Binding Agreements executed for sale of Ghanzi-West Project

Highlights:

- **Binding agreement entered into for the sale of 90% of the Company's Ghanzi-West Project.**
- **Total, staged consideration of A$2.5 million, upon satisfaction of customary conditions precedent.**
- **ENRG Elements free carried for initial three (3) years from completion.**
- **Strengthened balance sheet to pursue Company strategy in the critical minerals space, including value accretive opportunities.**

ENRG Elements Limited (**ASX:EEL, OTC:EELFF**) ("**ENRG Elements**" or the "**Company**") is pleased to advise that, through its wholly-owned subsidiary Global Exploration Technologies Pty Ltd, it has executed a binding Share Purchase Agreement with AIM listed Kavango Resources Plc (**Kavango**), for the sale of 90% of its Ghanzi West Copper-Silver Project (**Ghanzi West Project**) (**Transaction**).

Kavango have agreed to purchase 90% of the issued capital of each of the Company's wholly owned subsidiaries Icon Trading Company Proprietary Ltd and Ashmead Holdings Proprietary Ltd ("**Target Companies**") for total, staged, cash consideration of A$2.5 million. The Transaction aligns with the Company's strategy to monetise non-core assets to fund the advancement of its Agadez Uranium Project, the Tarouadji Lithium Project and identify additional value accretive opportunities for the Company.

The Ghanzi West Project comprises 6 prospecting licences located in the emerging world class Kalahari Copper Belt of Botswana.

Commenting on the sale, Managing Director Caroline Keats said,

"The proceeds from the sale of 90% of the Ghanzi West Project will enable the Company to advance its strategic objectives, which includes progressing the Agadez Uranium Project and Tarouadji Lithium Project in Niger once the current political uncertainty has abated and the continued review and identification of potential additional opportunities in the critical minerals sector. This non-dilutive injection of capital comes at a time when the uranium sector is experiencing decade-high prices and the demand for critical minerals continues to surge.

In the meantime, we will continue to conserve the Company's capital and remain dedicated to maximizing value for our shareholders."

Conditions Precedent to Sale:

The conditions precedent to completion of the Transaction are obtaining the requisite Botswanan regulatory approvals and relevant shareholder approvals required to complete the transactions contemplated by the agreement (if any).

Material Acquisition Terms

The material terms of the Transaction include:

- Total consideration of A$2.5 million, comprising:
  - A$1.5 million at Completion;
    - A$500,000, 90 days post Completion;
    - A$500,000, 180 days post Completion;
- The Company's remaining 10% interest in the Target Companies will be free carried until the earlier of three years after Completion (provided that A$3,000,000 is expended on the Licences during this period) and the date that a decision to mine is made.
- Intercompany loans between the Company and the Target Companies will be assigned to Kavango at Completion.

All other terms are customary for agreements of this nature.

Authorised by the Board of ENRG Elements Limited.

For further enquiries, please contact:

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About ENRG Elements Limited

ENRG Elements Limited (ASX:EEL OTCQB: EELFF) is a company focused on the exploration and development of its uranium, copper and lithium projects, commodities which are essential for a clean energy future.

The Company holds 100% of the underexplored Agadez Uranium Project located in the Tim Mersoi Basin of Niger, with a JORC Inferred Resource of 21.5 Mlbs of contained U3O8 at 315 ppm (175 ppm cut-off grade) from surface to ~37m depth (ASX Release – 26 April 2023). Agadez hosts similar geology to Orano SA's Cominak/Somair and Imouraren uranium mines and the deposits held by Global Atomic Corporation (TSE:GLO) and GoviEx Uranium (CVE:GXU). The Company was also recently granted the Tarouadji Project in Niger, a lithium exploration permit covering approximately 500km^2, located 70km^2 from the Company's flagship Agadez Uranium Project.

Niger has one of the world's largest uranium reserves and in 2021 it was the seventh-highest uranium producer globally[1] with the Tim Mersoï Basin in Niger hosting the highest-grade and tonnage uranium ores in Africa.[2]

ENRG Elements also holds the 100% owned Ghanzi West Copper-Silver Project covering a total area of 2,630km2 in the emerging world class Kalahari Copper Belt of Botswana, one of the most prospective copper belts in the world, which hosts Sandfire Resources' Motheo Copper Mine and Khoemacau Copper Mining's Zone 5 underground mine.

Botswana is a stable, pro-mining jurisdiction, supportive of mineral exploration and development.

The Directors and management of ENRG Elements have strong complementary experience with over 90 years of Australian and international technical, legal and executive experience in exploration, resource development, mining, legal and resource fields.

Competent Persons Statement

The information on the Mineral Resources outlined in this announcement was compiled by Mr. David Princep, an independent consultant employed by Gill Lane Consulting. Mr Princep is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Geologist. Mr Princep has more than five years relevant experience in estimation of mineral resources and the mineral commodity uranium. Mr Princep has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results, Exploration Target or Mineral Resources information included in the original announcements and all material assumptions and technical parameters underpinning the estimates in the original announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the applicable Competent Persons' findings are presented have not been materially modified from the original announcement.

[1] https://world-nuclear.org/information-library/facts-and-figures/uranium-production-figures.aspx

[2] https://www.sciencedirect.com/science/article/pii/S016913682200213X