

## ASX ANNOUNCEMENT



1 July 2021

## Lithium Australia/Charger Metals joint venture and IPO update

### HIGHLIGHTS

- **Charger Metals exercises option to acquire a 70% interest in Lithium Australia's Coates, Lake Johnston and Bynoe projects.**
- **Lithium Australia retains a 30% free carried interest in these exploration projects and will be the major shareholder in Charger Metals.**
- **Lithium Australia to receive \$100,000 cash and 9,600,000 fully paid ordinary shares in Charger Metals, valued at \$1.92 million.**
- **The Charger Metals \$6 million offer closed oversubscribed and has received conditional approval to list from the ASX.**
- **Charger Metals is well advanced with its exploration planning for all three of the above-mentioned projects.**

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### Background

Lithium Australia NL (ASX: LIT, 'Lithium Australia') is pleased to advise that its sale and joint-venture terms with Charger Metals NL (ACN 646 203 465) (ASX: CHR, 'Charger') are now unconditional. Under the agreement, Charger has an option to acquire the following listed exploration projects from Lithium Australia.

- The Coates project, located in the highly prospective Western Yilgarn nickel/copper/platinum group elements ('Ni-Cu-PGE') belt, is close to the Julimar discovery of Chalice Mining Limited (ASX: CHN, 'Chalice', formerly Chalice Gold) in Western Australia and exhibits very similar geology.
- The Lake Johnston project, near Southern Cross in Western Australia, which is prospective for lithium, gold and nickel and has outcropping lithium (spodumene) pegmatites.
- The Bynoe project, near Darwin in the Northern Territory, which is prospective for lithium and gold and proximal to recent discoveries of both commodities.

### Comment from Lithium Australia managing director Adrian Griffin

"Lithium Australia retains significant exposure to raw materials through its equity in Charger, as well as its free-carried project interests. The latter potentially provide access to raw materials that the Lithium Australia group of companies can further process. Charger Metals' specialised expertise will expedite a focused exploration effort, leaving Lithium Australia to concentrate on its core business: the ethical and sustainable supply of energy metals to the battery industry and the development of a circular battery economy. We eagerly await exploration outcomes at the Coates, Bynoe and Lake Johnston projects."

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## Coates project

The Coates Mafic Intrusive Complex lies about 20 kilometres southeast of the recent Ni-Cu-PGE discovery at Chalice's Julimar project. Julimar, which is developing rapidly as drilling progresses, has attracted significant interest in this new exploration province.

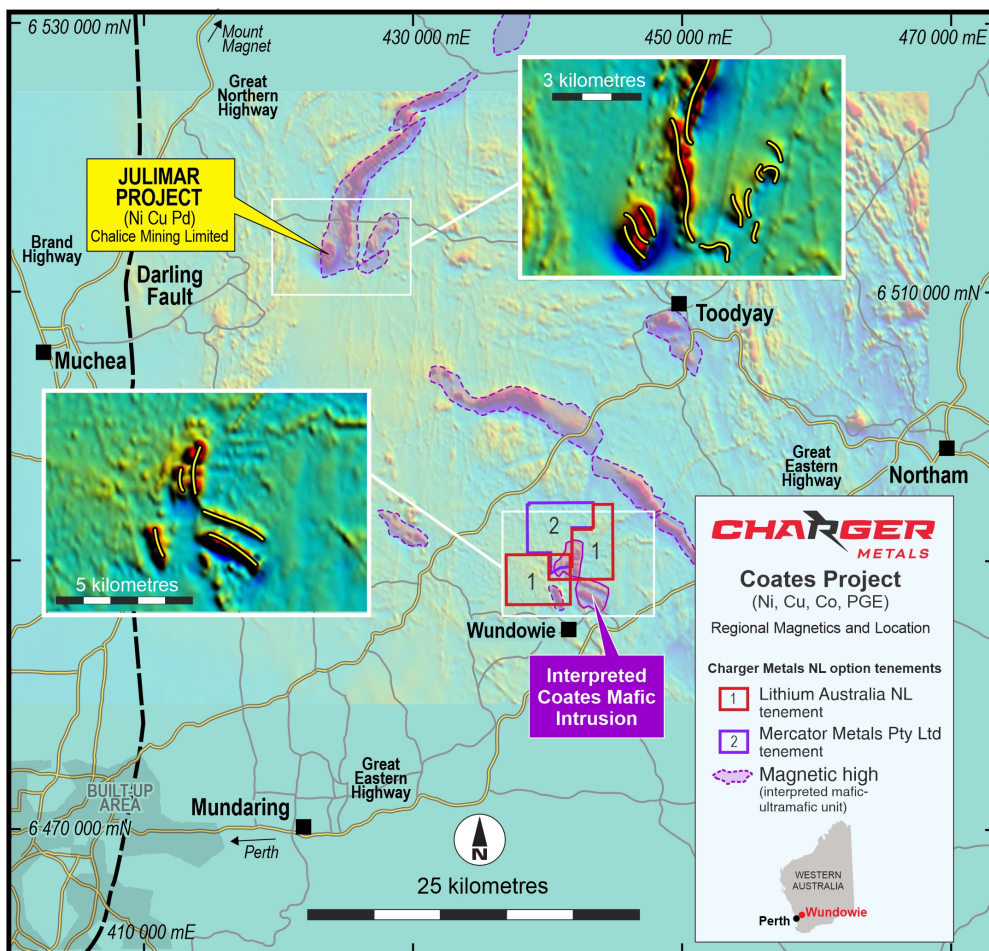
Lithium Australia's Coates project exhibits geology similar to that of Julimar, with geochemistry results from an adjacent tenement returning encouraging Ni-Cu-PGE and gold anomalies that few explorers identified previously (see announcement dated [30 July 2020](#)). This was the motivation to further explore the target.

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

West 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. 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 the Julimar Ni-Cu-PGE project, which is overlain on the regional aeromagnetic image.



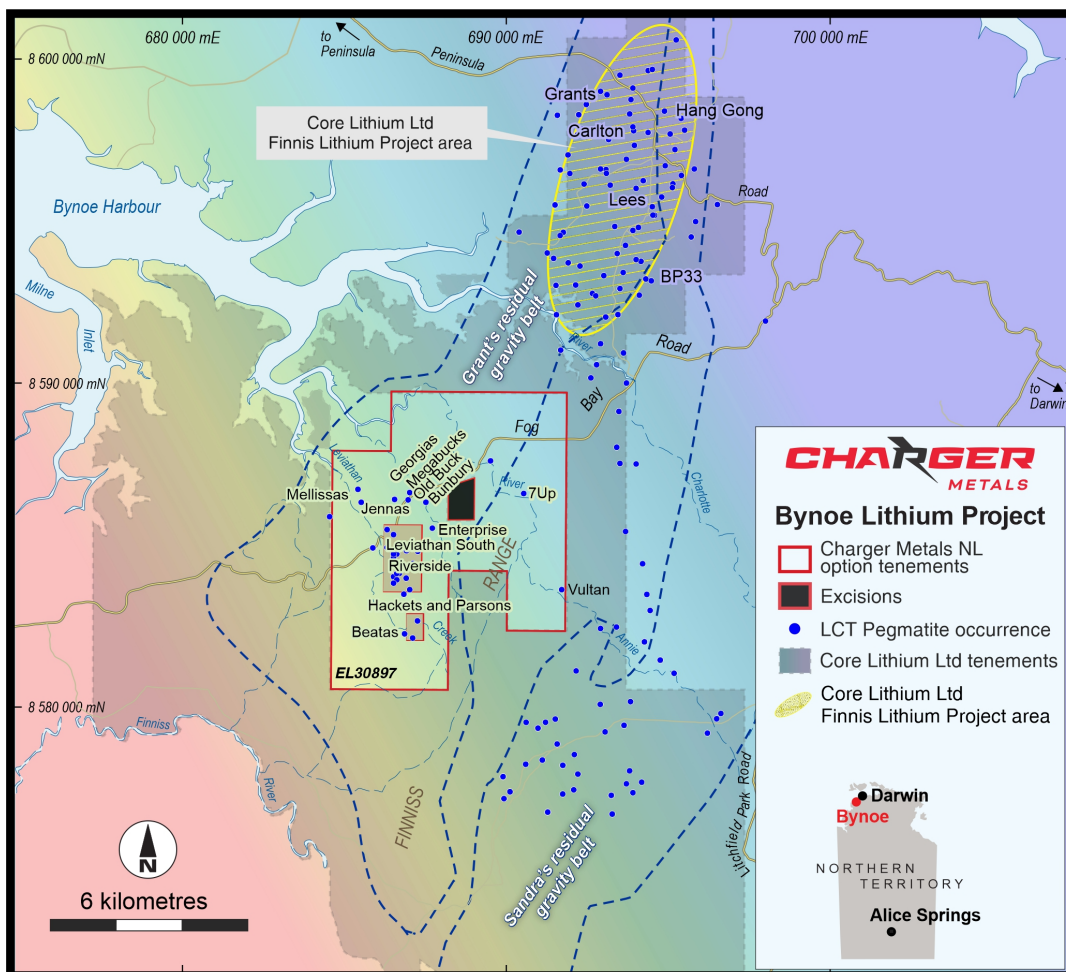
Location plan of the Coates project overlain on the regional aeromagnetic image.

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## Bynoe project

Lithium Australia's Bynoe lithium and gold project tenement (EL30897) is surrounded by the extremely large tenement holdings of Core Lithium Limited's Finnis lithium project reported as having a total mineral resource inventory of 14.7 million tonnes ('Mt') at 1.32% lithium oxide ('Li<sub>2</sub>O'), of which 7.6 Mt are in the Measured and Indicated Mineral Resource category. The Finnis project is at a very advanced stage of development, with a definitive feasibility study completed in April 2019. The location of the Bynoe project in relation to the Finnis project is shown below.



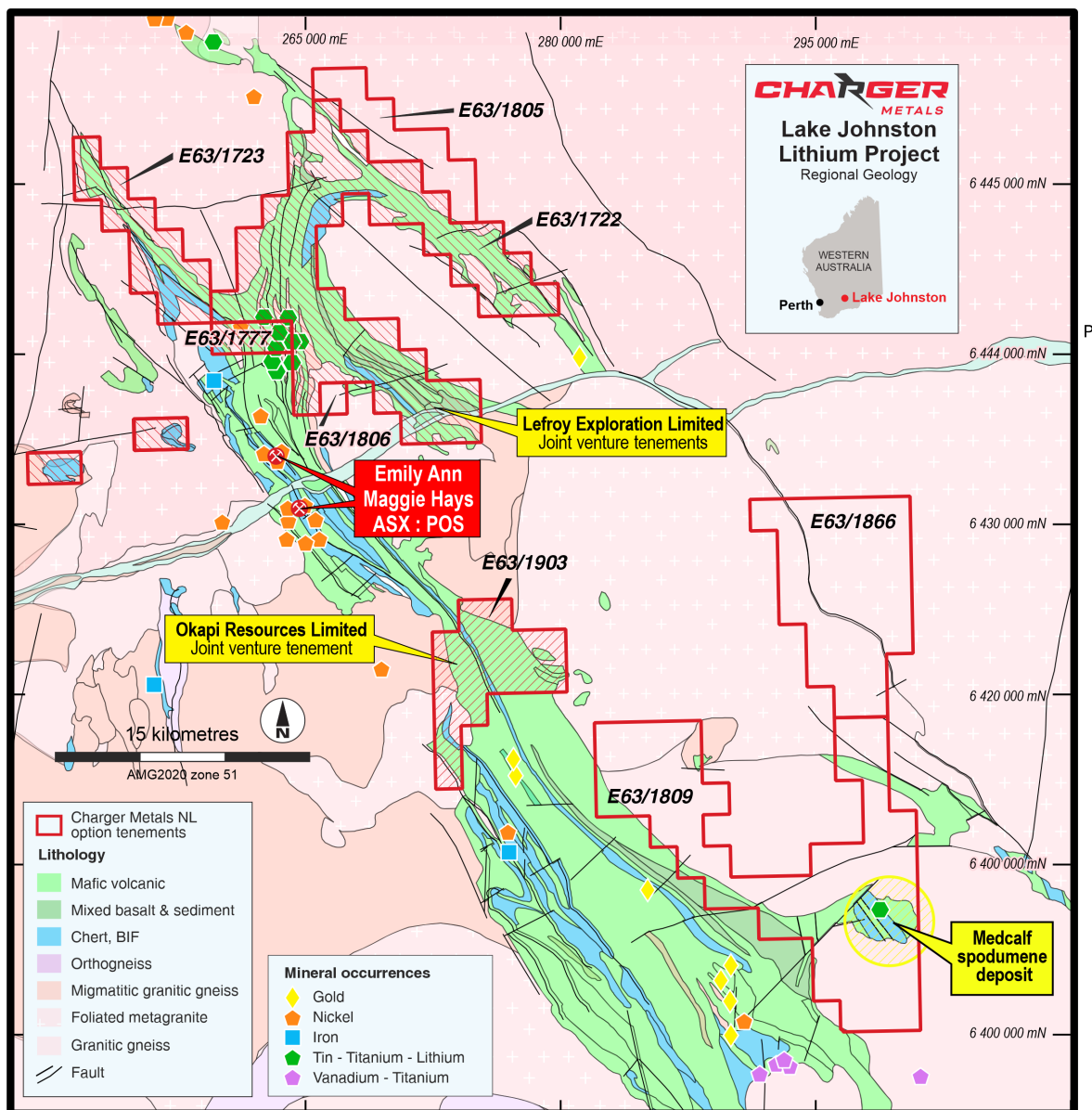
Bynoe project location plan showing proximity to Core Lithium's Finnis project and lithium-caesium-tantalum ('LCT') pegmatite occurrences.

## Lake Johnston project

Reconnaissance geological mapping and geochemical sampling of the Lake Johnston area have identified a number of LCT pegmatites including a spodumene pegmatite cluster at Bontempelli Hill near Lake Medcalf. The Bontempelli Hill outcrops consist of stacked pegmatites containing ~20-30% spodumene. Rock-chip samples from the pegmatite dyke swarm average 3.6% Li<sub>2</sub>O, with up to a maximum 7.15% Li<sub>2</sub>O 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 from 1 to 5 m in thickness. No drilling has occurred at any of the lithium targets.



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Regional geological map of the Lake Johnston project area.

### Terms of the agreement

Charger has exercised its option to acquire a 70% interest in the above-mentioned projects, as noted in Lithium Australia's [announcement dated 19 April 2021](#). Lithium Australia will receive \$100,000 cash and 9,600,000 fully paid ordinary shares in Charger, valued at \$1.92 million, within five business days.

Lithium Australia shareholders received priority offer to subscribe for \$500,000 in the Charger IPO at \$0.20 per share. Both the priority offer and the IPO closed oversubscribed.

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 is an exploration company acquiring interests in precious metals and battery minerals projects in Western Australia and the Northern Territory. The projects to be acquired are prospective for nickel, copper, platinum group elements, gold and lithium. Currently, Charger Metal's lead project is the highly prospective Coates project. Charger Metals has conditional approval to list on the ASX.

## 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 Metals, 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.