ASX ANNOUNCEMENT

7 February 2023

Charger to take 100% ownership of Lake Johnston Lithium Project

- ***Charger has signed a binding agreement with Lithium Australia Limited to buy its 30% minority interest in the Lake Johnston Lithium Joint Venture.***
- ***This transaction further complements Charger's recent consolidation in the Lake Johnston greenstone belt.***
- ***Charger is currently drilling a 40-hole programme at the Medcalf Spodumene Discovery.***

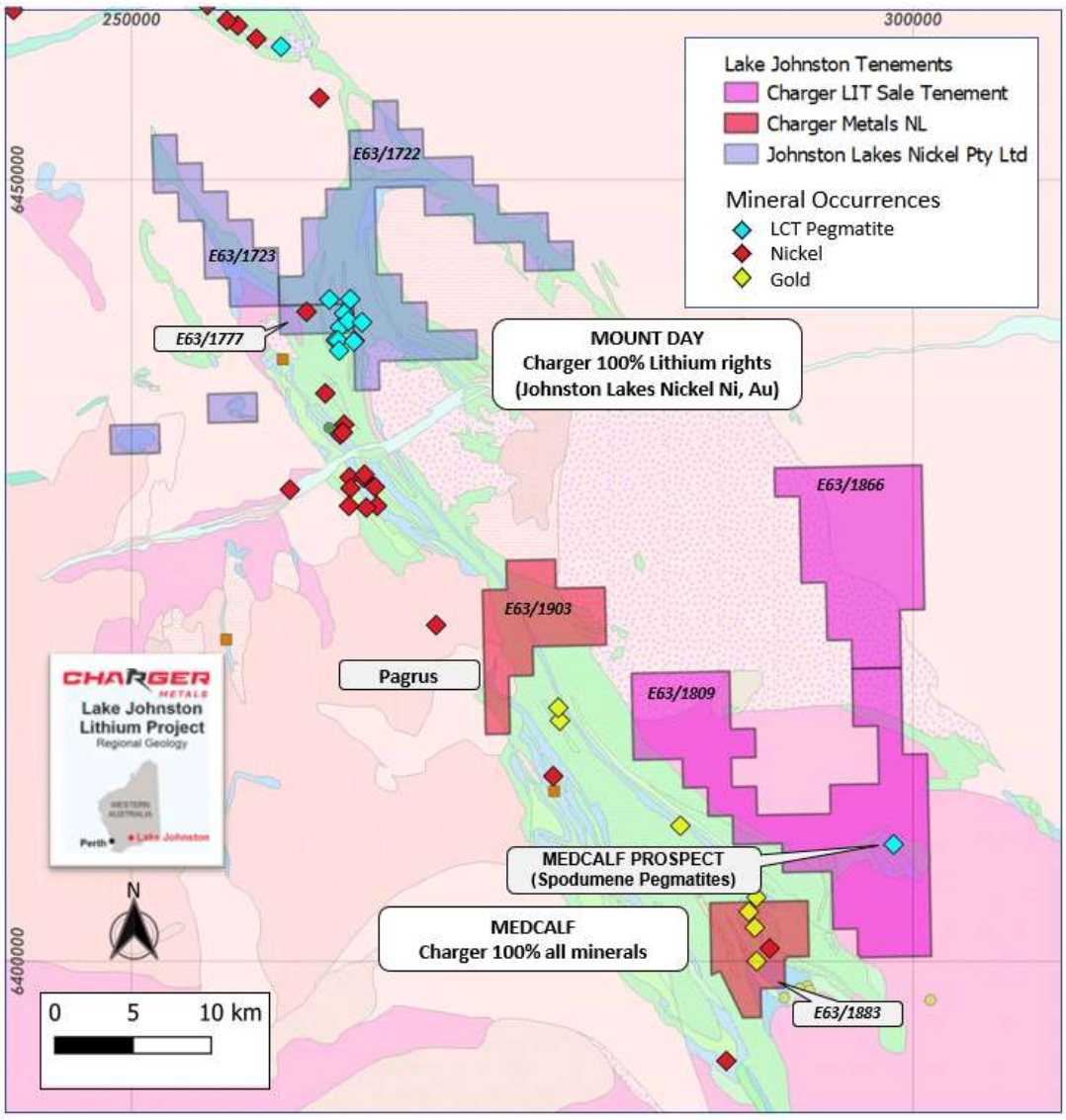

Figure 1: Charger now has 100% of all mineral rights for the Medcalf Tenements and 100% of lithium rights for the Mount Day Tenements.

Charger Metals NL (ASX: CHR, "**Charger"** or the "**Company"**) is pleased to advise that it has signed a binding agreement to buy Lithium Australia Limited's (**ASX: "LIT"**) 30% minority interest in the Lake Johnston Joint Venture (**Agreement**) in Western Australia, increasing Charger's interest to 100% of all mineral rights for the southerly Medcalf tenements, importantly including the Medcalf Spodumene Discovery, and 100% of the lithium rights for the more northerly Johnston Lakes Nickel tenements including the Mt Day LCT pegmatite field.

Subject to completion, Charger's resulting landholding is shown in Figure 1 and summarised in Appendix A – Lake Johnston Tenement Schedule. This follows the recent acquisition of exploration licence E63/1883, a tenement in an area considered prospective for lithium[1].

Charger's Managing Director, David Crook, commented:

"With drilling at the Medcalf Spodumene Discovery returning very promising pegmatite intersections, Charger is pleased to have reached agreement with Lithium Australia to increase its project equity to 100% for lithium discoveries throughout the Lake Johnston Lithium Project."

Drilling the Medcalf Spodumene Discovery

Charger has now completed 27 of the planned 40 reverse circulation drill holes at the Medcalf spodumene discovery, which commenced in late 2022. Drilling is continuing.

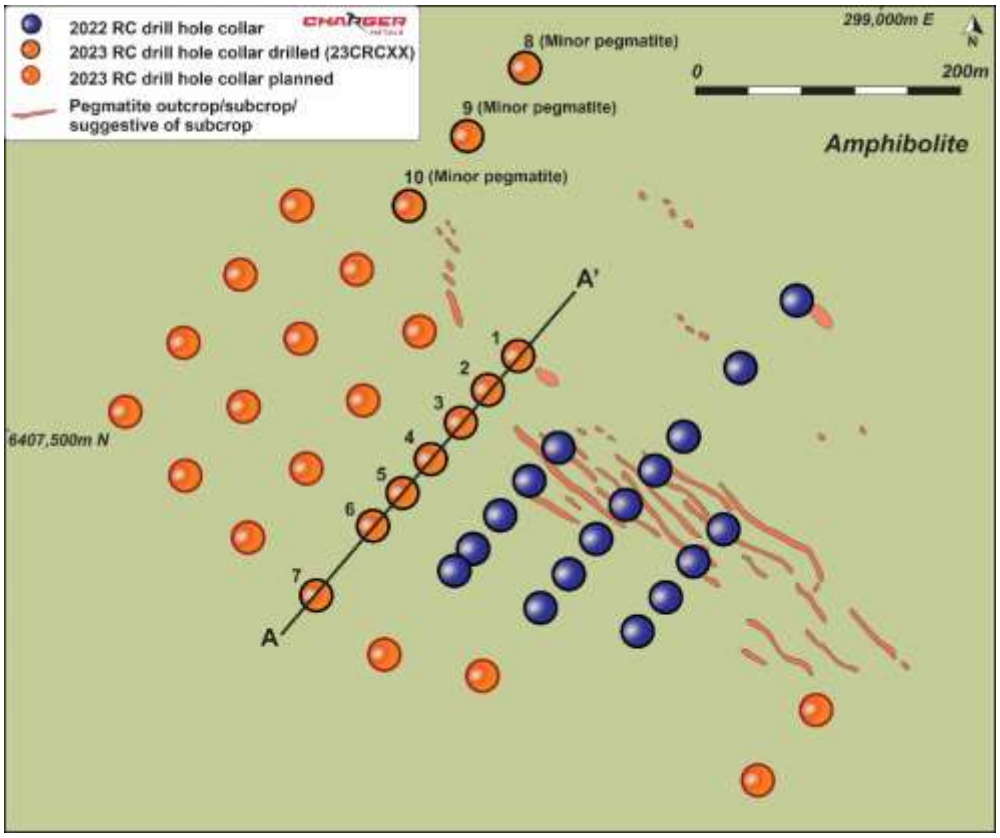

Figure 2. Medcalf spodumene discovery showing mapped pegmatite, completed and proposed drill collars and the surface mapped pegmatite swarm.

[1] ASX announcement dated 21 November 2022 "Charger receives drilling approvals, increases land position at its Lake Johnston Lithium Project".

Key Terms of the Acquisition

Charger agrees to acquire from LIT and LIT agrees to sell to Charger, free from Encumbrances:

- a 30% legal and beneficial interest in the Sale Tenements (E63/1809 and E63/1866) and related mining information; and
- all LIT's rights under the LEX Rights Acquisition Agreement (Contractual Lithium Rights) and all related mining Information,

in consideration for:

- the issue to LIT of 7,000,000 fully paid ordinary shares of Charger (Consideration Shares); and
- the grant of the Offtake First Right of Refusal to LIT.

The grant of the Offtake First Right of Refusal to LIT covers Lithium Product to an agreed Offtake Amount being the lower of:

(A) 30% of the Lithium Product produced on the Sale Tenements and/or LEX Tenements for the term of the LIT Offtake Agreement; and

(B) The Lithium Product required by LIT to produce lithium metal phosphate product through a commercial facility(s) in which LIT has an ownership interest of 25% or more.

To qualify for the First Right of Refusal, LIT must make a Financial Investment Decision announcement prior to 31 December 2029 to construct a commercial facility to produce lithium metal phosphate cathode powders.
From completion, LIT will retain no ownership interest in the Sale Tenements, the LEX Tenements or the LEX Rights Acquisition Agreement.

Completion of the Agreement is subject to, and conditional on the satisfaction or waiver of the following conditions precedent on or before 31 May 2023:

- Charger obtaining an opinion from a suitably qualified independent expert on the transaction;
- Obtaining third party deeds of assignment as required;
- Charger obtaining all approvals from its shareholders as is necessary to proceed with the Acquisition, including for the purposes of section 611 Item 7 of the Corporations Act and ASX Listing Rules 7.1, 10.1.3 and 10.11.3 (if required by ASX). LIT is expected to move from a 15.5% to 24.02% shareholder interest in Charger; and
- The deal does not give LIT the right to appoint any directors.

Authorised for release by the Board.

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About the Lake Johnston Lithium Project

The Lake Johnston Lithium Project is located 450km east of Perth, Western Australia. Completion of this Agreement will see Charger move to a 100% beneficial holding in the Lake Johnston Lithium Project, (Refer to Table 1 in Appendix A).

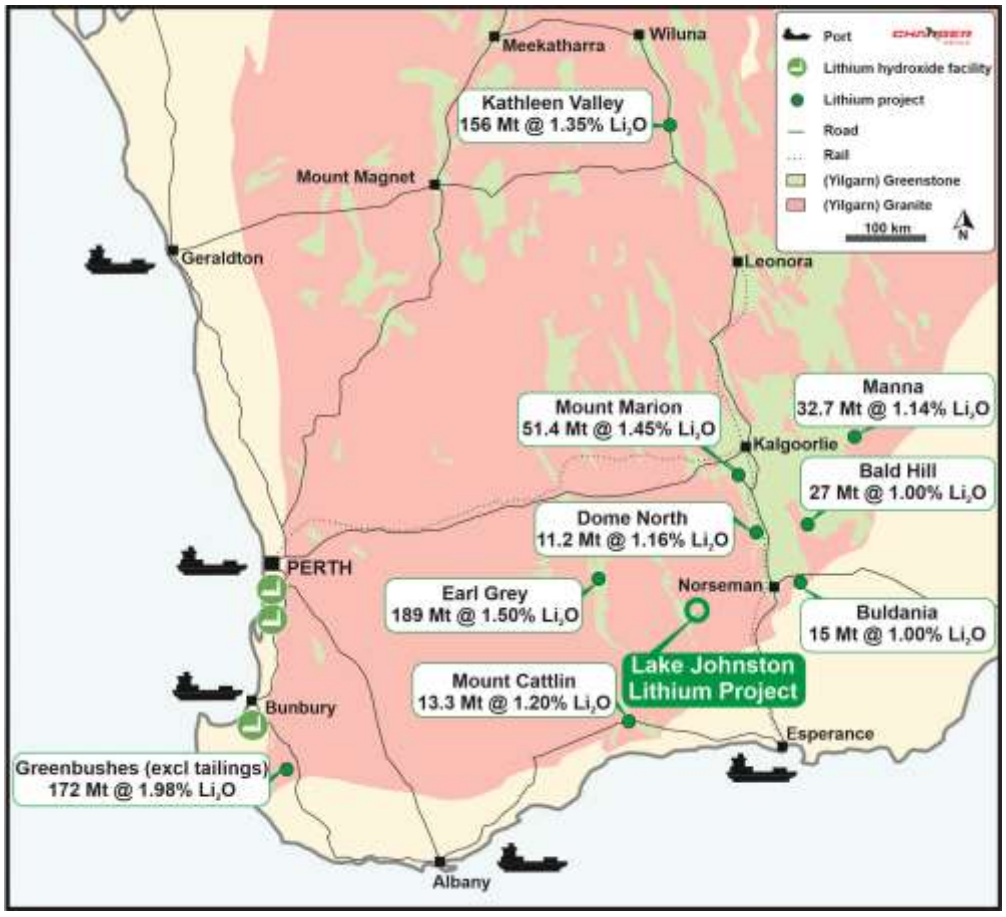

Figure 3. Location map of Lake Johnston Lithium Project in relation to other Yilgarn Block lithium projects.

Lithium prospects occur within a 50km long corridor along the southern and western margin of the Lake Johnston granite batholith. Key prospects include the advancing Medcalf Spodumene Prospect and much of the Mount Day lithium-caesium-tantalum (LCT) pegmatite field, prospective for lithium and tantalum minerals.

The Lake Johnston Lithium Project has attracted considerable interest due to its proximity to the large Earl Grey Lithium Project under development by Covalent Lithium Pty Ltd (manager of a joint venture between subsidiaries of Sociedad Química y Minera de Chile S.A. and Wesfarmers Limited) located approximately 70km west of the Lake Johnston Project. Mt Holland is understood to be one of the largest hard-rock lithium projects in Australia with Ore Reserves for the Earl Grey Deposit estimated at 189 Mt at 1.5% Li_2O [2].

[2] David Champion, Geoscience Australia, Australian Resource Reviews, Lithium 2018.

About Charger Metals NL

Charger Metals NL is a well-funded exploration company targeting battery metals and precious metals in three emerging battery minerals provinces in Australia.

Bynoe Lithium and Gold Project, Northern Territory (Charger 70%).

The Bynoe Project occurs within the Litchfield Pegmatite Field, approximately 35km southwest of Darwin, Northern Territory, with nearby infrastructure and excellent all-weather access. Charger's Project is enclosed by Core Lithium Limited's (ASX: CXO) Finniss Lithium Project, which has a mineral resource of 18.9Mt at 1.32% Li_2O[3].

Geochemistry, aeromagnetic programmes and open file research completed by Charger suggests multiple swarms of LCT pegmatites that extend from the adjacent Finniss Lithium Project into the Bynoe Project. Geochemistry results highlight two large LCT pegmatite target zones, with significant strike lengths of 8km at Megabucks and 3.5km at 7-Up. Numerous drill-ready lithium targets have been identified within each pegmatite zone.

The maiden drill programme at Bynoe is now fully approved to drill up to 316 holes.

Coates Ni Cu Co PGE Project. Western Australia (Charger 70%-85% interest)

Prospective for nickel and platinum group elements at the Coates Project was indicated by Ni, Cu, Au and PGE geochemistry anomalies with coincident EM conductors. The Project is approximately 29 kilometres SE of Chalice Mines Limited's significant Julimar Ni Cu Co PGE discovery.

[3] Refer to ASX: CXO announcement dated 12 July 2022, "Significant Increase to Finniss Lithium Project Mineral Resource and Ore Reserves".

Competent Person Statement

The information in this announcement that relates to exploration strategy and results is based on information provided to or compiled by David Crook BSc GAICD who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Crook is Managing Director of Charger Metals NL.

Mr Crook has sufficient experience which is relevant to the style of mineralisation and exploration processes as reported herein 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'.

JORC Table 1 Statement

JORC Table 1 was included in the following announcement released to the ASX:

Lake Johnston Project

9 June 2022 "Charger confirms large lithium system at Lake Johnston Project".

20 December 2022 "Medcalf drilling reveals spodumene-bearing pegmatite swarm".

6 February 2023 "Drilling Update for Charger's Medcalf Spodumene Discovery".

Charger confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the exploration results continue to apply and have not materially changed. 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 announcement.

Forward looking statements

This announcement may contain certain "forward looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

However, forward looking statements are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to exploration risk, Resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes.

For more detailed discussion of such risks and other factors, see the Company's prospectus, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Appendix A - Lake Johnston Tenement Schedule

Table 1.	
Tenement	% Interest
E63/1809	Charger to have 100% beneficial interest in all minerals on completion
E63/1866	Charger to have 100% beneficial interest in all minerals on completion
E63/1903	Charger 100%l interest
E63/1883	Charger 100% interest
E63/1722	100% contractual interest in lithium rights under the Lithium Rights Agreement with Johnston Lakes Nickel Pty Ltd on Completion
E63/1723	100% contractual interest in lithium rights under the Lithium Rights Agreement with Johnston Lakes Nickel Pty Ltd on Completion
E63/1777	100% contractual interest in lithium rights under the Lithium Rights Agreement Johnston Lakes Nickel Pty Ltd on Completion