

ASX Amended Announcement | 15 November 2022

West Australian Gold and Base Metal Assets – Operations Update

Highlights:

- **Monger Gold Limited (ASX:MMG) has successfully transitioned to Loyal Lithium Limited (ASX:LLI) and is now focused on exploring and developing its Tier 1 North American Lithium Assets**
- **Loyal's prospective North American Lithium landholdings (396km²) are now 8 times larger than the Gold and Base Metal assets it holds in Western Australia (50km²)**
- **An August 2022 strategic review of West Australian assets concluded that: Monger North and Gibraltar Projects are better suited to a larger regional package therefore the company will look to joint venture or divest these assets.**
- **The Company has since completed exploration works on Monger South to discover a zinc-copper-silver FLEM geophysics conductor anomaly. On review the Company has concluded that Monger South would also be better suited to a joint venture or divestment.**
- **A due diligence data room has been established for prospective buyers of Loyal Lithium's Western Australian Gold and Base Metal assets. Stronger market conditions are likely required to source an accretive JV or divestment outcome for shareholders.**
- **Loyal Lithium's North American Lithium portfolio in Tier 1 mining jurisdictions includes:**
 - **Hard Rock – Trieste Lithium Project (Québec, Canada)**
 - **Hard Rock – Brisk Lithium Project (Québec, Canada)**
 - **Brines and Clay – Scotty Lithium Project (Nevada, USA)**

Loyal Lithium Lithium (**ASX: LLI**) ("**Loyal Lithium**", the "**Company**") wishes to announce that it has completed a coordinated exploration program at its Monger South Project. The program discovered an anomalous zinc-copper-silver FLEM geophysics conductor after a soils program, geological mapping/sampling and a FLEM geophysics survey. The findings have been reviewed and the company believes that the Project is better suited to a third party with motivations to develop these types of metals in the Eastern Goldfields region.

This conclusion, in addition to the August Strategic Review (see LLI announcement: Operations Update – 22 August) now lists all Western Australian Gold and Base Metal Assets as better suited for joint venture or divestment:

1. Monger North Project: 16,400 oz JORC Inferred gold resource¹ discovered by LLI
2. Gibraltar Project: Exploration target² tonnage and gold grade range between a minimum of 285,500t @ 0.71g/t; maximum 386,000t @ 0.97g/t, advanced by LLI. NOTE: due to the uncertainty in supporting data, these minimum/maximum tonnage and grade ranges are conceptual in nature, as there has been insufficient exploration to estimate a JORC Mineral Resource. It is uncertain if further exploration will result in JORC Mineral Resource estimates
3. Monger South Project: zinc-copper-silver FLEM geophysics conductor anomaly discovered by LLI

Loyal Lithium’s Chief Executive Officer, Adam Ritchie, commented:

“The exploration team at Loyal should be proud of the work conducted at our Western Australian assets. The advancement of these assets has exposed the potential with efficient and effective use of shareholders’ funds. An opportunity awaits a suitable partner to further advance these assets with exploration next steps well planned”

Monger South

A geological mapping and sampling program was completed at the Monger South Project. Gold assay results for rock chip samples taken during geological mapping³ returned values of up to 89.79 g/t gold (MMS0032) quartz vein, east of the Three Emus Prospect and 9.65 g/t gold (MMS0027) quartz vein in a small old workings shaft. A north-striking structure appears to intersect the Three Emus Prospect and adjacent unnamed prospects with a series of old workings found along this trend. The northern zone is recommended for drill testing.

Rock-chip sample assay results from the Ben Nevis Prospect at Mt Monger South included, copper assays to a maximum 2,615ppm and zinc assays to a maximum of 3,742ppm and anomalous silver⁴. A total of 23 anomalous rock chip samples extended the surface anomaly to 150m long with one anomalous sample located a further 180m west. Another lens was discovered further east where a FLEM conductor was found beneath (figure 1).

There is a broader prospective 5km prospective horizon⁵, with an increase in zinc found towards the west and an increase in silver towards the east. The Ben Nevis Prospect was historically unexplored and is interpreted as being a potential zone of copper/zinc/silver VMS style mineralisation, which are known to occur to the NNW in the Kurnalpi Terrane.

UFF+ soil samples have been sampled across all of Monger South licences, with 568 samples (figure 2 and figure 3) that discovered the following anomalies, untested by drilling.

- 2 silver-copper-zinc gossans within the Monger Sill (figure 1)
- 4 low-level gold anomalies, with one in alluvium (figure 2)
- 1 nickel-cobalt gossan at the base of the Monger Sill (figure 3)

Southern Geoscience completed a geophysics Fixed Loop EM (FLEM) orientation survey across the Ben Nevis Prospect and defined a 150m conductor plate beneath an eastern outcrop lens.

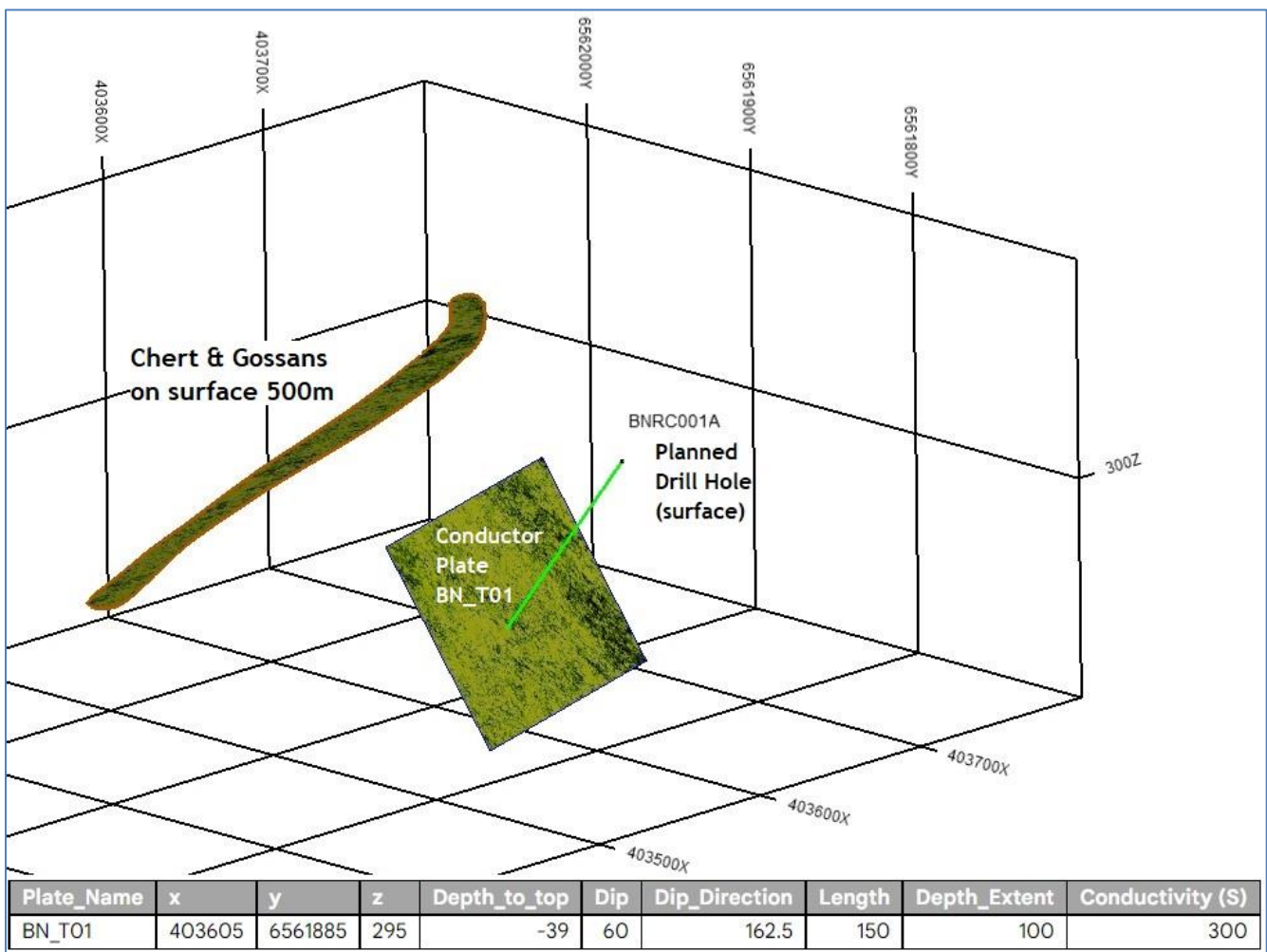


Figure 1: 3D view NE of interpreted surface chert and gossans and a conductor plate with details from FLEM survey and proposed drill hole to test the conductor plate. Grid MGA94_51 Zone 12

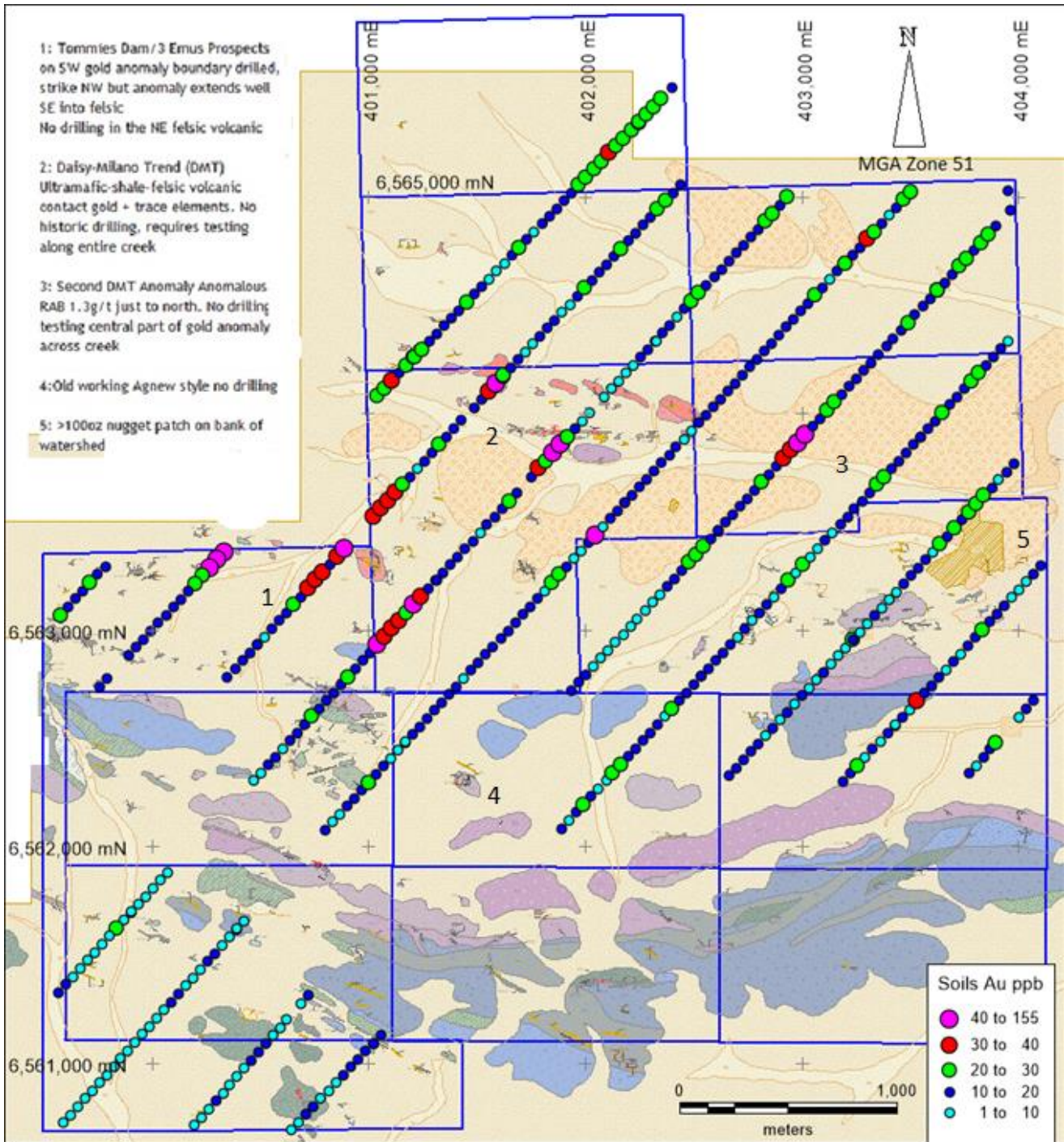


Figure 2: Project Plan soils results with four un-drilled gold anomalies

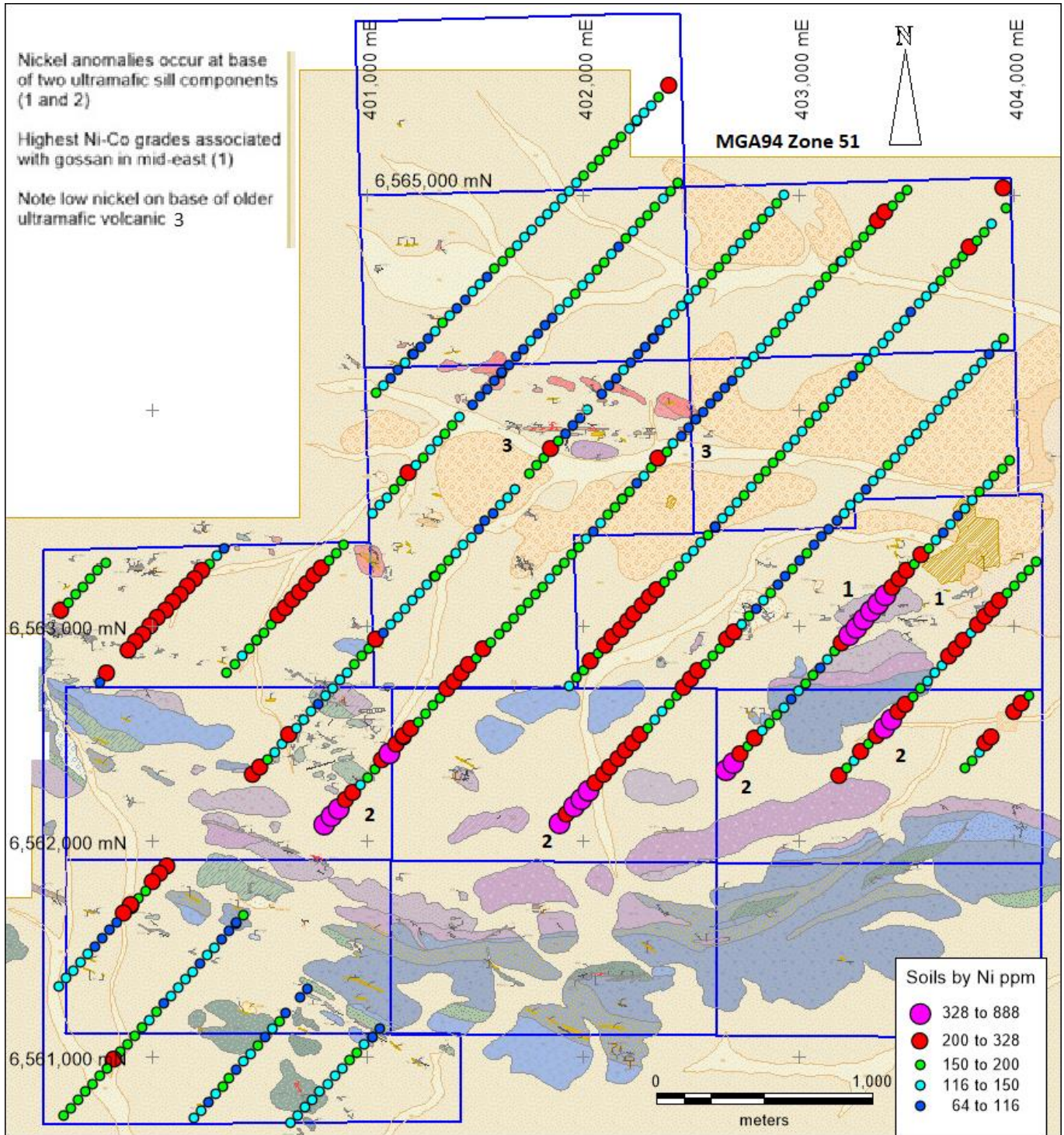


Figure 3: Project plan with soils finding two un-drilled nickel-cobalt anomalies. Area 1 contains a gossan, Area 2 base of second ultramafic within the Monger Sill and Area 3 is the Daisy Milano Trend (DMT) with gold anomalism, but has low nickel

Strategic Review of Exploration Results

As a consequence of the results of post IPO exploration and the consideration of these results by the Board, the company has formed the view that without significant further expenditure in the Gibraltar, Monger North and Monger South Projects these projects are better suited as part of a larger regional package to fully maximise their potential. As such, and to ensure that the Company realises as much value as possible from these projects, the Company will consider opportunities to divest or look to joint venture these assets with other regional players to maximize shareholder value.

A due diligence data room has now been formed for all three projects at Gibraltar, Monger North and Monger South, with interested parties invited to approach LLI to examine the data. There are a number of targets developed by LLI that are walk-up drill targets for a new owner to invest. Market conditions are likely to affect the timing of any JV and divestment of these assets. All three projects have tenements have had sufficient work programs and expenditure and are all in good standing.

Lithium Focus

Recently the Company has acquired a highly prospective North American asset portfolio containing:

- Hard Rock – Trieste Lithium Project (Québec, Canada)
- Hard Rock – Brisk Lithium Project (Québec, Canada)
- Brines and Clay – Scotty Lithium Project (Nevada, USA)

The lithium market fundamentals are forecasted to remain strong for years to come, with demand for lithium continuing to increase due to consumer and legislative shifts towards electric vehicles in addition to the electrification of energy grids around the world.

In light of the results of post IPO exploration activity, the Company believes that it is in the interests of the Company and its shareholders to increase its focus on its Lithium projects will likely yield greater shareholder value. As such, the Company has appointed lithium professional, Mr Adam Ritchie as CEO (ASX announcement 26 June, 2002) to help develop and drive these projects forward. The Company will look to continue to build a team around Mr Ritchie consisting of lithium experts and industry professionals.

Approved by the Board of Loyal Lithium Limited.

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About Loyal Lithium

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

References;

¹ ASX:MMG Announcement 4 July 2022; Providence Gold Deposit Maiden Mineral Resource Estimate

² ASX:TNR Announcements 27 March 2019; Independent Review Reinforces Potential of Torian's Kalgoorlie Region Projects

³ ASX:MMG Announcement 18 January 2022; Mt Monger South Geological Mapping Program Completed

⁴ ASX:MMG Announcement 17 March 2022; Copper and Zinc found in Rock Chip Samples at My Monger South

⁵ ASX:MMG Announcement 17 March 2022; More Copper and Zinc found in Rock Chip Samples at Mt Monger South

Future Performance

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

Qualified and Competent Person

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

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this table apply to all preceding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information. 	<p>Southern Geoscience Consultants Pty Ltd (SGC) completed Proposal No. SGC-NA-1083-V2, the acquisition of fixed-loop time-domain electromagnetics (FLEM) over multiple targets in the Monger South Project area. A total of 88 survey stations were completed on 2 transmitter (TX) loops using 50m spaced survey stations on 100m spaced survey lines for a total of almost 4-line km of coverage.</p> <p>The survey parameters are listed below.</p> <ul style="list-style-type: none"> EM Receiver : SMARTem 24, multi-channel, 24-bit receiver system EM Transmitter : DRTX, up to 200V input with 100 AMP TX current max EM Sensor : X, Y and Z component B field Fluxgate Configuration : FLEM with 300m x 400m Base Frequency : 1 to 2 Hz <p>Main sample media - Each site collected a 200g shallow soil sample with sample collection routine; clear space in the landscape selected, photographed and documented. Field notes - date, time. The top 1-3 cm was scraped away using a plastic trowel over a 1m² area to remove surface crust, surface lag and vegetation. In the centre of the 1m² cleared surface area another area of approximately 20cm² was selected as the sample, with 30cm dug using a plastic scoop. Depth varied with a lower soil horizon as the target, a consistent soil sampling protocol. Dug hole ensuring no surface contamination and then mixed very well (homogenization) of the sample. Any coarse material from the soil >2mm was sieved out of the sample using a polymer sieve producing a 200g sample. The UFF+ soil was collected from this material and placed in prenumbered paper Geotech sample bags. Important to have air dry samples, and</p>

Criteria	JORC Code explanation	Commentary
		<p>breathable paper are better than plastic for drying purposes. Following collection of materials the small hole was back-filled and returned to a flat surface. A total of 563 individual soil samples were collected (including duplicates). The samples were submitted to LabWest Minerals Analysis Pty Ltd. Laboratory, Perth. Job ID: ALW006878. The UFF+ soil samples from Gibraltar Project are part of the CSIRO research program. UFF+ is designed to analyse the clay sized fraction (<2µm) for gold exploration, and multi-element analysis for major and trace elements, salinity (EC) and pH, and clay mineralogy.</p>
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<p>The basic 'nature of soil and site' information were registered. All sample sites were described and each site photographed. Samples were VIS-NIR analysed to determine mineralogy. Sizing data was determined</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all cores taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Benefits of UFF+; soil morphological changes tend to be compensated for and the mass of soil required is less than other methods and requires little preparation.</p> <p>200g Sample sizes were considered to be appropriate for the analytical process being used.</p>
Quality of assay data and	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is 	<p>Full UFF+ package: collection of <2 micron fraction, microwave Digest in Aqua Regia, Au + 51 multi-elements</p>

Criteria	JORC Code explanation	Commentary
laboratory tests	<p>considered partial or total.</p> <ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established. 	<p>Ultrafine Codes: UFF_MAR_OES, UFF_MAR_MS including, pH, EC, PSD, mineralogy by VIS/NIR. Certified Reference Standards (UFF+) were inserted into the sample stream every 33 samples (two CRS's used, OREAS 20a and OREAS 45f). Field duplicate drill samples were completed at every 30 sample sites by taking an additional sample within 2 metres of the primary sample. These samples were used to determine short-scale variability. LabWest laboratory QA/QC for each rack of 40 samples were analysed with:</p> <ul style="list-style-type: none"> 1x Reagent blank 2x In-rack duplicate analysis 2x Certified Reference Standards Unsupported anomalous results were retested to ensure they are "real" (at the lab's discretion).
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>Samples were documented on hard copy and digitally in the field. Data entered into the MMG MaxGeo independently managed database. Both ARI030 49 Elements ICP-OES/ICP-MS Package and 13 Elements ICP-MS Pathfinder Package was completed on a number of samples at Ben Nevis Prospect with zinc, copper and silver values comparing favourably.</p> <p>Duplicate samples were taken of samples and compared favourably.</p>
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>All coordinate information was logged by handheld Garmin GPS +/- 5m on air photo maps. The grid system used was MGA94_51. Topographic control was provided via GPS observations. This was considered satisfactory for early-stage geochemical sampling type of work with soil locations easily identified in the field for a period of time sufficient as a reference for further work.</p>
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been 	<p>Single samples on 400m spaced traverses with 100m spaced samples along traverses</p> <p>A series of coherent geochemical gold in soil anomalies have been identified, in known and unknown areas of gold mineralisation. The program has identified three undrilled targets on known prospective stratigraphic contacts</p>

Criteria	JORC Code explanation	Commentary
	applied.	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>Perpendicular to the strike of outcrop in order to look for EM signatures down dip.</p> <p>Appropriate for reconnaissance style first-stage geochemical sampling, targeting significant gold anomaly signatures.</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>Samples were individually extracted by polymer trowel, then bagged, tagged, with unique consecutive sample numbers recorded. Sample were stored in a locked shed on MMG property before submission.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<p>No audits or reviews were undertaken.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<p>P26/4106 and P26/4107 /2348, P25/2349, P25/2493, P26/4086, P26/4109, P26/4110, P26/4111, P26/4113, P26/4310, P26/4409 are granted and held by Monger Gold Ltd (80%) and Cascade Resources Ltd (20%). The licenses are granted and are in good standing and can be viewed in the MMG half year report, on the DMIRS website, in the ASX company listing prospectus.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Historical work has not been assessed nor appraised in this announcement as this is a new prospect generated by MMG with no known historical work completed.</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>Neoproterozoic aged VHMS base metal deposit hosted by bimodal felsic and mafic volcanics and volcanoclastics with albitite and granitic dykes interrupted by a large mafic layered sill</p>
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are 	<p>No data aggregation methods were utilised.</p>

Criteria	JORC Code explanation	Commentary
	<p>usually Material and should be stated.</p> <ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known'). 	<p>Geochemical near surface samples in transported colluvium and calcrete from single hole surface samples are unreliable for any calculation of metal accumulations. So, no inference is made to the size nor tenor of any resources from individual or composited sample assay results. Anomalous samples represent an indication only that significant metal anomalism is present.</p>
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<p>Appropriate location figures of the FLEM conductor are included in this ASX announcement.</p>
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results. 	<p>All exploration results are reported.</p>
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<p>No additional exploration data were utilised.</p>
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or step-out drilling). 	<p>Given the encouraging results from the geophysics FLEM survey, decisions on where to complete more geophysical surveys and</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<p>drill target and what type/size of drill program are to be determined.</p> <p>Given the encouraging results from this UFF+ geochemical soil sampling program, MMG will await a full analysis of the data by CSIRO specialists in order to make a decision on where to drill target and what type/size of drill program.</p> <p>Due to decision to JV or divest the project, geophysics and soil anomalies will be presented as targets for potential new owners.</p>