Deed with each of the Directors and the Company Secretary (**Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

- The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the *Corporations Act 2001 (Cth)*); and
- Subject to the terms of the deed and the *Corporations Act 2001 (Cth)*, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

A summary of the Access, Indemnity and Insurance Deed is in Section 13.7 (Directors' Deed) of the Lithium Energy Prospectus.

LEGAL PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of a court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings. The Company was not a party to any such proceedings during and since the financial year.

AUDITORS

Details of the amounts paid or payable to the Auditors for audit and non-audit services provided during the financial year are set out below:

Auditor	Audit & Review Fees \$	Non-Audit Services \$	Total \$
Rothsay Audit & Assurance Pty Ltd	23,000	-	23,000

Directors' Report

On 9 August 2022, Rothsay Audit & Assurance Pty Ltd were appointed the Company's Auditor, following the resignation of the firm of 'Rothsay Auditing' and receipt of ASIC's consent to that resignation.³⁶ Rothsay Audit & Assurance Pty Ltd completed the audit of Lithium Energy for the financial year ended 30 June 2022.

Rothsay Audit & Assurance Pty Ltd did not provide any non-audit services during the financial year.

Rothsay Audit & Assurance Pty Ltd continues in office in accordance with section 327C of the *Corporations Act 2001 (Cth)*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 43. This relates to the Independent Auditor's Report, where the Auditors state that they have issued an independence declaration.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report or the financial statements or notes thereto (in particular Note 23, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

Signed for and on behalf of the Directors in accordance with a resolution of the Board,



William Johnson
Executive Chairman

8 September 2023

³⁶ Refer LEL ASX Announcement dated 9 August 2022: Change of Auditors

Auditor's Independence Declaration

ROTHSAY

AUDIT & ASSURANCE PTY LTD

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the audit of Lithium Energy Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Lithium Energy Limited and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla
Director

Dated 8 September 2023

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Sydney NSW 2000

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Liability limited by a scheme approved under Professional Standards Legislation



Consolidated Statement of Profit or Loss and Comprehensive Income

for the year ended 30 June 2023

	Note	2023	2022
		\$	\$
REVENUE	2		
Interest revenue		324,086	20,533
Other			
Foreign exchange gain		190,645	82,213
TOTAL REVENUE AND INCOME		514,731	102,746
EXPENSES	3		
Personnel expenses		(1,182,901)	(444,746)
Share-based payments		(10,051,971)	(1,368,002)
Corporate expenses		(836,211)	(317,186)
Occupancy expenses		(38,103)	(42,649)
Exploration and evaluation expenses		(8,862)	(12,587)
Finance expenses		(2,910)	5,322
Administration expenses		(460,624)	(228,264)
LOSS BEFORE INCOME TAX		(12,066,851)	(2,305,366)
Income tax expense	5	-	-
LOSS FOR THE YEAR		(12,066,851)	(2,305,366)
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, Net of Tax			
Exchange differences on translation of foreign operations		134,484	19,046
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(11,932,367)	(2,286,320)
LOSS ATTRIBUTABLE TO:			
Owners of Lithium Energy Limited		(11,619,210)	(2,306,136)
Non-controlling interest		(447,641)	770
		(12,066,851)	(2,305,366)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR IS ATTRIBUTABLE TO:			
Owners of Lithium Energy Limited		(11,484,726)	(2,306,136)
Non-controlling interest		(447,641)	770
		(11,932,367)	(2,305,366)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted loss per share (cents)	6	(12.67)	(2.88)

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Financial Position

for the year ended 30 June 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	7	9,436,225	6,672,551
Receivables	9	484,628	220,194
Other current assets		143,705	-
TOTAL CURRENT ASSETS		10,064,558	6,892,745
NON-CURRENT ASSETS			
Receivables	9	1,789,202	-
Exploration and evaluation expenditure	10	21,251,803	7,306,914
Property, plant and equipment		214,625	53,608
TOTAL NON-CURRENT ASSETS		23,255,630	7,360,522
TOTAL ASSETS		33,320,188	14,253,267
CURRENT LIABILITIES			
Payables	11	1,143,819	148,569
Provisions		52,676	18,245
TOTAL CURRENT LIABILITIES		1,196,495	166,814
TOTAL LIABILITIES		1,196,495	166,814
NET ASSETS		32,123,693	14,086,453
EQUITY			
Issued capital	12	34,574,590	15,006,458
Reserves	14	13,049,681	2,513,722
Accumulated losses		(15,050,839)	(3,431,629)
Parent Interest		32,573,432	14,088,551
Non-controlling interest	15	(449,739)	(2,098)
TOTAL EQUITY		32,123,693	14,086,453

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

		Issued capital	Foreign Currency Translation reserve	Share- based payments reserve	Non- controlling interest	Accumulated losses	Total
	Note	\$	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2021		15,006,458	60,572	1,066,102	(2,868)	(1,125,493)	15,004,771
Loss for the year		-	-	-	770	(2,306,136)	(2,305,366)
Other comprehensive income		-	19,046	-	-	-	19,046
Total comprehensive income for the year		-	19,046	-	770	(2,306,136)	(2,286,320)
Transactions with owners in their capacity as owners:							
Issue of options	16	-	-	1,368,002	-	-	1,368,002
BALANCE AT 30 JUNE 2022		15,006,458	79,618	2,434,104	(2,098)	(3,431,629)	14,086,453
BALANCE AT 1 JULY 2022		15,006,458	79,618	2,434,104	(2,098)	(3,431,629)	14,086,453
Loss for the year		-	-	-	(447,641)	(11,619,210)	(12,066,851)
Other comprehensive income		-	134,484	-	-	-	134,484
Total comprehensive income for the year		-	134,484	-	(447,641)	(11,619,210)	(11,932,367)
Transactions with owners in their capacity as owners:							
Issue of shares	12	19,568,132	-	-	-	-	19,568,132
Issue of options	16	-	-	10,401,475	-	-	10,401,475
BALANCE AT 30 JUNE 2023		34,574,590	214,102	12,835,579	(449,739)	(15,050,839)	32,123,693

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(3,885,303)	(1,107,882)
Payments for exploration and evaluation		(8,862)	(307,989)
NET CASH USED IN OPERATING ACTIVITIES	7(a)	(3,894,165)	(1,415,871)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of tenements		(5,993,622)	-
Payments for exploration and evaluation		(7,721,371)	-
Payment for purchases of plant and equipment		(172,234)	(27,414)
Interest received		302,302	20,533
NET CASH USED IN INVESTING ACTIVITIES		(13,584,925)	(6,881)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares		21,400,000	-
Cost of issuing shares		(1,482,364)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		19,917,636	-
NET DECREASE IN CASH HELD		2,438,546	(1,422,752)
Cash and cash equivalents at beginning of the year		6,672,551	7,994,344
Effect of exchange rate changes on cash held		325,128	100,959
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	7	9,436,225	6,672,551

The accompanying notes form part of these consolidated financial statements

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

1. ABOUT THIS FINANCIAL REPORT

1.1 Background

Lithium Energy Limited ABN 94 647 135 108 is a company limited by shares incorporated in Australia on 14 January 2021 (the **Company** or **LEL**) as a wholly-owned subsidiary of Strike Resources Limited ABN 94 088 488 724 (ASX:SRK) (**Strike**).

Strike's 100% shareholding in the Company was diluted on the completion of a \$9 million initial public offering (**IPO**) pursuant to a Prospectus (dated 30 March 2021) (**Prospectus**) with the issue of 45,000,000 shares (at \$0.20 per share) on 7 May 2021.

The Company was admitted to the Official List of the Australian Securities Exchange (**ASX**) on 17 May 2021 and commenced quotation/trading on ASX on 19 May 2021.

The controlled entities of the Company during the financial year are:

- (a) Burke Graphite Pty Ltd (formerly LE Australian Operations Pty Ltd) ABN 73 119 438 265 (incorporated in Australia) (**BGPL**), being a wholly-owned subsidiary of the Company;
- (b) LE Operations Pty Ltd ABN 12 102 978 370 (incorporated in Australia) (**LEOPL**), being a wholly-owned subsidiary of the Company;
- (c) Burke Minerals Pty Ltd ABN 52 166 886 826 (**BMPL**), being a wholly-owned subsidiary of the Company; and
- (d) Solaroz S.A. (formerly Hananta S.A.) (incorporated in Argentina) (**Solaroz**), in which LEOPL has a 90% shareholding.

This financial report covers the consolidated financial statement of the consolidated entity consisting of the Company and its controlled entities (the **Consolidated Entity** or **Lithium Energy**). The financial report is presented in the Australian currency.

These financial statements have been prepared on a streamlined basis where key information is grouped together for ease of understanding and readability. The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Consolidated Entity.

Information is considered material and relevant if, for example:

- (a) the amount in question is significant because of its size or nature;
- (b) it is important for understanding the results of the Consolidated Entity;
- (c) it helps to explain the impact of significant changes in the Consolidated Entity's business; or
- (d) it relates to an aspect of the Consolidated Entity's operations that may be important to its future performance.

The notes to the financial statements are organised into the following sections:

- (a) **Key Performance:** Provides a breakdown of the key individual line items in profit or loss that is most relevant to understanding performance and shareholder returns for the period:

Notes

- 2 Revenue
- 3 Expenses
- 4 Segment information
- 5 Tax
- 6 Loss per share

- (b) **Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

- 7 Cash and cash equivalents
- 8 Financial risk management

- (c) **Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that materially affect performance or give rise to material financial risk:

Notes

- 9 Receivables
- 10 Exploration and evaluation expenditure
- 11 Payables

- (d) **Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes

- 12 Issued capital
- 13 Capital risk management
- 14 Reserves
- 15 Non-controlling interest
- 16 Share-based payments

- (e) **Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the period. Disclosure on related parties is also provided in the section:

Notes

- 17 Parent entity information
- 18 Investment in controlled entities
- 19 Related party transactions

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

- (f) **Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

20	Auditors' remuneration
21	Commitments
22	Contingencies
23	Events occurring after the reporting period

Significant and other accounting policies that summarise the measurement basis used and presentation policies and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

1.2 Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001 (Cth)*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Compliance with International Financial Reporting Standards (IFRS)

The consolidated financial statements of the Consolidated Entity comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Reporting Basis and Financial Statement Presentation

The financial report has been prepared on a going concern and accrual basis and is based on historical costs modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The principal accounting policies adopted in the preparation of these financial statements have been consistently applied throughout the period presented, unless otherwise stated.

1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 30 June 2023 and the results of its subsidiaries for the period then ended. The Company and its subsidiaries are referred to in this financial report as Lithium Energy or the Consolidated Entity.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1.4 Comparative Figures

Certain comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.5 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.6 Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Coronavirus (COVID-19) pandemic

The Consolidated Entity has considered and exercised its judgement on the impact that the COVID-19 pandemic has had, or might have based on publicly available information. This consideration extends to the nature of the products, personnel, customers, supply chain, and geographic regions in which the entity operates. Other than as identified in specific notes (if any), there does not seem to be either any significant uncertainties with respect to events or conditions or any significant impact upon the financial statements which may impact the Consolidated Entity unfavourably to the date of this financial report as a result of the COVID-19 pandemic.

1.8 New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted. These are not expected to have a material impact on the Consolidated Entity's financial statements.

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

2. REVENUE

The Consolidated Entity's operating loss before income tax includes the following items of revenue:

	2023	2022
Revenue	\$	\$
Interest revenue	324,086	20,533
	<u>324,086</u>	<u>20,533</u>
Other		
Foreign exchange gain	190,645	82,213
	<u>514,731</u>	<u>102,746</u>

Accounting policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(ii) Other revenues

Other revenues are recognised on an accruals basis.

(iii) Foreign exchange

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains or losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or operating expenses.

3. EXPENSES

The Consolidated Entity's operating loss before income tax includes the following items of expenses:

	2023	2022
Personnel expenses	\$	\$
Salaries, fees and employee benefits	1,182,901	444,746
Share-based payments - Executive and SIP Options	10,051,971	1,368,002

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

3. EXPENSES (continued)

	2023	2022
	\$	\$
Corporate expenses		
Professional fees	449,109	26,393
Auditor fees	23,000	21,000
ASX and CHESS fees	68,054	54,549
Share registry	29,475	29,802
ASIC fees	9,337	8,577
Accounting, taxation and related administration	80,818	55,658
Investor relations	168,487	114,184
Other corporate expenses	7,931	7,023
Occupancy expenses	38,103	42,649
Exploration and evaluation expenses	8,862	12,587
Finance expenses	2,910	(5,322)
Administration expenses		
Travel, accommodation and incidentals	165,695	76,077
Insurance	22,544	65,571
Depreciation	11,217	3,122
Other administration expenses	261,168	83,494
	12,581,582	2,408,112

4. SEGMENT INFORMATION

	Argentina	Australia	Total
	\$	\$	\$
2023			
Revenue	61,201	262,885	324,086
Other	358,008	(167,363)	190,645
Total segment revenues	419,209	95,522	514,731
Personnel expenses	265,678	10,969,194	11,234,872
Corporate expenses	1,038,704	(202,493)	836,211
Occupancy expenses	-	38,103	38,103
Exploration and evaluation expenses	-	8,862	8,862
Finance expenses	1,186	1,724	2,910
Depreciation expense	-	11,217	11,217
Other expenses	117,568	331,839	449,407
Total segment profit/(loss)	(1,003,927)	(11,062,924)	(12,066,851)
Adjusted EBITDA	(1,003,927)	(11,074,141)	(12,078,068)
Total segment assets	20,784,988	12,535,200	33,320,188
Total segment liabilities	54,257	1,142,238	1,196,495

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

4. SEGMENT INFORMATION (continued)

	Argentina \$	Australia \$	Total \$
2022			
Revenue	-	20,533	20,533
Other	65,029	17,184	82,213
Total segment revenues	65,029	37,717	102,746
Personnel expenses	-	1,812,748	1,812,748
Corporate expenses	39,187	277,999	317,186
Occupancy expenses	-	42,649	42,649
Exploration and evaluation expenses	12,117	470	12,587
Finance expenses	(5,689)	367	(5,322)
Depreciation expense	-	3,122	3,122
Other expenses	12,929	212,213	225,142
Total segment loss	6,485	(2,311,851)	(2,305,366)
Adjusted EBITDA	6,485	(2,314,973)	(2,308,488)
Total segment assets	849,910	13,403,357	14,253,267
Total segment liabilities	7,798	159,016	166,814

Accounting policy

The operating segments are reported in a manner consistent with the internal reporting provided to the Executive Chairman. The Executive Chairman is responsible for allocating resources and assessing performance of the operating segments and has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operates only in Australia and Argentina.

5. TAX

	2023 \$	2022 \$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) The prima facie tax on operating loss before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on operating loss before income tax at 25% (2022:25%)	(3,016,713)	(576,342)
Adjust tax effect of:		
Non-deductible expenses	2,566,133	362,515
Current year tax losses not recognised	450,580	213,827
Income tax attributable to entity	-	-

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

5. TAX (continued)

	2023	2022
(c) Unrecognised deferred tax balances	\$	\$
Unrecognised deferred tax asset - revenue losses	2,534,557	382,324

Critical accounting judgement and estimate

Deferred tax assets have not been recognised as, in the Directors' opinion, it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise the benefits. The utilisation of revenue and capital tax losses are subject to compliance with taxation legislation.

Accounting policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and for unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

6. LOSS PER SHARE

	2023 cents	2022 cents
Basic and diluted loss per share	(12.67)	(2.88)

The following represents the loss and weighted average number of shares used in the loss per share calculations:

Net loss after income tax (\$)	(11,619,210)	(2,306,136)
	2023 Shares	2022 Shares
Weighted average number of ordinary shares	91,683,973	80,010,000

Accounting policy

Basic earnings/(loss) per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period.

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings/(loss) per share that will probably arise from the exercise of options outstanding during the financial period.

7. CASH AND CASH EQUIVALENTS

	2023 \$	2022 \$
Cash at bank	8,436,225	1,872,551
Term deposits	1,000,000	4,800,000
	9,436,225	6,672,551

(a) Reconciliation of operating loss after income tax to net cash used in operating activities

Loss after income tax	(12,066,851)	(2,305,366)
Interest revenue generated as part of investment activity	(324,086)	-
Add non-cash items:		
Share-based payments	10,051,971	1,368,002
Depreciation	11,217	3,122
Write off of plant and equipment	-	610
Adjustment for movement in foreign exchange	(190,645)	(82,213)
Changes in assets and liabilities:		
Receivables	(1,747,266)	(106,731)
Other current assets	(25,000)	22,917
Exploration and evaluation expenditure	-	(295,402)
Payables	362,064	(28,349)
Provisions	34,433	7,539
	(3,894,163)	(1,415,871)

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

7. CASH AND CASH EQUIVALENTS (continued)

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

8. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, receivables and payables. The Consolidated Entity's financial instruments are subject to market (which includes interest rate and foreign exchange risk), credit and liquidity risks.

The Board is responsible for the overall internal control framework (which includes risk management) but no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably qualified management personnel. The effectiveness of the system is continually reviewed by management and at least annually by the Board.

The financial receivables and payables of the Consolidated Entity in the table below are due or payable within 30 days. The Consolidated Entity holds the following financial assets and liabilities:

		2023	2022
	Note	\$	\$
Cash and cash equivalents	7	9,436,225	6,672,551
Receivables	9	484,628	220,194
		9,920,853	6,892,745
Payables	11	(1,143,819)	(148,569)
Net financial assets		8,777,034	6,744,176

(a) Market risk

Market risk is the risk that the fair value and/or future cash flows from a financial instrument will fluctuate as a result of changes in market factors. Market risk comprises of price risk from fluctuations in the fair value of equities, foreign exchange risk from fluctuations in foreign currencies and interest rate risk from fluctuations in market interest rates.

(i) Foreign exchange risk

The Consolidated Entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars (**USD**) and Argentinian Pesos (**ARS**).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Consolidated Entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

(i) Foreign exchange risk (continued)

The Consolidated Entity has a policy of not hedging foreign exchange risk and therefore has not entered into any hedging against movements in foreign currencies against the Australian dollar, including forward exchange contracts, as at the reporting date and is currently fully exposed to foreign exchange risk.

The Consolidated Entity's exposure to foreign exchange risk expressed in Argentinian pesos at the reporting date are as follows:

	2023	2022
	ARS	ARS
Cash and cash equivalents	23,087,230	849,531
Payables	(1,824,996)	(547,960)
Net financial assets/(liabilities)	21,262,234	301,571

The Consolidated Entity has performed a sensitivity analysis on its exposure to exchange risk. The management assessment is based upon an analysis of current and future market position. The analysis demonstrates the effect on the current period results and equity when the Australian dollar strengthened or weakened by 10% against the foreign currencies detailed above.

	Impact on post-tax profit		Impact on equity	
	2023	2022	2023	2022
	\$	\$	\$	\$
Increase 10%	160,217	3,837	160,217	3,837
Decrease 10%	(160,217)	(3,837)	(160,217)	3,837

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The weighted average interest rate of the cash at bank for the period for the table below is 4.42% (2022: 0.3%).

	2023	2022
	\$	\$
Cash at bank	8,436,225	1,872,551
Term deposit	1,000,000	4,800,000
	9,436,225	6,672,551

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

8. FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk (continued)

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates based on observation of current market conditions. The calculations are based on a change in the average market interest rate and the financial instruments that are sensitive to changes in interest rates.

	Impact on post-tax profit		Impact on equity	
	2023	2022	2023	2022
	\$	\$	\$	\$
Increase by 25bps	23,591	16,681	23,591	16,681
Decrease by 25bps	(23,591)	(16,681)	23,591	(16,681)

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. The Consolidated Entity has no borrowings. The financial liabilities disclosed in the above table have a maturity obligation of not more than 30 days.

(c) Credit risk

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Consolidated Entity. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions. Concentrations of credit risk are minimised primarily by the management carrying out all market transactions through recognised and creditworthy banks and brokers and the monitoring of receivable balances. The Consolidated Entity's business activities do not necessitate the requirement for collateral as a means of mitigating the risk of financial loss from defaults.

The credit quality of the financial assets are neither past due nor impaired and can be assessed by reference to external credit ratings (if available with Standard & Poor's) or to historical information about counterparty default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised below:

	2023	2022
	\$	\$
Cash and cash equivalents		
AA-	8,925,452	6,659,350
No external credit rating available	510,773	13,201
	9,436,225	6,672,551
Receivables (due within 30 days)		
No external credit rating available	484,628	220,194

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

9. RECEIVABLES

	2023	2022
	\$	\$
Current		
Deposits and bonds	68,000	42,500
Receivables	55,888	3,066
Other receivables	360,740	174,628
	<u>484,628</u>	<u>220,194</u>
Non-current		
Receivables	<u>1,789,202</u>	<u>-</u>

Accounting policy

AASB 9 (Financial Instruments) requires the Consolidated Entity to adopt an expected credit loss (ECL) impairment model across the Consolidated Entity's financial assets. The Consolidated Entity's receivables balance comprises deposits, GST refunds from the Australian Tax Office.

At each Balance Date, the Consolidated Entity reviews the carrying value of its financial assets based on the ECL model under AASB 9, which proposes three approaches in assessing impairment:

- (i) the simplified approach (which will be applied to most trade receivables) which requires the recognition of lifetime ECLs by considering forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates;
- (ii) the general approach (which will be applied to most loans and debt securities) whereby ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, the Consolidated Entity will provide for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance will arise for credit losses expected over the remaining life of exposure, irrespective of the timing of the default; and
- (iii) For purchased or originated credit-impaired receivables, the fair value at initial recognition already takes into account lifetime expected losses. At each Balance Date, the Consolidated Entity updates its estimated cash flows and adjusts the loss allowance accordingly.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Consolidated Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Consolidated Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Consolidated Entity has not recognised any additional impairment to its current receivables or non-current receivables as a result of the application of AASB 9. This is due to the fact that the Consolidated Entity does not consider that there are any further ECL to the current carrying values of its current receivables or its non-current receivables.

Risk exposure

The Consolidated Entity's exposure to credit and interest rate risks is discussed in Note 8.

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

10. EXPLORATION AND EVALUATION EXPENDITURE

	2023	2022
	\$	\$
Opening balance	7,306,914	7,011,511
Exploration and evaluation costs	7,951,267	295,403
Acquisition of tenements	5,993,622	-
Closing balance	21,251,803	7,306,914

Critical accounting estimates and judgements

The Consolidated Entity has assessed the carrying amount of the exploration and evaluation in accordance with AASB 6 (Exploration for and Evaluation of Mineral Resources). The ultimate recoverability of deferred exploration and evaluation expenditure is dependent on the successful development or sale of the relevant area of interest.

Accounting policy

Exploration and evaluation expenditure incurred is initially capitalised in respect of each identifiable area of interest where the Consolidated Entity has right of tenure. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically-recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Under AASB 6 (Exploration for and Evaluation of Mineral Resources), if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Consolidated Entity must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 (Impairment of Assets). Any impairment loss is to be recognised as an expense. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

11. PAYABLES

	2023	2022
	\$	\$
Trade payables	992,481	123,590
Other creditors and accruals	151,338	24,979
	1,143,819	148,569

Accounting policy

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

12. ISSUED CAPITAL

	2023	2022
	\$	\$
103,010,000 fully paid ordinary shares (2022: 80,010,000 shares)	34,574,590	15,006,458

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

12. ISSUED CAPITAL (continued)

Movement in fully paid ordinary shares	Date of issue	Number of shares	\$
At 1 July 2021		80,010,000	15,006,458
Issue of shares at \$1.00 each	21 Sep 22	15,000,000	15,000,000
Issue of shares at \$0.80 each	29 Jun 23	8,000,000	6,400,000
Cost of share issue		-	(1,831,868)
At 30 June 2023		103,010,000	34,574,590

Accounting policy

Ordinary shares are classified as equity. Fully paid ordinary shares carry one vote per share and the right to dividends.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

13. CAPITAL RISK MANAGEMENT

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share buy-backs, capital reductions and selling assets to reduce debt.

The Consolidated Entity has no external borrowings.

14. RESERVES

	2023	2022
	\$	\$
Share-based payments reserve (refer also to Note 16)	12,835,579	2,434,104
Foreign currency translation reserve	214,102	79,618
	13,049,681	2,513,722

(a) Share-based payments reserve

The Share-based payments reserve records the consideration (net of expenses) received by the Company on the issue of options. In relation to the Executive and Securities Incentive Plan (SIP) Options issued for nil consideration, the fair value of these options (refer Note 16) are included in the Share-based payments reserve.

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

14. RESERVES (continued)

(b) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the Foreign currency translation reserve as described in the accounting policy note below and accumulate in a separate reserve within equity. The cumulative amount is reclassified to Profit or Loss when the investment is disposed of.

Accounting policy

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- (iii) all resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income.

15. NON-CONTROLLING INTEREST

	2023	2022
	\$	\$
Issued capital	29,550	29,550
Other reserve	(29,550)	(29,550)
Accumulated losses	(449,739)	(2,098)
	(449,739)	(2,098)

The non-controlling interest is a 10% (2022: 10%) equity holding in Solaroz S.A. (not held by the Company).

Accounting policy

The Consolidated Entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Consolidated Entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve (refer to Note 14) within equity attributable to owners of Lithium Energy Limited.

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

16. SHARE BASED PAYMENTS

The Company had share based payments, as follows:

Grant date	Expiry date	Fair value at grant date (\$)	Exercise price (\$)	Opening balance	During the period			Closing balance	Vested and exercisable at period end
					Granted/Issued	Exercised	Cancelled		
For the year ended 30 June 2023									
19-Mar-21	18-Mar-24	0.076	0.300	10,000,000	-	-	-	10,000,000	10,000,000
05-May-21	04-May-24	0.076	0.300	4,000,000	-	-	-	4,000,000	4,000,000
30-Nov-21	29-Nov-24	0.384	1.390	3,500,000	-	-	-	3,500,000	3,500,000
16-Feb-22	15-Feb-25	0.460	1.595	100,000	-	-	-	100,000	66,667
21-Sep-22	20-Sep-25	0.466	1.500	-	750,000	-	-	750,000	750,000
05-Oct-22	04-Oct-25	0.568	1.060	-	17,500,000	-	-	17,500,000	17,500,000
01-Dec-22	30-Nov-25	0.440	1.320	-	400,000	-	-	400,000	-
				17,600,000	18,650,000	-	-	36,250,000	35,816,667
Weighted average exercise price (\$)				0.521	1.055	-	-	0.796	0.805

Grant date	Expiry date	Fair value at grant date (\$)	Exercise price (\$)	Opening balance	During the period			Closing balance	Vested and exercisable at period end
					Granted/Issued	Exercised	Cancelled		
For the year ended 30 June 2022									
19-Mar-21	18-Mar-24	0.076	0.300	10,000,000	-	-	-	10,000,000	10,000,000
05-May-21	04-May-24	0.076	0.300	4,000,000	-	-	-	4,000,000	4,000,000
30-Nov-21	29-Nov-24	0.384	1.390	-	3,500,000	-	-	3,500,000	3,500,000
16-Feb-22	15-Feb-25	0.460	1.595	-	100,000	-	-	100,000	33,333
				14,000,000	3,600,000	-	-	17,600,000	17,533,333
Weighted average exercise price (\$)				0.300	1.366	-	-	0.518	0.520

The following options were issued during the financial year:

- 750,000 Broker's Options were granted on 21 September 2022, each with an exercise price of \$1.50 and an exercise term expiring on 20 September 2025.
- 17,500,000 Executive Options were granted (after approval of shareholders at the Company's Annual General Meeting) on 5 October 2022, each with an exercise price of \$1.06 and a term expiring on 4 October 2025.
- 400,000 Securities Incentive Plan (SIP) Options were granted on 1 December 2022, each with an exercise price of \$1.32 and an exercise term expiring on 30 November 2025. These options will vest on 31 December 2023 and will be expensed over the vesting period.

The fair value of the Brokers, Executives and SIP options issued were calculated using an options valuation model which assumes (as at the date of grant) an underlying Company share price, a risk-free rate per annum (based on the 3 year Australian bond yield rate) and a volatility rate for the underlying shares in the Company as follows:

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

16. SHARE BASED PAYMENTS (continued)

	Share Price	Risk-Free rate	Volatility rate
Broker's Options (\$1.50, 20 September 2025)	\$0.990	3.33%	86%
Executive Options (\$1.06, 4 October 2025)	\$1.020	3.16%	86%
SIP Options (\$1.32, 30 November 2025)	\$0.915	3.09%	86%

Accounting policy

Shared-based compensation benefits provided to personnel are accounted in accordance with AASB 2 (Share-based Payment).

The fair value of options granted are recognised as an employee benefits expense with a corresponding increase in equity. The total amount expensed are determined by reference to the fair value of the options granted, which takes into account market performance conditions and the impact of non-vesting conditions (if any) but excludes the impact of any service or non-market performance vesting conditions (if any).

Non-market vesting conditions (if any) are included in assumptions about the number of options that are expected to vest. Total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Consolidated Entity will revise its estimates of the number of options that are expected to vest based on applicable non-market vesting conditions. The Consolidated Entity will also recognise the impact of any revisions to the original estimates in profit or loss with a corresponding adjustment to equity.

17. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Lithium Energy Limited, as at 30 June 2023.

	2023	2022
Statement of profit or loss and other comprehensive income	\$	\$
Loss for the year	(11,734,481)	(2,308,913)
Other comprehensive income	-	-
Total comprehensive income for the year	(11,734,481)	(2,308,913)
Statement of financial position		
Current assets		
Cash and cash equivalents	8,843,926	6,652,792
Other	343,745	49,909
Non current assets	23,370,243	7,418,215
Total assets	32,557,914	14,120,916
Current liabilities	353,564	151,277
Total liabilities	353,564	151,277
Net assets	32,204,350	13,969,639

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

17. PARENT ENTITY INFORMATION (continued)

	2023	2022
	\$	\$
Issued capital	34,574,590	15,006,458
Reserves	12,835,579	2,434,104
Accumulated losses	(15,205,819)	(3,470,923)
Equity	32,204,350	13,969,639

Refer to Note 22 for the parent entity's contingent liabilities.

18. INVESTMENT IN CONTROLLED ENTITIES

Investment in controlled entities	Incorporated	Ownership interest	
		2023	2022
Burke Graphite Pty Ltd	Australia	100%	100%
(formerly LE Australian Operations Pty Ltd)			
LE Operations Pty Ltd	Australia	100%	100%
Burke Minerals Pty Ltd	Australia	100%	100%
Solaroz S.A. (formerly Hananta S.A.)	Argentina	90%	90%

Accounting policy

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

Intercompany transactions, balances and unrealised gains on transactions in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

19. RELATED PARTY TRANSACTIONS

Transactions with key management personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the financial year. The total remuneration paid to KMP by the Consolidated Entity during the financial period are as follows:

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

19. RELATED PARTY TRANSACTIONS (continued)

	2023	2022
	\$	\$
Directors		
Short-term employee benefits	374,999	300,000
Post-employment benefits	39,375	30,000
Equity-based benefits (refer to Note 16)	7,094,308	960,187
Other KMP		
Short-term employee benefits	78,733	75,000
Post-employment benefits	8,267	7,500
Equity-based benefits (refer to Note 16)	2,837,723	384,075
	<u>10,433,405</u>	<u>1,756,762</u>

20. AUDITORS' REMUNERATION

During the financial period, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023	2022
	\$	\$
Rothsay Auditing		
Audit of financial statements	-	6,000
Rothsay Audit & Assurance Pty Ltd		
Audit of financial statements	23,000	15,000
	<u>23,000</u>	<u>21,000</u>

21. COMMITMENTS

(a) Mining Tenements/Concessions – Annual Fees and Expenditure Commitments

(i) Australian Tenements

The Consolidated Entity is required to pay rates, rent and other annual fees to relevant Regulatory Authorities of the State (and Local) Government and meet minimum annual expenditure commitments (subject to successful applications for exemption in relation thereto) in order to maintain rights of tenure over its granted Australian mining tenements. The total amount of these commitments will depend upon the number and area of granted mining tenements held/retained, the length of time of each tenement held and whether and to what extent the Consolidated Entity has been successful in obtaining exemption(s) from meeting annual expenditure commitments.

In relation to the Consolidated Entity's tenements in Queensland, Australia, the Consolidated Entity is liable to pay the native title holder an administrative fee in respect of each tenement, pursuant to the *Mineral Resources Act 1989 (Qld)* and *Mineral Resources Regulation 2013 (Qld)*.

Notes to Consolidated Financial Statements

for the year ended 30 June 2023

21. COMMITMENTS (continued)

(a) Mining Tenements/Concessions – Annual Fees and Expenditure Commitments

(i) Australian Tenements (continued)

The Consolidated Entity has minimum expenditure requirements in relation to its Queensland mineral tenements as set out below:

	2023	2022
	\$	\$
Not later than one year	155,000	135,000
Later than one year but not later than five years	1,150,000	1,305,000
Later than five years	-	-

(ii) Argentinean Concessions

The Consolidated Entity is required to pay a licence and other annual fees to relevant Regulatory Authorities of the Argentine (and or regional/provincial) Government in respect of mineral concessions held in Argentina. The total amount of this commitment will depend upon, inter alia, the number and area of concessions held/retained and the length of time of each concession held.

22. CONTINGENCIES

(a) Directors' Deeds

The Consolidated Entity has entered into deeds of indemnity with the Directors and Company Secretary of the Company, indemnifying them against liability incurred in discharging their duties as officers. As at the reporting date, no claims have been made under any such indemnities and, accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(b) Australian Native Title

The Consolidated Entity's tenements in Australia are (or may in the future be) subject to native title rights of the traditional owners under the *Native Title Act 1993 (Cth)*. As at the reporting date, the Consolidated Entity has not entered into any native title related access and compensation agreements with any traditional owners and it is not possible to quantify the impact that native title may have on the operations of the Consolidated Entity in relation to these tenements.

(c) Government Royalties

The Consolidated Entity may be liable to pay royalties to Government on production obtained from its mineral tenements/concessions.

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Directors' Declaration

The Directors of the Company declare that:

- (1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 44 to 66 are in accordance with the *Corporations Act 2001 (Cth)* and:
 - (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting; and
 - (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of their performance for the period ended on that date;
- (2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (3) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)* by the Executive Chairman (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and the Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and
- (4) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001 (Cth)*.



William Johnson
Executive Chairman

8 September 2023

Independent Auditor's Report

ROTHSAY

AUDIT & ASSURANCE PTY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LITHIUM ENERGY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lithium Energy Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2023 and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (Including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following key audit matters to communicate in our report:

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Sydney NSW 2000

A Level 1, Lincoln Building,
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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LITHIUM ENERGY LIMITED (continued)

Key Audit Matter - Share Based Payments	How our Audit Addressed the Key Audit Matter
<p>As disclosed in Note 16 to the financial statements, the Group granted options and performance rights to key management personnel and other senior employees. In addition, the options in the Group were granted to the broker as a way of settlement for their assistance in equity raising during the year.</p> <p>Share based payments are considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> the value of the transactions; the complexity of the recognition and measurement of these instruments; and the judgement involved in determining the inputs used in valuing share-based payments. 	<p>Our procedures over the existence of the Group's share-based payments included but were not limited to:</p> <ul style="list-style-type: none"> Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; Reviewing management's valuation of the share-based payment arrangements; Reviewing the compliance of the accounting treatment of the share-based payments in accordance with AASB 2 Share-based Payment; and Assessing the appropriateness of the disclosures included in the financial report.
Key Audit Matter - Exploration and Evaluation Expenditure	How our Audit Addressed the Key Audit Matter
<p>As disclosed in Note 10 to the financial statements, the Group's capitalised exploration expenditure was carried at \$21,251,803, representing 64% of the Group's total assets.</p> <ul style="list-style-type: none"> The recognition and recoverability of exploration was considered a key audit matter as the carrying value represents a significant asset to the Group. Therefore, we considered it necessary to assess whether facts and circumstances existed to suggest that an impairment to the value of the asset is required. 	<p>Our procedures in assessing exploration expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"> We reviewed the ownership rights to the tenements, against which the expenditure is capitalised, their expiry dates and if required commitments were met; We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources; We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; We assessed the reasonableness of the management's assessment for the existence of impairment indicators; and We reviewed the appropriateness of the related disclosures in Note 10.

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LITHIUM ENERGY LIMITED (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LITHIUM ENERGY LIMITED (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters.

We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2023.

In our opinion the remuneration report of Lithium Energy Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

Dated 8 September 2023

List of Mineral Concessions

Lithium Energy has interests in the following mineral concessions/tenements as at 30 June 2023 and currently:

Solaroz Lithium Brine Project (Argentina)

(90%)

Concession Group	Concession Name	Area (Ha)	Province	Tenement File No.
Northern Block	Payo 1	1,973	Jujuy	1516-M-2010
	Payo 2 (North)	758	Jujuy	1515-M-2010
	Payo 2 (South)	1,435		
Central Block	Chico I	835	Jujuy	1229-M-2009
	Chico V	1,800	Jujuy	1312-M-2009
	Chico VI	1,400	Jujuy	1313-M-2009
	Silvia Irene	2,465	Jujuy	1706-S-2011
Southern Block	Mario Ángel	543	Jujuy	1707-S-2011
	Payo	990	Jujuy	1514-M-2010

Burke and Corella Graphite Projects (Queensland, Australia)

(100%)

Tenement Name	Tenement Type and No.	Grant Date	Expiry Date	Area (blocks)	Area (km ²)
Burke	EPM 25443	4/9/2014	3/9/2024	2 sub-blocks	~6.58
Corella	EPM 25696	2/4/2015	1/4/2025	6 sub-blocks	~19.74
Leichhardt Crossing	EPM 28715	12/4/2023	11/4/2028	30 sub-blocks	~97

- EPM means Exploration Permit for Minerals

Annual Mineral Resources Statement

Solaroz Lithium Brine Project (Argentina)

(90%)

The Solaroz Project has an initial maiden JORC Mineral Resource, as follows:

- A JORC Inferred Mineral Resource Estimate (MRE) of **3.3Mt of Lithium Carbonate Equivalent (LCE)** (as outlined in Table 1 below).
- Within the 3.3Mt LCE MRE, there is a **high-grade core of 1.34Mt of LCE** with an average concentration of **405 mg/l Lithium** (at a 350 mg/l Lithium cut-off grade) (as outlined in Table 2 below).

Table 1: Solaroz JORC Inferred Mineral Resource Estimate

Lithology Units	Sediment Volume m ³	Specific Yield %	Brine volume		Lithium (Li)			LCE Tonnes
			m ³	Litres	mg/l	grams	Tonnes	
A (Upper Aquifer)	8,290,800,000	13.0	1,077,804,000	1,077,804,000,000	255	274,840,020,000	274,840	1,460,000
B (Halite Salt Unit)	1,968,600,000	4.0	78,744,000	78,744,000,000	345	27,166,680,000	27,167	140,000
C (Lower Aquifer)	7,584,000,000	11.5	872,160,000	872,160,000,000	374	326,187,840,000	326,188	1,730,000
TOTAL	17,843,400,000	11.4	2,028,708,000	2,028,708,000,000	310	628,194,540,000	628,195	3,330,000

Notes:

- (a) This Mineral Resource Estimate encompasses the Mario Angel, Chico I, Chico V, Chico VI, Payo 2 South and Silvia Irene concessions
- (b) Lithium (Li) is converted to lithium carbonate (Li₂CO₃) equivalent (LCE) using a conversion factor of 5.323
- (c) Totals may differ due to rounding
- (d) Reported at a zero Lithium mg/l cut-off grade

Table 2: High-Grade Core within Solaroz JORC Inferred Mineral Resource Estimate

Lithology Units	Sediment Volume m ³	Specific Yield %	Brine volume		Lithium (Li)			LCE Tonnes
			m ³	Litres	mg/l	grams	Tonnes	
A	325,000,000	13.0	42,250,000	42,250,000,000	376	15,886,000,000	16,000	85,000
B	690,400,000	4.0	27,616,000	27,616,000,000	379	10,466,464,000	10,000	56,000
C	4,787,600,000	11.5	550,574,000	550,574,000,000	408	224,634,192,000	225,000	1,195,000
TOTAL	5,803,000,000	10.7	620,440,000	620,440,000,000	405	250,986,656,000	251,000	1,340,000

Notes:

- (a) The high-grade core is a JORC Inferred Mineral Resource estimated within the mineralisation envelope of (not in addition to) the Mineral Resource Estimate outlined in Table 1 (above)
- (b) Reported at a 350 mg/l Lithium cut-off grade
- (c) Refer Notes (b) and (c) of Table 1 (above)

Table 3: Mario Angel Concession - JORC Inferred Mineral Resource Estimate

Lithology Units	Sediment Volume m ³	Specific Yield %	Brine volume		Lithium (Li)			LCE Tonnes
			m ³	Litres	mg/l	grams	Tonnes	
A	285,680,000	13.0	37,138,400	37,138,400,000	337	12,515,640,800	12,500	67,000
B	170,230,000	4.0	6,809,200	6,809,200,000	364	2,478,548,800	2,500	13,000
C	641,550,000	11.5	73,778,250	73,778,250,000	358	26,412,613,500	26,500	140,000
TOTAL	1,097,460,000	10.7	117,725,850	117,725,850,000	352	41,406,803,100	41,500	220,000

Notes:

- (a) This Mineral Resource Estimate encompasses the Mario Angel concession only and is within (not in addition to) the Mineral Resource Estimate outlined in Table 1 (above)
- (b) Refer Notes (b) to (d) of Table 1 (above)

For further details, refer to the Company's ASX Announcement dated 29 June 2023 entitled "Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina".

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Annual Mineral Resources Statement

Burke Graphite Project (Queensland, Australia)

(100%)

The Burke Deposit (on Burke EPM 25443 tenement) has an upgraded JORC Mineral Resource as follows:

- **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:
 - **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).¹

Table 4: 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"

Corella Graphite Project (Queensland, Australia)

(100%)

The Corella Deposit (on Corella EPM 25696 tenement) has an initial maiden JORC Mineral Resource as follows:

- Inferred Mineral Resource of **13.5Mt at 9.5% TGC** for **1.3Mt contained graphite** (at a 5% TGC cut-off grade).
- 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).²

Table 5: 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"

1 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

2 Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 3 of LEL ASX Announcement dated 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

Annual Mineral Resources Statement

Changes From 2022 Annual Mineral Resources Statement

An infill drilling programme (completed in January 2023)³ has delivered a significant increase in the size (from 6.3Mt to 9.1Mt) and confidence (from an Inferred to an Inferred and Indicated category) of the JORC Mineral Resource for the Burke EPM 25443 tenement – refer comparison between Table 6 (2022) and Table 4 (2023).

Table 6: 2022 Annual Mineral Statement - Burke Tenement- JORC Inferred Mineral Resource Estimate

Mineral Resource Category	Weathering State	Mt	TGC (%)	Contained Graphite (Mt)	Density (t/m)
Inferred Mineral Resource	Oxide	0.5	14.0	0.1	2.5
	Fresh	5.8	16.2	0.9	2.4
	Total Oxide + Fresh	6.3	16.0	1.0	2.4

Notes:

- The Mineral Resource was estimated within constraining wireframe solids defined above a nominal 5% TGC cut-off. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.
- For further details, refer to the Strike Resources Limited (ASX:SRK) ASX Announcement dated 13 November 2017 and entitled "Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits".

Compliance Notes

- The Mineral Resource estimates for the Solaroz Lithium Brine Project (Tables 1, 2, 3) were delineated during the financial year and were not reported in last year's (2022) Annual Mineral Resources Statement.
- The Mineral Resource estimate for the Burke Graphite Project were upgraded during the financial year (Table 4) from last year's (2022) Annual Mineral Resources Statement (Table 6).
- The Mineral Resource estimate for the Corella Graphite Project (Table 5) was delineated during the financial year and were not reported in last year's (2022) Annual Mineral Resources Statement.
- The Mineral Resource estimates in this Annual Mineral Resources Statement are based on, and fairly represents, information and supporting documentation prepared by a Competent Person recognised under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**).
- The Annual Mineral Resources Statement as a whole (for the Solaroz Lithium Brine Project) has been approved by a Competent Person named in the JORC Code Competent Persons' Compliance Statements section of this Annual Report (at paragraph (1)), where further information concerning their qualifications and professional memberships are also disclosed.
- The Annual Mineral Resources Statement as a whole (for the Burke Graphite Project) has been approved by a Competent Person named in the JORC Code Competent Persons' Compliance Statements section of this Annual Report (at paragraph (3)), where further information concerning their qualifications and professional memberships are also disclosed.
- The Annual Mineral Resources Statement as a whole (for the Corella Graphite Project) has been approved by a Competent Person named in the JORC Code Competent Persons' Compliance Statements section of this Annual Report (at paragraph (7)), where further information concerning their qualifications and professional memberships are also disclosed.
- Due to the nature, stage and size of the Company's existing operations, Lithium Energy believes there would be no efficiencies gained by establishing a separate Mineral Reserves/Resources Committee responsible for reviewing and monitoring the Company's processes for estimating Mineral Reserves/Resources. The Board as a whole has responsibility in this regard (with assistance from external advisers as appropriate) including ensuring that appropriate internal controls are applied to such calculations.
- The Company ensures that any Mineral Reserve/Resource estimations are prepared by Competent Persons and where appropriate, reviewed independently and verified (including estimation methodology, sampling, analytical and test data).

³ Refer LEL ASX Announcements dated 22 February 2023: Update – Infill Drilling Results at Burke Graphite Deposit and 16 February 2023: Significant High Grade Graphite Intercepts Continue at Burke Graphite Deposit

JORC Code Competent Persons' Compliance Statements

JORC Code (2012) Competent Persons' Statements – Solaroz Lithium Project (Argentina)

- (1) The information in this document that relates to Mineral Resource estimates (dated June 2023) in relation to the Solaroz Lithium Brine Project is based on information compiled by Mr Murray Brooker (MAIG, MIAH), a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Mr Brooker is an employee of Hydrominex Geoscience Pty Ltd, an independent consultant to Lithium Energy Limited. Mr Brooker has sufficient experience that 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 Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). Mr Brooker consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.
- (2) The information in this document that relates to Exploration Results in relation to the Solaroz Lithium Brine Project is based on information compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG), a Competent Person who is a Member of AIG. Mr Smith is an Executive Director of Lithium Energy Limited. Mr Smith has sufficient experience that 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. 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.

JORC Code (2012) Competent Persons' Statements - Burke Graphite Project (Queensland)

- (3) The information in this document that relates to the Mineral Resource estimate (dated April 2023) in relation to the Burke Graphite Project is based on information compiled by Mr Shaun Searle, a Competent Person who is a Member of 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 JORC Code. Mr Searle consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.
- (4) The information in this document that relates to metallurgical test work results in relation to the Burke Graphite Project is based on information compiled by Mr Graham Fyfe, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (**AusIMM**). Mr Fyfe is an employee (General Manager, Projects) of Lithium Energy Limited. 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 the JORC Code. Mr Fyfe consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.
- (5) The information in this document that relates to Exploration Results in relation to the Burke Graphite Project is based on information compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG), a Competent Person who is a Member of AIG. Mr Smith was a consultant to Strike Resources Limited (ASX:SRK) and is an Executive Director of Lithium Energy Limited (since 18 March 2021). Mr Smith has sufficient experience that 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. 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.

JORC Code Competent Persons' Compliance Statements

- (6) The Competent Person named below was previously engaged by Strike Resources Limited (ASX:SRK) (**Strike**), the former parent company of Lithium Energy Limited (and subsidiaries) that hold the interests in the Burke Graphite Project. Lithium Energy Limited was spun out of Strike into a new ASX listing in May 2021.

The information in this document that relates to the Mineral Resource estimate (dated November 2017) in relation to the Burke Graphite Project is extracted from the following ASX market announcement made by Strike dated:

- 13 November 2017 entitled "Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits".

The information in the original announcement (including the CSA Global MRE Technical Summary in Annexure A) that relates to this Mineral Resource estimate is based on information compiled by Mr Grant Louw under the direction and supervision of Dr Andrew Scogings. Dr Scogings takes overall responsibility for this information. Dr Scogings is an employee of CSA Global Pty Ltd and at the time of the Mineral Resource estimation, Mr Louw was an employee of CSA Global Pty Ltd, who had been engaged by Strike to provide Mineral Resource estimate services. Dr Scogings is a Member of AIG (and at the time of the Mineral Resource estimation, also a member of the AusIMM) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 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).

JORC Code (2012) Competent Persons' Statements - Corella Graphite Project (Queensland)

- (7) The information in this document that relates to the Mineral Resource estimate (dated June 2023) in relation to the Corella Graphite Project is based on information compiled by Mr Shaun Searle, a Competent Person who is a Member of 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 JORC Code. Mr Searle consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.
- (8) The information in this document that relates to Exploration Results in relation to the Corella Graphite Project is based on information compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG), a Competent Person who is a Member of AIG. Mr Smith is an Executive Director of Lithium Energy Limited. Mr Smith has sufficient experience that 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. 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.

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.

Additional ASX Information

as at 31 August 2023

CORPORATE GOVERNANCE STATEMENT

The Company has adopted the Corporate Governance Principles and Recommendations (4th Edition, 27 February 2019) issued by the ASX Corporate Governance Council in respect of the financial year ended 30 June 2023. Pursuant to ASX Listing Rules 4.7.3 and 4.10.3, the Company's 2023 Corporate Governance Statement (dated on or about 8 September 2023) and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website: <https://lithiumenergy.com.au/who-we-are/corporate-governance/>

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of shareholders of the Company:

- Each shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a shareholder which is a corporation, by representative;
- Every person who is present in the capacity of shareholder or the representative of a corporate shareholder shall, on a show of hands, have one vote;
- Every shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held by them;
- The holder of restricted securities will cease to be entitled to exercise any voting rights (as above) if they are in breach of their restrictions deed with the Company; and
- Optionholders have no entitlement to vote.

SECURITIES ON ISSUE

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	103,010,000	-	103,010,000
Executive Options (\$0.30, 18 Mar 2024) ¹	-	10,000,000	10,000,000
Broker Options (\$0.30, 4 May 2024) ²	-	4,000,000	4,000,000
Executive Options (\$1.39, 29 Nov 2024) ³	-	3,500,000	3,500,000
Securities Incentive Plan (SIP) Options (\$1.595, 15 February 2025) ⁴	-	100,000	100,000
Broker Options (\$1.50, 20 September 2025) ⁵	-	750,000	750,000
Executive Options (\$1.06, 4 October 2025) ⁶	-	17,500,000	17,500,000
SIP Options (\$1.32, 30 November 2025) ⁷	-	400,000	400,000
SIP Options (\$0.935, 10 August 2026) ⁸	-	250,000	250,000
TOTAL	103,010,000	36,500,000	139,510,000

1 Refer Section 16.3 (Rights Attaching to Executive Options) of the Company's Prospectus (dated 30 March 2021) for terms and conditions of the Executive Options

2 Refer Section 16.2 (Rights Attaching to Broker's Options) of the Company's Prospectus (dated 30 March 2021) for terms and conditions of the Broker Options

3 Refer LEL Announcement dated 2 December 2021: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of New Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 18 October 2021 and released on ASX on 28 October 2021

4 Refer LEL Announcement dated 18 February 2022: Notification regarding unquoted securities – LEL

5 Refer LEL Announcement dated 21 September 2022: Notification regarding unquoted securities – LEL

6 Refer LEL Announcement dated 5 October 2022: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022

7 Refer LEL Announcement dated 5 December 2022: Notification regarding unquoted securities – LEL

8 Refer LEL Announcement dated 16 August 2023: Notification regarding unquoted securities – LEL

Additional ASX Information

as at 31 August 2023

SIGNIFICANT HOLDERS OF UNLISTED OPTIONS

Executive Options (\$0.30, 18 March 2024)

Holders	No of Options	Grant Date	Exercise Price	Expiry Date
William Johnson	2,850,000	19 March 2021	\$0.30	18 March 2024
Peter Smith	1,450,000	19 March 2021	\$0.30	18 March 2024
Farooq Khan	2,850,000	19 March 2021	\$0.30	18 March 2024
Victor Ho	2,850,000	19 March 2021	\$0.30	18 March 2024
TOTAL	10,000,000			

Broker Options (\$0.30, 4 May 2024)

Holder	No of Options	Grant Date	Exercise Price	Expiry Date
CG Nominees (Australia) Pty Ltd	4,000,000	5 May 2021	\$0.30	4 May 2024

Executive Options (\$1.39, 29 November 2024)

Holders	No of Options	Grant Date	Exercise Price	Expiry Date
William Johnson	1,000,000	30 November 2021	\$1.39	29 November 2024
Peter Smith	500,000	30 November 2021	\$1.39	29 November 2024
Farooq Khan	1,000,000	30 November 2021	\$1.39	29 November 2024
Victor Ho	1,000,000	30 November 2021	\$1.39	29 November 2024
TOTAL	3,500,000			

Securities Incentive Plan Options (\$1.595, 15 February 2025)

Holder	No of Options	Grant Date	Exercise Price	Expiry Date
SIP Participant 1	100,000	16 February 2022	\$1.595	15 February 2025

Broker Options (\$1.50, 20 September 2025)

Holder	No of Options	Grant Date	Exercise Price	Expiry Date
CG Nominees (Australia) Pty Ltd	750,000	21 September 2022	\$1.50	20 September 2025

Executive Options (\$1.06, 4 October 2025)

Holders	No of Options	Grant Date	Exercise Price	Expiry Date
William Johnson	5,000,000	5 October 2022	\$1.06	4 October 2025
Peter Smith	2,500,000	5 October 2022	\$1.06	4 October 2025
Farooq Khan	5,000,000	5 October 2022	\$1.06	4 October 2025
Victor Ho	5,000,000	5 October 2022	\$1.06	4 October 2025
TOTAL	17,500,000			

Securities Incentive Plan Options (\$1.32, 30 November 2025)

Holder	No of Options	Grant Date	Exercise Price	Expiry Date
SIP Participant 2	400,000	5 December 2022	\$1.32	30 November 2025

Securities Incentive Plan Options (\$0.935, 10 August 2026)

Holders	No of Options	Grant Date	Exercise Price	Expiry Date
SIP Participant 1	50,000	14 August 2023	\$0.935	10 August 2026
SIP Participant 2	200,000	14 August 2023	\$0.935	10 August 2026
TOTAL	250,000			

Additional ASX Information

as at 31 August 2023

DISTRIBUTION OF UNLISTED OPTIONS

Executive Options (\$0.30, 18 March 2024)

Spread	of	Holdings	Number of Holders	Number of Option	% of Total Option
0	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	and over	4	10,000,000	100%
TOTAL			4	10,000,000	100%

Broker Options (\$0.30, 4 May 2024)

Spread	of	Holdings	Number of Holders	Number of Option	% of Total Option
0	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	and over	1	4,000,000	100%
TOTAL			1	4,000,000	100%

Executive Options (\$1.39, 29 November 2024)

Spread	of	Holdings	Number of Holders	Number of Option	% of Total Option
0	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	and over	4	3,50,000	100%
TOTAL			4	50,003	100%

Securities Incentive Plan Options (\$1.595, 15 February 2025)

Spread	of	Holdings	Number of Holders	Number of Option	% of Total Option
0	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	1	100,000	100%
100,001	-	and over	-	-	-
TOTAL			1	100,000	100%

Broker Options (\$1.50, 20 September 2025)

Spread	of	Holdings	Number of Holders	Number of Option	% of Total Option
0	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	and over	1	750,000	100%
TOTAL			1	750,000	100%

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Additional ASX Information

as at 31 August 2023

Executive Options (\$1.06, 4 October 2025)

Spread	of	Holdings	Number of Holders	Number of Option	% of Total Option
0	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	and over	4	17,500,000	100%
TOTAL			4	17,500,000	100%

Securities Incentive Plan Options (\$1.32, 30 November 2025)

Spread	of	Holdings	Number of Holders	Number of Option	% of Total Option
0	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	-	-	-
100,001	-	and over	1	400,000	100%
TOTAL			1	400,000	100%

Securities Incentive Plan Options (\$0.935, 10 August 2026)

Spread	of	Holdings	Number of Holders	Number of Option	% of Total Option
0	-	1,000	-	-	-
1,001	-	5,000	-	-	-
5,001	-	10,000	-	-	-
10,001	-	100,000	1	50,000	20%
100,001	-	and over	1	200,000	80%
TOTAL			2	250,000	100%

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
0	-	1,000	725	485,280	0.47%
1,001	-	5,000	1,305	3,511,018	3.41%
5,001	-	10,000	604	4,978,493	4.83%
10,001	-	100,000	829	25,398,583	24.66%
100,001	-	and over	103	68,636,626	66.63%
TOTAL			3,566	103,010,000	100%

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	854	493	260,507	0.25%
855	-	over	3,073	102,749,493	99.75%
TOTAL			3,566	103,010,000	100%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 854 shares or less (being a value of \$500 or less in total), based upon the Company's closing share price of \$0.585 on 31 August 2023.

Additional ASX Information

as at 31 August 2023

TOP TWENTY, ORDINARY FULLY PAID SHAREHOLDERS

Rank	Holder name	Shares Held	% Issued Capital
1	STRIKE RESOURCES LIMITED	31,410,000	30.49
2	CITICORP NOMINEES PTY LIMITED	3,927,770	3.81
3	BNP PARIBAS NOMINEES PTY LTD	2,471,246	2.4
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,008,166	1.95
5	CIRCUMFERENCE CAPITAL CT PTY LTD	1,625,000	1.58
6	RUBI HOLDINGS PTY LTD	1,548,750	1.50
7	FERGUSON CORPORATION PTY LTD	1,195,479	1.16
8	DR GARY OWEN ROOKE	1,010,000	0.98
9	NATIONAL NOMINEES LIMITED	960,000	0.93
10	RECO HOLDINGS PTY LTD	930,000	0.90
11	PALM BEACH NOMINEES PTY LIMITED	888,934	0.86
12	MR GANG DU	850,000	0.83
13	MR MICHAEL OWEN SHERRY	685,508	0.67
14	HOOKS ENTERPRISES PTY LTD	658,000	0.64
15	HONGZE GROUP LTD	641,500	0.62
16	MR DAVID KENLEY	480,000	0.47
17	MR JACQUES VAN DER MERWE + MRS ESTELLE VAN DER MERWE	473,989	0.46
18	SUPERHERO SECURITIES LIMITED	471,213	0.46
19	MR ROBERT VELLETRI + MRS FRANCINE LEE VELLETRI	464,625	0.45
20	SNAZZYBOY VENTURES PTY LTD	458,688	0.45
TOTAL		53,158,868	51.61%

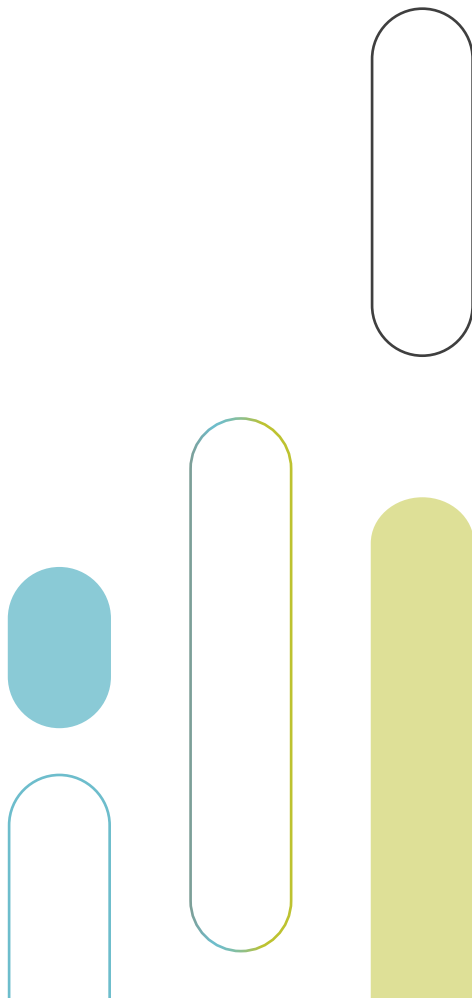
SUBSTANTIAL SHAREHOLDER

Substantial Shareholder	Registered Shareholder	Shares Held	% Voting Power
Strike Resources Limited (ASX:SRK) ⁹	Strike Resources Limited	31,410,000	30.49%

9 Refer Strike's ASX Announcement dated 19 May 2021: Notice of Initial Substantial Holder

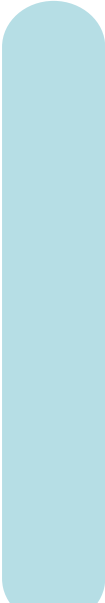
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Notes



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Notes





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