

ASX ANNOUNCEMENT



28 May 2021

Lithium Australia shareholder priority allocation 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').

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HIGHLIGHTS

- **The Charger prospectus is now lodged with ASIC.**
- **Lithium Australia shareholders on the registry as of 3 June 2021 to be eligible to be offered a priority allocation in the Charger Initial Public Offering.**
- **Lithium Australia retains a 30% interest in the exploration projects and will be the major shareholder in Charger.**
- **Charger has an option 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.**

Charger Priority Offer to Lithium Australia Shareholders

The Company is offering eligible Lithium Australia Shareholders priority to subscribe for \$500,000 at \$0.20 per Charger shares (LIT Offer). Under the LIT Offer, Charger will prioritise Eligible LIT Shareholders, who will be given the opportunity under the LIT Offer to subscribe for Shares. Eligible LIT Shareholders are encouraged to submit a LIT Offer Application Form as soon as possible after the Opening Date.

INDICATIVE TIMETABLE*

| | |
|--|--------------------|
| Lodgement of Prospectus with ASIC | 27 May 2021 |
| Exposure Period begins | 27 May 2021 |
| LIT Offer Record Date | 3 June 2021 |
| Opening Date of the Offers | 4 June 2021 |
| Closing Date of the Offers 5.00pm (WST) on | 17 June 2021 |

*The above dates are indicative only and may change without notice subject to the Corporations Act, ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date or close the Offers (or any of them) early without notice, which may have a consequential effect on other dates set out above. The Company also reserves the right to not proceed with the Offers at any time before the issue of Shares to applicants.

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The Charger Prospectus as an electronic prospectus that may be accessed on Charger's website at www.chargermetals.com.au.

Coates project

The Coates Mafic Intrusive Complex lies about 20 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. PI

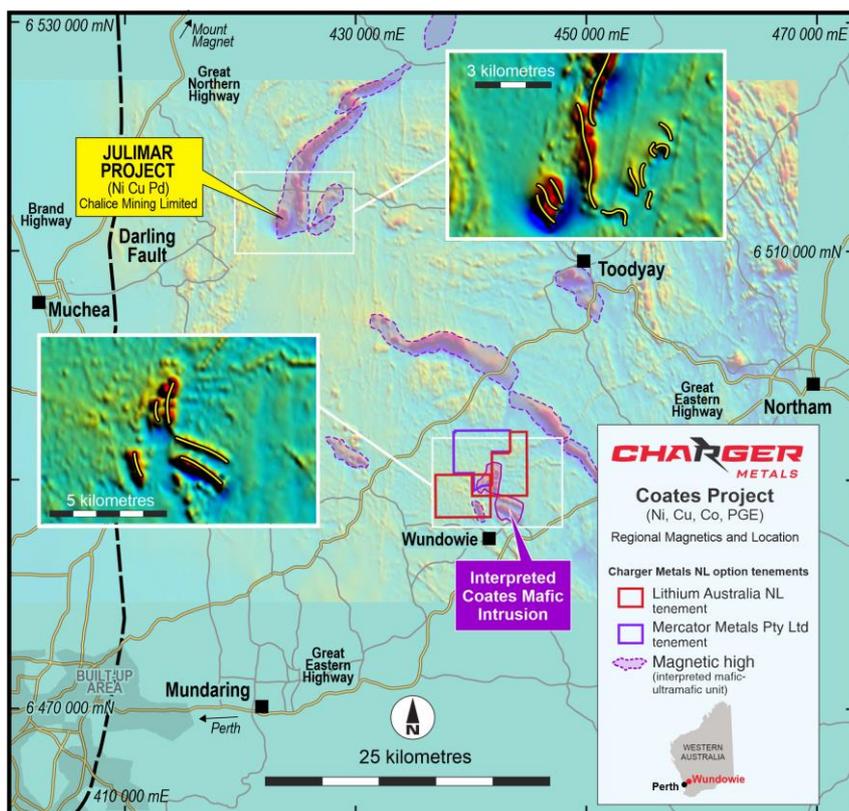
Lithium Australia's Coates project exhibits geology similar to the Chalice discovery, with geochemistry results from an adjacent tenement returning encouraging Ni, Cu, PGE and gold anomalies, which few previous explorers successfully identified (see announcement dated [30 July 2020](#)), providing the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

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.

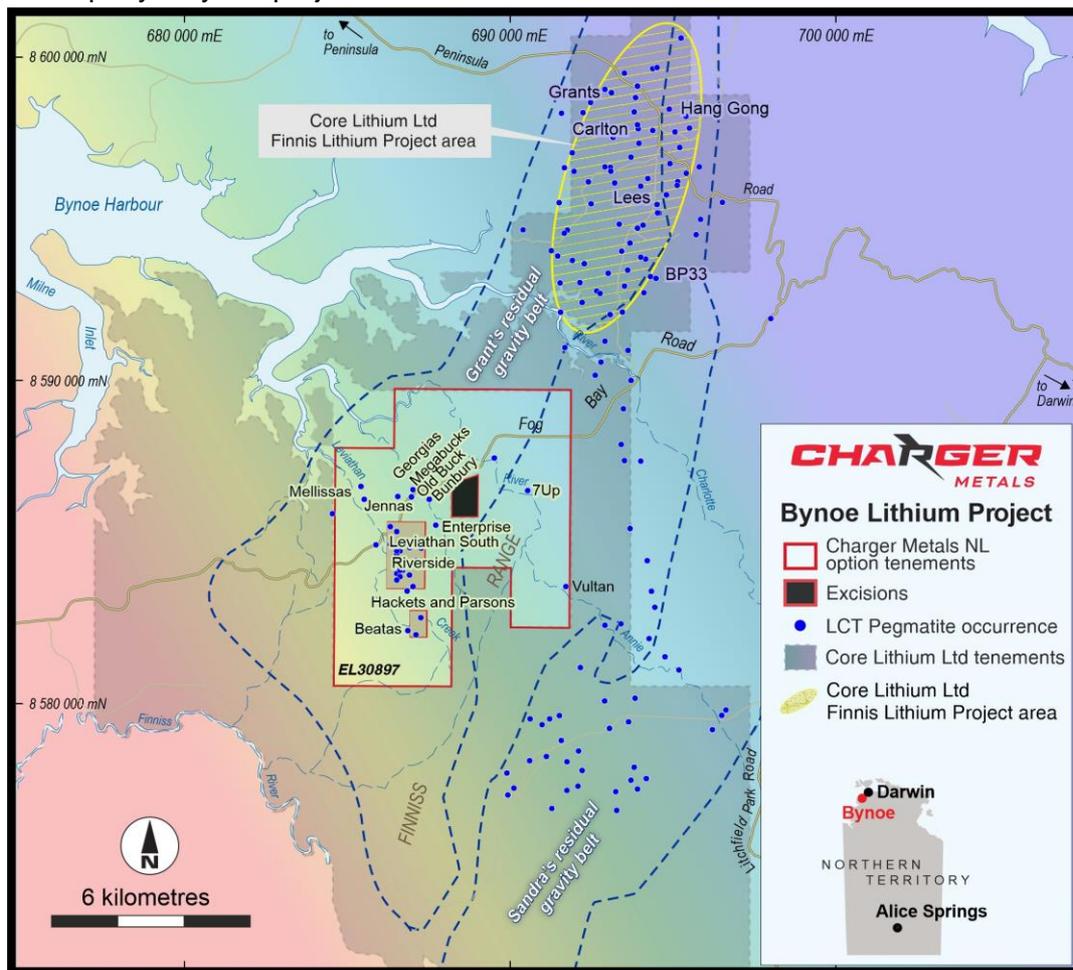


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Bynoe project

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% Li₂O, with up to a maximum 7.15% Li₂O 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.

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

Terms of the agreement

The Company has granted Charger an option to acquire a 70% interest in the above-mentioned projects can be found in Lithium Australia's [announcement dated 19 April 2021](#).

Comment from Lithium Australia managing director Adrian Griffin

PI

"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.

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.

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**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.

PI

