

MARKET ANNOUNCEMENT

Approval Process for Solaroz Exploration Nearing Completion

Lithium Energy Limited (ASX:LEL) (**Lithium Energy**) is pleased to report that the Solaroz Lithium Project (**Solaroz**) Environmental Impact Assessment (**EIA**) is entering the final stages of evaluation by the 'Unit of Environmental Management' (*Unidad de Gestión Ambiental Provincial Minera* or **UGAMP**) of the Jujuy Province.

UGAMP has representatives of different provincial agencies (eg. Environmental Management Agency, Environmental Policy Department, Water Resources, Industry and Commerce, Public Health) as well as non-government stakeholders (ie. National University of Jujuy, the Centre of Geologists, municipal authorities and indigenous communities) and along with the Mining Secretary, is responsible for the final approval of Mining EIAs.

Lithium Energy confirms that in late July 2021, as part of the EIA approvals process, two positive public consultation meetings were held between Lithium Energy's local representatives, various agencies of UGAMP, underlying landowners and first nations representatives. This now allows the EIA process to proceed to the next stage which has a time frame of two weeks to receive any other technical input from relevant stakeholders.

Upon EIA approval being received, Lithium Energy plans to undertake an extensive work programme of geophysical surveys and drilling, aimed at locating lithium bearing brines of economic interest and obtaining preliminary information related to the hydrogeological and geochemical characteristics of the brine rich aquifer that comprises the Salar de Olaroz basin (**Olaroz Salar**) underneath the Solaroz concessions.

About Solaroz

The Solaroz Project comprises 8 mineral tenements totalling approximately 12,000 hectares, located approximately 230 kilometres north-west of the provincial capital city of Jujuy within South America's 'Lithium Triangle' in North-West Argentina in the Salar de Olaroz basin (**Olaroz Salar**).

The highly prospective nature of the Solaroz Project is highlighted by its close proximity to two world class Lithium brine projects, being the current production assets of Orocobre Limited (ASX/TSX:ORE)¹ (**Orocobre**) and the advanced lithium brine development project held by Lithium Americas Corporation (TSX/NYSE:LAC) (**Lithium Americas**) (refer Figure 1).

1 Orocobre has announced a merger with Galaxy Resources Limited (ASX:GXY) - refer Orocobre's and Galaxy's joint ASX Announcement dated 19 April 2021: Orocobre and Galaxy agree to a proposed A\$4B merger of equals, establishing a new force in the global lithium sector



On 8 June 2021², Lithium Energy announced that it had established a conceptual Exploration Target for the Solaroz Project of **1.5 to 8.7 million tonnes (Mt) of contained Lithium Carbonate Equivalent (LCE)** based on a range of lithium concentrations of between circa **500 mg/L Lithium (Li) and 700 mg/L Li**:

Brine Area (km ²)	SOLAROZ EXPLORATION TARGETS					
	Thickness of Deep Sand Unit (m)	Lithium (mg/L)	Average Specific Yield (Sy) (%)	Brine Volume (million m ³)	Contained Lithium (Mt)	Contained LCE (Mt)
Upper Assumption Estimate						
78	150	700	20	2334	1.6	8.70
Lower Assumption Estimate						
78	75	500	10	584	0.3	1.5

For further information, refer to LEL ASX Announcement dated 8 June 2021: Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina

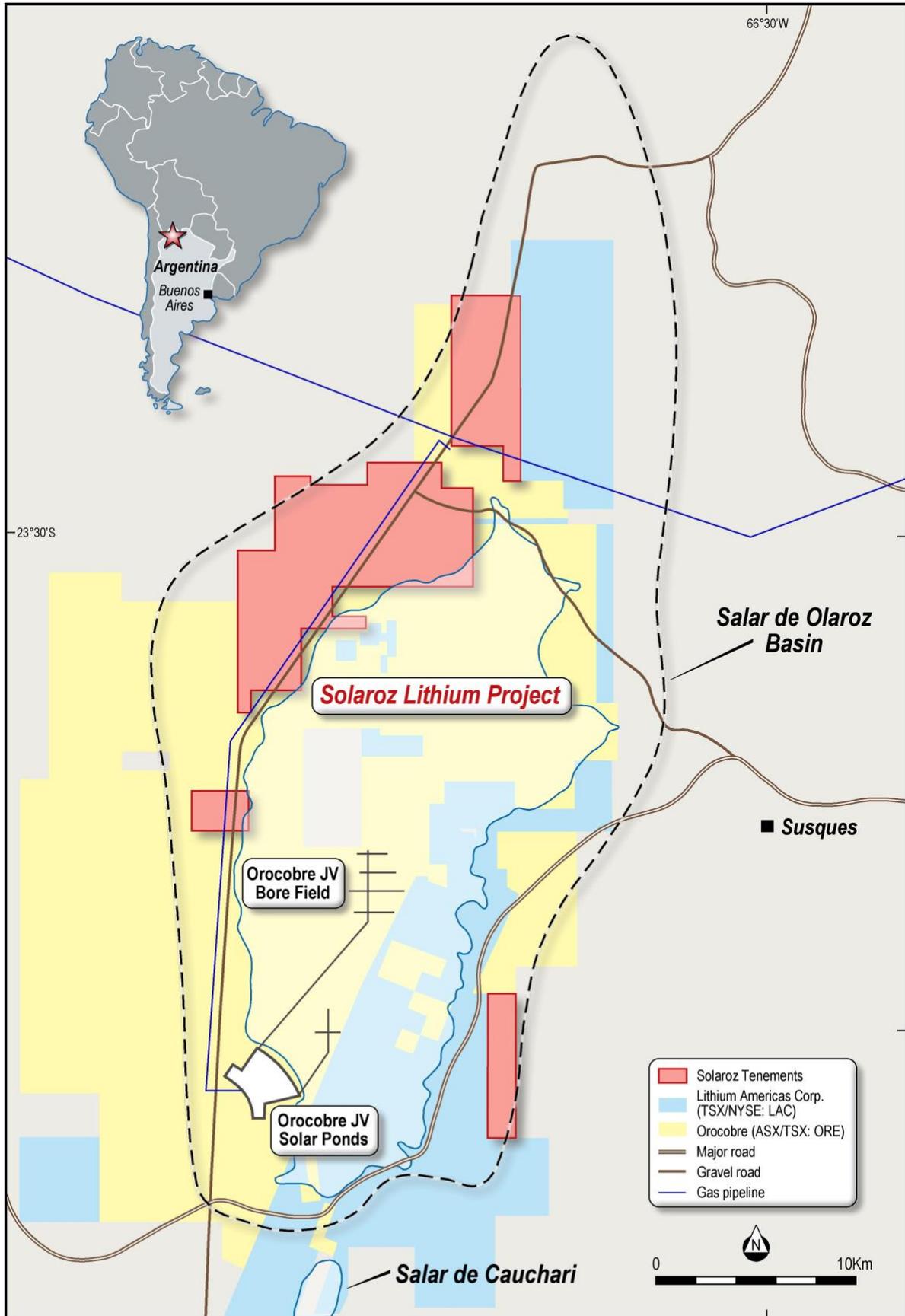
The Exploration Target's potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Lithium Energy notes its Exploration Target for the Solaroz Project in the context of Orocobre's JORC Code (2004 Edition) compliant Measured and Indicated Mineral Resource within the Olaroz Salar³.

The Exploration Target demonstrates the potential world-class scale of Solaroz and has been arrived at after a detailed examination of extensive geological data that exists in relation to the brine rich lithium aquifer that comprises the Olaroz Salar, including a review of historical exploration in the Olaroz Salar and a detailed review of reported results from geophysical surveys undertaken by Orocobre and Lithium Americas, including a number of Gravity and Audio-frequency Magnetotellurics (AMT) surveys conducted by Orocobre, some of which were undertaken over or closely adjacent to Lithium Energy's Solaroz tenements.

² Refer LEL ASX Announcement dated 8 June 2021: Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina

³ Refer Orocobre's ASX/TSX Announcement dated 1 April 2011: Increased and Upgraded Resource at Olaroz Lithium-Potash Project



Solaroz Lithium Project, Argentina Solaroz Tenements Location Plan



www.lithiumenergy.com.au

Figure 1: Solaroz Project Tenement Locations

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ABOUT LITHIUM ENERGY LIMITED (ASX:LEL)

Lithium Energy Limited is an ASX listed battery minerals company which is developing its flagship Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland. The Solaroz Lithium Project (LEL:90%) comprises 12,000 hectares of highly prospective lithium mineral tenements located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. The Solaroz Lithium Project is directly adjacent to or principally surrounded by mineral tenements being developed into production by Orocobre Limited (ASX/TSX:ORE) and Lithium Americas Corporation (TSX/NYSE:LAC). The Burke Graphite Project (LEL:100%) contains a high grade graphite deposit and presents an opportunity to participate in the anticipated growth in demand for graphite and graphite related products. LEL was spun out of Strike Resources Limited (ASX:SRK) via a \$9 million IPO; Strike remains a major (43%) shareholder of the Company.

JORC CODE COMPETENT PERSON'S STATEMENT

The information in this document that relates to Exploration Targets and Exploration Results in relation to the Solaroz Lithium Project is extracted from the following ASX market announcements made by Lithium Energy dated:

- 8 June 2021 entitled "Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina"
- 26 May 2021 entitled "Geophysical Data Supports Highly Encouraging Exploration Potential for Solaroz"

The information in the original announcements is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG). Mr Smith is a Member of the Australian Institute of Geoscientists (AIG) and a Director of the Company. Mr Smith has the requisite experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). 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 (referred to above).

FORWARD LOOKING STATEMENTS

This document contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of the Company, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of minerals/commodities, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. The Company does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.