

ASX Announcement | 28 February 2023

High Resolution Aeromagnetic Survey Completed at Trieste Lithium Project to Support Pre-emptive Drilling Permit Application

Highlights:

- A high-resolution aeromagnetic survey has been completed across the most prospective greenstone targets in the northwest section of the Trieste Lithium Project.
- The survey has been conducted ahead of the field program to support the preparation of a pre-emptive drilling application enabling a fast-tracked drilling campaign.
- Trieste Lithium Project is a large-scale lithium project located 14km east of Winsome Resources' (ASX: WR1) Adina Lithium Project's drill hole that recently recorded a significant lithium mineralised intercept⁽¹⁾.
- Trieste Lithium Project contains 153 logged pegmatite outcrop observations with 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.

Loyal Lithium Limited (ASX:LLI) (**Loyal Lithium, LLI** or the **Company**) is pleased to announce that it has completed a high-resolution aeromagnetic survey across prospective greenstone targets at the Trieste Lithium Project ("**Project**"). The survey will support a pre-emptive drilling application enabling a fast-tracked drilling campaign at the project, in the event of a successful inaugural field program. The 251 km² project is 8.6 times larger than Winsome Resources' Adina Lithium Project and contains 153 logged pegmatite outcrop observations and 35 'A-Type' (IIA) pegmatite samples.

Loyal Lithium's Managing Director, Mr Adam Ritchie, commented:

"The prospectivity of the Trieste Lithium Project warrants an aggressive approach."

"Although a high-resolution aeromagnetic survey and the submission of a drilling application typically follows a successful infield program - we are planning for success. Conducting these works now, enables us to fast track a drilling campaign in the event of a successful inaugural field program."

"The opportunity at Trieste is exciting and we will continue to look for opportunities to fast track our exploration activities at Trieste."

HIGH-RESOLUTION AEROMAGNETIC SURVEY

Prospectair Geosurveys Inc. has completed a helicopter-borne high-resolution magnetic data survey over a 23 square kilometre area of the northwest Trieste claims, with a total of 555-line km flown at 50m line spacings. Prospectair is a highly regarded geophysics contractor, completing similar surveys on Patriot Battery Metals’ Corvette (ASX:PMT, TSXV:PMET) lithium discovery³, showing the utility of high-resolution magnetic data in lithium pegmatite exploration.

The area surveyed is highly prospective and contains a noted A Type pegmatite with a high concentration of resistive outcrop occurrences within and around the greenstone. The first pass raw high-resolution magnetic data has been received (figure 1), with levelling and findings report pending.

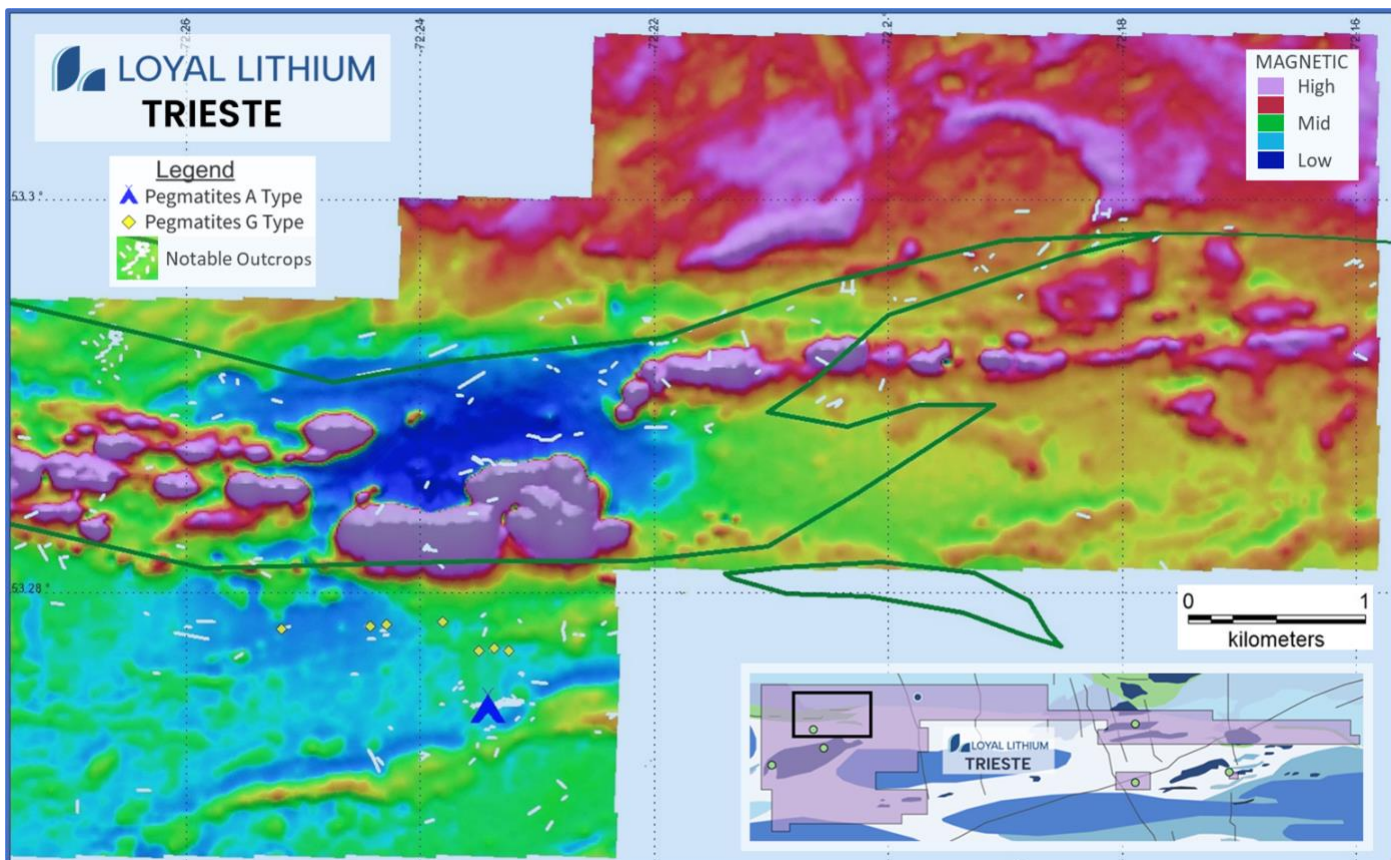


Figure 1 - Trieste Lithium Project – High-Resolution Aeromagnetic Image – First Pass Raw Data

High-resolution magnetic data has the potential to save significant exploration time and expense by identifying areas of demagnetisation (lithium pegmatites are not magnetic) and favourable structures around large volumes of volcanic and volcano-sedimentary rocks (greenstones), where pegmatites are more likely to intrude. The data can also be useful in inferring potential lithium source intrusives and identification of concealed (undercover) lithium pegmatite extensions.

The successful collection of high-resolution magnetic data could alter the priorities within the inaugural field program by providing further support for known pegmatites outcrops. The successful collection of high-resolution magnetic data could result in further deployment across other prospective targets at the Trieste Lithium Project.

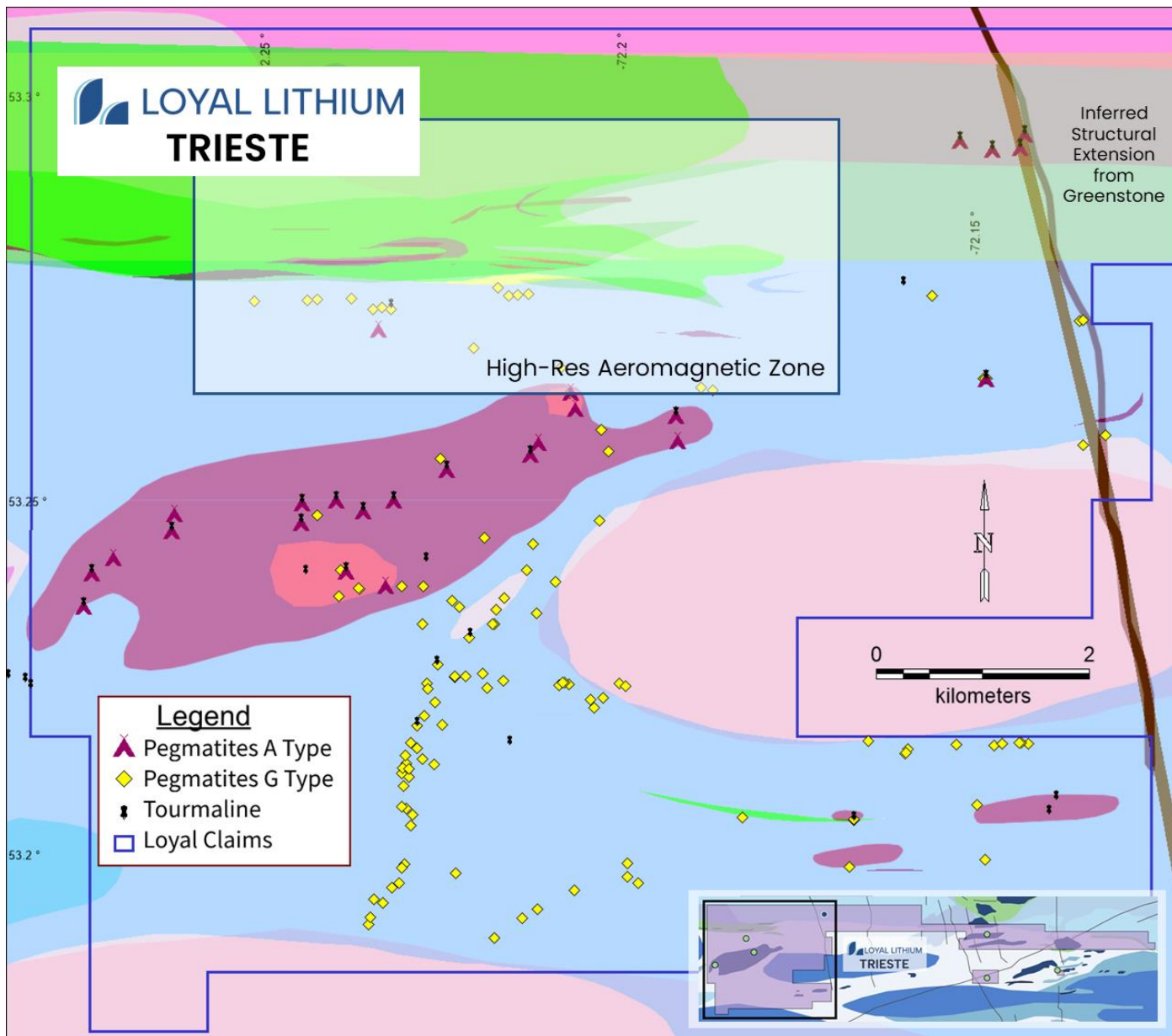


Figure 1 –Trieste Lithium Project (west) – Virginia Mines Local Interpretation (1:10k) overlay

Although, the Trieste Lithium Project has never been explored for lithium, historical data 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.

PRE-EMPTIVE DRILLING APPLICATION

The high-resolution magnetics survey will support the preparation of a pre-emptive drilling permit application. The data obtained will assist with the application by providing insight into the geological orientation and inferred extensions of the pegmatites, ultimately defining the potential drill locations.

A pre-emptive drilling application will also fast track a future expanded drilling program as it involves foundational activities, creates project awareness and establishes relationships with key stakeholders, such as first nations, the environment review board and other government and regulatory bodies.

THE TRIESTE LITHIUM PROJECT

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⁾ (Figure 3). Loyal Lithium acquired the Trieste Lithium Project in October 2022 – prior to the recent drill campaign results at the Adina Lithium Project.

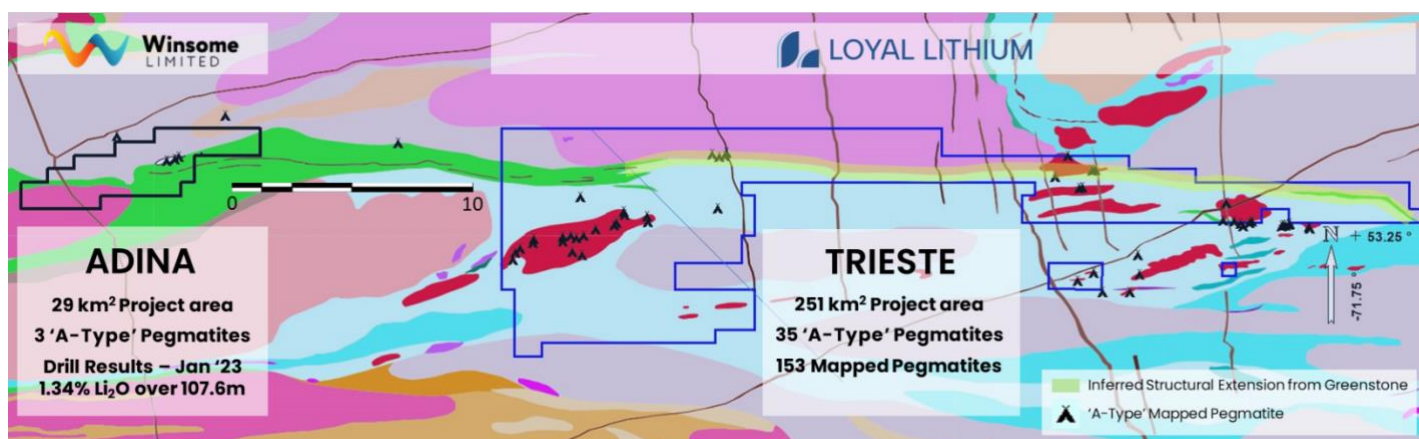


Figure 3 – Trieste Lithium Project – GSQ Region Interpretation (1:100k)

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).

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 WRI: 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

³ <https://patriotbattery.com/patriot-battery-metals-completes-property-wide-remote-sensing-survey-and-engages-prospectair-for-high-resolution-heliborne-magnetic-survey-at-the-corvette-fci-property-quebec-canada/>