



LITHOS ENERGY LTD.

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LITHOS' WHOLLY OWNED SUBSIDIARY AQUEOUS RECEIVED DEFINITIVE US\$1.3 MILLION FUNDING AWARD FROM THE DOE AND COMMENCES FOLLOW-ON DOE APPLICATION FOR UP TO US\$30 MILLION TO FUND CRIMSON TIDE LITHIUM HYDROXIDE FACILITY

- *\$1.3 Million definitive funding award provides significant cash resources to Denver Lab to preform bench scale tests with brines sourced from Chile, Argentina, and the US.*
- *Aqueous has pre-qualified and commenced application for up to US\$30 Million follow-on award under area of interest 1B Phase II from the DOE funding opportunity announced on September 6, 2023.*
- *Up to \$150 million of grant funding was announced to support pilot scale facility development and construction of processing plants to produce and refine critical minerals and materials in the United States. This directly aligns with vision and goals of the previously announced Crimson Tide Facility.*
- *The 'Crimson Tide' Hydroxide facility will selectively pre-treat raw continental brines, concentrate lithium chloride with DLE, and upgrade the concentrate into a final battery grade product of lithium hydroxide monohydrate.*
- *Facility is strategically located next to Mercedes-Benz US International, Inc., Honda Manufacturing of Alabama, LLC, Hyundai Motor Manufacturing Alabama, LLC. The Alabama site is Hyundai's first U.S. manufacturing plant and ranks as the state's third-largest industrial employer tied with Mercedes-Benz.*
- *In regional proximity to the Smackover brine reservoir and all major U.S automobile Manufacturers including Tesla, G.M, and Ford.*

VANCOUVER, BC – September 13, 2023 – LITHOS Energy Ltd. (the "Company") (CSE: LITS) is pleased to announce that Aqueous Resources LLC ("Aqueous"), a wholly-owned subsidiary of the Company, has received a US\$1.3-million-dollar award to support its fully commissioned Denver Colorado pre-treatment and DLE processing facility over the next 18 months. The effective funding date commenced on July 10, 2023.

Aqueous' award follows the U.S. Department of Energy's ("DOE") announcement on September 6, 2023, that it will provide **US\$150 million of additional grant funding opportunities to support U.S. critical metals projects with bench- and pilot-scale research, development, and demonstration processing plants to produce and refine critical minerals and materials in the United States.** According to the DOE, the funds, provided by the Bipartisan Infrastructure Law, will help to strengthen domestic critical material supply chains, and meet the growing demand for critical minerals and materials while reducing reliance on foreign sources.

The Company is also pleased to announce that Aqueous has pre-qualified and commenced its application for up to US\$30 Million in awards under area of interest 1B Phase II from the DOE funding opportunity announced on September 6, 2023. The application hopes to secure up to US\$30 million of total grant funding per awardee to support pilot scale facility development and construction of lithium hydroxide processing plants to produce and refine critical minerals and

materials in the United States. This directly aligns with vision and goals of the previously announced with the Company's September 6th announcement to scope and construct 'Crimson Tide' lithium hydroxide pilot production facility in Alabama. Aqueous has pre-qualified and registered with the DOE for this funding opportunity well before the deadline of November 10, 2023.

The Company will be disclosing cost and execution timeline to complete a Level 1 Front End Loading engineering report shortly on the 'Crimson Tide' lithium hydroxide pilot production facility.

Further, on August 31, 2023, the DOE announced a Notice of Intent to make available **\$3.5 billion in funding to bolster American battery manufacturing and strengthen domestic supply chains**. This notice of intent-made possible by the President's Bipartisan Infrastructure Law-represents the second round of funding for battery materials processing and battery manufacturing grants which hopes to **support the creation of new, retrofitted, and expanded domestic commercial facilities for battery materials**, battery components, and cell manufacturing. The intent of the funding is to expand domestic manufacturing of batteries for electric vehicles and the nation's grid, as well for battery materials and components currently imported from other countries. The DOE hopes the funds enhance national security by building up the domestic supply chains. As stated by the DOE, this funding opportunity announcement ("FOA") through the Office of Manufacturing and Energy Supply Chains ("MESC") anticipates making approximately 19-41 awards in the form of grants. The MESC plans to set the FOA timelines in October 2023, at which time the Company shall seek to respond promptly by preparing and submitting its Crimson Tide lithium Hydroxide pilot production facility for this funding opportunity.

About LiTHOS Energy Ltd.

The Company's mission is to deliver sustainable lithium production without the use of evaporation ponds. Our wholly owned subsidiary Aqueous is a US Department of Energy FAST TRACK grant Winner and a Colorado Advanced Industries grant winner. AcQUA™ is our patent-pending electro-pressure membrane process and method for recovery and concentration of lithium chloride from aqueous sources. This process spans the pre-treatment of raw brines through the DLE concentration of lithium chloride. We have a fully commissioned brine processing facility in Denver, Colorado. The Company is currently focused on processing continental brines from several strategic resource owners located in the United States, Argentina, and Chile.

ON BEHALF OF THE BOARD

Scott Taylor - CEO

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Forward-Looking Statements:

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian legislation. All statements in this news release that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation, Aqueous' ability to secure the additional award funding from the DOE, the disclosure of the costs and execution timeline of the Level 1 Front End Loading engineering on the 'Crimson Tide' lithium hydroxide pilot production facility, and the Company's or Aqueous' submission for MESC award application. Although the Company believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, the Company can give no assurance that such expectations

will prove to be correct. Forward-looking statements are typically identified by words such as: "believes", "expects", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that Aqueous has filed the necessary application materials and met the application criteria for the receipt of the additional DOE funding, that the Company or Aqueous will finalize and disclose the costs and execution timeline of the Level 1 Front End Loading engineering on the 'Crimson Tide' lithium hydroxide pilot production facility and that the Company or Aqueous will submit an award application under the MESC award program. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, but are not limited to, the inability of the Company to change its name. Further, the ongoing labour shortages, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine and surrounding regions are some additional factors that are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position, and future prospects. Collectively, the potential impacts of this economic environment pose risks that are currently indescribable and immeasurable. Other factors may also adversely affect the future results or performance of the Company, including those risk and concerns more fully described in the Company's annual and quarterly management's discussion and analysis and in other filings made by the Company with Canadian securities regulatory authorities under the Company's profile at www.sedar.com. Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements.

These forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in these forward-looking statements.

The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.