

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Time and date of Meeting: 12:00 noon (Perth time)
on Friday, 7 February 2025

Place of Meeting: Lithium Energy Limited
Suite 1, Level 1
680 Murray Street
West Perth, Western Australia

This document is important and requires your immediate attention. It is recommended that Shareholders read this document in full and if there is any matter that you do not understand, you should contact your licensed financial adviser, accountant, stockbroker, solicitor or other professional adviser for advice.

This Notice of General Meeting and Explanatory Statement is dated 8 January 2025.

A Proxy Form is enclosed or has otherwise been provided to you

Please read this Notice of Meeting carefully. If you are unable to attend the Meeting please complete and return the Proxy Form in accordance with the specified directions.

The Chair of the Meeting will vote open proxies received in favour of Resolution 1 considered at the General Meeting.

The Chair will call a poll on voting on Resolution 1.



ASX Code: LEL

LITHIUM ENERGY LIMITED
ABN 94 647 135 108

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- Market Announcements
- Financial Reports
- Corporate Governance
- Forms
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CORPORATE DIRECTORY

BOARD

William M. Johnson	Executive Chair
Peter C. Smith	Executive Director
Farooq Khan	Executive Director

COMPANY SECRETARY

Victor P.H. Ho
Email: cosec@lithiumenergy.com.au

REGISTERED OFFICE

& PRINCIPAL PLACE OF BUSINESS

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STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

LEL

SHARE REGISTRY

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Website: www.automic.com.au

Investor Portal: <https://investor.automic.com.au>

IMPORTANT NOTICES

Important information

This Notice of Meeting, Explanatory Statement and Proxy Form are all important documents and require your immediate attention. They should be read carefully in their entirety before you make a decision on how to vote at the Meeting. If you are in any doubt as to what you should do, please consult your financial or other professional adviser.

Defined terms

Capitalised terms not otherwise defined in this Notice of Meeting have the meaning given in the Glossary contained in the Explanatory Statement.

Purpose of Explanatory Statement

The Explanatory Statement, which forms part of the Notice of Meeting, contains an explanation of, and information about, the Proposed Spin-Out to be considered at the General Meeting of Lithium Energy to be held on 7 February 2025. It is given to Shareholders to provide them with information that the Board believes to be material to Shareholders in deciding whether and how to vote on the Resolution. Shareholders should read the Explanatory Statement in full because individual sections do not give a comprehensive review of the Proposed Spin-Out. If you are in doubt about what to do in relation to the Proposed Spin-Out, you should consult your financial or other professional adviser.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolution. Lithium Energy is not licensed to provide financial product advice in relation to Shares or any other financial products.

Disclaimer as to forward looking statements

This Notice of Meeting (which includes the Explanatory Statement and the Proxy Form) contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These forward looking statements are based on, among other things, the assumptions, expectations, estimates, objectives, plans and intentions of the Company.

Forward looking statements are subject to inherent risks and uncertainties. Although the Company believes that the expectations reflected in any forward looking statement included in this Notice of Meeting are reasonable, no assurance can be given that such expectations will prove to be correct. Actual events, results or outcomes may differ materially from the events, results or outcomes expressed or implied in any forward looking statement.

Except as required by applicable law or the Listing Rules, the Company does not undertake to update or revise these forward looking statements, nor any other statement whether written or oral, that may be made from time to time by or on behalf of the Company, whether as a result of new information, future events or otherwise.

None of the Company (nor any of its officers, employees or advisers) or any other person named in, or involved in the preparation of, this Notice of Meeting, makes any representation or warranty (express or implied) as to the accuracy or likelihood or fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

The forward looking statements in this Notice of Meeting reflect views held only as at the date of this Notice of Meeting and may change due to future circumstances. Forward looking information is by its very nature subject to uncertainties and can be affected by changed circumstances and unexpected events, many of which are outside the control of the Directors. Any variation to the assumptions on which these forward looking statements have been prepared could be materially positive or negative to the actual performance of the Company.

Risk factors

Shareholders should note that whilst there are many potential benefits to them if the Proposed Spin-Out proceeds, there are also a number of disadvantages or risk factors that will apply if the Resolution is passed and the Proposed Spin-Out proceeds. Section 0 of the Explanatory Statement sets out some of these disadvantages and risk factors.

Effect of rounding

Certain figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Notice of Meeting may be subject to the effect of rounding. Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Notice of Meeting.

Notice to persons outside Australia

This Notice of Meeting has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Notice of Meeting may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Notice of Meeting should inform themselves of, and observe, any such restrictions.

Authorisation

No person is authorised to give any information or make any representation in connection with the Proposed Spin-Out, as it relates to the Resolution, which is not contained in this Notice of Meeting. Any information or representation not contained in this Notice of Meeting (other than to the extent that information has been provided by the Company), may not be relied on as having been authorised by the Company or the Board in connection with the Resolution.

Privacy

To assist the Company to conduct the Meeting, the Company may collect personal information including names, contact details and shareholdings of Shareholders and the names of persons appointed by Shareholders to act as proxy at the Meeting. Personal information of this nature may be disclosed by the Company to its Share Registry, print and mail service providers, advisers and agents of the Company for the purposes of implementing the Resolution.

Shareholders can contact the Share Registry, Automic on their website: www.automic.com.au, telephone: 1300 288 664 (within Australia) or +61 2 9698 5414 (from overseas) or email: hello@automicgroup.com.au, if they have questions about their personal information.

Responsibility for information

The information contained in this Notice of Meeting has been prepared by the Company and is the responsibility of the Company.

Time

All references to time in the Explanatory Statement are references to Perth, Western Australia time unless otherwise stated.

ASX involvement

A copy of this Notice of Meeting has been lodged with ASX pursuant to the ASX Listing Rules. Neither ASX, nor any of its officers, takes any responsibility for the contents of this Notice of Meeting.

Date

The Explanatory Statement is dated 8 January 2025.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Lithium Energy Limited ABN 94 647 135 108 (ASX:LEL) (**Lithium Energy** or **LEL** or **Company**) will be held at Lithium Energy Limited, Suite 1, Level 1, 680 Murray Street, West Perth, Western Australia, at 12:00 noon (Perth time) on Friday, 7 February 2025 for the purpose of transacting the following business referred to in this Notice of Meeting.

The Explanatory Statement to this Notice of Meeting provides further details. The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on the Company's website at <https://lithiumenergy.com.au/>.

AGENDA

BUSINESS

Resolution 1 – Spin-Out of Axon Graphite Limited

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 11.4.1(b) and for all other purposes, Shareholder approval is given for the Company to spin-out its wholly-owned subsidiary Axon Graphite Limited, as described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- (a) NOVONIX or any of its Associates; and
- (b) any other person who will obtain a material benefit as a result of the Proposed Spin-Out (except such a benefit received by a Shareholder solely in its capacity as a Shareholder) or any Associate of such a person.

However, the Company will not disregard a vote cast in favour of Resolution 1 if:

- (a) it is cast by a person as proxy or attorney for a person who is otherwise entitled to vote on Resolution 1, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way;
- (b) it is cast by the Chair as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or
- (c) it is cast by a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting on Resolution 1, and is not an Associate of a person excluded from voting, on Resolution 1; and
 - (ii) the Shareholder votes on Resolution 1 in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Statement.

BY ORDER OF THE BOARD,



Victor Ho
Company Secretary
LITHIUM ENERGY LIMITED

8 January 2025

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EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolution contained in the accompanying Notice of Meeting. This Explanatory Statement is intended to be read in conjunction with the Notice of Meeting.

Shareholders should read the Explanatory Statement in full before deciding how to vote at the Meeting.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

1. Spin-Out of Axon Graphite Limited

1.1. Background and overview of the Proposed Spin-Out

Axon Graphite is a wholly-owned Subsidiary of the Company. It is an unlisted Australian public company that was incorporated on 27 April 2006 in Western Australia.

Axon Graphite has one wholly-owned Subsidiary, Burke Minerals Pty Ltd (**BMPL**), which is the registered holder of the Burke Tenement (on which the Burke Graphite Project is located), the Corella Tenement (on which the Corella Graphite Project is located) and the Leichhardt Crossing Tenement, all of which are located in north-west Queensland, Australia.

On 3 April 2024, Lithium Energy and Axon Graphite entered into a share sale and purchase agreement with NOVONIX and MD South Tenements Pty Ltd (**MDCo**) (the **MDCo SPA**) under which Axon Graphite agreed to acquire all of the ordinary shares in MDCo from NOVONIX.

MDCo is a wholly-owned subsidiary of NOVONIX. It holds and has contractual interests in the Mt Dromedary Tenements on which the Mt Dromedary Graphite Project is located. The Mt Dromedary Graphite Project is located directly adjacent to and is a continuation of the graphite mineralisation within the Burke Graphite Project.

Lithium Energy and NOVONIX propose to spin-out their consolidated high-grade graphite assets via an IPO by Axon Graphite (proposed ASX Code: AXG) to form a distinct vertically integrated Battery Anode Material (**BAM**) business.

Axon Graphite intends to make an initial public offering of fully paid ordinary shares at an issue price of \$0.20 per share to raise \$15 million (before costs) (**Minimum Subscription**), with the ability to accept oversubscriptions to raise up to an additional \$10 million (before costs) (**Maximum Subscription**), (the **Offer**) and seek admission to the Official List of the ASX (the **IPO** or **Proposed Spin-Out**).

Lithium Energy and NOVONIX will each retain upside exposure to Axon Graphite and the Burke, Corella and Mt Dromedary Graphite Projects through a 22.2% to 28.6% cornerstone equity shareholding (50 million shares each; based on a raising of \$15 to \$25 million) in Axon Graphite post-Listing.

1.2. Reasons for calling this General Meeting

The Proposed Spin-Out is regarded by the ASX as a spin-out of a major asset for the purposes of Listing Rule 11.4, which is permitted for a listed company if:

- (a) the securities in the spin-out vehicle (other than those being retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company, or in another way that, in ASX's opinions is fair in all the circumstances; or
- (b) the company's shareholders approve the spin out.

ASX had previously provided in-principle advice to the Company that paragraph (a) did apply to the Proposed Spin-Out and accordingly, Shareholder approval was not required for the Proposed Spin-Out.

However, given timing considerations and changes to the Company's circumstances, including entering into the Amended Solaroz Sale Agreement, ASX has recently confirmed that:

- (i) paragraph (a) does not apply to the Proposed Spin-Out; and
- (ii) it is a requirement for the Proposed Spin-Out that the Company's Shareholders approve the Proposed Spin-Out under paragraph (b) above.

This General Meeting has therefore been called to seek Shareholder approval for Lithium Energy to complete the Proposed Spin-Out for the purposes of ASX Listing Rule 11.4.1(b) (under paragraph (b) above).

1.3. Background to the Company's Suspension from ASX

As announced to ASX on 25 October 2024,¹ ASX determined that the Company did not have a sufficient level of operations to warrant the continued Quotation of its securities in the context of the Company having entered into a sale agreement to dispose of its main undertaking (being the Solaroz Lithium Project) and suspended the Company's securities from trading on ASX.²

The Company expects that the suspension will remain in place until:

- (a) the Company has satisfied ASX that it has a sufficient level of operations to justify the reinstatement of its Shares to Quotation; or
- (b) the Company has satisfied any conditions imposed by ASX to the reinstatement of the Shares to Quotation, which may include re-compliance with Chapters 1 and 2 of the ASX Listing Rules, which would involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX – likely in conjunction with an acquisition of a new resource project(s) by the Company.

The background to the proposed sale of Lithium Energy's interest in the Solaroz Lithium Brine Project in Argentina is in Annexure I to this Notice of Meeting.

1.4. Proposed Axon Graphite Acquisition of Mt Dromedary Graphite Project

Axon Graphite, which is currently a wholly-owned Subsidiary of Lithium Energy, has entered into the MDCo SPA with Lithium Energy, NOVONIX and MDCo under which Axon Graphite has agreed to acquire all of the ordinary shares in MDCo from NOVONIX in consideration for the issue of 50 million shares at an issue price of \$0.20 per share (valued at \$10 million in aggregate).

1 Refer to LEL Announcement dated 25 October 2024 titled "ASX Decision to Suspend Trading in LEL Securities"

2 Refer to LEL ASX Announcement dated 25 October 2024 titled "Suspension from Quotation"

Completion of the MDCo SPA is conditional on, relevantly:

- (a) ASX providing Axon Graphite with a list of conditions which, once satisfied, would result in ASX admitting Axon Graphite to the Official List; and
- (b) all liabilities of MDCo owed to NOVONIX and any related body corporate or otherwise (if any) being released, forgiven or discharged.

If the conditions to the MDCo SPA are not satisfied or waived, or have become incapable of being satisfied, on or before 12 months after the date of the agreement (i.e. by 2 April 2025) or such later date as the parties may agree in writing, either party may terminate the MDCo SPA by giving written notice to the other party. However, no termination right will arise if the relevant party has not co-operated with the other party and used their best efforts to satisfy each of the conditions to the MDCo SPA.

Under the MDCo SPA, NOVONIX is entitled to nominate two directors to Axon Graphite's board of directors, with Lithium Energy and NOVONIX to agree on the appointment of an independent Non-Executive Chair. NOVONIX's nominees to the Board are Anthony Bellas (appointed on 15 May 2024 as an Executive Director) and Christopher Burns (appointed on 31 May 2024 as a Non-Executive Director). Mr Bellas is also the Deputy Non-Executive Chair of NOVONIX and Dr Burns is CEO of NOVONIX.

Axon Graphite has also agreed to offer eligible NOVONIX shareholders a right to participate in the Offer under the NOVONIX Priority Offer.

Lithium Energy and NOVONIX have also entered into an IPO Funding Deed to jointly fund costs incurred by Axon Graphite in undertaking the IPO. Axon Graphite will repay any funds advanced by Lithium Energy and NOVONIX after the successful completion of its Listing.

Summaries of the MDCo SPA and the IPO Funding Deed are set out in Annexure C to this Notice of Meeting.

1.5. Burke, Corella and Mt Dromedary Graphite Projects

Axon Graphite's wholly-owned Subsidiary, BMPL, holds the Burke Tenement (on which the Burke Graphite Project is located), the Corella Tenement (on which the Corella Graphite Project is located) and the Leichhardt Crossing Tenement, all of which are located in north-west Queensland, Australia.

MDCo holds and has contractual interests in the Mt Dromedary Tenements on which the Mt Dromedary Graphite Project is located.

At Listing, Axon Graphite's initial combined contained graphite inventory of 4.42Mt will comprise:

- (a) the **Mt Dromedary Deposit** - total JORC Indicated and Inferred Mineral Resource of 12.7Mt graphite at 14.5% TGC, for a total 1.83Mt of contained graphite;³
- (b) the **Burke Deposit** – total JORC Indicated and Inferred Mineral Resource of 9.1Mt graphite at 14.4% TGC, for 1.31Mt of contained graphite;⁴ and
- (c) the **Corella Deposit** – total JORC Inferred Mineral Resource of 13.5Mt graphite at 9.5% TGC, for 1.28Mt of contained graphite.⁵

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

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

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

By consolidating these adjacent graphite assets currently held by Lithium Energy and NOVONIX, Axon Graphite will hold a substantial, world class inventory of high-grade graphite. Since the Mt Dromedary and Burke Deposits form part of the same graphite mineralisation zone, there is potential for significant operational synergies and economies of scale to be gained by combining these two deposits.

Further details (including JORC Mineral Resources and Tenement details) on Lithium Energy's Burke and Corella Projects and NOVONIX's Mt Dromedary Project are in Annexures D and E to this Notice of Meeting respectively.

1.6. Axon Graphite IPO

1.6.1. Proposed Offer

Axon Graphite proposes to undertake an initial public offering of 75 million shares at an issue price of \$0.20 per share to raise \$15 million (before costs) with the ability to accept oversubscriptions of up to a further 50 million shares to raise up to an additional \$10 million (before costs) (the **Offer**).

The purpose of the Offer is to:

- (a) raise a minimum of \$15 million and up to a maximum of \$25 million (before costs) to:
 - (i) implement Axon Graphite's growth strategy and objectives and business model;
 - (ii) pay the costs of the Offer;
 - (iii) provide Axon Graphite with a source of working capital; and
 - (iv) further new projects generation particularly where it is accretive to the existing Projects;
- (b) satisfy a condition to complete the acquisition of MDCo under the MDCo SPA;
- (c) meet the conditions to apply for Listing; and
- (d) assist Axon Graphite to meet the requirements of ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules, as part of the Axon Graphite's application for Listing.

The Offer will comprise:

- (a) a **Lithium Energy Priority Offer**, which is open to eligible Lithium Energy shareholders; and
- (b) a **NOVONIX Priority Offer**, which is open to eligible NOVONIX shareholders (together, the **Priority Offers**),

and to the extent of any shortfall arising from applications received under the Priority Offers:

- (c) an **Institutional Offer**, which is an invitation (by the Lead Manager, in consultation with Axon Graphite) to certain institutional investors in Australia and permitted overseas jurisdictions to apply for shares under the Prospectus; and
- (d) a **Public Offer**, which is open to the general public in Australia.

Further details about the Priority Offers are in Annexure H to this Notice of Meeting.

The Offer under the Prospectus will be conditional upon:

- (a) the conditions precedent to the MDCo SPA being satisfied or waived (as applicable) and completion occurring under the MDCo SPA;
- (b) Axon Graphite raising the Minimum Subscription under the Offer; and
- (c) ASX approving Axon Graphite's application for Listing.

Petra Capital has been appointed Lead Manager of the Axon Graphite IPO.

1.6.2. Capital Structure

The pro-forma capital structure of Axon Graphite, assuming completion of the Offer and the MDCo SPA, will be as set out below:

	Offer Price	Minimum Subscription (\$15 million)		Maximum Subscription (\$25 million)	
		No. Shares	% of Total Shares	No. Shares	% of Total Shares
Shares currently on issue (held by Lithium Energy)	\$83,515 (aggregate paid up value)	50,000,000	28.57%	50,000,000	22.22%
Shares to be issued to NOVONIX on completion of MDCo SPA	\$0.20	50,000,000	28.57%	50,000,000	22.22%
Shares to be issued under the Offer	\$0.20	75,000,000	42.86%	125,000,000	55.56%
Total		175,000,000	100%	225,000,000	100%

Axon Graphite has the following Options currently on issue (held by the Directors, Company Secretary and CEO-designate of Axon Graphite):

Option Class	Exercise Price	Expiry Date	Number of Options
Personnel Options	\$0.30	22 June 2028	8,000,000

Each Personnel Option entitles the holder to subscribe for one ordinary share in Axon Graphite at an exercise price of \$0.30 on or before 22 June 2028 and is subject to the following vesting milestones: 50% of the total number of Personnel Options will vest on Axon Graphite's Quotation date, 25% will vest on the first anniversary of the Quotation date and 25% will vest on the second anniversary of the Quotation date.

In addition, Axon Graphite will, upon completion of the Offer, issue 7,500,000 Broker Options to Petra Capital (or its nominee) as part of its remuneration as the Lead Manager, each Broker Option being an option to subscribe for one ordinary share in Axon Graphite at an exercise price of \$0.30 on or before the third anniversary of its date of issue.

ASX is expected to classify certain Axon Graphite securities as being subject to the Restricted Securities provisions of the ASX Listing Rules. Restricted Securities would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX.

While the ASX has not yet confirmed the final applicable escrow position, Axon Graphite anticipates that the 50 million shares held by each of Lithium Energy and NOVONIX and all of the Personnel Options and Broker Options will be classified as Restricted Securities at Listing.

1.6.3. Corporate group structure

The corporate structure of Axon Graphite after Listing and ownership of the Burke, Corella and Mt Dromedary Projects post-completion of the MDCo SPA is depicted in Annexure B to this Notice of Meeting

1.6.4. Board and management

The Axon Graphite board of directors, company secretary and proposed Chief Executive Officer (CEO) comprise:⁶

- Mr Peter Turnbull AM (LLB and BCom (*Melbourne*), FGIA (Life), FAICD, FCG) as the independent Non-Executive Chair;
- Mr Anthony Bellas (B.Econ, DipEd, MBA, FAICD, FCPA, FGS) as an Executive Director – Mr Bellas is also the Deputy Non-Executive Chair of NOVONIX;
- Mr Farooq Khan (Bjuris, LLB (*Western Australia*)) as an Executive Director – Mr Khan is also an Executive Director of Lithium Energy;
- Dr J. Christopher Burns (BSc., MSc., PhD) as a Non-Executive Director – Dr Burns is also the CEO of NOVONIX;
- Mr William Johnson (BA, MA (*Oxon*), MBA, MAICD) as a Non-Executive Director – Mr Johnson is also Executive Chair of Lithium Energy;
- Mr Graham Fyfe (BSc (Chemical Engineering) (*Kwazulu Natal*), AusIMM) will be the CEO – Mr Fyfe is currently the General Manager, Projects, of Lithium Energy and will transition to become CEO of Axon Graphite on its Listing; and
- Mr Victor Ho (BCom, LLB (*Western Australia*), CTA) as the Company Secretary – Mr Ho is also the Company Secretary of Lithium Energy.

1.7. Rationale for the Proposed Spin-Out

Lithium Energy and NOVONIX have determined that the best means of commercially exploiting the significant graphite deposits spread across the neighbouring Burke and Mt Dromedary Projects is to develop the deposits as a single mining project. It is proposed to merge and spin out both companies' graphite assets via the Listing of Axon Graphite into a dedicated company focussed on mining its graphite deposits as a feed source for a proposed BAM Facility that manufactures spherical purified graphite (SPG) and/or coated SPG (CSPG) BAM products. Significant benefits are expected from increased scale and operational efficiencies arising from the combination of these two adjoining high grade graphite deposits into a potentially larger scale open-pit mining operation.

Further details about Axon Graphite's objectives and growth strategy, business model and proposed development strategy are in Annexure F to this Notice of Meeting.

1.8. Financial effects of Proposed Spin-Out

Lithium Energy's financial position before (as at 30 June 2024) and (pro-forma) after an assumed completion of the Proposed Spin-Out is set out in Annexure G to this Notice of Meeting.

The financial impact of the Proposed Spin-Out on Lithium Energy's consolidated total assets, consolidated total equity interests, consolidated annual revenue, total exploration expenditure, consolidated EBITDA and consolidated annual profit/(loss) before tax is set out in Annexure G to this Notice of Meeting.

There is not likely to be any material taxation ramifications for Lithium Energy as a consequence of completion of the Proposed Spin-Out.

There will be no change to the capital structure of Lithium Energy as a consequence of completion of the Proposed Spin-Out.

6 Refer LEL ASX Announcement dated 26 July 2024 titled "Update on Axon Graphite IPO – Details of Board and CEO"

1.9. Advantages and disadvantages of the Proposed Spin-Out

The Directors consider that the following non-exhaustive list of advantages and disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

Advantages	Disadvantages
<p>(a) The Proposed Spin-Out provides an opportunity for Axon Graphite to develop the adjacent Burke and Mt Dromedary Projects as a single mining project, with significant benefits expected from increased scale and operational efficiencies arising from the combination of these two adjoining high grade graphite deposits into a potentially larger scale open-pit mining operation. The technical and financial prospects of developing the combined Burke and Mt Dromedary Project may be more attractive than Lithium Energy developing the Burke Project solely.</p> <p>(b) The funds raised under the Offer will enable Axon Graphite to accelerate development of the Burke/Mt Dromedary and Corella Projects, relative to Lithium Energy's development timetable.</p> <p>(c) Lithium Energy will retain upside exposure to the Burke and Corella Projects via a 22.2% to 28.6% cornerstone equity shareholding (50 million shares; based on a raising of \$15 to \$25 million) in Axon Graphite post-Listing (but noting that the Axon Graphite shares held by Lithium Energy are likely to be regarded by ASX as Restricted Securities and subject to escrow for up to 24 months).</p> <p>(d) Lithium Energy will avoid incurring significant capital expenditure and exposure to development and market risks (associated with graphite and BAM prices and foreign exchange rates) associated with the further development of the Burke and/or Corella Projects.</p> <p>(e) Lithium Energy Shareholders will not be required to provide additional share capital or otherwise risk dilution of their Shareholding in the Company if they choose not to participate in one or more future capital raisings undertaken to fund the further development of the Burke and/or Corella Projects.</p> <p>(f) The Company will avoid the risks associated with a significant capital raising or raisings that will likely be required to fund the development of the Burke and/or Corella Projects into production.</p>	<p>(a) Lithium Energy will cease to have direct ownership of the Burke and Corella Projects and will hedge its exposure to potential graphite/BAM production from these projects. This change may not align with the investment objectives or risk profile preferences of Shareholders.</p> <p>(b) Lithium Energy will not be able to realise potential future operating revenues attributable to the Burke and/or Corella Projects (notwithstanding that significant capital expenditure and working capital would be required to bring the Burke and/or Corella Projects into production).</p> <p>(c) Following completion of the Proposed Spin-Out, Lithium Energy will forgo the opportunity to potentially dispose of the Burke or Corella Projects to third-parties on superior terms.</p> <p>(d) As a consequence of the Company being regarded by the ASX as having disposed of its main undertaking (being the Solaroz Project) pursuant to ASX Listing Rule 11.2, the Company has been suspended from the ASX on 25 October 2024.</p> <p>As the Company will cease to have direct ownership of the Burke and Corella Projects on completion of the Proposed Spin-Out, the Company will remain suspended until it undertakes a new acquisition and re-complies with Chapters 1 and 2 of the ASX Listing Rules (which will involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX). There is a risk that the Company may not be reinstated to ASX (for a significant duration or at all) and Shareholders may lose the opportunity to sell their Shares on-market on ASX.</p> <p>If the Company were to retain direct ownership of the Burke and Corella Projects, the Company may be able to satisfy ASX that it has a sufficient level of operations (from development of the Burke and/or Corella Projects) to justify</p>

Advantages	Disadvantages
<p>(g) The Proposed Spin-Out provides an opportunity for Lithium Energy to divest other risks associated with the Burke and Corella Projects, including but not limited to exploration, resource estimation, feasibility and development, commodity pricing and technology, future funding, foreign exchange, access, regulatory, environmental and climate policies.</p> <p>(h) Lithium Energy's total and net assets will be significantly improved post completion of the Proposed Spin-Out as Lithium Energy will convert the carrying value of capitalised exploration expenditure incurred on the Burke and Corella Projects into the carrying value of its 22.22 to 28.57% shareholding in Axon Graphite (which will be based its net assets at Listing) – refer Annexure G to this Notice of Meeting.</p>	<p>the reinstatement of its Shares to Quotation on ASX without re-compliance with Chapters 1 and 2 of the ASX Listing Rules.</p>

1.10. Company intentions post-completion of Spin-Out

1.10.1. Shareholding in Axon Graphite

Lithium Energy will retain its holding of 50 million ordinary shares (representing 22.22 - 28.57%) in Axon Graphite, which are likely to be regarded by ASX as Restricted Securities and subject to escrow for up to 24 months (from Quotation of Axon Graphite's shares on ASX).

Lithium Energy has no current intention to:

- (a) seek a waiver from ASX and Shareholder approval to distribute all or part of its holding of Axon Graphite shares during or after the applicable escrow period; or
- (b) dispose all or part of its holding of Axon Graphite shares after the applicable escrow period, but reserves the right to do so if the Directors determine that this is appropriate and in the best interests of Shareholders (subject to compliance with the Listing Rules, the Corporations Act and the Constitution).

1.10.2. Future Activities and Business Model

Solaroz Project Development Program

Subject to receipt of Shareholder approval of the Amended Solaroz Sale Agreement at the Company's General Meeting on 15 January 2025,⁷ CNET has agreed to provide up to US\$15 million funding for Solaroz from 1 January 2025 to 9 January 2026, on the same terms as the Lithium Energy Loan to Solaroz (the **CNET Loan**).

⁷ Refer to LEL's Notice of General Meeting and Explanatory Statement dated and released on ASX on 16 December 2024

Lithium Energy, through Solaroz, will undertake the next phases of exploration and evaluation at the Solaroz Lithium Project utilising the CNET Loan after securing updated Environmental Impact Assessment (EIA) approvals in respect of the Solaroz Project concessions, which will include the following work programs:

- additional (including in-fill) drill holes are planned in the Central Block (Chico I, V and VI, Payo 2 South and Silvia Irene concessions), to improve the confidence in correlation of lithology, porosity and brine concentration between holes in the Central Block;
- drilling is planned to further evaluate the Northern Block (Payo 1 and Payo 2 North concessions);
- large diameter wells are planned to be drilled and installed on target areas for pump testing;
- hydrological studies will be undertaken to support groundwater modelling to define lithium brine extraction rates; and
- process test work (equivalent to metallurgical test work) will be undertaken on relevant lithium brine samples.

LEL, CNET and Solaroz will consult in good faith to develop a detailed work plan and budget in relation to the above work programs following the receipt of updated EIA approvals. The US\$15 million CNET Loan is expected to be sufficient to fund the proposed activities of the Solaroz Project until the full completion of the sale of the Solaroz Project (in January 2026).

The background to the proposed sale of Lithium Energy's interest in the Solaroz Lithium Project in Argentina is in Annexure I to this Notice of Meeting.

Axon Graphite IPO

If Shareholders approve Resolution 1, Lithium Energy's future activities may depend in part on whether the Axon Graphite IPO is successful and the application of the ASX Listing Rules in relation to the lifting of the suspension of the Company's Shares from Quotation and its reinstatement to the ASX (as referred to in Section 1.3 (Background to the Company's Suspension from ASX) of the Explanatory Statement):

- (a) If the Axon Graphite IPO is successful:
- (i) Lithium Energy will consider the acquisition of battery mineral projects building upon the expertise developed in this sector by the Company, with a particular focus on lithium (brines and hard rock), copper, cobalt, vanadium, manganese and rare earth elements (**REE**). The Company will investigate the full spectrum of potential opportunities from grass roots exploration projects to advanced production or near production assets that present significant value accretive upside. If deemed suitable, the Company will also look to invest in related mineral commodities if they meet similar acceptable project metrics. The Company will prioritise projects located in Australia and North and South America.

In this scenario, the Company considers that ASX will require Lithium Energy to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which will involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX. Accordingly, any material acquisition(s) will be subject to the Company's re-compliance with the ASX Listing Rules.
 - (ii) The Company will also consider returning part of the (net after-tax) proceeds from the sale of the Solaroz Project to Shareholders, subject to an assessment of the taxation consequences (to Lithium Energy and Shareholders) and the quantum of funds required to secure and develop the Company's new mineral projects.

- (b) If the Axon Graphite IPO has not been successful:
- (i) Lithium Energy will apply part of the net proceeds from the sale of the Solaroz Project to advance the development of its own Burke and/or Corella Graphite Projects to create a vertically-integrated mine to BAM manufacturing facility, as was originally contemplated prior to entering into the MDCo SPA with Axon Graphite, NOVONIX and MDCo.

In this scenario, the Company will make submissions to the ASX to seek a reinstatement of its Shares to Quotation (pursuant to ASX Listing Rule 12.1) on the basis that the advancement of the Burke and/or Corella Graphite Projects constitutes a sufficient level of operations to support reinstatement, without the Company having to re-comply with Chapters 1 and 2 of the ASX Listing Rules.
 - (ii) The Company will also consider returning part of the (net after-tax) proceeds from the sale of the Solaroz Project to shareholders, subject to an assessment of the taxation consequences (to Lithium Energy and the Company's shareholders) and the quantum of funds required to secure and develop the Company's new mineral projects.

New Resource Projects

As referred to in Section 1.3 of the Explanatory Statement, the Company's securities have been suspended from ASX since 25 October 2024 and one avenue for reinstatement to ASX is for the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which will involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX, in conjunction with an acquisition of a new resource project(s) by the Company.

To this potential end, the Company will investigate and potentially undertake (where appropriate) investment opportunities principally in the battery mineral projects sector in Australia and overseas – the Board has considerable experience in the exploitation of resource projects and Lithium Energy will pursue investments in battery minerals/commodities the Board feels is appropriate for mineral exploration, evaluation and development.

1.10.3. Corporate Group Structures

Lithium Energy's current material corporate group structure is set out in Annexure A to this Notice of Meeting.

Upon completion of the Amended Solaroz Sale Agreement, Lithium Energy will dispose of its 90% interest in Solaroz.

Upon the successful completion of the Axon Graphite Listing, Lithium Energy will retain a 22.2% to 28.6% shareholding in Axon Graphite.

1.10.4. Board and Management

There are no proposed or intended changes to the composition of the Board following completion of the Proposed Spin-Out.

Lithium Energy may seek to appoint one or more managers to manage the development and commercial advancement of any new projects that may be acquired.

Subject to the Axon Graphite Listing occurring, Lithium Energy's current General Manager, Projects, will transition to become CEO of Axon Graphite.

1.11. Indicative Timetable

An indicative timetable for Shareholder approval and completion of the Proposed Spin-Out is set out below:

Event	Date
Issue of the Notice of Meeting to Shareholders	8 January 2025
Deadline for receipt of Proxy Forms for Meeting	5 February 2025
Meeting to approve the Proposed Spin-Out for the purposes of ASX Listing Rule 11.4.1(b)	7 February 2025
Expected lodgement of Axon Graphite Prospectus with ASIC	~ February/March 2025
Expected record date (under Priority Offers)	~ February/March 2025
Expected opening date of Offer	~March 2025
Expected closing date of Priority Offers	~April 2025
Expected closing date of Offer (other than the Priority Offers)	~April 2025
Expected settlement of the Offer	~April/May 2025
Expected issue of Axon Graphite shares under the Offer	~April/May 2025
Expected completion of MDCo SPA	~April/May 2025
Expected commencement of trading of Axon Graphite shares on ASX	~ April/May 2025

Note: Some of the dates above (and references to those dates throughout the Notice of Meeting) are indicative only and are subject to (a) any changes that may be agreed between Lithium Energy, NOVONIX, Axon Graphite and the Lead Manager or (b) any changes that may be agreed in consultation with the ASX. The Company will update Shareholders via the ASX market announcements platform and Lithium Energy's website as appropriate when the relevant events are reached, changed, or decisions made.

The timetable associated with the completion of the Proposed Spin-Out (including the completion of the Offer and MDCo SPA) will be contained in the Axon Graphite Prospectus and announced by Lithium Energy on ASX. The Prospectus will be lodged with ASIC after the General Meeting (assuming Shareholders approve Resolution 1).

2. ORDINARY RESOLUTION 1 – APPROVE SPIN-OUT OF AXON GRAPHITE**2.1. ASX Listing Rule 11.4**

As set out above, Lithium Energy is proposing to spin-out its Subsidiary, Axon Graphite, via Axon Graphite undertaking an initial public offering of ordinary shares at an issue price of \$0.20 per share to raise \$15 million (before costs), with the ability to accept oversubscriptions of up to a further \$10 million (before costs), (with Priority Offers to Eligible Lithium Energy and NOVONIX Shareholders) and seeking admission to the Official List of the ASX, in conjunction with Axon Graphite acquiring MDCo (which holds and has contractual interests in the Mt Dromedary Tenements on which the Mt Dromedary Project is located) from NOVONIX under the MDCo SPA.

Under Listing Rules 11.4 and 11.4.1, a listed company can only spin out a major asset while it is aware that the person acquiring the asset intends to offer or issue securities with a view to becoming listed if:

- (c) the securities in the spin-out vehicle (other than those being retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company, or in another way that, in ASX's opinions is fair in all the circumstances; or
- (d) the company's shareholders approve the spin out.

The Proposed Spin-Out is regarded as a spin-out of a major asset for these purposes and ASX has determined that paragraph (a) does not apply, so it is a requirement for the Proposed Spin-Out that the Company's shareholders approve the Proposed Spin-Out under paragraph (b) above.

ASX had previously provided in-principle advice to the Company that paragraph (a) did apply to the Proposed Spin-Out. However, given timing considerations and changes to the Company's circumstances, including entering into the Amended Solaroz Sale Agreement, ASX has recently confirmed that paragraph (a) does not apply to the Proposed Spin-Out.

Resolution 1 seeks the required Shareholder approval for Lithium Energy to complete the Proposed Spin-Out for the purposes of ASX Listing Rule 11.4.1(b) and for all other purposes.

2.2. Consequences and Implications of Passing or Failure to Pass Resolution 1

The consequences and implications of the passing or failure to pass Resolution 1 is summarised in the table below (vis a vis the outcome of the Axon Graphite IPO):

Outcomes	If the Axon Graphite IPO is successful	If the Axon Graphite IPO is not successful
If Shareholders approve Resolution 1	Lithium Energy will be permitted to proceed to endeavour to complete the Proposed Spin-Out. Completion of the Proposed Spin-Out is subject to completion of the Offer under the Prospectus, which includes Axon Graphite raising the Minimum Subscription (\$15 million), completion of the MDCo SPA and ASX approving Axon Graphite's application for Listing.	Lithium Energy may seek to acquire the Mt Dromedary Project from NOVONIX under new terms that are not conditional on Axon Graphite undertaking an IPO (subject to compliance with the Listing Rules).
	Lithium Energy will seek reinstatement of its Shares to Quotation in conjunction with an acquisition of a suitable new resource project(s) by the Company (as outlined in Section 1.3 of the Explanatory Statement).	Lithium Energy will apply the net proceeds from the sale of the Solaroz Project to advance the development of its Burke and/or Corella Graphite Projects (and potentially the Mt Dromedary Project) to create a vertically-integrated mine to BAM manufacturing facility. The Company will make submissions to the ASX to seek a reinstatement of its Shares to Quotation (pursuant to ASX Listing Rule 12.1) on the basis that the advancement of the Burke and/or Corella Graphite Projects (and potentially the Mt Dromedary Project) constitutes a sufficient level of operations to support reinstatement.
	Lithium Energy will consider the acquisition of new battery mineral projects, with a particular focus on lithium (brines and hard rock), copper, cobalt, vanadium, manganese and REE primarily located in Australia and North and South America. The Company will consider potential opportunities from grass roots exploration projects to advanced production or near production assets. If deemed suitable, the Company will also consider related mineral commodities if they meet similar acceptable project metrics.	

Outcomes	If the Axon Graphite IPO is successful	If the Axon Graphite IPO is not successful
If Shareholders approve Resolution 1 (continued)	Lithium Energy will advance the development of the Solaroz Project (funded by CNNET to the extent of the US\$15 million CNNET Loan from 1 January 2025) until the completion of the sale of its interest in the Solaroz Project to CNNET (due to be completed in January 2026), subject to Lithium Energy Shareholder approval of the Amended Solaroz Sale Agreement at the Company's General Meeting on 15 January 2025 (referred to in Section 1.10.2 of the Explanatory Statement).	
	The Company will consider returning part of the (net after-tax) proceeds from the sale of the Solaroz Project to Shareholders, subject to an assessment of the taxation consequences (to Lithium Energy and Shareholders) and the quantum of funds required to secure and develop Lithium Energy's projects.	

Outcomes	If the Axon Graphite IPO is successful	If the Axon Graphite IPO is not successful
If Shareholders do not approve Resolution 1	Lithium Energy will not be permitted to complete the Proposed Spin-Out.	
	Lithium Energy will not be permitted to complete the acquisition of the Mt Dromedary Project from NOVONIX under the MDCo SPA.	
	Lithium Energy may seek to acquire the Mt Dromedary Project from NOVONIX under new terms that are not conditional on Axon Graphite undertaking an IPO (subject to compliance with the Listing Rules).	
	Lithium Energy will apply the net proceeds from the sale of the Solaroz Project to advance the development of its Burke and/or Corella Graphite Projects (and potentially the Mt Dromedary Project) to create a vertically-integrated mine to BAM manufacturing facility.	
	The Company will make submissions to the ASX to seek a reinstatement of its Shares to Quotation (pursuant to ASX Listing Rule 12.1) on the basis that the advancement of the Burke and/or Corella Graphite Projects (and potentially the Mt Dromedary Project) constitutes a sufficient level of operations to support reinstatement.	
	The Company will consider returning part of the (net after-tax) proceeds from the sale of the Solaroz Project to Shareholders, subject to an assessment of the taxation consequences (to Lithium Energy and Shareholders) and the quantum of funds required to advance Lithium Energy's projects.	

2.3. Information Required by ASX

In accordance with paragraph 6.3 of ASX Guidance Note 13, the following information is provided in relation to Resolution 1:

(1) <i>The name of the spin-out vehicle</i>	Axon Graphite Limited, currently a wholly-owned Subsidiary of Lithium Energy
(2) <i>How the spin-out is intended to be effected, including:</i>	The Proposed Spin-Out involves Axon Graphite undertaking an IPO (to raise a minimum of \$15 million (before costs) with the ability to accept oversubscriptions of up to an additional \$10 million (before costs) and with Priority Offers to Eligible Lithium Energy and NOVONIX Shareholders) and seeking admission to the Official List of the ASX, in conjunction with Axon Graphite acquiring MDCo (which holds and has contractual interests in the
(a) <i>any consideration the spin-out vehicle is providing to the entity for the asset or assets being spun-out;</i>	
(b) <i>the number of securities the spin-out vehicle currently has</i>	

<p><i>on issue, the number of securities proposed to be issued in connection with its listing and the proposed issue price for those securities;</i></p> <p>(c) <i>whether the entity's security holders will be able to participate in that issue and, if so, on what basis (for example, whether there will be a priority offer to the entity's security holders and, if so, the size and terms of that offer);</i></p> <p>(d) <i>the timetable for completing the proposed listing;</i></p>	<p>Mt Dromedary Tenements on which the Mt Dromedary Project is located) from NOVONIX under the MDCo SPA.</p> <p>Refer to the following Sections of the Explanatory Statement:</p> <ul style="list-style-type: none"> • Section 1.1 (Background and overview of the Proposed Spin-Out) • Section 1.4 (Proposed Axon Graphite Acquisition of Mt Dromedary Graphite Project) • Section 1.6 (Axon Graphite IPO) • Section 1.11 (Indicative timetable) • ANNEXURE C - Summary of NOVONIX Agreements • ANNEXURE H - Priority Offers to Lithium Energy and NOVONIX Shareholders under Axon Graphite IPO Prospectus
<p>(3) <i>Information about the asset or assets being spun-out, including:</i></p> <p>(a) <i>a description of the asset or assets;</i></p> <p>(b) <i>the value of the asset or assets reflected in the listed entity's latest financial statements lodged with ASX;</i></p> <p>(c) <i>the entity's estimate of the current market value of the asset or assets;</i></p>	<p>Refer to the following Sections of the Explanatory Statement:</p> <ul style="list-style-type: none"> • Section 1.5 (Burke, Corella and Mt Dromedary Graphite Projects) • Section 1.8 (Financial effects of Proposed Spin-Out) • ANNEXURE D - About the Burke and Corella Graphite Projects • ANNEXURE E - About the Mt Dromedary Graphite Project • ANNEXURE F - Axon Graphite – Company and Business Overview • ANNEXURE G - Financial Effects of Proposed Spin-Out <p>Lithium Energy has not commissioned a formal market valuation of Axon Graphite (or the Burke, Corella and Mt Dromedary Projects) but notes that:</p> <p>(a) the value of Lithium Energy's holding of 50 million shares in Axon Graphite is:</p> <ul style="list-style-type: none"> (i) \$10 million, based on the proposed Axon Graphite Offer price of \$0.20 per share; (ii) \$8,152,615, based on 22.22% of Axon Graphite's pro-forma net assets, reflecting Lithium Energy's shareholding in Axon Graphite in the Maximum Subscription scenario; and (iii) \$7,799,705, based on 28.57% of Axon Graphite's pro-forma net assets, reflecting Lithium Energy's shareholding in Axon Graphite in the Minimum Subscription scenario; and

	(b) the carrying value of Lithium Energy's capitalised exploration expenditure incurred on the Burke and Corella Projects is \$3,794,860 (as at 30 June 2024).
(4) <i>The impact the spin-out will have on the entity, including on the following measures;</i> (a) <i>consolidated total assets;</i> (b) <i>consolidated total equity interests;</i> (c) <i>consolidated annual revenue or, in the case of a mining exploration entity, oil and gas exploration entity or other entity that is not earning material revenue from operations, consolidated annual expenditure;</i> (d) <i>consolidated EBITDA; and</i> (e) <i>consolidated annual profit before tax;</i>	Refer to the following Sections of the Explanatory Statement: <ul style="list-style-type: none"> Section 1.8 (Financial effects of Proposed Spin-Out) ANNEXURE G - Financial Effects of Proposed Spin-Out
(5) <i>The impact the spin-out will have on the entity's security holders, including any dilution impacts or taxation ramifications;</i>	There will be no change to the capital structure of Lithium Energy as a consequence of completion of the Proposed Spin-Out. There is not likely to be any material taxation ramifications for Lithium Energy as a consequence of completion of the Proposed Spin-Out.
(6) <i>The reasons why the directors of the entity consider that effecting the spin-out without the offer, issue or transfer referred to in Listing Rule 11.4.1(a) being made is in the interests of the entity and its security holders; and</i>	Refer to the following Sections of the Explanatory Statement: <ul style="list-style-type: none"> Section 1.7 (Rationale for the Proposed Spin-Out) Section 1.9 (Advantages and disadvantages of the Proposed Spin-Out)
(7) <i>If the transaction is occurring under an agreement, a summary of any other material terms of the agreement.</i>	Refer to the following Sections of the Explanatory Statement: <ul style="list-style-type: none"> Section 1.4 (Proposed Axon Graphite Acquisition of Mt Dromedary Graphite Project) ANNEXURE C - Summary of NOVONIX Agreements

2.4. Directors' Interests

Save for their interests in the Axon Graphite Personnel Options, the Directors do not have a material interest in the outcome of Resolution 1 other than as a result of their interest, if any, arising solely in the capacity as Shareholders.

2.4.1. Interests in Lithium Energy

The Directors have a relevant interest in Lithium Energy Shares and unlisted options as set out in the following table:

Director	Registered Shareholder	Shareholding	Total	% of LEL Share capital (undiluted basis)	No. Unlisted Options
William Johnson	William Johnson	1,422,621	1,532,621	1.37%	5,000,000 Executive Options (\$1.06, 4 October 2025) ⁸
	William Matthew Johnson & Joanne Doris Johnson	110,000			
Farooq Khan	Farooq Khan	1,422,621	1,447,621	1.29%	5,000,000 Executive Options (\$1.06, 4 October 2025) ⁸
	Farooq Khan & Rosanna Decampo	25,000			
Peter Smith	Peter Smith	1,173,706		1.05%	2,500,000 Executive Options (\$1.06, 4 October 2025) ⁸

2.4.2. Interests in Axon Graphite

The Directors have a relevant interest in Axon Graphite Personnel Options as set out in the following table:

Director of Lithium Energy	Position in Axon Graphite	No. Personnel Options
Farooq Khan	Executive Director	1,000,000
William Johnson	Non-Executive Director	1,000,000

Each Personnel Option entitles the holder to subscribe for one ordinary share in Axon Graphite at an exercise price of \$0.30 on or before 22 June 2028 and is subject to the following vesting milestones: 50% of the total number of Personnel Options will vest on Axon Graphite's Quotation date, 25% will vest on the first anniversary of the Quotation date and 25% will vest on the second anniversary of the Quotation date.

2.4.3. Entitlement to Participate in Lithium Energy Priority Offer under Axon Graphite IPO

The Directors who qualify as Eligible Lithium Energy Shareholders will be entitled to subscribe for Axon Graphite shares under the Lithium Energy Priority Offer

Under the Lithium Energy Priority Offer, Eligible Lithium Energy Shareholders will be provisionally entitled to apply for shares in Axon Graphite (assuming Maximum Subscription) based on their pro-rata Shareholding in Lithium Energy as at the applicable record date (constituting their **Lithium Energy Entitlement**), subject to any scaling back of applications (if applicable).

⁸ Refer to LEL ASX Announcement dated 5 October 2022 titled "Notification (3G) of Issue of Unquoted Equity Securities" and Annexure B (Terms and Conditions of New Executive Options) of LEL's Notice of Annual General Meeting, Explanatory Statement and Proxy Form dated 22 August 2022 and released on ASX on 2 September 2022

An illustration of the Directors' indicative Lithium Energy Entitlement based on their current Shareholding in Lithium Energy is set out in the following table:

Director	Shareholding	% LEL Share capital (undiluted basis)	Lithium Energy Entitlement	Minimum	Maximum
				Subscription	Subscription
				% of total Axon Graphite Shares	
Farooq Khan	1,447,621	1.29%	1,615,625	0.92%	0.72%
William Johnson	1,532,621	1.37%	1,710,490	0.98%	0.76%
Peter Smith	1,173,706	1.05%	1,309,921	0.75%	0.58%

2.5. Directors' Recommendations

Based on the information available, each of William Johnson, Farooq Khan and Peter Smith considers that the Proposed Spin-Out is in the best interests of Shareholders and recommends that Shareholders vote in favour of Resolution 1 and confirms they intend to vote or procure the voting of any Lithium Energy shares that they hold or control in favour of Resolution 1.

The Directors have approved the proposal to put Resolution 1 to Shareholders.

The Chair of the Meeting will call a poll on voting on Resolution 1.

2.6. Voting Exclusion

In accordance with ASX Listing Rules 11.4.1(b) and 14.11.1, a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting.

Without limiting the voting exclusion statement in the Notice of Meeting, the following matters are noted:

- (a) the counterparty to the MDCo SPA (and its Associates) are excluded from voting on Resolution 1, being NOVONIX (and its Associates);
- (b) NOVONIX does not currently hold any Shares in Lithium Energy;
- (c) The Directors' shareholdings in Lithium Energy (set out in Section 2.4.1 of this Explanatory Statement) are not excluded from voting on Resolution 1.

GLOSSARY

A\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

AIG means the Australasian Institute of Geoscientists.

Amended Solaroz Sale Agreement means the amended and restated Original Solaroz Sale Agreement by the Deed of Amendment.

Associate has the meaning given to that term in the Listing Rules.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Axon Graphite or **AXG** means Axon Graphite Limited (ABN 73 119 438 265) (proposed ASX Code: AXG).

AusIMM means the Australasian Institute of Mining and Metallurgy

BAM means battery anode material.

BAM Facility means the BAM manufacturing facility (to produce BAM products) that Axon Graphite proposes to develop, as referred to in Section 1.7 and Annexure F to this Notice of Meeting.

BAM Pilot Plant means the BAM pilot plant (to produce BAM products from graphite concentrate produced using graphite sourced from the Graphite Projects) that Axon Graphite proposes to develop, as referred to in Annexures D and F.

Benchmark Lithium Carbonate Price means the daily price (in US\$) per metric tonne for battery-grade (of minimum 99.5% Li₂CO₃ purity) Lithium Carbonate (on basis of delivered to China and excluding valued-added (or equivalent) tax), as published by Shanghai Metals Market (<https://www.metal.com/Lithium/201102250059>) (or such other information source agreed by

the parties under the Original/Amended Solaroz Sale Agreement).

BGRIMM means the Beijing General Research Institute of Mining and Metallurgy.

BMPL means Burke Minerals Pty Ltd (ABN 52 166 886 826).

Board means the current board of Directors of the Company.

Broker Options is as described in Section 1.6.2 of the Explanatory Statement.

Burke Deposit means the MRE delineated on the Burke Tenement.

Burke Graphite Project or **Burke Project** or **Burke** mean the proposed mineral exploration, evaluation, assessment and development activity and associated program of works to commercially exploit the Burke Tenement.

Burke Tenement means EPM 25443 in Queensland, Australia, which is also described in Annexure D.

CEO means Chief Executive Officer.

Chair means the person chairing the Meeting.

Closely Related Party has the meaning given to that term in the Corporations Act.

CNGR means CNGR Advanced Material Co. Ltd. (Shenzhen Stock Exchange Code: 300919).

CNNET means CNGR Netherlands New Energy Technology B.V. (registered in the Netherlands with company number 89033485).

CNNET Loan has the meaning given to that term in Annexure I to this Notice of Meeting.

Company, Lithium Energy or **LEL** means Lithium Energy Limited (ABN 94 647 135 108) (ASX:LEL).

Competent Person has the meaning given to that term in the JORC Code. The Competent Persons in respect of relevant disclosures in this Explanatory Statement are named in the JORC Code Competent Persons' Statements Section of the Explanatory Statement.

Conditions mean the conditions precedent under the Original Solaroz Sale Agreement.

Constitution means the constitution of the Company.

Corella Deposit means the MRE delineated on the Corella Tenement.

Corella Graphite Project or **Corella Project** or **Corella** means the proposed mineral exploration, evaluation, assessment and development activity and associated program of works to commercially exploit the Corella Tenement.

Corella Tenement means EPM 25696 in Queensland, Australia, which is also described in Annexure D to this Notice of Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

CSPG means coated spherical purified graphite, being a BAM product.

Cut-Off Date has the meaning given to that term in Annexure C to this Notice of Meeting.

Deed of Amendment means the deed of amendment and restatement dated 3 December 2024 between LEL, LEOPL and CNNET, which amends and restates the Original Solaroz Sale Agreement.

Development Rights Agreement means an agreement titled "Mount Dromedary Development Rights Agreement" dated on or about 29 August 2016 between Exco and NOVONIX.

Deferred Consideration has the meaning given to that term in Annexure I to this Notice of Meeting.

Director means a current director of the Company.

EIA means Environmental Impact Assessment.

Eligible Lithium Energy Shareholders or **Eligible LEL Shareholders** mean holders of Shares in Lithium Energy with a registered address in Australia or New Zealand as at the applicable record date set in the Prospectus.

Eligible NOVONIX Shareholders or **Eligible NVX Shareholders** mean holders of shares in NOVONIX with a registered address in Australia or New Zealand as at the applicable record date set in the Prospectus.

EPM means exploration permit for minerals.

Escrow Account Amount has the meaning given to that term in Annexure I to this Notice of Meeting.

Exco means Exco Resources Pty Limited (ABN 99 080 339 671), a Subsidiary of Aeris Resources Limited (ABN 30 147 131 977) (ASX:AIS).

Explanatory Statement means the explanatory statement accompanying this Notice.

Exploration Results has the meaning given to that term in the JORC Code.

First Deposit has the meaning given to that term in Annexure I to this Notice of Meeting.

Foreign Company Registration Condition has the meaning given to that term in Annexure I to this Notice of Meeting.

Graphite Projects means the Burke Project, Mt Dromedary Project and Corella Project and any other graphite project or asset being developed by Axon Graphite from time to time.

Hanaq means Hanaq Argentina S.A. (registered in Argentina before the Public Register of Commerce of Salta Province under page 319/21, book entry 5,986 of Limited Liability Companies Book No. 20).

Indicated Mineral Resource has the meaning given to that term in the JORC Code.

Inferred Mineral Resource has the meaning given to that term in the JORC Code.

IPO or **Proposed Spin-Out** means the initial public offering of ordinary shares in Axon Graphite pursuant to the Offer and its Listing, as described in Section 1.1 of the Explanatory Statement.

IPO Funding Deed means the deed titled "IPO Funding Deed" dated 3 April 2024 between Lithium Energy, NOVONIX and Axon Graphite, a summary of which is in Annexure C to this Notice of Meeting.

Institutional Offer has the meaning given to that term in Section 1.6.1 of the Explanatory Statement.

JORC or **JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) published by the Joint Ore Reserves Committee.

km means kilometres.

Kt means kilo-tonnes.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Lead Manager or **Petra Capital** means Petra Capital Pty Ltd (ABN 95 110 952 782; AFSL 317 944).

Leichhardt Crossing Tenement or **Leichhardt Crossing** means EPM 28715 in Queensland, Australia.

LCE means lithium carbonate equivalent.

LEOPL means LE Operations Pty Ltd (ABN 12 102 978 370).

Lithium Energy Entitlement means the number of shares in Axon Graphite that Eligible Lithium Energy Shareholders are provisionally entitled to apply for under the Priority Offer (assuming Maximum Subscription) based on their pro-rata shareholding in Lithium Energy as at the applicable record date set in the Prospectus, as described in Section 2.4.3 of the Explanatory Statement.

Lithium Energy Priority Offer or **LEL Priority Offer** means the priority entitlement to Eligible Lithium Energy Shareholders to apply for shares under the Offer, as described in Annexure H to this Notice of Meeting.

Listing means admission of Axon Graphite to the Official List and Quotation.

Loan has the meaning given to that term in Annexure I to this Notice of Meeting.

Loan Amount has the meaning given to that term in Annexure I to this Notice of Meeting.

Maximum Subscription has the meaning given to that term in Section 1.1 of the Explanatory Statement.

MDCo means MD South Tenements Pty Ltd (ABN 89 609 223 467).

MDCo SPA means the share sale and purchase agreement dated 3 April 2024 (amended by deeds of variation dated 12 September 2024 and 19 December 2024) between Lithium Energy, NOVONIX, Axon Graphite and MDCo, a summary of which is in Annexure C to this Notice of Meeting.

Meeting means the general meeting of Shareholders to consider the Resolution.

Mineral Rights Deed means the deed titled "Mineral Rights Deed - Mount Dromedary MDL" dated 23 February 2024 between Exco, NOVONIX and MDCo.

Mineral Resource has the meaning given to that term in the JORC Code.

Minimum Application means, in relation to the Offer, an application in respect of 10,000 shares requiring application monies of \$2,000.

Minimum Spread means the minimum shareholder spread requirements under ASX Listing Rule 1.1 (Condition 8).

Minimum Subscription has the meaning given to that term in Section 1.1 of the Explanatory Statement.

MOU means the "Memorandum of Understanding for Acquisition of Lithium Mining Properties in Argentina" agreement (dated 28 February 2019; assigned to LEL and LEOPL on 22 March 2021) with Solaroz and Hanaq.

MRE means Mineral Resource estimate.

Mt means million tonnes.

Mt Dromedary Deposit means the MRE delineated on the Mt Dromedary Tenement.

Mt Dromedary Graphite Project or **Mt Dromedary Project** or **Mt Dromedary** means the proposed mineral exploration, evaluation, assessment and development activity and associated program of works to commercially exploit the Mt Dromedary Tenements.

Mt Dromedary Tenements EPM 17246, EPM 17323 and the Normanton Sub-Blocks (within EPM 26025) in Queensland, Australia, which is also described in Annexure E to this Notice of Meeting.

Normanton Sub-Blocks means Sub-Blocks D, J, O and S within Normanton 3123 Block on EPM 26025.

Notice or **Notice of Meeting** means this Notice of General Meeting and the accompanying Explanatory Statement, including the Annexures thereto.

NOVONIX or **NVX** means NOVONIX Limited (ABN 54 157 690 830) (ASX:NVX).

NOVONIX Priority Offer or **NVX Priority Offer** means the priority entitlement to Eligible NOVONIX Shareholders to apply for shares under the Offer, as described in Annexure H to this Notice of Meeting.

Offer means the initial public offering of ordinary shares in Axon Graphite under the Prospectus as described in Section 1.1 of the Explanatory Statement.

Official List means the official list of the ASX.

Option means option to acquire a share in a company.

Ore Reserve has the meaning given to that term in the JORC Code.

Original Solaroz Sale Agreement means the share sale agreement dated 26 April 2024 between LEL, LEOPL and CNNET.

Personnel Options is as described in Section 1.6.2 of the Explanatory Statement.

Priority Offers means the Lithium Energy Priority Offer and the NOVONIX Priority Offer.

Pro-Forma has the meaning given to that term in Annexure G to this Notice of Meeting.

Projects mean the Graphite Projects, Leichhardt Crossing Tenement, BAM Pilot Plant and BAM Facility and/or any other resource project or asset being developed by Axon Graphite from time to time (as the context requires).

Prospectus means the prospectus (and any supplementary or replacement prospectus in relation to the prospectus) to be issued by Axon Graphite in connection with the IPO under which the Offer will be made.

Proposed Spin-Out is as described in Section 1.1 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice by way of email where the Shareholder has elected to receive notices by email, or the personalised proxy form accompanying the postcard circulated by way of post where the Shareholder has not elected to receive notices by email.

Public Offer has the meaning given to that term in Section 1.6.1 of the Explanatory Statement.

Purchase Price has the meaning given to that term in Annexure I to this Notice of Meeting.

Quotation means the commencement of quotation of a company's securities on the ASX.

REE means rare earth elements.

Resolution means the resolution set out in this Notice of Meeting.

Restricted Securities has the meaning given to that term in the ASX Listing Rules.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Second Deposit has the meaning given to that term in Annexure I to this Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a member of the Company from time to time who is registered in the Share Register as the holder of at least one Share.

Share Register means the register of members of the Company maintained by the Company in accordance with the Corporations Act.

Share Registry or **Automic** means the Company's Share Registry, Automic Pty Ltd (ACN 152 260 814).

Solaroz Project or **Solaroz Lithium Project** means the Solaroz Lithium Brine Project comprising 8 lithium mineral concessions located on the Salar de Olaroz basin in Argentina held by Solaroz.

Solaroz means Solaroz S.A. (registered in Argentina before the Superintendencia of Corporations of the City of Salta with company number 5986).

SPG means spherical purified graphite, being a BAM product.

Subsidiary has the meaning given in the Corporations Act.

TGC means total graphitic carbon.

Tranche 1 has the meaning given to that term in Annexure I to this Notice of Meeting.

Tranche 1 Amount has the meaning given to that term in Annexure I to this Notice of Meeting.

Tranche 1 Completion means the completion of Tranche 1 under the Amended Solaroz Sale Agreement.

Tranche 1 Completion Date has the meaning given to that term in Annexure I to this Notice of Meeting.

Tranche 2 has the meaning given to that term in Annexure I to this Notice of Meeting.

Tranche 2 Amount has the meaning given to that term in Annexure A to this Notice of Meeting.

Tranche 2 Completion means the completion of Tranche 2 under the Amended Solaroz Sale Agreement.

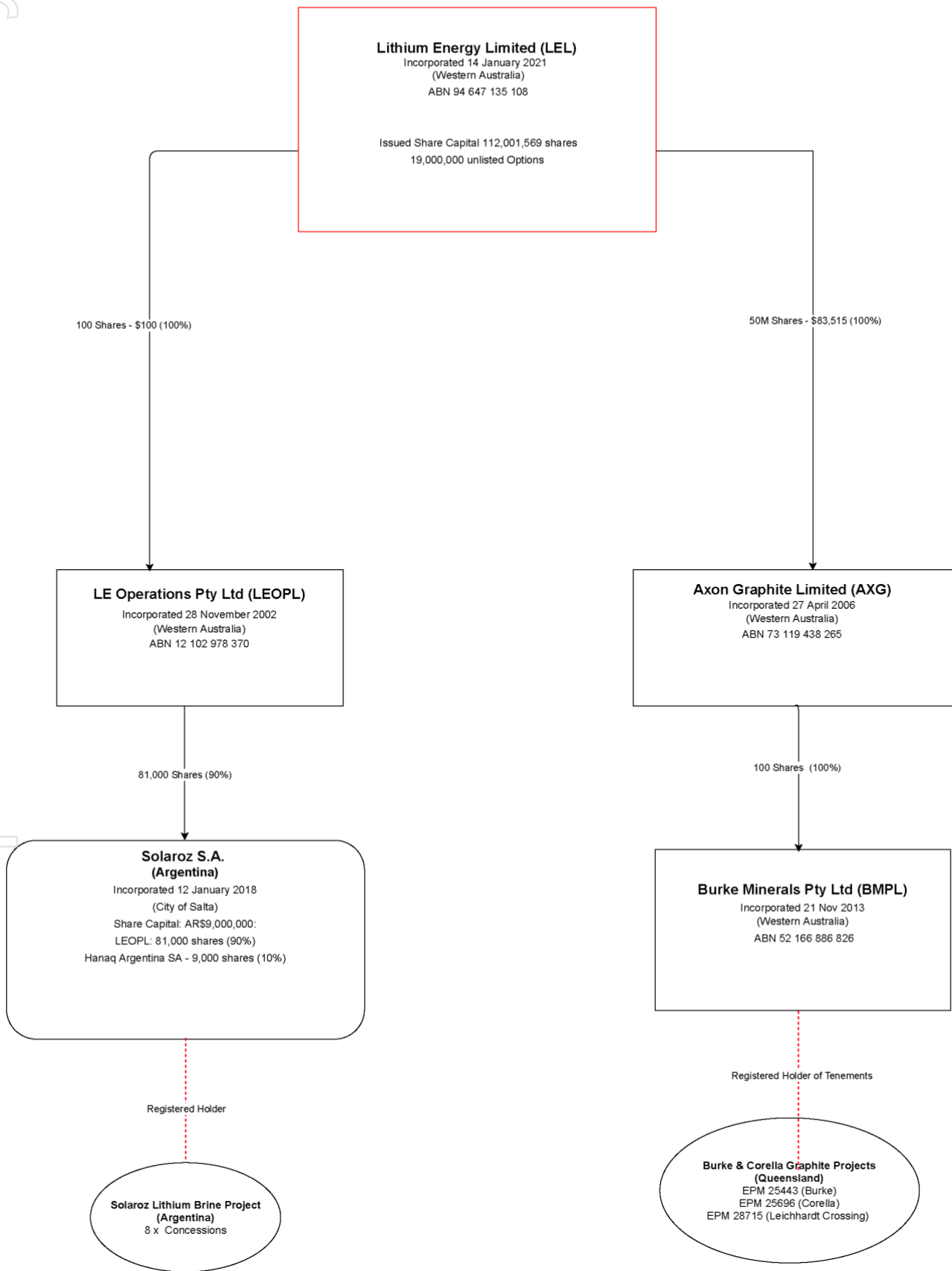
Tranche 2 Completion Date has the meaning given to that term in Annexure I to this Notice of Meeting.

US\$ means United States dollars.

ANNEXURE A

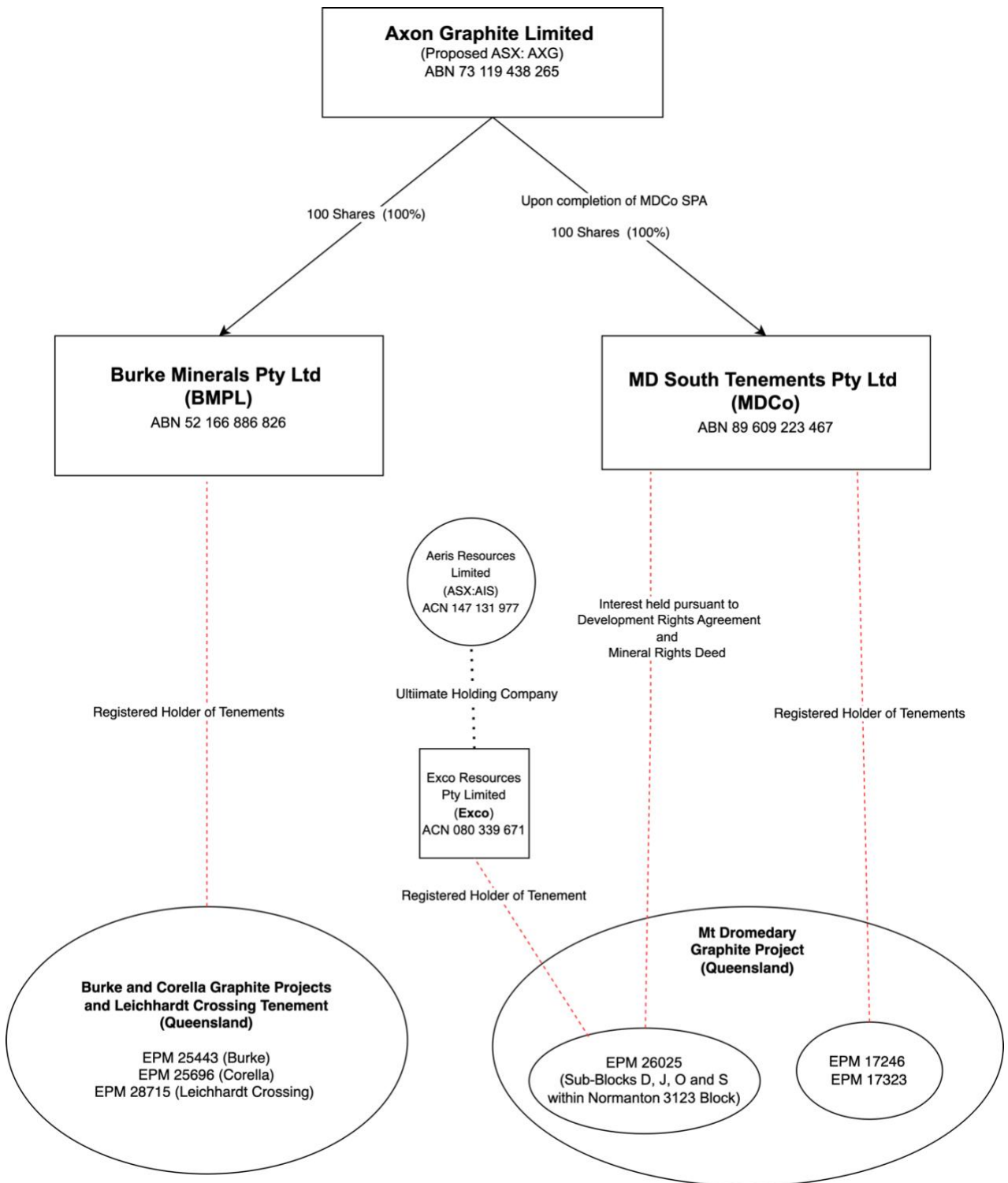
Current Lithium Energy Corporate Group Structure

For personal use only



ANNEXURE B

Proposed Axon Graphite Corporate Group Structure



For personal use only

ANNEXURE C

Summary of NOVONIX Agreements

(1) Summary of MDCo SPA

Parties	Lithium Energy, NOVONIX, Axon Graphite and MDCo
Share sale	<p>Sale of 100 shares in the capital of MDCo by NOVONIX to Axon Graphite, comprising 100% of the issued capital of MDCo.</p> <p>MDCo holds and has contractual interests in the Mt Dromedary Tenements on which the Mt Dromedary Project is located.</p>
Conditions precedent	<p>(a) Both Lithium Energy and NOVONIX electing to proceed with the MDCo SPA after completion of due diligence – notices of such elections have been issued by Lithium Energy and NOVONIX.</p> <p>(b) ASX providing Axon Graphite with a list of conditions which, once satisfied, would result in ASX admitting Axon Graphite to the Official List.</p> <p>(c) MDCo obtaining all consents and approvals under the <i>Mineral Resources Act 1989</i> (Qld) to allow the transfer of the Mt Dromedary Tenements held by MDCo as contemplated in the MDCo SPA – the parties do not expect that any consents and approvals are required in this regard.</p> <p>(d) All liabilities of MDCo owed to NOVONIX and any related body corporate or otherwise (if any) being released, forgiven or discharged.</p>
Completion	One business day after the last of the parties have given their notice of compliance with all of their obligations under the Conditions Precedent to the other parties, or any other date agreed in writing between the parties.
Cut-Off Date (for satisfaction or waiver of conditions precedent)	12 months from the date of the MDCo SPA (i.e. 2 April 2025) or such later date as the parties may agree in writing.
Consideration	Axon Graphite issuing 50 million fully paid ordinary shares (at an issue price of \$0.20 per share) to NOVONIX.
Axon Graphite IPO	The parties acknowledge that Axon Graphite proposes to undertake the IPO. Axon Graphite and Lithium Energy agree to consult with NOVONIX and its nominees in connection with the IPO process (including by permitting NOVONIX's nominees to attend meetings of the due diligence committee established by the Company to coordinate and supervise the due diligence processes undertaken in connection with the IPO).
Axon Graphite capital structure	<p>Axon Graphite's proposed capital structure (post-Listing) shall be as follows:</p> <p>(a) Lithium Energy - 50 million shares;</p> <p>(b) NOVONIX - 50 million shares;</p> <p>(c) IPO applicants - between 75 million shares (based on Minimum Subscription of \$15 million) and 125 million shares (based on Maximum Subscription of \$25 million) in aggregate.</p>

	Axon Graphite will apply for admission of its shares to Quotation (subject to ASX-imposed escrow requirements).
Axon Graphite board of directors	NOVONIX is entitled to nominate 2 directors to Axon Graphite's board of directors after the satisfaction of Condition Precedent (a) (referred to above). The parties shall agree on the appointment of an independent Non-Executive Chair.
Priority Offers to Lithium Energy and NOVONIX Shareholders	Axon Graphite will offer Eligible Lithium Energy and NOVONIX shareholders a Priority Offer to subscribe for shares in the IPO, pursuant to ASX requirements and as agreed by the parties.
Termination	<p>If the Conditions Precedent are not satisfied or waived, or have become incapable of being satisfied, on or before the Cut-Off Date, either party may terminate the MDCo SPA. However, no termination right will arise if the relevant party has not co-operated with the other party and used their best efforts to satisfy each of the Conditions Precedent to the MDCo SPA.</p> <p>A party may terminate the MDCo SPA at any time before completion if an insolvency event occurs in respect of BMPL or the other party or where NVX (after reasonable and timely consultation) is unable or unwilling to provide consent to matters pertaining to the Prospectus.</p> <p>Axon Graphite may terminate the MDCo SPA at any time before completion if there is a breach of a seller termination warranty (pertaining to title, liabilities, tenement interests and solvency).</p> <p>NVX may terminate the MDCo SPA at any time before completion if there is a breach of a buyer termination warranty (pertaining to tenement interests and solvency).</p>
Governing law	The MDCo SPA is governed by Western Australian law.
Other	Customary terms and conditions for a transaction of this nature, including customary covenants, warranties and indemnities (including by Lithium Energy) and customary caps and limitations on claims.

(2) Summary of IPO Funding Deed

Lithium Energy, NOVONIX and Axon Graphite are parties to the IPO Funding Deed (dated 3 April 2024), whereby Lithium Energy and NOVONIX (together, the '**Funders**') have agreed (inter alia) to jointly advance an aggregate total of up to \$400,000 to Axon Graphite for agreed costs and expenses incurred by Axon Graphite in undertaking and completing the IPO (the '**Financial Assistance**'), through the provision of unsecured non-recourse loan funds to Axon Graphite as requested by Axon Graphite from the Funders, from time to time. Axon Graphite will repay any funds advanced by the Funders within 14 days after completion of the IPO.

If the MDCo SPA is terminated or is no longer on foot or the IPO not completed, any Financial Assistance made by the Funders shall be treated as a non-recourse loan owing by Axon Graphite to them and repayable by Axon Graphite at its absolute discretion as to the quantum of repayment and the time of repayment, provided that any repayment of Financial Assistance by Axon Graphite must be made to each Funder at the same time and in the same proportion as the amount of Financial Assistance provided by each Funder.

ANNEXURE D

About the Burke and Corella Graphite Projects

Lithium Energy’s graphite projects are located in the Cloncurry region in North Central Queensland (refer Figure 1):

- (1) the **Burke Graphite Project** comprises EPM 25443 (the **Burke Tenement** or **Burke**) (of ~6.47km²), located ~130km by road north of Cloncurry, adjacent to the Burke Development Road and adjacent to the Mt Dromedary Graphite Project;
- (2) the **Corella Graphite Project** comprises EPM 25696 (the **Corella Tenement** or **Corella**) (of ~19.41km²), located ~40km by road west of Cloncurry and ~170km by road south of the Burke/Mt Dromedary Tenements, adjacent to the Barkly Highway that links Mount Isa to Cloncurry; and
- (3) the **Leichhardt Crossing Tenement** (of ~97km²) is located ~40km by road north north-west of the Burke/Mt Dromedary Tenements, adjacent to the Kajabbi Kamilaroi Road.

The projects have access to well-developed transport infrastructure, including airports at Cloncurry and Mount Isa (located ~250km by road from Burke/Mt Dromedary) and a Port in Townsville (located ~783km by road or rail from Cloncurry) (refer to Figure 1).

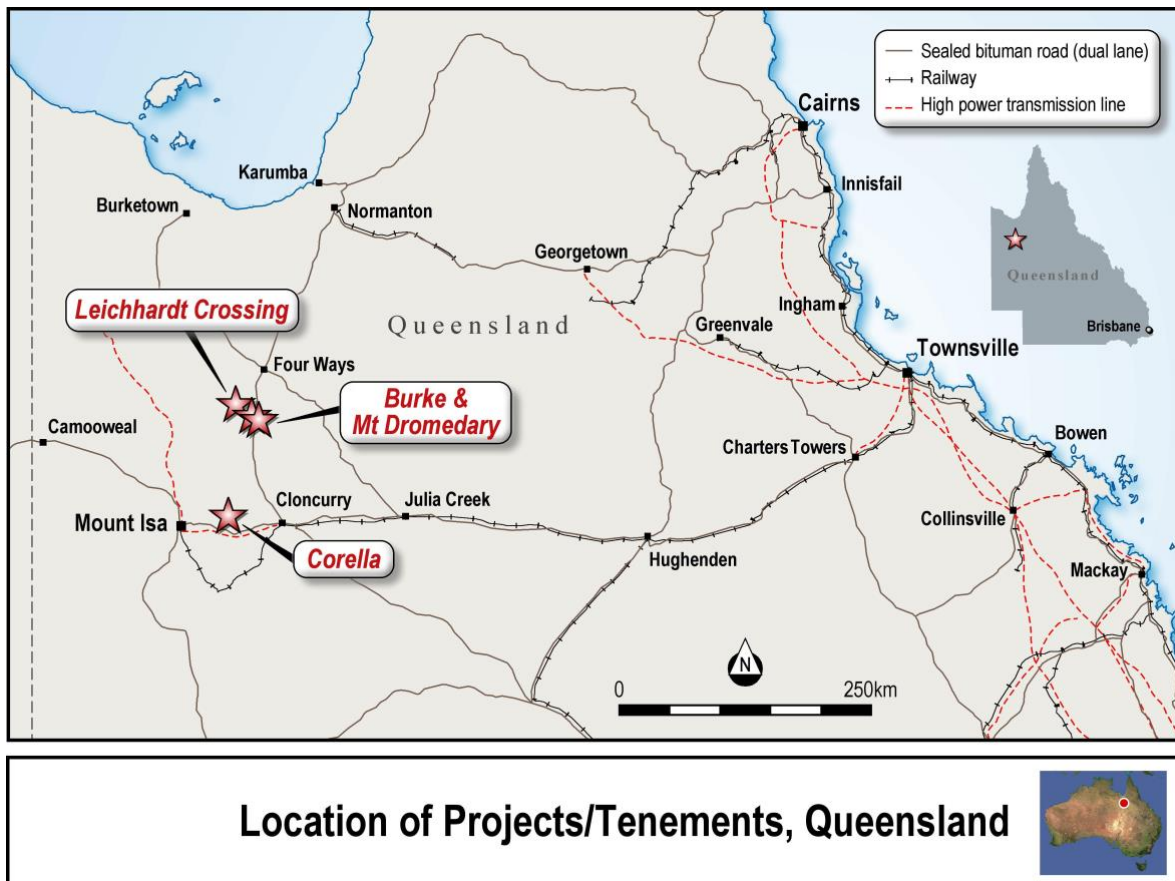


Figure 1: Location of Lithium Energy’s Burke and Corella Graphite Projects and Leichhardt Crossing Tenement and NOVONIX’s Mt Dromedary Graphite Project in Queensland, Australia

Tenement Details

Tenement Holder	Tenement Name	Tenement Type and No.	Grant Date	Expiry Date	Area (sub-blocks)	Area (km ²)
Burke Minerals Pty Ltd (BMPL)	Burke	EPM 25443	4/9/2014	3/9/2028	2	6.47
BMPL	Corella	EPM 25696	2/4/2015	1/4/2025	6	19.41
BMPL	Leichhardt Crossing	EPM 28715	12/4/2023	11/4/2028	30	97.05

Notes:

- (1) EPM 25443 was granted on 4 September 2014 for an initial period of 5 years; was renewed for a further period of 5 years (approved on 30 October 2019) and again for a further period of 5 years (approved on 12 August 2024); is able to be renewed for a further 5 years (to 2034) prior to its expiry in 2029; the tenement will expire on 3 September 2034.
- (2) EPM 25696 was granted on 2 April 2015 for an initial period of 5 years; was renewed for a further period of 5 years (approved on 21 January 2020); is able to be renewed for 5 years (to 2030) prior to its 2025 expiry date and again (if renewed in 2025) for a further 5 years (to 2035) prior to its expiry in 2030 (with a 50% relinquishment of its current 6 sub-blocks); the tenement will expire on 1 April 2035.
- (3) EPM 28715 was granted on 12 April 2023 for an initial period of 5 years; is able to be renewed for 5 years (to 2033) prior to its 2028 expiry date (with a 50% relinquishment of its current 30 sub-blocks); and again (if renewed in 2028) for a further 5 years (to 2038) prior to its expiry in 2033 (with a 50% relinquishment of sub-blocks); the tenement will expire on 11 April 2038.
- (4) The renewals and expiry of all tenements are pursuant to the transitional arrangements under the *Natural Resources and Other Legislation Amendments Act 2019* (Qld).

Burke Deposit Mineral Resource Estimate

The Burke Deposit (on the Burke Tenement) has the following Mineral Resource Estimate (MRE):⁹

- total Mineral Resource of 9.1Mt at 14.4% 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; and
- 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).¹⁰

Category	Weathering State	Resource (Mt)	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

Note:

- (1) 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.

⁹ Refer LEL ASX Announcement dated 5 April 2023 titled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence"

¹⁰ Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 2 of LEL ASX Announcement dated 5 April 2023 titled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence"

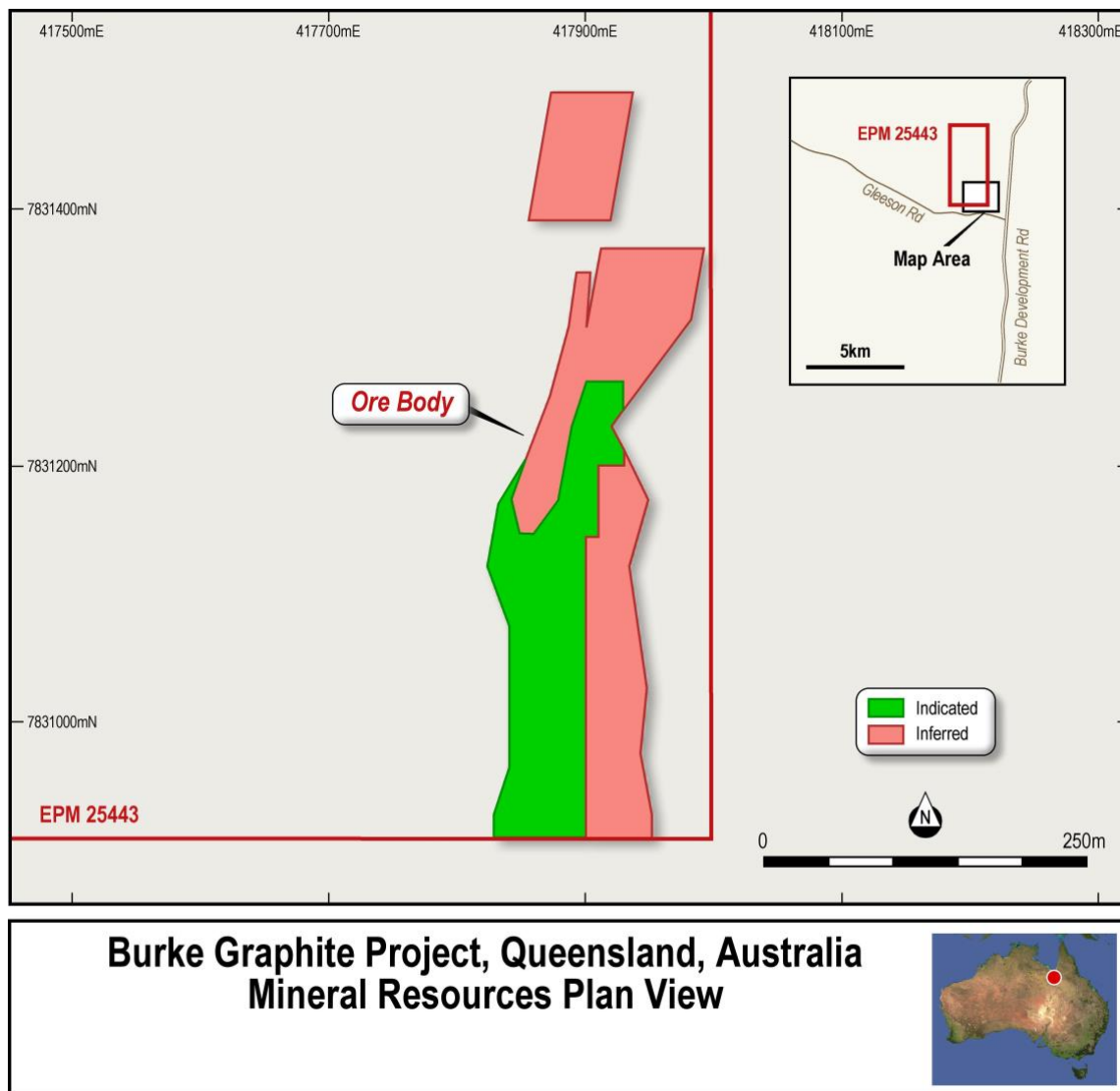


Figure 2: Burke Tenement JORC Indicated and Inferred Mineral Resources Plan View

Burke Deposit Test Work

(a) Metallurgical Test Work Program

The Beijing General Research Institute of Mining and Metallurgy (**BGRIMM**) in China has completed a comprehensive flowsheet development metallurgical test work program (on a ~one (1) tonne representative sample of graphite from the Burke Deposit recovered from diamond core drilling undertaken in January 2023) to assess and develop an optimised flake concentrator flowsheet, with key results as follows:¹¹

- (i) achieved key objectives of grade (>95% TGC) and recovery (>85%) using standard flotation and regrind milling technology;
- (ii) completed concentrator process flowsheet optimisation test work;
- (iii) produced >95% TGC graphite flake concentrate suitable for use as test feedstock material; and
- (iv) defined key concentrator design input metrics including reagent dosing rates and types, flotation and regrind and flotation cell residence times, for feasibility study purposes.

¹¹ Refer LEL ASX Announcement dated 23 May 2023 titled "Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS"

Approximately 52kg of +95% TGC flake concentrate was produced by BGRIMM's in-house pilot plant¹² – 15kgs of this was used as test feedstock material for a BAM test work program (outlined below) to define the metallurgical and process conditions required to produce BAM suitable for use in Lithium-ion battery anodes.



Figure 3: Photos of graphite from the Burke Deposit recovered from core drilling in January 2023¹³

(b) BAM Test Work Programs

ProGraphite GmbH in Germany has completed spheronising and purification test work on ~15kg of 95.6% TGC graphite concentrate produced by BGRIMM using graphite from the Burke Deposit.

This BAM test work has defined:¹⁴

- (i) the process flowsheet requirements to produce a high purity 99.97% TGC SPG product, which will be suitable as feedstock for the battery anode production process; and
- (ii) the metallurgical and process design criteria (including key metrics such as reagent consumption, product size, product recovery and purification conditions) to be used as inputs to the BAM Facility process design for feasibility study purposes.

(i) Spheronisation Test Work

Four spheronised products (three primary and one secondary) were produced from the ~15kg of 95.6% TGC graphite concentrate (using graphite from the Burke Deposit) to assess the effectiveness and impact of the mechanical shaping process on the Burke Graphite concentrate. The primary materials produced comprise three alternate product sizes, designated SPG15, SPG16 and SPG20. A secondary material produced from the concentrate, designated SPG10, was a by-product from the primary spheronisation processes that produced the primary SPG16 product.

The Company notes that the ability to generate multiple products results in a greater overall graphite recovery and provides a diversity in product size and value for future marketing and sale purposes.

12 Refer LEL ASX Announcement dated 28 July 2023 titled "Burke and Corella Graphite Projects Testwork Update"

13 Refer LEL ASX Announcements dated 28 April 2023 titled "Quarterly Activities and Cash Flow Reports – 31 March 2023", 22 February 2023 titled "Update - Infill Drilling Results at Burke Graphite Deposit.", 16 February 2023 titled "Significant High Grade Graphite Intercepts Continue at Burke Graphite Deposit", 9 February 2023 titled "Burke Graphite Deposit Continues to Deliver Exceptional Drilling Results", 3 February 2023 titled "Multiple Exceptional Drilling Results from Burke Graphite Deposit" and 22 December 2022 titled "Completion of RC Infill Drilling at Burke Graphite Deposit"

14 Refer LEL ASX Announcement dated 27 November 2023 titled "Testwork Results Highlight Exceptional Potential of Burke Graphite as Battery Anode Material"

The table below shows the analytical results from the spheronisation test work:

Metric	Units	Primary Products			Secondary Product
		SPG15	SPG16	SPG20	SPG10
d ₁₀ ⁽¹⁾ SPG	µm	9.1	10.2	12.5	6.8
d ₅₀ ⁽²⁾ SPG	µm	14.7	16.3	20.1	10.5
d ₉₀ ⁽³⁾ SPG	µm	24.2	25.3	31.7	16
Ratio d ₉₀ : d ₁₀		2.66	2.49	2.55	2.4
Tap Density ⁽⁴⁾	kg/l	0.92	0.91	0.94	0.85
BET ⁽⁵⁾	m ² /g	8.1	7.3	6.6	8.7
Yield SPG	%	51	52	52	11 ⁽⁶⁾

Notes:

- (1) d₁₀ means the portion of particles with diameters smaller than this value is 10%.
- (2) d₅₀ means the portion of particles with diameters smaller and larger than this value are 50%; also known as the median diameter.
- (3) d₉₀ means the portion of particles with diameters below this value is 90%.
- (4) Tap density refers to the density attained after mechanical tapping a container containing a material.
- (5) The Brunauer-Emmett-Teller (BET) method is used to calculate the specific surface area of a material.
- (6) Yield reported for SPG10 is in terms of overall yield, being a yield of 22.5% of the balance of the material not recovered in the primary spheronisation step, which is equivalent to 11% of the total feed material.

The two-product spheronising process achieved an overall recovery of 63%, which compares with general industry standards of between 45% to 55% recovery. The Tap densities and BET values achieved fall within the medium range of typically accepted SPG products – which will be a focus of further test work and BAM Pilot Plant test work to optimise the same by varying the spheronising equipment speeds, durations and loading.

(ii) Purification Test Work

Two non-hydrofluoric purification processes were conducted on the spheronised concentrate produced using graphite from the Burke Deposit with each process conducted at different temperatures, durations and reagents. The low temperature process produced positive results as shown in the table below:

Mineral Elements	Unit	Feed Material	Low Temp. Process	Industry Std ⁽¹⁾
Total Graphitic Carbon (TGC)	%	95.5	99.97	≥99.95%
Iron (Fe)	ppm	2,056	6.8	≤30
Silicon (Si)	ppm	10,549	29.8	≤30
Aluminium (Al)	ppm	6,203	4.7	≤10
Nickel (Ni)	ppm	<15	0.7	≤10
Lead (Pb)	ppm	199	<0.1	≤5
Chromium (Cr)	ppm	<16	<0.1	≤10

Note:

- (1) Based on the Chinese Spherical Graphite Standard Specification GB/T 38887-2020.

Corella Deposit Mineral Resource Estimate

The Corella Deposit (on the Corella Tenement) has an initial maiden Mineral Resource Estimate as follows:¹⁵

- Inferred Mineral Resource of 13.5Mt at 9.5% TGC for 1.3Mt of contained graphite (at a 5% TGC cut-off grade); and
- 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).¹⁶

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

Note:

- (1) 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.

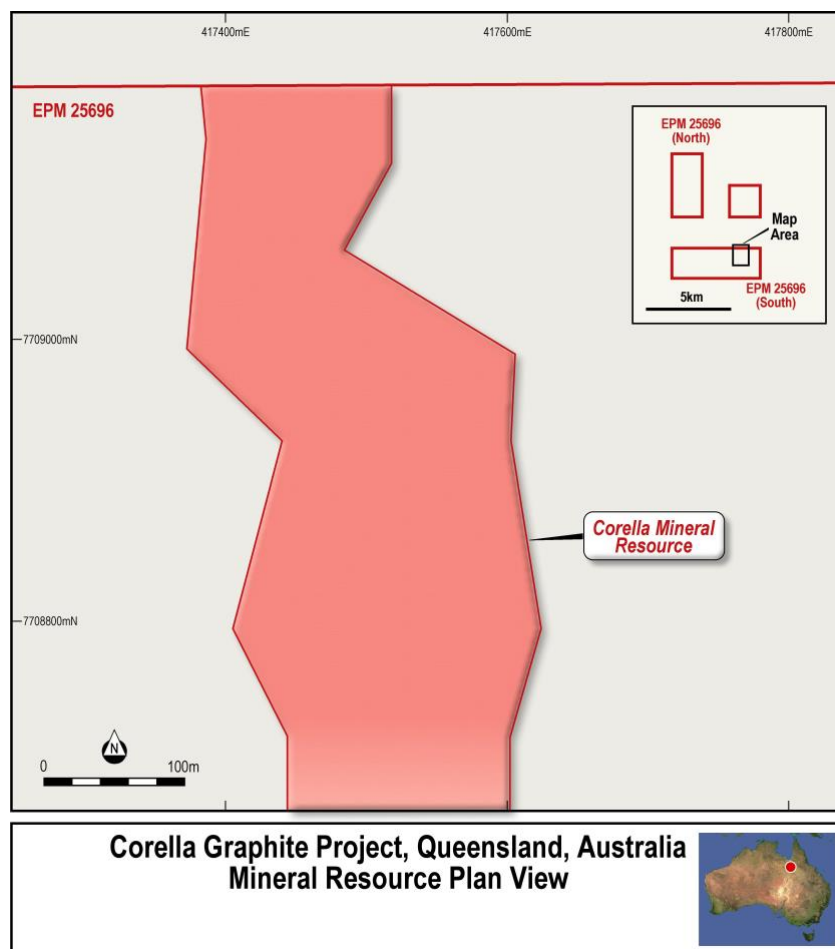


Figure 4: Corella Tenement JORC Inferred Mineral Resources Plan View

Leichhardt Crossing Tenement

The Leichhardt Crossing Tenement is located 40km by road north north-west of the Burke and Mt Dromedary Tenements. The Company applied for this tenement to target outcropping limestone, for potential use as a raw material in the proposed graphite processing operations.

¹⁵ Refer LEL ASX Announcement dated 16 June 2023 titled "Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory"

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

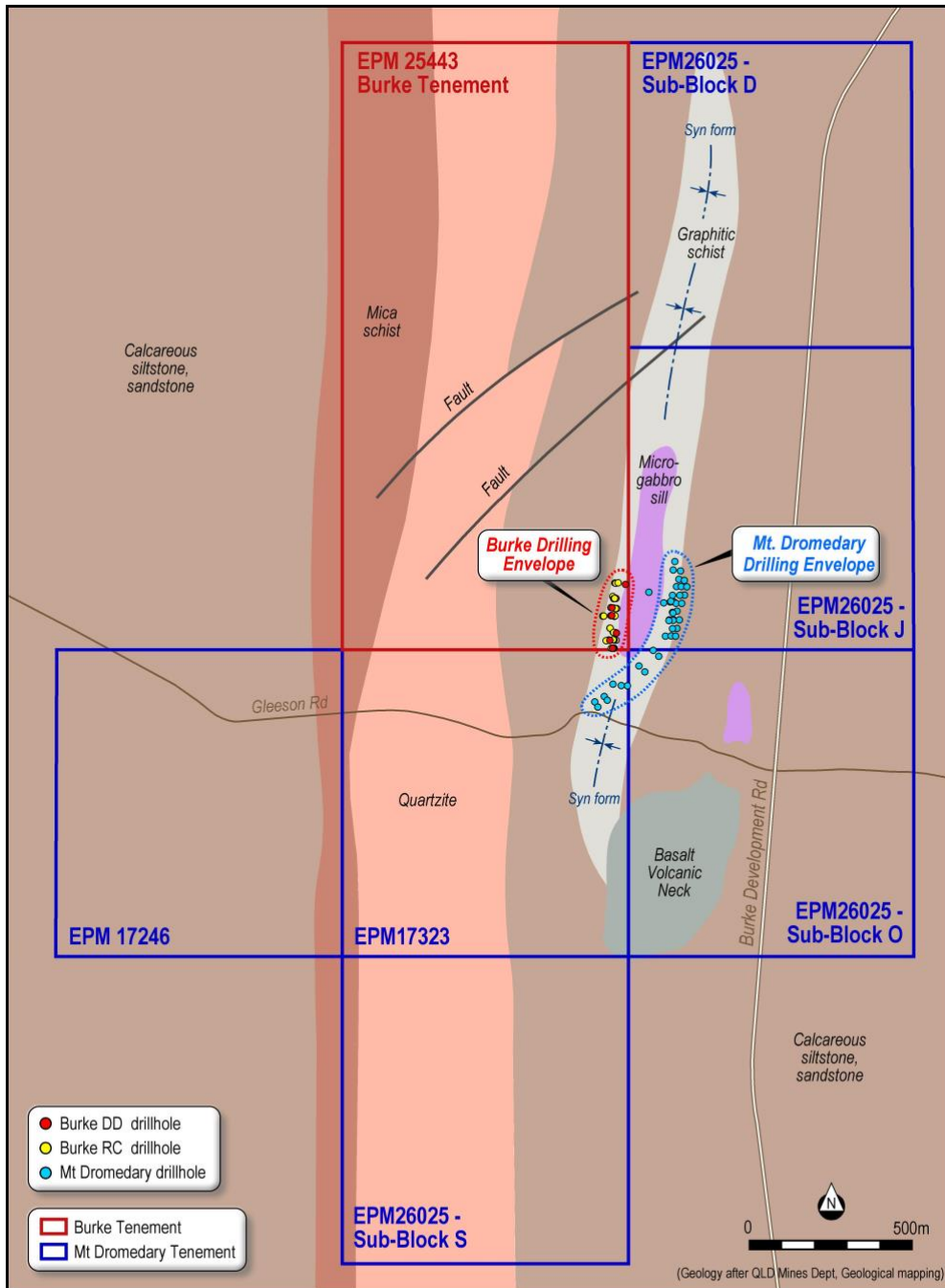
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ANNEXURE E

About the Mt Dromedary Graphite Project

The **Mt Dromedary Graphite Project** comprises the Mt Dromedary Tenements (of 19.41km²), which are contiguous to the Burke Tenement located in the Cloncurry region in North Central Queensland (refer to Figure 1).

Figure 5 shows the Burke Tenement and Mt Dromedary Tenements (against background geology) and the drill holes and drilling envelopes in support of their respective Mineral Resource Estimates.



**Drill Holes & Tenements
 Burke & Mt Dromedary Graphite Projects, Queensland**



Figure 5: Burke & Mt Dromedary Graphite Projects: Tenements, Geology, Drill Holes and Drilling Envelopes

Tenement Details

Tenement Holder	Tenement Name	Tenement Type and No.	Grant Date	Expiry Date	Area (sub-blocks)	Area (km ²)
MD South Tenements Pty Ltd (MDCo)	Pigeon South	EPM 17246	26/10/2010	25/10/2027	1	3.235
	Pigeon South	EPM 17323	20/10/2010	19/10/2027	1	3.235
Exco Resources Pty Limited (Exco)	Boomarra Consolidation	EPM 26025	14/12/2015	13/12/2025	4	12.94

(Normanton Sub-Blocks only)

Notes:

- (1) EPM 17246 was granted on 26 October 2010 for an initial period of 5 years; was renewed for a further period of 3 years in 2015, 2 years in 2018, 2 years in 2020, 2 years in 2022 and 3 years on 12 August 2024; is able to be renewed for a further 3 years (to 2030) prior to its expiry in 2027; the tenement will expire on 25 October 2030.
- (2) EPM 17323 was granted on 20 October 2010 for an initial period of 5 years; was renewed for a further period of 2 years in 2014, 4 years in 2016, 2 years in 2020, 2 years in 2022 and 3 years on 12 August 2024; is able to be renewed for a further 3 years (to 2030) prior to its expiry in 2027; the tenement will expire on 19 October 2030.
- (3) MDCo holds a contractual interest in EPM 26025 (the Normanton Sub-Blocks) pursuant to the Development Rights Agreement and the Mineral Rights Deed. EPM 26025 was granted on 14 December 2015 for an initial period of 5 years; was renewed for further 5 years (approved on 14 December 2020) and is able to be renewed for 5 years (to 2030) prior to its 2025 expiry date (with a 50% relinquishment of its current 105 sub-blocks); the tenement will expire on 13 December 2030.
- (4) The renewals and expiry of all tenements are pursuant to the transitional arrangements under the *Natural Resources and Other Legislation Amendments Act 2019* (Qld).

Mt Dromedary Deposit Mineral Resource Estimate

The Mt Dromedary Deposit (on the Mt Dromedary Tenement) has the following Mineral Resource Estimate:¹⁷

- Total Mineral Resource of 12.7Mt at 14.5% TGC for a total of 1.83Mt contained graphite (at a 5% TGC cut-off grade), comprising:
 - Indicated Mineral Resource of 8.3Mt at 15.2% TGC for 1,260kt of contained graphite; and
 - Inferred Mineral Resource of 4.3Mt at 13.2% TGC for 570kt of contained graphite; and
- within the mineralisation envelope, there is included a higher grade Total Mineral Resource of 8.5Mt at 18.4% TGC for 1.56Mt of contained graphite (at a 10% TGC cut-off grade).¹⁸

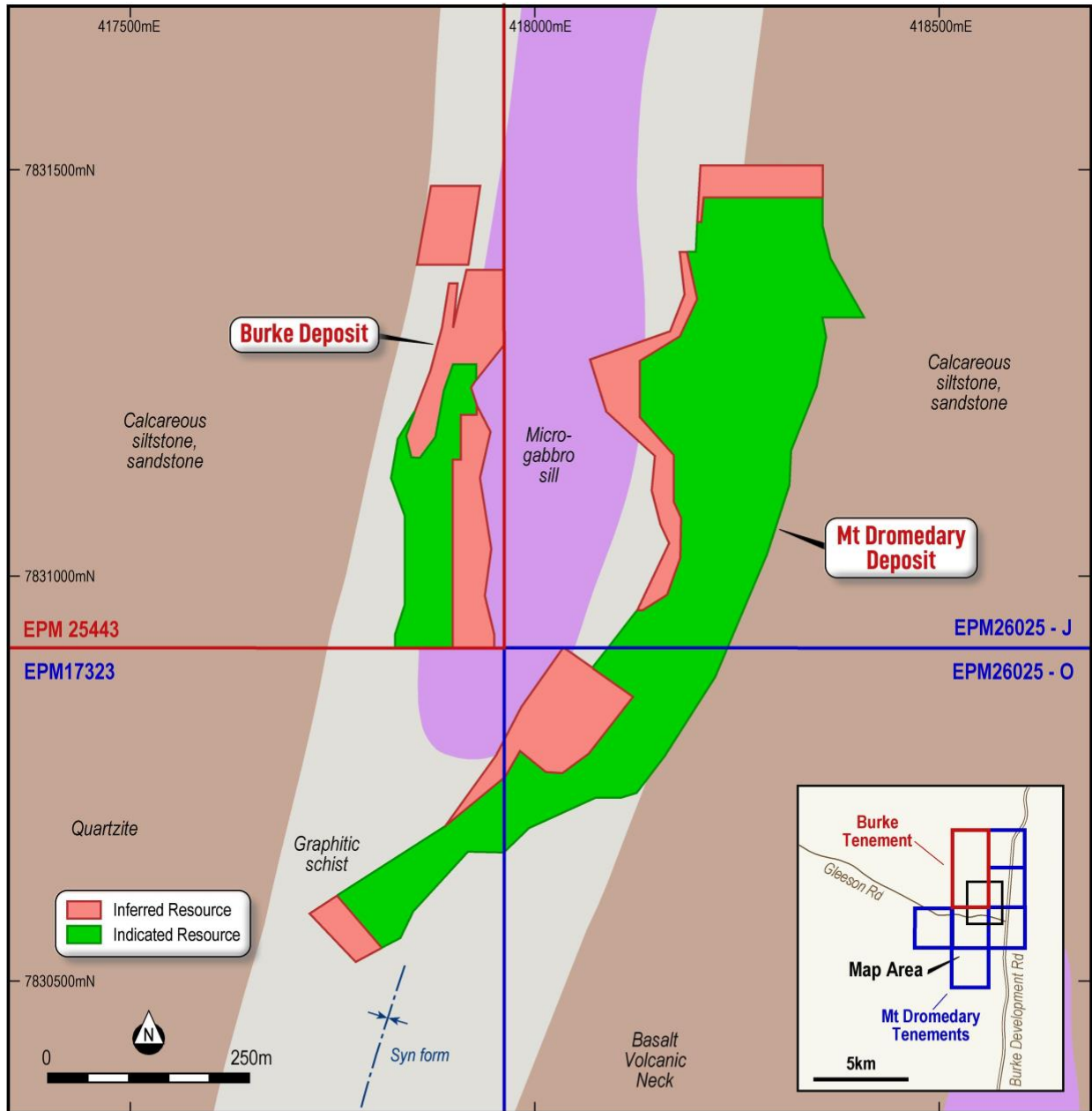
Category	Weathering State	Resource (Mt)	TGC (%)	Contained Graphite (kt)
Indicated Mineral Resource	Weathered	1.5	14.8	230
	Primary	6.8	15.2	1,030
	Sub-total	8.3	15.2	1,260
Inferred Mineral Resource	Weathered	0.3	11.8	30
	Primary	4.1	13.3	540
	Sub-total	4.3	13.2	570
Total Indicated and Inferred Mineral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

Note:

- (1) 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.

¹⁷ Refer Joint LEL and NVX ASX Announcement dated 10 September 2024 titled "Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review"

¹⁸ Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 3 of Joint LEL and NVX ASX Announcement dated 10 September 2024 titled "Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review"



Mineral Resources Plan View & Geology Burke & Mt Dromedary Graphite Projects



Figure 6: Burke and Mt Dromedary Deposits - Indicated and Inferred Mineral Resources Plan View and Geology

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ANNEXURE F**Axon Graphite Company and Business Overview****Introduction**

Axon Graphite is currently a wholly-owned Subsidiary of Lithium Energy. Axon Graphite's Subsidiary, BMPL, is the registered holder of the Burke Tenement (on which the Burke Graphite Project is located), Corella Tenement (on which the Corella Graphite Project is located) and Leichhardt Crossing Tenement.

Axon Graphite intends to acquire all of the shares in MDCo pursuant to the MDCo SPA in consideration for the issue of 50 million shares to NOVONIX (at an issue price of \$0.20), which is conditional upon, amongst other matters, ASX providing Axon Graphite with a list of conditions which, once satisfied, would result in ASX admitting Axon Graphite to the Official List. MDCo is currently a wholly-owned Subsidiary of NOVONIX and holds and has contractual interests in the Mt Dromedary Tenements on which the Mt Dromedary Graphite Project is located.

Lithium Energy and NOVONIX have agreed to merge their adjoining Queensland graphite assets into Axon Graphite and cause Axon Graphite to undertake the IPO to consolidate their complementary projects and evaluate the creation of a distinct, vertically integrated BAM business.

Objectives and Growth Strategy

Axon Graphite's broad objective is to create and sustain shareholder value through the development of mineral deposits and the value adding to such minerals from its Projects. The immediate focus of Axon Graphite is to advance its status from a graphite exploration and evaluation company to a graphite miner and BAM producer through the commercial exploitation of its Burke, Mt Dromedary and Corella Graphite Projects.

Axon Graphite intends to evaluate the potential development of a BAM business through the establishment of a BAM manufacturing facility, fed by high quality graphite to be mined and concentrated from the Burke, Mt Dromedary and Corella Graphite Deposits. Axon Graphite intends to apply a portion of the funds raised from the IPO towards the design, construction and operation of a BAM Pilot Plant which will assist in the advancement of its proposed BAM Facility.

Axon Graphite notes that the costs of a BAM Pilot Plant will be met from a portion of the funds raised under the IPO with the development of a commercial scale BAM Facility being subject to a number of matters including the completion of satisfactory test work from the BAM Pilot Plant, successful completion of feasibility studies into the creation of a commercial scale BAM Facility and Axon Graphite raising additional funding for these purposes.

Business Model and Proposed Development Strategy

Axon Graphite plans to evaluate the development a vertically integrated BAM business utilising high-grade graphite from its consolidated graphite deposits as feedstock material to a BAM Facility.

Axon Graphite envisages mining graphite initially from the combined Mt Dromedary and Burke Deposits and producing a +95% TGC graphite flake concentrate at the mine site. The graphite flake concentrate will then be transported to a BAM Facility for processing. The BAM Facility is expected to firstly mechanically shape and spheronise the graphite flakes followed by chemical purification to form spherical purified graphite (SPG), which could be additionally surface coated to produce coated spherical purified graphite (CSPG), which are both high quality BAM products. It is proposed that these SPG/CSPG products will be sold for use in the manufacturing of lithium-ion batteries or battery energy storage solutions.

Axon Graphite will leverage off Lithium Energy's previous assessments, including the metallurgical and BAM test work programs on graphite from the Burke Deposit and NOVONIX's work programs on graphite from the Mt Dromedary Deposit to advance technical and economic feasibility studies on a combined mine (encompassing the Burke and Mt Dromedary Graphite Deposits) and integrated (potentially expanded and/or with a longer duration) BAM Facility.

Axon Graphite's proposed development strategy (post-Listing) includes the following work programs:

- (a) delineation of a Mineral Resource for the combined Burke and Mt Dromedary Projects;
- (b) Mineral Resource development drilling at the combined Burke and Mt Dromedary Projects and the Corella Project to increase and upgrade the Mineral Resources and to support the development of an Ore Reserve classification;
- (c) extraction of a bulk sample from the combined Burke and Mt Dromedary Projects;
- (d) metallurgical and BAM test work on the combined Burke and Mt Dromedary Project and the Corella Project;
- (e) design, construction and operation of a BAM Pilot Plant to produce SPG/CSPG products using flake graphite concentrate feed produced using graphite from the combined Burke and Mt Dromedary Deposits;
- (f) feasibility studies on mining and concentrator operations at the combined Burke and Mt Dromedary Projects;
- (g) feasibility studies on a BAM Facility;
- (h) advancing product marketing and offtake discussions with potential BAM product customers;
- (i) engaging with the Australian Commonwealth and Queensland State Governments to access joint development funding and/or grants or incentives available for critical minerals development projects;
- (j) securing environmental approvals and other permits for a combined mine (encompassing the Burke and Mt Dromedary Graphite Deposits) and BAM Facility operations;
- (k) securing grant of mining lease(s) over the Burke and Mt Dromedary Tenements; and
- (l) securing land and infrastructure access for the BAM Facility.

Axon Graphite is currently focussed on evaluation/assessment and development activities in relation to its Projects. While Axon Graphite focuses on these activities, it will not generate revenue. If these activities are successful and Axon Graphite identifies mineral deposits that are commercially viable to develop and mine and act as a feedstock for the BAM Facility, Axon Graphite intends to develop these deposits and commence mining activities.

Axon Graphite is only expected to generate operating revenue following the development of a BAM Facility alongside securing sales contracts for BAM products. Axon Graphite may consider the sale of graphite concentrate as an ancillary revenue stream to the sale of SPG/CSPG produced from the BAM Facility, subject to market conditions at the time.

BAM Pilot Plant and BAM Facility Development

A key aspect of Axon Graphite's development plan is accelerating a product qualification pathway for the BAM proposed to be produced at its BAM Facility, which is likely to be required to facilitate securing offtake agreements. To achieve this, Axon Graphite plans to design and construct a BAM Pilot Plant at a suitable industrial site. Axon Graphite proposes to use the encouraging results from the laboratory BAM test work (on the Burke Deposit) to provide design and target data to develop the BAM Pilot Plant which will produce a SPG product.

The BAM Pilot Plant will include feed storage, microniser, spheroniser and caustic and acid purification modules. Axon Graphite intends to collect bulk samples (totalling ~50 to 100t) of graphite ore from the Burke and/or Mt Dromedary Deposits and produce +95% TGC flake graphite concentrate (via a third-party) as feedstock material to the BAM Pilot Plant.

The key objectives and outcomes of the BAM Pilot Plant are:

- (a) to undertake further BAM test work to refine and optimise the spheronising and purification processes;
- (b) to conduct SPG product optimisation;
- (c) to provide scale up metrics to facilitate design (in connection with feasibility studies) for the BAM Facility; and
- (d) to produce high quality BAM products for product validation, pre-qualification and marketing with potential customers to support offtake agreements.

Proposed Work Programs

Axon Graphite proposes to undertake the following key technical work programs post-Listing:

- (a) review existing drilling data and resource models for the existing Burke and Mt Dromedary Deposits to delineate a combined Mineral Resource for the Burke/Mt Dromedary Deposits;
- (b) undertake resource development drilling (comprising reverse circulation (**RC**) and diamond core (metallurgical and geotechnical) holes) on the Burke and Mt Dromedary Tenements to increase and upgrade the (abovementioned) combined Mineral Resource and facilitate the derivation of an Ore Reserve from these Mineral Resources (as part of the completion of relevant feasibility studies);
- (c) undertake a bulk sample from the Burke and Mt Dromedary Tenements for the production of +95% TGC flake graphite concentrate as feedstock material for Axon Graphite's proposed BAM Pilot Plant;
- (d) undertake metallurgical and BAM test work on samples from the Mt Dromedary Tenements to assess the Mt Dromedary Deposit against the same test work undertaken on the Burke Deposit;
- (e) undertake resource development drilling (comprising RC and diamond core (metallurgical and geotechnical) holes) on the Corella Tenement to collect samples for test work and to increase and/or upgrade the existing Mineral Resource;
- (f) undertake metallurgical and BAM test work on core samples taken from the Corella Tenement to assess the graphite from the Corella Deposit in comparison to the graphite from the Burke and Mt Dromedary Deposits;
- (g) design, construct and operate a BAM Pilot Plant to produce SPG/CSPG products from graphite flake concentrate produced using graphite from the Burke and/or Mt Dromedary Deposits;
- (h) validation and qualification of BAM products produced using graphite from the Burke and/or Mt Dromedary Deposits and marketing of these products with potential customers;
- (i) undertake environmental, flora, fauna and related and ancillary assessments (as required) to facilitate the securing of a mining lease (and other regulatory approvals) over the Burke and Mt Dromedary Tenements (for mining and graphite concentrator operations) and securing regulatory approvals for the proposed BAM Facility;
- (j) undertake feasibility studies on the combined Burke and Mt Dromedary Project mining and graphite concentrator operations; and
- (k) undertake feasibility studies on the BAM Facility using graphite concentrate produced using graphite from the Burke and/or Mt Dromedary Deposits.

The proposed work program referred to above is a statement of current intentions, which may change depending on various intervening events and new circumstances, including the outcome of exploration, evaluation and development activities (including exploration, evaluation and development success or failure), regulatory developments and market and general economic conditions. Accordingly, individual work programs may be re-prioritised, delayed, suspended or altered and new work programs may be initiated.

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The Battery Anode Material (BAM) Strategy

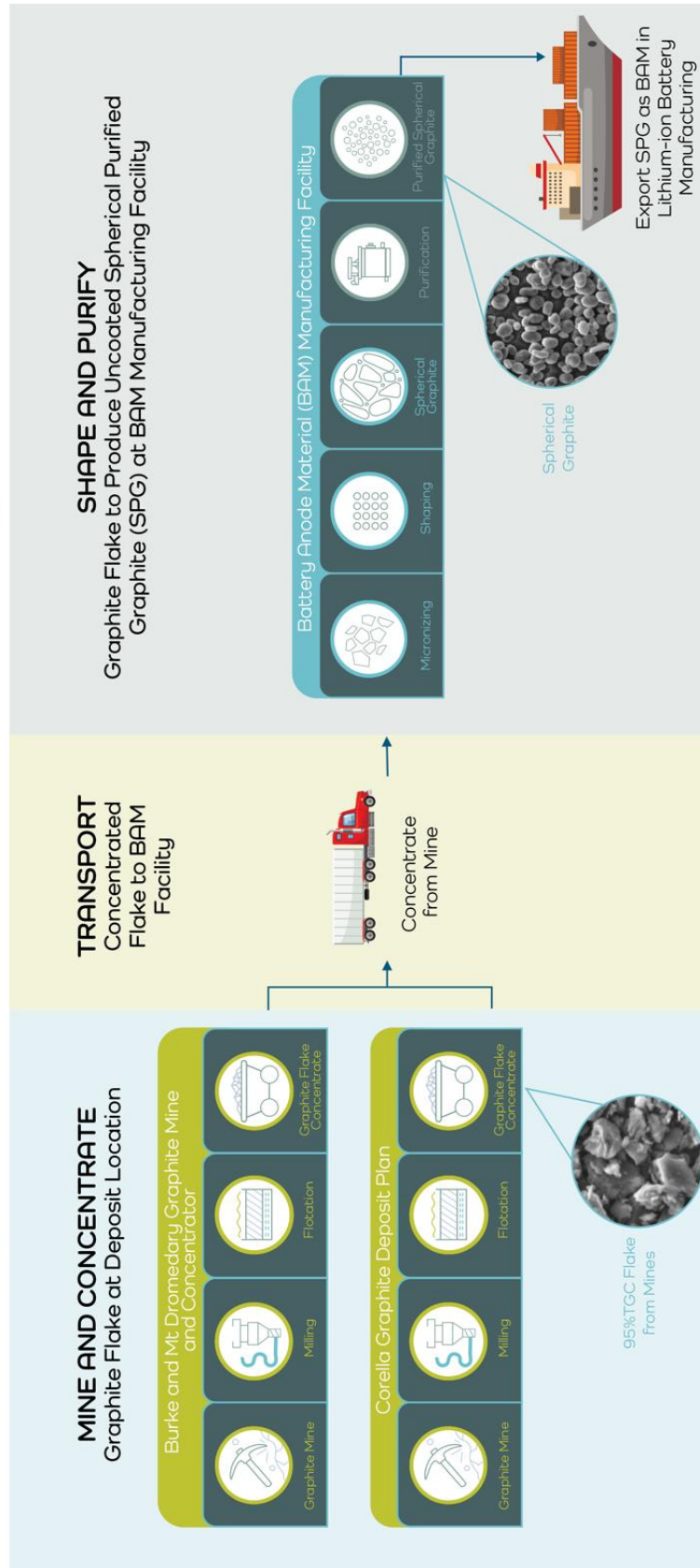


Figure 7: Illustrative Vertically Integrated Operations from Graphite Mine to Manufacturing of BAM Product

ANNEXURE G

Financial Effects of Proposed Spin-Out

(1) Pro-Forma Statements of Financial Position

COLUMNS	A	B	C	D	E
	Minimum Subscription		Maximum Subscription		
Lithium Energy Consolidated Statements of Financial Position	Audited 30 June 2024	Adjustments	Pro-Forma 30 June 2024	Adjustments	Pro-Forma 30 June 2024
	\$	\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	3,515,174	(56,944) ²	3,458,231	(56,944) ⁵	3,458,231
Receivables	224,852	(70,789) ²	154,063	(70,789) ⁵	154,063
Other current assets	26,017	-	26,017	-	26,017
	3,766,043	(127,733)	3,638,310	(127,733)	3,638,310
Assets classified as held for sale	24,959,953	-	24,959,953	-	24,959,953
TOTAL CURRENT ASSETS	28,725,996	(127,733)	28,598,263	(127,733)	28,598,263
NON-CURRENT ASSETS					
Investment in associate entity	-	7,799,705 ³	7,799,705	8,152,615 ⁶	8,152,615
Exploration and evaluation expenditure	3,806,312	(3,794,860) ²	11,452	(3,794,860) ⁵	11,452
Property, plant and equipment	15,461	-	15,461	-	15,461
Other non-current assets	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	3,821,773	4,004,845	7,826,618	4,357,755	8,179,528
TOTAL ASSETS	32,547,769	3,877,112	36,424,881	4,230,022	36,777,791
CURRENT LIABILITIES					
Payables	(2,974,584)	119,382 ²	(2,855,203)	119,382 ⁵	(2,855,203)
Provisions	(127,343)	-	(127,343)	-	(127,343)
	(3,101,928)	119,382	(2,982,546)	119,382	(2,982,546)
Liabilities directly associated with assets classified as held for sale	(125,995)	-	(125,995)	-	(125,995)
TOTAL CURRENT LIABILITIES	(3,227,923)	119,382	(3,108,542)	119,382	(3,108,542)
TOTAL LIABILITIES	(3,227,923)	119,382	(3,108,542)	119,382	(3,108,542)
NET ASSETS	29,319,846	3,996,493	33,316,339	4,349,403	33,669,249
EQUITY					
Issued capital	36,827,877	-	36,827,877	-	36,827,877
Reserves	12,434,767	-	12,434,767	-	12,434,767
Accumulated losses	(20,081,559)	3,996,493 ²	(16,085,066)	4,349,403 ⁵	(15,732,156)
Parent Interest	29,181,084	3,996,493	33,177,578	4,349,403 ⁵	33,530,488
Non-controlling interest	138,761	-	138,761	-	138,761
TOTAL EQUITY	29,319,846	3,996,493	33,316,339	4,349,403⁵	33,669,249

Pro-Forma Adjustments

The Pro-Forma Statement of Financial Position adopts Lithium Energy's audited Consolidated Statement of Financial Position as at 30 June 2024 with Pro-Forma positions based on the completion of the Offer at Minimum Subscription and Maximum Subscription.

The following matters are noted in relation to the Pro-Forma Adjustments and positions:

Minimum Subscription

1. There is an assumed completion of the Offer raising \$15 million (before costs) and completion of the MDCo SPA:
 - 1.1 Axon Graphite will issue 75 million new shares under the Offer and 50 million new shares to NVX, resulting in total issued capital of 175 million shares.
 - 1.2 Lithium Energy's interest in Axon Graphite shares will be diluted from 100% to 28.57%.
 - 1.3 All liabilities owed by Axon Graphite (and its subsidiary, BMPL) to Lithium Energy are assumed to be forgiven/released (and posted to Axon Graphite's Retained earnings) prior to the completion of the MDCo SPA.
2. There is a deconsolidation of Axon Graphite (and BMPL), resulting in the elimination of assets (Cash, Receivables, Exploration and evaluation expenditure) and liabilities (Payables) attributable to Axon Graphite, which are posted to Accumulated Losses.
3. Lithium Energy's 28.57% shareholding in Axon Graphite is recognised as an Investment in an associated entity – a \$7,799,705 carrying value has been adopted on initial recognition, based on 28.57% of Axon Graphite's net assets of \$27,298,968.

Maximum Subscription

4. There is an assumed completion of the Offer raising \$25 million (before costs) and completion of the MDCo SPA:
 - 4.1 Axon Graphite will issue 125 million new shares under the Offer and 50 million new shares to NVX, resulting in total issued capital of 225 million shares.
 - 4.2 Lithium Energy's interest in Axon Graphite shares will be diluted from 100% to 22.22%.
 - 4.3 All liabilities owed by Axon Graphite (and its subsidiary, BMPL) to Lithium Energy are assumed to be forgiven/released (and posted to Axon Graphite's Retained earnings) prior to the completion of the MDCo SPA.
5. There is a deconsolidation of Axon Graphite (and BMPL), resulting in the elimination of assets (Cash, Receivables, Exploration and evaluation expenditure) and liabilities (Payables) attributable to Axon Graphite, which are posted to Accumulated Losses.
6. Lithium Energy's 22.22% shareholding in Axon Graphite is recognised as an Investment in an associated entity – a \$8,152,615 carrying value has been adopted on initial recognition, based on 22.22% of Axon Graphite's net assets of \$36,686,768.

(2) Other Financial Effects of Proposed Spin-Out

Financial Measures	Audited 30 June 2024	Minimum Subscription		Maximum Subscription	
		Change	Change %	Change	Change %
Consolidated Total Assets	\$32,547,769	\$3,877,112 ²	12%	\$4,230,022 ⁶	13%
Consolidated Total Equity	\$29,319,846	\$3,996,493 ³	14%	\$4,349,403 ⁷	15%
Consolidated Annual Revenue	\$174,871	\$3,996,493 ⁴	2285%	\$4,349,403 ⁸	2,487%
Annual Exploration Expenditure	\$44,971	-	-	-	-
Consolidated EBITDA	\$(4,735,078)	\$3,996,493 ⁵	184%	\$4,349,403 ⁹	192%
Annual (Loss)/Profit (before tax)	\$(4,823,554)	\$3,996,493 ⁵	183%	\$4,349,403 ⁹	190%

Notes:

1. Based on Lithium Energy's audited Consolidated Statement of Financial Position as at 30 June 2024 with the assumed completion of the Offer at Minimum Subscription and Maximum Subscription as outlined in the Pro-Forma Statement of Financial Position in Annexure G(1) (the **Pro-Forma**).

Minimum Subscription

2. Based on Total Assets in Column C of the Proforma
3. Based on Total Equity in Column C of the Proforma
4. Based on adjustments to Accumulated Losses in Column C of the Proforma
5. Based on adjustments to Accumulated Losses/Net Assets in Column C of the Proforma

Maximum Subscription

6. Based on Total Assets in Column E of the Proforma
7. Based on Total Equity in Column E of the Proforma
8. Based on adjustments to Accumulated Losses in Column E of the Proforma
9. Based on adjustments to Accumulated Losses/Net Assets in Column E of the Proforma

ANNEXURE H

Priority Offers to Lithium Energy and NOVONIX Shareholders under Axon Graphite IPO Prospectus

- (1) Eligible Lithium Energy (**LEL**) Shareholders as at the applicable record date will be eligible to subscribe for shares in Axon Graphite under the Offer (the **LEL Priority Offer**).
- (2) Eligible NOVONIX (**NVX**) shareholders as at the applicable record date will be eligible to subscribe for shares in Axon Graphite under the Offer (the **NVX Priority Offer**).
- (3) Only LEL and/or NVX shareholders with a registered address in Australia or New Zealand as at the applicable record date will be eligible to participate in the Priority Offers.
- (4) The Priority Offers will have the same record date, which will be set on or before the lodgement of the Prospectus with ASIC and announcement of the Offer to ASX.
- (5) Eligible LEL Shareholders will have a provisional pro-rata entitlement to apply for shares under the Offer (assuming Maximum Subscription) based on their pro-rata shareholding in LEL as at the applicable record date (their **LEL Entitlement**), subject to a potential scale-back (if the Maximum Subscription is exceeded).
- (6) Eligible NVX shareholders will have a provisional pro-rata entitlement to apply for shares under the Offer (assuming Maximum Subscription) based on their pro-rata shareholding in NVX as at the applicable record date (their **NVX Entitlement**), subject to a potential scale-back (if the Maximum Subscription is exceeded).
- (7) By way of illustration, if an Eligible LEL/NVX shareholder owns 0.01% of LEL/NVX, their LEL/NVX Entitlement will be 12,500 Axon Graphite Shares (\$2,500) (being 0.01% of 125 million shares/\$25 million).
- (8) The Institutional Offer and Public Offer are available only to the extent of any shortfall arising from applications received under the Priority Offers. Applications under the Public Offer must be for a minimum of \$2,000 (10,000 shares).
- (9) There is no minimum application size under the Priority Offers. However, Eligible LEL Shareholders and/or Eligible NVX Shareholders may submit an application in excess of their LEL Entitlement and/or NVX Entitlement (as applicable), which must be of a minimum application size of \$2,000 (10,000 shares) and in multiples of \$200 (1,000 shares) thereafter (constituting a **LEL Excess Application** and/or **NVX Excess Application** (as applicable)).
- (a) By way of illustration, if a LEL/NVX Entitlement is for \$1,000 (5,000 Shares) and the Eligible LEL/NVX shareholder applies for \$5,000 (25,000 Shares), their LEL/NVX Excess Application is \$4,000 (20,000 Shares).
- (10) There is no guarantee that Eligible LEL Shareholders and/or Eligible NVX Shareholders applying under an Excess Application will be issued shares in excess of their LEL Entitlement and/or NVX Entitlement (as applicable) – the allocation of shares in these circumstances will be subject to any scaling back of applications (if applicable) and determined by Axon Graphite in consultation with the Lead Manager.
- (11) The Priority Offers will close on the same date, which is expected to be no earlier than 14 days after the date that the Priority Offers open .
- (12) The Offer (other than the Priority Offers) is expected to remain open for a period of approximately 15 to 20 business days.
- (13) the board directors of Axon Graphite , in consultation with the Lead Manager, will have the right to extend the Offer or close the Offer early (save for ensuring that the Priority Offers remain open for a period no less than 14 days).
- (14) If the aggregate sum of applications received under the Priority Offers is at least \$15 million (the Minimum Subscription) and not more than \$25 million (the Maximum Subscription):

- (a) Eligible LEL Shareholders and/or Eligible NVX Shareholders who applied for a number of shares equal to or less than their LEL Entitlement and/or NVX Entitlement (as applicable) will receive the number of shares applied for.
- (b) The allocation of shares in respect of LEL Excess Applications and/or NVX Excess Applications will be determined by the board of directors of Axon Graphite (at their discretion) in consultation with the Lead Manager.
- (c) By way of illustration, in the previous example in paragraph 9(a), the LEL/NVX Eligible shareholder will receive their LEL/NVX Entitlement of \$1,000 (5,000 Shares) but their LEL/NVX Excess Application of \$4,000 (20,000 Shares) will be allocated at the Axon Graphite Directors' discretion in consultation with the Lead Manager.
- (15) If the aggregate sum of applications received under the Priority Offers is more than \$25 million (the Maximum Subscription):
- (a) Eligible LEL Shareholders and/or Eligible NVX Shareholders who applied for a number of shares equal to or less than their LEL Entitlement and/or NVX Entitlement (as applicable) will receive the number of shares applied for; and
- (b) Where, after any scaling back of applications, Axon Graphite does not provisionally satisfy Minimum Spread, Axon Graphite may:
- (i) accept applications (including LEL Excess Applications and/or NVX Excess Applications) to ensure it satisfies Minimum Spread; and/or
- (ii) adjust the scaling back of applications such that they are not scaled-back to below the minimum application size of \$2,000 (10,000 shares), with a corresponding (proportionate pro-rata) reduction in the applications of other Eligible LEL Shareholders and/or Eligible NVX Shareholders whose applications exceed \$2,000 either prior to or provisionally after the scaling back of applications (the **Minimum Spread Adjustment**).
- (c) The allocation of shares in respect of LEL Excess Applications and/or NVX Excess Applications will be determined by the board of directors Axon Graphite (at its discretion) in consultation with the Lead Manager, subject to Axon Graphite satisfying Minimum Spread.
- (d) By way of illustration, if aggregate applications are \$27.5 million (137.5 million Shares) (10% above Maximum Subscriptions), all from Eligible LEL/NVX Shareholders who applied for only their LEL/NVX Entitlements, there will be a 10% scale-back to bring aggregate applications down to the Maximum Subscriptions of \$25 million (125 million Shares).
If after this scale-back, it appears the Minimum Spread requirement would not be satisfied, the Axon Graphite Directors will review the scale-back and LEL/NVX Excess Applications received and either (in respect of an individual application) reduce the scale-back to ensure the application is at least \$2,000 (10,000 Shares) or accept an LEL/NVX Excess Application (from that Eligible LEL/NVX shareholder) to ensure the application (in total, across their LEL/NVX Entitlement and LEL/NVX Excess Application) is at least \$2,000 (10,000 Shares), as the case may be, to ensure that Minimum Spread is satisfied.
- (16) Directors of Axon Graphite who are also directors or shareholders of LEL will not participate in the LEL Priority Offer allocation process, and Directors of Axon Graphite who are also directors or shareholders of NVX will not participate in the NVX Priority Offer allocation process, insofar as those processes relate to applications made by the relevant Directors (or their related parties or associates).
- (17) The Board of Axon Graphite has the right to make administrative determinations (at its discretion) in respect of (and to facilitate) the efficient, effective and fair operation of the Priority Offers, including but not limited to the setting of the Priority Offers, the setting of the LEL Entitlements and NVX Entitlements, any scaling back of applications, the operation of any Minimum Spread Adjustment, the rounding of fractional entitlements, the treatment of multiple or duplicate shareholdings in LEL and/or NVX and the receipt of applications received in relation thereto, and the treatment of applications received from custodians and/or their nominees in respect of their beneficial holders).

ANNEXURE I

Background to Proposed Sale of Solaroz Lithium Project

As announced to ASX on 30 April 2024, Lithium Energy and LEOPL entered into a Share Sale Agreement (dated 26 April 2024) (**Original Solaroz Sale Agreement**) with CNGR Netherlands New Energy Technology B.V. (**CNNET**), a subsidiary of CNGR Advanced Material Co. Ltd. (Shenzhen Stock Exchange Code: 300919) (**CNGR**), in respect of the sale of Lithium Energy's 90% interest in the Argentinian company, Solaroz S.A. (**Solaroz**) (which owns the Solaroz Lithium Project) for consideration totalling US\$63 million (~A\$97 million¹⁹) cash, which includes the assignment of the Loan owed by Solaroz to Lithium Energy (**Proposed Transaction**).²⁰

In connection with the Proposed Transaction under the Original Solaroz Sale Agreement, CNNET has paid a US\$1.8 million (~A\$2.7 million) deposit to LEOPL (received on 6 May 2024), with the balance of the US\$61.2 million (~A\$94.1 million) consideration payable by CNNET as follows:

- (a) US\$53.7 million (~A\$82.6 million), payable at completion;
- (b) US\$3 million (~A\$4.6 million) to be transferred to a joint escrow account held for the benefit of both Lithium Energy and CNNET for a period of 2 years following the date of completion, to serve as security for Lithium Energy's performance under the Original Solaroz Sale Agreement, after which it will be released to Lithium Energy; and
- (c) US\$4.5 million (~A\$6.9 million) deferred consideration payable by CNNET if the Benchmark Lithium Carbonate Price exceeds US\$23,000/tonne (averaged over any 4 month period in the 12 months following completion).

Completion under the Original Solaroz Sale Agreement was to occur after the satisfaction (or waiver, as applicable) of a number of conditions precedent under the Solaroz Sale agreement (**Conditions**) on or before 24 December 2024,²¹ which is able to be extended by a further 60 days and is required to be satisfied (or waived) in any event by 25 April 2025 (being 12 months after the date of the Original Solaroz Sale Agreement).

Whilst some of the Conditions have already been satisfied, including Lithium Energy shareholder approval²² and receipt by CNNET/CNGR of all necessary Chinese ODI (overseas direct investment) and foreign exchange control regulatory approvals,²³ several Conditions remain outstanding.

The material Conditions still outstanding are:

- (a) CNNET's registration as a foreign company in Argentina (required to receive transfer of shares in Solaroz) (**Foreign Company Registration Condition**); and
- (b) receipt of environmental and concession related approvals relating to the Solaroz Project.

As announced to ASX on 6 December 2024, Lithium Energy, LEOPL and CNNET have entered into a deed of amendment and restatement (the **Deed of Amendment**) which amends and restates the Original Solaroz Sale Agreement (now the **Amended Solaroz Sale Agreement**).²⁴ The Deed of Amendment is conditional only on Lithium Energy obtaining Shareholder approval for the Amended Solaroz Sale Agreement under Listing Rule 11.2. Once this approval is obtained, the Deed of Amendment will be implemented such that the Amended Solaroz Sale Agreement will take effect.

¹⁹ Based on an exchange rate of A\$1.00 : US\$0.65

²⁰ Refer to LEL ASX Announcement dated 30 April 2024 titled "Sale of Solaroz Lithium Project for A\$97 Million"

²¹ Refer to LEL ASX Announcements dated 22 October 2024 titled "Timetable for Solaroz Sale Completion Extended by 60 Days"

²² Refer to LEL ASX Announcement dated 8 August 2024 titled "Results of General Meeting" and LEL's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 3 July 2024

²³ Refer to LEL ASX Announcement dated 3 June 2024 titled "Chinese Regulatory Approvals Secured by CNGR to Acquire Solaroz Lithium Project"

²⁴ Refer to LEL ASX Announcement dated 6 December 2024 titled "Amended Terms of A\$97 Million Sale of Solaroz Lithium Project"

The Amended Solaroz Sale Agreement is unconditional, meaning that the unsatisfied Conditions will be effectively waived. Separately, Lithium Energy and CNNET have agreed to waive the Foreign Company Registration Condition, with such waiver having taken effect upon execution of the Deed of Amendment.

Under the terms of the Amended Solaroz Sale Agreement, the total cash Purchase Price of US\$63 million (~A\$97 million¹) remains unchanged but completion of the Proposed Transaction will now occur in two tranches:

- (a) **Tranche 1** – comprising the transfer of a 39.9% shareholding in Solaroz (with LEOPL retaining a 50.1% shareholding) and the assignment of a US\$12 million (~A\$18.5 million) Loan amount, to be completed on 24 April 2025 (**Tranche 1 Completion Date**); and
- (b) **Tranche 2** – comprising the transfer of the 50.1% balance of LEOPL's shareholding in Solaroz and the assignment of the balance of the outstanding Loan amount, to be completed on 9 January 2026 (**Tranche 2 Completion Date**)

(the **Proposed Amended Transaction**).

There are also changes to the deposit structure under the Amended Solaroz Sale Agreement, as follows:

- (a) The US\$1.8 million (A\$2.713 million²⁵) deposit (now known as the First Deposit) previously paid upon execution of the Original Solaroz Sale Agreement (received in May 2024) is now fully non-refundable, immediately upon execution of the Amended Solaroz Sale Agreement (whereas previously, it was refundable if the Original Solaroz Sale Agreement was terminated and completion did not occur for any reason); and
- (b) CNNET will pay a further Second Deposit of US\$6 million (~A\$9.2 million) subject to and after receipt of Shareholder approval for the Amended Solaroz Sale Agreement – this Second Deposit is refundable on termination of the Amended Solaroz Sale Agreement only in limited circumstances relating to the insolvency of LEOPL and breach of LEOPL's (seller) warranties having a material adverse effect of more than US\$5 million (~A\$7.7 million).

The US\$55.2 million (~A\$85 million) balance of the total Purchase Price is payable as follows:

- (a) US\$26 million (A\$40 million) (**Tranche 1 Amount**) payable on the Tranche 1 Completion Date (24 April 2025);
- (b) US\$21.7 million (~A\$33.4 million) (**Tranche 2 Amount**) payable on the Tranche 2 Completion Date (9 January 2026);
- (c) US\$3 million (~A\$4.6 million) (**Escrow Account Amount**) to be transferred to a joint escrow account on the Tranche 2 Completion Date and held for the benefit of both LEOPL and CNNET for a period of one year, to serve as security for LEOPL's performance under the Amended Solaroz Sale Agreement, after which it will be released to LEOPL (on 8 January 2027); and
- (d) US\$4.5 million (~A\$6.9 million) (**Deferred Consideration**) payable if the Benchmark Lithium Carbonate Price exceeds US\$23,000/tonne averaged over any 4-month period beginning from the Tranche 1 Completion Date and ending 12 months after the Tranche 2 Completion Date (ie. between 25 April 2025 and 8 January 2027).

ASX Listing Rule 11.2 requires a listed company to obtain the approval of its Shareholders for a disposal of its main undertaking. ASX has previously advised that Listing Rule 11.2 applies to the Proposed Transaction as Lithium Energy's interest in the Solaroz Project constitutes its main undertaking.

²⁵ The carrying value for accounting purposes as at 30 June 2024

On 8 August 2024, a general meeting of Lithium Energy Shareholders was held at which 98.9% of votes cast were voted in favour of a resolution to approve the Proposed Transaction (under the Original Solaroz Sale Agreement) for the purposes of Listing Rule 11.2 and for all other purposes.²⁶

In light of the changes under the Amended Solaroz Sale Agreement, the Directors have resolved to seek a fresh Shareholder approval for the Proposed Amended Transaction.

Lithium Energy has convened a General Meeting to be held on 15 January 2025 to seek Shareholder approval to the Proposed Amended Transaction under for the purposes of ASX Listing Rule 11.2.²⁷

For further information, refer to Lithium Energy's Notice of General Meeting and Explanatory Statement dated and released on ASX on 16 December 2024.

26 Refer to LEL ASX Announcement dated 8 August 2024 titled "Results of General Meeting" and LEL's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 3 July 2024

27 Refer to LEL's Notice of General Meeting and Explanatory Statement dated and released on ASX on 16 December 2024

For personal use only

JORC CODE COMPETENT PERSONS' STATEMENTS

Mineral Resource Estimates (MREs), Explorations Results and metallurgical and other test work results disclosed in this Explanatory Statement are in accordance with the JORC Code.

(a) JORC Code Competent Persons' Statements – Burke Graphite Project (Queensland)

- (i) The information in this Explanatory Statement that relates to the MRE for the Burke Graphite Project is based on information compiled by Mr Shaun Searle, including information extracted from the ASX announcement made by Lithium Energy dated 5 April 2023 entitled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence". Mr Searle is a Member of AIG and an employee of Ashmore Advisory Pty Ltd, an independent consultant to Lithium Energy engaged to provide Mineral Resource estimation services. Mr Searle 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. 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 all material assumptions and technical parameters underpinning the MRE in the original market announcement continue to apply and have not materially changed and 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). Mr Searle consents to the inclusion in the Explanatory Statement of the matters based on his information in the form and context in which it appears.
- (ii) The information in this Explanatory Statement that relates to test work Exploration Results in relation to the Burke Graphite Project is based on information compiled by Mr Graham C. Fyfe, including information extracted from the following ASX announcements made by Lithium Energy dated:
- A. 11 March 2024 entitled "Exceptional Battery Testing Results Achieved with Burke Spherical Purified Graphite";
 - B. 27 November 2023 entitled "Testwork Results Highlight Exceptional Potential of Burke Graphite as Battery Anode Material"; and
 - C. 24 May 2023 entitled "Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS".

Mr Fyfe is a Member of AusIMM and an employee of Lithium Energy (since October 2021) and will be the CEO of Axon Graphite upon its Listing. Mr Fyfe 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. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements and the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (referred to above). Mr Fyfe consents to the inclusion in the Explanatory Statement of the matters based on his information in the form and context in which it appears.

- (iii) The information in this Explanatory Statement that relates to other Exploration Results in relation to the Burke Graphite Project is based on information compiled by Mr Peter Smith, including information extracted from the following ASX announcements made by Lithium Energy dated:
- A. 22 February 2023 entitled "Update – Infill Drilling Results at Burke Graphite Deposit";
 - B. 16 February 2023 entitled "Significant High Grade Graphite Intercepts Continue at Burke Graphite Deposit";
 - C. 9 February 2023 entitled "Burke Graphite Deposit Continues to Deliver Exceptional Drilling Results"; and
 - D. 3 February 2023 entitled "Multiple Exceptional Drilling Results for Burke Graphite Deposit"

Mr Smith is a Member of AIG and also a Director of Lithium Energy (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. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements (referred to above). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements and the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (referred to above). Mr Smith consents to the inclusion in the Explanatory Statement of the matters based on his information in the form and context in which it appears.

(b) JORC Code Competent Person's Statement – Corella Graphite Project (Queensland)

- (i) The information in this Explanatory Statement that relates to the MRE for the Corella Graphite Project is based on information compiled by Mr Shaun Searle, including information extracted from the ASX announcement made by Lithium Energy dated 16 June 2023 entitled "Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory". Mr Searle is a Member of AIG and an employee of Ashmore Advisory Pty Ltd, an independent consultant to Lithium Energy engaged to provide Mineral Resource estimation services. Mr Searle 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. 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 all material assumptions and technical parameters underpinning the MRE in the original market announcement (referred to above) continue to apply and have not materially changed and the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. Mr Searle consents to the inclusion in the Explanatory Statement of the matters based on his information in the form and context in which it appears.

(c) JORC Code Competent Person's Statement – Mt Dromedary Graphite Project (Queensland)

- (i) The information in this Explanatory Statement that relates to the MRE for the Mt Dromedary Graphite Project is based on information compiled by Mr Shaun Searle, including information extracted from the Joint ASX announcement made by NOVONIX and Lithium Energy dated 10 September 2024 entitled "Axon Graphite Limited Update – Mt Dromedary Graphite Mineral Resources Review". Mr Searle is a Member of AIG and an employee of Ashmore Advisory Pty Ltd, an independent consultant to Axon Graphite engaged to provide Mineral Resource estimation services. Mr Searle 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. Axon Graphite, a subsidiary of 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). Axon Graphite, a subsidiary of the Company, confirms that all material assumptions and technical parameters underpinning the MRE in the original market announcement (referred to above) continue to apply and have not materially changed and the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. Mr Searle consents to the inclusion in the Explanatory Statement of the matters based on his information in the form and context in which it appears.

The Lithium Energy ASX market announcements referred to above may be viewed and downloaded from the Company's website: www.lithiumenergy.com.au or the ASX website: www.asx.com.au under ASX code "LEL".

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Meeting of the Shareholders of Lithium Energy Limited will be held at:

Lithium Energy Limited
Suite 1, Level 1, 680 Murray Street
West Perth, Western Australia

commencing

12:00 noon (Perth time)
Friday, 7 February 2025

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

Attending the Meeting as a Proxy holder and voting by proxy

A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.

The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).

A proxy need not be a Shareholder. The proxy can be either an individual or a body corporate.

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on the Resolution in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Should any resolution, other than the Resolution specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.





If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support the Resolution proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to the proposed Resolution. These rules are explained in this Notice.

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 12:00 noon (Perth time) on 5 February 2025. If facsimile transmission is used, the Power of Attorney must be certified.

TIME AND PLACE OF MEETING AND HOW TO VOTE

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Meeting as soon as possible and return it to the Company, either:

-  **Online** - <https://investor.automic.com.au/#/loginsah> : Log on to the Share Registry website with your Holder Number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on your Proxy Form
-  **By Facsimile:** (02) 8583 3040 (Automic)
-  **By Mail:** Automic, GPO Box 5193, Sydney NSW 2001, or
-  **By Hand Delivery:** Automic, Level 5, 126 Philip Street, Sydney, New South Wales

so that it is received **no later than 12:00 noon (Perth time) on Wednesday, 5 February 2025**. Proxies received after this time will be invalid.

Proxy Forms received after that time will not be effective. Proxy Forms received by email will be disregarded by the Company.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting in person

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded.

Voting by Attorney

A shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the General Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the Share Registry's addresses listed above for the receipt of proxy appointments at least 48 hours before the Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

Questions at the Meeting

Please note, only Shareholders may ask questions once they have been verified. It may not be possible to respond to all questions. Shareholders are encouraged to submit questions prior to the Meeting (please see below).

Submission of written questions to the Company in advance of the Meeting

A Shareholder who is entitled to vote at the Meeting may submit a written question to the Company in advance of the Meeting. We ask that all pre-Meeting questions be received by the Company no later than 5:00 pm (Perth time) on 5 February 2025, before the date of the Meeting, being 12:00 noon (Perth time) on 7 February 2025.

Any questions should be directed to the Company Secretary by email to cosec@lithiumenergy.com.au.

Attending the Meeting as a guest

Please follow the instructions published on the Company's website if you wish to attend the Meeting as a guest.

Voting Entitlement

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Company has determined that for the purposes of the General Meeting all Shares in the Company will be taken to be held by the persons who held them as registered Shareholders set out in the Share Register as at 5:00 pm (Perth time) on 5 February 2025. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting. Subject to the voting exclusions noted earlier in the Notice of Meeting, each Shareholder present has one vote on a show of hands, and one vote for every Share held on a poll.

Your proxy voting instruction must be received by **12.00pm (AWST) on Wednesday, 05 February 2025**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automicgroup.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

