

## ASX ANNOUNCEMENT



9 December 2020

## Lithium Australia grants option over Australian exploration assets

Lithium Australia NL (ASX: LIT, “Lithium Australia” or the “Company”) provides the following information with respect to granting an option for Charger Metals NL (ACN 646 203 465) (“Charger”) to acquire part of the Company’s Australian exploration assets.

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### HIGHLIGHTS

- **Lithium Australia grants Charger an option to acquire exploration projects including:**
  - **The Coates Mafic Intrusive Complex (Wundowie Project), prospective for nickel, copper and platinum group elements (‘PGEs’), hosted in a mafic intrusion in the highly prospective Western Yilgarn emerging Ni-Cu-PGE belt 28km south-east of Chalice Gold’s Julimar discovery in Western Australia;**
  - **The Lake Johnson Project, near Southern Cross, Western Australia which is prospective for lithium, gold and nickel; and**
  - **The Bynoe Project, prospective for lithium and gold, located near Darwin, Northern Territory.**
- **Lithium Australia retains significant leverage through a 30% interest, free-carried to completion of bankable feasibility study, in each Project, and a significant share interest in Charger post Initial Public Offering; and**
- **the transaction enables Lithium Australia to enhance focus on its core business that being to ensure an ethical and sustainable supply of energy metals to the battery industry (enhancing energy security in the process) by creating a circular battery economy.**

### The Coates Mafic Intrusive Complex, Western Australia: nickel, copper, platinum group metals project near Wundowie, Western Australia

The Coates Mafic Intrusive Complex is located approximately 28km southeast of the recent nickel-copper-platinum group elements (Ni, Cu, PGE) discovery at the Julimar Project by Chalice Gold Mines (ASX: CHN), which is rapidly developing as drilling progresses and has generated significant interest in a new exploration province.

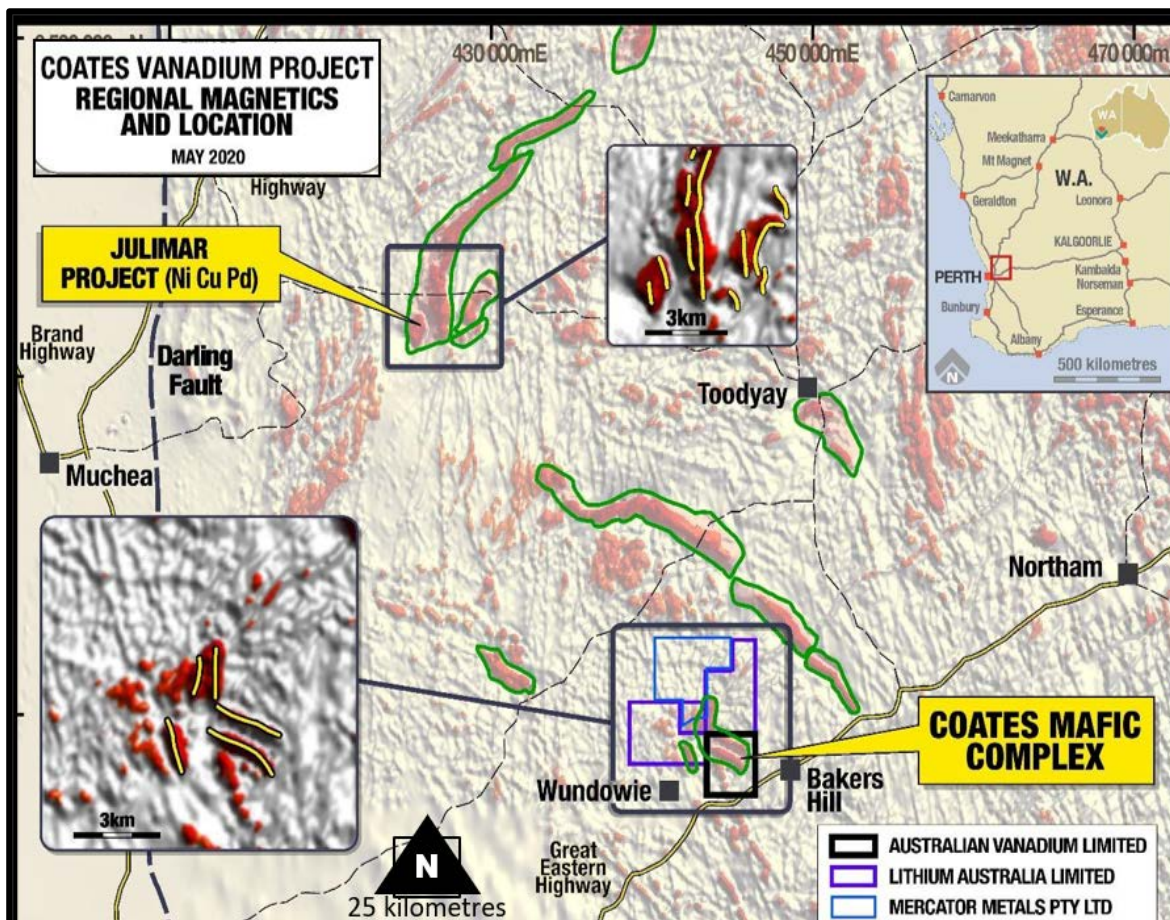
The Coates Mafic Intrusive Complex exhibits similar geology to Chalice Gold Mines’ Julimar discovery. The township of Wundowie sits on the flanks of the Coates Mafic Intrusion, which also hosts a vanadium deposit that was mined briefly in the 1980s.

Western Australian examples of mafic intrusions that host nickel mineralisation include Radio Hill near Karratha and Carr Boyd near Kalgoorlie, both of which went on to host underground mines. Overseas examples that are globally significant and include the Norilsk Mine in Russia, Voisey’s Bay in Canada and Jinchuan in China.

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Geochemistry results from an adjacent tenement returned encouraging Ni, Cu, Au and PGE anomalies (Refer ASX: LIT announcement 30 July 2020) and provide the motivation to further explore this target.



### Lake Johnston Lithium and Gold Project, near Southern Cross, WA.

Reconnaissance geological mapping and geochemical sampling has identified a number of LCT (lithium-caesium-tantalum) pegmatites, and the discovery of a spodumene pegmatite cluster at Bontempelli Hill near Lake Medcalf, Western Australia.

The Bontempelli Hill outcrops consist of stacked pegmatites, containing ~20-30% spodumene. Rock-chip samples from the pegmatite dyke swarm average 3.6%  $\text{Li}_2\text{O}$ , and up to a maximum 7.15%  $\text{Li}_2\text{O}$  from spodumene outcrop.

The mineralised pegmatites at this prospect outcrop over an area of 450 x 250m. Soil sampling and geology indicate possible extensions to the southeast under adjacent cover. Individual dykes range from about 20m to 120m in length and 1 to 5m in thickness.

There has been no drilling on any of the lithium targets.

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### Bynoe Lithium and Gold Project, near Darwin, NT

The Bynoe Lithium and Gold Project occurs within the Litchfield Pegmatite Belt, a geological zone that hosts LCT pegmatites, that extends 180km in a southerly direction from Darwin Harbour.

The Bynoe Pegmatite Field has a history of tin mining and is prospective for tantalum and alkali metals, with the Company's Project being immediately adjacent to the advancing Finnis Lithium Project of Core Lithium Limited.

A review of work undertaken by previous tenement holders has generated 9 areas with geochemical vectors for lithium mineralisation.

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### Terms of the Agreement

The Company has granted Charger Metals NL an option to acquire a 70% interest in tenements that are unencumbered, and 100% of one encumbered tenement (refer to Table 1 below). The consideration payable to Lithium Australia, by Charger is:

- \$100,000 for reimbursement of previous exploration expenditure incurred on the Tenements; and
- 8,800,000 fully paid ordinary shares ('Shares') of Charger; and
- \$200,000 cash and 2,750,000 Shares upon the establishment of either a JORC 2012 of:
  - inferred resource of 10,000t contained nickel equivalent; or
  - inferred resource of 10Mt @ 1.2% Li<sub>2</sub>O; or
  - inferred resource of 100,000oz @ +2g/t gold equivalent.

The transaction is subject to due diligence and Charger receiving approval from ASX for its Shares to be admitted to the official list of ASX (as defined in the ASX Listing Rules).

Table 1: Charger Option Tenements					
Location	Tenement	State	Status	Km <sup>2</sup>	Option to Acquire
<b>Lake Johnston</b>	E63/1805	WA	G	29	70%
	E63/1806	WA	G	3	70%
	E63/1809	WA	G	154	70%
	E63/1866	WA	G	87	70%
	E63/1903	WA	G	46	100% <sup>1</sup>
<b>Coates Mafic Intrusive Complex</b>	E70/5198	WA	G	29	70%
	E70/5437	WA	P	1	70%
<b>Bynoe</b>	EL30897	NT	G	55	70%

Status: G means "tenement granted". P means "pending grant"

Note 1: Option to Acquire: 70% of all mineral and metal rights, subject to the Okapi Joint Venture Agreement announced 7 December 2020. Okapi Resources Limited may earn a 75% interest in all mineral rights other than lithium (and related minerals) within E63/1903 by expending \$800,000 within 48 months.



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Authorised for release by the Board.

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## About Lithium Australia NL

Lithium Australia aims to ensure an ethical and sustainable supply of energy metals to the battery industry (enhancing energy security in the process) by creating a circular battery economy. The recycling of old lithium-ion batteries to new is intrinsic to this plan. While rationalising its portfolio of lithium projects/alliances, the Company continues with R&D on its proprietary extraction processes for the conversion of *all* lithium silicates (including mine waste), and of unused fines from spodumene processing, to lithium chemicals. From those chemicals, Lithium Australia plans to produce advanced components for the battery industry globally, and for stationary energy storage systems within Australia. By uniting resources and innovation, the Company seeks to vertically integrate lithium extraction, processing and recycling.

## About Charger Metals NL

Charger Metals NL is a special purpose unlisted public exploration company recently incorporated to buy interests in precious metals and battery minerals projects in Western Australia and the Northern Territory. The portfolio of projects to be acquired are prospective for nickel, copper, PGE's, gold and lithium. The lead project being the highly prospective Wundowie project in the emerging Ni-Cu-PGE belt 28kms south east of Chalice Gold's Julimar Project.

## Competent Person Statement – Exploration Strategy

The information in this statement that relates to exploration strategy is based on information provided to and compiled by consulting geologist David Crook BSc GAICD who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Crook provides the service of Manager – Raw Materials to Lithium Australia NL, and has been appointed Managing Director of Charger Metals NL. Mr Crook has sufficient experience which is relevant to the 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'. Mr Crook consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears.