

ASX ANNOUNCEMENT



19 April 2021

Lithium Australia maintains battery minerals interests through investment in Charger Metals

Lithium Australia NL (ASX: LIT, 'Lithium Australia' or 'the Company') provides the following update on its joint-venture agreement with Charger Metals NL (ACN 646 203 465) ('Charger'), originally [announced on 9 December 2020](#).

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HIGHLIGHTS

- **The Charger transaction has progressed, with Charger making significant progress towards its initial public offering ('IPO') on the ASX.**
- **Lithium Australia retains a 30% interest in the exploration projects, free carried to the definitive feasibility study notice, and will be the major shareholder in Charger.**
- **Charger has an option until 4 September 2021 to acquire Company exploration projects that include:**
 - **the Coates project in the highly prospective Western Yilgarn nickel/copper/platinum group elements belt, close to Chalice Mining Ltd's Julimar discovery in Western Australia;**
 - **the Lake Johnston project, near Southern Cross in Western Australia, prospective for lithium, gold and nickel; and**
 - **the Bynoe project, near Darwin in the Northern Territory, prospective for lithium and gold.**
- **Lithium Australia shareholders to be offered a priority allocation in the Charger IPO.**

Coates project

The Coates Mafic Intrusive Complex lies about 28 kilometres ('km') southeast of the recent nickel/copper/platinum group elements ('Ni-Cu-PGE') discovery at the Julimar project of Chalice Mining Ltd ('Chalice', ASX: CHN, formerly Chalice Gold, which is developing rapidly as drilling progresses and has attracted significant interest in this new exploration province.

Lithium Australia's Coates project exhibits geology similar to the Chalice discovery, with geochemistry results from an adjacent tenement returning encouraging Ni, Cu, PGE and gold anomalies, which few previous explorers successfully identified (see announcement dated [30 July 2020](#)), providing the motivation to further explore this target.

The township of Wundowie sits on the flanks of the Coates Mafic Intrusion, which also hosts a vanadium deposit mined briefly in the 1980s.

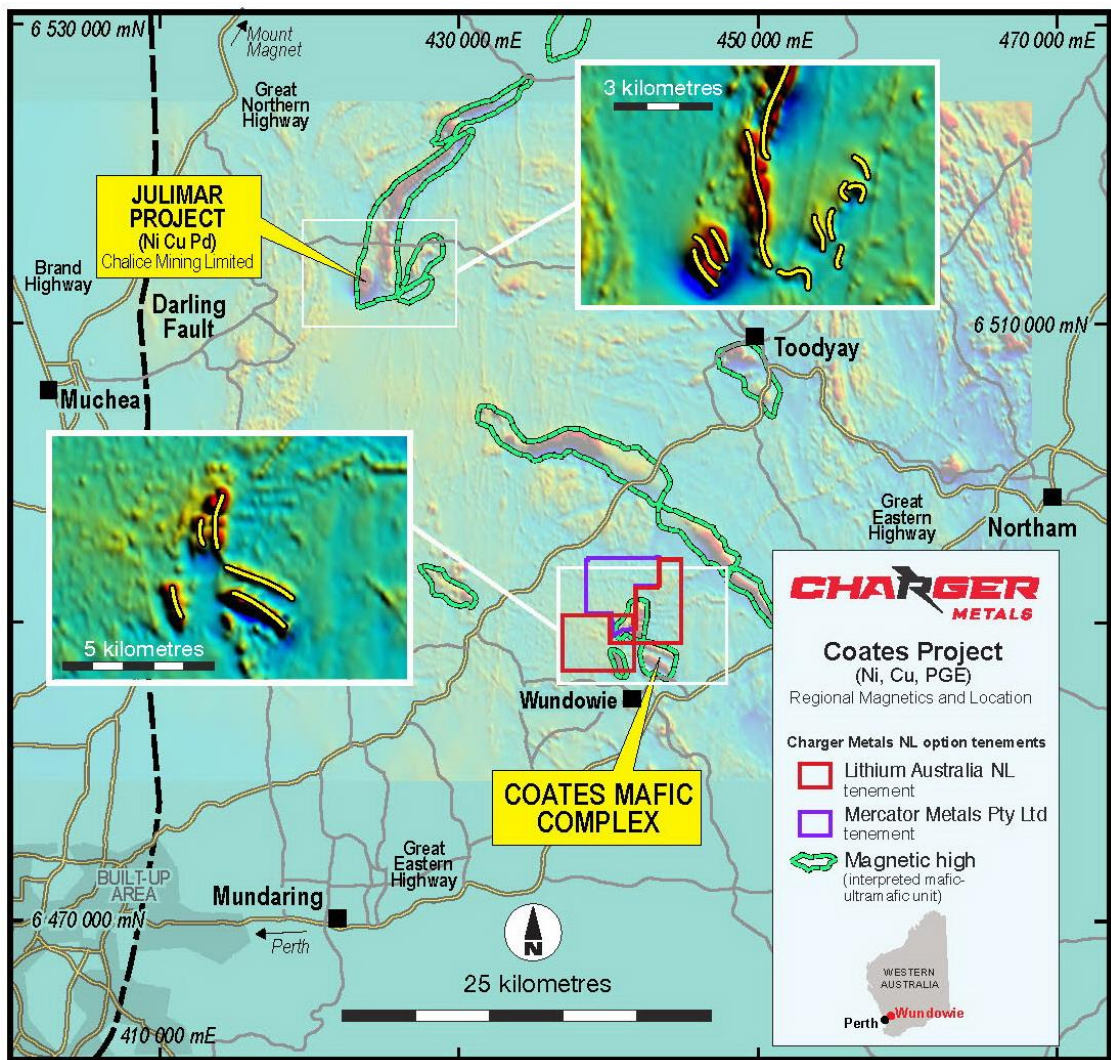
Western Australian examples of mafic intrusions that host nickel mineralisation include Radio Hill near Karratha and Carr Boyd near Kalgoorlie; both went on to host underground mines.

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Significant overseas examples include the Norilsk mine in Russia, Voisey's Bay in Canada and Jinchuan in China.

The location plan of the Coates project (below) shows it in relation to Chalice's Julimar Ni-Cu-PGE project, which is overlain on the regional aeromagnetic image.

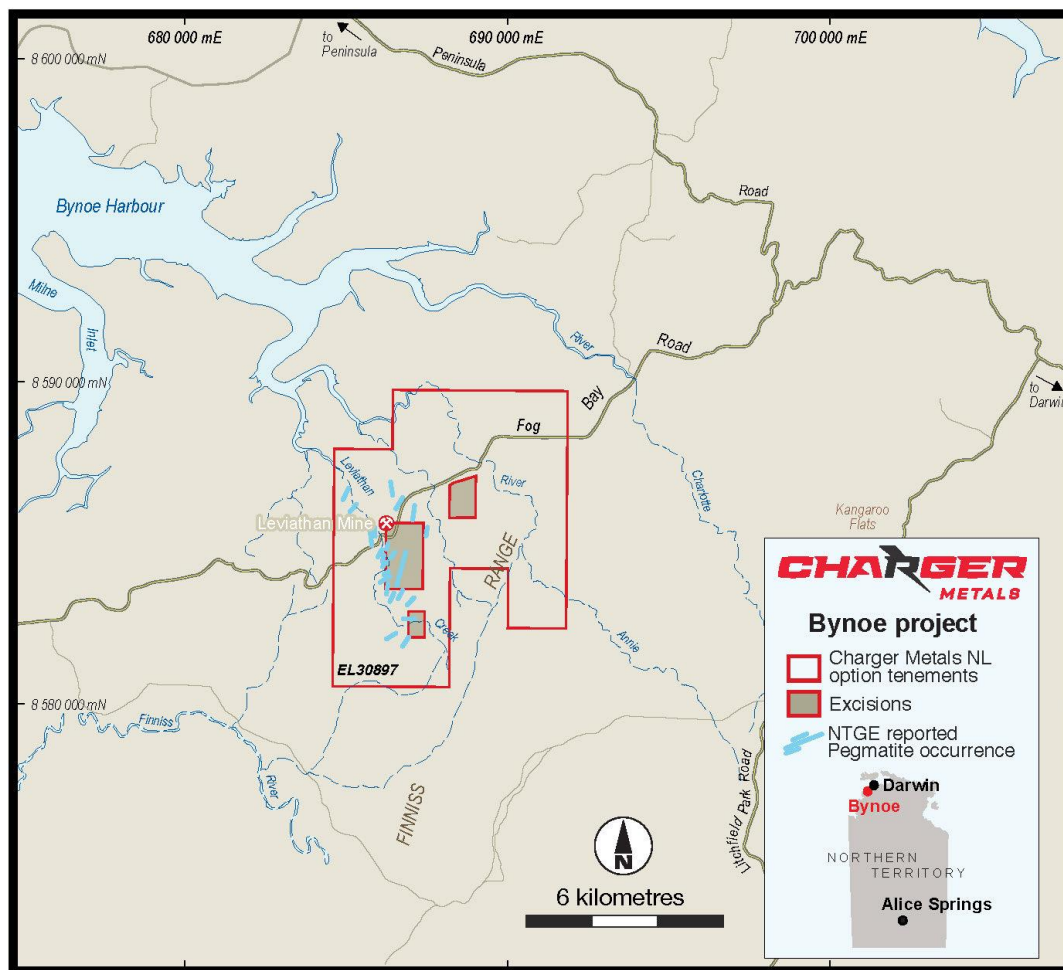


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Bynoe project

The Company's Bynoe lithium and gold project tenement (EL30897) is surrounded by the extremely large tenement holdings comprising Core Lithium Ltd's Finnis lithium project ('Finnis'), reported as having a total mineral resource inventory of 14.7 million tonnes ('Mt') at 1.32% lithium oxide ('Li₂O'), of which 7.6 Mt are in the Measured and Indicated Mineral Resource category. Finnis is at a very advanced stage of development, with a definitive feasibility study completed in April 2019. The location of the Company's Bynoe project is shown below.

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Lake Johnston project

Reconnaissance geological mapping and geochemical sampling have identified a number of lithium-caesium-tantalum (LCT) pegmatites, and the discovery of a spodumene pegmatite cluster at Bontempelli Hill near Lake Medcalf in 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% Li_2O , with up to a maximum 7.15% Li_2O from spodumene outcrop. The mineralised pegmatites at this prospect outcrop over an area of 450 x 250 metres ('m'). Soil sampling and geology indicate possible extensions to the southeast under adjacent cover. Individual dykes range from about 20 to 120 m in length and 1 to 5 m in thickness.

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

Terms of amended agreement

The Company has granted Charger an option until 4 September 2021 to acquire a 70% interest in the above-mentioned projects. The consideration payable to Lithium Australia by Charger is as follows:

- \$100,000 for reimbursement of previous expenditure incurred on the Projects, and
- 9,600,000 fully paid ordinary shares ('Shares') of Charger, and



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- \$200,000 cash or 2,000,000 Shares on establishment of either a JORC 2012 Resource over the projects of an:
 - inferred resource of 10,000 t contained nickel equivalent, or
 - inferred resource of 10 Mt at equal to or greater than 1.2% Li₂O, or
 - inferred resource of 100,000 ounces at +2 g/t gold equivalent.
- Charger to pay the Company's joint-venture expenditure share until receipt of the definitive feasibility study notice.

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

NOTE: all Lithium Australia shareholders of Lithium Australia will be offered a priority entitlement in the Charger IPO, with an allocation of \$500,000. Details of participation will be advised on completion of the Charger prospectus.

Comment from Lithium Australia managing director Adrian Griffin

"The Company's retains significant exposure to battery minerals and potential supply solutions while maintaining a focus on its core business – that of ensuring an ethical and sustainable supply of energy metals to the battery industry via the creation of a circular battery economy."

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.



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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 projects to be acquired are prospective for Ni, Cu, PGEs, gold and lithium. Currently, Charger's lead project is the highly prospective Wundowie project in the emerging Ni-Cu-PGE belt southeast of Chalice's Julimar project.

Competent person's 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, a member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Crook, who provides the service of Manager – Raw Materials to Lithium Australia and has been appointed managing director of Charger., has sufficient experience 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 they appear.

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