

# CHARGER METALS NL

ABN: 61 646 203 465

## PROSPECTUS

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**For an offer of 30,000,000 Shares at an issue price of \$0.20 each to raise \$6,000,000 (before costs)**

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This Prospectus has been issued to provide information on the offer of 30,000,000 Shares at an issue price of \$0.20 each to raise \$6,000,000 (before costs) (**General Offer**).

This Prospectus also incorporates a priority offer as part of the General Offer to shareholders of Lithium Australia NL registered on a record date of 3 June 2021 (**LIT Offer**).

### IMPORTANT INFORMATION

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS DOCUMENT IN ITS ENTIRETY TO ASSIST IN DECIDING WHETHER OR NOT TO INVEST IN THE COMPANY.**

**YOU SHOULD ALSO CONSULT YOUR PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE COMPANY. THE OFFERS DO NOT TAKE INTO ACCOUNT YOUR INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS IN PART D OF SECTION 5 AND SECTION 8 IN LIGHT OF YOUR CIRCUMSTANCES.**

**INVESTMENT IN THE SHARES OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED AS HIGHLY SPECULATIVE IN NATURE AND INVESTORS SHOULD BE AWARE THAT THEY MAY LOSE SOME OR ALL OF THEIR INVESTMENT.**

**THIS PROSPECTUS MAY NOT BE RELEASED TO US WIRE SERVICES OR DISTRIBUTED IN THE UNITED STATES OF AMERICA**



**Lead Manager -  
Pamplona Capital  
Pty Ltd**

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## 1. CORPORATE DIRECTORY

### **Directors**

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David Crook  
*Managing Director and Chief Executive Officer*

Terry Gardiner  
*Non-Executive Chairman*

Alan Armstrong  
*Non-Executive Director*

### **Company Secretary**

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Jonathan Whyte

### **Company's Registered Office**

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Unit 32, Level 3, 22 Railway Road  
Subiaco, Western Australia 6008

### **Company's Contact Details**

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Telephone: +61 8 6146 5325

Email: [admin@chargermetals.com.au](mailto:admin@chargermetals.com.au)

Website: [www.chargermetals.com.au](http://www.chargermetals.com.au)

### **Investigating Accountant**

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Nexia Perth Corporate Finance Pty Ltd  
Level 3, 88 Williams Street  
Perth, Western Australia 6000

### **Company's Proposed ASX Code**

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### **Solicitors to the Offers**

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Poplar Legal  
1202 Hay Street  
West Perth, Western Australia 6005

### **Author of the Solicitors' Tenement Report**

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Mining Access Legal  
28/168 Guildford Road  
Maylands, Western Australia 6051

### **Auditor\***

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Nexia Perth Audit Services Pty Ltd  
Level 3, 88 Williams Street  
Perth, Western Australia 6000

### **Author of the Independent Technical Assessment Report**

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Dr John Chisholm  
Continental Resource Management Pty Ltd  
10 Hehir Street  
Belmont, Western Australia 6104

### **Share Registry\***

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Advanced Share Registry Ltd  
110 Stirling Highway  
Nedlands, Western Australia 6009  
Telephone: +61 8 9389 8033

### **Lead Manager to the Offers**

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Pamplona Capital Pty Ltd  
Authorised Representative of  
Symmetry Group Pty Ltd AFSL 426385  
239 Hay Street  
Subiaco, Western Australia 6008

\*The names of these entities are included for information purposes only and they have not been involved in the preparation or issue of this Prospectus.

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## 2. IMPORTANT NOTICE

This Prospectus is dated 27 May 2021 and was lodged with ASIC on that date. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No person or entity is authorised to give any information or make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied on as having been authorised by the Company in connection with the Offers or this Prospectus.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made to the ASX within seven (7) days after the date of this Prospectus for Quotation of the Shares offered under this Prospectus.

It is important that applicants read this Prospectus in its entirety and, if applicants are in any doubt about whether to apply for Shares or applicants have any questions, they should seek professional advice. The Shares the subject of this Prospectus should be considered as highly speculative in nature.

None of the Company, the Directors or any other person gives any guarantee as to the success of the Company, the repayment of capital, the payment of dividends, the future value of the Shares or the price at which Shares will trade on the ASX.

### 2.1 EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of seven (7) days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of seven (7) days.

This Prospectus will be circulated during the exposure period. The purpose of the exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds, which examination may result in the identification of deficiencies in the Prospectus. In that event, any application that has been received will be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the exposure period. No preference will be given to applications received by the Company during the exposure period.

### 2.2 ELECTRONIC PROSPECTUS AND APPLICATION FORMS

This Prospectus will be issued in paper form and as an electronic prospectus that may be accessed on the internet at the Company's website at [www.chargermetals.com.au](http://www.chargermetals.com.au). If you have received or accessed this Prospectus as an electronic prospectus for the purpose of making an investment in the Company, please ensure that you have received the entire Prospectus accompanied by an Application Form. If you have not, please contact the Company (see the Corporate Directory in Section 1 for the Company's contact details) and the Company will send you, at no cost to you, either a hard copy or a further electronic copy of the Prospectus prior to the Closing Date.

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing an Application Form on to another person unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **2.3 WEBSITE**

No document or information on the Company's website is incorporated by reference into this Prospectus.

### **2.4 APPLICANTS OUTSIDE AUSTRALIA**

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. A failure to comply with these restrictions may violate applicable securities laws. This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. If you are a resident of a country other than Australia or New Zealand you should consult your professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. If you are outside Australia or New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained. No action has been taken by the Company to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside of Australia and New Zealand.

### **2.5 PRIVACY STATEMENT**

If you complete an Application Form you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, and, if your application is successful, to service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the Share register, including bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry whose contact details are set out in the Corporate Directory in Section 1.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

You should note that if you do not provide the information required on the Application Form the Company may not be able to accept or process your application.

The Company's Privacy Policy at <http://chargermetals.com.au/privacy> includes additional information about the way the Company handles personal information, including how to

seek access or correction of your personal information, and how to complain if you believe we have breached our privacy obligations and how we will handle your complaint. For further information you may also contact our Privacy Officer by email at [admin@chargermetals.com.au](mailto:admin@chargermetals.com.au) or by mail to Privacy Officer, Charger Metals, Unit 32, Level 3, 22 Railway Road, Subiaco Western Australia 6008.

## **2.6 NOT INVESTMENT ADVICE**

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

## **2.7 STATEMENTS OF PAST PERFORMANCE**

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

## **2.8 NO COOLING OFF RIGHTS**

Cooling off rights do not apply to an investment in Shares offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your application.

## **2.9 FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'would', 'should', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding intentions, future events and actions that, as at the date of this Prospectus, are expected to take place. They are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management, which could cause these future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed in this Prospectus. Some of these risk factors are set out in the Key Risks in Part D of the Investment Overview in Section 5 and the Risk Factors in Section 8.

The Company does not intend to update or review forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur, and potential investors are cautioned not to place undue reliance on these forward-looking statements.

## **2.10 PHOTOGRAPHS AND DIAGRAMS**

Photographs used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Any diagram appearing in this Prospectus is illustrative only and may not be drawn to scale.

## **2.11 DEFINITIONS**

Throughout this Prospectus abbreviations and defined terms are used. Defined terms are generally identifiable by the use of an upper-case first letter. Those relevant to mineral exploration are contained in the Glossary located in the Independent Technical Assessment Report in Section 10, and other abbreviations and defined terms are contained in the Glossary in Section 15.

## **2.12 COMPETENT PERSONS STATEMENT**

The information contained in Sections 7 and 10 of this Prospectus that relates to exploration results or any related assessments and interpretations is based on information compiled by Dr John Chisholm of Continental Resource Management Pty Ltd. Dr Chisholm is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code. Dr Chisholm consents to the inclusion in Sections 7 and 10 of this Prospectus of this information in the form and context in which it appears. The Company is not aware of any new information or data that materially affects this information in this Prospectus.

## **2.13 CONTINUOUS DISCLOSURE OBLIGATIONS**

Following the admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all ASX listed companies, the Company will be required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through the ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## **2.14 FINANCIAL FORECASTS AND CASHFLOW PROJECTIONS**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and consider that they do not have a reasonable basis to forecast future earnings for the Company. Given the highly speculative nature of mineral exploration and the early stage of the Projects there are significant uncertainties associated with the future revenue earning potential of the Company and the timing and sustainability of the cash flow. On the basis of these inherent uncertainties, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that the Directors believe that reliable best estimate forecasts cannot be prepared and accordingly have not included forecasts or projection in this Prospectus.

## **2.15 CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM (CHESS) AND ISSUER SPONSORSHIP**

The Company will apply to participate in the Clearing House Electronic Sub-register System (CHESS). CHESS is operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of the ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of Shares.

Under CHESS the Company will not issue Share certificates to investors. Instead holders of Shares will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASX Settlement Pty Ltd will send a CHESS statement. This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or a Security Holder Reference Number (SRN) in the case of a holding on the issuer sponsored sub-register.

A statement will be routinely sent to Security holders at the end of any calendar month during which their holding changes. A Security holder may request a statement at any other time however a charge may be incurred for additional statements.

#### **2.16 CURRENCY**

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "\$" or "A\$" are references to Australian dollars.

#### **2.17 TIME**

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

#### **2.18 ENQUIRIES**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 8 6146 5325.

### 3. KEY DATES AND OFFER INFORMATION

#### 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
Issue Date of Shares under the Offers	1 July 2021
Despatch of holding statements	1 July 2021
Expected date for Quotation on ASX	8 July 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.*

#### KEY OFFER INFORMATION

<b>Pro forma capital structure</b>	
<b>Offer price per Share</b>	<b>\$0.20</b>
<b>Shares offered for subscription:</b>	
Assuming Minimum Subscription (\$6,000,000)	<b>30,000,000</b>
<b>General</b>	
<b>Total Shares on issue as at the date of this Prospectus</b>	<b>8,250,001</b>
<b>Shares to be issued under Acquisition Agreements</b>	<b>12,150,000</b>
<b>Total Shares on issue after completion of the Offers (assuming Minimum Subscription)</b>	<b>50,400,001</b>
<b>Pro-forma Net Cash on Listing Date (after costs)</b>	
Assuming Minimum Subscription (\$6,000,000)	<b>\$5,554,839</b>
<b>Total Options on issue as at the date of this Prospectus</b>	
Options issued to Board, Key Management Personnel and Consultants	<b>3,400,000</b>

<b>Vendor Options and Lead Manager Options</b>	
(a) Vendor Options to be issued to Mercator Metals Pty Ltd or nominee	1,000,000
(b) Lead Manager Options to be issued to Pamplona Capital Pty Ltd or nominee	1,600,000
<b>Total Options on issue after completion of the Offers</b>	6,000,000
<b>Vendor Performance Rights under Acquisition Agreements</b>	<b>For the issue of up to 4,000,000 Shares</b>

Please refer to Sections 7.11 and 7.12 for further details relating to the current and proposed capital structure of the Company.

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#### 4. CHAIRMAN'S LETTER TO INVESTORS

Dear Investor

On behalf of the directors of Charger Metals NL (the Company or Charger), I am pleased to present this Prospectus for the Company's initial public offer to raise \$6,000,000 (before costs) and am delighted to invite you to become a shareholder in the Company.

The Company was incorporated on 27 November 2020 to acquire and explore interests in battery minerals and precious metals projects in Australia.

Charger has secured an option agreement to acquire a 70% interest in the Coates Ni-Cu-Co-PGE Project and the Lake Johnston Lithium and Gold Project in Western Australia (one tenement will be acquired 100%) and the Bynoe Lithium and Gold Project in the Northern Territory.

In addition, Charger has also entered into a separate option agreement to acquire an 85% interest in the Coates North Project which adjoins the Coates Ni-Cu-Co-PGE Project.

A summary of the terms of these option agreements and the various third party rights affecting the relevant tenements that comprise these Projects are contained in Section 13.

Following the recent success of Chalice Gold Mines Limited (Chalice) at Julimar in the Shire of Northam, Western Australia region, a significant amount of exploration funding has been raised by various parties to target what appears to be an emerging Ni-Cu-Co-PGE Province. The Coates Ni-Cu-Co-PGE Project has significant Ni-Cu-Co-PGE geochemistry anomalies justifying further exploration to test targets within 28 kilometres of the Julimar Project.

The Bynoe Lithium and Gold Project sits in an emerging lithium province that has demonstrated sizeable lithium deposits and which is attracting significant exploration interest. Both Charger's Bynoe Lithium and Gold Project and Lake Johnston Lithium and Gold Project have had positive, albeit limited geochemistry and mapping programmes to date and Charger's management is excited about further evaluating these opportunities.

Amongst Charger's directors and management team are highly credentialed individuals with exploration, corporate, funding and/or M&A experience.

This Prospectus contains detailed information about the Offers and the Company. However, all investors should be aware of the highly speculative nature of mineral exploration and mining and the inherent risks it carries through events and circumstances which cannot all be foreseen or mitigated. Please read this Prospectus in its entirety carefully, especially the Key Risks in Part D of the Investment Overview in Section 5 and the Risk Factors in Section 8, and seek professional advice if necessary prior to making your informed decision to invest.

On behalf of the Directors, I am pleased to present this investment opportunity to you and look forward to you adding to your existing shareholding or welcoming you as a new Shareholder to share in what we believe are exciting times for Charger Metals NL.

Yours sincerely

Terry Gardiner  
Chairman

27 May 2021

## 5. INVESTMENT OVERVIEW

The information contained in this Section is a summary only and is not intended to provide comprehensive details of the Offers. You should read this Prospectus in full including the Independent Technical Assessment Report in Section 10, the Independent Limited Assurance Report in Section 11, and the Solicitors' Report on Tenements in Section 12 and, if in any doubt, you should consult with your professional advisers before deciding whether to apply for Shares.

**Charger is a mineral exploration company and you should consider that an investment in the Company is highly speculative.**

Item	Summary	Further Information
<b>A. Company</b>		
Who is the issuer of this Prospectus?	Charger Metals NL (ABN: 61 646 203 465), a public no liability company incorporated in Western Australia.	Section 7.1
What is the Company?	<p>Charger was incorporated on 27 November 2020 as a public no liability company with the purpose of identifying, evaluating and, if warranted, acquiring battery minerals and precious metals projects in Australia that the Board considers will add Shareholder value.</p> <p>In December 2020, the Company entered into the Acquisition Agreements under which the Company has been granted an option to acquire (subject to various conditions precedent as set out in Sections 13.2 and 13.5) the following interests in the following Projects (<b>Project Interests</b>):</p> <ul style="list-style-type: none"> <li>(a) from Lithium Australia NL, a 70% interest in the Coates Ni-Cu-Co-PGE Project;</li> <li>(b) from Mercator Metals Pty Ltd, an 85% interest in Coates North Project (which adjoins the Coates Ni-Cu-Co-PGE Project);</li> <li>(c) from Lithium Australia, a 70% interest in the Bynoe Lithium and Gold Project; and</li> <li>(d) from Lithium Australia, a 70% interest in the Lake Johnston Lithium and Gold Project (with one tenement to be acquired 100%).</li> </ul> <p>A summary of the Acquisition Agreements and associated agreements relating to the tenements that comprise the Projects (<b>Tenements</b>) are set out in Sections 13.2-13.6.</p> <p>Other than as disclosed in this Prospectus, the Company presently has no business operations other than its proposed exploration of the Tenements in which the Project Interests are proposed to be acquired by the Company under the Acquisition Agreements and the Company has not undertaken any substantial activities since incorporation.</p>	Sections 7.1 and 13.2-13.6

<p>What is the Company's interest in the Projects and the Tenements?</p>	<p>Subject to completion occurring under the Acquisition Agreements, the Company will hold the Project Interests as set out above and will hold interests in the Tenements that broadly correspond with the Project Interests as set out in more detail in Sections 7.1-7.5 (but subject to some associated third-party agreements referred to below and summarised in Sections 13.3, 13.4 and 13.6).</p> <p>The Company's Project Interests and interests in the Tenements will be subject to joint venture arrangements which are contained in the Acquisition Agreements, the key terms of which are summarised in Sections 13.2 and 13.5).</p> <p>In addition, upon completion of the Acquisition Agreements, Charger will become a party to the following agreements relating to some of the Tenements:</p> <ul style="list-style-type: none"> <li>(a) an agreement with Yankuang Pty Ltd under which Yankuang Pty Ltd has rights to bauxite on the tenement that comprises the Coates North Project;</li> <li>(b) an agreement with Okapi Resources Limited under which Okapi Resources Limited may earn a 75% interest (excluding lithium and associated minerals that occur within lithium-caesium-tantalum (LCT) pegmatites) in the Lake Johnston Lithium and Gold Project tenement that the Company is acquiring 100%; and</li> <li>(c) an agreement with Lefroy Exploration Limited by which Lefroy Exploration Limited grants lithium rights and which such rights form part of the Lake Johnston Lithium and Gold Project.</li> <li>(d) Summaries of the above agreements, and another associated agreement, are set out in Sections 13.3, 13.4 and 13.6.</li> </ul> <p>Refer to the Solicitors' Report on Tenements in Section 12 for further detailed information on the Tenements. More detailed information relating to the technical aspects of the Tenements is contained in the Independent Technical Assessment Report in Section 10.</p>	<p>Sections 7.1, 13-2-13.6, 10 and 12</p>
<p>Why is the Company issuing this Prospectus?</p>	<p>The purpose of this Prospectus is to:</p> <ul style="list-style-type: none"> <li>(a) make the Offers to raise a minimum of \$6,000,000 (before costs); and</li> <li>(b) to assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List.</li> </ul>	
<p><b>B. Business Model</b></p>		
<p>What is the Company's business model?</p>	<p>The Company is a highly speculative mineral exploration company. The Company aims to add shareholder value through the discovery and development of valuable minerals.</p>	<p>Sections 7.8 and 7.9</p>

	<p>Following completion of the Offers, the Company's proposed business model will be to explore and develop deposits located within the Tenements which have the potential to be developed into production.</p> <p>Section 7.9 contains a summary of the Company's proposed exploration programmes and the proposed expenditure on such exploration programmes for the first two years following the Listing Date.</p> <p>The Company will also consider, where appropriate, acquiring interests (whether directly or indirectly) in additional resource projects and assets in Australia and/or overseas consistent with its objectives (although no such new projects have been identified as at the date of this Prospectus).</p> <p>A detailed explanation of the Company's business model is provided in Section 7.8.</p>	
<p>What are the Company's key business objectives?</p>	<p>The Company's immediate business strategy and objectives comprises:</p> <ul style="list-style-type: none"> <li>(a) conducting exploration activities on the Projects to identify early-stage exploration targets with the aim of defining valuable mineral resources that the Company can monetarise through either further development or sale; and</li> <li>(b) identifying new project acquisition targets.</li> </ul> <p>A detailed explanation of the Company's business objectives is provided in Section 7.3.</p> <p><b>On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.</b></p>	<p>Sections 7.2 and 7.9</p>
<p>What are the key dependencies of the Company's business model?</p>	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> <li>(a) completion occurring under the Acquisition Agreements;</li> <li>(b) maintaining title to the Project Interests;</li> <li>(c) retaining key personnel skilled in the mining and resources sector;</li> <li>(d) maintaining access to the Projects as necessary to conduct exploration activities;</li> <li>(e) having access to capital to fund exploration activities at the Projects and to develop the Projects and potentially make future acquisitions;</li> <li>(f) there being sufficient worldwide demand for battery minerals and precious metals;</li> <li>(g) the market price of battery minerals and precious metals remaining higher than the Company's costs of any future production; and</li> <li>(h) having the ability to mitigate key risk factors set out in Part D below and in Section 8.</li> </ul>	<p>Section 7 and 8</p>

<p>What is the Company's growth strategy</p>	<p>The Company is currently focussed on completing its acquisition of the Project Interests under the Acquisition Agreements and subsequently conducting exploration activities at the Projects. If the Company's exploration activities are successful and the Company identifies mineral deposits that are commercially viable to develop and mine, it will develop these deposits and commence mining activities.</p> <p>The Company will consider, where appropriate, acquiring interests (whether directly or indirectly) in additional resource projects and assets in Australia and/or overseas which contain or are prospective for (principally) battery minerals as well as base and precious metals projects (although no such new projects have been identified as at the date of this Prospectus).</p>	
<p><b>C. Key Advantages</b></p>		
<p>What are the key advantages of an investment in the Company?</p>	<p>Upon completion of the Offers, the Directors are of the view that an investment in the Company provides the following non-exclusive list of advantages:</p> <ul style="list-style-type: none"> <li>(a) As a new exploration-focussed company, the Company will, subject to raising the Minimum Subscription, immediately be able to focus on progressing the Projects through exploration activities and evaluation on the Tenements.</li> <li>(b) The Company has an experienced Board and management team with requisite exploration, corporate, funding and M&amp;A experience.</li> <li>(c) Subject to raising the Minimum Subscription, the Company will have a strong financial position, with a pro forma net cash balance of \$5,554,839 (after costs) to implement its exploration strategy.</li> </ul>	<p>Sections 8 and 9.1.</p>

<b>D. Key Risks</b>		
What are the key risks of an investment in the Company?	<p>You should be aware that there are a number of risks to the business, assets and operations of the Company that potentially influence the operating and financial performance of the Company.</p> <p>You should read this Prospectus in its entirety and, in particular, consider the key risk factors affecting the Company set out below and the Risk Factors in Section 8 before deciding whether to apply for Shares under this Prospectus.</p> <p>You are urged to consider those risks carefully and, if necessary, to also consult your professional advisers with any questions before deciding whether to invest in the Company.</p> <p>Some risks can be mitigated by the use of appropriate safeguards and appropriate systems and controls by the Company, however, some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited or not possible.</p> <p>Set out below is a non-exhaustive list of key and specific risks to which the Company is exposed and that may have a direct influence on the Company and its activities or assets, therefore affecting the value of an investment in the Company. Further information regarding general industry risks, is set out in Section 8.</p>	Section 8
Future Capital Requirements	<p>Mineral exploration companies do not generally generate cash revenue. Accordingly, the Company may be required to raise new equity capital or access debt funding. There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company to explore and develop the Company's Projects or otherwise for the Company to undertake its business. No assurance can be given that the Company will be able to procure sufficient funding at the relevant times on the terms acceptable to it. Any additional equity financing will dilute the Company Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on favourable terms.</p>	
Equity Market Conditions	<p>Shares listed on ASX, or any other securities market, and in particular securities of small companies engaged in exploration activities, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Company's Shares regardless of the Company's operating performance.</p>	

<p>Commodity Prices and Exchange Rates Risk</p>	<p>Commodity prices (including Copper, Nickel, PGE's, Lithium and Gold) are influenced by physical and investment demand. Fluctuations in commodity prices relevant to the Company may influence the exploration and development activity of the Company. If the Company achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Fluctuating commodity prices may impact the Company's project development plans and activities, including its ability to fund those activities. The Company cannot provide any assurance as to the prices it will achieve for any mineral commodities it produces (if any). Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on the Company and the value of the Shares. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the capital raising pursuant to the Offers and expenditure of the Company are, and will be, taken into account in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.</p>	
<p>Exploration and Appraisal Risks</p>	<p>Exploration is a high-risk undertaking. The Company does not give any assurance that exploration of the Projects or any future projects the Company may acquire will result in exploration success. Exploration programmes may or may not be successful, may cause harm to employees or contractors, and may incur cost overruns if not carefully managed. There is a significant risk for the Company of the proposed exploration activity being unsuccessful and not resulting in the discovery of a viable mineral resource. Mineral exploration by its nature is a high-risk activity and there can be no guarantee of success in the project areas where the Company holds interests in tenements. Whilst the Company Directors' will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.</p> <p>The Company is engaged in early-stage exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all. Whether positive income flows ultimately result from exploration and development expenditure incurred by the Company is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.</p>	
<p>Nature of Mineral</p>	<p>The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development requires large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development</p>	

<p>Exploration and Mining</p>	<p>activities may be impeded by circumstances and factors beyond the Company's control. There can be no assurances that exploration and development at the Company's Projects, or any other projects that may be acquired by the Company in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.</p> <p>The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing its projects.</p>	
<p>No Profit to Date and Limited Operating History</p>	<p>Having been incorporated on 27 November 2020, the Company has limited operating history. The Company has incurred operating losses since its inception and does not have a significant history of business operations. It is therefore not possible to evaluate the Company's prospects based on past performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its projects, or any tenements which are subsequently applied for or acquired by the Company. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses. There can be no certainty that the Company will achieve or sustain profitability, achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.</p>	
<p>Land Access Risks</p>	<p>A number of the Tenements overlie private land. The Company will require access agreements to be agreed and executed with respective landowners in order to perform work on a number of the Tenements. Inability to agree on an access agreement with a landowner on a Tenement area may inhibit the Company's ability to execute its exploration programme in its preferred manner or delay the timing of the exploration programme.</p> <p>A number of Tenements also overlie granted reserves or proposed nature reserves in Western Australia. Consent of the Minister (WA) is required before for mining activities (including exploration) can occur on certain reserves including a Class C reserve. The Minister (WA) must consult with and obtain the recommendation of the relevant State</p>	

	<p>Minister (depending on the reserve purpose) and the responsible agency before granting consent.</p> <p>However, in the event that access is not obtainable at any particular location, the Company will redirect exploration expenditures to areas of the Projects where access is available.</p>	
<p>Contractual Risks</p>	<p>The ability of the Company to achieve its business objectives will depend on the performance by the Company and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company. The operations of the Company also require the involvement of a number of third parties, including consultants, contractors and suppliers. For example, the Company relies on third parties to perform contractual obligations, such as pursuant to the Acquisition Agreements and associated agreements relating to the Tenements as summarised in Section 13. It is noted that the Vendors under the Acquisition Agreements, Lithium Australia NL and Mercator Metals Pty Ltd, have signed a letter of understanding with Australian Vanadium Limited under which the parties agree to collaborate to advance exploration and, if warranted, commercial development, joint venture or sale of exploration licences E70/5198 and E70/5437 (held by Lithium Australia NL and subject to the LIT Acquisition Agreement), retention licence R70/59 (held by Mercator Metals Pty Ltd and the subject of the Mercator Acquisition Agreement) and exploration licence E70-3924-I (held by Australian Vanadium Limited). No party under the letter of understanding gives any other party any right to acquire an interest in their tenements. Lithium Australia NL has warranted that, among other things, entering into the LIT Acquisition Agreement will not breach any other agreements. Likewise, Mercator Metals Pty Ltd has warranted that, among other things, entering into the Mercator Acquisition Agreement will not breach any other agreements. There are risks of breach by counterparties or by the Company (or its subsidiaries) in relation to contractual obligations and warranties and the possibility of future disputes, any of which may adversely impact on the Company and the value of Shares. Financial failure, default or contractual non-compliance on the part of third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.</p> <p>As at the date of this Prospectus, Charger will not acquire an interest in the Projects until all of the relevant conditions precedent in the Acquisition Agreements have been satisfied, which includes Charger receiving conditional approval for its admission to the Official List. As such Charger is not, as at the date of this Prospectus, the registered owner of the Tenements comprising the Projects (other than prospecting licences P70/1752 and P70/1753 in which Charger currently holds a 70% interest), details of which are set out in Section 7, the Independent Technical Assessment Report in section 10 and in the Solicitors' Report on Tenements in Section 12. The Acquisition Agreements must be lodged with the Western Australian Office of State Revenue and Territory Revenue Office for the assessment of duty and stamping. Transfers to Charger of interests in the</p>	

	<p>Tenements the subject of the Acquisition Agreements cannot be registered in the name of Charger until such time as the duty is assessed and paid, and the stamped documents are received. Charger has registered caveats over each of the Tenements the subject of the Acquisition Agreements to protect its interests in them under the Acquisition Agreements.</p> <p>The Company's ability to achieve its objectives and maintain its interest in all of the Project areas is also dependent upon it (and where Charger is not currently the holder of a registered interest in those Tenements, the holder of the relevant Tenements ie. Lithium Australia NL and Mercator Metals Pty Ltd) complying with all the terms and conditions of the relevant Tenements and any other relevant legislation. Any failure to comply with these obligations may result in the Company not being able to maintain an interest in the Tenements which may have a material adverse effect on the Company's operations and performance and the value of the Shares.</p> <p>The Company has no current reason to believe that Lithium Australia NL or Mercator Metals Pty Ltd, the current owners of the Projects and the Vendors under the Acquisition Agreements, will not meet and satisfy its obligations under the Acquisition Agreement.</p>	
Operational Risks	<p>The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration, development or mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of the Company and, if they eventuate, may have an adverse effect on the financial performance of the Company.</p>	
Native Title and Aboriginal Heritage Risks	<p>The Tenements are subject to native title claims, or native title determinations, or may be subject to future native title applications. This may preclude or delay granting of exploration and mining tenements or the ability of the Company to explore, develop and/or commercialise the mining tenements. Considerable expenses may be incurred negotiating and resolving issues, including any compensation agreements reached in settling with native title holders or claimants with rights over any of the mining tenements held or acquired by the Company.</p> <p>In addition, determined native title holders may seek compensation under the Native Title Act for the impacts of acts affecting native title rights and</p>	

	<p>interests after the commencement of the <i>Racial Discrimination Act 1975</i> (Cth) on 31 October 1975.</p> <p>The State of Western Australia has passed liability for compensation for the impact of the grant of mining tenements under the Mining Act onto mining tenement holders pursuant to section 125A of the Mining Act (WA). Outstanding compensation liability will lie with the current holder of the Tenements at the time of any award of compensation pursuant to section 125A of the Mining Act (WA) or, in the event there is no holder at that time, the immediate past holder of the relevant Tenement(s).</p> <p>Compensation liability may be determined by the Federal Court or settled by agreement with native title holders, including through ILUAs (which have statutory force) and common law agreements (which do not have statutory force). At this stage, the Company is not able to quantify any potential compensation payments, if any.</p> <p>The presence of Aboriginal sacred sites and cultural heritage artefacts on the mining tenements is protected by Western Australian and Commonwealth laws and laws of the Northern Territory. Any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and court injunctions. The existence of such sites may limit or preclude exploration or mining activities on those sites, which may cause delays and additional expenses for the Company in obtaining clearances. However, in the event that access is not obtainable at any particular location, the Company will redirect exploration expenditures to areas of the Projects where access is available.</p>	
Environmental Risks	<p>The minerals and mining industry has become subject to increasing environmental regulations and liability. The potential for liability is an ever-present risk. The operations and proposed activities of the Company are subject to Western Australian State, Northern Territory and Federal laws, regulations and permits concerning the environment. If such laws are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities. As with most exploration operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to an appropriate standard of environmental obligation, including in compliance in all material respects with relevant environmental laws. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability. The cost and complexity in complying with the applicable environmental laws and regulations may affect the viability of potential developments of the Company's projects, and consequently the value of those projects, and the value of the Company's assets. It may be required for the Company to conduct baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and minimised wherever possible. Whilst the Company is not aware of any endangered species of flora or fauna at this point, only limited studies have been done to date, and such a discovery could prevent or delay exploration and mining activity in certain areas.</p>	

Climate Change Risks	The activities and operations of the Company are subject to laws and regulations (and any changes to them) related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on the mining industry that may adversely impact on the Company, its financial performance and the value of Shares. There can be no guarantee that the Company will not be impacted by these matters. Climate change may also cause certain physical or environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifts in climate patterns. All of these risks associated with climate change may significantly change the mining industry in which the Company operates.	
Reliance on Key Personnel	The Company's key personnel consist of two non-executive Directors and a Managing Director and a Company Secretary. Responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its Board. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel leave the Company.	
No Dividends	The Company has never paid a dividend. The Company does not currently intend to pay any dividends while it has no income. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. Furthermore, the Company may be subject to contractual restrictions on, or prohibitions against, the payment of dividends from time to time.	

Title Risk	<p>The Company may lose title to, or interests in, its tenements, including (for example) if the conditions to which those tenements are subject are not satisfied or if insufficient funds are available to meet expenditure commitments on the tenements. In the jurisdictions in which the Company operates or will operate in the future, both the conduct of operations and the steps involved in acquiring title to, or interests in, tenements involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements, nor is it always clear whether requirements have been properly completed, or possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken or cause loss of title to tenure. Further, there is a risk that tenements may not be renewed or that any additional tenements applied for from time to time may not be granted.</p>	
Regulation Risk	<p>Adverse changes in Western Australian, Northern Territory or Commonwealth government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, state border access and mining and exploration activities of the Company. The current system of exploration and mining permitted in Western Australia and the Northern Territory may change resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for the Company and may have an adverse effect on the Company's business, results, financial condition and prospects.</p>	
Exploration Costs Risk	<p>The exploration costs of the Company (summarised in Section 7.9) are based on certain assumptions with respect to the method and timing of exploration. By their nature these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's operating and financial performance and the value of the Shares.</p>	
Litigation Risk	<p>Legal proceedings may arise from time to time in the course of the Company's activities from parties such as suppliers, native title parties, pastoralists and other landholders, contractors, joint venture parties, customers, regulatory agencies, environmental groups and/or investors. There have been a number of cases where the rights and privileges of mining and exploration companies have been the subject of litigation. The Directors cannot preclude that such litigation may be brought against the Company or a member of the Company in the future from time to time.</p>	
New Projects and Acquisitions Risk	<p>The Company may make acquisitions in the future as part of future growth plans (although no such new projects have been identified as at the date of this Prospectus). There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for the Company's Shareholders. Such acquisitions may result in the use of</p>	

	the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.	
Liquidity Risk	A significant number of the Shares on issue prior to the completion of the Offers (which current Shares constitutes approximately 16.4% of the total Shares on issue on completion of the Offers on an undiluted basis and assuming Minimum Subscription) are likely to be classified as restricted securities by the ASX and therefore be escrowed. This may cause a liquidity risk for the Shares given a large percentage of the Shares may not be traded for up to 24 months. Furthermore, there is no guarantee that there will be an ongoing liquid market for Shares.	
COVID-19 Risks	The global economic outlook is facing continuing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. The likelihood and severity of any potential impacts are however very difficult to predict. To date, the COVID-19 pandemic has not had any material impact on the Company's operations, however, any infections on site or otherwise affecting the Company could result in delays or suspensions of the Company's operations. Governmental measures in Australia and overseas to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations.	
<b>E. Directors and Key Management Personnel</b>		
Who are the Directors and Key Management Personnel?	<p>The Board is comprised of:</p> <ul style="list-style-type: none"> <li>(a) David Crook (Managing Director and Chief Executive Officer);</li> <li>(b) Terry Gardiner (Non-Executive Chairman); and</li> <li>(c) Alan Armstrong (Non-Executive Director).</li> <li>(d) Jonathan Whyte is the Company's Chief Financial Officer and Company Secretary.</li> </ul>	Sections 9.1 and 9.2
What experience do the Directors and Key Management Personnel have?	<p><b>David Crook BSc, GAICD, MAIG, MAusIMM</b></p> <p><b>Managing Director and Chief Executive Officer</b></p> <p>Mr David Crook is an experienced Managing Director with a strong technical and commercial background. Mr Crook has 40 years' experience as a geologist with a demonstrated discovery and production record including in nickel, gold, caesium and lithium, which included 16 years as Managing Director of ASX-listed Pioneer Resources Limited. Mr Crook was part of the geological teams that made discoveries at Mt Jewell (gold), Sinclair (Caesium), Dome North (Lithium), Kalpini and Goongarrie (Nickel Laterite) and Gidgee Gold Mine (gold).</p>	Sections 9.1 and 9.2

	<p><b>David Crook BSc, GAICD, MAIG, MAusIMM (Continued)</b></p> <p><b>Managing Director and Chief Executive Officer</b></p> <p>Recently Mr Crook consulted to Lithium Australia NL where he was tasked with the role of reducing its exploration expenditure commitments and risk whilst maintaining exposure to a potential supply of battery minerals. Mr Crook saw significant potential in Lithium Australia NL's exploration portfolio and decided to incorporate Charger Metals NL with a view to acquiring available non-core assets of Lithium Australia NL and aggregating them with battery minerals and precious metals projects in Australia and listing Charger on the ASX.</p> <p><b>Terry Gardiner BBus</b></p> <p><b>Non-Executive Chairman</b></p> <p>Mr Gardiner was appointed to the Board of Directors upon incorporation. He has strong experience in capital raising, support, promotion and corporate advisory services to listed companies in Australia and overseas. He has 30 years' experience investing in capital markets and extensive experience in funds management for sophisticated and private investors. He is currently a Non-Executive Director of Cazaly Resources Limited and Galan Lithium Limited. He is also an Executive Director of Barclay Wells Ltd, a boutique stock broking firm with offices in Perth and Melbourne.</p> <p><b>Alan Armstrong BBus, CA, GAICD</b></p> <p><b>Independent Non-Executive Director</b></p> <p>Mr Alan Armstrong was appointed to the Board of Directors upon incorporation. He is an experienced director with a demonstrated history of working in the mining and metals industry. He has strong business development professional experience, holds a Grad Dip CA from The Institute of Chartered Accountants Australia and is a member of the Australian Institute of Company Directors.</p> <p><b>Jonathan Whyte BComm CAANZ</b></p> <p><b>Chief Financial Officer and Company Secretary</b></p> <p>Mr Whyte is a Chartered Accountant with extensive corporate, company secretarial and financial accounting experience across a number of listed and unlisted resource sector companies. Mr Whyte has also previously worked in the investment banking sector in London over a period of 6 years for Credit Suisse and Barclays Capital Plc.</p>	
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<p>What benefits are being paid to the Directors?</p>	<p>The Company has entered into a consultancy agreement with an entity controlled by Mr David Crook, Oresource Pty Ltd as trustee for the Oresource Trust, with respect to Mr Crook's position as Managing Director and Chief Executive Officer of the Company. The Company has also entered into an agreement with Mr Crook directly appointing him as Managing Director and Chief Executive Officer. The monthly minimum retainer payable under these arrangements is \$10,240 (excluding GST). This monthly retainer represents payment for a minimum of 8 days' work by Mr Crook per month. Where more hours are required to be worked by Mr Crook in any month then the additional hours worked will be charged at \$640 per half day (plus GST).</p> <p>In addition to the cash remuneration, Oresource is entitled to be issued, and has been issued, the following Shares and Options:</p> <ul style="list-style-type: none"> <li>(a) 150,000 Shares; and</li> <li>(b) 500,000 Options with a \$0.30 exercise price and expiry date 3 years from the Listing Date (refer to Section 14.2(b) for the terms and conditions of the Options).</li> </ul> <p>Annual directors' fees will be paid to each of the Non-Executive Directors as follows:</p> <ul style="list-style-type: none"> <li>(a) \$50,000 payable to Mr Alan Armstrong; and</li> <li>(b) \$50,000 payable to Mr Terry Gardiner.</li> </ul> <p>In addition, from 1 March 2021 until the Listing Date, the Non-Executive Directors will be entitled to a base fee as follows:</p> <ul style="list-style-type: none"> <li>(a) \$25,000 per annum payable to Mr Alan Armstrong; and</li> <li>(b) \$25,000 per annum payable to Mr Terry Gardiner.</li> </ul> <p>In addition to the annual directors' fees, the Non-Executive Directors are entitled to, and have been issued, the following Shares and Options:</p> <ul style="list-style-type: none"> <li>(a) Mr Alan Armstrong - 50,000 Shares and 250,000 Options with a \$0.30 exercise price and an expiry date 3 years from the Listing Date (refer to Section 14.2(b) for the terms and conditions of the Options); and</li> <li>(b) Mr Terry Gardiner - 50,000 Shares and 650,000 Options with a \$0.30 exercise price and expiry date 3 years from the Listing Date (refer to Section 14.2(b) for the terms and conditions of the Options).</li> </ul>	<p>Section 9.3 and 9.5</p>
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<p>What are the Directors' and Key Management Personnel's interests in the Company?</p>	<p>At the date of this Prospectus, each Director and Key Management Personnel holds the following Securities in the Company:</p> <table border="1" data-bbox="493 421 1286 703"> <thead> <tr> <th data-bbox="501 421 890 510">Director</th> <th data-bbox="898 421 1134 510">No. of Shares</th> <th data-bbox="1142 421 1278 510">No. of Options<sup>5</sup></th> </tr> </thead> <tbody> <tr> <td data-bbox="501 512 890 557">David Crook<sup>1</sup></td> <td data-bbox="898 512 1134 557">550,001</td> <td data-bbox="1142 512 1278 557">500,000</td> </tr> <tr> <td data-bbox="501 560 890 604">Alan Armstrong<sup>2</sup></td> <td data-bbox="898 560 1134 604">50,000</td> <td data-bbox="1142 560 1278 604">250,000</td> </tr> <tr> <td data-bbox="501 607 890 651">Terry Gardiner<sup>3</sup></td> <td data-bbox="898 607 1134 651">250,000</td> <td data-bbox="1142 607 1278 651">650,000</td> </tr> <tr> <td data-bbox="501 654 890 698">Jonathan Whyte<sup>4</sup></td> <td data-bbox="898 654 1134 698">100,000</td> <td data-bbox="1142 654 1278 698">200,000</td> </tr> </tbody> </table> <p>(1) Mr David Crook holds the Shares and Options in the Company both directly and indirectly through the Parkway Super Fund of which Mr Crook is the trustee. The Options and 150,000 Shares were issued as remuneration pursuant to the Oresource Consultancy Agreement with Mr Crook's controlled entity the material terms of which are summarised in Section 9.5. The remainder of the Shares were issued at \$0.05 per Share under a seed capital raising conducted by the Company in January 2021.</p> <p>(2) Mr Alan Armstrong holds the Shares and Options in the Company directly. The Shares and Options were issued as remuneration pursuant to Mr Armstrong's Non-Executive Director Service Agreement the material terms of which are summarised in Section 9.5.</p> <p>(3) Mr Terry Gardiner holds the Shares and Options in the Company both directly and indirectly through the Terry James Gardiner Super Fund of which Mr Gardiner is the trustee. The Options and 50,000 Shares were issued as remuneration pursuant to Mr Gardiner's Non-Executive Director Service Agreement the material terms of which are summarised in Section 9.5. The remainder of the Shares were issued at \$0.05 per Share under a seed capital raising conducted by the Company in January 2021.</p> <p>(4) Mr Jonathan Whyte holds the Shares and Options in the Company both directly and indirectly through Keyport Investments Pty Ltd, a company in which Mr Whyte is a director and shareholder. The Options were issued pursuant to the Company Secretarial Agreement (see Section 9.2(b)). The Shares were issued at \$0.05 per Share under a seed capital raising conducted by the Company in January 2021.</p> <p>(5) The Options have a \$0.30 exercise price and expire 3 years from the Listing Date. Full terms and conditions of the Options are set out in Section 14.2(b).</p>	Director	No. of Shares	No. of Options <sup>5</sup>	David Crook <sup>1</sup>	550,001	500,000	Alan Armstrong <sup>2</sup>	50,000	250,000	Terry Gardiner <sup>3</sup>	250,000	650,000	Jonathan Whyte <sup>4</sup>	100,000	200,000	<p>Section 9.3 and 9.5</p>
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Terry Gardiner <sup>3</sup>	250,000	650,000															
Jonathan Whyte <sup>4</sup>	100,000	200,000															
<p>What related party agreements are the Company a party to?</p>	<p>The Company has entered into the following related party transactions:</p> <ul style="list-style-type: none"> <li>(a) Oresource Consultancy Agreement with Oresource Pty Ltd (an entity controlled by Mr David Crook), as trustee for the Oresource Trust and a Managing Director Agreement with Mr Crook;</li> <li>(b) Non-Executive Director Agreements with Messrs Terry Gardiner and Alan Armstrong; and</li> <li>(c) Deeds of Indemnity, Insurance and Access with the Directors.</li> </ul>	<p>Section 9.5</p>															

<p>Who will the substantial shareholders of the Company be?</p>	<p>Set out below are the Shareholders expected to hold 5% or more of the Shares on issue upon completion of the Offers on an undiluted and diluted basis, being the Vendors under the Acquisition Agreements. This assumes that no existing significant Shareholder or any Vendor subscribes for and is allotted additional Shares pursuant to the Offers.</p> <table border="1" data-bbox="491 517 1289 1458"> <thead> <tr> <th colspan="2" data-bbox="491 517 911 613">Lithium Australia NL</th> <th data-bbox="911 517 1102 613">Percentage (undiluted <sup>(1)</sup>)</th> <th data-bbox="1102 517 1289 613">Percentage (diluted <sup>(2)</sup>)</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 613 722 680">Shares</td> <td data-bbox="722 613 911 680">9,600,000</td> <td data-bbox="911 613 1102 680">19.05%</td> <td data-bbox="1102 613 1289 680">15.89%</td> </tr> <tr> <td data-bbox="491 680 722 748">Vendor Options</td> <td data-bbox="722 680 911 748">nil</td> <td data-bbox="911 680 1102 748"></td> <td data-bbox="1102 680 1289 748"></td> </tr> <tr> <td data-bbox="491 748 722 904">Vendor Performance Rights <sup>(3)</sup></td> <td data-bbox="722 748 911 904">For the issue of up to 2,000,000 Shares</td> <td data-bbox="911 748 1102 904"></td> <td data-bbox="1102 748 1289 904">3.31%</td> </tr> <tr> <td colspan="2" data-bbox="491 904 911 972"><b>Total</b></td> <td data-bbox="911 904 1102 972"><b>19.05%</b></td> <td data-bbox="1102 904 1289 972"><b>19.21%</b></td> </tr> <tr> <th colspan="2" data-bbox="491 972 911 1068">Mercator Metals Pty Ltd or nominee</th> <th data-bbox="911 972 1102 1068"></th> <th data-bbox="1102 972 1289 1068"></th> </tr> <tr> <td data-bbox="491 1068 722 1135">Shares</td> <td data-bbox="722 1068 911 1135">2,550,000</td> <td data-bbox="911 1068 1102 1135">5.06%</td> <td data-bbox="1102 1068 1289 1135">4.22%</td> </tr> <tr> <td data-bbox="491 1135 722 1225">Vendor Options <sup>(4)</sup></td> <td data-bbox="722 1135 911 1225">1,000,000</td> <td data-bbox="911 1135 1102 1225"></td> <td data-bbox="1102 1135 1289 1225">1.66%</td> </tr> <tr> <td data-bbox="491 1225 722 1391">Vendor Performance Rights <sup>(5)</sup></td> <td data-bbox="722 1225 911 1391">For the issue of up to 2,000,000 Shares</td> <td data-bbox="911 1225 1102 1391"></td> <td data-bbox="1102 1225 1289 1391">3.31%</td> </tr> <tr> <td colspan="2" data-bbox="491 1391 911 1458"><b>Total</b></td> <td data-bbox="911 1391 1102 1458"><b>5.06%</b></td> <td data-bbox="1102 1391 1289 1458"><b>9.19%</b></td> </tr> </tbody> </table> <p data-bbox="491 1491 564 1518">Notes:</p> <ol data-bbox="491 1518 1289 1906" style="list-style-type: none"> <li>(1) Assumes none of the Options on issue upon completion of the Offers (see Section 7.11) are exercised and the Vendor Performance Rights (see Section 7.13) have not converted to Shares.</li> <li>(2) Assumes each of the Options on issue upon completion of the Offers (see Section 7.11) are exercised and the Vendor Performance Rights (see Section 7.13) have converted to Shares</li> <li>(3) See Section 7.13 for details of the circumstances in which the Vendor Performance Rights convert to Shares under the LIT Acquisition Agreement</li> <li>(4) See Section 14.2(b) for details of the terms and conditions of the Vendor Options</li> <li>(5) See Section 7.13 for details of the holder of the Vendor Performance Rights and the circumstances in which the Vendor Performance Rights under the Mercator Acquisition Agreement convert to Shares</li> </ol> <p data-bbox="491 1939 1289 2033">The Company will announce to the ASX details of its top 20 Shareholders after completion of the Offers and prior to the Shares commencing trading on the ASX.</p>	Lithium Australia NL		Percentage (undiluted <sup>(1)</sup> )	Percentage (diluted <sup>(2)</sup> )	Shares	9,600,000	19.05%	15.89%	Vendor Options	nil			Vendor Performance Rights <sup>(3)</sup>	For the issue of up to 2,000,000 Shares		3.31%	<b>Total</b>		<b>19.05%</b>	<b>19.21%</b>	Mercator Metals Pty Ltd or nominee				Shares	2,550,000	5.06%	4.22%	Vendor Options <sup>(4)</sup>	1,000,000		1.66%	Vendor Performance Rights <sup>(5)</sup>	For the issue of up to 2,000,000 Shares		3.31%	<b>Total</b>		<b>5.06%</b>	<b>9.19%</b>	<p>Section 7.14</p>
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<b>F. Financial Information</b>		
<p>What is the Company's financial position?</p>	<p>Having been incorporated on 27 November 2020, the Company does not have any operating history on which an evaluation of its prospects can be made and has limited historical financial performance. The Company will only commence its own detailed exploration activities at the Projects once it has been admitted to the Official List. Accordingly, the Company is not able to disclose any key financial ratios.</p> <p>Historical financial information of the Company and pro forma historical financial information of the Company is included in the Independent Limited Assurance Report contained in Section 10. Potential investors should read the Independent Limited Assurance Report in full.</p> <p>The audited reviewed interim financial statements for the Company for the period from incorporation to 31 December 2020 were signed 23 April 2021. The Company will give a copy of these statements to any person who requests one during the Offer period, free of charge.</p>	<p>Section 10</p>
<p>What is the financial outlook for the Company?</p>	<p>Given the current status of the Projects and the highly speculative nature of the Company's business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	<p>Section 2.14</p>

G. Summary of the Offers		
What is being offered?	<p>The General Offer offers 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000 (before costs).</p> <p>The General Offer includes the priority LIT Offer to Eligible LIT Shareholders.</p> <p>The Shares issued under this Prospectus are new shares which will rank equally with the Shares already on issue.</p>	Section 6.2
Is there a minimum subscription under the Offers?	<p>Yes. The minimum amount to be raised under the Offers is \$6,000,000 (before costs) by the issue of 30,000,000 Shares at an issue price of \$0.20 per Share.</p> <p>No oversubscriptions in addition to the Minimum Subscription will be accepted.</p>	Sections 6.7 and 6.8
What are the purposes of the Offers?	<p>The purpose of the Offers are to:</p> <ul style="list-style-type: none"> <li>(a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List;</li> <li>(b) facilitate the Company meeting a condition precedent in the Acquisition Agreements (being the Company receiving conditional listing approval from ASX to be admitted to the Official List);</li> <li>(c) provide the Company with additional funding: <ul style="list-style-type: none"> <li>(i) to conduct exploration activities on the Projects;</li> <li>(ii) for considering acquisition opportunities that may be presented to the Board from time to time;</li> <li>(iii) to meet the costs of the Offers and to fund administration costs; and</li> <li>(iv) so as to position the Company to achieve the objectives set out in Part B above.</li> </ul> </li> <li>(d) The Company intends on applying the funds raised under the Offers together with its existing cash reserves in manner detailed in Section 7.10.</li> </ul> <p><b>The Board believes that on completion of the Offers, the Company will have sufficient working capital to achieve its objectives.</b></p>	Section 6.9 and 7.10

<p>What is the effect of the Offers on the capital structure of the Company?</p>	<p>If the Minimum Subscription is raised, the Shares issued under the Offers will represent 59.5% of the undiluted issued share capital of the Company immediately following completion of the Offers.</p> <p>The Company will also issue the following Securities prior to the Company being admitted to the Official List:</p> <ul style="list-style-type: none"> <li>(a) 1,600,000 Lead Manager Options under the Lead Manager Mandate (see Section 13.7 for a summary of the Lead Manager Mandate); and</li> <li>(b) 1,000,000 Vendor Options to Mercator Metals Pty Ltd or nominee under the Mercator Acquisition Agreement (see Section 13.5 for a summary of the Mercator Acquisition Agreement).</li> </ul> <p>The terms of the Lead Manager Options and the Vendor Options are set out in Section 14.2(b).</p> <p>In addition, on and from the Company being admitted to the Official List, Vendor Performance Rights under the Acquisition Agreements may convert into up to 4,000,000 Shares. See Section 7.13 for details of the Vendor Performance Rights.</p>	<p>Sections 7.12, 7.13, 13.2 and 13.7</p>
<p>Are the Offers underwritten?</p>	<p>The Offers are not underwritten.</p>	
<p>Who is the Lead Manager of the Offers?</p>	<p>The Company has appointed Pamplona Capital Pty Ltd as Lead Manager to the Offers.</p> <p>The Lead Manager will receive a cash fee of \$30,000 plus a fee of 5.5% of the amounts raised under the Offers by the Lead Manager. Refer to Section 13.7 for a summary of the Lead Manager Mandate.</p> <p>In addition to the capital raising fees set out above, the Company has agreed to issue 1,600,000 Lead Manager Options to the Lead Manager or its nominees. The Lead Manager Options will have an exercise price of \$0.30 and will expire three years from the date of the Company's admission to the Official List. Please refer to Section 14.2(b) for the full terms and conditions of the Lead Manager Options. The Lead Manager Options equate to 2.84% of the share capital of the Company (on a fully diluted basis – excluding conversion of the Vendor Performance Rights) as at the date the Company is admitted to the Official List.</p>	<p>Section 13.7</p>

<p>Who is eligible to participate in the Offers?</p>	<p>The General Offer is open to all investors resident in Australia and New Zealand and to eligible investors resident in certain other jurisdictions.</p> <p>The LIT Offer is open to all Eligible LIT Shareholders, being LIT Shareholders who are registered on the LIT Offer Record Date and who are resident in Australia or New Zealand.</p> <p>This Prospectus does not, and is not intended to, constitute an offer or invitation in any place in which, or to any person, to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.</p>	<p>Sections 6.2 and 6.11</p>
<p>How do I apply for Shares under the Offers?</p>	<p>Applications for Shares under the Offers must be made by completing the relevant Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.</p>	<p>Section 6.4</p>
<p>What is the allocation policy for the Offers?</p>	<p>The final allocation of Shares under the Offers remains at the sole discretion of the Directors in consultation with the Lead Manager. The Directors will be influenced by the factors set out in Section 6.5.</p> <p>The Company intends to give some priority to Eligible LIT Shareholders (under the LIT Offer) in the allocation of Shares under the Offers, however, the final allocation of Shares under the Offers remains at the sole discretion of the Directors in consultation with the Lead Manager to ensure the Company has an appropriate Shareholder base on admission to the Official List.</p> <p>The Directors reserve the right to issue Shares in full for any Application or any lesser number or to decline any Application. Any decision on allocation will be made after the Exposure Period.</p> <p>The Company gives no assurance that any applicant will be allocated the Shares for which it has applied.</p>	<p>Section 6.5</p>
<p>What is the cost of the Offers?</p>	<p>The expenses of the Offers (including ASX listing fees) are estimated to be approximately A\$560,894.</p>	<p>Section 14.7</p>
<p>What will the Company's capital structure be upon completion of the Offers?</p>	<p>The Company's capital structure on a post-Offers basis is set out in Section 7.12.</p>	<p>Section 7.12</p>
<p>What are the terms of the Shares offered</p>	<p>A summary of the material rights and liabilities attaching to the Shares offered under the Offers is set out in Section 14.2(a).</p>	<p>Section 14.2(a)</p>

under the Offers?		
Will any of the Shares issued under the Offers be subject to escrow?	<p>None of the Shares issued under the Offers will be subject to escrow.</p> <p>However, generally, Securities on issue at the date of this Prospectus that were issued to promoters or related parties will be escrowed for a period of 24 months from the date of the Company's admission to the Official List. It is expected that the Securities issued to the Vendors or nominees under the Acquisition Agreements will be escrowed for 24 months from the date of the Company's admission to the Official List. It is also expected that a percentage of the Shares issued under a seed capital raising conducted by the Company in January 2021 will be escrowed for 12 months from the date of issue of such Shares. During the period in which these Securities are prohibited from being transferred, assigned or otherwise disposed of, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.</p> <p>As at the date of this Prospectus, the Company expects the following Securities to be subject to ASX imposed escrow:</p> <ul style="list-style-type: none"> <li>(a) 1,525,000 Shares issued to Directors and Key Management Personnel – 24 months from Listing Date;</li> <li>(b) 12,150,000 Shares to be issued to the Vendors or nominees under the Acquisition Agreements – 24 months from the Listing Date;</li> <li>(c) 3,400,000 Options issued to Directors, Key Management Personnel and Consultants – 24 months from the Listing Date;</li> <li>(d) 1,600,000 Lead Manager Options to be issued to the Lead Manager or its nominees – 24 months from the Listing Date;</li> <li>(e) 1,000,000 Vendor Options to be issued to Mercator Metals Pty Ltd or nominees under the Mercator Acquisition Agreement - 24 months from the Listing Date;</li> <li>(f) Vendor Performance Rights which may convert into up to 4,000,000 Shares under the Acquisition Agreements – 24 months from the Listing Date; and</li> <li>(g) 4,725,000 Shares issued to seed investors under a seed capital raising conducted by the Company in January 2021 – 12 months from the date of issue of such Shares.</li> </ul> <p>The Company will announce to ASX details of the number and duration of the Shares and Options that the ASX require to be held</p>	Section 6.15

	<p>in escrow prior to the Shares commencing trading on the ASX (which admission is subject to ASX's discretion and approval).</p> <p>Additionally, the Company's anticipated 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) is set out in Section 6.15.</p>																					
<p>Who are the current Shareholders and Optionholders of the Company and on what terms were their Shares and Options issued?</p>	<p>The Shareholders and Optionholders of the Company as at the date of this Prospectus are as follows:</p> <table border="1" data-bbox="475 676 1273 1064"> <thead> <tr> <th></th> <th>Number of Shares</th> <th>Issue price per share</th> <th>Number of Options<sup>4</sup></th> </tr> </thead> <tbody> <tr> <td><b>Founder Share<sup>1</sup></b></td> <td>1</td> <td>\$1.00</td> <td></td> </tr> <tr> <td><b>Director and Management remuneration<sup>2</sup></b></td> <td>250,000</td> <td>non-cash</td> <td>3,400,000</td> </tr> <tr> <td><b>Seed Capital Raising<sup>3</sup></b></td> <td>8,000,000</td> <td>\$0.05</td> <td></td> </tr> <tr> <td><b>Total Shares and Options on issue</b></td> <td><b>8,250,001</b></td> <td></td> <td><b>3,400,000</b></td> </tr> </tbody> </table> <p>Notes:</p> <p>1. Issued to David Crook, Managing Director and Chief Executive Officer of the Company.</p> <p>2. Issued as part of the Company's remuneration for services of the Managing Director under the Oresource Consultancy Agreement (see Section 9.5), the Non-Executive Directors under the Non-Executive Directors' Agreements (see Section 9.5) and the Company Secretarial Agreement (see Section 9.2(b)).</p> <p>3. Issued pursuant to a seed capital raising conducted by the Company in January 2021.</p> <p>4. The terms and conditions of the Options are set out in Section 13.2(b).</p>		Number of Shares	Issue price per share	Number of Options <sup>4</sup>	<b>Founder Share<sup>1</sup></b>	1	\$1.00		<b>Director and Management remuneration<sup>2</sup></b>	250,000	non-cash	3,400,000	<b>Seed Capital Raising<sup>3</sup></b>	8,000,000	\$0.05		<b>Total Shares and Options on issue</b>	<b>8,250,001</b>		<b>3,400,000</b>	Section 7.11
	Number of Shares	Issue price per share	Number of Options <sup>4</sup>																			
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<b>Total Shares and Options on issue</b>	<b>8,250,001</b>		<b>3,400,000</b>																			
<p>Will the Shares issued under the Offers be Quoted?</p>	<p>The Company will, no later than 7 days after the date of this Prospectus, make an application to ASX for Quotation of all Shares to be issued under the Offers.</p>	Section 6.10																				
<p>What are the key dates of the Offers?</p>	<p>The key dates of the Offers are set out in the Indicative Timetable in Section 3.</p>	Section 3																				
<p>What is the minimum investment size under the Offers?</p>	<p>Applications under the Offers must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$200 worth of Shares (1,000 Shares).</p>	Section 6.4																				

<p>Are there any conditions to the Offers?</p>	<p>The Offers are conditional upon each of the following events occurring:</p> <ul style="list-style-type: none"> <li>(a) the Company raising the Minimum Subscription under the Offers (being \$6,000,000);</li> <li>(b) the Company receiving a letter from ASX confirming that ASX will approve the Shares for Official Quotation, on terms which are acceptable to the Company, acting reasonably;</li> <li>(c) completion occurring under the Acquisition Agreements; and</li> <li>(d) the Official Quotation of the Shares on ASX.</li> </ul> <p>If these Conditions are not satisfied then the Offers will not proceed and the Company will repay all application monies received under the Offers within the time prescribed under the Corporations Act, without interest.</p>	<p>Section 6.3</p>
<p><b>H. Use of proceeds</b></p>		
<p>How will the proceeds of the Offers be used?</p>	<p>It is intended to apply the funds raised from the Offers as follows:</p> <ul style="list-style-type: none"> <li>(a) to fund the costs of the acquisition of the Project Interests under the Acquisition Agreements including applicable stamp duty;</li> <li>(b) to meet exploration and evaluation costs on the Projects;</li> <li>(c) for new project generation and acquisition costs;</li> <li>(d) for working capital purposes; and</li> <li>(e) to pay the costs of the Offers.</li> </ul> <p>Further details on the application of the funds raised from the Offers are set out in Section 7.10.</p>	<p>Section 7.10</p>
<p>What is the Company's proposed exploration programmes</p>	<p>Section 7.9 contains a summary of the Company's proposed exploration programmes and the proposed expenditure on such exploration programmes for the first two years following the Listing Date. The Company's proposed exploration programme includes the following:</p> <p><b>Coates Ni-Cu-Co-PGE Project</b></p> <p>The most widely used means of interpreting the geological extent of any mafic-ultramafic layered intrusive complexes present is using regional aeromagnetic data and, accordingly, the Company intends to undertake a study of the currently available State data set. In addition, the Company proposes to undertake a new, more customised aeromagnetic survey which may provide better resolution than the currently available State data set.</p> <p>Soil geochemistry coverage will be undertaken by the Company covering areas considered prospective. New sampling will tie in with existing geochemistry from analysis of bottom-of-hole vacuum drill samples from the Coates North Project.</p>	<p>Section 7.9</p>

	<p>Following the experience of Chalice Mining Limited, targets within the interpreted mafic-ultramafic complexes may be identified by airborne electromagnetic (EM) surveys then followed up by drilling.</p> <p>Initially it is proposed that helicopter-borne EM surveys such as VTEM will be flown to identify targets for follow-up work. These surveys are usually sufficiently sensitive to pinpoint conductive rock anomalies (which may include nickel and copper sulphide mineralisation) to the extent that further ground-based EM is not required.</p> <p>The Company intends that geochemical and conductive rock anomalies will be tested by drilling. The drilling technique to be used will be determined by the current land use and the depth to the proposed target.</p> <p><b>Bynoe Lithium and Gold Project</b></p> <p>Following the receipt of any land access and permitting approvals that may be required, the Company intends to undertake geochemical sampling to provide systematic coverage of the Project areas not included in previous sampling surveys, followed by RAB drilling where soil anomalies have been identified, and reverse circulation drilling where warranted.</p> <p><b>Lake Johnston Lithium and Gold Project</b></p> <p>The Project area has widespread alluvial cover and areas of ephemeral lakes, meaning that outcrops of rock are sporadic.</p> <p>For larger areas in arid terrains such as the Lake Johnston Project, hyperspectral remote sensing data obtained from satellites may be applicable to domain areas of shallow alluvial cover suitable for soil geochemistry, and areas prospective for LCT pegmatite systems. The Company intends to undertake an analysis of all such data.</p> <p>When assessing areas with shallow alluvial cover for gold and LCT pegmatites, the Company plans to undertake soil geochemistry programmes, and include pXRF analysis as an aid to target delineation. In areas of good outcrop, geological mapping and whole rock geochemistry provides information about the prospectivity of an area. Specific lithium and gold analyses will be undertaken by a commercial laboratory.</p> <p>The Lake Johnston Project has not been subjected to long periods of intense exploration like most other greenstone belts in Western Australia due to the difficult access and the lack of outcrop. The Company is compiling what geological and geophysical information is available, including geochemistry, drilling, aeromagnetic, radiometric and topographic data.</p>	
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	<p>Following any land access and permitting approvals that may be required, additional work programmes may include expansion of geochemistry coverage where soil conditions are amenable, acquisition of higher quality airborne magnetic, radiometric and hyperspectral datasets to better facilitate delineation of targets for lithium and gold mineralisation. RAB and RC drilling will test targets where warranted, with diamond drilling to test advanced targets.</p>	
<p>Will the Company be adequately funded after completion of the Offers?</p>	<p><b>The Directors are satisfied that on completion of the Offers, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.</b></p>	

<b>I. Additional Information</b>		
Is there any brokerage, commission or stamp duty payable by applicants?	<p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offers.</p> <p>The Company reserves the right to pay a commission of up to 5.5% (exclusive of goods and services tax) of amounts subscribed to any licensed securities dealers or Australian Financial Services licensees in respect of applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee.</p>	Section 6.13
Can the Offers be withdrawn?	The Company reserves the right not to proceed with the Offers at any time before the issue or transfer of Shares to successful applicants. If the Offers do not proceed, application monies will be refunded (without interest).	Section 6.17
What are the tax implications of investing in Shares?	<p>Dividends on Shares may be subject to Australian tax and possibly capital gains tax on a future disposal of Shares issued under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 6.16
What is the Company's dividend policy?	<p>The Company does not expect to declare any dividends during, at least, the first two-year period following the date of this Prospectus as significant expenditure will be incurred in the exploration and development of the Projects.</p> <p>No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 7.16
What are the corporate governance principles of the Company?	<p>To the extent applicable in the opinion of the Directors', in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition)</i> as published by ASX Corporate Governance Council (<b>Recommendations</b>).</p> <p>The Company's main corporate governance policies and charters as at the date of this Prospectus are outlined in Section 6 and the Company's compliance and departures from the Recommendations will be published on the Company's ASX announcements platform prior to its admission to the Official List. In addition, the Company's full Corporate Governance Plan and copies of its charters and policies are available from the Company's website (<a href="http://www.chargermetals.com.au">www.chargermetals.com.au</a>).</p>	Sections 9.6 and 9.7

Where can I find more information?	<ul style="list-style-type: none"><li>(a) By speaking to your stockbroker, solicitor, accountant or other independent professional adviser.</li><li>(b) By contacting the Company Secretary on +61 8 6146 5325.</li><li>(c) By contacting the Share Registry on +61 8 9389 8033.</li></ul>	
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## **6. DETAILS OF THE OFFER**

### **6.1 INTRODUCTION**

The information set out in this Section 6 is not comprehensive and should be read together with the other information in this Prospectus.

### **6.2 SHARES OFFERED FOR SUBSCRIPTION**

Under this Prospectus the Company offers for subscription 30,000,000 Shares at an issue price of \$0.20 per Share to raise a total of \$6,000,000.

The Offers comprise the public General Offer which incorporates the priority LIT Offer to Eligible LIT Shareholders. The Company is offering Eligible LIT Shareholders priority to subscribe for Shares through the LIT Offer, up to \$500,000 raised. Under the LIT Offer, the Company will prioritise Eligible LIT Shareholders, who will be given the opportunity under the LIT Offer to subscribe for Shares.

While it is intended that as many Eligible LIT Shareholders as possible receive an allocation under the LIT Offer, there is no guarantee and the Company gives no assurance that all Eligible LIT Shareholders will be allocated the Shares for which they apply. Eligible LIT Shareholders are encouraged to submit a LIT Offer Application Form as soon as possible.

Otherwise, the Directors will allocate Shares under the Offers at their sole discretion, in consultation with the Lead Manager, having regard to the allocation policy set out in Section 6.5.

The LIT Offer closes at the same time the General Offer closes.

Applications for Shares under the General Offer must be made on the General Offer Application Form attached to this Prospectus and applications for Shares under the LIT Offer must be made on the LIT Offer Application Form also attached to this Prospectus. Please refer to Section 6.4 for further details and instructions on how to apply for Shares under the Offers.

The Shares offered under this Prospectus are new Shares which will rank equally with the existing Shares on issue. The material rights and liabilities attaching to the Shares are summarised in Section 14.2(a).

### **6.3 CONDITIONS OF THE OFFERS**

The Offers are conditional upon each of the following events occurring:

- (a) the Company raising the Minimum Subscription under the Offers (being \$6,000,000);
- (b) the Company receiving a letter from ASX confirming that ASX will approve the Shares for Official Quotation, on terms which are acceptable to the Company, acting reasonably;
- (c) completion occurring under the Acquisition Agreements; and
- (d) the Official Quotation of the Shares on ASX.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all application monies received under the Offers within the time prescribed under the Corporations Act, without interest.

## 6.4 HOW TO APPLY FOR SHARES

Applications for Shares offered under this Prospectus must be made using the relevant Application Form which is attached to this Prospectus.

LIT Offer Application Forms will be made available to the Eligible LIT Shareholders, being those LIT Shareholders registered as a LIT Shareholder on the LIT Offer Record Date and who are resident in Australia or New Zealand.

By completing the General Offer Application Form or LIT Offer Application Form, each applicant will be taken to have declared that all details and statements made are complete and accurate and that the applicant has personally received the relevant Application Form together with a complete and unaltered copy of the Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.20 per Share. Applications must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.

Applicants in Australia may apply for Shares by applying online at:

<https://www.advancedshare.com.au/IPO-Offers>

If paying by BPAY® or EFT, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date.

Applicants may also apply for Shares by post using the Application Form which is attached to this Prospectus. Completed Applications and accompanying cheques must be mailed to:

Completed applications and accompanying cheques must be mailed to:

Charger Metals NL  
C/o: Advanced Share Registry Ltd  
110 Stirling Highway  
NEDLANDS Western Australia 6009

or delivered to:

Advanced Share Registry Services Pty Ltd  
110 Stirling Highway  
NEDLANDS Western Australia 6009

or delivered by email to:

admin@advancedshare.com.au along with confirmation that funds have been paid to the following account:

Account Name	Charger Metals IPO Account
BSB No.	086-420
Account No.	910 967 763.

Cheques should be made payable to “**Charger Metals IPO Account**” and crossed “Not Negotiable”. Completed Application Forms and accompanying cheques must reach one of the above addresses by no later than the Closing Date. Detailed instructions on how to complete the Application Forms are set out on the reverse of those forms.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company’s decision to treat an application as valid, or how to construe, amend or complete it, will be final.

If you require assistance in completing any of the Application Forms, please contact the Share Registry on (08) 9389 8033.

The Company reserves the right to close the Offers early without notice.

## **6.5 ALLOCATION POLICY UNDER THE OFFERS**

The Company retains an absolute discretion to allocate Shares under the Offers and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application monies will be refunded without interest as soon as practicable.

No applicant under the Offers has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offers;
- (c) the desire for a spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offers.

The Company will not be liable to any person not allocated Shares or not allocated the full amount of Shares applied for.

## **6.6 ISSUE OF SHARES**

Subject to the Minimum Subscription being reached, the ASX granting conditional approval for the Company to be admitted to the Official List and completion occurring under the Acquisition Agreements, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Following issue, statements of security holdings will be dispatched to successful applicants. It is your responsibility to determine your allocation prior to trading in Shares. If you sell Shares before receiving your holding statement you do so at your own risk.

Prior to allotment, all application monies shall be held by the Company on trust for the Applicants in a separate bank account as required by the Corporations Act. The Company will retain any interest earned on the application monies irrespective of whether the issue of Shares takes place.

The Directors reserve the right to issue Shares in full for any application or to issue any lesser number of Shares or to decline any application. Where the number of Shares issued is less than the number applied for, or where no issue is made, the surplus application monies will be refunded without any interest to the applicant as soon as practicable after the issue date.

## 6.7 MINIMUM SUBSCRIPTION

The minimum subscription to be raised under this Prospectus is \$6,000,000 through the issue of 30,000,000 Shares at an issue price of \$0.20 per Share (**Minimum Subscription**). If the Minimum Subscription is not reached within four (4) months after the date of this Prospectus the Company will thereafter either repay all application monies received or will issue a supplementary prospectus or replacement prospectus and allow applicants one (1) month to withdraw their applications and be repaid their application monies. No interest will be paid on these monies.

## 6.8 OVERSUBSCRIPTIONS

The Company may not accept oversubscriptions.

## 6.9 PURPOSE OF THE OFFERS

The purpose of the Offers are to:

- (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List'
- (b) facilitate the Company meeting a condition precedent in the Acquisition Agreements (being the Company receiving conditional listing approval from ASX to be admitted to the Official List)
- (c) provide the Company with additional funding:
  - (i) to conduct exploration activities on the Projects;
  - (iii) for considering acquisition opportunities that may be presented to the Board from time to time; and
  - (iv) to meet the costs of the Offers and to fund administration costs
  - (v) so as to position the Company to achieve the objectives set out in Section 7.8.

Refer to Section 7.10 in respect of the proposed use of funds and Section 7.8 for details of the Company's objectives and strategy.

## 6.10 ASX LISTING

The Company will apply to the ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Quotation of the Shares offered under this Prospectus. If the ASX does not grant permission for Quotation of the Shares within three (3) months after the date of this Prospectus, or such longer period as is varied by ASIC, the Company will not issue any Shares offered for subscription under this Prospectus and will repay all application monies received as soon as practicable thereafter, or within the time prescribed under the Corporations Act. The ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may grant Quotation of Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

## 6.11 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus does not and is not intended to constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer

or to issue this Prospectus. Applicants outside Australia or New Zealand should refer to Section 2.4 for further information.

**6.12 NOT UNDERWRITTEN**

The Offers are not underwritten.

**6.13 COMMISSIONS PAYABLE**

The Company reserves the right to pay a commission of up to 5.5% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian Financial Services licensees in respect of valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee.

**6.14 RISK FACTORS**

You should be aware that subscribing for Shares the subject of this Prospectus involves a number of risks. The key risks are set out in Part D of the Investment Overview in Section 5 and other Risk Factors are set out in Section 8. Potential investors are urged to consider those risks carefully and if necessary, consult their professional advisers before deciding whether to invest in the Company. The risk factors set out in Part D of the Investment Overview in Section 5 and Section 8, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered highly speculative.

**6.15 RESTRICTED SECURITIES**

None of the Shares issued under the Offers will be subject to escrow.

However, generally, Securities on issue at the date of this Prospectus that were issued to promoters or related parties will be escrowed for a period of 24 months from the date of the Company's admission to the Official List. It is expected that the Securities issued to the Vendors or nominees under the Acquisition Agreements will be escrowed for 24 months from the date of the Company's admission to the Official List. It is also expected that a percentage of the Shares issued under a seed capital raising conducted by the Company in January 2021 will be escrowed for 12 months from the date of issue of such Shares. During the period in which these Securities are prohibited from being transferred, assigned or otherwise disposed of, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

As at the date of this Prospectus, the Company expects the following Securities to be subject to ASX imposed escrow:

- (a) 1,525,000 Shares issued to Directors and Key Management Personnel – 24 months from the Listing Date;
- (b) 12,150,000 Shares to be issued to the Vendors or nominees under the Acquisition Agreements – 24 months from the Listing Date;
- (c) 3,400,000 Options issued to Directors, Key Management Personnel and Consultants;
- (d) 1,600,000 Lead Manager Options issued to Lead Managers – 24 months from the Listing Date;

- (e) 1,000,000 Vendor Options issued to Mercator Metals Pty Ltd or nominee under the Mercator Acquisition Agreement - 24 months from the Listing Date;
- (f) Vendor Performance Rights which may convert into up to 4,000,000 Shares under the Acquisition Agreements – 24 months from the Listing Date; and
- (g) 4,725,000 Shares issued to seed investors under a seed capital raising conducted by the Company in January 2021 – 12 months from the date of issue of such Shares.

The Company will announce to ASX details of the number and duration of the Shares and Options that the ASX require to be held in escrow prior to the Shares commencing trading on the ASX (which admission is subject to ASX's discretion and approval).

The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company) at the time of admission to the Official List of ASX will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.

#### **6.16 TAXATION**

The acquisition and disposal of Shares will have tax consequences which will differ depending upon the individual financial affairs of each investor. You are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

#### **6.17 WITHDRAWAL OF OFFERS**

The Company reserves the right not to proceed with the Offers at any time before the issue or transfer of Shares to successful applicants. If the Offers do not proceed, application monies will be refunded (without interest).

#### **6.18 QUERIES**

This Prospectus provides information to assist potential investors to decide if they wish to invest in the Company and should be read in its entirety. If you have any questions about investing in the Company after reading this Prospectus, please contact your sharebroker, financial planner, accountant, lawyer or independent financial adviser.

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## 7. COMPANY AND PROJECT OVERVIEW

### 7.1 BACKGROUND

The Company was incorporated on 27 November 2020 as a public no liability company to acquire and explore interests in battery and precious metals projects in Australia. The Company intends to conduct mineral exploration at the Projects for (amongst other commodities) copper (Cu), nickel (Ni), platinum group elements (PGE), lithium (Li) and gold (Au) mineralisation in Western Australia (WA) and the Northern Territory (NT).

As further set out in Section 13.2 and 13.5, the Company has entered into the Acquisition Agreements under which the Company has been granted an option to acquire (subject to various conditions precedent as set out in Sections 13.2 and 13.5) the following interests in the following Projects (**Project Interests**):

- (a) from Lithium Australia NL, a 70% interest in the Coates Ni-Cu-Co-PGE Project;
- (b) from Mercator Metals Pty Ltd, an 85% interest in Coates North Project (which adjoins the Coates Ni-Cu-Co-PGE Project);
- (c) from Lithium Australia, a 70% interest in the Bynoe Lithium and Gold Project; and
- (d) from Lithium Australia, a 70% interest in the Lake Johnston Lithium and Gold Project (with one tenement to be acquired 100%).
- (e) A summary of the Acquisition Agreements and associated agreements relating to the tenements that comprise the Projects (Tenements) are set out in Sections 13.2-13.6.

The Company's Project Interests and interests in the Tenements will be subject to joint venture arrangements which are contained in the Acquisition Agreements, the key terms of which are summarised in Sections 13.2 and 13.4.

In addition, upon completion of the Acquisition Agreements, Charger will become a party to the following agreements relating to some of the Tenements:

- (a) an agreement with Yankuang Pty Ltd under which Yankuang Pty Ltd has rights to bauxite on the tenement that comprises the Coates North Project;
- (b) an agreement with Okapi Resources Limited under which Okapi Resources Limited may earn a 75% interest (excluding lithium and associated minerals that occur within PCT pegmatites) in the Lake Johnston Lithium and Gold Project tenement that the Company is acquiring 100%; and
- (c) an agreement with Lefroy Exploration Limited by which Lefroy Exploration Limited grants lithium rights which such rights form part of the Lake Johnston Lithium and Gold Project.

Summaries of the above agreements are set out in Sections 13.3, 13.4 and 13.6.

On 7 January 2021 the Company issued 8,000,000 fully paid ordinary shares at an issue price of \$0.05 per share to raise \$400,000 to fund the option fees payable under the Acquisition Agreements, the costs to conduct due diligence on the Projects, the costs of identifying exploration targets on the Projects, the costs of the Offers and to provide working capital for the Company prior to completion of the Offers.

Subject to raising the Minimum Subscription, the Company intends to exercise its option under each of the Acquisition Agreements and, subject to satisfaction of the relevant conditions precedent in the Acquisition Agreements as set out in Sections 13.2 and 13.5, acquire the Project Interests.

Additionally, once the Company lists on the ASX it may acquire interests in additional mineral projects and assets in Australia which contain or are prospective for (principally) battery minerals as well as base and precious metals projects (although no such new projects have been identified as yet).

## 7.2 OVERVIEW OF THE PROJECTS

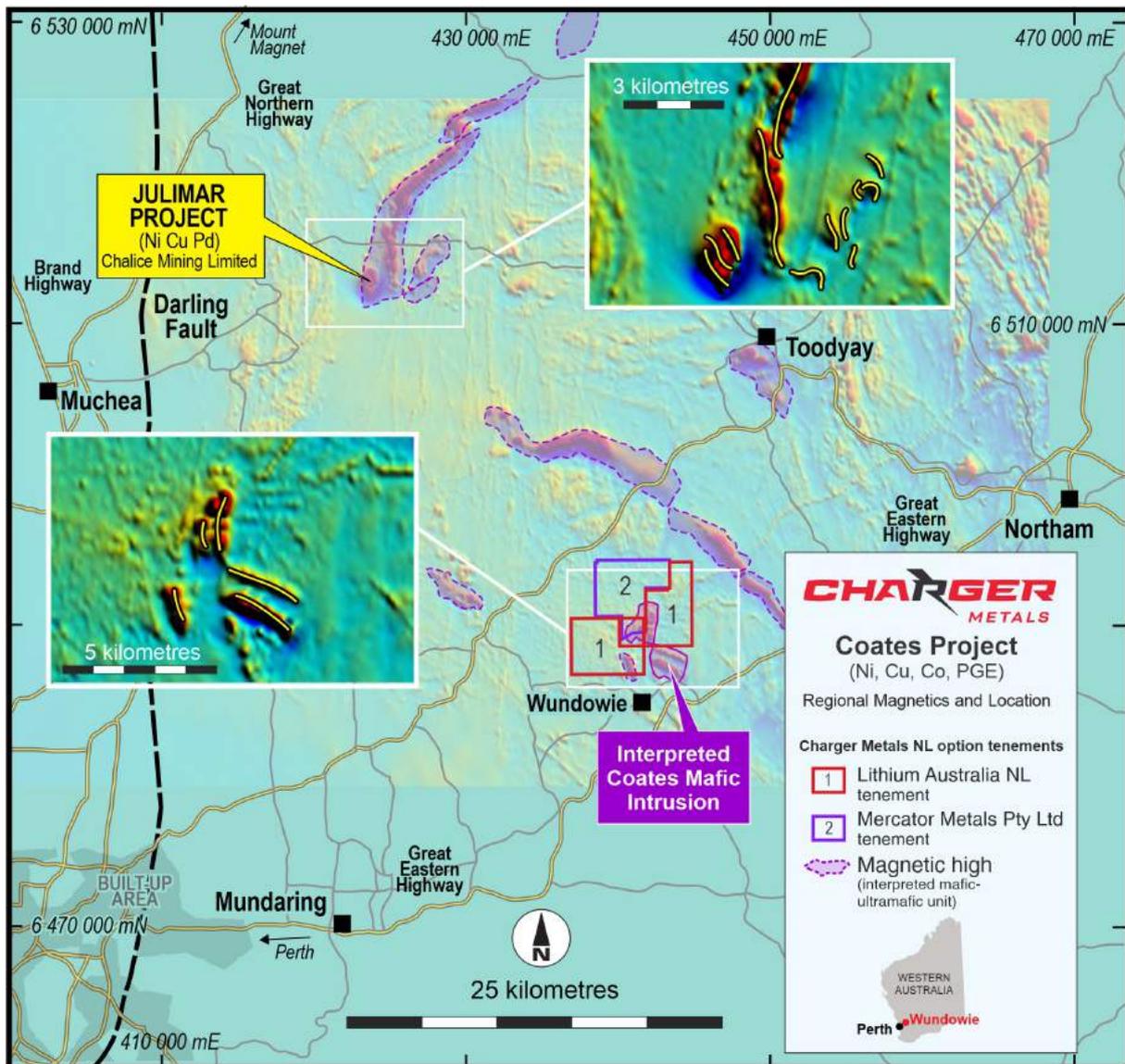


**Figure 1. Location of the Charger Projects**

## 7.3 THE COATES NICKEL-COPPER-COBALT-PLATINUM GROUP ELEMENTS PROJECT

The Coates Nickel-Copper-Cobalt-Platinum Group Elements (Ni-Cu-Co-PGE) Project is located in the Shire of Northam, approximately 60 km east of Perth, in the northern part of the southwestern Yilgarn Craton. The regional geology is largely interpreted from geophysical data due to the poor outcrop and includes highly deformed Archean gneisses and mafic/ultramafic rocks intruded by granitoid bodies.

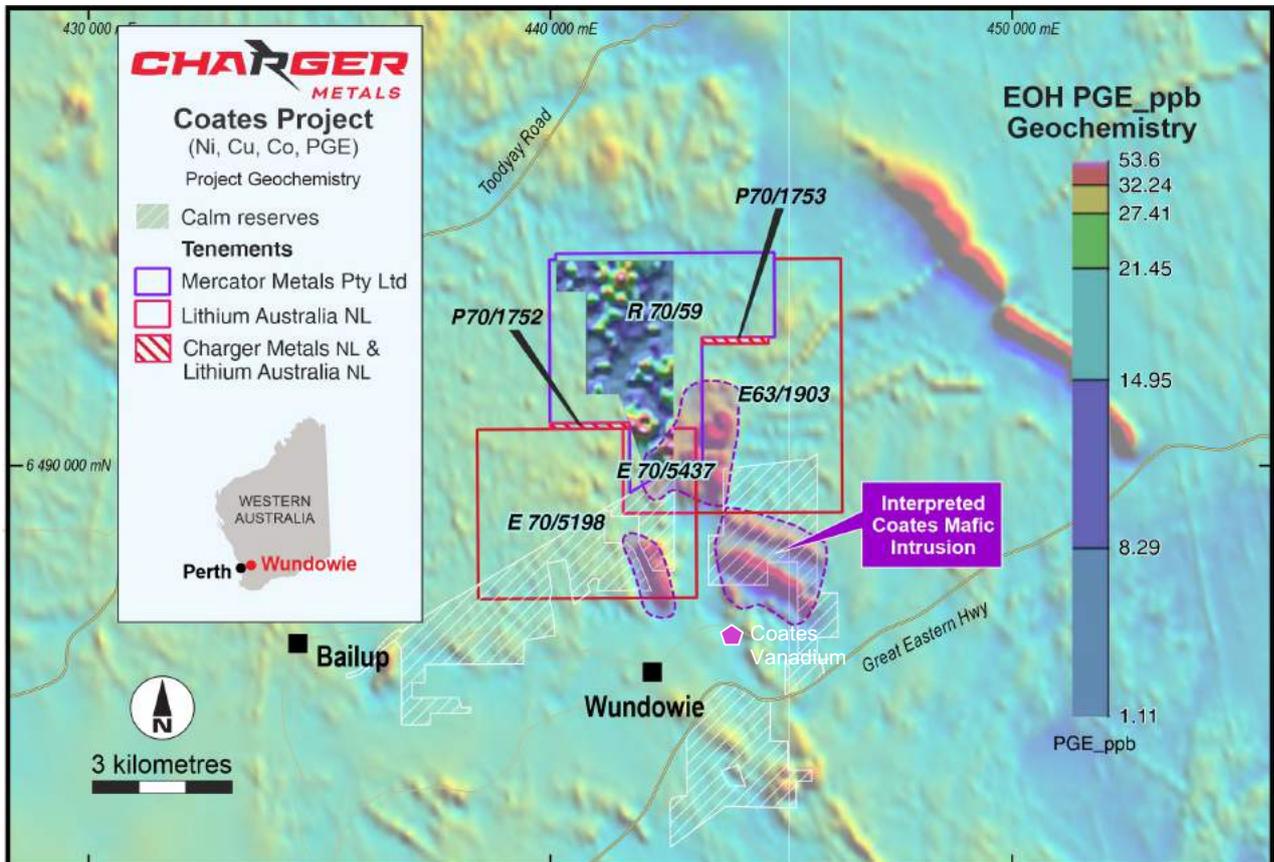
Historically the project area was known because of the Coates vanadium-titanium magnetite deposit that was explored during the 1970s and was briefly mined before closing in 1982. More recently interest in the Coates area has been highlighted by the significant discovery by Chalice Gold Mines Ltd (Chalice) of high-grade Ni-Cu-Co-PGE mineralisation at the newly named Gonnevillie Prospect located approximately 20 km to the northwest of Charger's Coates Ni-Cu-Co-PGE Project tenements.



**Figure 2. Location plan of the Coates Ni-Cu-Co-PGE Project overlain on an image of processed regional aeromagnetic data**

In 2011 Mercator (Paton, 2011) explored E70/2230 for vanadium, base metals and PGEs using lag sampling, focused mainly on pisolitic laterite. Orientation sampling of mineralisation adjacent to the Coates Siding vanadium deposit was applied to regional surface geochemistry and successfully located vanadium anomalies in laterites approximately 3 km east of the Coates Siding deposit. The coincidence of base metal and PGE geochemical anomalies from the Bauxite Resources Ltd (BRL) vacuum drilling with the Coates Mafic Complex is most encouraging from an exploration point of view. By analogy, the mineralisation at Chalice’s Gonville Prospect is characterised by a similar Cu-Ni-Co-PGE elemental association with a mafic intrusive complex.

There are a number of interpreted mafic-ultramafic units that have been identified in the tenement block all of which show geophysical similarities with the Julimar Complex and consequently all represent targets for Cu-Ni-Co-PGE mineralisation.



**Figure 3 Image of previous geochemical sampling results (PGE) partially overlaying an image of processed regional aeromagnetic data**

Under the Acquisition Agreements, Charger has an option to acquire the following Project Interests:

- (a) from Lithium Australia NL, a 70% interest in exploration licences E70/5198 and E70/5437 granted under the Mining Act (WA); and
- (b) from Mercator Metals Pty Ltd, an 85% interest in retention licence R70/59 granted under the Mining Act (WA) subject to the rights of Yankuang Resources Pty Ltd which holds rights to bauxite (Yankuang Bauxite Interest).

The Acquisition Agreements contain joint venture terms governing the joint ventures that will be in place following completion of the above Project Interests. In addition, by way of a side letter, Charger and Lithium Australia NL have agreed that prospecting licences P70/1752 and P70/1753 granted under the Mining Act (WA) to Charger (70%) and Lithium Australia NL (30%) will be governed by the joint venture terms in the LIT Acquisition Agreement.

See Sections 13.2, 13.5 and 13.6 for the material terms of the Acquisition Agreements and further details of the Yankuang Bauxite Interest.

The Coates Ni-Cu-Co-PGE Project consists of the following tenements:

Tenement	Existing holder	Holder following completion under the Acquisition Agreements	Percentage held by Charger Metals NL upon completion of the Offers
E70/5198	Lithium Australia NL	Charger Metals NL (70%) and Lithium Australia NL (30%)	70%
E70/5437	Lithium Australia NL	Charger Metals NL (70%) and Lithium Australia NL (30%)	70%
P70/1752	Charger Metals NL (70%) and Lithium Australia NL (30%)	Charger Metals NL (70%) and Lithium Australia NL (30%)	70%
P70/1753	Charger Metals NL (70%) and Lithium Australia NL (30%)	Charger Metals NL (70%) and Lithium Australia NL (30%)	70%
R70/59*  *R70/59 is subject to the Yankuang Bauxite Interest – for further details see Section 13.6	Mercator Metals Pty Ltd	Charger Metals NL (85%) and Adrian Griffin* (15%)  *Adrian Griffin is the controller of Mercator Metals Pty Ltd. The Company has been advised that Mercator Metals Pty Ltd intends to assign its 15% interest in R70/59 to Adrian Griffin upon Charger acquiring an 85% interest in R70/59. See Section 13.5 for further details.	85%

#### 7.4 THE BYNOE LITHIUM AND GOLD PROJECT

The Bynoe Lithium and Gold Project comprises one granted exploration licence (EL30897) granted under the Mining Act (NT) and currently registered in the name of Lithium Australia NL, covering approximately 62.7 km<sup>2</sup>. Under the LIT Acquisition Agreement, Charger has an option to acquire from Lithium Australia NL, a 70% interest in EL30897 subject to consent being obtained from the Minister (NT) to the transfer of such 70% interest. Following completion of Charger’s acquisition of a 70% interest in EL30897 under the LIT Acquisition Agreement, EL30897 will be held by Lithium Australia NL (30%) and Charger (70%).

EL30897 is surrounded by the extremely large tenement holdings of Core Lithium Ltd’s Finnis Lithium Project which has a significant Mineral Resource (see section 1.3, 5.1 and 5.5 of the Independent Technical Assessment Report in Section 10 for further details). The Finnis Lithium Project is at a very advanced stage of development having had completed a definitive Feasibility Study in April 2019.

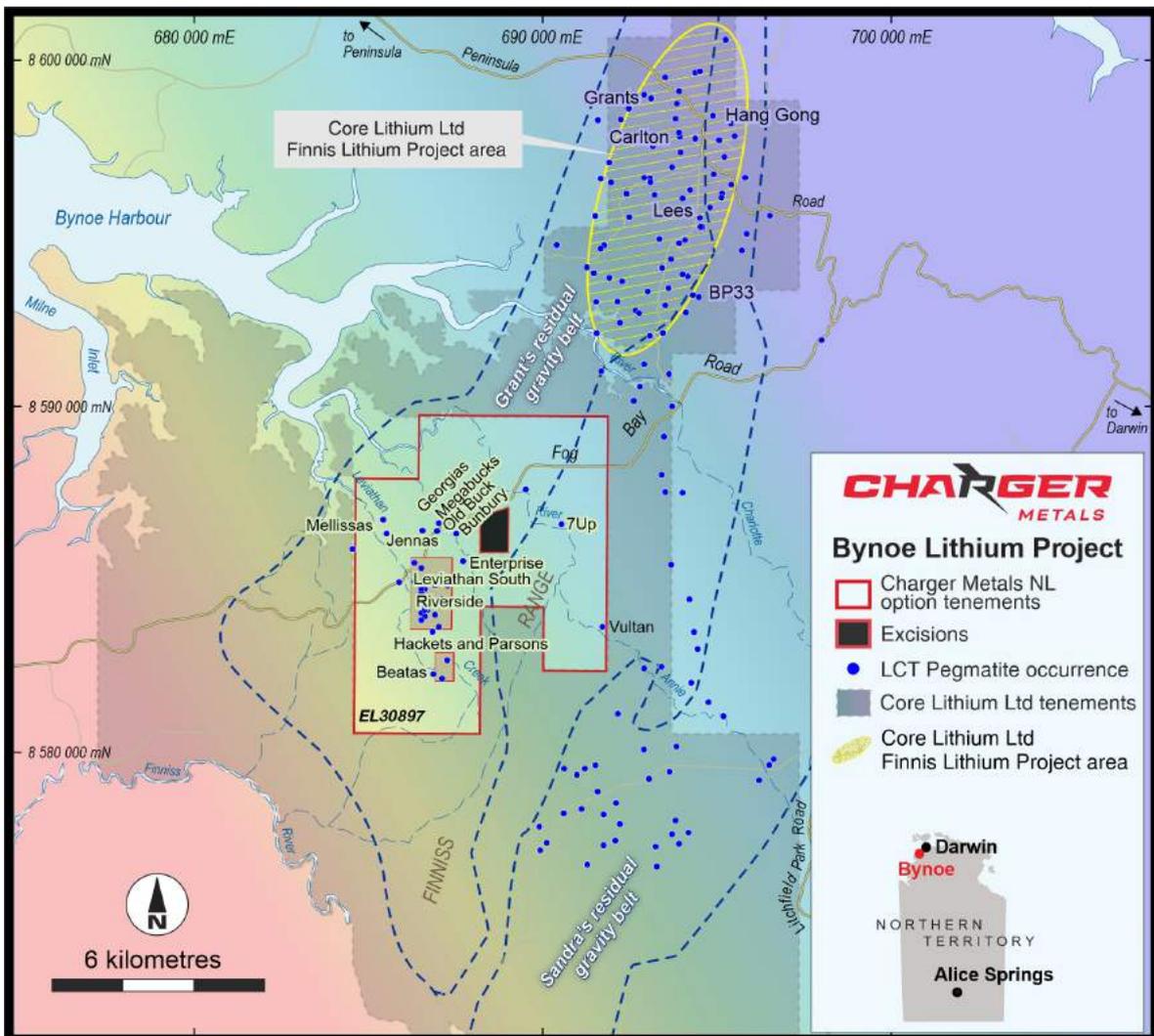
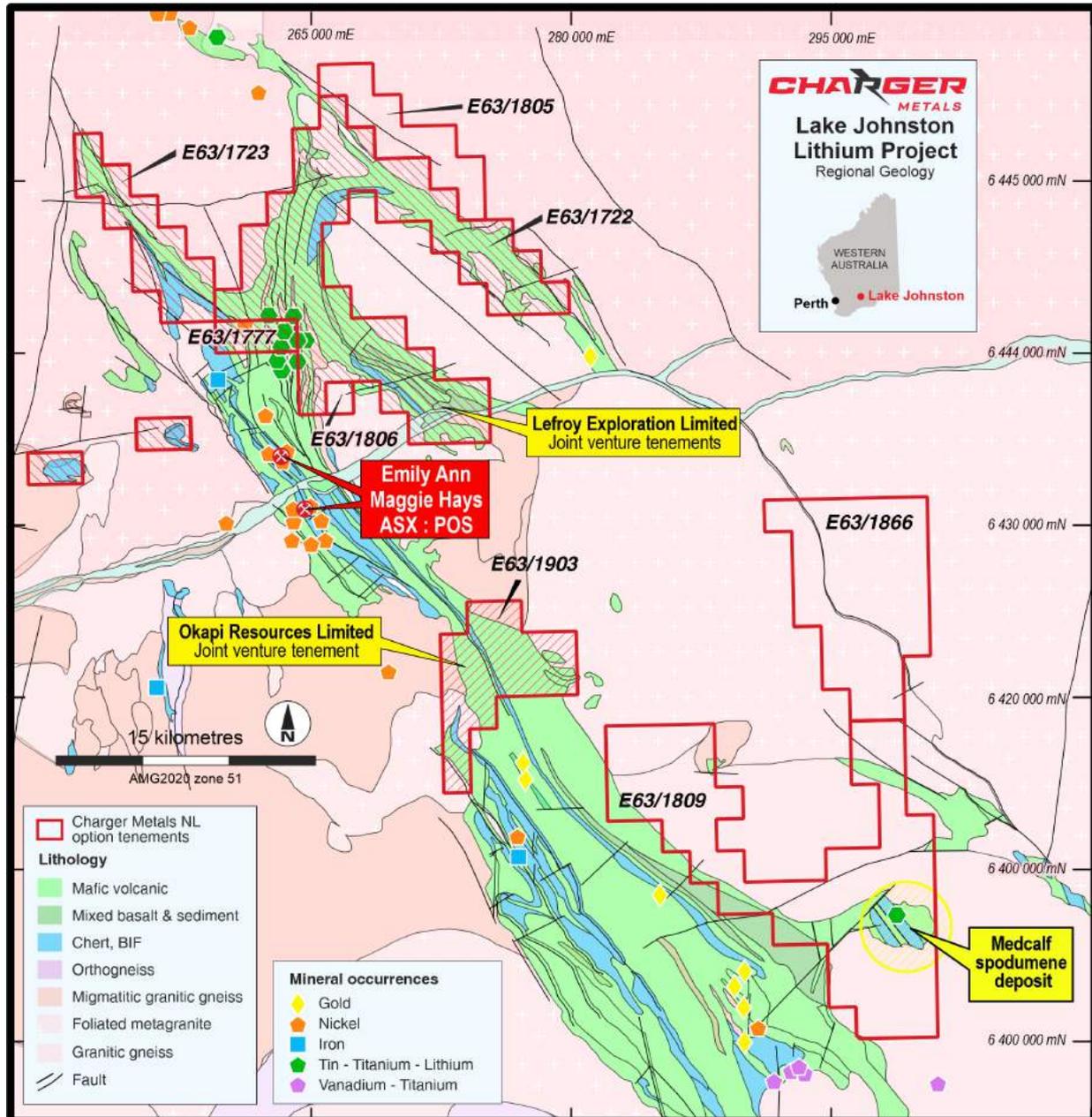


Figure 4 Bynoe Lithium and Gold Project location plan

### 7.5 LAKE JOHNSTON LITHIUM AND GOLD PROJECT

The Lake Johnston Lithium Project includes the Medcalf Spodumene Prospect, located approximately 450 km east of Perth, and 150 km southwest of Coolgardie in WA. The region has attracted considerable recent interest for rare metal LCT Pegmatite mineralisation since the discovery of the Earl Grey/Mt Holland lithium deposits by Kidman Resources Limited, located approximately 70 km west of this project.



**Figure 5 The Lake Johnston Lithium and Gold Project tenements overlaying GSWA 1:500,000 State interpreted bedrock geology polygons, 2016 and MINDEX mineral occurrences.**

Under the LIT Acquisition Agreement, Charger has an option to acquire the following Project Interests:

- (a) a 70% interest in exploration licences E63/1805, E63/1806, E63/1809 and E63/1866 granted under the Mining Act (WA);
- (b) 100% of LIT's interest in exploration licence E63/1903 granted under the Mining Act (WA) subject to the rights of Okapi Resources Limited which is currently earning a 75% interest in E63/1903 excluding rights to all lithium and associated minerals that occur within lithium-caesium-tantalum pegmatites (LCT Pegmatite) (Okapi JV Interest); and
- (c) a 70% interest in the contractual lithium rights to E63/1722, E63/1723 and E63/1777 granted under the Mining Act (WA) which such contractual lithium rights Lithium Australia NL holds under an agreement with Lefroy Exploration Limited (Lithium Rights Agreement).

See Sections 13.2, 13.3 and 13.4 for the material terms of the LIT Acquisition Agreement and further details of the Okapi JV Interest and the Lithium Rights Agreement.

The Lake Johnston Lithium and Gold Project consists of the following tenements with an approximate total area of 525 km<sup>2</sup> :

Tenement	Existing holder	Holder following completion under the LIT Acquisition Agreement	Percentage held by Charger Metals NL upon completion of the Offers
E63/1805	Lithium Australia NL	Charger Metals NL (70%) and Lithium Australia NL (30%)	70%
E63/1809	Lithium Australia NL	Charger Metals NL (70%) and Lithium Australia NL (30%)	70%
E63/1866	Lithium Australia NL	Charger Metals NL (70%) and Lithium Australia NL (30%)	70%
E63/1806	Lithium Australia NL	Charger Metals NL (70%) and Lithium Australia NL (30%)	70%
E63/1903* *E63/1903 is subject to the Okapi JV Interest	Lithium Australia NL	Charger Metals NL	100%
E63/1722	Lefroy Exploration Limited	Lefroy Exploration Limited	Charger holds a 70% interest in lithium rights subject to the Lithium Rights Agreement
E63/1723	Lefroy Exploration Limited	Lefroy Exploration Limited	Charger holds a 70% interest in lithium rights under

			the Lithium Rights Agreement
E63/1777* *By a Tenement Sale Agreement between Lithium Australia NL and Lefroy Exploration Limited, Lithium Australia NL sold E63/1777 to Lefroy Exploration Limited excluding the lithium rights (with these rights being on the same terms as those set out in the Lithium Rights Agreement)	Lithium Australia NL	Lithium Australia NL or Lefroy Exploration Limited	Charger holds a 70% interest in lithium rights under the Lithium Rights Agreement

## 7.6 FURTHER DETAILS ABOUT THE PROJECTS

The Independent Technical Assessment Report in Section 10 provides further details of the Projects, which will be the main assets of the Company upon completion of the Offers. The Independent Technical Assessment Report contains (among other things) information regarding the location, ownership, geology and previous exploration undertaken at the Projects.

Section 12 of this Prospectus contains a Solicitor's Report on the Tenements which contains detailed information about the Tenements and certain relevant legal matters.

## 7.7 OVERVIEW OF THE BATTERY MINERALS AND PRECIOUS METAL MARKETS

The International Energy Agency has reported countries accounting for more than 70% of today's global GDP and emissions have committed to net-zero emissions implying a massive acceleration in clean energy deployment. An energy system powered by clean energy technologies needs significantly more minerals, including Lithium, Nickel, Copper for batteries, EVs, Energy storage and solar panels. The Directors believe this is a good time to be embarking on the Charger initial public offering with the global push for carbon neutrality driven by both EV adoption and energy storage..

Battery grade lithium carbonate prices rose to US\$13,714 per tonne as at 13 May 2021. On 12 May 2021, the copper price rallied to new all time high of US\$10,448.50 per tonne or US\$4.74 per pound. Nickel prices have shown significant strength over the last year with the price being US\$17,905.75 per tonne on the 12 May 2021.

The Company is embarking on its exploration programmes with a view to the discovery of new, long term, reliable supplies of battery minerals to at a time of rising battery minerals commodity prices.

Precious metals prices have also shown strength over the past 3 years with gold at US\$1,836 per ounce, platinum at US\$1,241 per ounce and palladium at US\$2,926 per ounce, respectively on 12 May 2021. Whilst the Company's main focus is on battery minerals there is significant prospectivity also for precious metals within the Projects.

## 7.8 BUSINESS MODEL

The Company is a highly speculative mineral exploration company.

The Company aims to add shareholder value through the discovery and development of valuable minerals.

The Company's business model involves the exploration and evaluation of the Projects in Western Australia and Northern Territory for (amongst other elements) Ni-Cu-Co-PGE, lithium and gold.

In line with the Company's proposed use of funds set out in Section 7.10 below, the immediate business strategy and objectives comprises:

- (a) conducting exploration activities associated with the Projects as outlined below to identify early-stage exploration targets with the aim of defining valuable mineral resources that the Company can monetarise through either further development or sale. and
- (b) identifying new project acquisition targets.

Refer also to Sections 10 (Independent Technical Assessment Report) and 12 (Solicitor's Report on Tenements) of this Prospectus for further and supplementary information in relation to the Projects.

The Company also intends to continue to identify, evaluate and, if warranted, acquire additional resource projects and assets in Australia and/or overseas if the Board considers that they have the potential to add Shareholder value. The Company will consider acquiring these additional interests by way of direct project acquisition, farm in, joint venture or direct equity in the project owners, and may include minerals or perspective for minerals other than battery minerals and precious metals.

**On completion of the Offers, the Board believes the Company will have sufficient working capital to achieve these objectives.**

## **7.9 EXPLORATION WORK PROGRAMMES AND BUDGETS**

The proposed work programme and exploration budget for the Project is set out in the Independent Technical Assessment Report in Section 10 and reflects the initial focus for the Company upon a successful listing and raising of capital pursuant to the Offers.

In summary, the first phase of exploration at the Projects will include conducting the following exploration work programmes:

### **Coates Nickel-Copper-Cobalt and Platinum Group Element Project**

Outcrop of recognisable rock in the Project area is generally poor. This is due to the widespread development of near-surface deposits of bauxite and therefore proxies will be used to establish the geological setting to determine the area for further investigation by the Company.

The most widely used means of interpreting the geological extent of any mafic-ultramafic layered intrusive complexes present is using regional aeromagnetic data and, accordingly, the Company intends to undertake a study of the currently available State data set. In addition, the Company proposes to undertake a new, more customised aeromagnetic survey which may provide better resolution than the currently available State data set.

Soil geochemistry coverage will be undertaken by the Company covering areas considered prospective. New sampling will tie in with existing geochemistry from analysis of bottom-of-hole vacuum drill samples from the Coates North Project.

Following the experience of Chalice Mining Limited, targets within the interpreted mafic-ultramafic complexes may be identified by airborne electromagnetic (EM) surveys then followed-up by drilling.

Initially it is proposed that helicopter-borne EM surveys such as VTEM will be flown to identify targets for follow-up work. These surveys are usually sufficiently sensitive to pinpoint conductive rock anomalies (which may include nickel and copper sulphide mineralisation) to the extent that further ground-based EM is not required.

The Company intends that geochemical and conductive rock anomalies will be tested by drilling. The drilling technique to be used will be determined by the current land use and the depth to the proposed target.

### **Bynoe Lithium and Gold Project**

Geological mapping is useful to determine the dimensions and orientations of outcropping pegmatites, however outcrop within the project is limited as a result of intense weathering and erosion of the rocks, and the development of alluvial cover

Sampling of subsurface, weathered bedrock by previous explorers over the western project area has shown to be an effective exploration tool for delineating anomalies consistent with the presence of LCT pegmatites.

Following the receipt of any land access and permitting approvals that may be required, the Company intends to undertake further geochemical sampling to provide systematic coverage of the Project areas not included in previous sampling surveys, followed by RAB drilling where soil anomalies have been identified, and reverse circulation drilling where warranted.

While the dispersion of LCT pegmatite vector-elements Rb and Cs can be restricted, these elements are readily detected using hand-held pXRF instruments (Li is not detectable) making first-pass exploration very cost effective. Lithium analyses will be undertaken by a commercial laboratory.

### **Lake Johnston Lithium and Gold Project**

The Project area has widespread alluvial cover and areas of ephemeral lakes, meaning that outcrops of rock are sporadic.

For larger areas in arid terrains such as the Lake Johnston Project, hyperpectral remote sensing data obtained from satellites may be applicable to domain areas of shallow alluvial cover suitable for soil geochemistry, and areas prospective for LCT pegmatite systems. The Company intends to undertake an analysis of all such data.

When assessing areas with shallow alluvial cover for gold and LCT pegmatites, the Company plans to undertake soil geochemistry programmes, and include pXRF analysis as an aid to target delineation. In areas of good outcrop, geological mapping and whole rock geochemistry provides information about the prospectivity of an area. Specific lithium and gold analyses will be undertaken by a commercial laboratory.

The Lake Johnston Project has not been subjected to long periods of intense exploration like most other greenstone belts in Western Australia due to the difficult access and the lack of outcrop. The Company is compiling what geological and geophysical information is available, including geochemistry, drilling, aeromagnetic, radiometric and topographic data.

Following any land access and permitting approvals that may be required, additional work programmes may include expansion of geochemistry coverage where soil conditions are amenable, acquisition of higher quality airborne magnetic, radiometric and hyperspectral datasets to better facilitate delineation of targets for lithium and gold mineralisation. RAB and RC drilling will test targets where warranted, with diamond drilling to test advanced targets.

### General

The Company proposes to fund its intended activities from the proceeds of the Offers. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Projects and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the expenditure set out above is proposed.

### 7.10 USE OF FUNDS

The Company intends to apply its existing cash reserves and the funds raised from the Offers over the first two years after the Listing Date as follows:

Funds Available	Minimum Subscription \$	Percentage of Funds
Existing cash reserves of the Company <sup>1</sup>	\$338,345	5.3%
Proceeds from the Offers (before costs)	\$6,000,000	94.7%
<b>Total Funds Available</b>	<b>\$6,338,345</b>	<b>100.0%</b>

Indicative Allocation of Funds	Allocation of Funds Year 1 \$	Allocation of Funds Year 2 \$	Total Allocation \$	Percentage of Funds
Coates Ni-Cu-Co-PGE Project <sup>2</sup>	\$780,000	\$756,000	\$1,536,000	24.2%
Lake Johnston Lithium and Gold Project <sup>2</sup>	\$438,000	\$510,000	\$948,000	15.0%
Bynoe Lithium and Gold Project <sup>2</sup>	\$480,000	\$457,200	\$937,200	14.8%
Acquisition costs & stamp duty <sup>3</sup>	\$222,612	-	\$222,612	3.5%
New project acquisition targets <sup>4</sup>	\$150,000	\$150,000	\$300,000	4.7%
General working capital <sup>5</sup>	\$916,819	\$916,820	\$1,833,639	28.9%
Estimated expense of the Offers <sup>6</sup>	\$560,894	-	\$560,894	8.8%
<b>Total Allocation</b>	<b>\$3,548,325</b>	<b>\$2,790,020</b>	<b>\$6,338,345</b>	<b>100.0%</b>

<sup>1</sup> Refer to the Independent Limited Assurance Report in Section 11 for further information. Some of the Year 1 costs have already been paid or incurred from this amount as at the date of this Prospectus.

<sup>2</sup> Refer to the Independent Technical Assessment Report in Section 10 for further information on planned exploration activities and expenditure budgets for the Project.

<sup>3</sup> Refer to Refer to the Independent Limited Assurance Report in Section 11 for further information.

<sup>4</sup> See Section 7.8.

<sup>5</sup> These expenses include wages and superannuation of employees and Directors, rent and outgoings, accounting fees, legal fees, ASX listing fees, auditing fees, insurance, Share Registry fees, travel expenses and all other items of a general administrative nature.

<sup>6</sup> Refer to Section 14.7 for further details.

It is anticipated that the funds raised under the Offers will enable two (2) years of full operations based on the current budget (on the basis of the Minimum Subscription). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend of the success or failure of the Company's exploration of the Projects. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Projects or to acquisition opportunities in the resource sector.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the actual application of funds. In particular, exploration expenditure will be reviewed on an ongoing basis depending on the nature of the results from work programmes. The Board reserves the right to alter the way funds are applied on this basis. The Company may raise additional funds within two years after listing on the ASX to the extent required to increase and accelerate the exploration programmes on the Projects, or to acquire or invest in suitable additional projects and assets in the resources sector in Australia and/or overseas, as determined by the Board.

## 7.11 CURRENT CAPITAL STRUCTURE

The current capital structure of the Company and the terms on which the existing Shares and Options have been issued is summarised below:

	Number of Shares	Issue price per share	Number of Options <sup>4</sup>
Founder Share <sup>1</sup>	1	\$1.00	
Director, management and consultant remuneration <sup>2</sup>	250,000	non-cash	3,400,000
Seed Capital Raising <sup>3</sup>	8,000,000	\$0.05	
<b>Total Shares and Options on issue</b>	<b>8,250,001</b>		<b>3,400,000</b>

### Notes:

1. Issued to David Crook, Managing Director of the Company.

2. Issued as part of the Company's remuneration for services of the Managing Director under the Oresource Consultancy Agreement (see Section 9.5) and the Non-Executive Directors under the Non-Executive Directors'

Agreements and to the Company Secretary and Warrior Strategic Pty Ltd pursuant to the Company Secretarial Agreement (see Section 9.2(b)).

3. Issued pursuant to a seed capital raising conducted by the Company in January 2021.

4. The terms and conditions of the Options are set out in Section 14.2(b).

## 7.12 PRO FORMA CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offers (assuming Minimum Subscription) is summarised below<sup>1</sup>:

Shares <sup>(1)</sup>	Minimum Subscription \$6 million	Percentage of Shares (undiluted)
Shares on issue at date of Prospectus	8,250,001	16.4%
Shares to be issued under the Offers	30,000,000	59.5%
Shares to be issued under LIT Acquisition Agreement (2)	9,600,000	19.0%
Shares to be issued under Mercator Acquisition Agreement (2)	2,550,000	5.1%
<b>Total Shares on issue at completion of the Offers (undiluted)</b>	<b>50,400,001</b>	<b>100.0%</b>

Notes:

- (1) The rights attaching to Shares are summarised in Section 14.2(a)
- (2) A summary of the material terms of the Acquisition Agreements are set out in Sections 13.2 and 13.5.

Options <sup>(1)</sup>	Minimum Subscription \$6 million	Percentage of Shares (diluted <sup>(5)</sup> )
Options on issue at date of Prospectus (2)	3,400,000	6.03%
Lead Manager Options to be issued to as part consideration for their services (3)	1,600,000	2.84%
Vendor Options to be issued under the Mercator Acquisition Agreement (4)	1,000,000	1.77%
<b>Total Options on issue at completion of the Offers</b>	<b>6,000,000</b>	<b>10.64%</b>

Notes:

(2) Exercisable at \$0.30 on or before the date that is three (3) years from the Listing Date. Full Options terms and conditions are set out at Section 14.2(b).

(3) These Options were issued as part of the Company's remuneration for services of the Managing Director under the Oresource Consultancy Agreement (see Section 9.5) and the Non-Executive Directors under the Non-Executive Directors' Agreements and to the Company Secretary and Warrior Strategic Pty Ltd pursuant to the Company Secretarial Agreement (see Section 9.2(b)).

(4) Comprising 1,600,000 Lead Manager Options to be issued to the Lead Manager (or their nominees). Refer to Section 13.7 for a summary of the Lead Manager Mandate.

A summary of the material terms of the Mercator Acquisition Agreement is set out in Section 13.5.

Assumes all Options are exercised but the Vendor Performance Rights (see Section 7.13) do not convert into Shares.

Performance Rights	Minimum Subscription \$6 million	Percentage of Shares (fully diluted) <sup>(3)</sup>
Performance Rights currently on issue	nil	
Vendor Performance Rights under the LIT Acquisition Agreement <sup>(1)</sup>	For the issue of up to 2,000,000 Shares	3.31%
Vendor Performance Rights under the Mercator Acquisition Agreement <sup>(2)</sup>	For the issue of up to 2,000,000 Shares	3.31%
<b>Total Performance Rights on issue at completion of the Offers</b>	For the issue of up to 4,000,000 Shares	6.62%

Notes:

- (1) Under the LIT Acquisition Agreement, if certain milestones are met Charger must pay some deferred consideration being either (at Charger's election) \$200,000 or 2,000,000 Shares. A summary of the material terms of the LIT Acquisition Agreement is set out in Section 13.2.
- (2) Under the Mercator Acquisition Agreement, if certain milestones are met Charger must pay some deferred consideration being either (at Charger's election) \$200,000 or 2,000,000 Shares. A summary of the material terms of the Mercator Acquisition Agreement is set out in Section 13.5.
- (3) Assumes all Options are exercised and the Vendor Performance Rights (see Section 7.13) convert into Shares.

## 7.13 SHARES, VENDOR OPTIONS AND PERFORMANCE RIGHTS ISSUED UNDER THE ACQUISITION AGREEMENTS

Under the Acquisition Agreements the Vendors will receive the consideration as set out below in consideration for the sale to the Company of the relevant Project Interests. Assuming the Minimum Subscription is raised, the Vendors will hold the following interests in the Company upon completion of the Offers (on a diluted and undiluted basis):

Lithium Australia NL		Percentage (undiluted) <sup>(1)</sup>	Percentage (diluted) <sup>(2)</sup>
Cash	\$100,000		
Shares	9,600,000	19.05%	15.89%

Vendor Performance Rights <sup>(3)</sup>	\$200,000 or 2,000,000 Shares		3.31%
<b>Total</b>		19.05%	19.21%
<b>Mercator Metals Pty Ltd or nominee</b>		<b>Percentage (undiluted <sup>(1)</sup>)</b>	<b>Percentage (diluted <sup>(2)</sup>)</b>
Shares	2,550,000	5.06%	4.22%
Vendor Options <sup>(4)</sup>	1,000,000		1.66%
Vendor Performance Rights <sup>(5)</sup>	\$200,000 or 2,000,000 Shares		3.31%
<b>Total</b>		5.06%	9.19%

Notes:

- (1) Assumes none of the Options on issue upon completion of the Offers (see Section 7.12) are exercised and the Vendor Performance Rights have not converted to Shares.
- (2) Assumes each of the Options on issue upon completion of the Offers (see Section 7.12) are exercised and the Vendor Performance Rights have converted to Shares
- (3) See below and Sections 13.2 and 13.5 for details of the circumstances in which the Vendor Performance Rights convert to Shares under the LIT Acquisition Agreement
- (4) See Section 14.2(b) for details of the terms and conditions of the Vendor Options
- (5) See below and Sections 13.2 and 13.5 for details of the holder of the Vendor Performance Rights and the circumstances in which the Vendor Performance Rights convert to Shares under the LIT Acquisition Agreement

The Company provides the following details in relation to the Vendor Performance Rights:

Details of Vendor Performance Rights	LIT Acquisition Agreement	Mercator Acquisition Agreement
Party to whom the Vendor Performance Rights will be issued	Lithium Australia NL ( <b>LIT</b> )	Adrian Griffin ( <b>AG</b> ) (controller of Mercator Metals Pty Ltd ( <b>Mercator</b> )) whom it is proposed will take an assignment of Mercator Metals Pty Ltd's right and obligations under the Mercator Acquisition Agreement ( <b>AG Assignment</b> ). See Section 13.5 for further details.
Number of Vendor Performance Rights that will be issued	Subject to satisfaction of the relevant Performance Milestone (see below), Charger is required to either, at Charger's election, pay	Subject to satisfaction of the relevant Performance Milestone (see below), Charger is required to either, at Charger's election pay \$200,000 or issue

	<p>\$200,000 or issue 2,000,000 Shares to LIT.</p> <p>The Performance Milestone is Charger, by 4 December 2026, delineating an inferred resource under the JORC Code of:</p> <ul style="list-style-type: none"> <li>• 10,000 tonnes of contained nickel on the tenements comprising the LIT Projects;</li> <li>• 10,000,000 tonnes equal to or greater than 1.2% lithium oxide on the tenements comprising the LIT Projects; or</li> <li>• 100,000 ounces of gold equivalent on the tenements comprising the LIT Projects.</li> </ul> <p>If the above Performance Milestone is not met, no cash or Shares will be paid or issued under the Vendor Performance Right.</p> <p>See Section 13.2 for further details.</p>	<p>2,000,000 Shares to AG (or nominee approved by Charger).</p> <p>The Performance Milestone is Charger, by 4 December 2026, delineating an inferred resource on R70/59 under the JORC Code of 10,000 tonnes of nickel equivalent or 50,000 ounces of gold at no less than 3 grams/tonne.</p> <p>If the above Performance Milestone is not met, no cash or Shares will be paid or issued under the Vendor Performance Right.</p> <p>See Section 13.5 for further details.</p>
Reason for issuing the Vendor Performance Rights	As partial consideration under the LIT Acquisition Agreement. See Section 13.2 for further details.	As partial consideration under the Mercator Acquisition Agreement. See Section 13.5 for further details.
Explanation of why the Vendor Performance Rights are being issued	<p>Charger has negotiated a portion of the consideration under the LIT Acquisition Agreement in the form of Vendor Performance Rights so as to align LIT's interests with Charger's other Shareholders on a risk and reward basis.</p> <p>The relevant Performance Milestone that is required to be achieved (see below)</p>	<p>Charger has negotiated a portion of the consideration under the Mercator Acquisition Agreement in the form of Vendor Performance Rights so as to align Mercator's (AG's following the AG Assignment) interests with Charger's other Shareholders on a risk and reward basis.</p> <p>The relevant Performance Milestone that is required to be</p>

	before Shares may be issued is specific and able to be determined objectively and is a milestone that the Charger Board considers will, if achieved, add shareholder value.	achieved (see below) before Shares may be issued is specific and able to be determined objectively and is a milestone that the Charger Board considers will, if achieved, add shareholder value.
Details of undertaking being acquired under the Acquisition Agreements	See Section 13.2 for details of the undertaking being acquired under the LIT Acquisition Agreement.	See Section 13.5 for details of the undertaking being acquired under the Mercator Acquisition Agreement.
Details of Vendors under the Acquisition Agreements.	LIT is a public company listed on ASX. It is noted that AG is a director of LIT.	Mercator is a private company controlled by AG. It is noted that AG is a director of LIT.
Details of how Charger determined the number of Vendor Performance Rights to be issued and why	The quantum of the Vendor Performance Rights was agreed with LIT on an arm's length basis at a level that Charger believes fairly rewards LIT for exploration success without significantly diluting Charger's shareholders.	The quantum of the Vendor Performance Rights was agreed with Mercator on an arm's length basis at a level that Charger believes fairly rewards Mercator for exploration success without significantly diluting Charger's shareholders.
Number of Charger shares into which the performance securities will convert and impact on Charger's capital structure	<p>If Charger elects to issue Shares (and not cash) upon the above Performance Milestone being achieved:</p> <ul style="list-style-type: none"> <li>LIT will issue 2,000,000 Shares; and</li> <li>Charger's share capital will increase from 50,400,001 Shares to 52,400,001 shares (assuming, Charger's share capital does not change from the Listing Date).</li> </ul>	<p>If Charger elects to issue Shares (and not cash) upon the above Performance Milestone being achieved,</p> <ul style="list-style-type: none"> <li>LIT will issue 2,000,000 Shares; and</li> <li>Charger's share capital will increase from 50,400,001 Shares to 52,400,001 shares (assuming, Charger's share capital does not change from the Listing Date).</li> </ul>
Additional matters relating to the Vendor Performance Rights	<p><i>Quotation:</i> not quoted</p> <p><i>Transferability:</i> LIT may not transfer its rights under the LIT Acquisition Agreement</p>	<p><i>Quotation:</i> not quoted</p> <p><i>Transferability:</i> Mercator (AG after the AG Assignment) may not transfer its rights under the</p>

	<p>without first following a pre-emptive right process in favour of Charger provided that the pre-emptive right process does not need to be followed in respect of a transfer of LIT's rights to a related body corporate of LIT.</p> <p><i>Rights to vote: none</i></p> <p><i>Rights to participate in new issues of capital: none</i></p> <p><i>Entitlement to a dividend: none</i></p> <p><i>Right to a return of capital: none</i></p> <p><i>Right to participate in surplus profits or assets on a winding up: none</i></p> <p><i>Right to participate in new issues of securities: none</i></p>	<p>Mercator Acquisition Agreement without first following a pre-emptive right process in favour of Charger provided that the pre-emptive right process does not need to be followed in respect of a transfer of Mercator's rights to a related body corporate.</p> <p><i>Rights to vote: none</i></p> <p><i>Rights to participate in new issues of capital: none</i></p> <p><i>Entitlement to a dividend: none</i></p> <p><i>Right to a return of capital: none</i></p> <p><i>Right to participate in surplus profits or assets on a winding up: none</i></p> <p><i>Right to participate in new issues of securities: none</i></p>
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The Company did not obtain an independent valuation when determining the consideration to be paid to the Vendors under the Acquisition Agreements for the Project Interests. Rather, the Directors believe that the consideration reflects arm's length terms.

Please refer to Sections 13.2 and 13.5 for details of the terms and conditions of the Acquisition Agreements.

#### 7.14 SUBSTANTIAL SHAREHOLDERS

As at the date of this Prospectus, the Shareholders holding 5% or more of the Shares on issue are as follows:

Shareholder	Shares	Options	Percentage (undiluted)	Percentage (diluted <sup>(1)</sup> )
Gunsynd Plc	1,600,000	-	19.4%	13.7%
Lind Global Macro Fund LP	1,200,000	-	14.5%	10.3%
Warrior Finance Pty Ltd <sup>(2)</sup>	1,000,000	1,800,000	12.1%	24.0%
David Crook <sup>(3)</sup>	550,001	500,000	6.7%	9.0%
Terry Gardiner <sup>(4)</sup>	250,000	650,000	3.0%	7.7%

Notes:

- (1) Assumes each of the Options on issue as at the date of this Prospectus (being 3,400,000 Options - see Section 7.12) are exercised.
- (2) Including its associate Warrior Strategic Pty Ltd. Warrior Strategic Pty Ltd is a party to the Company Secretarial Agreement (see Section 9.2(b)).
- (3) David Crook holds the Shares and Option both directly and indirectly through the Parkway Super Fund of which Mr Crook is the trustee.
- (4) Mr Terry Gardiner holds the Shares and Options both directly and indirectly through the Terry James Gardiner Super Fund of which Mr Gardiner is the trustee

Set out below are the Shareholders expected to hold 5% or more of the Shares on issue upon completion of the Offers on an undiluted and diluted basis, being the Vendors under the Acquisition Agreements. This assumes that no existing significant Shareholder or any Vendor subscribes for and is allotted additional Shares pursuant to the Offers.

<b>Lithium Australia NL</b>		<b>Percentage (undiluted<sup>(1)</sup>)</b>	<b>Percentage (diluted<sup>(2)</sup>)</b>
Shares	9,600,000	19.05%	15.89%
Vendor Performance Rights <sup>(3)</sup>	For the issue of up to 2,000,000 Shares		3.31%
<b>Total</b>		<b>19.05%</b>	<b>19.21%</b>
<b>Mercator Metals Pty Ltd or nominee</b>		<b>Percentage (undiluted<sup>(1)</sup>)</b>	<b>Percentage (diluted<sup>(2)</sup>)</b>
Shares	2,550,000	5.06%	4.22%
Vendor Options <sup>(4)</sup>	1,000,000		1.66%
Vendor Performance Rights <sup>(5)</sup>	For the issue of up to 2,000,000 Shares		3.31%
<b>Total</b>		<b>5.06%</b>	<b>9.19%</b>

Notes:

- (1) Assumes none of the Options on issue upon completion of the Offers (see Section 7.12) are exercised and the Vendor Performance Rights (see Section 7.13) have not converted to Shares.
- (2) Assumes each of the Options on issue upon completion of the Offers (see Section 7.12) are exercised and the Vendor Performance Rights (see Section 7.13) have converted to Shares
- (3) See Section 7.13 for details of the circumstances in which the Vendor Performance Rights convert to Shares under the LIT Acquisition Agreement
- (4) See Section 14.2(b) for details of the terms and conditions of the Vendor Options
- (5) See Section 7.13 for details of the holder of the Vendor Performance Rights and circumstances in which the Vendor Performance Rights convert to Shares under the Mercator Acquisition Agreement.

The Company will announce to the ASX details of its top 20 Shareholders after completion of the Offers and prior to the Shares commencing trading on the ASX.

## **7.15 FINANCIAL INFORMATION**

Having been incorporated on 27 November 2020, the Company does not have any operating history on which an evaluation of its prospects can be made and has limited historical financial performance. The Company will only commence its own detailed exploration activities at the Projects once it has been admitted to the Official List. Accordingly, the Company is not able to disclose any key financial ratios.

Historical financial information of the Company is included in the Independent Limited Assurance Report contained in Section 11. Potential investors should read the Independent Limited Assurance Report in full.

The audited reviewed interim financial statements for the Company for the period from incorporation to 31 December 2020 were signed 23 April 2021.. The Company will give a copy of these statements to any person who requests one during the Offer period, free of charge.

## **7.16 DIVIDEND POLICY**

The Company has not declared a dividend since its incorporation and, at the date of this Prospectus, does not expect to pay any dividends in the two- year period following the date of this Prospectus. During this period the Board expects to incur significant expenditure on the exploration and development of the Project and in identifying, evaluating and, if warranted, acquiring other resource projects or assets in Australia and/or overseas that have the potential to add Shareholder value. The extent, timing and payment of dividends by the Company in the future will be at the discretion of the Directors and will depend on a number of factors including future earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

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## **8. RISK FACTORS**

### **8.1 INTRODUCTION**

Subscribing for Shares involves a number of risks. Prospective investors in the Company should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for the Shares offered under this Prospectus.

Charger is an exploration company and you should consider that an investment in the Company is highly speculative. You should consult your professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

The risk factors set out below and others not specifically referred to below must not be taken as exhaustive of the risks faced by the Company or by investors in the Company.

These risk factors may materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Accordingly, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Some risks can be mitigated by the use of appropriate safeguards and appropriate systems and controls by the Company, however, some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited or not possible.

### **8.2 KEY RISKS SPECIFIC TO THE COMPANY**

The key risks which the Directors consider are associated with an investment in the Company are:

- Future Capital Requirements
- Equity Market Conditions
- Commodity Prices and Exchange Rates Risk
- Exploration and Appraisal Risks
- Nature of Mineral Exploration and Mining
- No Profit to Date and Limited Operating History
- Land Access Risks
- Contractual Risks
- Operational Risks
- Native Title and Aboriginal Heritage Risk
- Environmental Risks
- Climate change Risks
- Reliance on Key Personnel
- No Dividends
- Title Risk
- Regulation Risk
- Exploration Costs Risk
- Litigation Risk

- New Project and Acquisitions Risk
- Liquidity Risk
- COVID-19 Risks

Refer to the Key Risks Section in the Investment Overview in Section 5 of this Prospectus (above) for a summary of the key risks relevant to the Company listed above. Further general risks are set out below.

All of those risks (and others) have the potential to have a significant adverse impact on the Company and may affect the Company's financial position or prospects or the price or value of the Company's Securities. Those risks ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consult their professional advisers.

## **GENERAL RISKS**

### **8.3 COMMERCIAL RISK**

The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered by the Company on the Projects or future projects it may acquire an interest in, a profitable market will exist for sales of such minerals. There can be no assurance that the quality of any such minerals will be such that they can be mined economically.

### **8.4 INSURANCE RISKS**

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

### **8.5 ACCESS TO INFRASTRUCTURE**

If the Company progresses to production there is no guarantee that appropriate and affordable road, rail and or port capacity will be available, which could have an adverse effect on the Company. In the event of production the Company will also require the use of both power and water infrastructure. In the event that there is high demand for and limited access to power and water access there is a risk that the Company may not be able to procure such access which could have an adverse effect on the Company.

## **8.6 GENERAL ECONOMIC CONDITIONS**

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and possible production activities, as well as on its ability to fund those activities both in Australia and overseas.

## **8.7 SHARE MARKET CONDITIONS**

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) the introduction of tax reform or other new legislation (such as royalties);
- (c) interest rates and inflation rates;
- (d) currency fluctuations;
- (e) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the exploration industry or iron ore, copper, nickel and/or platinum group elements sector within that industry);
- (f) the demand for, and supply of, capital; and
- (g) terrorism or other hostilities.

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular, which influences are beyond the Company's control and which are unrelated to the Company's performance. Neither the Company nor the Directors warrant the future performance of the Company or the Shares and subsequently any return on an investment in the Company. Shareholders who decide to sell their Shares after the Listing Date may not receive the entire amount of their original investment.

## **8.8 VOLATILITY IN GLOBAL CREDIT AND INVESTMENT MARKETS**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

## **8.9 UNFORESEEN EXPENDITURE RISK**

Expenditure may need to be incurred that has not been considered in this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

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## 9. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

### 9.1 DIRECTORS AND MANAGEMENT

The Board of the Company consists of:

- (a) David Crook (BSc, GAICD, MAIG, MAusIMM)  
*Managing Director and Chief Executive Officer*

Mr David Crook is an experienced Managing Director with a strong technical and commercial background. Mr Crook has 40 years' experience as a geologist with a demonstrated discovery and production record including in nickel, gold, caesium and lithium, which included 16 years as Managing Director of ASX-listed Pioneer Resources Limited. Mr Crook was part of the geological teams that made discoveries at Mt Jewell (gold), Sinclair (Caesium), Dome North (Lithium), Kalpini and Goongarrie (Nickel Laterite) and Gidgee Gold Mine (gold).

Recently Mr Crook consulted to Lithium Australia NL where he was tasked with the role of reducing its exploration expenditure commitments and risk whilst maintaining exposure to a potential supply of battery minerals. Mr Crook saw significant potential in Lithium Australia NL's exploration portfolio and decided to incorporate Charger Metals NL with a view to acquiring available non-core assets of Lithium Australia NL and aggregating them with battery minerals and precious metals projects in Australia and listing Charger on the ASX.

- (b) Terry Gardiner (BBus)  
*Non-Executive Chairman*

Mr Gardiner was appointed to the Board of Directors upon incorporation. He has strong experience in capital raising, support, promotion and corporate advisory services to listed companies in Australia and overseas. He has 30 year's experience investing in capital markets and extensive experience in funds management for sophisticated and private investors. He is currently a Non-Executive Director of Cazaly Resources Limited and Galan Lithium Limited. He is also an Executive Director of Barclay Wells Ltd, a boutique stock broking firm with offices in Perth and Melbourne.

It is noted that Mr Gardiner was appointed to the board of Affinity Energy and Health Limited (Affinity) in October 2019 at which time Affinity's shares were, the subject of a period of voluntary suspension. Affinity was ultimately unable to raise funds to finance its operations and remained suspended by ASX until it entered voluntary administration on 1 July 2020 whilst Mr Gardiner was a director. A Deed of Company Arrangement for Affinity was executed in August 2020 and Affinity is no longer in administration. The Directors do not consider that this matter adversely effects Mr Gardiner's ability to perform his role as a Non-Executive Director of the Company.

- (c) Alan Armstrong (BBus, CA GAICD)  
*Non-Executive Director*

Mr Alan Armstrong was appointed to the Board of Directors upon incorporation. He is an experienced Director with a demonstrated history of working in the mining and metals industry. He has strong business development professional experience, holds a Grad Dip CA from the Institute of Chartered Accountants Australia and is a member of the Australian Institute of Company Directors.

## 9.2 KEY MANAGEMENT PERSONNEL AND CONSULTANTS

- (a) Mr Jonathan Whyte (BCom CA AGIA ACG)  
*Chief Financial Officer & Company Secretary*

Mr Whyte is a Chartered Accountant and has extensive corporate, company secretarial financial accounting experience across a number of listed and unlisted resource sector companies. Mr Whyte previously worked in the investment banking sector in London over a period of 6 years for Credit Suisse and Barclays Capital Plc. Extensive corporate, company secretarial and financial accounting experience, predominantly for listed resource companies.

- (b) Warrior Strategic Pty Ltd

The Company has engaged Warrior Strategic Pty Ltd (Warrior) as a consultant to provide company secretarial and other compliance related services and Chief Financial Officer, Taxation Public Officer and investor relations services to the Company (Company Secretarial Agreement) on commercial and arm's length terms. Warrior is a consulting firm which provides consulting services to junior exploration and mining companies. The sole director and shareholder of Warrior is Bryan Dixon. Mr Dixon resigned as a non-executive director of Lithium Australia NL in January 2021 to remove any perceived conflict of interest.

Under the Company Secretarial Agreement, the Company has agreed to pay Warrior \$80,000 up until the Listing Date (following which fees will be charged at commercial hourly rates) and Warrior (or its nominees) is entitled to be issued 2,000,000 Options with an exercise price of \$0.30 and an expiry date 3 years from the Listing Date - these Options have been issued to Warrior (1,800,000 Options) and Jonathon Whyte (200,000 Options)

As at the date of this Prospectus, Warrior and its Associates hold 1,000,000 Shares which were issued at \$0.05 per Share under a seed capital raising conducted by the Company in January 2021. See Section 7.14 for further details.

## 9.3 DISCLOSURE OF INTERESTS

Directors are not required under the Constitution to hold any Securities. As at the date of this Prospectus, the Directors and Key Management Personnel have relevant interests in Securities as follows:

Director	No. of Shares	No. of Options <sup>5</sup>
David Crook <sup>1</sup>	550,001	500,000
Alan Armstrong <sup>2</sup>	50,000	250,000
Terry Gardiner <sup>3</sup>	250,000	650,000
Jonathan Whyte <sup>4</sup>	100,000	200,000

(1) Mr David Crook holds the Shares and Options in the Company both directly and indirectly through the Parkway Super Fund of which Mr Crook is the trustee. The Options and 150,000 Shares were issued as remuneration pursuant to the Oresource Consultancy Agreement with Mr Crook's controlled entity the material terms of which are summarised in Section 9.5. The remainder of the Shares were issued at \$0.05 per Share under a seed capital raising conducted by the Company in January 2021.

(2) Mr Alan Armstrong holds the Shares and Options in the Company directly. The Shares and Options were issued as remuneration pursuant to Mr Armstrong's Non-Executive Director Service Agreement the material terms of which are summarised in Section 9.5.

(3) Mr Terry Gardiner holds the Shares and Options in the Company both directly and indirectly through the Terry James Gardiner Super Fund of which Mr Gardiner is the trustee. The Options and 50,000

Shares were issued as remuneration pursuant to Mr Gardiner's Non-Executive Director Service Agreement the material terms of which are summarised in Section 9.5. The remainder of the Shares were issued at \$0.05 per Share under a seed capital raising conducted by the Company in January 2021.

- (4) Mr Jonathan Whyte holds the Shares and Options in the Company both directly and indirectly through Keyport Investments Pty Ltd, a company in which Mr Whyte is a director and shareholder. The Options were issued pursuant to the Company Secretarial Agreement (see Section 9.2(b)). The Shares were issued at \$0.05 per Share under a seed capital raising conducted by the Company in January 2021.
- (5) The Options have a \$0.30 exercise price and expire 3 years from the Listing Date. Full terms and conditions of the Options are set out in Section 14.2(b).

For each of the Directors, the expected annual remuneration (excluding superannuation) for the financial year following the Company being admitted to the Official List is set out in the table below. The table below also contains details of the interest of each of the Directors and the Key Management Personnel in the Company upon completion of the Offers (including Shares subscribed for at \$0.05 per Share under the seed capital raising conducted by the Company in January 2021 (as further described in Section 7.1)) assuming that such Directors or Key Management Personnel do not subscribe for additional Shares under the Offers.

Director/ Key Management Personnel	Cash remuneration (\$)	Remuneration <sup>(1)</sup> Shares	Shares subscribed for under the seed capital raising	Options <sup>(2)</sup>	Percentage (undiluted <sup>(3)</sup> )	Percentage (diluted <sup>(4)</sup> )
David Crook	\$122,880 <sup>(5)</sup>	150,000	400,000	500,000	1.09%	1.86%
Terry Gardiner	\$50,000	50,000	200,000	650,000	0.50%	1.60%
Alan Armstrong	\$50,000	50,000	-	250,000	0.20%	0.53%
Jonathan Whyte	Commercial hourly rates	-	100,000	200,000	0.10%	0.53%

Notes:

- (1) Refer to Sections 9.3 and 9.5 for details of the remuneration paid to Directors and Key Management Personnel in connection with their roles
- (2) Refer to Section 14.2(b) for the terms and conditions of the Options
- (3) Assumes none of the Options on issue upon completion of the Offers (see Section 7.12) are exercised and the Vendor Performance Rights (see Section 7.13) have not converted to Shares.
- (4) Assumes each of the Options on issue upon completion of the Offers (see Section 7.12) are exercised and the Vendor Performance Rights (see Section 7.13) have converted to Shares
- (5) Minimum retainer only. Additional fees outlined in Section 9.5.

#### 9.4 DIRECTOR DISCLOSURES

No Director, has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years, which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

Except as disclosed in Section 9.1, no Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer within a 12-month period after they ceased to be an officer.

## 9.5 AGREEMENTS WITH DIRECTORS OR OTHER RELATED PARTIES

Details of agreements between the Company and related parties of the Company are set out below. The Board considers that the agreements between the Company and each Director under which the Directors receive remuneration including Shares and Options for their services to the Company as an officer or employee did not require Shareholder approval as such remuneration is reasonable in the parties' circumstances in accordance with section 211 of the Corporations Act.

Shareholder approval was not sought prior to entering into the agreements with the related parties of the Company as the Board considered that the benefits under the agreements were reasonable in the circumstances if the parties were dealing at arms' length in accordance with section 210 of the Corporations Act. Directors are subject to the provisions of the Constitution relating to retirement by rotation and re-election of directors.

The portion of the Directors' holdings of Securities of the Company were issued to them as part of their remuneration arrangements as set out below. In addition, the Directors (other than Alan Armstrong) applied for and were issued Shares at \$0.05 per Share in the seed capital raising conducted by the Company in January 2021 as further described in Sections 7.1 and 9.3. The Shares were subscribed for and issued on terms identical to other investors in that seed capital raising. Accordingly, the Board considered that their issue would be reasonable in the circumstances if the parties were dealing at arms' length in accordance with section 210 of the Corporations Act.

The Board considers that there are no additional risks to the Company as a result of the Director and related party agreements described in this Section 9.5.

The Company has adopted a Code of Conduct it will observe when entering into any future related party transactions, a summary of which is set out in Section 9.6(8).

### **Oresource Consultancy Agreement and Managing Director Agreement**

On 10 May 2021, the Company entered into a replacement consultancy agreement with an entity controlled by Mr David Crook, Oresource Pty Ltd as trustee for the Oresource Trust (**Oresource**) (**Oresource Consultancy Agreement**). The Oresource Consultancy Agreement commences on the Listing Date.

Under the Oresource Consultancy Agreement, Oresource agrees to make Mr Crook available to provide the services of Managing Director and Chief Executive Officer of the Company including specific responsibilities set out in a schedule to the Oresource Consultancy Agreement which are consistent with those of a Managing Director and Chief Executive Officer. .

Under the Oresource Consultancy Agreement, a monthly minimum of \$10,240 (excluding GST) is payable to Oresource. This monthly retainer represents payment for a minimum of 8 days work by Mr Crook per month. Where more hours are required to be worked by Mr Crook in any month then the additional hours worked will be charged at \$640 per half day (plus GST). In addition to the cash remuneration, Oresource is entitled to be issued, and has been issued, the following Shares and Options:

- (a) 150,000 Shares; and
- (b) 500,000 Options with a \$0.30 exercise price and expiry date 3 years from the Listing Date (refer to Section 14.2(b) for the terms and conditions of the Options).

The Oresource Consultancy Agreement contains an acknowledgement by the Company that Oresource consults to, and is a shareholder of, Lithium Australia NL. In this regard, Mr

Crook has advised the Company that Oresource is providing geological consulting services to Lithium Australia NL at commercial hourly rates and that on and from the Listing Date his expectation is that such services will be for less than 1-2 days per month. The Directors do not consider that this adversely affects Mr Crook's ability to perform his role as Managing Director of the Company.

The Company will also pay for Oresource's reasonable out of pocket expenses properly incurred at the request of the Company or with the approval of the Board or in the ordinary course of carrying on the Company's business.

Charger agrees not to make any claim against Oresource or its directors or employees (excepting where there has been gross negligence or wilful default) and indemnifies Oresource for losses suffered in carrying out the Oresource Consultancy Agreement (excepting where there has been gross negligence or wilful default) provided that these provisions do not limit the operation of the MD Agreement (see below) or the Deed of Indemnity entered into between Charger and Mr Crook (see below).

The Company or Mr Crook may terminate the Oresource Consultancy Agreement by providing written notice of two months to the other party. The Company may also terminate the Oresource Consultancy Agreement immediately if Oresource or Mr Crook is found to have been grossly negligent or having committed an act or omission which constitutes wilful misconduct.

The Company has also entered into an agreement with Mr Crook in relation to his appointment as Managing Director and Chief Executive Officer of the Company (**MD Agreement**). The MD Agreement requires Mr Crook to exercise the general duties of care and diligence, good faith, proper use of position and proper use of information as well as fiduciary duties imposed by common law. Mr Crook's responsibilities under the MD Agreement includes those of a Managing Director and Chief Executive Officer set out in the Oresource Consultancy Agreement. No remuneration is payable to Mr Crook under the MD Agreement (but without limiting the operation of the Oresource Consultancy Agreement)

The MD Agreement otherwise contains terms and conditions considered standard for agreements of this nature, including in relation to confidential information and disclosure of interests

#### **Non-Executive Directors' Agreements**

The Company has entered into agreements with each of Mr Alan Armstrong (as Chairman and Non-Executive Director) and Mr Terry Gardiner (as Non-Executive Director) (each a **Non-Executive Director**), in relation to their appointment as Non-Executive Directors of the Company (**Non-Executive Director Agreements**).

The Non-Executive Director Agreements contain terms and conditions considered standard for agreements of this nature, including in relation to confidential information and disclosure of interests.

The key terms of the Non-Executive Director Agreements are as follows:

- (a) The Non-Executive Director's appointment is subject to the Company's Constitution, ASX Listing Rules and the Corporations Act including relating to retirement by rotation and re-election.

- (b) The Non-Executive Director is entitled to resign from their appointment, in accordance with the Company's Constitution.
- (c) The Non-Executive Director is required to comply with the Company's Corporate Governance Policy, charters, policies and processes.
- (d) The Non-Executive Director will be expected to exercise the general duties of care and diligence, good faith, proper use of position and proper use of information as well as fiduciary duties imposed by common law.
- (e) The Non-Executive Director's responsibilities will include those that normally fall within such a role, including sharing responsibility with the other Directors for the effective control of the Company and attending Board meetings.

The Non-Executive Directors will be entitled to a base fee as follows to be paid from the Listing Date:

- (a) \$50,000 per annum payable to Mr Alan Armstrong; and
- (b) \$50,000 per annum payable to Mr Terry Gardiner.

In addition, from 1 March 2021 until the Listing Date, the Non-Executive Directors will be entitled to a base fee as follows:

- (a) \$25,000 per annum payable to Mr Alan Armstrong; and
- (b) \$25,000 per annum payable to Mr Terry Gardiner.

In addition to the annual directors' fees, the Non-Executive Directors are entitled to and have been issued the following Shares and Options:

Mr Alan Armstrong - 50,000 Shares and 250,000 Options with a \$0.30 exercise price and an expiry date 3 years from the Listing Date (refer to Section 14.2(b) for the terms and conditions of the Options); and

Mr Terry Gardiner - 50,000 Shares and 650,000 Options with a \$0.30 exercise price and expiry date 3 years from the Listing Date (refer to Section 14.2(b) for the terms and conditions of the Options).

The Non-Executive Directors Agreements do not provide for any additional retirement or termination payments to be made on termination of the Non-Executive Director Agreements. The Company agrees to reimburse the Non- Executive Directors for all reasonable expenses incurred in carrying out their duties.

#### **Directors' and Officers' deeds of indemnity, insurance and access**

The Company has entered into a deed of indemnity, insurance and access (**Director Indemnity Deed**) with each Director and the Company Secretary under which the Company indemnifies each Director and the Company Secretary to the extent permitted by law against any liability arising as a result of the Director or the Company Secretary acting in their capacity as an officer of the Company (**Officer**).

During the period that each Director is a director of the Company until seven years after the relevant Director ceases to be a director of the Company (**Access Period**) the Company must maintain insurance policies insuring the Directors against liability incurred in connection with their office to the extent permitted by law, so far as is reasonably available at reasonable cost and consistent with generally accepted insurance industry practices

including as to applicable exclusions and conditions. During the Access Period the Company must maintain and provide the Officer with access to certain documents.

Shareholder approval was not sought prior to entering into each Director Indemnity Deed as the Board considered that the Director Indemnity Deed confers benefits that are reasonable in the circumstances of the parties in accordance with section 211 of the Corporations Act. The Board considers that there are no additional risks to the Company as a result of each Director Indemnity Deed.

The Director Indemnity Deed also contains additional provisions which are considered usual in agreements of this type.

## 9.6 CORPORATE GOVERNANCE

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company. The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Board has adopted the corporate governance policies summarised below. Copies of the policies are available in full on the Company's website at [chargermetals.com.au/corporate](http://chargermetals.com.au/corporate). As the Company's activities increase in size, scope and/or nature, the Company's corporate governance policies will be reviewed by the Board and amended as appropriate.

### (a) Board of Directors

To the extent they are deemed appropriate by the Board, having regard to the Company's circumstances, the Company has adopted the *Corporate Governance Principles and Recommendations (4th Edition)* as published by the ASX Corporate Governance Council (**Recommendations**).

The responsibilities of the Board include:

- protection and enhancement of Shareholder value;
- formulation, review and approval of the objectives and strategic direction of the Company;
- monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- approving all significant business transactions including acquisitions, divestments and capital expenditure;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review of performance and remuneration of executive Directors and key staff;
- the establishment and maintenance of appropriate ethical standards; and
- evaluating and, where appropriate, adopting with or without modification the Corporate Governance Principles and Recommendations.

The Company has considered the Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with those guidelines.

The Company seeks to follow the Recommendations where appropriate for its size and operations. In cases where the Company determines it would be inappropriate to follow the Recommendations due to its circumstances, the Company will provide reasons for that in its annual report.

The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's circumstances including its nature of operations and size.

(b) Board Charter

A written charter has been adopted by the Board (Charter) to provide a framework for the effective operation of the Board. The Charter dictates the Board's composition, role and responsibilities. The Charter also governs the relationship between the Board, management and persons to whom the Board has delegated its authority.

The Charter, which among other things, requires the Board to:

- **(budgets and expenditure)**: approve, evaluate and monitor major capital expenditure, capital management, budgets and all major transactions, including the issue of Securities;
- **(disclosures)**: oversee the Company's continuous disclosure process and compliance with the Company's Continuous Disclosure Policy;
- **(leadership)**: provide leadership to the Company and set strategic objectives or direction;
- **(performance)**: oversee the Company's performance, including management's implementation of the strategic objectives set by the Board;
- **(appointment of executives)**: attend to and manage the appointment of a Chairman, CEO and senior executives of the Company;
- **(remuneration)**: review and approve the Company's remuneration framework;
- **(risk management)**: ensure that the Company has adopted an appropriate risk management framework;
- **(accounting)**: oversee the integrity of the Company's accounting and corporate reporting systems, including all external audits;
- **(governance policies)**: adopt, review and evaluate the Company's governance policies and procedures; and
- **(dividends)**: determine the Company's dividend policy, including the amount and timing of all dividend payments.

The CEO will conduct or otherwise oversee the management function as directed by the Board. Management must promptly supply the Board with all required information that is in a form and of a quality to allow the Board to effectively discharge its duties. The Board collectively, and any individual Director (with the Chairman's approval), is permitted to seek independent professional advice, at the Company's expense.

(c) Director Selection Procedure

The Board will ensure that it has the appropriate range and expertise to properly fulfil its responsibilities having regard to the Board Skills Matrix.

#### (d) Board Committees

From time to time, the Board may establish committees to which the Board may delegate its responsibilities. The Board does not currently have any committees but proposes to establish both an Audit and Risk Committee, and a Remuneration and Nomination Committee, at such time as the Board determines, having regard to the size of the Company and the nature of its operations. The Board will appoint members to the committees based on the needs of the Company, any regulatory or statutory requirements and the knowledge, skill and experience of the members.

Having regard to the ASX Listing Rules and other relevant laws, the Board has adopted committee charters for the Audit and Risk Committee, and the Remuneration and Nomination Committee, pursuant to which the Board will carry out the functions and responsibilities of each of those committees until such time as they are established. These charters are summarised as follows:

##### **Audit and Risk Management Committee Charter**

This charter sets out the role, management, responsibilities, composition and procedural requirements of the Audit and Risk Committee. The committee's functions are to assist the Board in fulfilling its responsibilities with respect to the Company's:

- financial reports;
- financial reporting systems and processes;
- risk management, including preparation of a risk management framework;
- compliance processes, including development of a compliance framework;
- internal controls; and
- internal and external audit processes.

The charter sets out the procedural requirements for the committee and requires the committee to be of sufficient size, independence and technical expertise to discharge its functions effectively. The committee, in carrying out its functions, has the power to conduct investigations and retain expert advisers.

##### **Remuneration and Nomination Committee Charter**

This charter sets out the role, authority, responsibilities, composition and procedural requirements of the Remuneration and Nomination Committee. The committee's functions are to assist the Board in fulfilling its responsibilities by reviewing and making recommendations with respect to:

- remuneration of executive directors, and the Company's senior executives;
- remuneration of non-executive Directors;
- remuneration of employees generally;
- executive and employee performance evaluation;
- the nomination and appointment of Directors; and
- policies to promote diversity of representation and contribution to the Company, professional development and personnel management.

The charter sets out the procedural requirements for the committee and requires the committee to be of sufficient size, independence and technical expertise to discharge its functions effectively. The committee, in exercising its functions, has the power to retain

expert advisers and conduct or authorise enquiries into any matters, including conducting checks of a candidate's character.

(e) Corporate governance policies

The Company has adopted each of the policies that are summarised below, which have been prepared having regard to the ASX Recommendations. These policies are available on the Company's website: [www.chargermetals.com.au](http://www.chargermetals.com.au)

(f) Code of Conduct

The Company values the importance of observing high standards of ethical corporate practice and business conduct, and accordingly, has adopted a formal code of conduct (**Code of Conduct**). The Code of Conduct must be adhered to by all Directors, advisors, officers, employees, consultants and contractors of the Company (**Personnel**). The Code of Conduct also sets out the consequences for breach of the code, including the possibility of disciplinary action or termination of employment.

The Code of Conduct requires as follows:

- (**compliance with laws**): Personnel must always comply with all laws and regulations;
- (**integrity**): all Personnel must act honestly, fairly, reasonably, respectfully and in good faith at all times and in the best interests of the Company;
- (**diversity**): Personnel must not engage in any form of discrimination, bullying, harassment, vilification and victimisation against other Personnel, shareholders, customers, clients, suppliers and competitors of the Company;
- (**assets and confidential information**): Personnel must ensure that the Company's confidential information remains confidential and is not used improperly. Employees must also ensure that the assets of the Company are used only for legitimate business purposes;
- (**conflicts of interest**): Personnel must avoid entering into any arrangement or participating in any activity that would conflict with the Company's best interests or would be likely to negatively affect the Company's reputation; and
- (**anti-bribery**): Personnel must comply with laws against bribery and corruption.

(g) Security Trading Policy

This policy is aimed to impose restrictions on Directors, officers, senior executives and employees (collectively, **Restricted Persons**) of the Company dealing in the Company's Securities. Ultimately, this policy aims to:

- minimise risk of Restricted Persons contravening the laws against insider trading;
- ensure that the Company meets its reporting obligations under the ASX Listing Rules; and
- ensure transparency with respect to any trading of Shares by the Company's Restricted Persons.

The policy requires that Restricted Persons should only deal in Shares if:

- they do not possess any price-sensitive information that is not available to the general public; and
- they have notified the Chairman, Board or Company Secretary (as applicable) that they intend to deal in the Shares and, in response to such notification, they do not receive any indication of any impediment to them doing so.

Restricted Persons will generally not be permitted to deal in Shares where there is price-sensitive information that has not yet been disclosed to the public due to an exception to the ASX Listing Rules.

All trading in Shares by Restricted Persons must be in accordance with this policy and generally will only be permitted during specified trading windows.

In certain circumstances (including circumstances of financial hardship of the Restricted Persons), the Chairman or CEO may waive the restrictions that ordinarily would apply to the Restricted Persons and allow them to deal in Shares outside of the trading windows, on the condition that the Restricted Persons do not possess any price-sensitive information not available to the general public. Restricted Persons must:

- not communicate any price-sensitive information to a person who might deal in Shares, nor should they recommend or otherwise suggest to any person the buying or selling of Shares;
- not, at any time, engage in short-term trading in Shares; and
- not disclose confidential information of the Company to any unauthorised party.

The Company Secretary and Chairman must be notified immediately of any Restricted Persons buying or selling any Shares. If any person to whom this policy applies contravenes the policy, they may face disciplinary action, including summary dismissal.

#### (h) Continuous Disclosure Policy

The Company has adopted a Continuous Disclosure Policy to ensure that it complies with its obligations under the Listing Rules and the Corporations Act and which sets out the requirements for notification and the procedures for disclosure. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to, and communicating with, the ASX. All relevant information provided to the ASX will be posted on the Company's website once the ASX confirms the announcement has been made, to ensure that the information is easily accessible.

#### (i) Shareholder Communication Policy

The Company has adopted a Shareholder Communication Policy which outlines the processes through which the Company will endeavour to ensure effective communication with Shareholders and provide timely and accurate information to all Shareholders about the Company and its corporate strategies.

The Company supports Shareholder participation in general meetings. Mechanisms for enabling Shareholder participation will be reviewed regularly to encourage the highest level of Shareholder participation.

#### (j) Risk Management Policy

The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal controls. The Company's process of risk management and internal compliance and control includes continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals, formulating risk management strategies to manage identified risks and monitoring the performance of risk management systems and internal compliance and controls. A risk management register has been developed and provides a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

(k) Performance Evaluation Practices

The Board has established processes to review its performance and the performance of individual Directors and committees of the Board annually. As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by Shareholders. The Board also conducts an annual review of the Board which considers such factors as the appropriate criteria for Board membership collectively, interactions between the Board and management and particular goals and objectives of the Board for the next year.

(l) Diversity Policy

The Board has adopted a Diversity Policy which sets out the Company's commitment to ensuring a diverse mix of skills and talent exists amongst its Directors, officers and employees, to contribute to the achievement of its corporate objectives. The Company considers diversity includes, but is not limited to, gender, age, experience, ethnicity and cultural background. The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation. The Board is responsible for developing measurable objectives and strategies to meet its diversity objectives, and the Diversity Policy sets out the Company's diversity strategies. The Board is also responsible for implementing, monitoring and reporting on the measurable objectives annually.

(m) Privacy Policy

The Board appreciates the seriousness of ensuring personal information belonging to individuals is handled, stored and dealt with correctly to ensure it is properly protected. The Company has adopted a privacy policy, which sets out the manner in which the Company must collect, use and manage the personal information of individuals.

Under this policy, the Company has committed to not selling, trading or otherwise disclosing personal information, other than:

- to third parties as might be reasonably expected by the individual at the time of providing their personal information to the Company;
- with the consent of the individual; or
- as otherwise required by law.

(n) Anti-Bribery and Corruption Policy

The Company is committed to maintaining a high standard of integrity and corporate governance. This policy outlines the responsibilities of the Company's executive and non-executive Directors, officers, executives, employees, consultants, contractors and advisors in observing and upholding the Company's position against bribery and corruption.

The policy sets out how the Company must deal with the following matters:

- donations, gifts, corporate hospitality, political and charitable contributions;
- investigations or enquiries into a suspected act of bribery or corruption related to the Company, false reports and investigations;
- improper or unethical conduct;
- dealings with government officials; and
- consequences for breach of the policy.

(o) Whistleblower Protection Policy

The Company is committed to the protection of individuals who disclose information concerning misconduct or an improper state of affairs or circumstances within the Company.

The Board has adopted a policy to protect whistleblowers, and to provide a safe and confidential environment for whistleblowers to raise concerns, without fear of reprisal and detrimental treatment. This policy dictates:

- the persons eligible for protection as a whistleblower;
- the protections that a whistleblower is entitled to; and
- how disclosures made by whistleblowers will be handled by the Company.

(p) Related Party Transactions and Conflicts of Interest Policy

This policy establishes a protocol for Directors and key management personnel (collectively, **Key Management Personnel**) of the Company, which aims to avoid and minimise potential issues arising when Key Management Personnel are negotiating and entering into transactions with their related parties.

This policy requires:

- Key Management Personnel to disclose all proposed or potential related party transactions to the Board before they are entered into;
- related party transactions to be undertaken and negotiated on arm's length terms or otherwise in compliance with Chapter 2E of the Corporations Act and the ASX Listing Rules;
- where necessary, require an independent committee made up of the independent members of the Board to supervise negotiations and approve the related party transactions before they are entered into;
- ensure the related party transaction is in the best interests of the existing shareholders of the Company; and
- the negotiated terms of any related party transaction to be fair, reasonable and thoroughly documented.

Under the Corporations Act and the Company's Code of Conduct, Key Management Personnel must avoid situations where their interests and the interests of the Company conflict. Amongst other requirements, Key Management Personnel are required to comply with the following:

- take all reasonable steps to avoid actual, potential or perceived conflicts of interest;
- disclose any conflicts of interest which may exist or might reasonably be thought to exist to the Chairman or Company Secretary; and
- abstain from participating in any discussion or voting on matters in which they have a material personal interest, except as permitted by the Constitution of the Company or by the Corporations Act.

## **9.7 CORPORATE GOVERNANCE – EXCEPTIONS TO CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS**

Under the ASX Listing Rules, the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to the Company's admission to the Official List.

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10. INDEPENDENT TECHNICAL ASSESSMENT REPORT



**INDEPENDENT TECHNICAL ASSESSMENT REPORT  
ON THE COATES NICKEL-COPPER-PGE PROJECT, LAKE  
JOHNSTON LITHIUM AND GOLD PROJECT AND THE BYNOE  
LITHIUM AND GOLD PROJECT**

Prepared for  
Charger Metals NL

**Report Number WA21/02**

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AUTHOR: Dr John Chisholm  
PhD, BSc (Hons), FAusIMM  
Principal Geologist  
Continental Resource Management Pty Ltd

A handwritten signature in blue ink, appearing to read "Dr Chisholm".

Signature:

DATE: 23<sup>th</sup> May 2021

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## 1 EXECUTIVE SUMMARY

In December 2020 Charger Metals NL (Charger) entered into an option agreement with Lithium Australia NL (LIT) on 4th December 2020<sup>1</sup>, which was amended and restated on 16th April 2021, (LIT Option Agreement) to generally acquire a 70% interest in three mineral projects.

In addition, Charger entered into an option agreement with Mercator Metals Pty Ltd (Mercator) on 4th December 2020 (Mercator Option Agreement) to acquire an 85% interest in one tenement (R70/59) that adjoins a LIT mineral project.

Two of the optioned projects are located in Western Australia, at Coates (Wundowie) (2 LIT tenements, 2 jointly held LIT and Charger tenements, and the Mercator tenement) and at Lake Johnston (8 tenements). The third project, Bynoe, is located in the Northern Territory and consists of a single exploration licence.

In respect of the Lake Johnston Project tenement E63/1903 Charger has an option to acquire 100% of LIT's interest, as this tenement is subject to the terms of the Okapi JV Agreement with Okapi Resources Ltd (Okapi). For tenements E63/1722, E63/1723 and E63/1777, which are subject to the Rights Acquisition Agreement (Lefroy Exploration Limited), the Company has an option to acquire 70% of the lithium (and associated mineral rights) only.

**Table 1-1 Charger Tenement Schedule as at 18 March 2021**

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments	Registered Dealings
<b>Coates Ni-Cu-Co-PGE Project</b>							
E70/5198	LIT	100/100	02/04/2019	01/04/2024	10 BL	\$20,000	Note 1
E70/5437	LIT	100/100	Application	-	1 BL		Note 1
R70/59	Mercator	100/100	04/10/2019	03/10/2022	16.2 km <sup>2</sup>	\$0	Note 2
P70/1752	LIT Charger	30/100 70/100	25/03/2021	24/03/2025	23.43 ha	\$2,000	Note 3
P70/1753	LIT Charger	30/100 70/100	25/03/2021	24/03/2025	19.62 ha	\$2,000	Note 3
<b>Lake Johnston Li-Au Project</b>							
E63/1805	LIT	100/100	28/02/2017	27/02/2022	10 BL	\$30,000	Note 1
E63/1806	LIT	100/100	28/02/2017	27/02/2027	1 BL	\$10,000	Note 1
E63/1809	LIT	100/100	17/10/2017	16/10/2022	53 BL	\$79,500	Note 1
E63/1866	LIT	100/100	27/04/2018	26/04/2023	30 BL	\$30,000	Note 1
E63/1903	LIT	100/100	01/07/2019	30/06/2024	16 BL	\$20,000	Note 4
E63/1722	LEX	100/100	01/04/2016	31/03/2021	52 BL	\$79,625	Note 5
E63/1723	LEX	100/100	28/07/2015	27/07/2025	16 BL	\$50,000	Note 5
E63/1777	LIT	100/100	07/10/2016	06/10/2021	3 BL	\$20,000	Note 5
<b>Bynoe Li-Au Project</b>							
EL30897	LIT	100/100	22/3/2016	21/03/2022	62.7 km <sup>2</sup>	\$35,000	Note 1

<sup>1</sup> LIT:ASX Announcement 9 December 2020.

Note 1. Charger to Acquire 70% of all minerals

Note 2. Charger to Acquire 85% of all minerals except Bauxite rights, held by Yankuang Resources Pty Ltd.

Note 3. Charger 70%, LIT 30%

Note 4. Charger to acquire 100% of LIT's interest, subject to the Okapi Joint Venture

Note 5. Charger to acquire 70% of LIT's interest (Lithium Rights), subject to the Rights Acquisition Agreement between LIT and U.S. Masters Holdings Limited, now Lefroy Exploration Limited (LEX). LEX must keep the tenements in good standing.

### 1.1 Coates Ni-Cu-Co-PGE Project

Charger has acquired, or has an interest in, one granted tenement and four tenement applications, that cover a number of interpreted mafic-ultramafic units immediately adjacent to the Coates Mafic complex.

The Coates Nickel-Copper-Cobalt-Platinum Group Elements (Ni-Cu-Co-PGE) Project is located in the Shire of Northam, approximately 60 km east of Perth, in the northern part of the southwestern Yilgarn Craton. The regional geology is largely interpreted from geophysical data due to the poor outcrop and includes highly deformed Archean gneisses and mafic/ultramafic rocks intruded by granitoid bodies.

Historically the project area was known because of the Coates vanadium-titanium magnetite deposit that was explored during the 1970s and was briefly mined before closing in 1982. More recently interest in the Coates area has been highlighted by the significant discovery by Chalice Gold Mines Ltd (Chalice) of high-grade Ni-Cu-Co-PGE mineralisation at the newly named Gonville Prospect located approximately 20 km to the northwest of Charger's Coates Project tenements.

In 2011 Mercator (Paton, 2011) explored E70/2230 for vanadium, base metals and PGEs using lag sampling, focused mainly on pisolithic laterite. Orientation sampling of mineralisation adjacent to the Coates Siding vanadium deposit was applied to regional surface geochemistry and successfully located vanadium anomalies in laterites approximately 3 km east of the Coates Siding deposit. The coincidence of base metal and PGE geochemical anomalies from the Bauxite Resources Ltd (BRL) vacuum drilling with the Coates Mafic Complex is most encouraging from an exploration point of view. By analogy, the mineralisation at Chalice's Gonville Prospect is characterised by a similar Cu-Ni-Co-PGE elemental association with a mafic intrusive complex.

There are a number of interpreted mafic-ultramafic units that have been identified in the tenement block all of which show geophysical similarities with the Julimar Complex and consequently all represent targets for Cu-Ni-Co-PGE mineralisation.

### 1.2 Lake Johnston Lithium-Gold Project

Charger has the right to acquire a 70% of LIT's interest in seven of eight granted exploration licences under the terms of the LIT Option Agreement. The exception is exploration licence E63/1903 which is currently the subject of a Farm-in Agreement with Okapi and Charger has the right to acquire 100% of LIT's interest in the tenement subject to the terms of the Okapi JV.

The Lake Johnston Project comprises the Mt Day (E63/1722, 1723, 1777, 1805, 1806 & 1903) and Medcalf Prospects (E63/1809 & 1866), which are located approximately 450 km east of Perth, and 150 km southwest of Coolgardie in WA. Access to the Project area is available via the Norseman-Hyden or Marvel Loch-Mt Day gravel roads, both of which are subject to closure after heavy rain.

The region has attracted considerable recent interest for rare metal LCT pegmatite mineralisation since the discovery of the Earl Grey/Mt Holland lithium deposits by Kidman Resources, located approximately 70 km west of the project.

#### LCT potential

Target generation work by LIT initially highlighted the Mt Day area where field sampling and mapping confirmed numerous, sometimes large, (>200 m long by >15m thick) pegmatites with massive lithium mica cores at a number of target areas. Rock-chip sampling of these zones returned some highly anomalous assays, with individual results up to 3.94% Li<sub>2</sub>O, 8,600 ppm Cs up to, 43,000 ppm Rb and up to 6,900 ppm Ta. These targets contained zones of outcropping massive lepidolite and zinnwaldite; altered petalite was also tentatively identified, and spodumene was also thought to be present.

The most promising target to date is the Lake Medcalf Prospect where LIT geologists identified a large zone of very strongly mineralised pegmatite at Bontempelli Hill which forms a prominent topographic feature (Figure 4-3). The Bontempelli Hill outcrops consist of near fresh, stacked pegmatites, containing 20-30% spodumene. Rock-chip samples from the pegmatite dyke swarm average 3.6% Li<sub>2</sub>O, and up to a maximum of 7.15% Li<sub>2</sub>O from a spodumene outcrop.

The mineralised pegmatites at the Lake Medcalf Prospect cover a 450 x 250 m area, with soil sampling and geology indicating possible extensions to the southeast under adjacent cover. Individual dykes range from about 20 m to 120 m in length and 1 to 5 m in thickness. At least 3 spodumene zones within the thicker centres of the dykes range from 3 to 5 m wide and may increase at depth.

#### Gold potential

Tenement E63/1903 is located at the middle of the Lake Johnston Greenstone Belt in central Western Australia. The Project is located approximately 10 km along strike from the Maggie Hays and Emily Ann underground nickel mines owned by Poseidon Nickel Ltd.

Within Tenement E63/1903, Okapi has identified a high priority structural target from the magnetics, that is coincident with anomalous gold in a soil anomaly over a 10 km strike length. Limited historical drilling by LionOre in 2003 appears to have targeted outcropping material and historical workings however is offset from the soil gold anomaly which is therefore yet to be tested by drilling. The location of the LionOre drill holes containing significant gold mineralisation are presented in Table 4-2.

### 1.3 The Bynoe Lithium-Gold Project

The Bynoe Lithium and Gold Project comprises one granted exploration licence (EL30897) registered to LIT, covering approximately 62.7 km<sup>2</sup>. Charger has an option to acquire a 70% interest in EL30897 under the LIT option agreement. The project is located approximately 38 km southwest of Darwin. Access from Darwin to the tenement is good with a formed road that passes through the tenement. Access off the formed road is available via old station and mineral exploration tracks.

The Bynoe Lithium Project is located within the Bynoe Pegmatite Field which is part of the much larger Litchfield Pegmatite Belt. The Bynoe Pegmatite Field is the largest of the pegmatite fields within the Litchfield Pegmatite Belt being some 70 km in length and 15 km in width. Over 100 rare-element pegmatites are known to occur within the field either as clusters, in groups or as single bodies. The pegmatites are hosted in metasedimentary rocks of the Burrell Creek Formation and Welltree Metamorphics, proximal to the Two Sisters Granite.

The Bynoe Pegmatite field is one of the most prospective areas for lithium in the NT and has many similarities to Greenbushes in WA, one of the world's largest spodumene deposits.

The Bynoe Lithium Project tenement (EL30897) is surrounded by the extremely large tenement holdings of Core Lithium Ltd's Finnis Lithium Project, which has a total mineral resource inventory of 14.7 Mt at 1.32% LiO<sub>2</sub>, including 7.6 Mt in the Measured and Indicated Mineral Resource category<sup>2</sup>.

<sup>2</sup> Core Lithium ASX Announcement 10 February 2021.

The Finnis Lithium Project is at a very advanced stage of development having had completed a definitive Feasibility Study in April 2019<sup>3</sup>.

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<sup>3</sup> Core Lithium ASX Announcement 17 April 2019.

## 2 INTRODUCTION

Charger Metals NL ("Charger" or "Company") requested that Continental Resource Management Pty Ltd ("CRM") provide an Independent Technical Assessment Report ("ITAR") on three mineral Projects: Wundowie and Lake Johnston in Western Australia, and Bynoe in the Northern Territory. The ITAR is to be included in a Prospectus ("the Prospectus"), to raise up to A\$6 million, being prepared by Charger.

On 4th December 2020<sup>4</sup> Charger entered into an option agreement with Lithium Australia NL to acquire a 70% interest in three mineral projects, which was amended and restated on 16th April 2021. Two of the projects are located in Western Australia at Wundowie (4 tenements) and at Lake Johnston (8 tenements). The third project, Bynoe, is located in the Northern Territory and consists of a single granted exploration licence. In one of the Lake Johnston tenements (E63/1904) the interest acquired by Charger is 100% of LIT's interest but is subject to the terms of the Okapi JV.

Separately, Charger entered into an option agreement with Mercator Metals Pty Ltd to acquire an 85% interest in retention licence R70/59, excluding the rights to bauxite which are owned by Yankuang Resources Pty Ltd. More recently LIT and Charger jointly applied for two small prospecting licences (P70/1752 & 1753, now granted) to cover small gaps in the tenement holding with LIT having a 30% interest and Charger a 70% interest in each prospecting licence.

The Coates Ni-Cu-Co-PGE Project comprises one granted exploration licence, two granted prospecting licences, one retention licence application and one exploration licence application, that cover a number of interpreted mafic-ultramafic units immediately adjacent to the Coates Mafic Complex. Two Exploration Licences were acquired through the LIT Option Agreement.

At the Lake Johnston Lithium Project, Charger has the right to acquire a 70% interest in three of four granted exploration licences under the terms of the LIT Option Agreement. The exception is exploration licence E63/1903 which is currently the subject of a Farm-in Agreement with Okapi Resources Ltd (Okapi) and Charger has the right to acquire 100% of LIT's interest in the tenement subject to the terms of the Okapi JV.

The Bynoe Lithium and Gold Project comprises one granted Exploration Licence, EL30897, of approximately 62.7 km<sup>2</sup> located within the Litchfield Pegmatite Belt, a geological zone that hosts Lithium-Caesium-Tantalum (LCT) pegmatites, that extends 180 km in a southerly direction from Darwin Harbour. The Bynoe Pegmatite Field historically was mined for tin but more recently has been recognised as prospective for tantalum and alkali metals. Charger's Bynoe Prospect tenement is immediately adjacent to the advanced Finnis Lithium Project of Core Lithium Limited.

### **Compliance with the VALMIN and JORC Codes**

This Report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy, the JORC Code, and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission ("ASIC") and ASX that pertain to IERs.

The author has taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

<sup>4</sup> LIT:ASX Announcement 9 December 2020.

The preparation of the Report has been carried out by Dr John Chisholm, Principal Geologist of CRM, a practitioner with the requisite qualifications, standing, and experience, who is considered to be a Competent Person under the terminology of the JORC Code (2012).

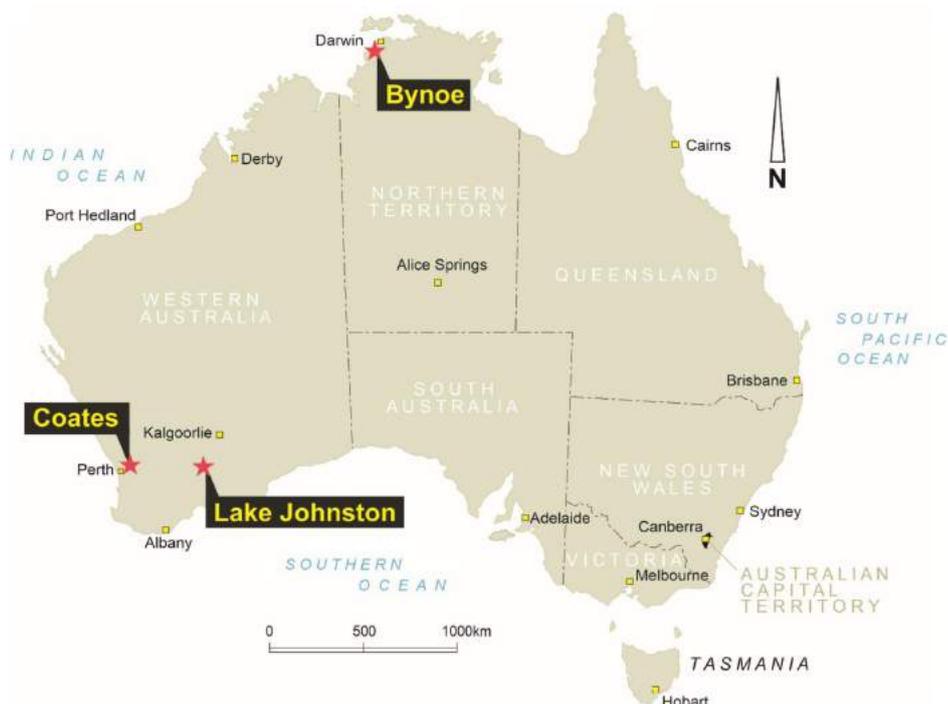


Figure 2-1 Location of the Charger Projects

Table 2-1 Charger Tenement Schedule as at 3 May 2021

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments	Registered Dealings
<b>Wundowie Ni-Cu-PGE Project</b>							
E70/5198	LIT	100/100	02/04/2019	01/04/2024	10 BL	\$20,000	Note 1
E70/5437	LIT	100/100	Application	-	1 BL		Note 1
R70/59	Mercator	100/100	04/10/2019	03/10/2022	16.2 km <sup>2</sup>	\$0	Note 2
P70/1752	LIT Charger	30/100 70/100	25/03/2021	24/03/2025	23.43 ha	\$2,000	Note 3
P70/1753	LIT Charger	30/100 70/100	25/03/2021	24/03/2025	19.62 ha	\$2,000	Note 3
<b>Lake Johnston Li-Au Project</b>							
E63/1805	LIT	100/100	28/02/2017	27/02/2022	10 BL	\$30,000	Note 1
E63/1806	LIT	100/100	28/02/2017	27/02/2027	1 BL	\$10,000	Note 1
E63/1809	LIT	100/100	17/10/2017	16/10/2022	53 BL	\$79,500	Note 1
E63/1866	LIT	100/100	27/04/2018	26/04/2023	30 BL	\$30,000	Note 1
E63/1903	LIT	100/100	01/07/2019	30/06/2024	16 BL	\$20,000	Note 4
E63/1722	LEX	100/100	01/04/2016	31/3/2021	52 BL	\$79,625	Note 5

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments	Registered Dealings
E63/1723	LEX	100/100	28/7/2015	27/7/2025	16 BL	\$50,000	Note 5
E63/1777	LIT	100/100	07/10/2016	06/10/2021	3 BL	\$20,000	Note 5
<b>Bynoe Li-Au Project</b>							
EL30897	LIT	100/100	22/3/2016	21/03/2022	62.7 km <sup>2</sup>	\$35,000	Note 1

Note 1. Charger to Acquire 70% of all minerals

Note 2. Charger to Acquire 85% of all minerals except Bauxite rights, held by Yankuang Resources Pty Ltd.

Note 3. Charger 70%, LIT 30%

Note 4. Charger to acquire 100% of LIT's interest, subject to the Okapi Joint Venture

Note 5. Charger to acquire 70% of LIT's interest (Lithium Rights), subject to the Rights Acquisition Agreement between LIT and U.S. Masters Holdings Limited, now Lefroy Exploration Limited (LEX). LEX must keep the tenements in good standing.

### 3 COATES NICKEL-COPPER-COBALT-PGE PROJECT

#### 3.1 Introduction

The Coates Ni-Cu-Co-PGE Project, with an area of 47.3 km<sup>2</sup>, is located in the Shire of Northam, approximately 60 km east of Perth, in the northern part of the southwestern Yilgarn Craton. The regional geology is largely interpreted from geophysical data due to the poor outcrop and includes highly deformed Archean gneisses and mafic/ultramafic rocks intruded by granitoid bodies. Collectively the rock units are referred to as the Jimpending Metamorphic Belt.

Historically the project area was known because of the Coates vanadium-titanium magnetite deposit, that was explored during the 1970s and was briefly mined before closing in 1982. More recently interest in the Coates area has been highlighted by the significant discovery by Chalice Gold Mines Ltd (Chalice) of high-grade Ni-Cu-Co-PGE mineralisation at the newly named Gonnevillie Prospect, located approximately 20 km to the northwest of Charger's Coates Project tenements.

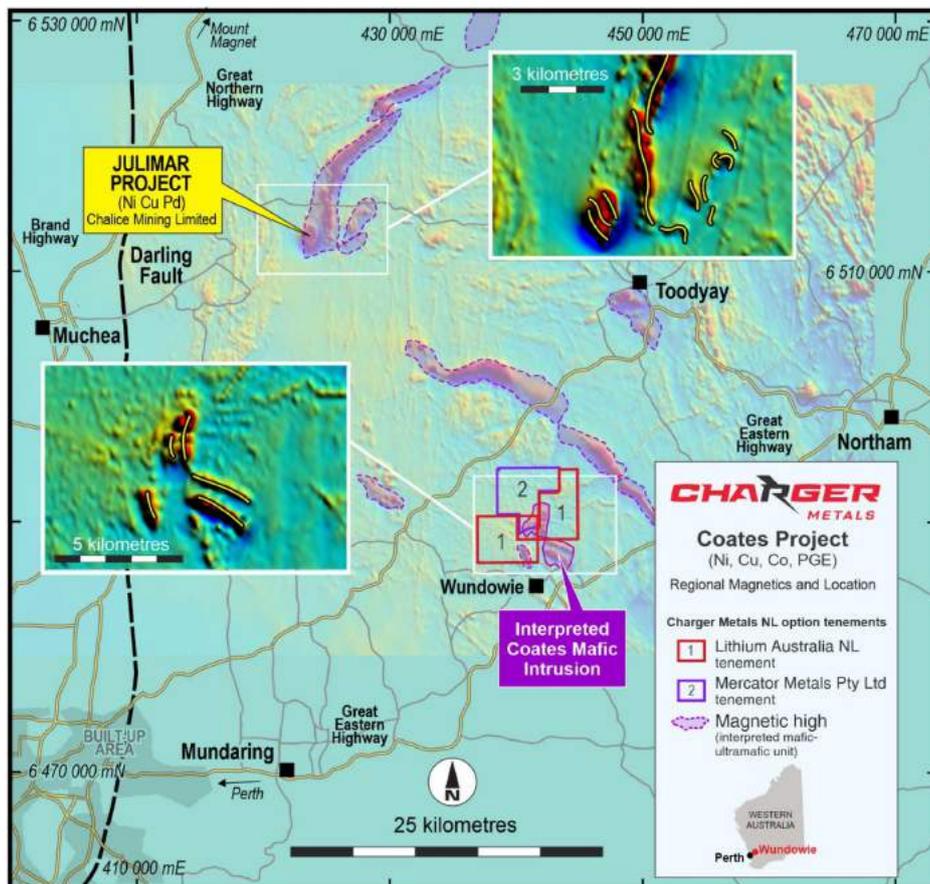


Figure 3-1 Location plan of the Coates Project overlain on the regional aeromagnetic image

### 3.2 Tenements

Charger has acquired, or has an interest in, one granted tenement and four tenement applications, that cover a number of interpreted mafic-ultramafic units immediately adjacent to the Coates Mafic complex.

- On 4th December 2020 Charger entered into the Mercator Option Agreement to acquire an 85% interest in retention licence R70/59, excluding the rights to bauxite which are now owned by Yankuang Resources Pty Ltd.
- On 4th December 2020<sup>5</sup> Charger entered into the LIT Option Agreement to acquire a 70% interest in exploration licences E70/5198 and E70/5437.
- On 5 February 2021, LIT and Charger jointly applied for two small prospecting licences (P70/1752 & 1753) to cover small gaps in the tenement holding with Charger having a 70% interest and LIT a 30% interest in each prospecting licence.

**Table 3-1 Coates Ni-Cu-Co-PGE Project tenement schedule**

Tenement	Holder	Grant Date	Expiry Date	Area (km <sup>2</sup> )	Expenditure commitment	Annual rent
E70/5198	LIT	2 May 2019	01/04/2024	29.2	\$20,000	\$1,380
E70/5437	LIT	Application 29 May 2020		1.4 (available)	Determined on grant	\$361
R70/59 <sup>#1</sup>	Mercator <sup>#2</sup>	Application 4 Oct 2019		16.2	Not required	\$15,094
P70/1752	Charger 70% LIT 30%	25/03/2021	24/03/2025	23.43 ha	\$2,000	\$72
P70/1753	Charger 70% LIT 30%	25/03/2021	24/03/2025	19.62 ha	\$2,000	\$60
<b>Totals</b>				<b>47.3</b>		<b>\$16,967</b>

<sup>#1</sup> Formerly E70/2230

<sup>#2</sup> Mercator Metals Pty Ltd has all mineral rights except for bauxite.

Prior to Charger obtaining an option over the two tenements held by LIT, a strategic alliance to collaboratively advance their exploration activities targeting Ni-Cu-Co-PGE mineralisation at the Coates Mafic Complex<sup>5</sup> was agreed upon by LIT and Australian Vanadium Limited, which holds a number of tenements around the Charger tenements. While neither party has equity or rights to obtain an interest in any of the other's tenements, the collaborative arrangement for exploration activities was designed to maximise the efficiency of the exploration.

The Coates Ni-Cu-Co-PGE Project area covers a range of land use categories (private and conservation) that may result in certain conditions being imposed on exploration. The tenement area is within Indigenous Land Use Agreement claim no. WC2011/009 in File Notation Area 11507 and therefore comes under the ILUA legislation. The claimants are the Whadjuk people. CRM understands that there are no outstanding Native Title issues.

Approximately 14% of the project tenements are located within the Category 1A Woondowing Nature Reserve (Figure 3-2). The Nature Reserve only covers a small part of the area considered prospective for Ni-Cu-Co-PGE and CRM understands that any constraints on ground exploration will mainly relate to Dieback fungus control, ground disturbance and preservation of species habitats.

<sup>5</sup> LIT:ASX Announcement 9 December 2020.

<sup>6</sup> AVL ASX Announcement 27 May 2020.

### 3.3 Geological Setting

The Coates Ni-Cu-Co-PGE Project area is located in the northern part of the South West Greenstone terrane of the Yilgarn Craton. The Project covers the Coates Mafic Complex within the Jimperding Metamorphic Belt and comprises various gneisses and banded-iron formation, interleaved with ultramafic intrusive units that have been repeatedly deformed, metamorphosed and intruded by granite.

The regional geological setting of the Coates Ni-Cu-Co-PGE Project has been highlighted by the Julimar Project being explored by Chalice. Chalice commenced a greenfield exploration program in mid-2019 for high-grade Ni-Cu-Co-PGE mineralisation in the region and interpreted the presence of an unrecognised layered mafic-ultramafic intrusive complex at Julimar based on high resolution regional magnetics. Follow-up exploration identified the Julimar (mafic-ultramafic layered intrusive) Complex that extends over a strike length of approximately 26 km, which has been confirmed by drilling to be highly prospective for Ni, Cu and PGEs.

RC drilling resulted in the discovery of high-grade Ni-Cu-Co-PGE mineralisation at the newly named Gonnevillie Intrusion. A recent airborne EM survey identified three new large EM anomalies (Hartog, Baudin and Jansz) located north of the Gonnevillie Intrusion<sup>7</sup>.

The style of sulphide mineralisation intersected consists of massive, matrix, stringer and disseminated sulphides typical of metamorphosed and structurally overprinted magmatic Ni sulphide deposits. It is understood that the discrete high-grade Cu-Ni-Co-PGE zones typically have the following grade ranges<sup>8</sup>: PGE+Au: 1- 15g/t, Ni: 0.5-3.3%, Cu: 0.4-4.5% and Co: 0.03-0.27%.

On the local scale, the Coates Mafic Complex is a magnetite gabbro intrusion into granitic rocks that hosts the Coates vanadium deposit. Lenticular magnetite has formed at the core of the layered Coates Mafic Complex between two granitic bodies (Baxter, 1978). The deposit was discovered 1961 and explored in the late 1970s by Garrick Agnew Pty Ltd (1971). Mining started in 1980 only to cease operations a year later due to high silica contents limiting production.

<sup>7</sup> Chalice ASX Announcement 22 September 2020.

<sup>8</sup> Chalice ASX Announcement 27 January 2021.

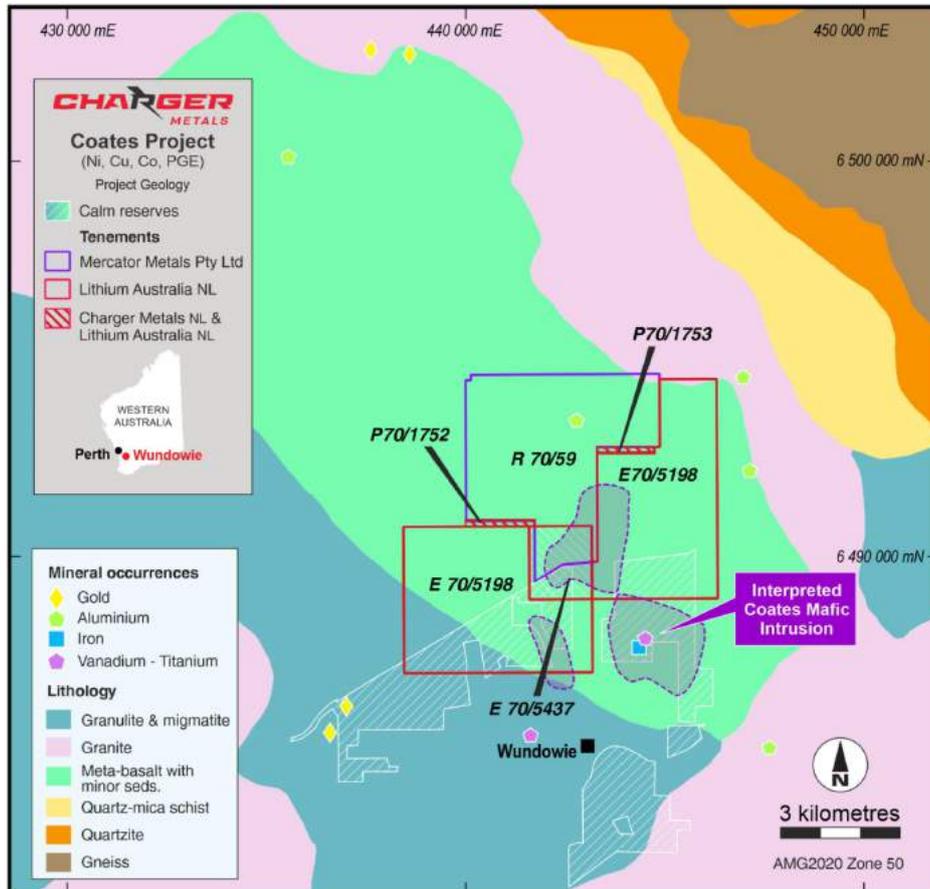


Figure 3-2 Coates Ni-Cu-Co-PGE Project - Simplified geology plan

### 3.4 Previous Exploration

Previous mineral exploration in the area has predominantly been focussed on the Coates vanadium deposit (Coates) or bauxite. There has been very little exploration for other metals and only minor gold occurrences are located at Jimperding Hill to the north of the project area and unnamed occurrences to the southwest.

Apart from recent bauxite exploration by BRL within R570/59, the previous exploration completed over the area is not relevant to the current search for Cu-Ni-Co-PGE mineralisation. The early previous exploration is summarised for the purpose of reporting completeness.

- Maynard (1997) reports that gold was first discovered in the vicinity of Jimperding Hill in the late 1890s, but mining did not take place until the 1930s. The recorded production is small at 327 ounces.
- Exploration at Coates was first undertaken in 1961 by Mangore (Aust) Pty Ltd, a subsidiary of Union Carbide Corporation, which carried out limited drilling and metallurgical studies but abandoned the project as uneconomic.

- Garrick Agnew was granted a Ministerial Reserve in June 1969 and subsequently completed an extensive drilling programme. Previous metallurgical test results indicate that a 58% recovery of vanadium at an approximate grade of 1.4% V<sub>2</sub>O<sub>5</sub>, 3% TiO<sub>2</sub>, 67% Fe grade with 8% SiO<sub>2</sub> is achievable from an ore assaying 0.54% V<sub>2</sub>O<sub>5</sub>, 4.75% TiO<sub>2</sub>, 25% Fe and 29% SiO<sub>2</sub>.
- Coates was discovered near charcoal/pig iron producing areas outside Wundowie in the 1960s, and was subject of a failed attempt to mine it by Agnew Clough from the late 1970s when the German and Japanese-funded venture hit technical problems, rising energy costs and fierce competition internationally from rival projects. Agnew Clough was unable to reach its planned first stage target of 1600-1800 tpa, part of a plan to hit 3,000 t and 10% of the global market. The mine closed in 1982, just two years after becoming Australia's first vanadium producer.
- During the 1960s and 70s the area was explored for bauxite by various companies including Pacminex (1965-1986), Vam Ltd (1969-1973), Bridge Oil Ltd & Project Mining Corp Ltd (1969-1987), Alcoa of Australia Ltd & Shell Company of Australia Ltd (1971-1981) and recently by BRL.

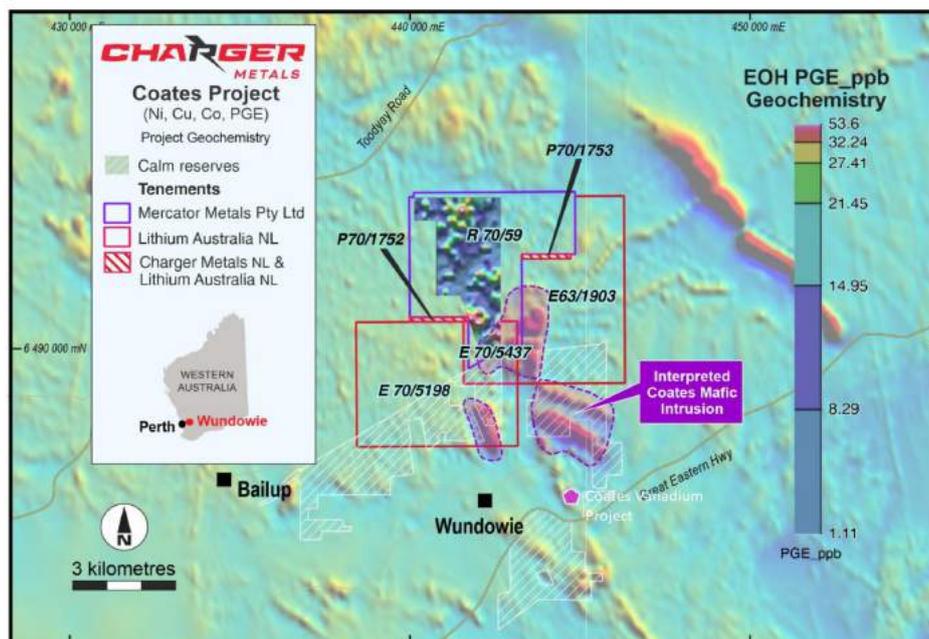


Figure 3-3 Location of previous geochemical sampling results (PGE) over a total magnetic intensity image

In 2011 Mercator (Paton, 2011) explored E70/2230 for vanadium, base metals and PGEs using lag sampling, focused mainly on pisolitic laterite. Orientation sampling of mineralisation adjacent to the Coates Siding vanadium deposit was applied to regional surface geochemistry and successfully located vanadium anomalies in laterites approximately 3 km east of the Coates Siding deposit.

In February 2011 Mercator and BRL entered into a joint venture agreement over E70/2230 which gave



BRL rights to Bauxite within the tenement<sup>9</sup>. In 2013 BRL completed an extensive vacuum drilling programme at two bauxite prospects, Fortuna and Fortuna North (Menzies 2014). While bauxite was being targeted at the time, 520 end-of-hole samples were also analysed for As, Cu, V, Zn, Pb, Ag by ICP techniques and Au, Pd, and Pt by fire assay on the same samples. Mercator subsequently obtained a total of 950 assay pulps from bottom of hole samples from the bauxite exploration drilling and analysed the samples using a hand-held portable XRF (Cahill, 2015). Retention licence R70/59 covers the Fortuna bauxite prospect.

Plotting the distribution of geochemical assay results show co-incident base metal anomalism (Ni, Cu, & Cr) with PGEs (Pt max 37 ppb, Pd max 53 ppb & Au max 108 ppb) along the western edge of the Coates Intrusion. The coincidence of the Cu and PGEs anomalies is significant as these elements have long been considered geochemical pathfinder elements for nickel sulphide mineralisation. The distribution of PGEs in relation to the regional aeromagnetics is shown in Figure 3-3. The distribution of Cu, Au, Pt & Pd are shown in Figure 3-4.

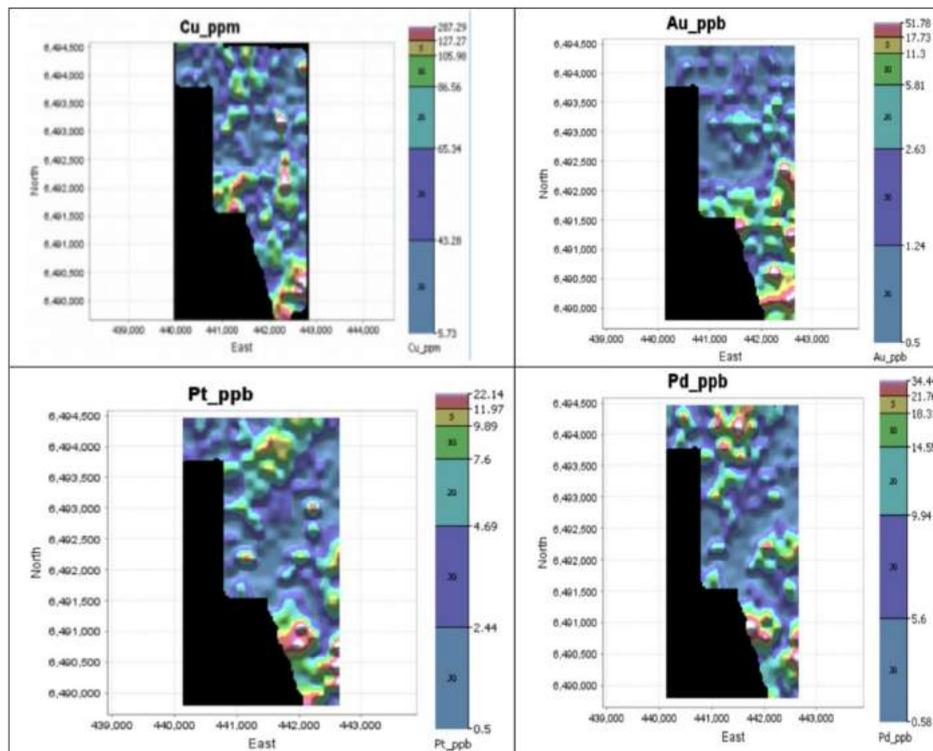


Figure 3-4 Element distribution plots for Cu, Au, Pt & Pd

### 3.5 Exploration Potential

The coincidence of base metal and PGE geochemical anomalies from the BRL vacuum drilling with the Coates Mafic Complex is most encouraging from an exploration point of view. By analogy the mineralisation at Chalice's Gonville Prospect is characterised by a similar Cu-Ni-Co-PGE elemental association with a mafic intrusive complex.

<sup>9</sup> BRL and the rights to Bauxite were subsequently acquired by Yankuang Resources Pty Ltd.

There are a number of interpreted mafic-ultramafic units that have been identified in the region, all of which show geophysical similarities with the Julimar Complex and consequently all represent targets for Cu-Ni-Co-PGE mineralisation.

### 3.6 Proposed Exploration Programme and Budget

Outcrop in the area is poor and interpretation of the mafic-ultramafic layered intrusive complexes is based on the regional aeromagnetic data. Following the experience of Chalice, the targets within the interpreted mafic-ultramafic complexes are identified by airborne electromagnetic (EM) surveys then followed-up by drilling.

The land title situation in the project area contains both freehold private land and conservation areas. Statutory approvals for ground access within the granted tenements will be necessary prior to commencing field work that involves ground disturbance activities.

Initially helicopter-borne EM surveys such as VTEM can be flown to identify targets for follow-up work. These surveys are usually sufficiently sensitive to pinpoint anomalies to the extent that further ground-based EM is not required. The previous analysis of bottom-of-hole vacuum drill samples has been shown to be effective and this can be extended over the project area here access has been obtained. The use of handheld portable XRF units will allow closed spaced drilling when Cu-Ni-Co anomalies are identified in the field.

An exploration budget of \$1,280,000 has been proposed for the exploration over the next two years (Table 3-2).

**Table 3-2 Coates Ni-Cu-Co-PGE Project - Proposed exploration budget for years 1 & 2**

Exploration activity	Year 1	Year 2	Total Year
Mapping/Geochemistry <sup>1</sup>	\$120,000	\$36,000	\$156,000
Geophysics	\$240,000	\$300,000	\$540,000
Drilling (reverse circulation & diamond)	\$300,000	\$300,000	\$600,000
Contractors, Wages, Field Support	\$120,000	\$120,000	\$240,000
<b>Total</b>	<b>\$780,000</b>	<b>\$756,000</b>	<b>\$1,536,000</b>

## 4 LAKE JOHNSTON LITHIUM AND GOLD PROJECT

### 4.1 Introduction

Charger has the right to acquire a 70% interest in seven of eight granted exploration licences under the terms of the LIT Option Agreement. The exception is exploration licence E63/1903 which is currently the subject of a Farm-in Agreement with Okapi Resources Ltd and Charger has the right to acquire 100% of LIT's interest in the tenement subject to the terms of the Okapi JV.

The Lake Johnston Lithium-Gold Project comprises the Mt Day (E63/1805, 1806, 1722,1723, & 1777) and Medcalf Prospects (E63/1809 1866 & 1903), which are located approximately 450 km east of Perth, and 150 km southwest of Coolgardie in WA. Access to the Project area is available via the Norseman-Hyden or Marvel Loch-Mt Day gravel roads, both of which are subject to closure after heavy rain.

The region has attracted considerable recent interest for rare metal LCT pegmatite mineralisation since the discovery of the Earl Grey/Mt Holland lithium deposits by Kidman Resources, located approximately 70 km west of the project.

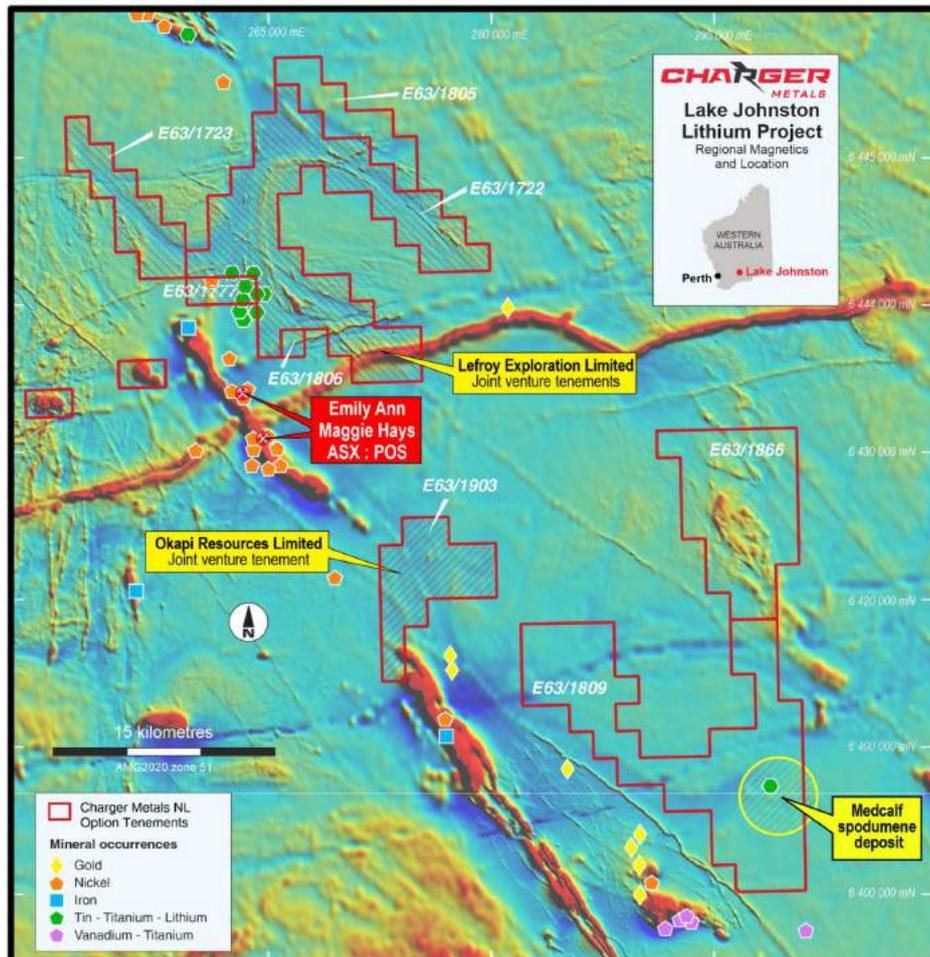


Figure 4-1 Location plan of the Lake Johnston Project overlain on the regional aeromagnetic image

Reconnaissance geological mapping and geochemical sampling has identified a number of previously unknown LCT pegmatites, and a spodumene pegmatite cluster at Bontempelli Hill near Lake Medcalf.

#### 4.2 Tenements

The Lake Johnston Project comprises eight granted exploration licences totalling 525.4 km<sup>2</sup>. Charger has the right to acquire an interest in all of the tenements under the terms of the LIT Option Agreement. Charger has the right to acquire 70% of LIT's interest in all of the tenements with the exception of E63/1903 which is the subject of an existing Farm-in Agreement with LIT and Okapi. In the case of E63/1903 Charger has the right to acquire 100% of LIT's interest in the tenement.

Okapi previously had entered into the Binding Farm-in Agreement with LIT covering seven Lake Johnston tenements for mineral rights other than lithium, dated 3 September 2020. This agreement was amended on 4th December 2020 to include only E63/1903 and again excluded lithium and related minerals (Okapi JV Agreement). Under the Okapi JV Agreement Okapi has the right to earn a 75% interest in E63/1903 through expenditure of \$100,000 within two years and not less than \$800,000 (including the initial \$100,000) within four years from the date of the amended agreement.

For tenements E63/1722, E63/1723 and E63/1777, which are subject to the Rights Acquisition Agreement with Lefroy Exploration Limited (LEX), Charger is acquiring 70% of LITs rights which extend to the Lithium (and associated mineral rights) only.

**Table 4-1 Lake Johnston Project tenement summary**

Tenement	Holder	Grant Date	Expiry Date	Area (km <sup>2</sup> )	Expenditure commitment	Annual rent
E63/1805	LIT	28/02/2017	27/02/2022	29.1	\$30,000	\$3,250
E63/1806	LIT	28/02/2017	27/02/2022	2.9	\$10,000	\$369
E63/1809	LIT	17/10/2017	16/10/2022	153.5	\$79,500	\$12,614
E63/1866	LIT	27/04/2018	26/04/2023	87.0	\$30,000	\$7,140
E63/1903	LIT	01/07/2019	30/06/2024	46.4	\$20,000 <sup>1</sup>	\$2,256 <sup>1</sup>
E63/1722	LEX	01/04/2016	31/03/2021	151.2	\$79,625 <sup>2</sup>	\$16,900 <sup>2</sup>
E63/1723	LEX	28/07/2015	27/07/2025	46.5	\$50,000 <sup>2</sup>	\$5,200 <sup>2</sup>
E63/1777	LIT	07/10/2016	06/10/2021	8.7	\$20,000 <sup>2</sup>	\$975 <sup>2</sup>
Totals				524.4	\$319,125	\$13,834

Note 1. funded by Okapi

Note 2. Funded by Lefroy

#### 4.3 Geological Setting

The geology of the Lake Johnston Greenstone Belt is recognised as an Archaean supracrustal sequence dominated by mafic volcanic rocks. Most of the belt has been metamorphosed to amphibolite-facies assemblages and is strongly deformed and intruded by at least three generations of granitic rocks, including pegmatites. Proterozoic dolerite dykes are common in the Lake Johnston region and occur variable with east-west orientations.

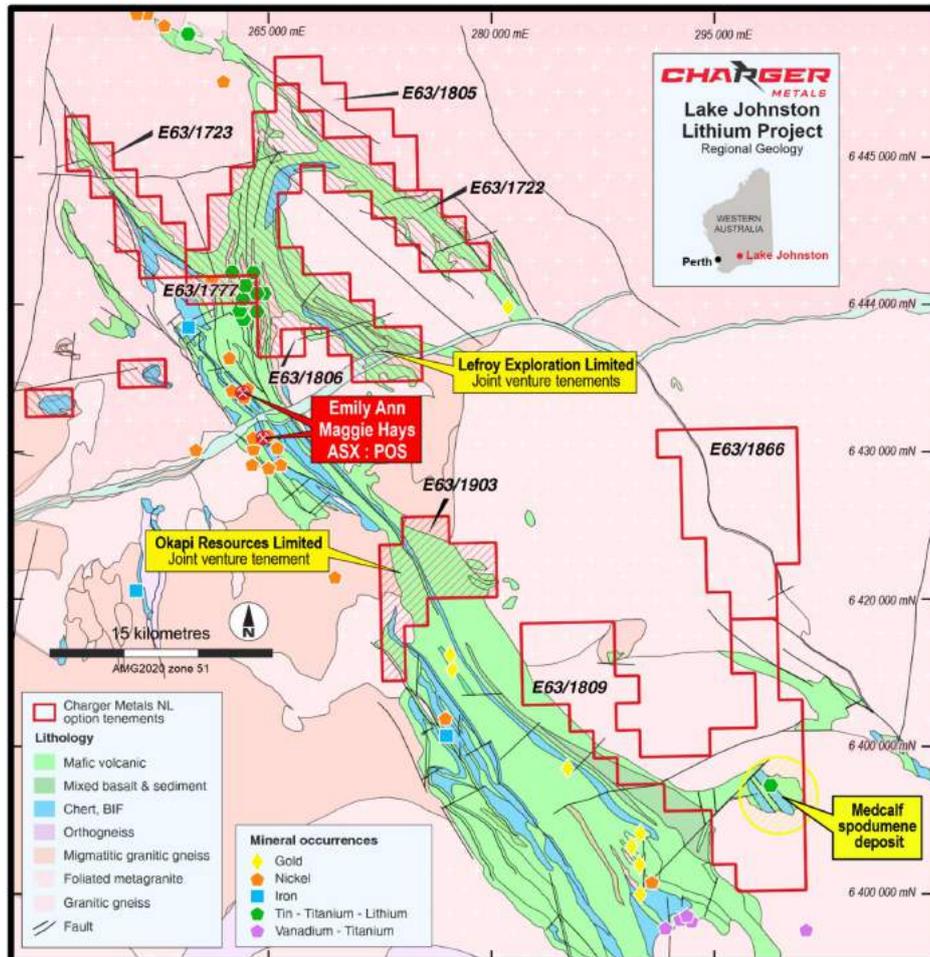


Figure 4-2 Regional geological map of the Lake Johnston Project area

While the region hosts a variety of mineral commodities, the focus for Charger is currently gold and minerals associated with LCT-pegmatites.

The region has attracted considerable recent interest following the discovery of the Earl Grey/Mt Holland lithium deposit by Kidman Resources Ltd and now being developed by Wesfarmers Ltd, located approximately 70km west of the Lake Johnston Project. It is understood to be one of the biggest undeveloped hard-rock lithium projects in Australia with Ore Reserves for the Earl Grey Deposit estimated at 94.2 Mt at 1.5% Li<sub>2</sub>O<sup>10</sup>.

#### 4.4 Previous Exploration

The Lake Johnston region was never an area of intense gold exploration during the gold booms of the late 1800s and early 1900s due largely to the remoteness of the area and the lack of water. The first episode of significant mineral exploration took place in the 1960s during the nickel boom. During the

<sup>10</sup> Kidman Resources ASX Announcement 18 December 2018.

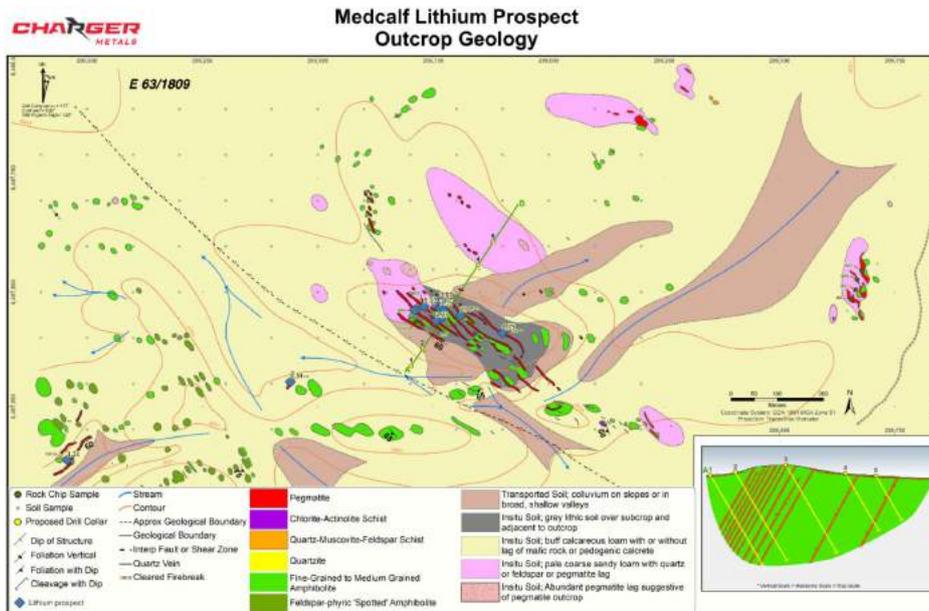
late 1980s and 90s mineral exploration resulted in the discovery of the Maggie Hays and Emily Ann nickel deposits now operated by Poseidon Nickel Ltd. Much of the exploration work leading up to these discoveries was by Goldfields Exploration Pty Ltd, LionOre Australia (Nickel) Limited and Norilsk Nickel NL. While there has been a large amount of exploration work completed in the region it is almost all focussed on the greenstone belts, with the main work within the granite areas having been completed by GSWA geological mapping and regional geophysical datasets available through the GSWA GIS portal Geoview.

#### 4.4.1 Previous lithium exploration

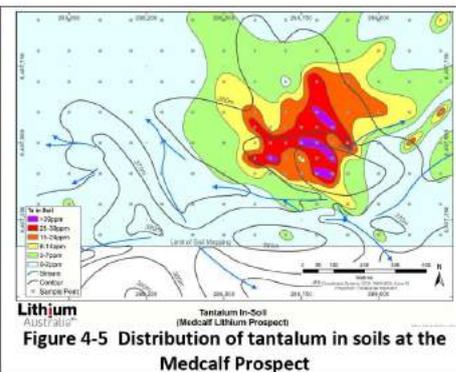
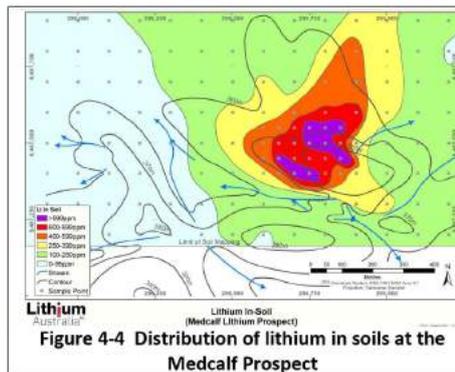
Target generation work by LIT initially highlighted the Mt Day area where GSWA mapping and subsequent company field sampling and mapping located numerous, sometimes large, (>200 m long by >15m thick) pegmatites with massive lithium mica cores at a number of locations. Rock-chip sampling of these zones returned some highly anomalous assays, with individual results up to 3.94%  $\text{Li}_2\text{O}$ , 8,600 ppm Cs up to, 43,000 ppm Rb and up to 6,900 ppm Ta. These targets contained zones of outcropping massive lepidolite and zinnwaldite; altered petalite was also tentatively identified, and spodumene was also thought to be present.

The most promising target to date is the Lake Medcalf Prospect where LIT geologists identified a large zone of very strongly mineralised spodumene pegmatite at Bontempelli Hill which forms a prominent topographic feature (Figure 4-3). The Bontempelli Hill outcrops consist of near fresh, 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 of 7.15%  $\text{Li}_2\text{O}$  from spodumene outcrop.

The mineralised pegmatites at the Lake Medcalf Prospect cover a 450 x 250 m area, with soil sampling and geology indicating 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. At least three spodumene zones within the thicker centres of the dykes range from 3 to 5 m wide and may increase at depth.



A programme of 137 soil samples were collected on a 100 m by 100 m, or 50 m by 50 m grid over Bontempelli Hill where the known spodumene bearing pegmatites outcrop. Samples were collected from a depth of 10 cm and sieved to -10 mesh (2 mm). The samples were analysed for Li, Rb, Cs, Bi, Be & Ta determined by ICP with 19 additional elements (Al, As, Ba, Ca, Cl, Fe, K, Mn, Na, P, Pb, S, Sb, Si, Sn, Sr, W, Zn and Zr) analysed by XRF analysis. The results (Figure 4-4 & Figure 4-5) show very strong coincident lithium and tantalum anomalies over Bontempelli Hill (Spitalny, P. 2019)



#### 4.4.2 Previous gold exploration

Tenement E63/1903 is located at the southern end of the Lake Johnston Greenstone Belt in central Western Australia. To date, no significant gold mineralisation has been found. The Project is located approximately 10 km from the Maggie Hays and Emily Ann underground nickel owned by Poseidon Nickel Ltd.

Okapi has identified a high priority structural target from the magnetics, that is coincident with anomalous gold in a soil anomaly over a 10 km strike length (Figure 4-6). Limited historical drilling by LionOre in 2003 appears to have targeted outcropping material and historical workings and is offset from the soil gold anomaly which is yet to be tested by drilling. The location of the LionOre drill holes containing significant gold mineralisation are presented in Table 4-2.

Drilling results from drilling undertaken by LionOre in 2003 include:

- LJPC004 (RC): 26-28m, 2m at 11.04 g/t Au
- LJPC005 (RC): 26-27m, 1m at 1.64 g/t Au
- LJPC0058 (RC): 71-74m, 3m at 1.74 g/t Au
- LJPC0094 (RC): 52-59m, 3m at 0.88 g/t Au, including 1m at 1.48 g/t Au from 56m
- LJP0105 (DD): 43.85-44.15m, 0.3m at 1.14 g/t Au

**Table 4-2 Location of LionOre drill holes containing significant mineralisation**

Hole ID	A Number	Type	East (m)	North (m)	Depth (m)	Dip (°)	Azimuth (°)
LJPC0004	71033	RC	271682.7	6425647	103	-60	270
LJPC0005	71033	RC	271599.7	6425716	110	-60	270
LJPC0058	71033	RC	271621.7	6425730	120	-60	270
LJPC0059	71033	RC	271705.7	6425664	100	-60	270
LJP0105	79561	DD	271876.4	6425794	101	-60	302

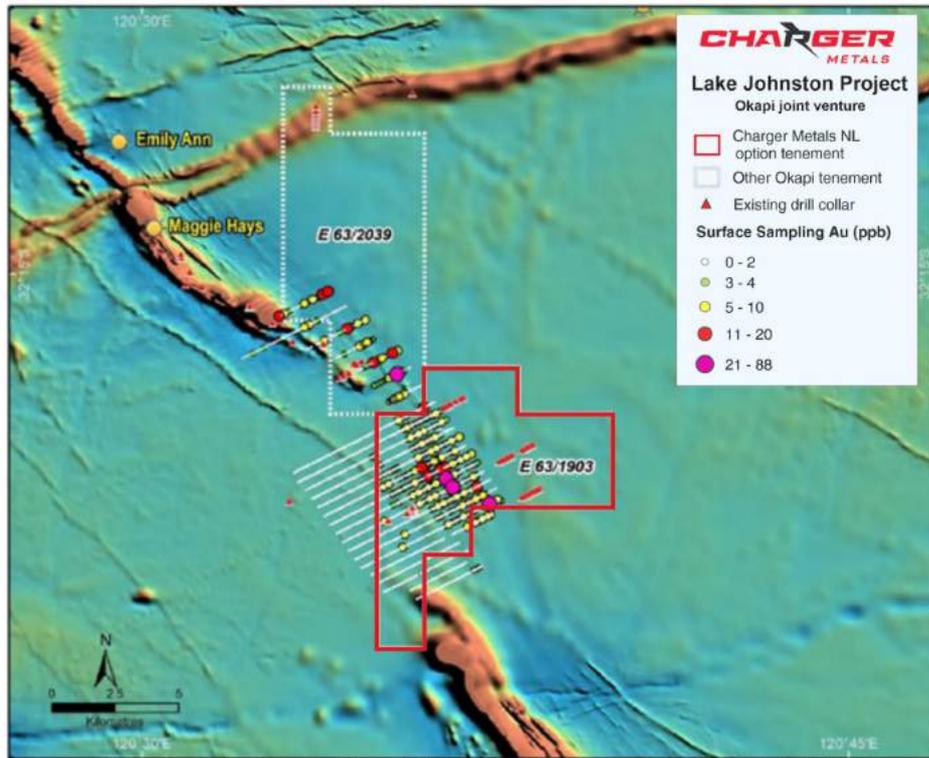


Figure 4-6 E63/1903 - Anomalous gold in soil compiled from open file data Okapi 2020<sup>11</sup>)

Okapi has completed a comprehensive review of historical data and is progressively advancing soil geochemistry programmes to accelerate target definition at the Mount Day Project, targeting both gold and nickel. Charger is able to use these same samples for its lithium exploration activities.

In addition to the gold opportunity, the region remains prospective for nickel deposits in the same geological sequence that hosts the Maggie Hays nickel deposits where it occurs within the Mount Day Project.

#### 4.5 Exploration Potential

The Lake Johnston region has not been subjected to long periods of intense exploration like most other greenstone belts in Western Australia due to the difficult access and the lack of outcrop.

##### 4.5.1 Lithium potential

A positive feature of the Lake Johnston Project is the large area of unexplored granite intrusions with associated pegmatites. The fact that pegmatites containing anomalous Li, Cs & Ta located and sampled during reconnaissance exploration is encouraging.

The most prospective area is clearly at Lake Medcalf around Bontempelli Hill where spodumene-bearing pegmatites are members of a pegmatite swarm centred upon a topographic high. Not all

<sup>11</sup> Okapi Asx announcement 7 December 2020.

pegmatites occur as topographic highs and the flat ground is also prospective as LCT deposits typically occur in clusters.

#### 4.5.2 Gold potential

The potential for the discovery of gold mineralisation still remains high despite the extensive gold exploration activity following the discovery of the Bounty Gold Mine in 1985 within the nearby Forresteria Greenstone Belt. The Bounty mine was discovered by systematic sampling of old RAB hole spoil and soils following along a large shear zone. A high-level gold-in-soil anomaly was RAB drilled resulting in the discovery. By contrast many of the gold deposits discovered in the Southern Cross Greenstone Belt have very subtle gold-in-soil anomalies with thresholds in the order of 50 ppb. Experience in the Southern Cross Greenstone Belt has shown that the shape and coherency of the anomaly is more significant than the level of gold.

The gold anomaly identified by Okapi of E63/1903 is certainly of interest and appears to be offset from, and therefore untested by, earlier drilling by LionOre in 2003.

#### 4.6 Proposed Exploration Programme and Budget

LCT deposits typically display zoned mineralogical and geochemical halos. Lithium anomalies define the widest halos adjacent to pegmatites which can be in excess of 100 m and are a direct test, but while the dispersion of vector-elements Rb and Cs is more restricted, these elements are readily detected using hand-held pXRF instruments (Li is not detectable) making first-pass exploration very cost effective. Spodumene is typically found in close proximity to the deposit whereas biotite is an abundant metamorphic/ metasomatic mineral in the country rocks that surround LCT pegmatites.

In areas of good outcrop, geological mapping, in conjunction with the use of pXRF instruments, is a good first pass when assessing the prospectivity of an area. For larger areas in arid terrains hyperpectral remote sensing data obtained from satellites as these are known to work particularly well in identifying specific minerals Li-bearing silicate minerals such as spodumene.

It is recommended that the following be completed.

- A desk top study to accumulate and synthesize all of the available geological and geophysical data is recommended. Specifically, the aeromagnetic, radiometric and topographic data. The next item of work should be geological mapping and sampling
- Acquisition of airborne spectral data to identify specific mineral species commonly associated with LCT deposits
- RC drilling of targets followed where necessary with diamond drilling.

**Table 4-3 Project – Lake Johnston Project Proposed exploration budget for years 1 & 2**

Exploration activity	Year 1	Year 2	Total Year
Mapping/Geochemistry <sup>1</sup>	\$120,000	\$120,000	\$240,000
Geophysics	\$48,000	\$60,000	\$108,000
Drilling (RC & DD)	\$180,000	\$240,000	\$420,000
Contractors, Wages, Field Support	\$90,000	\$90,000	\$180,000
<b>Total</b>	<b>\$438,000</b>	<b>\$510,000</b>	<b>\$948,000</b>

## 5 BYNOE LITHIUM AND GOLD PROJECT

### 5.1 Introduction

The Bynoe Lithium and Gold (Li and Au) Project comprises one granted exploration licence (EL30897) registered to LIT, covering approximately 62.7 km<sup>2</sup>. The project is located approximately 38 km southwest of Darwin (Figure 5-1). Access from Darwin to the tenement is good with a formed road that passes through the tenement. Access off the formed road is available via old station and mineral exploration tracks.

The Bynoe Li and Au Project occurs within the Litchfield Pegmatite Belt, a geological zone that that extends 180 km in a southerly direction from Darwin Harbour and hosts eight groups or fields of LCT pegmatites. Most of these have a long history of tin mining and are considered prospective for LCT deposits. The Bynoe Project is located within the Bynoe Pegmatite Field and centred on the Leviathan Group of pegmatite occurrences.

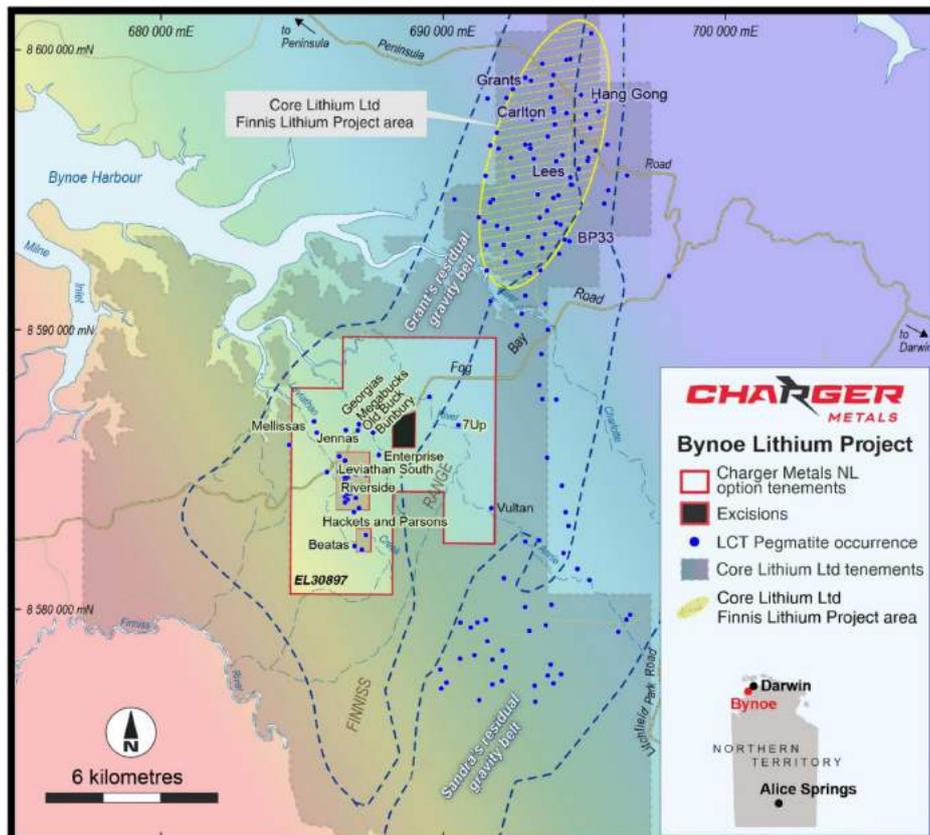


Figure 5-1 Bynoe Li and Au Project location plan showing proximity to Core Lithium's Finniss Lithium Project and LCT pegmatite occurrences.

The Bynoe Li and Au Project is surrounded by the tenement holdings of Core Lithium Ltd which has announced to the ASX a total mineral resource inventory of 14.7 Mt at 1.32% LiO<sub>2</sub> including 7.6 Mt in the Measured and Indicated Mineral Resource category<sup>12</sup>.

## 5.2 Tenements

Exploration licence EL30897 was granted to LIT on the 23 March 2016 for a period of six years. There are three excision from the tenement being: MLN1148, ML29985, and a domestic housing area around an adventure park.

Charger can acquire a 70% interest in EL30897 under the LIT Option Agreement.

**Table 5-1 Bynoe Lithium and Gold Project tenement summary**

Tenement	Holder	Grant Date	Expiry Date	Area (km <sup>2</sup> )	Expenditure commitment	Annual rent
EL30897	LIT	22/3/2016	21/03/2022	62.7	\$35,000	

## 5.3 Geological Setting

The Bynoe Li and Au Project is located within the Bynoe Pegmatite Field which is part of the much larger Litchfield Pegmatite Belt. The Bynoe Pegmatite Field is the largest of the pegmatite fields within the Litchfield Pegmatite Belt being some 70 km in length and 15 km in width. Over 100 rare-element pegmatites are known to occur within the field either as clusters, in groups or as single bodies. The pegmatites are hosted in metasedimentary rocks of the Burrell Creek Formation and Welltree Metamorphics proximal to the Two Sisters Granite.

Frater (2005) reported that the individual pegmatites range in size from a few metres wide and tens of metres long, to larger bodies tens of metres wide and hundreds of metres long, and that the trends of the pegmatite swarms are usually conformable to the regional schistosity, but dips are variable, with local transgressive relationships common.

Locally, the Leviathan Group pegmatites (predominantly located within the excised MLN1148) generally occur within pelitic rocks. The pegmatites are often tabular or pod-like, steeply dipping (predominately to the east), and striking generally north-northeast. The pegmatites are zoned with three to five zones which are not concentric or even. The typical mineralogy of the greisens is quartz-variable micas-cassiterite ( $\pm$  tantalum). Although not definitive, lithium analyses from greisen material are generally more elevated from other non-greisen samples.

The pegmatites have been subjected to pervasive kaolinite alteration at the Bynoe Project. The depth of the kaolinite alteration is at least to 22 m as defined in the earlier RC drilling by Corporate Development Resources (Corporate) in 1997. This will have implications for lithium exploration as the lithium will be depleted in the weathered pegmatite resulting in more subtle geochemical anomalies.

<sup>12</sup> Core Lithium ASX Announcement 10 February 2021.

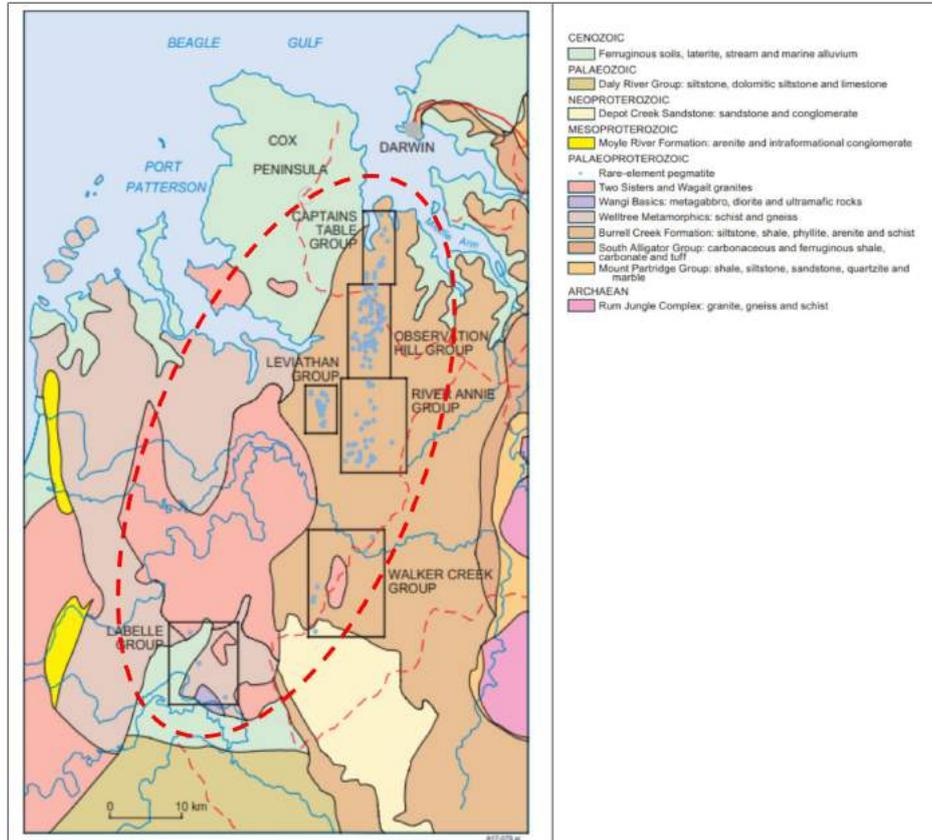


Figure 5-2 Regional geological setting of the Bynoe Li and Au Project (Frater, 2005)

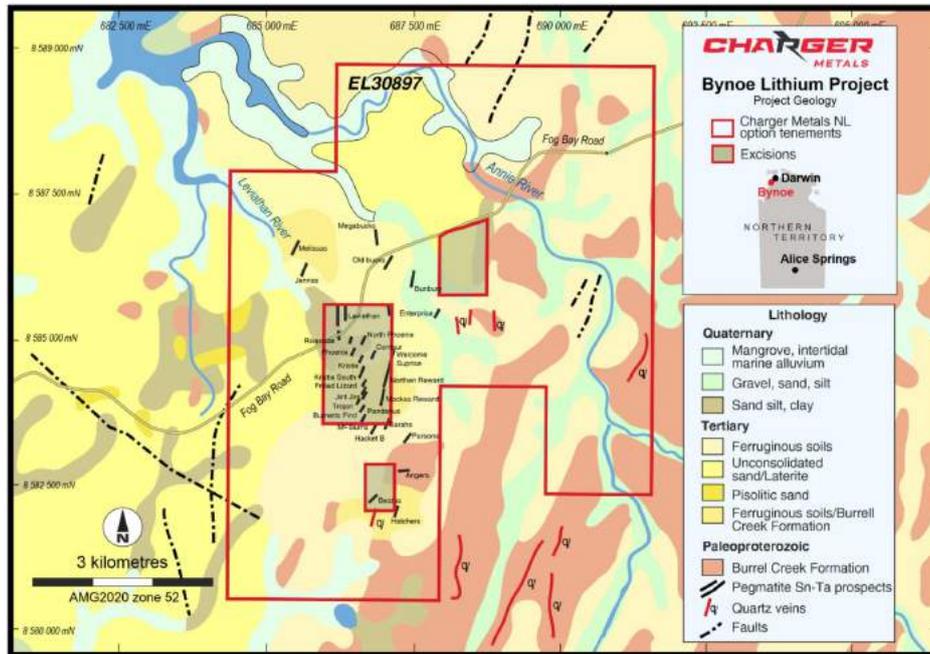


Figure 5-3 Bynoe Li and Au Project - Geological plan modified from Frater (2005)

#### 5.4 Previous Exploration

The Bynoe area was historically mined for cassiterite that formed within LCT pegmatites. The mining was mostly small scale with few production records.

The Bynoe Li and Au Project covers extensions to the Leviathan Group of mines mineralisation which was discovered by in 1886. A mine and battery were established shortly after with a recorded production of 13 t of tin concentrate between 1886 and 1890 (Frater, 2005). The tin mineralisation proved to be patchy and the leases were abandoned in 1909.

Renewed interest in the region commenced after 1980 when the price for tin reached \$17,000 remaining high until 1985 when the price declined. Exploration completed by the main explorers in the area is summarised below:

##### Greenex Resources (Greenex).1983-1990

Greenex explored the Leviathan area between 1983 and 1990 resulting in the re-location of over 20 of the pegmatites that had been worked at the turn of the century. Tonnes and grade estimates (non-JORC) were made for Ta<sub>2</sub>O<sub>5</sub> and SnO<sub>2</sub> in weathered pegmatites and alluvials for five groups of deposits including the Leviathan Group.

##### Corporate Development Resources (1984-1992)

In 1992 Corporate held the Leviathan leases and estimated a total pegmatite resource (non-JORC) of 81,900 m<sup>3</sup> of mineralisation with estimated grades up to 1 kg/m<sup>3</sup> SnO<sub>2</sub> (Carthew, 1996).

##### Julia Corporation Ltd (Julia) 2001

In 2000 Julia negotiated an option to explore the Leviathan ground with Corporate Development. Julia carried out costeaning and RC drilling programme, targeting several of the larger Leviathan

pegmatites. In total, over thirty pegmatites have been discovered in the Leviathan area.

**Haddington Resources Ltd (Haddington) 2007-2012.**

Haddington on behalf of Arnhem Resources Pty Ltd and Australian Tantalum Pty Ltd explored the area during 2007-2012 principally for tantalum. Haddington completed programmes of rock-chip and soil sampling combined with RAB drilling. In the course of the exploration the first lithium prospect in this part of the Bynoe Pegmatite Field was located at the 7-Up Prospect.

**Lithium Australia NL, (LIT) 2019.**

LIT collated all of the previous sampling data into a database that could be used to create geochemical images of the various elements associated with LCT pegmatites.

The most widespread and systematic sampling data was the Haddington saprock sampling programme, completed in 2006. The Haddington data consisted of complementary surface and RAB data, based on the likely thickness of soil coverage, on a 400m x 100m grid. Surface sampling was conducted above a topographic height of 45m above sea level where the depth of soil cover was from 0 to 0.5m deep. RAB Drilling was used to collect samples below the 45m ASL contour where the thickness of transported cover was greater. The RAB holes had an average depth of less than 3m, and a maximum of 10m within EL30897. Each sample was analysed for arsenic, beryllium, caesium, lithium, niobium, phosphorous, rubidium, tin and tantalum.

LIT collected samples from termite mounds as an orientation programme in 2019, and to expand the geochemical footprint without resorting to drilling. Sampling of termite mounds has been used in many parts of the world in the past and while most effective for deposits containing chemically resistant minerals such as gold, tin, tantalum and tungsten, the method has also been used for base metal exploration. The LIT sampling procedure involved collecting broken-off pieces of termite nest from the ground below the nest, at intervals of approximately 200 m along traverses. A total of 210 samples were collected.

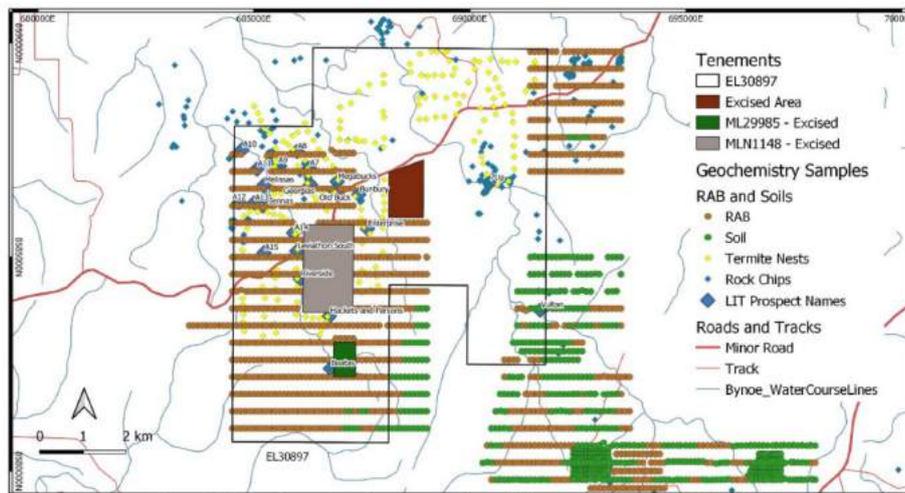


Figure 3. Location of previous sampling within and adjacent to EL30897

The termite mound samples were analysed in the field using laser-induced breakdown spectroscopy (LIBS) which has been in development for the geochemical analysis of lithium with US-based SciAps

Inc, a field portable analytical product manufacturer, and LIT, working in collaboration for the past two years. The advantage of LIBS is that it is able to detect very light elements such as boron, beryllium and lithium which cannot be determined by portable XRF units. The LIBS termite mound sampling results, when compared to laboratory analysed RAB and soil lithium results, are sufficiently encouraging to be used as a 'fit for purpose' first pass, cost effective exploration method (Figure 5-5). The method can be used to generate priority targets for RAB drilling.

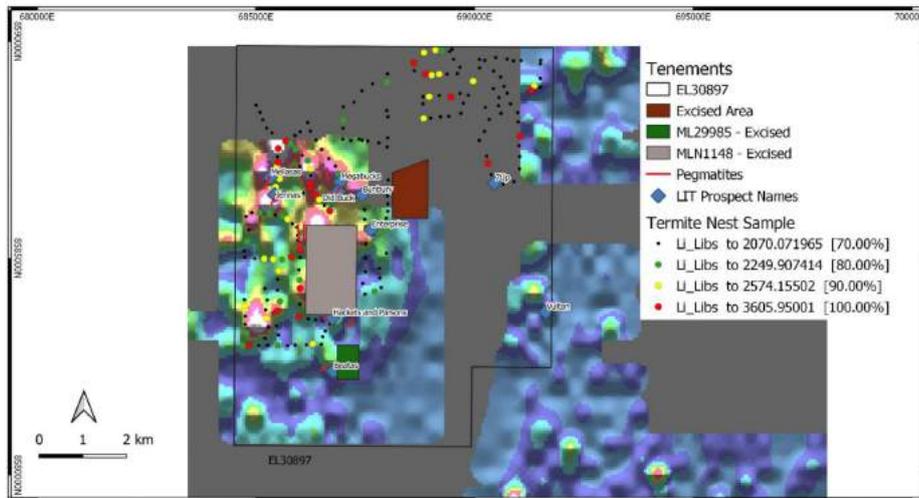


Figure 5-4 Image of Li from RAB and Soil Sampling overlain by results of termite mound sampling.

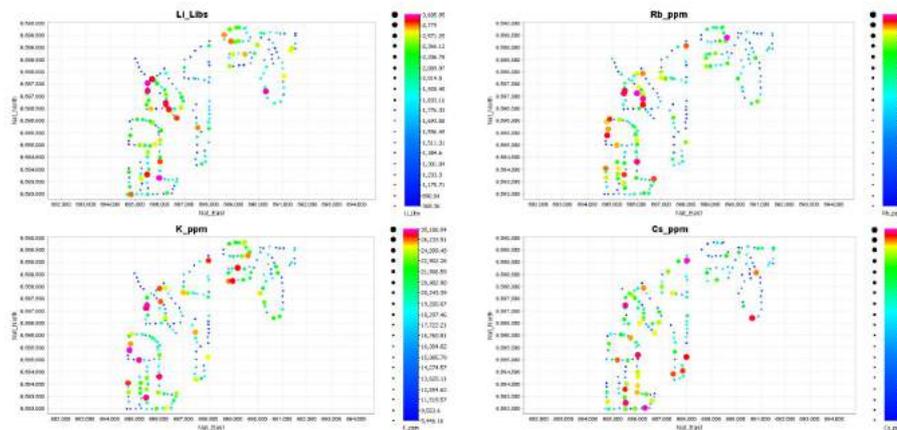


Figure 5-5 Distribution of Li-Libs, Rb, K & Cs from termite mound sampling geochemistry

### 5.5 Exploration Potential

The Bynoe Pegmatite field is one of the most prospective areas for lithium in the NT and has many similarities to Greenbushes in WA, one of the world's largest spodumene deposits.

The Bynoe Lithium Project tenement (EL30897) is surrounded by the extremely large tenement holdings of Core Lithium Ltd's Finnis Lithium Project which has announced to the ASX a total mineral resource inventory of 14.7 Mt at 1.32% LiO<sub>2</sub> of which includes 7.6 Mt in the Measured and Indicated

Mineral Resource category<sup>13</sup>. The Finnis Lithium Project is at a very advanced stage of development having completed a definitive Feasibility Study in April 2019<sup>14</sup>.

#### **5.6 Proposed Exploration Programme and Budget**

Sampling of weathered bedrock by previous explorers has shown to be a very effective exploration tool and should be expanded to get systematic cover of the tenement. The different sample media should not present a problem in the data interpretation as each of the different sample type datasets can be normalised.

The results of geological mapping, which helped determine the dimensions and orientations of the known pegmatites, coupled with the previous systematic geochemical sampling on a 200 m x 50 m grid, should provide sufficient detail to define the pegmatite swarms.

Similar to the recommendations for the lithium exploration at Lake Johnston, consideration should be given to the application of hyperpectral remote sensing data obtained from satellites as these are known to work particularly well in identifying specific Li-bearing silicate minerals such as spodumene.

##### **Exploration Program - Year 1:**

Based on previous exploration and nature of the pegmatite occurrences within EL30897, the following exploration program is proposed.

- Preparation of regolith maps from satellite imagery and ground mapping to determine the optimum sampling method for each regolith type,
- Undertake an orientation geochemical programme to determine the vertical variation in elemental content with depth and regolith characteristics,
- Complete a soil sampling program on a 200 m x 50 m grid over the areas determined viable for soil sampling and not included in previous sampling surveys,
- Complete the systematic sampling programme with RAB drilling where soil sampling is deemed to be ineffective,

<sup>13</sup> Core Lithium ASX Announcement 10 February 2021.

<sup>14</sup> Core Lithium ASX Announcement 17 April 2019.

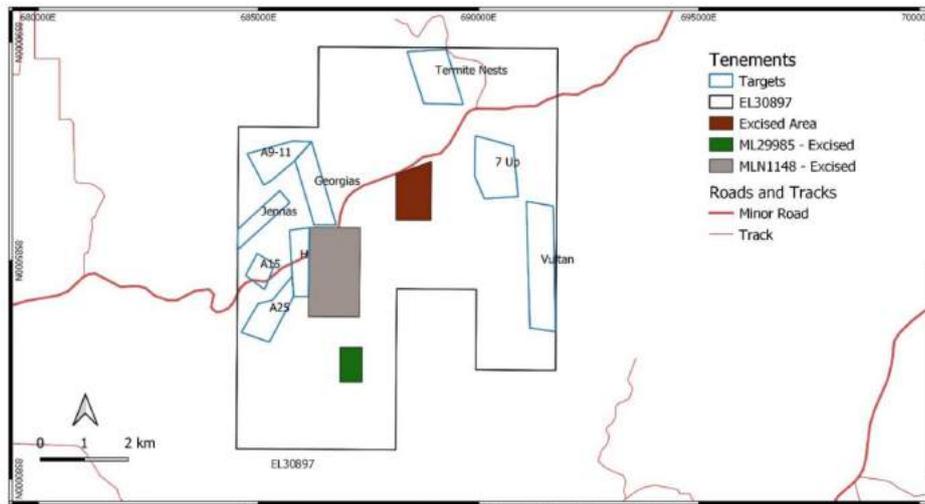


Figure 5-6 Bynoe Lithium Project priority target areas

Exploration Program - Year 1:

Drill testing of all of the target areas from year 1 that have produced significant Li anomalies. In the first instance lines of angled air-core holes should be sufficient with RC drilling of the better prospects.

Exploration activity	Year 1	Year 2	Total Year
Mapping/Geochemistry	\$180,000	\$91,200	\$271,200
Geophysics	\$30,000	\$36,000	\$66,000
Drilling (RC & DD)	\$180,000	\$240,000	\$420,000
Contractors, Wages, Field Support	\$90,000	\$90,000	\$180,000
<b>Bynoe Sub Total</b>	<b>\$480,000</b>	<b>\$457,200</b>	<b>\$937,200</b>

## 6 RISKS

Mineral exploration and mine development are high-risk activities as there can be no assurance that further exploration of the mineral projects or any other exploration projects that may be acquired in the future will result in the discovery of an economic mineral resource. There are a number of factors beyond the control of the Company that can have a negative impact on the successful development of a mineral project. These factors include adverse government policies, environmental constraints and commodity prices.

- The Coates Ni-Cu-Co-PGE Project is located within an area where there has been very little previous mining activity and the main attraction to the area is highlighted by the significant discovery by Chalice Gold Mines Ltd (Chalice) of high-grade Ni-Cu-Co-PGE mineralisation at the newly named Gonnevillie Prospect, located approximately 20 km to the northwest of Charger's Coates Project tenements.
- In respect of the Lake Johnston Projects, exploration during the last 30 years has resulted in the discovery of significant gold, nickel and lithium deposits in surrounding greenstone terrains however there are still large areas considered prospective, that have not been subjected to detailed exploration.
- The Bynoe Project is located within an area that has a long history of exploration and small-scale mine production. Although the past production was tin, this is considered to be a positive aspect as tin and lithium are commonly associated in LCT pegmatites.

## 7 PROPOSED EXPLORATION BUDGET

The geological setting, proposed exploration and targets are discussed in detail within the three project sections above. The expenditure by exploration activity for the three projects is summarised in Table 7-1. All the costs are shown as total cost, which includes the cost of drilling, sampling, assaying, personnel, and all other on-costs.

**Table 7-1 Summary of exploration expenditure**

Project	Year 1	Year 2	Total Years 1 & 2
<b>Coates Ni-Cu-PGE</b>			
<b>Project</b>			
Mapping/Geochemistry <sup>1</sup>	\$120,000	\$36,000	\$156,000
Geophysics	\$240,000	\$300,000	\$540,000
Drilling (reverse circulation & diamond)	\$300,000	\$300,000	\$600,000
Contractors, Wages, Field Support	\$120,000	\$120,000	\$240,000
<b>Total Coates</b>	<b>\$780,000</b>	<b>\$756,000</b>	<b>\$1,536,000</b>
<b>Lake Johnston Li &amp; Au</b>			
<b>Project</b>			
Mapping/Geochemistry <sup>1</sup>	\$120,000	\$120,000	\$240,000
Geophysics	\$48,000	\$60,000	\$108,000
Drilling (RC & DD)	\$180,000	\$240,000	\$420,000
Contractors, Wages, Field Support	\$90,000	\$90,000	\$180,000
<b>Total Lake Johnston</b>	<b>\$438,000</b>	<b>\$510,000</b>	<b>\$948,000</b>
<b>Bynoe Li &amp; Au</b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Total Year</b>
Mapping/Geochemistry	\$180,000	\$91,200	\$271,200
Geophysics	\$30,000	\$36,000	\$66,000
Drilling (RC & DD)	\$180,000	\$240,000	\$420,000
Contractors, Wages, Field Support	\$90,000	\$90,000	\$180,000
<b>Total Bynoe</b>	<b>\$480,000</b>	<b>\$457,200</b>	<b>\$937,200</b>
<b>Total Exploration Expenditure</b>	<b>\$1,698,000</b>	<b>\$1,723,200</b>	<b>\$3,421,200</b>

In CRM's opinion that given the current stage of exploration the proposed exploration work programmes and budgets are appropriate for discovering deposits containing the mineral commodities under consideration.

The proposed exploration budget is sufficient to meet the statutory minimum exploration expenditure on the granted tenements.

## 8 DECLARATION

This ITAR has been prepared in accordance with the 2012 JORC Code and the 2015 VALMIN Code. Both industry codes are binding for all members of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. These codes are also requirements under Australian Securities and Investment Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

No member or employee of CRM is, or is intended to be, a director, officer or other direct employee of the Company. No member or employee of CRM has, or has had, any share-holding, or the right (whether enforceable or not) to subscribe for securities, or the right (whether legally enforceable or not) to nominate persons to subscribe for securities in the Company. Fees for the preparation of this report are being charged at a commercial rate, the payment of which are not contingent upon the conclusions of the report. They total about \$15,000.

The information in relation to geology, exploration results and mineral resources is based on, and fairly represents, information and supporting documentation that has been compiled and reported by Dr John Chisholm, BSc Hons, PhD (Geol.), a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Chisholm is a Principal Geologist of Continental Resource Management Pty Ltd, a geological consultancy, which was engaged by Charger to compile the geology, exploration history, Mineral Resources and potential of the Wundowie, Lake Johnston and Bynoe. Dr Chisholm has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 JORC Code. Dr Chisholm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Yours faithfully



Dr John Chisholm  
Continental Resource Management Pty Ltd

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## 10 GLOSSARY OF TECHNICAL TERMS AND ABBREVIATIONS

Air-core drilling	A rotary drilling technique that uses compressed air to cut a core sample and return fragments to the surface inside drill rods.
Alkali metals	Alkali metal, any of the six chemical elements that make up Group 1 (Ia) of the periodic table—namely, lithium (Li), sodium (Na), potassium (K), rubidium (Rb), caesium (Cs), and francium (Fr)
Auger	A method of drilling by which a sample of unconsolidated material is brought to the surface up the inclined flights of an auger.
Basement	The oldest layer of igneous and metamorphic rocks in the earth's crust, covered by layers of more recent, usually unconformably overlain sedimentary rocks.
Caesium	Caesium is a chemical element with the symbol Cs and atomic number 55. It is a soft, silvery-golden alkali metal with a melting point of 28.5 °C
Clastic	A sedimentary rock composed of grains or fragments derived at a different locality.
Clay	A rock or mineral fragment or a detrital particle of any composition with a diameter <4 microns.
Copper	Copper is a chemical element with the symbol Cu and atomic number 29. It is a soft, malleable, and ductile metal with a pinkish-orange colour. Copper is used as a conductor of heat and electricity.
EM	Electromagnetic (EM) surveying uses a transmitting 'loop' to generate primary magnetic field that can induce an electric current into conductive bodies. When the primary EM field is turned off, the induced field decays, and itself generates a secondary EM field.
Exploration Target	An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource (JORC Code clause 17).
Gneiss	High-grade metamorphic rock composed of alternating bands respectively rich in light and dark coloured minerals
Gold	Gold is a chemical element with the symbol Au and atomic number 79. When pure it is bright, slightly reddish yellow, dense, soft, malleable, and ductile metal. It is one of the least reactive chemical elements and often occurs in free elemental (native) form, as nuggets or grains.
Granitic	Descriptive term used for igneous rocks with a holocrystalline texture and anhedral constituents of a similar grainsize, composed chiefly of orthoclase and albite feldspars and of quartz, usually with lesser amounts of one or more other minerals, as mica, hornblende, or augite.

Granitoid	A granitoid is a generic term for a diverse collection of coarse-grained igneous rocks that consist predominately of quartz, plagioclase, and alkali feldspar
Greisen	Greisen is a hydrothermally metamorphosed granitic rock. It is composed mostly of light-coloured mica (muscovite, lepidolite, zinnwaldite) and quartz. Commonly associated with tin mineralisation.
Heavy mineral assemblage	The suite of heavy minerals contained in a deposit.
ICP	Inductively Coupled Plasma, is a powerful chemical analysis method used to identify both trace amounts and major concentrations of nearly all elements within a sample
Indicated Mineral Resource	That part of a Mineral Resource for quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade, and mineral content can be estimated with a low level of confidence.
JORC Code	The Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition). Prepared by The Joint Ore Reserves Committee. A compliance standard for professional and public reporting of Ore Reserves and Mineral Resources.
Kg	Kilogram
Lepidolite	Lepidolite is the name of a lithium-rich mica mineral that is usually pink, red, or purple in colour. It is the most common lithium-bearing mineral.
Lithium	Lithium is a chemical element with the symbol Li and atomic number 3. It is the lightest metal and the lightest solid element.
Measured Mineral Resource	That part of a Mineral Resource for quantity, grade (or quality), densities, shape and physical characteristics are estimated with with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Metamorphic	Descriptive of rock that has been altered by physical and chemical processes involving heat, pressure and/or fluids.
Mineral assemblage	Group of minerals commonly associated with another.
Mineral Resource	In-situ mineral occurrence for which there are reasonable prospects for eventual economic extraction. The location, quality, quantity, grade,

	geological characteristics, and continuity are known, estimated, or interpreted from specific geological evidence and knowledge. A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction.
Mineralisation	The concentration of metals and their minerals within a body of rock.
Nickel	Nickel is a chemical element with the symbol Ni and atomic number 28. It is a silvery-white lustrous metal, is hard and ductile, and is ferromagnetic.
(Ore) block model	An (ore) block model is created using geostatistics and the geological data gathered through drilling of the prospective ore zone. The block model is essentially a set of specifically sized "blocks" in the shape of the mineralized orebody. Although the blocks all have the same size, the characteristics of each block differ. Once the block model has been developed and analyzed, it is used to determine the ore resources and reserves (with project economics considerations) of the mineralised orebody.
Ore Reserve	The economically minable part of a Measured and/or Indicated Mineral Resource.
Pegmatite	Very coarse-grained igneous intrusive body, usually granitic and in dyke or sill form; may contain economically important minerals.
Petalite	also known as castorite, is a lithium aluminium phyllosilicate mineral $\text{LiAlSi}_4\text{O}_{10}$ .
Platinum-group elements (PGE)	The platinum-group elements are commonly platinum and palladium, but also include ruthenium, rhodium, osmium and iridium. They have similar physical and chemical properties and tend to occur together in the same mineral deposits. PGEs are used as autocatalysts, in electronics, jewellery and dental applications.
Pisolite	A pisolite is a sedimentary rock made of pisoids, which are concretionary grains – typically of calcium carbonate which resemble ooids, but are more than 2 mm in diameter.
Precambrian	That portion of geological time older than about 545 million years ago.
Pre-feasibility stage	A project at a stage where a pre-feasibility study has been undertaken or is about to be commenced. A pre-feasibility study of a project is a precursor to a feasibility study. Its purpose is to examine the size, cost and value of the main components of the project in sufficient detail to ensure there is a solid basis for proceeding to the more costly and rigorous feasibility study.
Probable Reserve	A measured and/or indicated mineral resource which is not yet proven, but where technical economic studies show that extraction is justifiable at the time of the determination and under specific economic conditions.

Proven Reserve	A measured mineral resource, where technical economic studies show that extraction is justifiable at the time of the determination and under specific economic conditions.
QA/QC	QA/QC is the combination of quality assurance, the process or set of processes used to measure and assure the quality of a product, and quality control, the process of ensuring products and services meet consumer expectations.
Quaternary	The period of geological time from about 2.6 million years ago to the present.
Quartzite	A granular metamorphic rock composed predominantly of quartz; derived from quartz sandstone.
RAB	Rotary air blast drilling
Resource category	Category of a mineral resource, such as Inferred, Indicated, Measured, Proven or Probable.
Rutile	A mineral containing titanium dioxide (TiO <sub>2</sub> ).
Sandstone	A sedimentary rock composed primarily of sand sized grains.
Saprock	Saprolite is a chemically weathered rock. Saprolites form in the lower zones of soil profiles and represent deep weathering of the bedrock surface
Spodumene	A pyroxene mineral consisting of lithium aluminium inosilicate, LiAl(SiO <sub>3</sub> ) <sub>2</sub>
Tantalum	Tantalum is a chemical element with the symbol Ta and atomic number 73. Tantalum is a rare, hard, blue-gray, lustrous transition metal that is highly corrosion-resistant.
TPA	Tonnes per annum
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition). Prepared by The VALMIN Committee. A compliance standard for professional and public reporting of Mineral Asset valuations.
VTEM	Versatile Time Domain Electromagnetic – airborne geophysical method
μ or μm	Micron; a millionth of a metre.
Zinnwaldite	Zinnwaldite, KLiFeAl(AlSi <sub>3</sub> )O <sub>10</sub> (OH,F) <sub>2</sub> , potassium lithium iron aluminium silicate hydroxide fluoride is a silicate mineral in the mica group.

## 11 APPENDIX A - JORC TABLE 1 FOR COATES, LAKE JOHNSTON AND BYNOE PROJECTS

Charger has the right to acquire all but two of the mineral tenements in its portfolio through option agreements principally with LIT and to a much lesser extent with Mercator. Only two small prospecting licences at Coates have been applied for by Charger in association with LIT.

Consequently, Charger has not acquired any new exploration data, and has relied upon data resulting from exploration activity by LIT and Mercator as well as open file historical data sourced from the WAMEX and STRIKE mineral exploration report repositories in Western Australia and Northern Territory respectively.

LIT has compiled all the historical exploration data and has done enough verification and replication of the data to provide enough confidence that sampling was performed to adequate industry standards. During the preparation of this report CRM has relied on the information prepared by LIT from the historical exploration reports supplemented by verification checks of the original reports.

It is CRM's opinion that the historical exploration activities at Lake Johnston and Bynoe have been undertaken according to usual industry practice for the time with samples collected and analysed by reputable laboratories specialising in analysis of mineral samples.

The historical reports predating the 2012 JORC Code frequently do not include much of the information required by Table 1 and consequently the information is unknown.

### 11.1 Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is</li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>Bottom of hole samples obtained from vacuum drilling by BRL</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>Rock-chip and soil sampling by LIT for lithium exploration.</li> <li>1 m RC chip sampling by previous explorer for gold.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>Surface sampling and saprock sampling by RAB drilling by previous explorers.</li> <li>Sampling of termite mounds by LIT.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>• Vacuum drilling by BRL</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>• RC drilling for gold by Lionore</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>• Shallow RAB drilling</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>• Not recorded</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>• Not recorded</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>• Not recorded</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>• Not recorded</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>• Qualitative logging on 1 m intervals</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>• Not recorded</li> </ul>

**Section 2 Reporting of Exploration Results**  
(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known</i></li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>• Refer to Section 3.2 in the report of which this Table 1 forms a part.</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>• Refer to Section 4.2 in the report of which this Table 1 forms a part.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>• Refer to Section 5.2 in the report of which this Table 1 forms a part.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>impediments to obtaining a licence to operate in the area.</i>	
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>Prior to 2011 the previous exploration was not relevant to the current exploration.</li> <li>In 2011 Mercator collected lag samples mainly of pisolitic laterite. While bauxite was being targeted at the time, 520 end-of-hole samples were also analysed for As, Cu, V, Zn, Pb, Ag by ICP techniques and Au, Pd, and Pt by fire assay on the same samples. Mercator subsequently obtained a total of 950 assay pulps from bottom of hole samples from the bauxite exploration drilling and analysed the samples using a hand-held portable XRF.</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>Previous geological mapping by GSWA identified pegmatites in the region.</li> <li>LIT collected surface rock-chip and soil samples and carried out geological mapping of areas of interest for lithium.</li> <li>Lionore carried a programme of RC drilling in 2003 which identified significant gold mineralization.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>Greenex explored the Leviathan area between 1983 and 1990 resulting in the identification of over 20 of the pegmatites that had been worked at the turn of the century. Tonnes and grade estimates (non-JORC) were made for Ta<sub>2</sub>O<sub>5</sub> and SnO<sub>2</sub> in weathered pegmatites and alluvials for five groups of deposits including the Leviathan Group.</li> <li>Corporate Development Resources (1984-1992). In 1992 Corporate held the Leviathan leases and estimated a total pegmatite resource (non-JORC) of 81,900 m<sup>3</sup> of ore with estimated grades up to 1 kg/m<sup>3</sup> SnO<sub>2</sub>.</li> <li>Julia Corporation Ltd 2001. In 2000 Julia negotiated an option to explore the Leviathan ground with Corporate Development. Julia carried out costeaning and RC drilling programme, targeting several of the larger Leviathan pegmatites. In total, over thirty pegmatites have been discovered in the Leviathan area.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Haddington Resources Ltd 2007-2012. Haddington on behalf of Arnhem Resources Pty Ltd and Australian Tantalum Pty Ltd explored the area during 2007-2012 principally for tantalum. Haddington completed programmes of rock-chip and soil sampling combined with RAB drilling. In the course of the exploration the first lithium prospect in this part of the Bynoe Pegmatite Field was located at the 7-Up Prospect.</li> <li>Lithium Australia NL, 2019. LIT collated all of the previous sampling data into a database that could be used to create geochemical images of the various elements associated with LCT pegmatites.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>The target is for high-grade Ni-Cu-Co-PGE mineralisation.</li> <li>The style of sulphide mineralisation intersected consists of massive, matrix, stringer and disseminated sulphides typical of metamorphosed and structurally overprinted magmatic Ni sulphide deposits</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>The lithium exploration is focused on pegmatites related to the granitoid intrusions. The deposit association is LCT.</li> <li>The gold targets are structurally controlled shear zones.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>The lithium exploration is focused on pegmatites related to the granitoid intrusions. The deposit association is LCT.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> </ul> </li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>The Vacuum drilling at Coates provided early exploration data and was vertical with location of the drill holes recorded by handheld GPS.</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>The drilling at Lake Johnston for gold was early exploration. The locations are approximate, but all of the dip, azimuth and depth data was adequately recorded.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> <li>● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p>Bynoe</p> <ul style="list-style-type: none"> <li>● The early RAB drilling was shallow and vertical. The method of location recording is unknown.</li> </ul> <p>All of the exploration to date has been of a very preliminary nature but it does provide indications as to the presence of the mineral commodities under exploration.</p>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>● Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>● The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>● Given the early stage of the exploration data aggregation, sample length variance and metal equivalents are not material.</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>● Given the early stage of the exploration data aggregation, sample length variance and metal equivalents are not material.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>● Given the early stage of the exploration data aggregation, sample length variance and metal equivalents are not material.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>● These relationships are particularly important in the reporting of Exploration Results.</li> <li>● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>● If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>● Not applicable.</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>● Not applicable.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>● Not applicable.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>● Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>● Refer to figures 3.1 to 3.4 in the technical report</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>● Refer to figures 4.2 to 4.6 in the technical report</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>● Refer to figures 5.1 to 5.6 in the technical report</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>All relevant vacuum bottom of hole sampling results have been included in the element distribution diagrams.</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>All relevant soil sampling results have been included in the element distribution diagrams.</li> <li>Only significant gold results have been included in the previous drilling information.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>All relevant sampling results have been included in the element distribution diagrams.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>All relevant information has been included.</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>All relevant information has been included.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>All relevant information has been included.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions, depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<p>Coates</p> <ul style="list-style-type: none"> <li>Initial work likely to include helicopter-borne EM surveys such as VTEM to be flown to identify targets for follow-up work. These surveys are usually sufficiently sensitive to pinpoint anomalies to the extent that further ground-based EM is not required.</li> <li>The previous analysis of bottom-of-hole vacuum drill samples has been shown to be effective and this can be extended over the project area here access has been obtained. The use of handheld portable XRF units will allow closed spaced drilling when Cu-Ni-Co anomalies are identified in the field.</li> </ul> <p>Lake Johnston</p> <ul style="list-style-type: none"> <li>A desk top study to accumulate and synthesise all of the available geological and geophysical data is recommended. Specifically, the aeromagnetic, radiometric and topographic data. The next item of work should be geological mapping and sampling</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>• Acquisition of airborne spectral data to identify specific mineral species commonly associated with LCT deposits</li> <li>• RC drilling of targets followed where necessary with diamond drilling.</li> </ul> <p>Bynoe</p> <ul style="list-style-type: none"> <li>• Preparation of regolith maps from satellite imagery and ground mapping to determine the optimum sampling method for each regolith type,</li> <li>• Undertake an orientation geochemical programme to determine the vertical variation in elemental content with depth and regolith characteristics,</li> <li>• Complete a soil sampling program on a 200 m x 50 m grid over the areas determined viable for soil sampling and not included in previous sampling surveys,</li> <li>• Complete the systematic sampling programme with RAB drilling where soil sampling is deemed to be ineffective,</li> </ul>

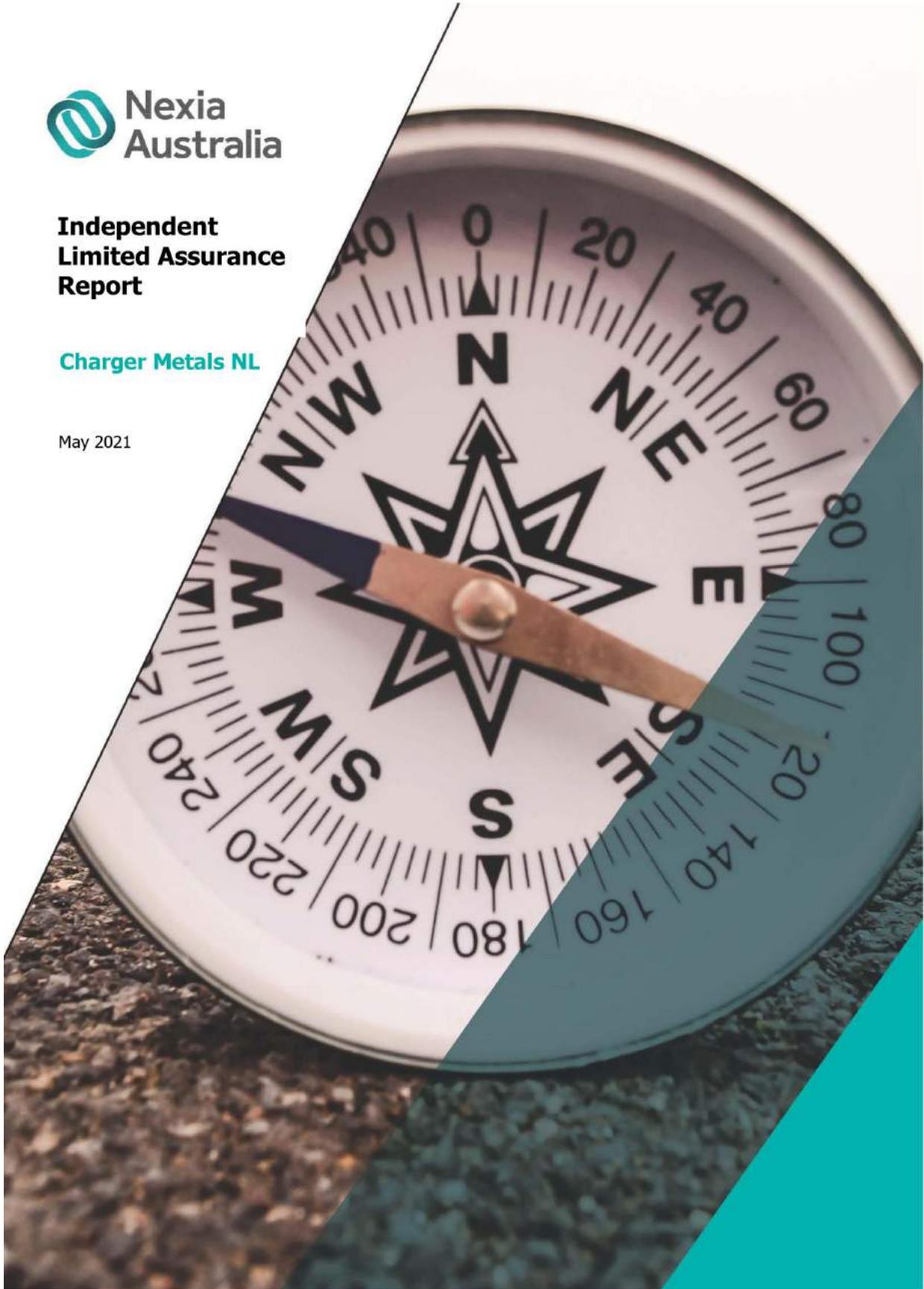
11. INDEPENDENT LIMITED ASSURANCE REPORT



**Independent  
Limited Assurance  
Report**

Charger Metals NL

May 2021





11 May 2021

The Directors  
Charger Metals NL  
Unit 32/33, 22 Railway Road  
SUBIACO WA 6008

Dear Directors,

**Independent Limited Assurance Report on Charger Metals NL historical and pro forma historical financial information**

**1. Introduction**

We have been engaged by Charger Metals NL ("Charger" or the "Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of Charger, for the Initial Public Offering ("IPO") of shares in Charger, for inclusion in the Prospectus, pursuant to which the Company is offering 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000 ("Offer").

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License under the Corporations Act 2001. Nexia Perth Corporate Finance Pty Ltd holds the appropriate Australian Financial Service License under the Corporations Act 2001.

**Background**

The Company was incorporated on 27 November 2020 to acquire and explore interests in battery minerals and precious metals projects in Australia.

Charger has secured an option agreement to acquire a 70% interest in the Coates Ni-Cu-PGE Project and the Lake Johnston Lithium Project in Western Australia (one tenement will be acquired 100%) and the Bynoe Lithium and Gold Project in the Northern Territory ("LIT Acquisition Agreement").

In addition, Charger has also entered into a separate option agreement to acquire an 85% interest in the Coates North Project which adjoins the Coates Ni-Cu-PGE Project ("Mercator Acquisition Agreement").

A summary of the terms of the LIT Acquisition Agreement and the Mercator Acquisition Agreement with the various third party rights affecting the relevant tenements that comprise the relevant Projects are contained in Section 13 of the Prospectus.

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## 2. Scope

### Historical Financial Information

You have requested Nexia Perth Corporate Finance Pty Ltd ("Nexia Perth Corporate Finance") to review the following historical financial information of the Company included in the Prospectus at the Appendix to this report.

- The Statement of Financial Position of the Company as at 31 December 2020 (Appendix 1);
- The Statement of Financial Performance of the Company for the period 27 November 2020 (being the Company's date of incorporation) to 31 December 2020 (Appendix 2); and
- The Statement of Cash Flows of the Company for the period 27 November 2020 (being the Company's date of incorporation) to 31 December 2020 (Appendix 3).

(Together the "Historical Financial Information" attached at the Appendix to this report.)

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The historical financial information has been extracted from:

- The interim financial report of the Company for the period 27 November 2020 (being the Company's date of incorporation) to 31 December 2020, which was reviewed by Nexia Perth Audit Services Pty Ltd ("Nexia Perth Audit Services") in accordance with Australia Auditing Standards. The review report issued for interim financial report for the period 27 November 2020 (being the Company's date of incorporation) to 31 December 2020 was unqualified.

In the review conclusion, Nexia Perth Audit Services included an emphasis of matter relating to the material uncertainty around the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the review opinion was not modified in respect of this matter.

The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

### Pro Forma historical financial information

You have requested Nexia to review the pro forma historical Statement of Financial Position as at 31 December 2020 referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of the Company, after adjusting for the effects of the subsequent events and pro forma adjustments described in Sections 6 and 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position, financial performance and cash flows.

### **3. Directors' responsibility**

The directors of Charger are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

### **4. Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation, to the historical and pro forma historical financial information;
- A review of the Company's accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of subsequent events and pro forma adjustments described in Sections 6 & 7 to this Report; and
- Performance of analytical procedures applied to the pro forma historical financial information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Our engagement did not involve updating or re-issuing any previously issued review report on any financial information used as a source of the financial information.

## 5. Conclusions

### Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the appendices to this report, and comprising:

- The Statement of Financial Position of the Company as at 31 December 2020 (Appendix 1);
- The Statement of Financial Performance of the Company for the period 27 November 2020 (being the Company's date of incorporation) to 31 December 2020 (Appendix 2); and
- The Statement of Cash Flows of the Company for the period 27 November 2020 (being the Company's date of incorporation) to 31 December 2020 (Appendix 3);

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

### Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information, being the pro forma Statement of Financial Position as at 31 December 2020 of the Company, is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 2 of this Report.

## 6. Subsequent Events

The pro forma statement of financial position has been prepared on the basis that the subsequent events detailed in Note 2 had occurred as at 31 December 2020.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transactions or events outside the ordinary business of Charger not described in Note 2, have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## 7. Assumptions Adopted in Compiling the Pro forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 1 to this Report. This has been prepared based on the Company's statement of financial position at 31 December 2020, the subsequent events set out in Note 2 and events relating to the issue of shares and other related events under the Prospectus detailed in Note 2.

## 8. Independence

Nexia Perth Corporate Finance Pty Ltd as well as Nexia Perth Audit Services Pty Ltd are members of Nexia International Ltd. Nexia Perth Corporate Finance Pty Ltd does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report for which professional fees will be received. Nexia Perth Audit Services Pty Ltd is the auditor of Charger Metals NL.

## 9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide general information only and does not take into account the objectives, financial situation or needs of any specific investors. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in the Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or need.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Nexia Perth Corporate Finance Pty Ltd has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. Nexia Perth Corporate Finance Pty Ltd has not authorised the issue of the Prospectus. Accordingly, Nexia Perth Corporate Finance Pty Ltd make no representation regarding, and take no responsibility for, and other documents or material, or omission from, the Prospectus.

Yours sincerely,  
**Nexia Perth Corporate Finance Pty Ltd**



**Muranda Janse Van Nieuwenhuizen**  
**Director**  
Perth  
11 May 2021

**Charger Metals NL**  
**Pro forma Statement of Financial Position**

	Reviewed Balance as at 31/12/2020	Subsequent Events	Note	Unaudited Pro Forma Adjustments	Unaudited Pro Forma after Public Offer
	\$	\$		\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1	338,344	<b>3</b>	5,216,494	5,554,839
GST receivable	4,105	2,236		-	6,341
	4,106	340,580		5,216,494	5,561,180
<b>NON-CURRENT ASSETS</b>					
Exploration and evaluation expenditure	56,350	(1,500)	<b>4</b>	2,759,299	2,814,149
	56,350	(1,500)		2,759,299	2,814,149
<b>CURRENT LIABILITIES</b>					
Trade and other payables	63,656	(53,560)		-	10,096
	63,656	(53,560)		-	10,096
<b>NET ASSETS</b>	<b>(3,200)</b>	<b>392,640</b>		<b>7,975,793</b>	<b>8,365,233</b>
<b>EQUITY</b>					
Contributed equity	1	412,500	<b>5</b>	7,817,407	8,229,908
Reserves	-	44,460	<b>6</b>	277,386	321,846
Accumulated losses	(3,201)	(64,320)	<b>7</b>	(119,000)	(186,521)
<b>TOTAL EQUITY</b>	<b>(3,200)</b>	<b>392,640</b>		<b>7,975,793</b>	<b>8,365,233</b>

The pro forma statement of financial position after the offer is as per the statement of financial position before the offer is adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this prospectus. The statement of financial position to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and prior period financial information set out in Appendices 2 & 3.



APPENDIX 2

**Charger Metals NL**  
**Statement of Profit and Loss and Other Comprehensive Income**

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the period ended 31 December 2020 \$
Revenue	-
	-
Audit fees	(2,000)
Computer expenses	(1,201)
Loss before tax	(3,201)
Income tax benefit / (expense)	-
<b>Net loss for the period</b>	<b>(3,201)</b>
<i>Other comprehensive income, net of income tax</i>	
Items that may be reclassified subsequently to profit or loss	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(3,201)</b>
<b>Total comprehensive income attributable to members of the entity</b>	<b>(3,201)</b>

The statement of profit or loss and other comprehensive income shows the historical financial performance of Charger Metals NL and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.



APPENDIX 3

**Charger Metals NL**  
**Statement of Cash Flows**

Statements of Cash Flows	Reviewed for the period ended 31 December 2020 \$
<i>Cash flows from operating activities</i>	
Payments to suppliers and employees	-
<b>Net cash used in operating activities</b>	-
<i>Cash flows from investing activities</i>	
Payments for Exploration Expenditure	-
<b>Net cash used in investing activities</b>	-
<i>Cash flows from financing activities</i>	
Proceeds from issue of shares, net of overpayments refunded	1
Transaction costs	-
<b>Net cash provided by financing activities</b>	1
<b>Net increase in cash held</b>	1
Cash and cash equivalents at the beginning of the period/year	-
<b>Cash and cash equivalents at the end of the period</b>	1

The statement of cash flows shows the historical cash flows of Charger Metals NL and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

**Charger Metals NL**  
**Notes to and forming part of the Historical and Pro Forma financial information****Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the Historical Financial Information are set out below.

These policies have been consistently applied to all the periods presented, unless otherwise stated.

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all periods presented.

**Statement of Compliance**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 as appropriate for profit oriented entities.

**Basis of Measurement**

The financial report has been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

**New, Revised or Amending Accounting Standards and Interpretations Adopted**

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. No significant impact is expected from the adoption of the new, revised or amended Accounting Standards.

**Going Concern**

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As at 31 December 2020 the Company had net liabilities of \$3,200 and cash on hand of \$1.

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ultimate exploitation of the assets will depend on raising necessary funding in the future. Should the Company be unable to raise additional funds, there is a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. On 7 January 2021 the Company issued 8,000,000 fully paid ordinary shares at an issue price of \$0.05 per share to raise \$400,000.

As at 31 December 2020 there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Company be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the Company not continue as a going concern.

**Rounding of Amounts**

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

## Charger Metals NL

### Notes to and forming part of the Historical and Pro Forma financial information (continued)

#### Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

##### Goods and Services Tax ("GST") and Other Similar Taxes

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

##### Key Estimates, Judgments and Assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are disclosed in the relevant notes.

##### Income Tax Expense

The charge for current income tax expense is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on either accounting profit or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

## Charger Metals NL

### Notes to and forming part of the Historical and Pro Forma financial information (continued)

#### Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Income Tax Expense (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

##### Key Estimates, Judgments and Assumptions

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

##### Change in Corporate Tax Rate

There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

##### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### Trade and Other Receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for expected credit losses is raised when some doubt as to collection exists.

##### Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for expected credit losses is recognised when there is objective evidence that an individual trade or term receivable is impaired.

There are no balances within trade and other receivables that contain assets that are past due. It is expected these balances will be received when due.

##### Exploration and Evaluation Expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

## Charger Metals NL

### Notes to and forming part of the Historical and Pro Forma financial information (continued)

#### Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Exploration and Evaluation Expenditure (continued)

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits.

Where applicable, such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

##### Key Estimates, Judgments and Assumptions

###### *Impairment of exploration and evaluation assets and investments in and loans to subsidiaries*

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation asset.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the planned operations and carrying values of assets and liabilities.

##### Carrying Value of Exploration and Evaluation Assets

The Company assessed the carrying value of its exploration expenditure for indicators of impairment and concluded that impairment testing of the project was not triggered.

##### **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for good and services received by the consolidated group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

##### **Financial Risk Management**

The Company's financial instruments consists mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

## Charger Metals NL

### Notes to and forming part of the Historical and Pro Forma financial information (continued)

#### Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Financial Risk Management (continued)

###### Financial Risk Management Policies

###### a) Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

###### b) Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are liquidity risk, credit risk and price risk.

###### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

###### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The Company's current investment policy is aimed at maximising the return on surplus cash, with the aim of outperforming the benchmark within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the Company is exposed to through investment activities.

###### Price risk

###### ▪ Commodity price risk

The Company is not directly exposed to commodity price risk. However, there is a risk that the changes in prevailing market conditions and commodity prices could affect the viability of the project.

###### ▪ Equity price risk

Equity price risk arises from equity securities held. Material investments are managed on an individual basis and all buy and sell decisions are approved by the board.

## Charger Metals NL

### Notes to and forming part of the Historical and Pro Forma financial information (continued)

#### Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Financial Risk Management (continued)

###### Interest rate risk exposure analysis

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company does not use derivatives to mitigate these exposures.

###### Fair Value

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

- a) Cash and short-term investments – the carrying amount approximates fair value because of their short term to maturity;
- b) Trade receivables and trade creditors – the carrying amount approximates fair value; and
- c) Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

##### Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

###### Key Estimates, Judgments and Assumptions

The Company measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.

##### Coronavirus ("COVID-19") Pandemic

Judgment has been exercised in considering the impacts that the Coronavirus ("COVID-19") pandemic has had, or may have on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes (if relevant), there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respects to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

## Charger Metals NL

### Notes to and forming part of the Historical and Pro Forma financial information (continued)

#### Note 2: Actual and Proposed Transactions to arrive at the Pro Forma Financial Information

The Pro Forma Historical Financial Information is based on the Historical Financial Information of Charger as at 31 December 2020, together with pro forma adjustments to reflect the operating and capital structure of the Company that will be in place following completion of the Offer as if it were in place on 31 December 2020.

Below is a summary of the key assumptions adopted in compiling the Pro Forma Historical Financial Information.

#### Events Subsequent to 31 December 2020 and prior to the date of this report:

- a) On 7 January 2021 the Company issued 8,000,000 new ordinary fully paid shares in the capital of the Company at an issue price of \$0.05 to raise a total of \$400,000. The shares were issued to sophisticated investors;
- b) On 8 February 2021, 250,000 Shares with a fair value of approximately \$12,500 were issued to Directors pursuant to their respective engagement contracts. The fair value has been reflected in the pro forma adjustments to the pro forma historical Statement of Profit or Loss and Other Comprehensive Income and historical Statement of Financial Position as an increase to Directors' fees (share based payments) and an increase to contributed equity; and
- c) On 8 February 2021, 3,400,000 Options exercisable at \$0.30, with an expiry date that is 3 years from the date on which Charger is admitted to ASX's Official List with a fair value of approximately \$44,460 were issued to Directors and consultants pursuant to their respective engagement contracts. The fair value calculated in accordance with the Black Scholes options pricing model has been reflected in the pro forma adjustments to the pro forma historical Statement of Profit or Loss and Other Comprehensive Income and historical Statement of Financial Position as an increase to Directors' fees (share based payments) and an increase to reserves.

#### Pro forma impact of the Offer:

- a) The Offer is for 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000. The Offer is reflected in the pro forma adjustments to the pro forma historical statement of financial position as an increase to cash and cash equivalents and an increase to issued capital;
- b) Cash costs of the Offer including payment of ASX fees, broker fees, legal fees, accounting fees, commissions and other IPO related costs are estimated to be approximately \$560,894. The costs directly attributable to the capital raising being \$441,894 are offset against contributed equity, with the remaining costs of the Offer expensed through accumulated losses;
- c) Payment of the consideration under the LIT Acquisition Agreement and the Mercator Acquisition Agreement is by way of the issue of 12,150,000 Shares at an issue price of \$0.20 (\$2,430,000), 1,000,000 Vendor Options valued using the Black Scholes option pricing model at \$0.107 per Vendor Option totalling \$106,687 and the payment of \$100,000 in cash. This is reflected in the pro forma adjustments to the pro forma historical statement of financial position as a decrease to cash and cash equivalents of \$100,000, an increase to exploration and evaluation assets of \$2,636,687, an increase in contributed equity of \$2,430,000 and increase in reserves of \$106,687;
- d) The proposed issue of 1,600,000 Lead Manager Options exercisable at \$0.30, with an expiry date that is 3 years from date on which Charger is admitted to ASX's Official List, to the Lead Manager (Lead Manager Options'). The Lead Manager Options have been valued at \$170,699 using the Black Scholes

## Charger Metals NL

### Notes to and forming part of the Historical and Pro Forma financial information (continued)

option pricing model. The issue of Lead Manager Options is reflected in the pro forma statement of financial position by an increase in reserves and costs of the Issue;

- e) Charger must also pay contingent consideration under the Mercator Acquisition Agreement, being either (at Charger's election) \$200,000 or 2,000,000 Shares if Charger, by 4 December 2025, delineates on the relevant tenements an inferred resource under the JORC Code of:
- o 10,000 tonnes of nickel equivalent; or
  - o 50,000 ounces of gold at no less than 3 grams/tonne.

See Section 13 of the Prospectus for further details; and

- f) Charger must also pay contingent consideration under the LIT Acquisition Agreement, being either (at Charger's election) \$200,000 or 2,000,000 Shares if Charger, by 4 December 2025, delineates on the relevant tenements an inferred resource under the JORC Code of:
- o 10,000 tonnes of contained nickel;
  - o 10,000,000 tonnes equal to or greater than 1.2% lithium oxide; or
  - o 100,000 ounces of gold equivalent.

See Section 13 of the Prospectus for further details.

The contingent consideration may not ultimately be payable due to early stage of exploration of each of the Mercator and LIT Projects. No value has been attributed to the deferred consideration as the Directors do not currently have reasonable grounds on which to assess the likelihood of these non-market vesting conditions being met.

Note 3: Cash and cash Equivalents	Reviewed 31 December 2020	Unaudited Pro forma after Public Offer
Cash and cash equivalents	\$ 1	\$ 5,554,839
Reviewed balance as at 31 December 2020		1
<i>Subsequent adjustments:</i>		
Issue of seed capital less expenditure		338,344
		338,344
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under the IPO		6,000,000
Management/corporate advisor/lead manager fees & other costs related to IPO		(560,894)
Reimbursement of exploration expenditure		(100,000)
Stamp duty on acquisitions		(122,612)
		5,216,494
Pro forma balance		5,554,839

**Charger Metals NL**  
**Notes to and forming part of the Historical financial information (continued)**

Note 4: Exploration and evaluation expenditure	Reviewed 31 December 2020	Unaudited Pro forma after Public Offer
	\$	\$
Exploration and evaluation expenditure	56,350	2,814,149
Reviewed balance as at 31 December 2020		56,350
<i>Subsequent adjustments:</i>		
Acquisition costs		(1,500)
		(1,500)
<i>Pro forma adjustments:</i>		
Acquisition of tenements from Lithium Australia		2,020,000
Acquisition of tenements from Mercator Metals		616,687
Stamp duty on acquisitions		122,612
		2,759,299
Pro forma balance		2,814,149

Note 5: Contributed equity	Reviewed 31 December 2020	Unaudited Pro forma after Public Offer
	\$	\$
Contributed Equity	1	8,229,908
Reviewed balance as at 31 December 2020		1
<i>Subsequent adjustments:</i>		
Issue of seed capital		400,000
Shares issued to Directors		12,500
		412,500
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under the IPO		6,000,000
Management/corporate advisor/lead manager fees and other costs related to IPO		(441,894)
Lead Manager options		(170,699)
Acquisition of tenements from Lithium Australia		1,920,000
Acquisition of tenements from Mercator Metals		510,000
		7,817,407
Pro forma balance		8,229,908

**Charger Metals NL**  
**Notes to and forming part of the Historical financial information (continued)**

Note 5: Contributed equity (continued)	Reviewed 31 December 2020 Number	Unaudited Pro forma after Public Offer Number
Contributed Equity	1	50,400,001
Reviewed balance as at 31 December 2020		1
<i>Subsequent adjustments:</i>		
Issue of seed capital		8,000,000
Shares issued to Directors		250,000
		8,250,000
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under the IPO		30,000,000
Acquisition of tenements from Lithium Australia		9,600,000
Acquisition of tenements from Mercator Metals		2,550,000
		42,150,000
Pro forma balance		50,400,001

Note 6: Reserves	Reviewed 31 December 2020 \$	Unaudited Pro forma after Public Offer \$
Reserves	-	321,846
Reviewed balance as at 31 December 2020		-
<i>Subsequent adjustments:</i>		
Options issued to directors & consultants		44,460
		44,460
<i>Pro forma adjustments:</i>		
Options issued to Lead Manager		170,699
Options issued to Mercator Metals		106,687
		277,386
Pro forma balance		321,846

**Charger Metals NL**

**Notes to and forming part of the Historical financial information (continued)**

Set out below are the key inputs and terms used in the valuation of the options:

	Options to directors and consultants	Options to Mercator Metals	Options to Lead Manager
Number of instruments	3,400,000	1,000,000	1,600,00
Underlying share price	\$0.05	\$0.20	\$0.20
Exercise price	\$0.30	\$0.30	\$0.30
Expected volatility	100%	100%	100%
Life of the options (years)	3 years	3 years	3 years
Expected dividends	Nil %	Nil %	Nil %
Risk free rate	0.10%	0.10%	0.10%
Value per instrument	\$0.013	\$0.107	\$0.107
Value per Tranche	\$ 44,460	\$106,687	\$170,699

Note 7: Accumulated losses	Reviewed 31 December 2020	Unaudited Pro forma after Public Offer
	\$	\$
Accumulated losses	(3,201)	(186,521)
Reviewed balance as at 31 December 2020		(3,201)
<i>Subsequent adjustments:</i>		
Shares issued to the directors		(12,500)
Options issued to the directors & consultants		(44,460)
Directors' fees		(7,360)
		(64,320)
<i>Pro forma adjustments:</i>		
Other costs related to IPO		(119,000)
		(119,000)
Pro forma balance		(186,521)

**Note 6: Related Party Disclosures**

Transactions with Related Parties and Director's Interests are disclosed in the Prospectus.

**Note 7: Commitments and Contingencies**

No material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

## FINANCIAL SERVICES GUIDE

Nexia Perth Corporate Finance Pty Ltd ("NPCF") ABN 84 009 342 661 ('we' or 'us' or 'our' as appropriate), Australian Financial Services Licence ("AFSL") Number 289358 has been engaged by Charger Metals NL to provide an Independent Limited Assurance Report ("ILAR" or "our Report") for the inclusion in the Prospectus.

### Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is signed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services license.

This FSG includes information about:

- NPCF and how they can be contacted;
- the services NPCF is authorised to provide;
- how NPCF are paid;
- any relevant associations or relationships of NPCF;
- how complaints are dealt with as well as information about internal and external dispute resolution systems, and how you can access them; and
- the compensation arrangements that NPCF has in place.

Where you have engaged NPCF we act on your behalf when providing financial services. Where you have not engaged NPCF, NPCF acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NPCF.

### Financial Services that NPCF is Authorised to Provide

NPCF holds an AFSL authorising it to carry on a financial services business to provide financial product advice for securities and deal in a financial product by arranging for another person to issue, apply for, acquire, vary or dispose of a financial product in respect of securities to retail and wholesale clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.

#### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

## **FINANCIAL SERVICES GUIDE (CONTINUED)**

### **NPCF's Responsibility to You**

NPCF has been engaged by the directors of Charger Metals NL ("Charger" or the "Client") to provide general financial product advice in the form of an independent Accountant's report to be included in the Prospectus.

NPCF is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

### **Fees NPCF May Receive**

NPCF charges fees for preparing Reports. These fees will usually be agreed with and paid by the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NPCF approximately \$5,000 (excluding GST and out of pocket expenses) for preparing the Report. NPCF and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

### **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Charger for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

### **Referrals**

NPCF does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

### **Associations and Relationships**

Through a variety of corporate and trust structures NPCF is controlled by and operates as part of the Nexia Perth Pty Ltd (or the "Nexia Perth Entity"). NPCF's directors and authorised representative may be directors in the Nexia Perth Entity. Mrs Muranda Janse Van Nieuwenhuizen, authorised representative of NPCF and director in the Nexia Perth Entity, has prepared this Report. The financial product advice in the Report is provided by NPCF and not by the Nexia Perth Entity.

From time-to-time NPCF, the Nexia Perth Entity and related entities ("Nexia Entities") may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years \$nil (excluding GST) in professional fees has been invoiced and/or received from the Client in relation to the provision of Independent Limited Assurance Reports.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

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## 12. SOLICITORS' REPORT ON TENEMENTS



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(08) 6151 4650  
admin@miningaccesslegal.net.au

26 May 2021

The Directors  
Charger Metals NL  
Unit 32, L22 Railway Road  
SUBIACO WA 6008

Dear Sirs

### Charger Metals NL Solicitor's Report on Mining Tenements

This report has been prepared for inclusion in the prospectus (**Prospectus**) to be issued by Charger Metals NL (**Company**) on or about 26 May 2021 for the initial public offer of 30 million fully paid ordinary shares in the Company at an Offer Price of \$0.20 per share (**Offer**).

#### INTRODUCTION AND SCOPE

1. We have been instructed by the Company to prepare this report (**Report**) in respect of the mining tenure in which the Company has an interest at the time of the Offer (**Tenements**).
2. The purpose of this Report is to determine and identify, as at the time of the Offer:
  - (a) the interests held by the Company in the Tenements;
  - (b) any third party interests, including encumbrances, in relation to the Tenements;
  - (c) any material issues existing in respect of the Tenements;
  - (d) the good standing, or otherwise, of the Tenements; and
  - (e) any concurrent interests in the land the subject of the Tenements, including other mining tenements, private land, pastoral leases, Native Title and Aboriginal heritage (**Concurrent Interests**).
3. This Report does not consider constraints such as additional approvals required for development, mining and processing ore which will be further assessed by the Company as part of its future development plans.
4. Details of the Tenements including Native Title and Heritage Sites, are listed in a schedule to this Report (**Schedule 1**). Schedule 1 forms part of this Report which must be read in conjunction with this Report.
5. Details of non-standard conditions that affect the Tenements are listed in a schedule to this Report (**Schedule 2**). Schedule 2 forms part of this Report which must be read in conjunction with this Report.
6. This Report is subject to the assumptions and qualifications set out at paragraph 270 of this Report.

**SEARCHES**

7. We have conducted the following searches of information available on public registers in respect of the Tenements applied for or granted in Western Australia (**WA Tenements**):
- (a) searches of the Tenements on the registers maintained by the Department of Mines, Industry Regulation and Safety (**DMIRS**) on 18 January 2021, 9 February 2021, 23 April 2021, 29 April 2021 and 26 May 2021 in respect of all Tenements (**Tenement Searches**);
  - (b) quick appraisal searches of DMIRS' electronic register on 18 January 2021, 8 February 2021 and 23 April 2021 (**Quick Appraisals**);
  - (c) searches of the registers maintained by the National Native Title Tribunal (**NNTT**) in respect of Native Title claims, determinations, compensation claims and registered Indigenous Land Use Agreements (**ILUA**) affecting the Tenements on 19 January 2021, 21 January 2021, 8 February 2021, 28 April 2021 and 30 April 2021 (**Native Title Searches**); and
  - (d) Aboriginal heritage site searches on the Register of Aboriginal Sites maintained by the Department of Planning, Lands and Heritage (**DPLH**) on 19 January 2021, 23 February 2021 and 23 April 2021 (**Heritage Searches**),
- (together the **WA Searches**).
8. For the purpose of this Report, we have conducted searches and made enquiries in respect of the Northern Territory Tenement (**NT Tenement**) as follows:
- (a) Minister's Certificates for the NT Tenement from the Northern Territory Department of Primary Industry and Resources (**Department**) pursuant to the *Mineral Titles Act 2010* (NT) (**Mineral Titles Act**) on 20 January 2021 and 28 April 2021;
  - (b) searches of underlying Aboriginal land rights claims through the online STRIKE system maintained by the Department on 20 January 2021, 21 January 2021 and 28 April 2021 (Aboriginal land rights only);
  - (c) searches through NT strike on 24 February 2021 and 28 April 2021 of underlying petroleum reserves;
  - (d) land property searches through the NT Atlas and Spatial Data Directory located on the Integrated Land Information System and maintained by the Department of Infrastructure, Planning and Logistics on 1 February 2021 and 28 April 2021;
  - (e) searches of the registers maintained by the National Native Title Tribunal (**NNTT**) in respect of Native Title claims, determinations and registered ILUA affecting the NT Tenement on 19 January 2021 and 27 April 2021 (**Native Title Searches**); and
  - (f) searches from the Register of Sacred Sites maintained by the Aboriginal Areas Protection Authority (**AAPA**) under the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) (**Sacred Sites Act**) on 2 February 2021.
- (together the **NT Searches**).



## EXECUTIVE SUMMARY

9. Material information in relation to each of the Tenements is summarised in Schedule 1 to this Report.
10. By way of summary:
  - (a) except for EL30897 (**NT Tenement**), all of the Tenements have been granted or applied for under the *Mining Act 1978* (WA) (**Mining Act**);
  - (b) the NT Tenement was granted under the *Mineral Titles Act 2010* (NT) (**Mineral Titles Act**);
  - (c) the WA Searches and the NT Searches (together the **Tenement Searches**) indicate that:
    - (i) prospecting licences 70/1752 and 70/1753 (**LIT Joint Venture Tenements**) are held by Lithium Australia Limited (**LIT**) as to 30% and the Company as to 70%;
    - (ii) E63/1722 and E63/1723 are held by Lefroy Exploration Limited (**Lefroy**);
    - (iii) R70/59 is held by Mercator Metals Pty Ltd (**Mercator**); and
    - (iv) all other Tenements are held or applied for by LIT;
  - (d) the Company has an interest in the Tenements subject to the following agreements:
    - (i) except for Retention Licence 70/59 (**R70/59**) and the LIT Joint Venture Tenement all of the Tenements are subject to the Option Agreement between the Company and LIT dated 4 December 2020 (**LIT Option Agreement**);
    - (ii) R70/59 is subject to the Option Agreement between the Company and Mercator dated 4 December 2020 (**Mercator Option Agreement**); and
    - (iii) the LIT Joint Venture Tenements are subject to a letter agreement between LIT and the Company dated 5 May 2021 (**Letter Agreement**);
  - (e) E63/1805 has an application for exemption from annual minimum expenditure requirement pending. We are not aware of any reason as to why the pending exemption application will not be granted;
  - (f) based on the information in the Tenement Searches, E63/1866, E63/1722 and E70/5198 have operation reports setting out a summary of the mineral exploration and/or mining activities due (**Form 5**) with E63/1866 and E63/1722 due before 31 May 2021, and E70/5198 due before 25 June 2021. We are not aware of any reason as to why the Forms 5 will not be filed on or before the relevant due date;
  - (g) based on the information in the Tenement Searches, E63/1722 was due to expire on 31 March 2021. However, on 29 March 2021, an extension of term (for a period of 5 years) was lodged. We are not aware of any reason as to why the extension of term would not be granted;
  - (h) other than as noted above, the Tenements are in good standing;



- (i) upon the basis of the WA Searches, the WA Tenements are subject to registered caveats in favour of the Company under the LIT Option Agreement, the Mercator Option Agreement, the Lefroy Agreements and the Okapi Farm-in Agreement (**Company Caveats**);
- (j) upon the basis of the WA Searches, R70/59 is subject to Caveat 486273 (**Absolute Caveat**) in favour of Yankuang Resources Pty Ltd and Caveat 595547 (**Consent Caveat**) in favour of the Company;
- (k) upon the basis of the NT Searches, the NT Tenement is subject to a registered caveat in favour of the Company under the LIT Option Agreement;
- (l) a number of the WA Tenements are subject to an area that may restrict the conduct of bauxite mining operations as set out in Part C of this Report;
- (m) a number of the Tenements are subject to the Concurrent Interests as set out in Part C of this Report which may restrict access to the relevant Tenements;
- (n) a number of the WA Tenements overlap areas of registered Aboriginal heritage sites as set out in Part E of this Report; and
- (o) upon the basis of the NT Searches, an Authority Certificate has been granted in respect of the NT Tenement that restricts the activities that may be conducted on the NT Tenement. This indicates that the NT Tenement area may include areas of cultural significance which may restrict future exploration activities on the NT Tenement.

## PART A - MATERIAL AGREEMENTS AND ARRANGEMENTS

### LIT Option Agreement

11. On or about 16 April 2021, the Company and LIT entered into a Deed of Variation and Restatement (which varied and replaced a letter agreement- acquisition and joint venture - option agreement dated on or about 4 December 2020) (**LIT Option Agreement**). Under the LIT Option Agreement, LIT granted the Company an option to acquire a:
- (a) 70% interest in the following tenements:
    - (i) E70/5198;
    - (ii) E70/5437;
    - (iii) E63/1805;
    - (iv) E63/1806;
    - (v) E63/1809;
    - (vi) E63/1866; and
    - (vii) EL30897.
  - (b) 100% interest in E63/1903; and



- (c) 70% interest in the contractual lithium rights (**Contractual Lithium Rights**) in the following tenements:
  - (i) E63/1722;
  - (ii) E63/1723; and
  - (iii) E63/1777,

collectively the **Sale Interest**.

- 12. The Company must exercise the option to acquire the Sale Interest on or before 4 September 2021. If the Company exercises the option, completion of the acquisition of the Sale Interest is subject to:
  - (a) the Company advising LIT that it has completed its due diligence investigations on the relevant Tenements to the satisfaction of the Company;
  - (b) the Company having received listing approval from the ASX for its shares to be admitted to the official list of the ASX, subject only to completion of the acquisition of the relevant Tenements and such other conditions as are acceptable to the Company; and
  - (c) the consent of the Minister under the Mining Act.
- 13. E63/1903 is subject to the agreement with Okapi Resources Limited (**Okapi**) set out in paragraph 18 below.
- 14. Upon completion of the acquisition of the Sale Interest, a joint venture is formed between LIT and the Company in respect of the relevant Tenements (excluding E63/1903 of which the Company will be the sole holder).
- 15. The Contractual Lithium Rights (in respect of E63/1722, E63/1723 and E63/1777) are subject to the Lefroy Tenement Sale Agreement and the Lefroy Rights Acquisition Agreement between Lefroy Exploration Limited (**Lefroy**) and LIT, set out in paragraphs 25 to 30 below.
- 16. Under the terms of the LIT Option Agreement, the Company is entitled to lodge caveats against the relevant Tenements. The Company lodged caveats against the relevant granted Tenements on 9 February 2021, 30 April 2021 and 4 May 2021.
- 17. The terms of the LIT Option Agreement are further summarised in section 13.2 of the Prospectus.

#### **Okapi Farm-in Agreement**

- 18. Pursuant to a farm-in agreement between Okapi and LIT dated 4 December 2020 (**Okapi Farm-in Agreement**), LIT granted Okapi the exclusive right to earn an undivided 75% interest in E63/1903, other than the rights to all lithium and associated minerals that occur within LCT Pegmatites (**Lithium Rights**) (the **Farm-in Interest**).
- 19. The Farm-In interest is conditional upon Okapi's exploration expenditure of not less than \$800,000 (inclusive of the \$100,000 minimum expenditure) on E63/1903 within 4 years of the execution date.
- 20. If Okapi earns the Farm-in Interest then:
  - (a) LIT will, subject to the parties executing a formal joint venture agreement, promptly undertake all actions to transfer to Okapi a 75% interest in E63/1903; and



- (b) Okapi must free carry LIT and sole fund all expenditure on E63/1903 until DMIRS accepts a mine plan which is in compliance with the Mining Act.
21. During the farm-in period, Okapi is obligated to:
    - (a) undertake exploration expenditure on E63/1903 of not less than \$100,000 within 2 years of the execution of the Okapi Farm-in Agreement;
    - (b) allow LIT to hold the Lithium Rights on E63/1903 peaceably and without interruption; and
    - (c) notify LIT if, during the course of its activities on E63/1903, it discovers any lithium minerals, lithium bearing material, or geochemically anomalous concentrations of lithium materials.
  22. Under the terms of the Okapi Farm-in Agreement, both parties are entitled to lodge caveats against E63/1903 to protect their respective interests. The Company lodged a caveat against E63/1903 on 9 February 2021.
  23. Under a deed of assignment dated 4 December 2020 between Okapi, LIT and the Company, the parties agreed that if completion under the LIT Option Agreement occurs, then:
    - (a) Okapi consents to the transfer of E63/1903 to the Company;
    - (b) Okapi waives any and all pre-emptive rights in respect of the transfer of E63/1903 under the terms of the LIT Option Agreement; and
    - (c) the Company assumes all of the obligations in respect of the transactions contemplated in the LIT Option Agreement under the Okapi Farm-in Agreement on and from completion of the acquisition of E63/1903.
  24. The terms of the Okapi Farm-in Agreement are further summarised in section 13.3 of the Prospectus.

#### Lefroy Agreements

25. Pursuant to a rights acquisition agreement between Lefroy and LIT dated 17 August 2016 (**Lefroy Rights Acquisition Agreement**):
  - (a) Lefroy granted LIT the right to explore for and exploit lithium and other mineralisation associated with pegmatites on E63/1722 and E63/1723 (**Lithium Rights**); and
  - (b) LIT granted Lefroy the right to explore for and exploit gold and nickel and other precious and base metals not associated with pegmatite on E63/1777 (**Gold and Nickel Rights**).
26. Subsequently, on 10 March 2021 LIT and Lefroy entered into a tenement sale agreement in respect of E63/1777 (**Lefroy Tenement Sale Agreement**). Pursuant to the Lefroy Tenement Sale Agreement, LIT sold E63/1777 to Lefroy excluding the lithium rights in respect of E63/1777 (with those rights being on the same terms as those set out in the Lefroy Rights Acquisition Agreement).
27. Under the Lefroy Rights Acquisition Agreement, a party may not assign, lease, transfer, mortgage, pledge, part with possession of any interest, novate, dealt or in any manner encumber, dispose of or alienate any of its interest without the prior written consent of the other party.
28. Under the LIT Option Agreement, the acquisition of the Contractual Lithium Rights is subject to Lefroy executing a deed of assignment.



29. Under the terms of the Lefroy Rights Acquisition Agreement, the parties are entitled to lodge caveats against E63/1722, E63/1723 and E63/1777 to protect their respective interests. The Company lodged caveats against E63/1722 and E63/1723 on 30 April 2021, and E63/1777 on 04 May 2021.
30. The terms of the Lefroy Rights Acquisition Agreement and the Lefroy Tenement Sale Agreement are further summarised in section 13.4 of the Prospectus.

#### **Mercator Option Agreement**

31. On or about 4 December 2020, the Company and Mercator entered into an option agreement (**Mercator Option Agreement**). Under the Mercator Option Agreement, Mercator granted the Company an option to acquire an 85% interest in R70/59 (excluding rights relating to bauxite which are owned by Bauxite Resources Limited) (**RL Sale Interest**). Further information regarding the bauxite rights is set out below.
32. The Company must exercise the option on or before 4 June 2021. If the Company exercises the option, completion of the acquisition of the RL Sale Interest is subject to:
  - (a) the Company advising Mercator that it has completed its due diligence investigations on the relevant Tenements to the satisfaction of the Company; and
  - (b) the Company having received listing approval from the ASX for its shares to be admitted to the official list of ASX subject only to completion of the acquisition of the relevant Tenements and such other conditions as are acceptable to the Company.
33. Upon completion of the acquisition of the RL Sale Interest, a joint venture is formed between Mercator and the Company in respect of R70/59.
34. Under the terms of the Mercator Option Agreement, the Company is entitled to lodge a caveat against R70/59. The Company lodged a caveat against R70/59 on 9 February 2021.
35. The terms of the Mercator Option Agreement are summarised in section 13.5 of the Prospectus.

#### **Bauxite Rights Agreement**

36. R70/59 is subject to an agreement dated 10 February 2011 between Bauxite Resources Limited (**Bauxite**) and Mercator (**Bauxite Rights Agreement**).
37. On 20 April 2016, Bauxite assigned its rights under the Bauxite Rights Agreement to Yankuang Resources Pty Ltd (**Yankuang**).
38. Under the Bauxite Rights Agreement, Yankuang has the exclusive rights to explore for and mine bauxite. Yankuang registered Caveat 486273 (Absolute Caveat) against R70/59 on 4 October 2019.
39. If the Company acquires the RL Sale Interest under the Mercator Option Agreement, the Company will assume the obligations of Mercator pursuant to the Bauxite Rights Agreement.
40. On 23 April 2021, Mercator, the Company, Mr Adrian Griffin and Yankuang entered into a deed of assignment under which, subject to completion occurring under the Mercator Option Agreement:
  - (a) Mercator assigns:
    - (i) to the Company, the RL Sale Interest; and
    - (ii) to Mr Adrian Griffin, the remainder of its interest under the Bauxite Rights Agreement;



- (b) Yankuang consents to the assignments referred to in paragraph (a).
- 41. Under a deed of variation and assignment dated 13 May 2021 between Mercator, Mr Adrian Griffin and the Company, the Company consents to the transfer to Mr Adrian Griffin of Mercator's interest under the Bauxite Rights Agreement contemporaneously with completion under the Mercator Option Agreement.
- 42. The terms of the Bauxite Rights Agreement are summarised in section 13.6 of the Prospectus.

**Letter Agreement**

- 43. Under the terms of the Letter Agreement, LIT and the Company have agreed that on and from completion of the acquisition of the Sale Interest under the LIT Option Agreement, the LIT Joint Venture Tenements will be held on joint venture on the terms and conditions set out in the LIT Option Agreement.
- 44. LIT and the Company has agreed that if the joint venture under the LIT Option Agreement is terminated in accordance with the terms of the LIT Option Agreement, the Company can transfer its interest in the LIT Joint Venture Tenements to LIT for no consideration.
- 45. The terms of the Letter Agreement are summarised in section 13.2 of the Prospectus.

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**PART B – WA TENEMENTS****Ownership of WA Tenements**

- 46. As noted above, the WA Searches indicate that:
  - (c) the LIT Joint Venture Tenements are held jointly by LIT and the Company;
  - (d) R70/59 is held by Mercator;
  - (e) E63/1722 and E63/1723 are held by Lefroy; and
  - (f) all other WA Tenements are held or applied for by LIT.
- 47. Details of the WA Tenements are set out in Part A of Schedule 1.

**Prospecting licences**

- 48. The WA Searches indicate that, as at the date of this Report, the Company (70/100) and LIT (30/100) are the registered holders of P70/1752 and P70/1753 (together, the **Prospecting Licences**).
- 49. A prospecting licence granted under the Mining Act empowers the holder to:
  - (a) enter onto the land the subject of the prospecting licence with employees and/or contractors (together with required vehicles, machinery and equipment);
  - (b) prospect for minerals by way of digging pits, trenches, holes and tunnels;
  - (c) excavate, extract or remove mineral bearing substances of up to 500 tonnes throughout the term of the licence. The extraction limit may be increased by consent of the relevant Minister; and



- (d) take water from that land via sinking a well or bore or otherwise diverting water from an existing water course.
- 50. A prospecting licence remains in force for an initial term of four years from the date of grant.
- 51. The relevant Minister may, upon the basis that certain prescribed criteria for extension exist, extend the term of the relevant licence by one period of four years and, in the event that retention status is granted, by a further period of four years.
- 52. The prescribed grounds for extension include:
  - (a) difficulties or delays resulting from legal, environmental, governmental or other administrative processes, Aboriginal heritage surveys, obtaining approvals for prospecting or marking out a lease or adverse weather conditions;
  - (b) the land being, as determined by the relevant Minister, in an unworkable state for the whole or considerable part of the term; and
  - (c) that the work carried out on the land justifies additional exploration.
- 53. In granting retention status, the Minister may impose a programme of works or require the holder of the relevant licence to apply for a mining lease.
- 54. The holder of a prospecting licence must:
  - (a) comply with standard and environmental conditions imposed by the Minister. The continued good standing of a prospecting licence is subject to mineral prospecting being undertaken and economic mineral discoveries being reported promptly to the Minister;
  - (b) pay the annual rent; and
  - (c) unless exemptions are obtained, the holder must expend or cause to expend a minimum amount of \$2,000 per annum in connection with prospecting on the prospecting licence.
- 55. In the event that a prospecting licence has retention status, the expenditure conditions are reduced pro rata during the year in which retention status is approved and no expenditure is required during any subsequent year.
- 56. If these obligations are not met, the prospecting licence may be forfeited or a penalty may be imposed.
- 57. There is no obligation on the holder of a prospecting licence to relinquish any portion of the prospecting licence.
- 58. Prospecting licences are also subject to various other conditions imposed at grant or at any time after grant. Those conditions include the standard conditions for the protection of the environment and certain third party interests in land.
- 59. There is no restriction on the transfer or other dealings in respect of a granted prospecting licence. However, applications for prospecting licences cannot be transferred.
- 60. The holder of a prospecting licence has, subject to the Mining Act, the right to apply for, and is afforded priority to have granted, a mining lease or general purpose lease over the land the subject of the prospecting licence prior to the expiration of the prospecting licence.

**Exploration licences**

61. The WA Searches indicate that, as at the date of this Report:
  - (a) LIT is the registered holder of E63/1777, E63/1805, E63/1806, E63/1809, E63/1866, E63/1903 and E70/5198; and
  - (b) Lefroy is the registered holder of E63/1722 and E63/1723,  
  
(together, the **Exploration Licences**).
62. The WA Searches also indicate that, as at the date of this Report LIT is the sole applicant for exploration licence E70/5437 (**Exploration Licence Application**).
63. An exploration licence granted under the Mining Act empowers the holder to:
  - (a) enter onto the land the subject of the exploration licence;
  - (b) explore that land;
  - (c) remove mineral bearing substances from the land to a prescribed limit; and
  - (d) take and divert water from that land.
64. An exploration licence remains in force for an initial term of five years from the date of grant. The relevant Minister may, upon the basis that certain prescribed criteria for extension exists, extend the term of the relevant licence by one period of five years and by a further period or periods of two years.
65. E63/1722 was due to expire on 31 March 2021. However, on 29 March 2021, an extension of term (for a period of 5 years) was lodged.
66. The prescribed grounds for extension include:
  - (a) difficulties or delays resulting from legal, governmental or other administrative processes, Aboriginal land surveys or obtaining consents or approvals to access land;
  - (b) the land being in an unworkable state for the whole or considerable part of the term; and
  - (c) that the work carried out on the land justifies additional exploration.
67. We are not aware of any reason as to why the extension of term applied for in respect of E63/1722 would not be granted. If the extension of term is refused, E63/1722 will expire and the Company will cease to have any interest in E63/1722.
68. The holder of an exploration licence must:
  - (a) pay the annual rent;
  - (b) unless exemptions are obtained, expend a minimum amount in connection with exploration on the exploration licence in excess of the prescribed annual expenditure commitment; and
  - (c) if the exploration licence is granted in respect of more than 10 sub-blocks, surrender 40% of the number of blocks granted within six years after the date of grant.



69. If these obligations are not met, the exploration licence may be forfeited or a penalty may be imposed.
70. Exploration licences are also subject to various other conditions imposed at grant or at any time after grant. Those conditions include the standard conditions for the protection of the environment and certain third party interests in land.
71. Schedule 1 details the rent and minimum expenditure commitments for each of the Tenements.
72. E63/1805 has an application for exemption from annual minimum expenditure requirement pending.
73. If an exemption application is refused then it is open to the Warden or Minister (as applicable) to impose a fine or make an order for forfeiture.
74. A third party can object to an application for exemption from expenditure. None of the WA Tenements are currently the subject of a third party objection to an application for exemption from expenditure.
75. Further, a third party can apply for an application for forfeiture of a mining tenement for failure to comply with the annual minimum expenditure obligations. None of the WA Tenements are currently the subject of any such third party application.
76. We are not aware of any reason as to why the pending exemption from expenditure application for E63/1805 will not be granted.
77. E63/1866 and E63/1722 have Forms 5 due before 31 May 2021, and E70/5198 has a Form 5 due before 25 June 2021.
78. If a tenement holder fails to comply with the terms and conditions of a tenement (including the failure to lodge Forms 5 by the relevant due date), the Warden or the relevant Minister (as applicable) may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative proceedings under the Mining Act before the Warden seeks forfeiture of the tenement.
79. We are not aware of any reason as to why the Forms 5 will not be filed on or before the relevant due date.
80. Once an exploration licence has been granted, it cannot be transferred during the first year of its term without the tenement holder obtaining the consent of the relevant Minister.
81. The holder of an exploration licence has, subject to the Mining Act, the right to apply for and to have granted a mining or general purpose lease over the land the subject of the exploration licence.

**Retention Licence**

82. As at the date of this Report, Mercator is the holder of R70/59.
83. A retention licence granted under the Mining Act empowers the holder to:
  - (a) to enter the land subject of the licence;
  - (b) to further explore for minerals on that land;
  - (c) to remove mineral bearing substances from that land to a prescribed limit; and



- (d) to take and divert water from that land.
- 84. Retention licences are granted by the Minister for a term not exceeding 5 years. Subsequently, the Minister may renew the term of the retention licence for successive periods of not more than 5 years.
- 85. The holder of a Retention Licence has the right to apply for, and have granted, one or more mining leases or general purpose leases in respect of the land the subject of the licence. The right to the grant of a mining lease is subject to the Mining Act, which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.
- 86. Whether the holder of a retention licence applies for a mining lease or general purpose lease over that land, the retention licence continues in force until the application for a lease has been determined.
- 87. The holder of a retention licence is obliged:
  - (a) to pay the annual rent; and
  - (b) unless exempt, to expend a minimum amount in connection with mining on the retention licence in excess of the prescribed annual expenditure commitment.
- 88. Failure to comply with these obligations may result in forfeiture of the retention licence or the imposition of a penalty.
- 89. The annual rent for the retention licence comprising part of the assets is set out in Schedule 1.
- 90. The WA Tenement Searches indicate that the annual rent for R70/59 has been paid in full for the current year. No minimum expenditure commitment applies.
- 91. Retention licences are subject to various other conditions, including standard conditions for the protection of the environment and certain third party interests in land. On the basis of the WA Tenement Searches, we are not aware of any unusual or onerous conditions, nor any material non-compliance with the conditions of, the retention licence.

**Tenement conditions and forfeiture**

- 92. Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the Mining Act and the Regulations including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions. Further, conditions may be imposed by the relevant Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).
- 93. The WA Tenements are subject to standard conditions. In addition to those standard conditions, the Tenements are subject to:
  - (a) certain conditions relating to the concurrence of a WA Tenement with Crown land which may limit the ability to access, explore and exploit certain areas of the Tenements; and
  - (b) certain approvals (including mining proposals and notices of intent) approved under the terms of the Mining Act. Those key approvals (as set out in Schedule 3) are conditions of the relevant WA Tenement.



94. It is also a condition of all prospecting licences, exploration licences and mining leases that the relevant Form 5 is lodged within 60 days after the anniversary of the commencement of term of that tenement.
95. At the date of this Report, E63/1866 and E63/1722 have Forms 5 due no later than 31 May 2021, and E70/5198 has an outstanding Form 5 which is due no later than 25 June 2021. We are not aware of any reason as to why the Forms 5 will not be filed on or before the respective due dates.
96. Other than as outlined above, the WA Searches that we have carried out in relation to the Tenements do not reveal any current outstanding failures to comply with the conditions in respect of each of the Tenements.

#### PART C – CONCURRENT INTERESTS – WA TENEMENTS

##### Private land

97. The following WA Tenements encroach upon private land. To the extent that the consent of each private landowner and occupier is required and has not been obtained, each relevant WA Tenement may only be granted in respect of land below a depth of 30 metres underneath that private land:

Private Land	Tenement
Freehold Land Act 1933 (WA) – Regional Western Australia-(Landgate)	E70/5198; 199.64 HA; 6.99% (9 land parcels affected)
	E70/5437; 22.67 HA; 7.77% (1 land parcel affected)
Freehold Transfer Land Act 1893 (WA) – Regional Western Australia (Landgate)	E70/5198; 1856.82 HA; 65.05% (151 land parcels affected)
	E70/5437; 186 HA; 63.76% (7 land parcels affected)
	P70/1752; 23.39 HA; 100% (2 land parcels affected)
	P70/1753; 19.59 HA; 100% (1 land parcel affected)
	R70/59; 1680.50 HA; 99.1% (14 land parcels affected)

98. Under section 29 of the Mining Act, the written consent of the owner and occupier of private land must be obtained before a mining tenement in respect of the natural surfaces and to within a depth of 30 metres is granted over the following categories of private land:
  - (a) in bona fide and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation;
  - (b) under cultivation (as defined in broad terms under the Mining Act);
  - (c) the site of a cemetery, burial ground or reservoir;
  - (d) land on which there is erected a substantial improvement (as determined by the Warden);
  - (e) within 100 metres of any private land referred to above; or
  - (f) a separate parcel of land having an area of 2,000 square metres or less.



99. We have not conducted the necessary searches and investigations to confirm whether the freehold parcels of land affecting the WA Tenements noted above fall within these categories of private land.
100. It is not necessary to obtain the consent of the owner and occupier if the mining tenement is granted only in respect of that part of the private land which is not less than 30 metres below the lowest part of the natural surface. This is commonly referred to as the grant of "subsurface rights". After the grant of a sub-surface rights tenement, if the holder of the tenement subsequently obtains the consent of the private landowner and occupiers, the tenement holder may apply to the Minister for the mining tenement to be amended to include the surface areas.
101. The WA Searches do not indicate that the written consent of the owner and occupier of private land affecting the WA Tenements noted above have been obtained and accordingly, the Company may not have rights to the top 30 metres of the relevant encroachment if the freehold land falls within the relevant categories of private land.

**Alumina Refinery Agreement Act 1961**

102. The following WA Tenements encroach upon a file notation area:

Description	Tenement
FNA2874; File notation area clause 9(20)(c) Alumina Refinery Agreement Act Bauxite	E70/5198; 2711.01 HA; 94.97%
	E70/5437; 291.69 HA; 100%
	P70/1752; 23.39 HA; 100%
	P70/1753; 19.59 HA; 100%
	R70/59; 1695.70 HA; 100%

103. In accordance with section 9(20)(c) of the *Alumina Refinery Agreement Act 1961* (WA) (**Alumina Act**) the holder of a mining lease which was granted in respect of any land surrendered by Western Aluminium NL (**Proponent**) to the State of Western Australia, is not authorised to mine or remove bauxite from the land the subject of the mining lease, unless the Proponent has provided consent.
104. We have not conducted the investigations to determine whether the areas of the WA Tenements set out in paragraph 102 were surrendered by the Proponent. If those areas were once the subject of land surrendered by the Proponent, the Company will not have any rights to mine bauxite from that area unless it obtains the consent of the Proponent.

**Co-existence Concurrent Interests**

105. Mining tenements under the Mining Act are exclusive only for the purposes for which they are granted, and are capable of co-existing with:
  - (a) in the case of miscellaneous licences, other mining tenements; and
  - (b) pastoral leases, Crown reserves, Crown land, public infrastructure and rights granted under other State and Federal legislation.



*Crown land*

106. The land the subject of the following WA Tenements overlaps Crown land:

Description	Tenement	Area Affected
Unallocated Crown land	E63/1722	15090.68 HA; 99.78% (2 Land parcels affected)
	E63/1723	4625.23 HA; 99.81% (2 Land parcels affected)
	E63/1777	872.36 HA; 100% (1 Land parcel affected)
	E63/1805	2910.82 HA; 100% (1 Land parcel affected)
	E63/1806	290.66 HA; 100% (1 Land parcel affected)
	E63/1809	15357.1 HA; 100% (1 Land parcel affected)
	E63/1866	8707.14 HA; 100% (1 Land parcel affected)
	E63/1903	4652.79 HA; 100% (1 Land parcel affected)
	E70/5198	28.71 HA; 1.01% (2 Land parcels affected)
Proposed Nature Reserves	E63/1722	PNR82; 5520.67 HA; 38.5% PNR83; 628 HA; 4.15%
	E63/1723	PNR82; 2198.05 HA; 47.23%
	E63/1777	PNR82 872.36 HA; 100%
	E63/1806	PNR82; 290.66 HA; 100%
	E63/1809	PNR84; 6436.7 HA; 41.9%
"C" Class Reserves"	E70/5198	R14275; Conservation of Flora and Fauna; 654.72 HA; 22.94% R25225; Recreation Golf Links; 34.17 HA; 1.2% R41937; Rubbish Disposal Site; 4.85 HA; 0.17% R48721; Conservation; 21.16 HA; 0.74%
	E70/5437	R14275; Conservation of Flora and Fauna; 71.81 HA; 24.62%

107. The Mining Act:

- (a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:
  - (i) for the time being under crop (or within 100 metres of that crop);



- (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;
  - (iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;
  - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or
  - (v) if the Crown land is a pastoral lease, the site of, or situated within, 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,
- without the written consent of the occupier, unless the Warden by order otherwise directs;
- (b) imposes restrictions on a tenement holder passing over Crown land referred to in this paragraph 107, including:
    - (i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;
    - (ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by this paragraph 107 to carry out prospecting, exploration or mining activities;
    - (iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and
    - (iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage; and
  - (c) requires a tenement holder to compensate the occupier of Crown land:
    - (i) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in this paragraph 107 or otherwise compensate the occupier for any such damage not made good; and
    - (ii) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in this paragraph 107.

108. The Warden may give the order referred to above that dispenses with the requirement for the occupier's consent in respect of Crown land. In respect of other areas of Crown land covered by the prohibition in paragraph 107(a), the Warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the Warden under the Mining Act.

#### *Class C Reserves*

109. As noted above, there are a number of Class C Reserves that encroach upon the WA Tenements.
110. As a result of the encroachment of the Class C Reserves, the following conditions have been imposed on the relevant WA Tenements:



Tenement	Conditions
E70/5198	The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Recreation Golf Links Reserve 25225, Rubbish Disposal Site 41937, conservation of Flora and Fauna Reserve 14275 and Conservation Reserve 48721.

111. E70/5437 is pending and is likely to have similar conditions imposed upon grant in respect of any encroachment with a C Class Reserve.
112. Under the *Land Administration Act 1997 (WA) (LAA)*, Crown land may be set aside by Ministerial order in the public interest. Every such reservation has its description and designated purpose registered on a Crown land title.
113. Once a Crown reserve is created, it is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order.
114. The Mining Act:
  - (a) prohibits mining (which by definition includes prospecting and exploration) on reserved land without the written consent of the Minister for Mines; and
  - (b) requires that before the Minister for Mines may give written consent to mining on reserved land, they must consult with, and obtain the consent of the responsible Minister and the local government, public body or trustees or other persons in which the control and management of such land is vested.
115. In practice, the Company will be required to consult with the vesting authority before consent will be granted.
116. The WA Searches do not indicate that consent has been obtained to conduct activities on the areas of the Class C Reserves.

*Proposed Nature Reserve*

117. As noted above, there are proposed nature reserves wholly over E63/1806 and E63/1777, and partially over E63/1722, E63/1723 and E63/1809.
118. If the area is declared a nature reserve, depending on the vesting of the land, mining (including prospecting and exploration activities) may be limited or prohibited within that area as noted above.

*South West Native Title Settlement Reserve with power to lease*

119. The WA Searches indicate that E70/5198 overlaps the following South West Native Title Settlement Reserves with power to lease (**Settlement Reserves**):

Reserve ID	Encroached area	Encroached percentage
SWS0001062007	4.64HA	0.16%
SWS0001298111	24.076HA	0.84%



120. The South West Settlement (**Settlement**) is a settlement agreement by the State of Western Australia with Native Title claimants in the South West region for the surrender of Native Title across that region in exchange for a package of benefits. The Settlement is effected via a series of registered ILUAs with Native Title claimants in the region (**Noongar People**), including the Whadjuk People. The Whadjuk People ILUA (see below at paragraph 192 applies to the whole of E70/5198 and implements the Settlement in the area of E70/5198.
121. Among other things, the Settlement provides for the creation of a Noongar Land Estate, involving the grant of various land interests to the Noongar People. Among other interests, agreed Crown reserves (**Settlement Reserves**) are vested in a Noongar People management body and management orders are implemented for those Settlement Reserves under Part IV of the LAA. The Settlement grants power to the Noongar People management body to lease or licence Settlement Reserves pursuant to the terms of the Settlement and the LAA.
122. Under section 24(5A) of the Mining Act, the consent of the Minister for Mines is required to conduct mining on certain land reserved under Part IV of the LAA, including Settlement Reserves. Before providing consent, the Minister must consult with, and obtain the recommendation of, the Minister for Lands and the relevant management body.
123. If the Noongar People management body grants a lease in respect of a Settlement Reserve, the area of the lease may become "private land" within the meaning of the Mining Act, and the obligations and restrictions outlined above at paragraph 122 may apply to that land.
124. We have not conducted any searches or investigations to determine whether any leases have been granted in respect of SWS0001062007 or SWS0001298111 and whether the parts of E70/5198 that overlap those Settlement Reserves comprise "private land" for the purposes of the Mining Act.

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**PART D – NT TENEMENT****Exploration licence**

125. The NT Searches indicate that, as at the date of this Report, LIT is the registered holder of EL30897, a mineral exploration licence (**NT Tenement**).
126. The two main laws relating to mining minerals and extractive materials in the Northern Territory are:
- (a) The *Mineral Titles Act 2010* (NT) (**Mineral Titles Act**) and the *Mineral Titles Regulations 2011* (NT) (**Regulations**); and
  - (b) The *Mining Management Act 2001* (NT) (**MMA**) which controls how a mine is managed once an exploration or mining approval has been granted.
127. An exploration licence granted under the Mineral Titles Act gives the holder the:
- (a) right to occupy the land;
  - (b) exclusive right to conduct mineral exploration on the land; and
  - (c) exclusive right to apply for a mineral lease for all or part of the title area.
128. The following activities may be conducted by the title holder on an exploration licence:
- (a) digging pits, trenches and holes and sinking bores and tunnels, in the title area;



- (b) activities for ascertaining the quality, quantity or extent of ore or other material in the title area by drilling or other methods; and
  - (c) the extraction and removal of samples of ore and other substances in amounts reasonably necessary for the evaluation of the potential for mining in the area.
129. Larger samples of ore may be removed with the authorisation of the Northern Territory Minister for Mining and Industry (**NT Minister**).
130. The title area of an exploration licence may comprise a minimum of 4 adjoining blocks and a maximum of 250 blocks. The NT Minister may grant an exploration licence with a title area smaller than 4 adjoining blocks if it considers it appropriate.
131. Unless the NT Minister decides otherwise, the title area of an exploration licence must be reduced at the end of each period of 2 operational years. "Operational Year" is defined in the Mineral Titles Act to mean the period of 12 months immediately after the title comes into force and each subsequent period of 12 months. This includes the last operational year if the title holder applies for a renewal of the exploration licence.
132. The NT Minister has broad discretion to decide, at their election or on application of the title holder that:
- (a) a reduction is not required at the end of a reduction period;
  - (b) a lesser reduction than required is permitted at the end of a reduction period; or
  - (c) to defer the reduction of the title area by a period, specified in the decision, not exceeding 12 months.
- However, if the title holder has failed to comply with the expenditure conditions of the licence, the NT Minister is not required to consider any such application made by the title holder.
133. The NT Minister may grant an exploration licence for a term not exceeding 6 years. Prior to the end of the term of an exploration licence, the title holder may apply to the NT Minister for the renewal of the exploration licence for all or some of the blocks in the title area. The NT Minister may renew the exploration licence for a term not exceeding 2 years. The title holder may apply for the exploration licence to be renewed more than once.
134. The title holder of an exploration licence may apply to the NT Minister to have the exploration licence, or part of the exploration licence, designated as an exploration licence in retention (**ELR**). The application may only be made where there is an ore body or anomalous zone of possible economic potential in the title area and mining is not currently commercially viable or may be currently commercially viable but further work is required to assess its feasibility.
135. If an ELR is granted, the area of the ELR will be excluded from the area of the exploration licence, unless the ELR is issued for all of the title area of the exploration licence in which case the ELR will replace the exploration licence.
136. The ELR may be issued for a term not exceeding 5 years and renewals may be sought for further periods of 5 years more than once. The rights of the title holder of an ELR include the right to occupy the title area and to continue conducting the activities authorised for an exploration licence.
137. An ELR gives the title holder an exclusive right to apply for a mineral lease over all or part of the title area.



138. If the NT Minister is satisfied that the mining and processing of minerals on the ELR are commercially viable, the NT Minister may issue a notice to the title holder requiring the title holder to either apply for a mineral lease over all or part of the area of the ELR or give reasons why the title holder has not so applied. The NT Minister may cancel the ELR if the title holder fails to provide reasons or apply for a mineral lease within the time specified in the notice or, if reasons are provided by the title holder, the NT Minister is satisfied that it is in the interests of the Territory that the ELR should be cancelled.
139. Exploration licences are granted subject to the following statutory conditions:
- (a) before conducting authorised activities on an exploration licence, the title holder must give notice of entry and its intention to conduct activities to any landowners (which include, among others, holders of pastoral leases and Native Title holders) or occupiers of land in the title area;
  - (b) the title holder of an exploration licence must:
    - (i) carry out exploration work for the discovery and assessment of the potential value of minerals in the title area in accordance with the technical work programme and the expenditure requirements for the exploration licence;
    - (ii) give notice to the NT Minister within 28 days of discovery of a mineral that may be of economic or scientific interest;
    - (iii) notify the NT Minister and provide such samples and data as the NT Minister requires within 28 days of finding underground water during the conduct of authorised activities; and
    - (iv) provide the NT Minister with a technical work programme for the authorised activities to be conducted on the title in the next operational year.
  - (c) the title holder of an exploration licence must not:
    - (i) extract or remove ore, except for sampling purposes or as otherwise authorised by the NT Minister; and
    - (ii) sell a mineral discovered in the title area, unless the sale has been approved by the NT Minister.
  - (d) The title holder of an exploration licence also has the right to:
    - (i) use water, including to take or divert water, sink a bore or well for use in exploration or for domestic use for workers;
    - (ii) use land outside and within the area to build an access road across any land that is the shortcut practicable route from the exploration site or mine to another road, railway line, airstrip, sea etc; and
    - (iii) use land outside the licence area to build, maintain and use infrastructure for the exploration if the person who is conducting the exploration is granted an Access Authority (**Authorisation**) and may be subject to conditions and the requisite steps have been taken by the title holder.
140. The title holder of an exploration licence has an exclusive right to apply for a mineral lease for all or part of the title area.



141. The NT Minister may decide to amalgamate all or part of 2 or more adjoining title areas if the exploration licences are held by the same person and authorise the same activities. An amalgamation may be done on the NT Minister's own initiative (after consulting with the title holder) or on application by the holder of the original titles. The effect of an amalgamation is that the original titles are cancelled and a new exploration licence issued in replacement.
142. The holder of a mineral title (which includes an exploration licence) may apply to the NT Minister for approval and registration of the transfer of a legal or equitable interest in the title. The NT Minister is required to approve and register the transfer unless satisfied there are circumstances why they should refuse the application.
143. The NT Minister may cancel an exploration licence if satisfied that the title holder has contravened a condition of the mineral title, has failed to pay an amount due to the Territory under the Mineral Titles Act, has not used good work practices in conducting its authorised activities, no longer has the financial resources to carry out the work programme or has not conducted authorised activities on the title area for a continuous period of 2 years.

**Concurrent Interests - Northern Territory**

*Private land and Crown land*

144. Mining tenements under the Mineral Titles Act are exclusive only for the purposes for which they are granted, and are capable of co-existing with:
  - (a) in the case of miscellaneous licences, other mining tenements; and
  - (b) pastoral leases, Crown reserves, Crown land, public infrastructure and rights granted under other Territory and Federal legislation.
145. The NT Tenement has an area of 53.59 square kilometres and encroaches upon private land and Crown land:

Tenement	Description	Area Affected	Percentage Affected
EL30897	Vacant Crown Land	4.05 sq km	7.55%
	Crown Lease Perpetual	16.20 sq km	30.22%
	Crown Lease Term	14.31sq km	26.70%
	Freehold Land	19.74 sq km	36.83%

146. Searches of NT Strike and NT Atlas did not provide full data on private land and Crown land. The values in the table above are provided directly from the Department of Industry, Tourism and Trade.

*Private Land*

147. The Mineral Titles Act defines private land as a fee simple interest or a lease from the Crown under the *Crown Lands Act 1992* (NT) (**Crown Lands Act**) or *Special Purposes Leases Act 1953* (NT) (**Special Purposes Leases Act**).



148. Section 14 of the Mineral Titles Act defines Landowner as:
- (a) a person recorded in the land register, as defined in section 4 of the *Land Title Act 2000* (NT), as a person entitled to the fee simple interest in land, or a lease from the Crown under the *Crown Lands Act*, *Pastoral Land Act 1992* (NT) or *Special Purposes Leases Act*;
  - (b) if the land is an Aboriginal community living area – the association that holds the land;
  - (c) if the land is Aboriginal land – the Land Trust, established under the *Aboriginal Land Rights Act 1976* (NT) (**ALRA**), that holds the land;
  - (d) if the land is Native Title land – the holder of the Native Title;
  - (e) if the land is a park or reserve – the entity responsible for the care, control and management of the land;
  - (f) if the land is under the care, control and management of the Conservation Land Corporation established by section 27 of the *Parks and Wildlife Commission Act 1980* (NT) – that corporation.
149. Under section 32(1) of the Mineral Titles Act before commencing authorised activities under an EL, the title holder must follow the procedures prescribed by the Regulations for giving notice to landowners or occupiers of land in the title area of the:
- (a) intention to commence the activities; and
  - (b) entry of the title holder onto the land to conduct the activities.
150. Consent from owners of private land and Aboriginal community living areas for the title holder to enter their land in order to construct, maintain and use infrastructure associated with conducting authorised activities under the mineral title is required before the Minister for Mines and Energy can grant an Access Authority.
151. Pursuant to section 84 of the Mineral Title Act, an Access Authority allows the title holder to enter land outside the area in which they are allowed to explore or mine to construct, maintain and use infrastructure (such as roads) for the exploration (and mining) activities.
152. The NT Minister may only grant an Access Authority to a title holder:
- (a) 14 days before making the application for the Access Authority, the title holder must:
    - (i) give written notice of the intention to apply for the access authority to each landowner of the relevant land; and
    - (ii) publish a notice of the intention in a newspaper circulating in the area in which the relevant land is situated; and
    - (iii) get the consent of the landowners if the land is:
      - A. private land;
      - B. Aboriginal land under ALRA;
      - C. an Aboriginal community living area; and



- (iv) the NT Minister must be satisfied that the infrastructure to be constructed is necessary for conducting the approved exploration activities.

- 153. Landowners of land must not unreasonably refuse to consent to the title holder's entry onto the land.
- 154. A Landowner does not have a right to apply for a review (sometimes called an appeal) of the decision of the NT Minister to grant an Access Authority.

#### *Authorisation*

- 155. If exploration which would cause substantial disturbance of the mining site or mining approval has been granted under the Mineral Titles Act, the title holder also needs to obtain an Authorisation from the NT Minister. Pursuant to Part 4, Division 2 of the MMA, an Authorisation gives the title holder the right to carry out the mining activities specified in the Authorisation. When a mining company applies for an Authorisation it must submit a mining management plan to the NT Minister.
- 156. The mining management plan must include:
  - (a) details about the environmental protection management system and how it will be implemented;
  - (b) a description of the mining activities;
  - (c) a plan and costing of the activities for the closure of the mine;
  - (d) plans of the current and proposed mine workings and infrastructure;
  - (e) details about the organisational structure of the mining company.
- 157. Applications for Authorisations are not notified to the public and there are no rights for anyone to object to the grant of an Authorisation.
- 158. The application for the grant of a mineral title must include a list of landowners whose land comprises all or part of the proposed title area and each landowner is served a notice.
- 159. Under section 88, the title holder must not without the written consent of the landowner or the Minister as the case may be, damage or otherwise disturb improvements or particular roads on land in the title area.
- 160. If the person:
  - (a) is recorded in the land register as a registered owner or registered proprietor of the land; or
  - (b) holds a licence granted under Part 7 of the Crown Lands Act; or
  - (c) in relation to land in a park or reserve – is the Landowner,they are entitled to compensation from the holder of a mineral title for:
  - (a) damage to the land, and any improvements on the land, caused by activities conducted under the title; and
  - (b) any loss suffered as a result of that damage (for example, loss suffered as a result of being deprived of the use of the land).



However, if the damage is caused to land in a park or reserve or pastoral land by exploration activities, the relevant person is entitled to compensation only in relation to damage in excess of what is reasonably necessary for conducting those activities.

161. We have not conducted the necessary searches and investigations to confirm whether the freehold parcels of land affecting the NT Tenement noted above contain improvements or relevant roads.
162. The NT Searches do not indicate that the written consent of the owner and/or occupier of private land affecting the NT Tenement have been obtained and accordingly, the Company may not have rights to the relevant encroachment.

#### *Crown land*

163. The land the subject of the NT Tenement overlaps Crown land.
164. Vacant Crown land is land in relation to which no person is recorded in the land register as a registered owner or registered proprietor.
165. Section 137 of the Mineral Titles Act provides that a third party may fossick (as defined under the Mineral Titles Act) on any vacant Crown Land including the title area of an exploration licence without giving notice of the intention or obtaining consent to do unless it is fossicking for gold.

#### *Pastoral lease*

166. A Crown lease can be granted under the Crown Lands Act for a term of years or a lease in perpetuity (being a lease that continues indefinitely), and may include a pastoral lease.
167. Our NT Searches indicate that the NT Tenement is not located within any Pastoral Leases.
168. However, if it is found to be so located then the Mineral Titles Act requires, as a condition of each exploration licence, that the title holder follow the procedure set out in the Regulations for giving notice to landowners before starting to conduct authorised activities under an exploration licence.
169. Under the Regulations, the title holder is required to give written notice of its intention to commence conducting authorised activities on the land at least 14 days before the proposed commencement. The notice must include the name and contact details of the title holder, the name and contact details of the person conducting the authorised activities, the nature of the exploration to be conducted, the intended start date and an estimate of the duration of the programme, a map of the land on which the exploration is to be conducted and the details of the proposed place of entry onto the land.
170. After entering the land, the title holder is also required to take all reasonable steps to advise the occupiers of the land of its entry before it starts to conduct authorised activities.
171. The holder of a mineral title is not permitted to conduct authorised activities on pastoral land within:
  - (a) 200m of a building that is not enclosed by a fence; or
  - (b) 50m of a fence that encloses a building.
172. While it is not a statutory requirement that access agreements be entered into, we recommend that if it is determined that the NT Tenement is located within a Pastoral Lease, the Company enter into



such agreements to ensure the requirements of the Mineral Titles Act are satisfied and to avoid any future disputes arising in relation to amounts of compensation which may be applicable.

*Petroleum Reserves*

173. The land the subject of the NT Tenement overlaps current petroleum onshore reserves:

Reserve ID	Area Affected
RB167	100%
RB56	100%

- 174. The searches undertaken on NT Strike indicates that the NT Tenement is wholly within two current petroleum onshore reserves held by the Northern Territory Government.
- 175. Petroleum reserved blocks (RB) are designated areas which reserve blocks of land from petroleum exploration or drilling.
- 176. The *Mineral Titles Act 2010* (NT) determines that an area is a “reserve” if it is defined to be so under either the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth), *Territory Parks and Wildlife Conservation Act 1976* (NT) or the *Cobourg Peninsula Aboriginal Land, Sanctuary and Marine Park Act 1981* (NT).
- 177. The *Petroleum Act 1984* (NT) provides that the Minister may declare that a petroleum block (one which does not already have a petroleum exploration permit or licence in force) shall not be the subject of a grant of a petroleum exploration permit or licence.
- 178. The Minister may revoke or vary this declaration by notice so that a petroleum exploration permit or licence can be granted. The decision to revoke is subject to consultation with the minister who administers the *Territory Parks and Wildlife Conservation Act 1976* (NT).
- 179. The *Mining Management Act 2001* (NT) excludes petroleum from the definition of mineral. This means that the NT Tenement has no rights to explore or mine for petroleum.

**PART E – ABORIGINAL HERITAGE**

**Commonwealth legislation**

- 180. The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Federal Heritage Act**) applies to the Tenements. The Federal Heritage Act seeks to preserve and protect significant Aboriginal areas and objects from desecration.
- 181. The Commonwealth Minister for Indigenous Affairs may make a declaration to preserve an Aboriginal area or site of significance. Such declarations may be permanent or interim and have the potential to interfere with mining or exploration activities. Failure to comply with a declaration is an offence under the Federal Heritage Act.



**Western Australian legislation**

- 182. The *Aboriginal Heritage Act 1972* (WA) (**Heritage Act**) applies to the WA Tenements as they are located in Western Australia. The Heritage Act makes it an offence, among other things, to alter or damage an Aboriginal site or object on or under an Aboriginal site.
- 183. An Aboriginal site is defined under the Heritage Act to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent.
- 184. An Aboriginal site may be registered under the Heritage Act, but the Heritage Act preserves all Aboriginal sites whether or not they are registered. Tenement holders customarily consult with Aboriginal traditional owners of the tenement land and undertake Aboriginal heritage surveys to ascertain whether any Aboriginal sites exist and to avoid inadvertent disruption of these sites.
- 185. The Heritage Searches indicate the following Registered Aboriginal Sites:

Registered Aboriginal Site	Type	Restricted	Gender Restrictions	Tenement
Maggie Hays Ethnographic Site 3 (ID 17711)	Mythological	No	No	E63/1809 E63/1866 E63/1903

- 186. The Heritage Searches indicate the following Other Heritage Places:

Other Heritage Place	Type	Restricted	Gender Restrictions	Status	Tenement
Bremer Range (ID 2917)	Man-Made Structure	No	No	Lodged	E63/1809

- 187. We note, however, that there may be unregistered or otherwise undiscovered Aboriginal heritage sites on the WA Tenements.
- 188. On the basis that Aboriginal heritage sites exist on the WA Tenements, in order to engage in any activity that may interfere with an Aboriginal site, the tenement holder must obtain the consent of the Minister for Aboriginal Affairs (WA) (**DAA Minister**) pursuant to section 18 of the Heritage Act. This requires submissions from the tenement holder to the Department of Planning, Lands and Heritage (**DPLH**) on the proposed activities, the possible impact on the Aboriginal sites, any negotiations conducted with Aboriginal traditional owners of the lands and any measures that will be taken to minimise the interference.
- 189. We are not aware of any section 18 consents which have been requested or obtained for any of the registered Aboriginal sites located on the WA Tenements.
- 190. The tenement holder must ensure that any interference with any Aboriginal sites that affect the Tenements strictly conforms to the provisions of the Heritage Act, including any conditions set down by the DAA Minister, as it is otherwise an offence to interfere with such sites.
- 191. Each of the WA Tenements except for E70/5437 (which is yet to be granted) is subject to a standard endorsement drawing the tenement holders' attention to the Heritage Act and the *Aboriginal Heritage Regulations 1974* (WA).



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**Solicitor's Report**

192. E70/5198 and R70/59 are subject to conditions requiring LIT to enter into a Noongar Standard Heritage Agreement or Alternative Heritage Agreement with the South West Aboriginal Land and Sea Council Aboriginal Corporation for and on behalf of the Whadjuk Native Title claimants (WC2011/009) prior to exercising rights, powers or duties pursuant to those Tenements. This condition is imposed on these Tenements as a result of the Whadjuk People Indigenous Land Use Agreement (WI2017/015) (**Whadjuk People ILUA**), which is discussed further below at paragraph 238 of this Report.
193. E70/5437 is yet to be granted. Our searches indicate that E70/5437 is also wholly located within the Whadjuk ILUA area. Accordingly, the same heritage agreement condition as for E70/5198 and R70/59 above will be imposed on E70/5437 on grant.
194. We are not aware of any Aboriginal heritage agreements in place in relation to any of the Tenements.

**Northern Territory Legislation**

195. The Sacred Sites Act applies to EL30897.
196. It is an offence under the Sacred Sites Act to enter onto or remain on, carry out work on or use, or desecrate a sacred site without authority.
197. "Sacred Sites" are defined in the ALRA as sites that are sacred to Aboriginals or are otherwise of significance according to Aboriginal tradition, and include any land that, under a law of the Northern Territory, is declared to be sacred to Aboriginals or of significance according to Aboriginal tradition.
198. The Northern Territory maintains a Register of Sacred Sites that includes both registered and recorded sites. Registered Sacred Sites have been assessed and formally registered as Sacred Sites by the AAPA. Recorded sites have not been formally determined and registered as Sacred Sites, but have been notified to the AAPA as significant. All sacred sites are protected under the Sacred Sites Act, regardless of whether or not they are included on the Register.
199. A person who proposes to use or carry out work on land may apply to the AAPA for an Authority Certificate. The holder of an Authority Certificate may, subject to any conditions of the Authority Certificate:
  - (a) enter and remain on the part or parts of land the subject of the Authority Certificate on which, under the Certificate, work or a use proposed in the application may be carried out or made; and
  - (b) do such things on the land as are reasonably necessary for carrying out that work or making that use of the land.
200. It is a defence to the offences identified in paragraph 196 above if a person acted in accordance with an Authority Certificate, or if the person had no reasonable grounds for suspecting that the relevant sacred site was a Sacred Site.
201. Our searches of the Register of Sacred Sites indicate there are no Registered or Recorded Sacred Sites on EL30897.
202. The following conditions are imposed on EL30897 in relation to the protection of Sacred Sites:



- (a) all exploration personnel and their contractors and agents shall be instructed on the legal necessity to protect Sacred Sites and other significant archaeological sites and structures which may exist within the licence area; and
203. prior to carrying out any work in the licence area the title holder must consult with the AAPA and inspect the Register of Sacred Sites. A title holder wishing to carry out work may apply for an Authority Certificate. Our search of the Register of Sacred Sites indicates that the following Authority Certificates have been granted in respect of EL30897:

Certificate Number	Restricted Work Area
C2017/053, C2014/064, C2014/026, C2013/211, C2010/035, C2004/060, C1993/050, C1992/016, C1992/016, C1992/008, C1991/127	No
C2014/131	Yes

204. The Searches indicate that C2014/131 restricts the activities that may be carried out over approximately 50% of the EL30897 area, pursuant to conditions imposed on C2014/131. The types of conditions imposed on Authority Certificates vary, and may include general prohibitions on works within specified areas, or prevent specified activities such as ground disturbing work, damage to trees, or the removal of sand or gravel. Conditions are specific to each application and depend on the works proposed.
205. Further information regarding Authority Certificates, including conditions imposed under an Authority Certificate, may be viewed in person at the AAPA's offices in Darwin and Alice Springs. However, restrictions apply under the Sacred Sites Act on reproducing information contained within an Authority Certificate.
206. An Authority Certificate only applies to the specific works the subject of the Certificate and does not provide clearance for other works in the Certificate area. The existence of C2014/131 indicates that:
- (a) there may be areas of Aboriginal cultural heritage significance within the area of EL30897; and
  - (b) restrictions may be imposed on future works in the area of EL30897 pursuant to a future Authority Certificate issued in respect of EL30897.

**PART F – NATIVE TITLE**

**Native Title Overview**

207. On 3 June 1992, the High Court of Australia (**High Court**) held in *Mabo v Queensland (No. 2)* (1992) 175 CLR 1 (**Mabo Case**) that the common law of Australia recognises a form of Native Title.
208. The High Court held in the Mabo Case that Native Title rights to land will be recognised where:
- (a) the persons making the claim can establish that they have a connection with the relevant land in the context of the application of traditional laws and customs, including demonstration of the existence of certain rights and privileges that attach to the land, in the period following colonialisation;



- (b) these rights and privileges have been maintained continuously in the period following colonisation up until the time of the relevant claim; and
  - (c) the Native Title rights have not been lawfully extinguished, either by voluntary surrender to the Crown, death of the last survivor of the relevant community claiming Native Title or the grant of an interest by the Crown via legislation or executive actions that is otherwise inconsistent with the existence of Native Title (e.g. freehold or some leasehold interests in land).
209. Extinguishment will only be lawful if the extinguishment complies with the *Racial Discrimination Act 1975* (Cth) (**Racial Discrimination Act**).
210. Lesser interests granted in respect of the relevant land will not extinguish existing Native Title unless the grant is inconsistent with the exercise of Native Title rights. Accordingly, unless otherwise determined, Native Title rights will coexist with the relevant interest to the extent that the interest is not inconsistent.
211. In response to the Mabo Case the Commonwealth Parliament responded by passing the *Native Title Act 1993* (Cth) (**NTA**), which came into effect in January 1994.
212. As a statement of general principles, the NTA:
- (a) provides for recognition and protection of Native Title;
  - (b) provides a framework of specific procedures for determining claims for Native Title such as the "right to negotiate" which allows Native Title claimants to be consulted, and seek compensation, in relation to, amongst other things, mining operations;
  - (c) confirms the validity of titles granted by the Commonwealth Government prior to 1994, or "past acts", which would otherwise be invalidated upon the basis of the existence of Native Title; and
  - (d) establishes ways in which titles or interests granted by the Commonwealth Government after 1994, or "future acts", affecting Native Title (e.g. the granting of mining tenement applications and converting exploration licences and prospecting licences to mining leases and the grant of pastoral leases) may proceed and how Native Title rights are protected.

#### Validity of the Tenements

213. Mining tenements granted since the commencement of the NTA on 1 January 1994 which affect Native Title rights and interests will be valid provided that the "future act" procedures set out below were followed by the relevant parties.
214. As the Tenements were all granted following 1 January 1994, we have assumed that the relevant NTA procedures were followed in relation to each Tenement for the purposes of this Report. We are not aware of any reason why the WA Tenements would be regarded as having not been validly granted.
215. The renewal or extension of the WA Tenements granted since 1 January 1994 which affect Native Title rights and interests will be valid provided that requirements of section 241C of the NTA are met. Key requirements of section 241C of the NTA include that the initial grant of the tenement was valid and that the extension or renewal of the tenement does not create a right of exclusive possession or otherwise confer a larger proprietary interest than the initial tenement.

**Future tenement grants**

216. The future act provisions under the NTA will apply to:
- (a) the grant of the WA Tenements applied for, but not yet granted, at the date of this Report;
  - (b) the conversion of any of the WA Tenements or any tenements acquired in the future into mining leases; or
  - (c) the grant of any new tenement applications in the future,
- where Native Title does, or may, exist. However, the future act provisions will not apply to any Aboriginal Land in the Northern Territory pursuant to the ALRA (see below at 246).
217. The valid grant of any mining tenement which may affect Native Title requires compliance with the provisions of the NTA in addition to compliance with the usual procedures under the relevant State or Territory mining legislation.
218. There are various procedural rights afforded to registered Native Title claimants and determined Native Title holders under the NTA, with the key right being the “right to negotiate” process. This involves publishing or advertising a notice of the proposed grant of a tenement followed by a minimum six month period of negotiation between the tenement applicant and any relevant Native Title parties. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which has a further six months to reach a decision. A party to a determination of the NNTT may appeal that determination to the Federal Court on a question of law. Additionally, the decision of the NNTT may be reviewed by the relevant Commonwealth Minister.
219. The right to negotiate process can be displaced in cases where an ILUA is negotiated with the relevant Native Title claimants and registered with the NNTT in accordance with provisions of the NTA. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the relevant mining tenement. These procedures will vary depending on the terms of the ILUA. Similarly, if any other type of agreement is reached between a mining company or other proponent and a Native Title group which allows for the grant of future tenements, the right to negotiate process will generally not have to be followed with that Native Title group (depending on the terms of the agreement) but the parties will be required to enter into a state deed pursuant to the NTA which refers to the existence of that other agreement and confirms the relevant tenement/s can be granted. The right to negotiate process may still need to be followed with other Native Title groups in circumstances where other Native Title parties hold rights under the NTA in the proposed tenement area.
220. An ILUA will generally contain provisions in respect of what activities may be conducted on the land the subject of the ILUA, and the compensation to be paid to the Native Title claimants for use of the land.
221. Once registered, an ILUA binds all parties, including all Native Title holders within the ILUA area.
222. The right to negotiate process is not required to be followed in respect of a proposed future act in instances where the “expedited procedure” under the NTA applies.
223. The expedited procedure applies to a future act under the NTA if:
- (a) the act is not likely to interfere directly with the carrying on of the community or social activities of the persons who are the holders of Native Title in relation to the land;



- (b) the act is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of the Native Title in relation to the land; and
  - (c) the act is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.
224. When the proposed future act is considered to be one that attracts the expedited procedure, persons have until three months after the notification date to take steps to become a Native Title party in relation to the relevant act (e.g. the proposed granting of an exploration licence).
225. The future act may be done unless, within four months after the notification day, a Native Title party lodges an objection with the NNTT against the inclusion of a statement that the proposed future act is an act attracting the expedited procedure.
226. If an objection to the relevant future act is not lodged within the four month period, the act may be done. If one or more Native Title parties object to the statement, the NNTT must determine whether the act is an act attracting the expedited procedure. If the NNTT determines that it is an act attracting the expedited procedure, the State or Territory may do the future act (i.e. grant a mining tenement).

#### **Native Title Compensation**

227. Determined Native Title holders may seek compensation under the NTA for the impacts of acts affecting Native Title rights and interests after the commencement of the Racial Discrimination Act on 31 October 1975.
228. Compensation liability may be settled by agreement with Native Title holders, including through ILUAs (which have statutory force) and common law agreements (which do not have statutory force).

#### **Western Australian Legislation**

229. The *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 (WA)* was enacted by the Western Australia Parliament and adopts the NTA in Western Australia.
230. The High Court decision in *The State of Western Australia v Ward (2002) HCA 28 (8 August 2002)* established that:
- (a) Native Title has been completely extinguished as it relates to freehold land, public works or other previous acts granting exclusive possession and also including minerals and petroleum which are vested in the Crown; and
  - (b) Native Title is partially extinguished upon the basis of, amongst other things, pastoral and mining leases that grant non-exclusive possession.
231. The State of Western Australia has passed liability for compensation for the impact of the grant of mining tenements under the Mining Act onto mining tenement holders pursuant to section 125A of the Mining Act. Outstanding compensation liability will lie with the current holder of the WA Tenements at the time of any award of compensation pursuant to section 125A of the Mining Act or, in the event there is no holder at that time, the immediate past holder of the relevant WA Tenement.

*Overlapping Claims, Determinations and Indigenous Land Use Agreements*

232. The Searches indicate that:

- (a) the following WA Tenements wholly overlap the Ngadju Native Title determination area (WCD2014/004) (**Ngadju determination**):
  - (i) E63/1809;
  - (ii) E63/1866; and
  - (iii) E63/1903.
- (b) E63/1722 partially overlaps the Ngardu Determination.
- (c) the following WA Tenements wholly overlap the Marlinyu Ghoorlie registered Native Title claim area (WC2017/007) (**Marlinyu Ghoorlie claim**):
  - (i) E63/1805;
  - (ii) E63/1806; and
  - (iii) E63/1777.
- (d) E63/1722 and E63/1723 partially overlap the Marlinyu Ghoorlie claim.
- (e) the following WA Tenements wholly overlap the Whadjuk People registered Native Title claim area (WC2011/009) (**Whadjuk People claim**):
  - (i) E70/5198;
  - (ii) E70/5437;
  - (iii) P70/1752;
  - (iv) P70/1753; and
  - (v) R70/59;
- (f) E70/5198, E70/5437, P70/1752, P70/1753 and R70/59 wholly overlap the Whadjuk People ILUA area;
- (g) R70/59 wholly overlaps the:
  - (i) Swan River People 2 unregistered Native Title claim area (WC2011/002) (**Swan River People 2 claim**);
  - (ii) Single Noongar Claim (Area 1) unregistered Native Title claim area (WC2003/006) (**Single Noongar Claim**);and
- (h) E70/5198 ,E70/5437, P70/1752, P70/1753 also wholly overlap the:
  - (i) Swan River People 2 unregistered Native Title claim area (WC2011/002) (**Swan River People 2 claim**);



- (ii) Single Noongar Claim (Area 1) unregistered Native Title claim area (WC2003/006) (**Single Noongar Claim**); and
  - (iii) Single Noongar Claim Group Compensation Claim area (WP2019/001) (**Single Noongar Compensation Claim**).
233. The Ngadju determination was made and came into effect on 21 November 2014 and recognises that the Ngadju People hold a mix of exclusive and non-exclusive Native Title rights and interests across the entire determination area. Native Title has therefore been determined to exist in the areas of E63/1809, E63/1866 and E63/1903, and a small proportion of E63/1722.
234. The Ngadju determination provides that "Other Interests" co-exist with Native Title rights and interests and will prevail to the extent of any inconsistency with the Native Title rights and interests of the Ngadju People, and that the existence and exercise of those Native Title rights and interests do not prevent the doing of any activity required or permitted to be done by or under the Other Interests.
235. Each of E63/1809, E63/1866, E63/1903 and E63/1722 was applied for and granted after 21 November 2014 and therefore is not expressly identified as an "Other Interest" in the Ngadju determination. However, licences and permits granted by the Crown pursuant to statute are also "Other Interests" for the purposes of the Ngadju determination. WA Tenements granted after the date of the Ngadju determination are therefore "Other Interests" for the purpose of the determination provided they have been validly granted in accordance with the Mining Act and NTA processes outlined in this Report.
236. The Marlinyu Ghoorlie claim was registered on the Register of Native Title Claims maintained under the NTA on 28 March 2019. Each of E63/1722, E63/1723, E63/1777, E63/1805 and E63/1806 were granted prior to the registration of the Marlinyu Ghoorlie claim. To the extent that the Marlinyu Ghoorlie claim remains on the Register of Native Title Claims, or there is a positive determination of Native Title in respect of the claim, the NTA "future act" processes outlined in this Report will apply to any future conversion of E63/1722, E63/1723, E63/1777, E63/1805 and E63/1806.
237. The Whadjuk People claim was included on the Register of Native Title Claims on 12 October 2011. Each of P70/1752, P70/1753, E70/5198, E70/5437 and R70/59 were applied for after the registration of the Whadjuk People claim. The NTA "future act" processes applied (or for E70/5437, apply) to the grant of P70/1752, P70/1753, E70/5198, E70/5437 and R70/59.
238. The Whadjuk People ILUA provides for the extinguishment of Native Title in the entire ILUA area. Pursuant to the terms of the ILUA, the NTA future act processes will cease to apply in the ILUA area in or around May 2021. Until that time, the NTA future act processes apply to the grant of E70/5437, or to any conversion of P70/1752, P70/1753, E70/5198 or R70/59.
239. Our searches indicate that E70/5437 has not yet been referred to the Native Title Unit of the DMIRS for notification and advertising under the NTA future act process.
240. Pursuant to the terms of the NTA and the Whadjuk People ILUA, the registration of the Whadjuk People ILUA and subsequent extinguishment of Native Title in the ILUA area renders the Swan River People 2 claim, the Single Noongar claim and the Single Noongar Compensation Claim futile.
- Native Title Agreements and Indigenous Land Use Agreements*
241. Other than the Whadjuk ILUA discussed above, we are not aware of any ILUAs or common law agreements between LIT and any Native Title party in relation to the impact of the WA Tenements on Native Title rights and interests.



242. Other than the Single Noongar Compensation Claim discussed above, our searches indicate that, at the time of this Report, there are no pending NTA Native Title compensation claims in relation to the impacts of future acts, including the grant of the Tenements, on Native Title rights and interests.
243. There is limited case law guidance on the likely quantum of compensation that might be awarded to claimants in the event of a successful Native Title compensation claim. As noted above, any compensation liability in relation to the grant of the WA Tenements will lie with the current holders of the WA Tenements.

### **Native Title and Aboriginal Land Rights – Northern Territory**

#### *Overview*

244. Refer to paragraphs 207 to 228 above for an overview of Australian Native Title law as it relates to the NT Tenement.
245. In addition to the NTA, the ALRA applies in the Northern Territory to freehold land held by a Land Trust established under the ALRA (**Aboriginal Land**).
246. Section 233 of the NTA excludes Aboriginal Land from the NTA future act process. However, the future act process may apply to land that is the subject of an undetermined historical land rights claim under the ALRA. Such land may become Aboriginal Land in the event that the land rights claim succeeds.

#### *Future tenement grants under the ALRA*

247. Part IV of the ALRA regulates the grant of exploration licences and mining interests on Aboriginal Land.
248. Under the ALRA, the grant of an exploration licence or mining interest (including mineral leases) requires the consent of the both the Commonwealth Minister for Indigenous Australians (**Commonwealth Minister**) and the Land Council for the Aboriginal Land pursuant to an agreement under Part IV of the ALRA regarding the terms and conditions on which the exploration licence or mining interest may be granted (**Part IV Agreement**).
249. The applicant for an exploration licence under the Mineral Titles Act must seek the consent of the NT Minister to enter into negotiations with the Land Council for the Aboriginal Land. Once that consent is received, an application must be made to the Land Council for consent to the grant of the exploration licence within 3 months of the NT Minister's consent (or such longer time as may be granted by the Commonwealth Minister on application) (**Consent Application**). The applicant and the Land Council then enter into negotiations for a Part IV Agreement.
250. An initial "negotiating period" applies under the ALRA for Part IV Agreement negotiations for the grant of an exploration licence. The negotiating period commences at the time on which the Land Council receives the Consent Application and ends 22 months after 1 January in the calendar year after the calendar year in which the Consent Application was made. The negotiating period may be extended for further limited periods by agreement between the Land Council and the applicant under the ALRA.
251. At any time during the negotiating period, the applicant and the Land Council may agree to have the terms and conditions on which an exploration licence may be granted determined by arbitration. Where this occurs, the Land Council is taken to have consented to the grant of the exploration licence subject to the terms and conditions determined by the arbitrator.



252. Where the Land Council consents to the grant of an exploration licence pursuant to a Consent Application, the Commonwealth Minister must notify the Land Council and the applicant in writing within 30 days whether the NT Minister also consents to the grant. If the Commonwealth Minister fails to provide the required notification, they are deemed to consent to the grant of the exploration licence or mining interest.
253. Where the Land Council has refused consent to the grant of an exploration licence during the negotiating period, the ALRA prohibits the applicant from reapplying over the same area for a period of five years from the refusal of the Consent Application.
254. Where a holder of an exploration licence or exploration retention licence over Aboriginal Land seeks the grant of a mining interest over that land must submit a statement in writing to the relevant Land Council setting out a comprehensive proposal in relation to the proposed mining works (**Mining Statement**). The Land Council and the applicant must try within 12 months of receipt of the Mining Statement by the Land Council (or such longer period agreed by the Land Council and the applicant) to agree the terms and conditions to which the grant of the mining interest will be subject.
255. If the parties fail to reach a Part IV Agreement, either party may request that a Mining Commissioner be appointed pursuant to the ALRA to conciliate the matter or, failing that, arbitrate the matter. The matter may proceed to arbitration where the NT Mining Commissioner is satisfied that there is no reasonable prospect of resolving the matter by conciliation.
256. In reaching a decision on arbitration in respect of the grant of a mining interest, the Mining Commissioner must determine the terms and conditions that are fair and reasonable and that, in the Mining Commissioner's opinion, should have been negotiated by the parties in commercial arms' length negotiations conducted in good faith.
257. Among other things, the ALRA requires that Part IV Agreements include terms for the payment of compensation by the applicant for damage or disturbance caused to the relevant Aboriginal Land and to the traditional Aboriginal owners of that land. However, Part IV Agreements for exploration licences must not include compensation for mineral value or for any other purpose or consideration for giving consent to the grant of an exploration licence.
258. The procedures under the ALRA do not apply to claim areas under the ALRA that are not yet determined. The ALRA is silent on the effect of the positive determination of a claim and the grant of Aboriginal land over granted tenements. The Territory of Mines and Energy takes the view that a licence which predates the grant of Aboriginal land is not invalidated by the grant. However, the Northern Territory Government gives no warranty to this effect and recommends that tenement applicants seek independent legal advice regarding the extent to which rights under existing tenements will be preserved if and when the subject land becomes Aboriginal land.
259. The ALRA expressly authorises a Land Council to enter into an agreement with an exploration or mining interest applicant or holder under the ALRA in respect of land that is not yet Aboriginal Land but which is subject to a claim under the ALRA. Such agreements set out the terms and conditions on which the applicant or holder of the tenement may carry out exploration or to which the grant of a mining interest will be subject if the relevant area becomes Aboriginal Land.
260. The Commonwealth Minister has power to cancel exploration licences and mining interests that affect Aboriginal Land in circumstances where exploration or mining works do not accord with those agreed with a Land Council and are causing, or are likely to cause, significant impact to the Aboriginal land or Aboriginal persons, subject to the procedures set out in Part IV of the ALRA.

*Northern Territory Legislation*

261. Section 74 of the Mineral Titles Act prohibits the NT Minister from granting a mineral title:
- (a) over Aboriginal Land unless the NT Minister is satisfied that the applicant has obtained the permit, consent or agreement required under the ALRA; or
  - (b) over land where Native Title may exist unless the NT Minister is satisfied that the future act processes under the NTA have been followed.
262. A permit issued by the relevant Land Council is required under section 4 of the *Aboriginal Land Act 1978* (NT) to enter onto or remain on Aboriginal Land unless otherwise authorised. Permits and entry onto Aboriginal Land may be dealt with in Part IV Agreements.
263. Consent of the Land Council is required under regulation 76 of the Mineral Titles Regulations is required before an Access Authority can be granted over Aboriginal Land. Such consent must not be unreasonably refused.
264. The *Validation (Native Title) Act 1994* (NT) was enacted by the Territory and adopts the NTA in the Northern Territory.
265. The NT Minister requires security for compensation that may become payable under the NTA, whether the liability is incurred by the Territory or another person in connection with a matter to which the Mineral Titles Act at any time during the term of a mineral title, before or during the consideration of an application for the grant or renewal of a mineral title or before approving an application for the transfer of a mineral rights interest.

*Overlapping Aboriginal Land*

266. The Searches indicate that EL30897 does not overlap any Aboriginal Land. However, EL30897 wholly overlaps the Finnis River Region II land claim (LC No: 237) (**Finniss River Claim**). This claim was lodged on 30 May 1997 and covers the beds and banks of the Finnis River from the Eastern most point of the southern boundary of Northern Territory Portion 3283 to the Southern-most point of the Western Boundary of Northern Territory Portion 3412. The claim is currently pending and the date for determination of the claim is unknown.
267. If LIT applies for a mineral lease in respect of the land the subject of the NT Tenement, it will be required to comply with the Part IV procedures under either ALRA or the future act processes under the NTA, depending on the status of the Finnis River Claim at the time of the application. If there is a positive determination of the Finnis River Claim and the NT Tenement becomes Aboriginal Land, the procedures under the ALRA will apply. If the Finnis River Claim remains pending or has been dismissed, the future act processes under the NTA will apply.

*Overlapping Claims, Determinations and Indigenous Land Use Agreements*

268. The Searches indicate that, as at the date of this Report, the NT Tenement does not overlap any Native Title claims, determinations of Native Title, or registered ILUAs.

*Part IV Agreements, Native Title Agreements and Indigenous Land Use Agreements*

269. We are not aware of any Part IV Agreements, unregistered ILUAs or common law agreements between LIT and any Land Council or Native Title party in relation to the impact of the NT Tenement on Aboriginal Land or Native Title rights and interests.

**QUALIFICATIONS AND ASSUMPTIONS**

270. We note the following qualifications and assumptions in relation to this Report:

- (a) the information in Schedules 1 and 2 is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of a Search and the date of this Report;
- (b) we have assumed that the registered holder of a Tenement has valid legal title to the relevant Tenement;
- (c) we have assumed that all Searches conducted are true, accurate and complete as at the time the Searches were conducted;
- (d) that where a document has been stamped it has been validly stamped and where a document has been submitted for stamping in Western Australia, it is validly stamped;
- (e) that where a document considered for the purposes of this Report has been provided by the Company it is a true, accurate and complete version of that document;
- (f) the references in this Report to concurrent interests that overlap the Tenements are taken from details shown on the electronic registers of DMIRS, as relevant. No investigations have been conducted to verify the accuracy of the overlap of concurrent interests;
- (g) the references in Schedule 1 to the areas of the Tenements are taken from details shown on the electronic registers of DMIRS and NT Strike, as relevant. No survey was conducted to verify the accuracy of the Tenement areas;
- (h) the references in Schedule 2 to the Crown land concurrent interests are taken from details shown on the electronic registers of DMIRS, NT Strike and NT Atlas, as relevant. No action was taken to verify the accuracy of the encroachments against each Tenement;
- (i) the references in this Report to the Native Title relating to the WA Tenements and the NT Tenement are taken from searches of the registers maintained by the NNTT. No action was taken to verify the accuracy of the information provided in the searches
- (j) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and/or the information provided to us;
- (k) we have assumed that all instructions and information (including contracts), whether oral or written, provided to us by the Company, its officers, employees, agents or representatives is true, accurate and complete;
- (l) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (m) where any dealing in a Tenement has been lodged for registration but is not yet registered, we do not express any opinion as to whether that registration will be effected, or the consequences of non-registration;

**Solicitor's Report**

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- (n) with respect to the granting of the Tenements, we have assumed that the State, the relevant claimant group and the applicant(s) for the Tenements have complied with, or will comply with, the applicable future act provisions in the NTA;
- (o) we have not researched the Tenements to determine if there are any unregistered Aboriginal sites located on or otherwise affecting the Tenements;
- (p) in relation to the Native Title determinations and claims outlined in this Report, we do not express an opinion on the merits of such determinations and claims;
- (q) we have not considered any further regulatory approvals that may be required under State and Commonwealth laws (for example, environmental laws) to authorise activities conducted on the Tenements; and
- (r) various parties' signatures on all agreements relating to the Tenements provided to us are authentic, and that the agreements are, and were when signed, within the capacity and powers of those who executed them. We assume that all of the agreements were validly authorised, executed and delivered by and are binding on the parties to them and comprise the entire agreements between the parties to each of them.

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**CONSENT**

- 271. This Report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.
- 272. Mining Access Legal has given its written consent to the issue of the Prospectus with this Report in the form and context in which it is included, and has not withdrawn its consent prior to the lodgement of the Prospectus.

Yours faithfully

Hayley McNamara  
Principal  
**Mining Access Legal**



### Schedule 1 – Tenement Schedule & Native Title/Heritage

#### Part A - Western Australian Tenements

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments per annum	Next Annual Rent	Registered Dealings	Native Title	Heritage
E63/1805	LIT	100/100	28/02/2017	27/02/2022	10 BL	\$30,000 Under expended for previous year end 27/02/2021. Exemption from expenditure for \$10,926.88 recorded.	\$3,250	Consent Caveat 595552 by Charger Metals NL over 100/100 shares of LIT recorded 09/02/2021	Falls wholly within Marlinyu Ghoorlie (WC2017/007) Native Title Claims (RNTC) (100%) Falls wholly within Jardu Mar People (WC2021/001) Native Title Claim (100%)	No Registered Aboriginal Sites  No Other Heritage Places
E63/1806	LIT	100/100	28/02/2017	27/02/2027	1 BL	\$10,000 Expended in full for previous year end 27/02/2021	\$369	Consent Caveat 621456 by Charger Metals NL over 100/100 shares of LIT lodged 30/04/2021 (pending)	Falls wholly within Marlinyu Ghoorlie (WC2017/007) Native Title Claims (RNTC) (100%) Falls wholly within Jardu Mar People (WC2021/001) Native Title Claim (100%)	No Registered Aboriginal Sites  No Other Heritage Places
E63/1809	LIT	100/100	17/10/2017	16/10/2022	53 BL	\$79,500 Expended in full for previous year end 16/10/2020 Combined Reporting CS9/2018 with E63/1866	\$12,614	Consent Caveat 595551 by Charger Metals NL over 100/100 shares of LIT recorded 09/02/2021	Falls wholly within Ngadju (WCD2014/004) Native Title Determination Area (100%)	1 Registered Aboriginal Site - Maggie Hays Ethnographic Site 3, No Gender Restrictions, Mythological 1 Other Heritage Place - Bremer Range, No Gender

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments per annum	Next Annual Rent	Registered Dealings	Native Title	Heritage
										Restrictions, Man-Made Structure
E63/1866	LIT	100/100	27/04/2018	26/04/2023	30 BL	\$30,000 Expended in full for previous year end 26/04/2020 Combined Reporting C59/2018 with E63/1809	\$7,140	Consent Caveat 595550 by Charger Metals NL over 100/100 shares of LIT recorded 09/02/2021	Falls wholly within Ngadju (WCD2014/004) Native Title Determination Area (100%)	1 Registered Aboriginal Site  - Maggie Hays Ethnographic Site 3, No Gender Restrictions, Mythological  No Other Heritage Places
E63/1903	LIT	100/100	01/07/2019	30/06/2024	16 BL	\$20,000 Expended in full for previous year end 30/06/2020	\$2,256	Consent Caveat 595548 by Charger Metals NL over 100/100 shares of LIT recorded 09/02/2021	Falls wholly within Ngadju (WCD2014/004) Native Title Determination Area (100%)	1 Registered Aboriginal Site  -Maggie Hays Ethnographic Site 3, No Gender Restrictions, Mythological  No Other Heritage Places
E63/1722	LEX	100/100	01/04/2016	31/03/2021 Renewal of term (5 years) recorded 29/02/2021	52 BL	\$104,000 No expenditure lodged for previous year end 31/03/2021	\$16,900	Consent Caveat 621457 by Charger Metals over 100/100 shares of LEX lodged 30/04/2021 (pending) Application for Extension of Term	Falls partially within Marlinyu Ghoorlie (WC2017/007) Native Title Claim (81.36%)  Falls partially within Jardu Mar People (WC2021/001) Native Title Claim (81.36%)	No Registered Aboriginal Sites  No Other Heritage Places

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments per annum	Next Annual Rent	Registered Dealings	Native Title	Heritage
								619007 recorded 29/03/2021	Falls partially within Ngadju (WCD2014/004) Native Title Determination Area (18.64%)	
E63/1723	LEX	100/100	28/07/2015	27/07/2025	16 BL	\$50,000 Expended in full for previous year end 27/07/2020	\$5,200	Consent Caveat 621458 by Charger Metals over 100/100 shares of LEX lodged 30/04/2021 (pending)	Falls wholly within Marlinyu Ghoorlie (WC2017/007) Native Title Claim (100%)  Falls wholly within Jardu Mar People (WC2021/001) Native Title Claim (100%)	No Registered Aboriginal Sites  No Other Heritage Places
E63/1777	LIT	100/100	07/10/2016	06/10/2021	3 BL	\$20,000 Expended in full for previous year end 06/10/2020	\$975	Consent Caveat 496086 by Lefroy Exploration Limited over 100/100 shares of LIT recorded 25/10/2016  Forfeiture 524034 recorded on 20/02/2018 for non-compliance with reporting requirements Fine 527929 in respect of Forfeiture 524034 finalised 18/04/2018  Consent Caveat 621722 by Charger Metals over	Falls wholly within Marlinyu Ghoorlie (WC2017/007) Native Title Claim (100%)  Falls wholly within Jardu Mar People (WC2021/001) Native Title Claim (100%)	No Registered Aboriginal Sites  No Other Heritage Places

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments per annum	Next Annual Rent	Registered Dealings	Native Title	Heritage
								100/100 shares of LIT lodged 04/05/2021 (pending)		
E70/5198	LIT	100/100	02/04/2019	01/04/2024	10 BL	\$20,000 No expenditure lodged for previous year end 01/04/2021	\$2,380	Consent Caveat 595549 by Charger Metals NL over 100/100 shares of LIT recorded 09/02/2021	Falls wholly within Whadjuk People (WC2011/009) Native Title Claims (100%)  Falls wholly within Whadjuk People ILUA (WI2017/015) (100%)  Falls wholly within Single Noongar Claim (Area 1) (WC2003/006) Application (Schedule – unregistered) (100%)  Falls wholly within Swan River People 2 WC2011/002 Application (Schedule – unregistered) (100%)  Falls wholly within Single Noongar Claim Group Compensation Claim WP2019/001 Application (Schedule – unregistered) (100%)	No Registered Aboriginal Sites  No Other Heritage Places
E70/5437	LIT	100/100	Applied for 29/04/2020 15:32		1 BL	NA	Nil	Nil	Falls wholly within Whadjuk People (WC2011/009) Native Title Claims (100%)	No Registered Aboriginal Sites  No Other Heritage Places

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments per annum	Next Annual Rent	Registered Dealings	Native Title	Heritage
									<p>Falls wholly within Single Noongar Claim (Area 1) (WC2003/006) Application (Schedule – unregistered) (100%)</p> <p>Falls wholly within Swan River People 2 (WC2011/002) Application (Schedule – unregistered) (100%)</p> <p>Falls wholly within Single Noongar Claim Group Compensation Claim Application (Schedule) (100%)</p> <p>Falls wholly within Whadjuk People ILUA (WI2017/015) (100%)</p>	
P70/1752	LIT Charger Metals	30/100 70/100	25/03/2021	24/03/2025	23.39 HA	\$2,000	\$72	Nil	<p>Falls wholly within Whadjuk People Claimed WC2011/009 (100%)</p> <p>Falls wholly within the Whadjuk People ILUA (WI2017/015) (100%)</p> <p>Falls wholly within the single Noongar Claim Group compensation Claim (WP2019/001) (100%)</p> <p>Falls wholly within the Swan River People 2</p>	<p>No Registered Aboriginal Sites</p> <p>No Other Heritage Places</p>

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments per annum	Next Annual Rent	Registered Dealings	Native Title	Heritage
									Application (WC2011/002) (100%)  Falls wholly within the single Noongar claim (Area 1) Application (WC2003/006) (100%)	
P70/1753	LIT Charger Metals	30/100 70/100	25/03/2021	24/03/2025	19.59 HA	\$2,000	\$60	Nil	Falls wholly within Whadjuk People Claimed (WC2011/009) (100%)  Falls wholly within the Whadjuk People LUA (WI2017/015) (100%)  Falls wholly within the single Noongar Claim Group compensation Claim (WP2019/001) (100%)  Falls wholly within the Swan River People 2 Application (WC2011/002) (100%)  Falls wholly within the single Noongar claim (Area 1) Application (WC2003/006) (100%)	No Registered Aboriginal Sites  No Other Heritage Places
R70/59	Mercator	100/100	04/10/2019	03/10/2022	1,695. 70 HA	Nil	\$15,094 .40	Caveat 486273 (Absolute Caveat) by Yankuang Resources Pty Ltd over 100/100	Falls wholly within Whadjuk People (WC2011/009) Native Title Claims (100%)	No Registered Aboriginal Sites  No Other Heritage Places

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments per annum	Next Annual Rent	Registered Dealings	Native Title	Heritage
								<p>shares of Mercator Metals Pty Ltd recorded 4 October 2019</p> <p>Consent Caveat 595547 by Charger Metals NL over 100/100 shares of Mercator Metals Pty Ltd recorded 09/02/2021</p>	<p>Falls wholly within Whadjuk People ILUA (WI2017/015) (100%)</p> <p>Falls wholly within the single Noongar claim (Area 1) Application (WC2003/006) (100%)</p> <p>Falls wholly within the Swan River People 2 Application (WC2011/002) (100%)</p> <p>Falls wholly within the Whadjuk People ILUA (WI2017/015) (100%)</p>	

**Part B - Northern Territory Tenement**

Tenement/ Application	Holder/ Applicant	Shares	Applied/ Grant Date	Expiry Date	Area	Expenditure commitments per annum	Next Annual Rent	Registered Dealings	Native Title	Heritage
EL30897	LIT	100/100	22/3/2016	21/03/2022	16 BL	\$35,000 Expended in full for previous year. Under expended in 2018 and 2019	\$2,718	Consent Caveat D94280 by Charger Metals NL over 100/100 shares of LIT registered 01/03/2021	Aboriginal Land Claim – LC 237 – Finniss River Region	No Sacred Sites Registered No Sacred Sites Recorded 10 Authority Certificates granted with no Restricted Work Areas 1 Authority Certificate granted with 1 Restricted Work Area

## Schedule 2 – Non-Standard Conditions

### Part A - Western Australian Tenements

Tenement	Conditions
E63/1722	<ul style="list-style-type: none"> <li>No interference with Geodetic Survey Stations Lake Johnston 29, 29T, 49 and UJ130 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.</li> </ul>
E63/1723	<ul style="list-style-type: none"> <li>All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.</li> </ul>
E63/1777	<ul style="list-style-type: none"> <li>No interference with Geodetic Survey Stations Lake Johnston 2 and MJ 33 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.</li> </ul>
E63/1866	<ul style="list-style-type: none"> <li>No interference with Geodetic Survey Stations LAKE JOHNSTON 19 and 19T and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.</li> </ul>
E70/S198	<ul style="list-style-type: none"> <li>The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Recreation Golf Links reserve 25225, Rubbish Disposal Site 41937, conservation of Flora and Fauna reserve 14275 and Conservation Reserve 48721.</li> <li>In areas of native vegetation within the tenement, no exploration activities commencing until the licensee provides a plan of management to prevent the spread of dieback disease (Phytophthera sp) to the Executive Director, Resource and Environmental Compliance, DMIRS for assessment and until his written approval has been received. All exploration activities shall then comply with the commitments made in the management plan.</li> <li>No interference with Geodetic Survey Stations WUNDOWIE 7 and 8 and CHEDERING 2 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.</li> </ul> <p><b>In respect of the grant to the Licensee of this Licence, the Native Title Group's consent pursuant to clause 18 of Schedule 10 of the Whadjuk People ILUA to such grant is, as a condition precedent, subject to the DMIRS imposing the following condition:</b></p> <ul style="list-style-type: none"> <li>As the Whadjuk People ILUA applies to this Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the ILUA:             <ol style="list-style-type: none"> <li>(i) subject to paragraph (ii), execute and enter into in respect of this Exploration Licence an Aboriginal Heritage Agreement (as defined in the ILUA) with the Native Title Agreement Group or Regional Corporation (as the case requires) for the ILUA on terms and conditions agreed by the Licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 Business Days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;</li> <li>(ii) where:                 <ol style="list-style-type: none"> <li>A. the Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and</li> <li>B. the Licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and</li> </ol> </li> </ol> </li> </ul>

	<p>C. The Licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the Licensee within 20 Business Days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and</p> <p>(iii) provide to the DMIRS a statutory declaration from the Licensee (or if the Licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Annexure U to the Settlement Terms (as defined in the ILUA), as evidence that the Licensee has complied with the requirements of paragraph (i) of this condition or that paragraph (ii) of this condition applies."</p>
R70/59	<ul style="list-style-type: none"> <li>• All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMIRS. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS.</li> <li>• In areas of native vegetation within the tenement, no exploration activities commencing until the licensee provides a plan of management to prevent the spread of dieback disease (<i>Phytophthora</i> sp) to the Executive Director, Resource and Environmental Compliance, DMIRS for assessment and until his written approval has been received. All exploration activities shall then comply with the commitments made in the management plan.</li> <li>• No interference with Geodetic Survey Stations Chedaring 2-5 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.</li> </ul> <p><b>In respect of the grant to the Licensee of this Licence, the Native Title Group's consent pursuant to clause 18 of Schedule 10 of the Whadjuk People ILUA to such grant is, as a condition precedent, subject to the DMIRS imposing the following condition:</b></p> <ul style="list-style-type: none"> <li>• As the Whadjuk People ILUA applies to this Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the ILUA:             <ul style="list-style-type: none"> <li>(i) subject to paragraph (ii), execute and enter into in respect of this Exploration Licence an Aboriginal Heritage Agreement (as defined in the ILUA) with the Native Title Agreement Group or Regional Corporation (as the case requires) for the ILUA on terms and conditions agreed by the Licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 Business Days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;</li> <li>(ii) where:                 <ul style="list-style-type: none"> <li>A. the Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and</li> <li>B. the Licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and</li> <li>C. The Licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the Licensee within 20 Business Days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and</li> </ul> </li> <li>(iii) provide to the DMIRS a statutory declaration from the Licensee (or if the Licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Annexure U to the Settlement Terms (as defined in the ILUA), as evidence that the Licensee has complied with the requirements of paragraph (i) of this condition or that paragraph (ii) of this condition applies."</li> </ul> </li> </ul>

## Part B - Northern Territory Tenement

Tenement	Conditions
EL30897	<ul style="list-style-type: none"> <li>The area over which this licence has been granted is subject to an Aboriginal land claim. In the event that the claim is upheld and the land subsequently becomes Aboriginal land, the grant of any consequential mining right will be subject to the provisions of the ALRA.</li> <li>Should the land over which this licence is granted become "Aboriginal land" within the meaning of the ALRA, it is the view of the Department of Mines and Energy that a licence which predates the grant of Aboriginal land is not invalidated by the grant. However, the Northern Territory Government gives absolutely no warranty to this effect and recommends you obtain legal advice about your rights under the licence and the extent to which they will be preserved if and when the land becomes Aboriginal land under the Act.</li> </ul> <p>The following laws, requirements and codes of conduct may apply to EL30897 or the exploration activities on EL30897:</p> <ul style="list-style-type: none"> <li>the Sacred Sites Act which may require you to consult with the AAPA prior to any ground disturbance;</li> <li>the MMA may require you to obtain an authorisation to carry out exploration activities and may require you to provide a mining management plan for that purpose. You should check whether this Act applies to your exploration activities and ensure you comply with the relevant requirements;</li> <li>any additional approvals which may be required to carry out activities in close proximity to roads or railways.</li> </ul> <p><b>Native Title</b></p> <ul style="list-style-type: none"> <li>If and when the title holder applies to the Minister for a lease which would allow productive mining, any registered Native Title claimants or holders are to be informed of this fact in writing so as to signal that another future act process may follow which allow them to exercise procedural rights.</li> <li>To the extent possible the title holder should employ persons and contractors resident in or around the licence area and give them the opportunity of quoting or tendering for contract work.</li> </ul> <p><b>Consultations with Native Title Parties</b></p> <ul style="list-style-type: none"> <li>The title holder shall, prior to the commencement of exploration activities other than reconnaissance, convene a meeting on the licence area (or the nearest convenient locality) with registered Native Title claimants or holders to explain the exploration activities. The title holder may also invite the relevant pastoral lessee(s) or landholders to this meeting. <i>(This provision does not apply where the Holder is required to consult with registered Native Title claimants or holders because of the existence of a separate agreement)</i></li> <li>Notice of the meeting shall be by letter and shall be posted to the registered Native Title claimants or holders and the representative body not less than 17 days before the meeting and shall nominate the date, time and place of the meeting.</li> <li>The title holder must have regard to presentations made to it at the meeting regarding any aspect of the exploration activities which raises concerns. These representations may deal with access procedures to articular areas of land within the licence area.</li> </ul> <p><b>Site Protection</b></p> <ul style="list-style-type: none"> <li>Prior to carrying out any work in the licence area the title holder must consult with the AAPA and inspect the Register of Sacred Sites. A title holder wishing to carry out work may apply for an Authority Certificate.</li> </ul>

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***Minimising Environmental Impact***

- The title holder shall not bring firearms or traps onto the licence area and shall not take or kill any wildlife.
- The title holder shall not construct new vehicles unless unavoidable. New tracks should be constructed at the minimum width possible to conduct the exploration programme, avoid long straight stretches, and be constructed with sufficient furrows to provide appropriate drainage.
- The title holder shall keep clearing and/or disturbance of vegetation to a minimum with particular care taken in regard to preserving mature trees and vegetation along watercourses.
- The title holder shall take such steps as are reasonably practical to prevent the spread of noxious weeds, including the washing down of vehicles and removal of grass seeds before moving vehicles and equipment to a new area.
- The title holder shall take such steps as are practical to minimise disturbance to the soil, rocks, rock formations, creeks and watercourses.

### 13. MATERIAL CONTRACTS

The full terms of contracts to which the Company is a party that may be material in terms of the Offers or the operations of the Company or that otherwise are or may be relevant to a potential investor in the Company are not set out in this Prospectus. Summaries of these contracts, however, are set out in Sections 7.1, Section 9.2(b), Section 9.5, the Solicitors' Report on Tenements in Section 12 and in this Section 13.

#### 13.1 AGREEMENTS WITH DIRECTORS AND RELATED PARTIES

Details of the material terms of the agreements between the Company and the Directors or other related parties of the Company are set out in Section 9.5.

#### 13.2 LIT ACQUISITION AGREEMENT

On 4 December 2020, Charger entered into an Acquisition and Joint Venture Agreement with Lithium Australia NL (**LIT**) (which was subsequently amended by a deed of variation and restatement entered into on 16 April 2021) (**LIT Acquisition Agreement**) under which LIT granted Charger an option to acquire:

- (a) a 70% interest in exploration licence E70/5198 and granted under the Mining Act (WA) and exploration Licence application E70/5437 made under the Mining Act (WA) (Coates EL Application) which, collectively with prospecting licences P70/1752 and P70/1753 granted under the Mining Act (WA) (see below), constitute the Coates Cu-Ni-PGE Project;
- (b) a 70% interest in exploration licence EL30897 granted under the Mining Act (NT) which constitutes the Bynoe Lithium and Gold Project;
- (c) the following interests which constitute the Lake Johnston Lithium Project:
- (d) a 70% interest in exploration licences E63/1805, E63/1809, E63/1866 and E63/1806 granted under the Mining Act (WA);
- (e) a 100% interest in exploration licence E63/1903 granted under the Mining Act (WA); and
- (f) a 70% interest in contractual lithium rights to E63/1722, E63/1723 and E63/1777 which Lithium Australia NL holds under an agreement with Lefroy Exploration Limited as described in more detail below and in Section 13.4.
- (g) The option fee payable by Charger under the LIT Acquisition Agreement (which has been paid) is \$30,000. The option period is 9 months (ending in September 2021).

The consideration payable for the above acquisition (**LIT Acquisition**) is 9,600,000 Shares and a cash payment of \$100,000 in partial reimbursement of prior expenditure by LIT on the Coates Cu-Ni-PGE Project, the Bynoe Lithium and Gold Project and the Lake Johnston Lithium and Gold Project (collectively, the **LIT Projects**).

In addition, Charger must either (at Charger's election) pay LIT \$200,000 or issue LIT 2,000,000 Shares if Charger, by 4 December 2026, delineates an inferred resource under the JORC Code of:

- (a) 10,000 tonnes of contained nickel on the tenements comprising the LIT Projects;
- (b) 10,000,000 tonnes equal to or greater than 1.2% lithium oxide on the tenements comprising the LIT Projects; or
- (c) 100,000 ounces of gold equivalent on the tenements comprising the LIT Projects.

This contingent consideration is classified elsewhere in this Prospectus as Vendor Performance Rights – see Section 7.13 for further details.

Completion of the LIT Acquisition is also conditional on Charger, within 2 months of exercising its option to proceed with the LIT Acquisition, notifying LIT that it has completed its due diligence on the LIT Projects (which such due diligence Charger has completed) and Charger receiving conditional approval from the ASX to be admitted to the Official List. Completion must occur within 5 business days of satisfaction or waiver of these conditions. However:

- (a) the acquisition of a 70% interest in the tenement the subject of the Coates EL Application is subject to, and conditional on, the grant of that tenement (and the consent of the Minister (WA) to transfer such 70% interest to Charger – see below) provided that if such tenement has not been granted completion of the LIT Acquisition will still proceed and, in respect of the Coates EL Application, Charger will progress the grant of the tenement the subject of the Coates EL Application on behalf of Lithium Australia NL and, if the tenement is granted, the parties must do all things necessary thereafter to transfer a 70% interest in the tenement to Charger; and
- (b) if the consent of the Minister (WA) or the Minister (NT) is required to complete the LIT Acquisition then the Coates North Acquisition is subject to and conditional on such consent being obtained – the Company's view is that the consent of the Minister (WA) is not required to complete the Coates North Acquisition except in respect of the tenements the subject of the Coates EL Application (see above) and in respect of exploration licence EL30897 the approval of the Minister (NT) is required for Charger to acquire a 70% interest in EL30897.

Upon completion of the LIT Acquisition, an unincorporated joint venture will be formed between Charger (with a 70% participating interest) and LIT (with a 30% participating interest) in respect of the LIT Projects (except in respect of exploration licence E63/1903)) on terms set out in the LIT Acquisition Agreement (**LIT Joint Venture**). Charger will be the Manager of the LIT Joint Venture.

LIT will be free carried in the LIT Joint Venture until the completion of a definitive feasibility study, at which time each party will need to fund the LIT Joint Venture expenditure in accordance with their respective participating interests or dilute under industry standard dilution. LIT can, at any time prior to completion of a definitive feasibility study, elect to convert its participating interest into a 2% net smelter revenue royalty.

The LIT Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature.

In addition, by way of a side letter dated 5 May 2021, Charger and Lithium Australia NL have agreed that prospecting licences P70/1752 and P70/1753 granted under the Mining Act (WA) to Charger (70%) and Lithium Australia NL (30%) will be governed by the joint venture terms in the LIT Acquisition Agreement. Under the side letter, if the LIT Acquisition Agreement is terminated before Completion occurs, Charger must transfer its interest in prospecting licences P70/1752 and P70/1753 to Lithium Australia NL.

LIT is also a party to a Farm-in Agreement with Okapi Resources Limited under which, Okapi has an exclusive right to earn a 75% interest in E63/1903 other than in respect of the rights to lithium and associated minerals that occur within PCT pegmatites. In connection with the LIT Acquisition, Charger has executed a deed of assignment by which it has agreed to comply with this agreement Okapi Resources Limited. Further details are set out in Section 13.3.

LIT's contractual rights to lithium in exploration licences E63/1722, E63/1723 and E63/1777 are held under a rights agreement with the registered holder of those tenements, Lefroy Exploration Limited. In connection with the LIT Acquisition, Charger has executed a deed of assignment by which it has agreed to comply with this agreement to the extent of the interest to be acquired by Charger upon completion of the LIT Acquisition. Further details are set out in Section 13.4.

### **13.3 OKAPI FARM-IN AGREEMENT**

In December 2020, Charger entered into a deed of assignment with Okapi Resources Limited (Okapi) and LIT by which Okapi consented to Charger acquiring a 100% interest in exploration licence E63/1903 and by which, with effect from completion of the LIT Acquisition, Charger will be bound by the farm-in agreement between LIT and Okapi (Okapi Farm-in Agreement) under which:

- (a) Okapi has a right to earn a 75% interest in E63/1903 other than in respect the rights to lithium and associated minerals that occur within PCT pegmatites, by undertaking exploration expenditure of not less than \$800,000 on E63/1903 by 4 December 2022;
- (b) Okapi is granted a right to access E63/1903;
- (c) during the farm-in period, Okapi must keep E63/1903 in good standing and must undertake expenditure of at least \$100,000 by 4 December 2022 and must allow Charger to hold peaceably and without interruption its rights to lithium and associated minerals that occur within PCT pegmatites;
- (d) if Okapi earns the 75% interest in E63/1903, a joint venture will be formed and will be governed by a formal joint venture agreement to be agreed between the parties and Charger will be free-carried under the joint venture until completion of a mine plan accepted by the Western Australian Department of Mines, Industry Regulation and Safety.

The Okapi Farm-in Agreement otherwise contains provisions considered standard for an agreement of its nature.

### **13.4 LITHIUM RIGHTS AGREEMENT WITH LEFROY EXPLORATION LIMITED**

On 30 April 2021, Charger entered into a deed of assignment with LIT and Lefroy Exploration Limited (LEX) by which LEX consented to Charger acquiring a 70% interest in LIT's contractual rights to lithium in exploration licences E63/1722, E63/1723 and E63/1777 under a rights agreement between LIT and LEX (Lithium Rights Agreement) and by which, with effect from completion of the LIT Acquisition, Charger will be jointly bound by the Lithium Rights Agreement under which:

- (a) LEX grants rights to explore for and exploit lithium and other mineralisation associated with pegmatites on E63/1722, E63/1723 and E63/1777; and
- (b) the parties must cooperate and coordinate their activities on E63/1722, E63/1723 and E63/1777 in good faith and so as not to conflict or interfere with the activities of the other party and where it is not possible to avoid interference the parties will negotiate in good faith arrangements to, where possible, operate to minimise the conflict or interference between such activities.
- (c) It is noted that as at the date of this Prospectus, LIT is the registered holder of E63/1777, however, by a Tenement Sale Agreement between LIT and LEX, LIT sold E63/1777 to LEX excluding the lithium rights (with these rights being on the same terms as those set out in the Lithium Rights Agreement).

- (d) The Lithium Rights Agreement otherwise contains provisions considered standard for an agreement of its nature.

### 13.5 MERCATOR ACQUISITION AGREEMENT

On 4 December 2020, Charger entered into an Acquisition and Joint Venture Agreement with Mercator Metals Pty Ltd (**Mercator**) (which was subsequently amended by a deed of variation and assignment entered into on 13 May 2021) under which Mercator granted Charger an option to acquire an 85% interest in retention licence R70/59 granted under the Mining Act (WA) (**R70/59**) (**Mercator Acquisition Agreement**). The option fee payable by Charger under the Mercator Acquisition Agreement (which has been paid) is \$15,000. The option period is 6 months (ending in June 2021) provided that the Company may extend the option period for successive monthly period for an additional \$5,000 per month.

The consideration payable to Mercator or nominee for the above acquisition (**Coates North Acquisition**) is 2,550,000 Shares and 1,000,000 Vendor Options (with a \$0.30 per share exercise price and an expiry date 3 years from the Listing Date) in the Company. The full terms and conditions of the Vendor Options are set out in Section 14.2(b).

In addition, Charger must either (at Charger's election) pay Mercator (or nominee approved by Charger) \$200,000 or issue Mercator (or nominee approved by Charger) 2,000,000 Shares if Charger, by 4 December 2026, delineates an inferred resource on R70/59 under the JORC Code of 10,000 tonnes of nickel equivalent or 50,000 ounces of gold at no less than 3 grams/tonne. This contingent consideration is classified elsewhere in this Prospectus as Vendor Performance Rights – see Section 7.13 for further details.

Completion of the Coates North Acquisition is also conditional on Charger, within 2 months of exercising its option to proceed with the Coates North Acquisition, notifying Mercator that it has completed its due diligence on R70/59 (which such due diligence Charger has completed) and Charger receiving conditional approval from the ASX to be admitted to the Official List. Completion must occur within 5 business days of satisfaction or waiver of these conditions. However, if the consent of the Minister (WA) is required to complete the Coates North Acquisition then the Coates North Acquisition is subject to and conditional on such consent being obtained – the Company's view is that the consent of the Minister (WA) is required to complete the Coates North Acquisition.

The Company has been advised that at Completion of the Coates North Acquisition, Mercator intends to assign its remaining 15% interest in R70/59 to Adrian Griffin (controller of Mercator), which such assignment is permitted under the Mercator Acquisition Agreement. In this regard, on 13 May 2021 the Company, Mercator and Adrian Griffin entered into a deed of variation and assignment under which subject to (and with effect from) completion of the Coates North Acquisition (but subject to Mercator transferring its 15% interest in R70/59 to Adrian Griffin), Mercator assigns its rights and obligations under the Mercator Acquisition Agreement to Adrian Griffin. Mercator will guarantee Adrian Griffin's obligations under the Mercator Acquisition Agreement.

Accordingly, upon completion of the Coates North Acquisition and Mercator transferring its 15% interest in R70/59 to Adrian Griffin, an unincorporated joint venture will be formed between Charger (with an 85% participating interest) and Adrian Griffin (with a 15% participating interest) on terms set out in the Acquisition Agreement (**Coates North Joint Venture**). Charger will be the Manager of the Coates North Joint Venture.

Adrian Griffin will be free carried in the Coates North Joint Venture until the completion of a preliminary feasibility study, at which time Charger and Adrian Griffin will need to fund the Coates North Joint Venture expenditure in accordance with their respective participating interests or dilute under industry standard dilution. Adrian Griffin can, at any time prior to

completion of a preliminary feasibility study, elect to convert its participating interest to a 2% net smelter revenue royalty.

The Mercator Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature.

Mercator is also a party to various agreements with Yankuang Resources Pty Ltd (**Yankuang**) under which, among other things, Yankuang holds rights to bauxite in R70/59. In connection with the Coates North Acquisition, Charger has executed a deed of assignment by which it has agreed to comply with these agreements with Yankuang to the extent of the interest to be acquired by Charger upon completion of the Coates North Acquisition. Further details are set out in Section 13.6.

### 13.6 BAUXITE AGREEMENTS RELATING TO R70/59

On 23 April 2021, Charger entered into a deed of assignment with Mercator and Yankuang by which Yankuang consents to the Coates North Acquisition and by which, with effect from completion of the Coates North Acquisition, Charger will be bound (to the extent of the interest in R70/59 acquired by Charger under the Coates North Acquisition) by agreements between Mercator and Yankuang (Yankuang Bauxite Agreements) under which, materially:

- (a) Yankuang has acquired the rights to bauxite on R70/59 being, more particularly, the rights to a heterogeneous material comprised primarily of one or more aluminium hydroxide minerals, plus various mixtures of silica, iron oxide, tinania, aluminosilicate and other impurities in minor or trace elements and having more than 25% available alumina;
- (b) Yankuang is granted a right to access R70/59 to exercise its rights to bauxite;
- (c) Yankuang is required to keep R70/59 in good standing;
- (d) the parties must cooperate in conducting their respective exploration activities on R70/59 and must share information; and
- (e) a regime is established by which each party must notify the other of any proposed development of a mineral resource and competing proposals will be resolved by agreement or determination by an expert taking into account various matters including respective net economic values of the mineral resources of the respective development proposals.
- (f) Under the deed of assignment, Yankuang also consents to Mercator assigning to Adrian Griffin (controller of Mercator) its remaining 15% interest in R70/59 upon completion of the Coates North Acquisition and Adrian Griffin agrees to be bound by the Bauxite Rights Agreement to the extent of its interest in R70/59.

### 13.7 LEAD MANAGER MANDATE

In April 2021, the Company engaged Pamplona Capital Pty Ltd (**Lead Manager**) as Lead Manager to the Offers (**Lead Manager Mandate**).

The fees payable under the Lead Manager Mandate are as follows:

- (a) \$30,000 (ex GST) capital raising fee;
- (b) a fee of 5.5% (ex GST) of the funds raised under the Offers by the Lead Manager; and
- (c) 1,600,000 Lead Manager Options to the Lead Manager or its nominees.

- (d) The Lead Manager Options will have an exercise price of \$0.30 and will expire three years from the Listing Date. Please refer to Section 14.2(b) for the full terms and conditions of the Lead Manager Options.

The Lead Manager will be entitled to be reimbursed for any reasonable disbursements and out-of-pocket expenses provided that the Lead Manager has first obtained the Company's agreement to incur such disbursement or out-of-pocket expenses.

The Company agrees to indemnify and hold harmless the Lead Manager (and its directors, officers and employees) from and against all claims arising out of or in connection with the Lead Manager Mandate, non-compliance with laws, statements in public documents (including misrepresentation and omissions and including statements in relation to the Company's shares), breach of the Lead Manager Mandate and reviews or investigations by ASIC or ASX or other governmental authorities.

The Lead Manager agrees to indemnify the Company (and its directors, officers and employees) from and against all claims arising out of or in connection with except to the extent that such claims have resulted from the fraud, gross negligence or wilful breach of the Lead Manager Mandate or the Lead Manager's breach of the Corporations Act or of its Financial Services Licence.

The Lead Manager Mandate may be terminated by the relevant Lead Manager or the Company by written notice at any time with or without cause upon 7 days written notice to the other party.

The Lead Manager Mandates otherwise contain provisions considered standard for an agreement of this nature.

## **13.8 CONSTITUTION**

Investors who are issued Shares under the Offers will become bound by the Constitution of the Company. The Constitution of the Company governs the relationship between the Company, its shareholders and its directors, in accordance with section 140 of the Corporations Act. The Constitution was adopted on 27 November 2020 upon the Company's incorporation as a public company limited by shares. The Company's Constitution states that the Company is a no liability company and its sole objects are mining purposes

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## **14. ADDITIONAL INFORMATION**

### **14.1 LITIGATION**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **14.2 RIGHTS ATTACHING TO SECURITIES**

#### **(a) Shares**

The Shares offered for subscription under this Prospectus are new Shares that will rank equally with the issued Shares. The rights attaching to Shares are set out in the Constitution and in certain circumstances are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and general law. The rights, privileges and restrictions attaching to Shares are summarised below. This is not exhaustive nor is it a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement you should obtain independent legal advice. A copy of the Constitution is available for inspection at the Company's registered office during normal business hours.

#### **(i) General meetings and Notice of Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

#### **(ii) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (A)** each Shareholder entitled to vote may vote in person or by proxy, attorney or representative or, if a determination has been made by the Board, by direct voting;
- (B)** on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (C)** on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) shall, in respect of each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes being equivalent to proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

#### **(iii) Dividend rights**

Subject to and in accordance with the Corporations Act, the ASX Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding

amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.. The Directors may from time to time pay to the Shareholders any interim dividends that they may determine. No dividend shall carry interest as against the Company. Except as otherwise provided by statute, all dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. In the event of a breach of the ASX Listing Rules relating to Restricted Securities or of any escrow arrangement entered into by the Company under the ASX Listing Rules in relation to any Shares which are classified under the ASX Listing Rules or by ASX as Restricted Securities, the Shareholder holding the Shares in question shall cease to be entitled to be paid any dividends in respect of those Shares for so long as the breach subsists..

(iv) Winding-up

If the Company is wound up the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. No member is obliged to accept any Shares, securities or other assets in respect of which there is any liability. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other Securities in respect of which there is any liability. Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding up and the Corporations Act all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

(v) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

Directors may refuse to register any transfer of Shares where the ASX Listing Rules permits or requires the Company to do so or the transfer is a transfer of Restricted Securities which is or might be in breach of the ASX Listing Rules or any escrow agreement entered into by the Company in relation to such Restricted Securities pursuant to the ASX Listing Rule. Where the Directors refuse to register a transfer in accordance with this clause, they shall send notice of the refusal and the precise reasons for the refusal to the transferee and the lodging broker (if any) in accordance with the ASX Listing Rules. The Directors may suspend the registration of transfers at any times, and for any periods, permitted by the ASX Settlement Operating Rules that they decide.

(vi) Variation of rights

Pursuant to section 246B of the Corporations Act the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary the rights attaching to Shares.

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class, subject to Part 2F.2 of Chapter 2F of the Corporations Act of the Corporations Act.

(vii) Shareholder Liability

As the Shares under the Prospectus are fully paid ordinary shares, they are not subject to any calls for money by the Directors and will therefore not become liable to forfeiture.

(viii) Future Increases in Capital

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, unissued Shares shall be under the control of the Directors and, subject to the Corporations Act, the ASX Listing Rules and this Constitution, the Directors may at any time issue such number of Shares either as ordinary Shares or Shares of a named class or classes (being either an existing class or a new class) at the issue price that the Directors determine and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors shall, in their absolute discretion, determine.

(ix) Alteration to the Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given to Shareholders.

(x) ASX Listing Rules

If the Company is admitted to the Official List, notwithstanding anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

**(b) Options**

The Company has issued a total of 3,400,000 Options to the Directors, Key Management Personnel and Warrior under the Company Secretarial Agreement as set out in Sections 7.11, 9.2(b) and 13.8.

Prior to the Listing Date, the Company intends to issue 1,600,000 Lead Manager Options to the Lead Manager (or its nominees) under the Lead Manager Mandate (refer Section 13.7) and 1,000,000 Vendor Options to Mercator Metals Pty Ltd or nominee under the Mercator Acquisition Agreement (refer Section 13.5).

The following terms and conditions apply to the Options referred to above (being all Options on issue as at the Listing Date):

(i) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(ii) Exercise Price

The amount payable upon exercise of each Option will be \$0.30 (Exercise Price).

(iii) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is three (3) years from the Listing Date (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(iv) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(v) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(vi) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(vii) Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- (A) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (B) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (C) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options. If a notice delivered under (ix)(B) above for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to

satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(viii) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares.

(ix) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(x) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(xi) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(xii) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

### 14.3 EMPLOYEE INCENTIVE SECURITIES PLAN

A summary of the terms of the Charger Metals NL Securities Incentive Plan (Plan) is set out below:

(a) (Eligible Participant): Eligible Participant means a person that:

- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.

(b) (Purpose): The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
- (iii) link the reward of Eligible Participants to Shareholder value creation;
- (iv) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities; and
- (v) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

(c) (Plan administration): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

- (d) (Eligibility, invitation and application): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company.

The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (e) (Grant of Securities): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) (Terms of Convertible Securities): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them.

A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (a) (Vesting of Convertible Securities): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested.

For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (b) (Exercise of Convertible Securities and cashless exercise): To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. More than one signed Notice of Exercise can be delivered by a Participant in relation to a holding of Convertible Securities from the date of a Vesting Notice until the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that

number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (c) (Delivery of Shares on exercise of Convertible Securities): As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (d) (Forfeiture or non forfeiture of Convertible Securities): Where a Participant who holds Convertible Securities ceases to be an Eligible Participant, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest or remain non forfeited.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

**Good Leaver** Where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Good Leaver, unless the Board determines otherwise vested Convertible Securities that have not been exercised will continue in force and remain exercisable until the Expiry Date and unvested Convertible Securities will be forfeited unless the Board determines otherwise. A Good Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) who ceases employment, office or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where an Eligible Participant's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.

**A Bad Leaver** Unless the Board determines otherwise, where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Bad Leaver unvested Convertible Securities will be forfeited and vested Convertible Securities that have not been exercised will be forfeited on the date of the cessation of employment or office of such Participant in accordance with clause 10. A Bad Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) whose employment, office or engagement with a Group Company ceases in any of the following circumstances: (i) the Eligible Participant's employment or engagement is terminated, or the Eligible Participant is dismissed from office, due to serious and wilful misconduct; a material breach of the

terms of any contract of employment, engagement or office entered into by a Group Company and the Eligible Participant; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the Eligible Participant's contract of employment or engagement or office, or at common law; (ii) the Eligible Participant ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the Eligible Participant's employment contract; or (iii) the Eligible Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 (disqualification from managing corporations) of the Corporations Act.

**Discretion** The Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

- (a) (Change of control): If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (b) (Rights attaching to Plan Shares): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (c) (Disposal restrictions on Plan Shares): If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
  - ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (d) (Adjustment of Convertible Securities): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (a) (Participation in new issues): There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (b) (Amendment of Plan): Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (c) (Plan duration): The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

#### **14.4 INTERESTS OF DIRECTORS**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (c) its formation or promotion; or
  - (d) the Offers; and
  - (e) the Offers,
  - (f) and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or a proposed Director:
  - (g) as an inducement to become, or to qualify as, a Director; or
  - (h) for services provided in connection with:
    - (i) the formation or promotion of the Company; or
    - (j) the Offers.

## 14.5 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two (2) years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with:
- (c) its formation or promotion; or
- (d) the Offers; and
- (e) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Continental Resource Management has acted as Independent Geologist and has prepared an Independent Technical Assessment Report on the Tenements which has been included in Section 10. The Company estimates it will pay Continental Resource Management approximately \$8,000 plus GST for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Continental Resource Management has received no other fees from the Company.

Nexia Perth Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared an Independent Limited Assurance Report which has been included in Section 11. The Company estimates it will pay approximately \$7,500 plus GST and disbursements for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Nexia Perth Corporate Finance Pty Ltd has received \$2,000 in other fees from the Company for consulting services.

Pamplona Capital Pty Ltd has acted as Lead Manager to the Offer and will receive those fees set out in Section 13.7 following the successful completion of the Offers for its services as the Lead Manager to the Offer. Further details in respect to the Lead Manager Mandate are summarised in Section 13.7. During the 24 months preceding lodgement of this Prospectus with the ASIC, Pamplona Capital Pty Ltd has not received fees from the Company for any other services.

Poplar Legal has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Poplar Legal approximately \$65,000 plus GST and disbursements for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus

with ASIC, Poplar Legal has received other fees of \$13,350 plus GST from the Company for legal services.

Mining Access Legal has prepared the Solicitors' Report on Tenements which has been included in Section 12. The Company estimates it will pay Mining Access Legal approximately \$30,000 plus GST and disbursements for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Mining Access Legal has received other fees of \$2,271 plus GST from the Company for legal services.

Advanced Share Registry Ltd has been appointed as the Company's Share registry and will be paid for these services on normal commercial terms.

#### **14.6 CONSENTS**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any persons named in the Prospectus with their consent as proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make the Offers;
- (b) has not authorised or caused the issue of this Prospectus;
- (c) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statement included in or omitted from this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 14.6.

Continental Resource Management has given its written consent to being named as the Independent Geologist to the Company in this Prospectus, to the inclusion of the Independent Technical Assessment Report in Section 10 in the form and context in which the report is included and to its Competent Person's Statement in Section 2.12. Continental Resource Management has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Nexia Perth Corporate Finance Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Section 11 in the form and context in which the report is included. Nexia Perth Corporate Finance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Nexia Perth Audit Services Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and to the inclusion of the audited financial information of the Company contained in the Independent Limited Assurance Report in Section 11 in the form and context in which it appears. Nexia Perth Audit Services Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Pamplona Capital Pty Ltd has given its written consent to be named as the Lead Manager to the Offers in this Prospectus. Pamplona Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Poplar Legal has given its written consent to being named as Solicitors to the Offers in this Prospectus. Poplar Legal has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Mining Access Legal has given its written consent to being named as Author of the Solicitors' Report on Tenements in this Prospectus and to the inclusion of the Solicitors' Report on Tenements in Section 12 in the form and context in which the report is included. Mining Access Legal has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

#### 14.7 EXPENSES OF THE OFFERS

The total expenses of the Offers (excluding GST) are estimated to be approximately \$560,894 for Minimum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Amount (\$) Minimum Subscription
ASIC fees	3,206
ASX fees	76,932
Lead Manager fees or Brokers' fees *	360,000
Solicitor's Report on Tenements	30,000
Independent Limited Assurance Report	7,500
Legal Expenses	65,000
Independent Technical Assessment Report	8,000
Printing and other	10,256
<b>TOTAL</b>	<b>560,894</b>

\* Broker fees will only be paid on applications made through a licensed securities dealer or Australian Financial Services licensees and accepted by the Company (refer to Section 6.13 for further information). The amount calculated is based on 100% of applications being made in this manner or through the Lead Manager. For those applications made directly to or accepted by the Company no Lead Manager fees or broker commissions will be payable and the expenses of the Offers will be reduced and additional funds will be put towards new project evaluation.

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## 15. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings, unless the context requires otherwise:

**\$** means an Australian dollar.

**Acquisition Agreements** means the LIT Acquisition Agreement and the Mercator Acquisition Agreement.

**Application Form** means the General Offer Application Form and/or the LIT Offer Application Form (as the context requires) attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN: 008 624 691) or the market operated by it (as the context requires).

**ASX Settlement Operating Rules** means the operating rules of the settlement facility operated by ASX Settlement Pty Ltd (ACN: 008 504 532), as amended from time to time.

**Board** means the board of Directors.

**Lead Manager Option** means an option to acquire a Share on the terms and conditions set out in Section 14.2(b).

**Business Day** means a day other than a Saturday or a Sunday when trading banks are ordinarily open for business in Perth, Western Australia.

**Bynoe Lithium and Gold Project** means the lithium and gold project described in Section 7.4.

**Chairman** means the chairman of the Board.

**Closing Date** means the closing date of the Offers as set out in the Indicative Timetable in Section 3 (subject to the Company reserving the right to extend the Closing Date or close the Offers (or any of them) early).

**Co** means cobalt.

**Coates Ni-Cu-Co-PGE Project** means the Ni-Cu-Co-PGE project described in Section 7.3.

**Company** or **Charger** means Charger Metals NL (ABN: 44 646 203 465).

**Constitution** means the constitution of the Company.

**Corporate Governance Principles and Recommendations** means the *Corporate Governance Principles and Recommendations (Fourth Edition)* as published by the ASX Corporate Governance Council.

**Corporations Act** means the *Corporations Act 2001* (Cth) and any regulations promulgated under it.

**Cu** means copper.

**Directors** means the directors of the Company from time to time.

**EM** means electromagnetic, referring to a group of geophysical systems used to detect conductive rocks which may include metal sulphides.

**General Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 6.1.

**JORC Code** means the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition)* prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

**Lake Johnston Lithium and Gold Project** means the lithium and gold project described in Section 7.5.

**Listing Date** means the date upon which the Company is admitted to the Official List.

**Listing Rules** means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**LCT** means lithium-caesium-tantalum.

**LIT** means Lithium Australia NL.

**LIT Acquisition Agreement** means the Acquisition and Joint Venture Agreement dated 4 December 2020 between the Company and Lithium Australia NL (as varied by a deed of variation and restatement entered into on 16 April 2021) a summary of which is set out in Section 13.2.

**LIT Offer** means a priority offer of Shares to Eligible LIT Shareholders as described in Section 6.1.

**LIT Offer Application Form** means the Application Form in respect of the LIT Offer.

**LIT Offer Record Date** means the record date for the LIT Offer as set out in the Indicative Timetable in Section 3.

**Managing Director** means the managing director of the Company.

**Mercator Acquisition Agreement** means the means the Acquisition and Joint Venture Agreement dated 4 December 2020 between the Company and Mercator Metals Pty Ltd (as varied by a deed of variation and assignment dated 13 May 2021) a summary of which is set out in Section 13.5.

**Minimum Subscription** is defined in Section 6.7.

**Mining Act (NT)** means the *Mineral Titles Act 2010* (NT) and any regulations made under it, each as amended from time to time.

**Mining Act (WA)** means the *Mining Act 1978* (WA) and any regulations made under it, each as amended from time to time.

**Minister (NT)** means the Northern Territory Minister for Mining and Industry.

**Minister (WA)** means the Minister referred to in section 10 of the Mining Act (WA).

**Ni** means nickel.

**Offers** means the General Offer and the LIT Offer.

**Official List** means the official list of the ASX.

**Option** means an option to acquire a Share on the terms and conditions set out in Section 14.2(b).

**PGE** means platinum group elements including Platinum and Palladium.

**Project** means the either the Coates Ni-Cu-Co-PGE Project, the Bynoe Lithium and Gold Project or the Lake Johnston Lithium and Gold Project as the context requires.

**Project Interests** means the interests in the Projects that the Company has an option to acquire under the Acquisition Agreements.

**Prospectus** means this prospectus dated 27 May 2021.

**pXRF** means portable X-ray fluorescence, a semi quantitative analytical technique.

**Quotation** means official quotation by the ASX in accordance with the Listing Rules.

**Section** means a section of this Prospectus.

**Securities** means Shares and Options, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Advanced Share Registry Ltd.

**Shareholder** means a holder of a Share.

**Tenements** means the mining tenements that comprise the Projects and in which the Company has an interest as set out in Section 7 and further described in the Independent Technical Assessment Report in Section 10 and the Solicitors' Report on Tenements in Section 12 or any one of them, as the context requires.

**Vendor Option** means an option to acquire a Share on the terms and conditions set out in Section 14.2(b).

**Vendor Performance Right** means a right to be issued Shares in certain circumstances as described in Section 7.13.

**Vendors** means the vendors under the Acquisition Agreements, being Lithium Australia NL and Mercator Metals Pty Ltd.

**VTEM** means Versatile Time Domain Electromagnetic, an EM system that uses an airborne platform such as a helicopter.

**WA** means Western Australia.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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**16. DIRECTORS' AUTHORISATION AND CONSENT**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

Each Director has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Dated 27 May 2021.

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**DAVID CROOK**  
**MANAGING DIRECTOR**  
For and on behalf of  
CHARGER METALS NL



**APPLICATION FORMS**