

ASX Announcement | 10 January 2023

Loyal Lithium Advances Exploration at the Large-Scale Trieste Lithium Project

Highlights:

- Completion of successful trial has confirmed that historical high resolution satellite data correlates with known mapped pegmatites at the 100% owned Trieste Lithium Project.
- Geospatial Intelligence Ltd engaged to conduct more complex derivations of satellite borne data as a cost-effective tool for refining targets for the inaugural field program in the Canadian spring 2023.
- Trieste Lithium Project is a large-scale lithium project located 14km East of Winsome Resources' (ASX: WR1) Adina Lithium Project drill hole that recently recorded a significant lithium mineralised intercept⁽¹⁾.
 - Loyal Lithium acquired the Trieste Lithium Project in October 2022⁽²⁾ – prior to the recent drill campaign results at the Adina Lithium Project.
- Loyal Lithium is the largest land holder in the highly prospective Trieste Greenstone Belt with the Trieste Lithium Project covering 251 km² – 8.6 times larger than Winsome Resources' (ASX: WR1) Adina Lithium Project.
- Trieste Lithium Project contains 35 'A-Type' pegmatite samples (IIA) – which is the same classification (and 11 times more) as originally sampled at Winsome Resources' (ASX: WR1) Adina Lithium Project.
 - Total of 153 logged pegmatite outcrop observations exist
 - 35 'A-Type' & 118 'G-Type' pegmatites – both prospective for Lithium
- Planning is underway for the inaugural field program in the Canadian spring 2023.

Loyal Lithium Limited (**ASX:LLI**) (**Loyal Lithium, LLI** or the **Company**) is pleased to announce that the high resolution historical satellite data (multi-spectral) correlates with the known mapped pegmatites and therefore can be used as an efficient and cost-effective tool to refine field program targets at the Trieste Lithium Project ("**Project**"). Loyal Lithium has subsequently engaged Geospatial Intelligence Ltd to conduct more complex derivations of satellite borne data across the Trieste Lithium Project to streamline its method of refining targets for the inaugural field program in the Canadian spring 2023.

Loyal Lithium CEO, Mr Adam Ritchie, commented:

“Hard rock lithium exploration typically starts with an outcrop – identified via satellite photograph and verified by in-field geologists. With the help of our partners at Geospatial Intelligence we plan to take the use of satellite imagery data to the next level and streamline this time consuming and costly process.”

“Trieste is a huge strategic land holding with many highly prospective targets. Therefore, the deployment of technology to refine targets and reduce the physical work in-field is paramount. I strongly support and encourage our exploration team to utilise technology solutions where possible to advance and accelerate our mission, and I look forward to expanding the use of proven technologies to our other assets.”

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

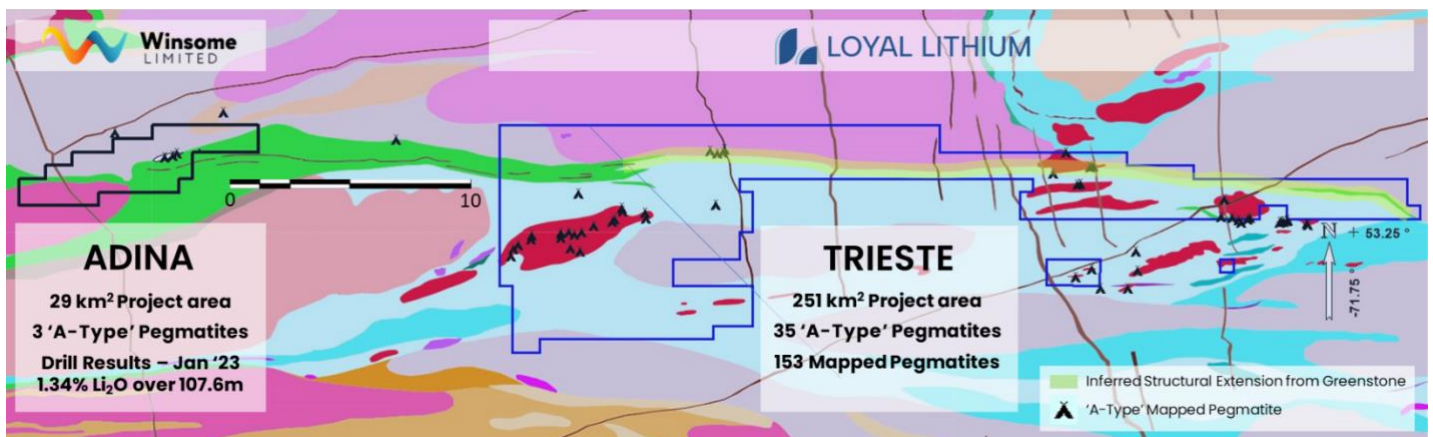


Figure 1 – Trieste Lithium Project – GSQ Region Interpretation (1:100k)

Loyal Lithium is the largest land holder within the highly prospective Trieste Greenstone Belt. The Trieste Lithium Project covers 251 km², which is 8.6 times larger than Winsome Resources’ (ASX: WRI) Adina Lithium Project. The project area includes a 39 km long contact zone in the Trieste Greenstone Belt with a significant amount of historical data. Although the Project hasn’t ever previously been explored for lithium, it does contain an anomalous historical lithium assay site (180ppm Li).

The Trieste Lithium Project has 153 logged pegmatite outcrop observations, 35 of which are the same classification as those identified at Winsome Resources’ (ASX: WRI) Adina Lithium Project. This is a notable 11 times more ‘A Type’ Pegmatites observations (IIA) than Adina. The historical data also includes 118 ‘G Type’ mapped Pegmatite observations (IIG). Both ‘A Type’ & ‘G Type’ are prospective for lithium.

Geospatial Intelligence Ltd were commissioned to conduct a trial using high resolution historical satellite data (multi/hyper-spectral) to assess the level of correlation with the historically mapped pegmatites. The trial zone is a multi-spectral small-scale example, with more detailed, accurate large-scale images to be produced.

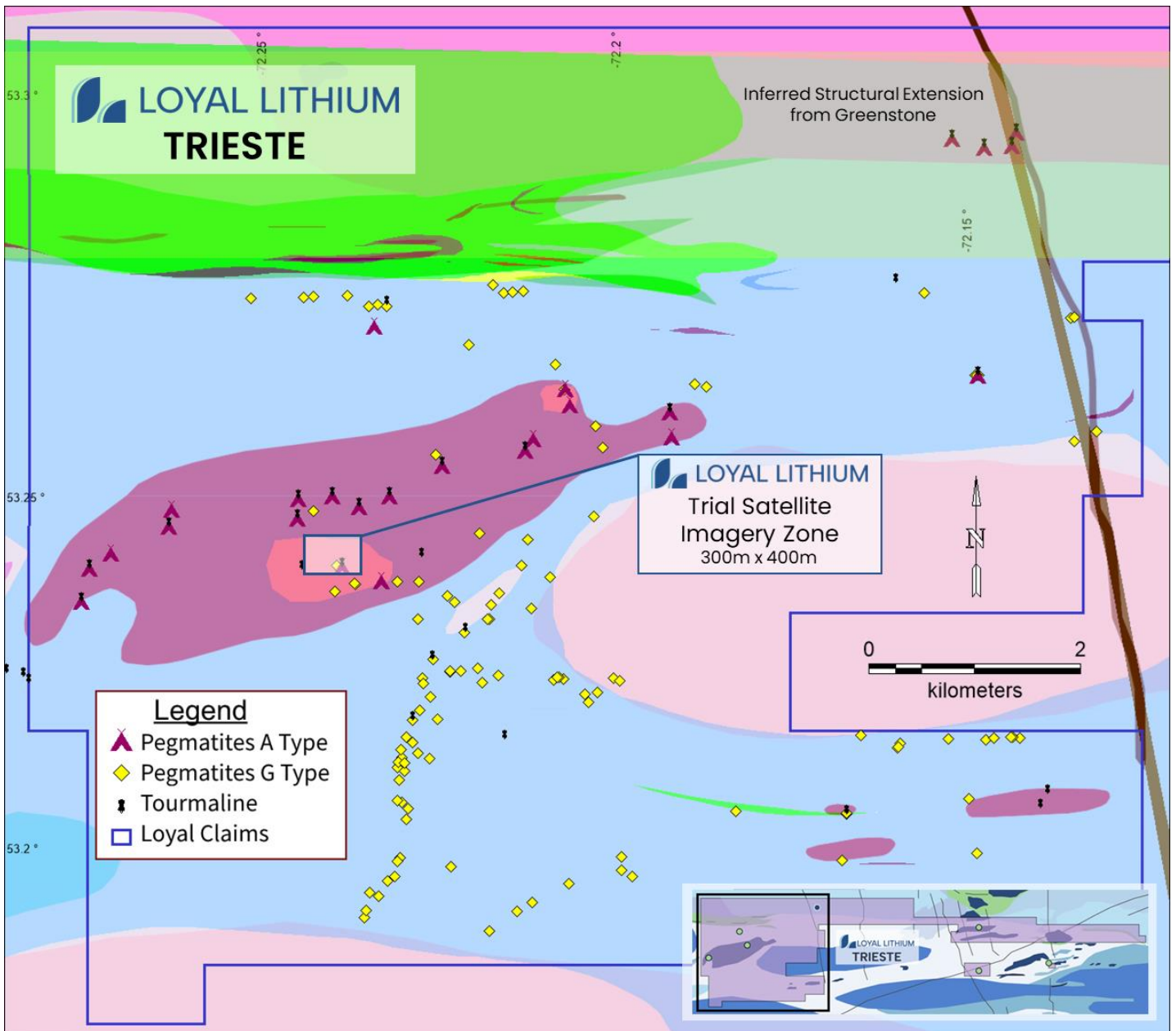


Figure 2 –Trieste Lithium Project (west) – Virginia Mines Local Interpretation (1:10k) overlay

The Trieste Lithium Project has never been explored for lithium, however based on historical data 14 initial target areas have been generated for high priority field investigation. The successful deployment of a total coverage satellite imagery program could alter the focus areas as the eastern extension of the greenstone, which has had little to no historical work but remains highly prospective for lithium.

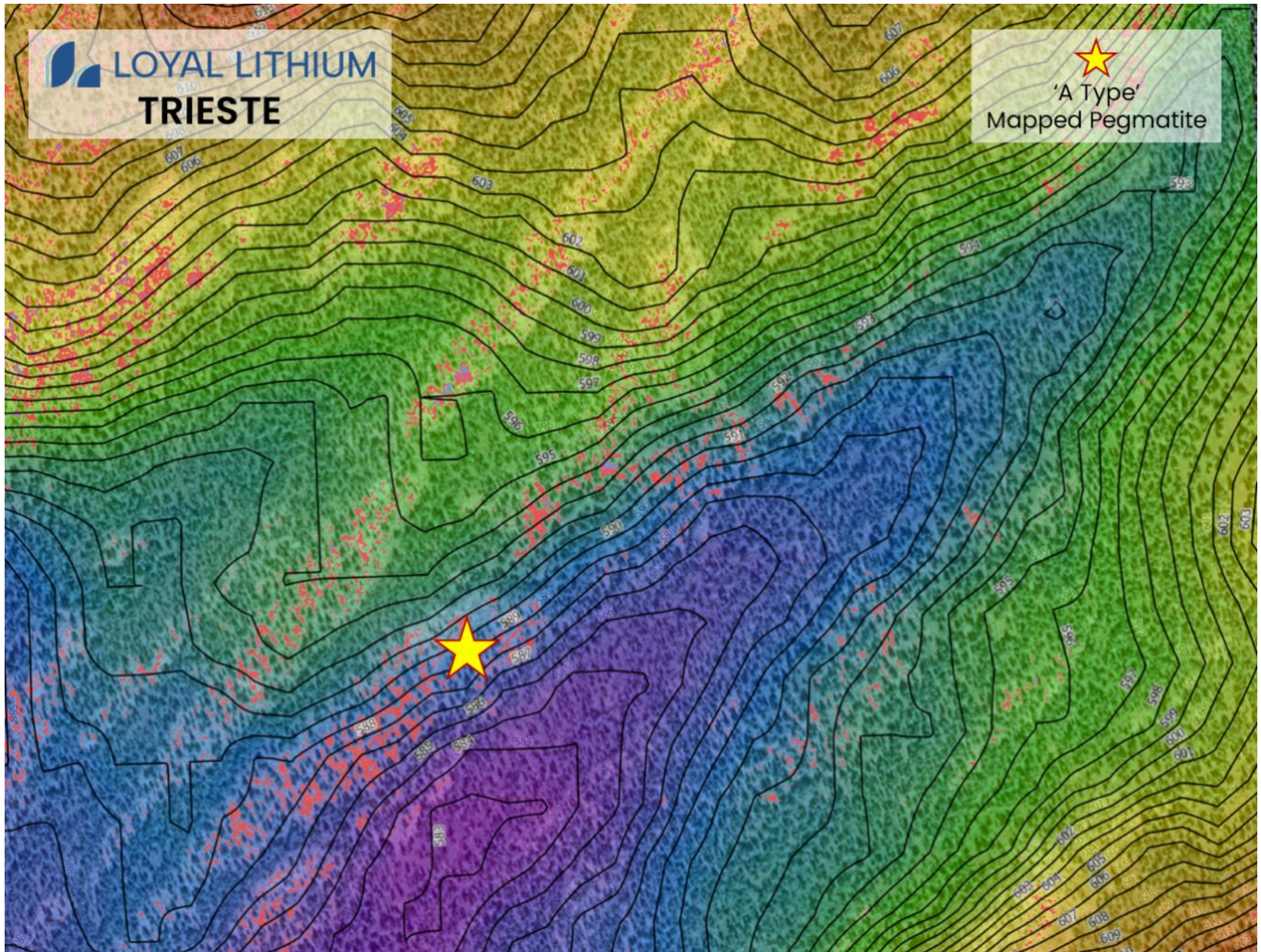


Figure 3 - Trieste Lithium Project Trial Satellite Imagery Zone - Overlay of Satellite Imagery Data 300m x 400m

Figure 3 is an overlay of a Satellite photo, Digital Terrain model and Multi Spectral imagery data which covers important aspects such as contour and reflectance. The Figure confirms a correlation between the spectral imagery data, and the known 'A-Type' mapped pegmatite. This is fundamentally confirmed by noting the contours with respect to the scattered red dots, which represent multi-spectral band classification of outcrop, differentiating exposed outcrop from other land cover.

For this specific Trial Satellite Imagery Zone, the 'A-Type' mapped pegmatite is located on an escarpment with a watercourse to the southeast. This is typical of a resistive pegmatite on the boundary between intrusive and sedimentary rock types. Faulting can create escarpments as it moves pieces of earth around, and faults are where pegmatites intrude, hence priority sampling and examination will be undertaken along the edge of this northwest facing scarp (with a northeast strike).

With the aid of Satellite imagery data, targets can be prioritised with detailed work plans created in advance of the inaugural field program in the Canadian spring 2023. Figures 4 & 5 show the build-up of images overlaid within Figure 3.

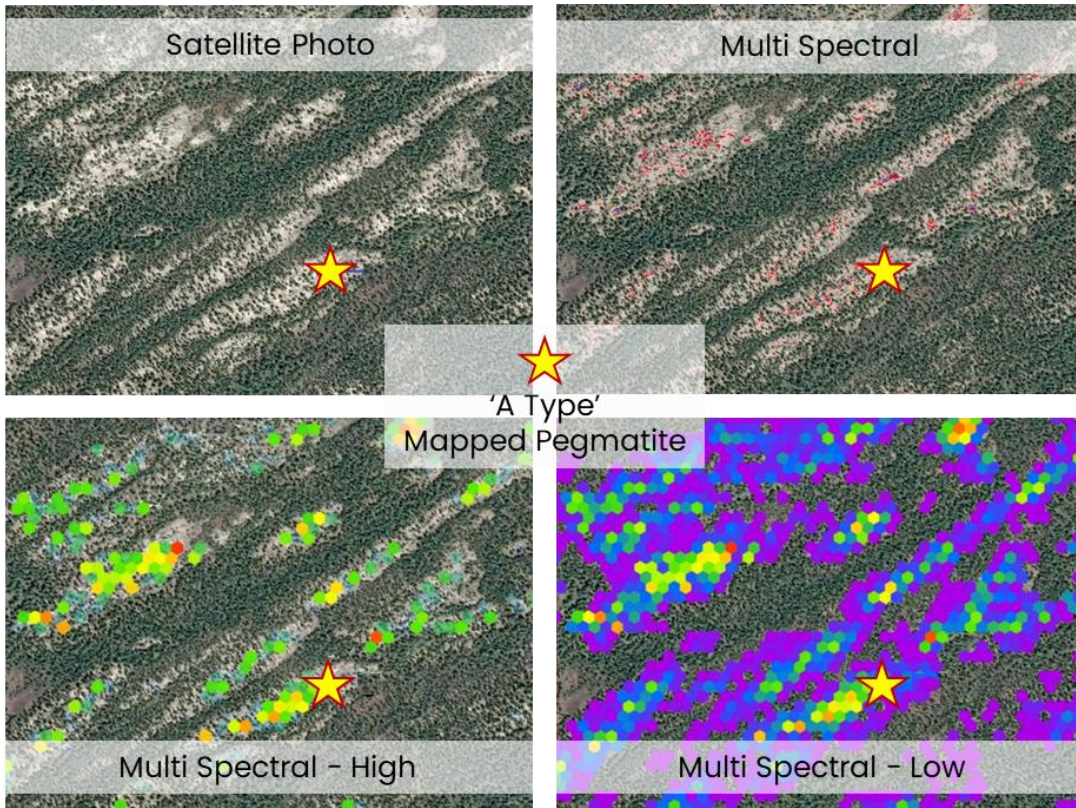


Figure 4 - Trieste Lithium Project Trial Satellite Imagery Zone – resampled Multi Spectral Data

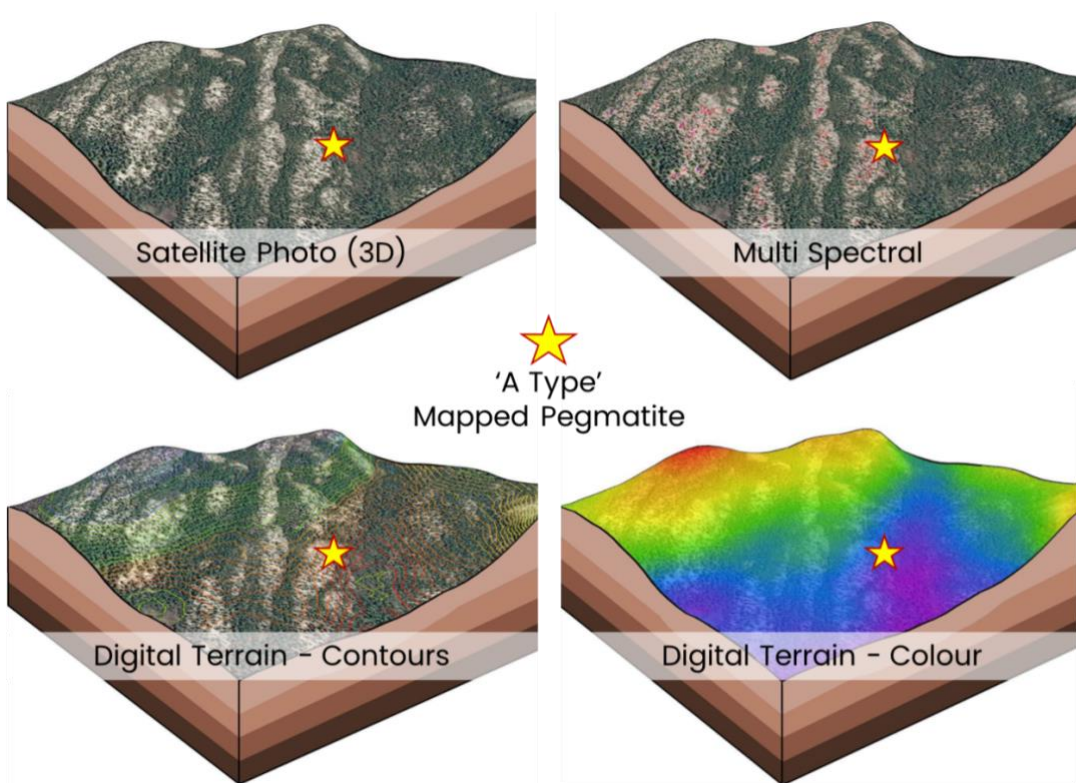


Figure 5 - Trieste Lithium Project Trial Satellite Imagery Zone – 3D Modelling

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

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About Loyal Lithium

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

Future Performance

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

Qualified and Competent Person

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

References

¹ ASX Announcement WR1: 6th January 2023. Strong lithium mineralisation recorded from first Adina drill hole assays

² ASX Announcement LLI: 20th October 2022. Monger triples land position with the acquisition of the Trieste Lithium Project in the James Bay Lithium District, Quebec