

**ASX ANNOUNCEMENT**

20 November 2023

Rio Tinto and Charger Metals sign Farm-in Agreement for the Lake Johnston Lithium Project

- **Charger has entered into a binding agreement with Lithium Australia Limited (ASX: LIT) to purchase their minority interest in the Lake Johnston Lithium Project for \$2 million to increase Charger's interest to 100% (LIT Agreement)¹.**
- **Simultaneously, Rio Tinto Exploration Pty Ltd ("RTX"), a wholly-owned subsidiary of Rio Tinto Limited (ASX: RIO), has signed a binding farm-in agreement for the Lake Johnston Lithium Project (RTX Agreement)¹:**
 - **RTX to pay Charger \$500,000 and invest \$1.2 million in Charger prior to commencement of farm-in;**
 - **RTX to spend minimum \$3 million exploration expenditure over the first 12 months;**
 - **RTX can earn 51% by sole funding \$10 million in exploration expenditure and paying Charger minimum further cash payments of \$1.5 million;**
 - **RTX can earn 75% by sole funding \$40 million in exploration expenditure or completing a Definitive Feasibility Study.**
- **The RTX deal reaffirms the prospectivity of the Lake Johnston Lithium Project and its potential to host a large-scale lithium deposit.**

Charger Metals NL (ASX: CHR, "Charger" or the "Company") is pleased to announce it has entered into a binding farm-in agreement with Rio Tinto Exploration Pty Ltd ("RTX"), a wholly-owned subsidiary of Rio Tinto Limited (ASX:RIO) for its Lake Johnston Lithium Project in the Yilgarn of Western Australia (**RTX Agreement**).

Charger is also pleased to announce it has simultaneously entered into a binding agreement with Lithium Australia Limited (ASX:LIT) to purchase their minority interest in the Lake Johnston Lithium Project moving the Company to a 100% beneficial ownership (**LIT Agreement**), subject to shareholder approval, other third party approvals and the RTX Agreement.

Charger's Managing Director, Aidan Platel, commented:

"The Rio Tinto Exploration farm-in agreement is an excellent result for Charger and its shareholders and reaffirms our belief that the Lake Johnston Project has potential to host a large-scale lithium deposit. The planned significant investment by RTX will allow thorough systematic exploration over all of the project tenure, with initial exploration focused on fast-tracking the Medcalf Spodumene Prospect as well as progressing the Mt Day and Mt Gordon lithium prospects."

Charger's Chairman, Adrian Griffin, commented:

"The Rio Tinto Exploration farm-in agreement will see them potentially spending up to \$42.5 million to earn up to a 75% interest in the Lake Johnston Project. The largely unexplored Lake Johnston Greenstone belt now hosts multiple spodumene discoveries and with the recent focus and increasing exploration activity could evolve into a prominent lithium province."

¹ Key terms of both the RTX Agreement and LIT Agreement are set out in Appendix 1.

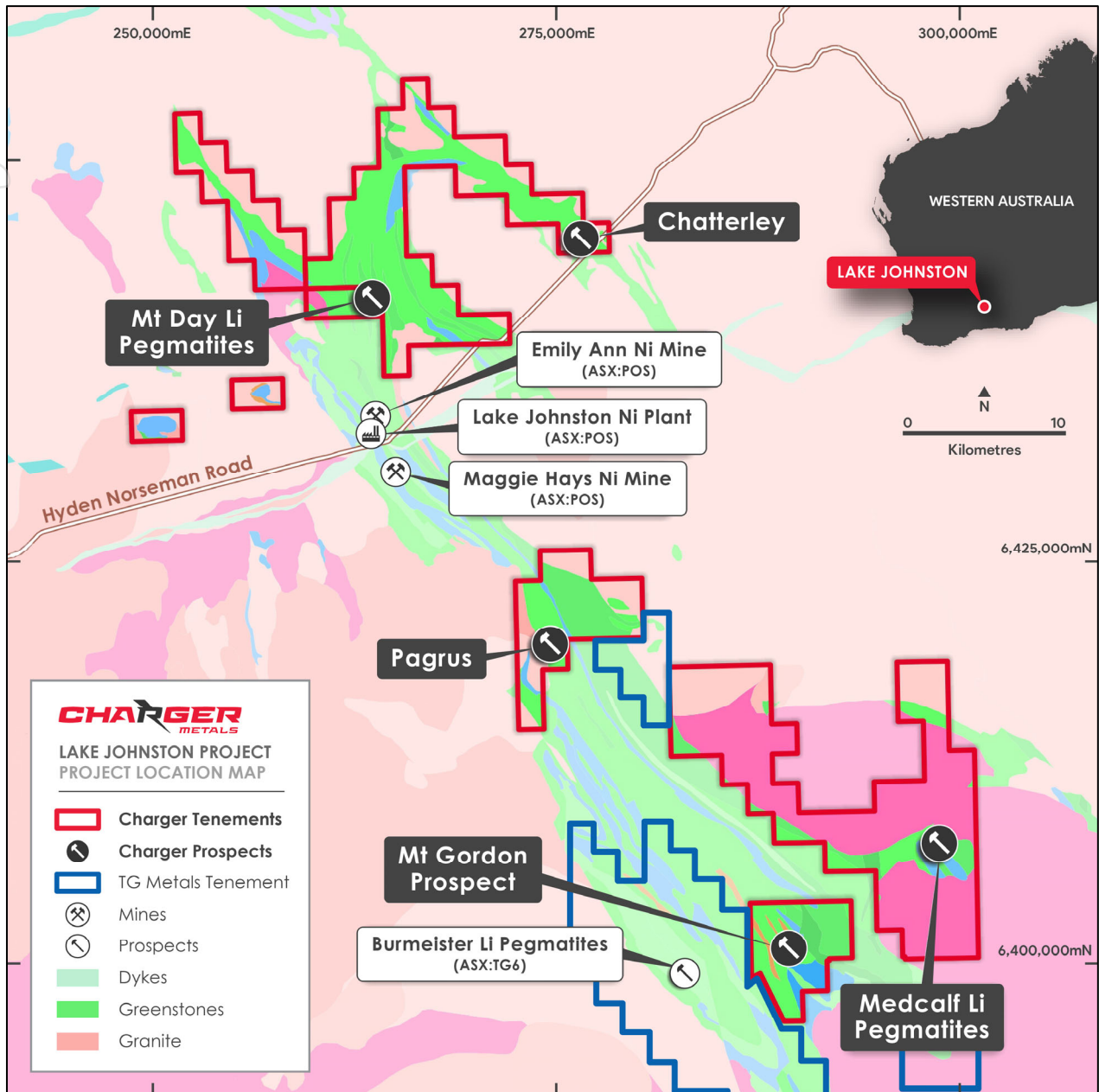


Figure 1. Location of the Lake Johnston Lithium Project which was first successfully drilled for lithium in December 2022.

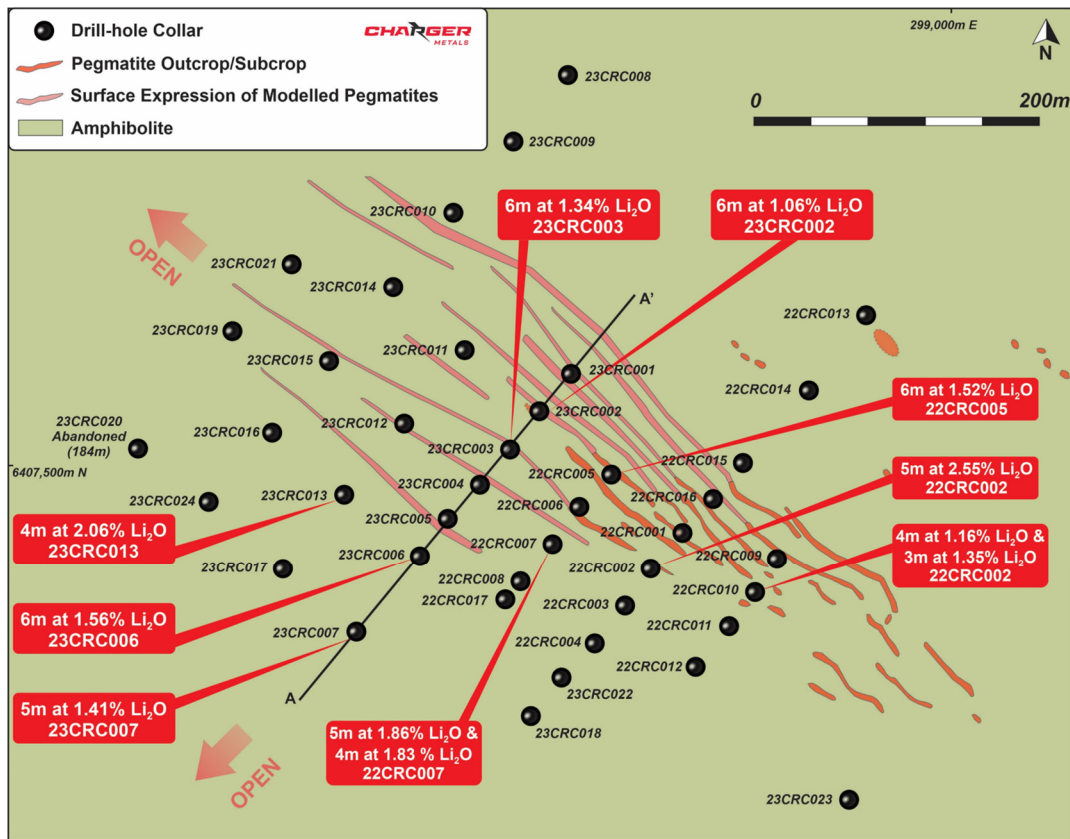


Figure 2. Selected RC drill intersections of spodumene-bearing pegmatites at the Medcalf Prospect.²

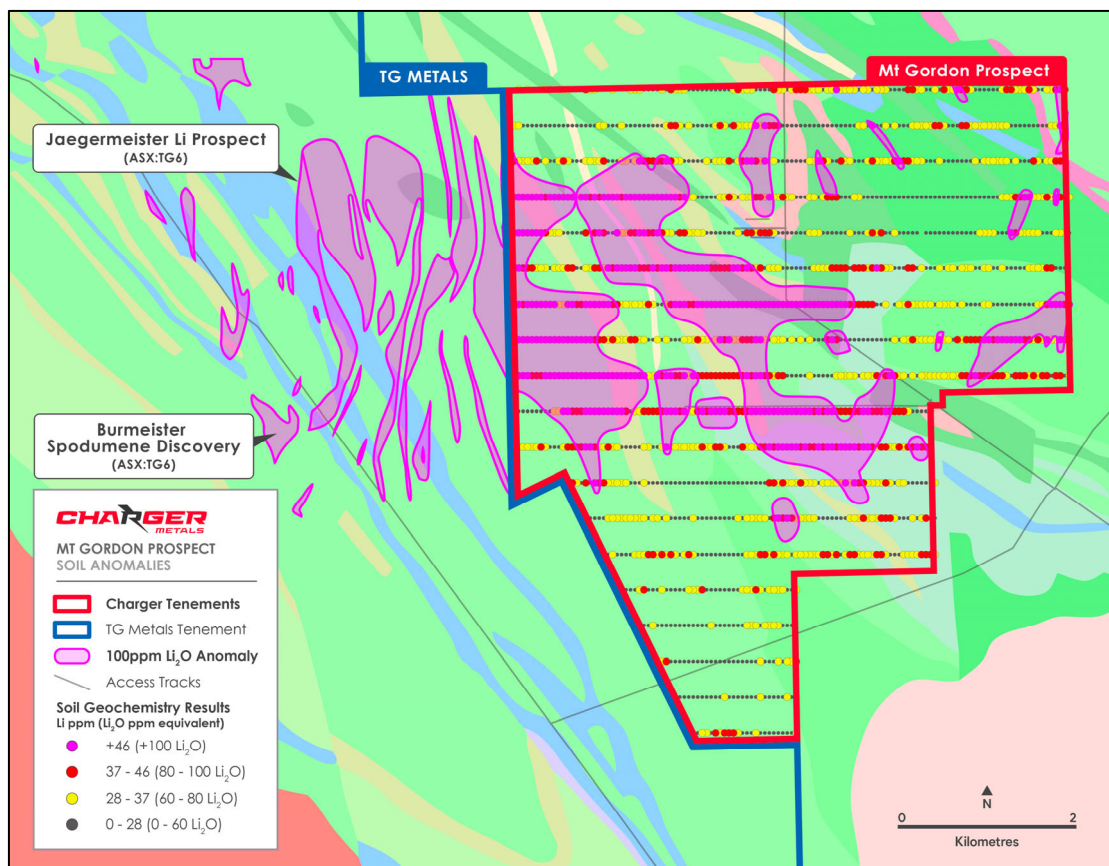


Figure 3. Soil sample results of the Mt Gordon tenement showing lithium anomalies. TG Metals Ltd's soil anomalies at their Burmeister lithium discovery are shown for reference.³

² Refer to ASX Announcement 18 April 2023 – "[Lake Johnston Project Update](#)"

³ Refer to TG Metal Ltd.'s ASX Announcement 13 November 2023 – "[Expanded Lithium Soil Anomaly at Lake Johnston](#)"

TG Metals has conducted infill and extensional soil sampling (400m x 50m spacing) over the area immediately east of their recent discovery of a spodumene rich pegmatite at Burmeister (TG6 ASX announcements of 30 October 2023 and 13 November 2023). The results have defined a new area of lithium-in-soils anomalism, identified as the Jaegermeister Prospect, which extends to Charger's 100% owned Mt Gordon lithium prospect (see Figure 3).

About the Lake Johnston Lithium Project

The Lake Johnston Lithium Project is located 450km east of Perth, Western Australia. Lithium prospects occur within a 50km long corridor along the southern and western margin of the Lake Johnston granite batholith. Key target areas include the Medcalf Spodumene Prospect, the Mt Gordon Lithium Prospect and much of the Mount Day LCT pegmatite field, prospective for lithium and tantalum minerals.

The Lake Johnston Lithium Project is located approximately 70km east of the large Earl Grey (Mt Holland) Lithium Project which is under development by Covalent Lithium Pty Ltd (manager of a joint venture between subsidiaries of Sociedad Química y Minera de Chile S.A. and Wesfarmers Limited). Mt Holland is understood to be one of the largest hard-rock lithium projects in Australia with Ore Reserves for the Earl Grey Deposit estimated at 189 Mt at 1.5% Li₂O.⁴

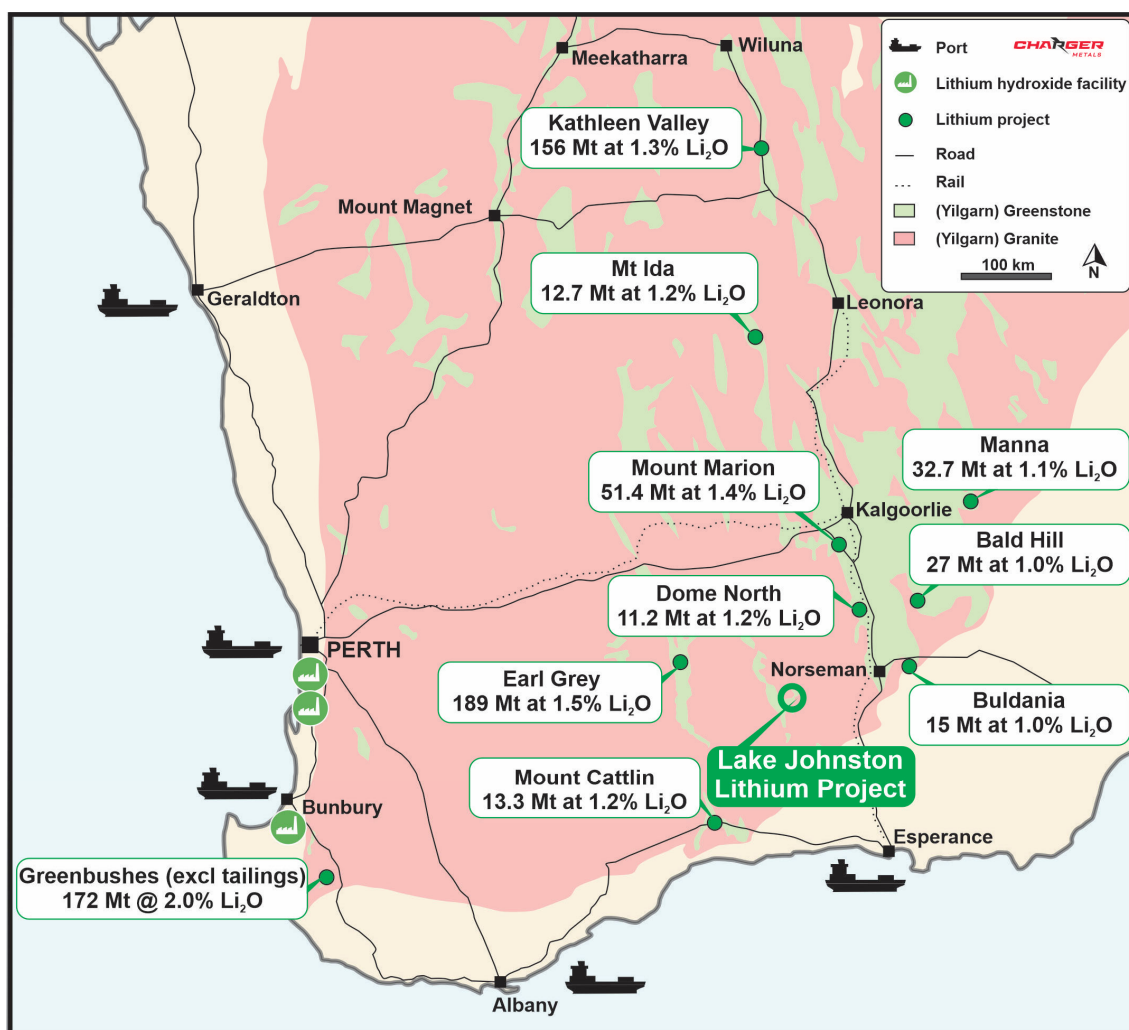


Figure 4. Location map of Lake Johnston Lithium Project in relation to other Yilgarn Block lithium projects.

⁴ David Champion, Geoscience Australia, Australian Resource Reviews, Lithium 2018.

Authorised for release by the Board.

Aidan Platel

Managing Director & CEO
Charger Metals NL

aidan@chargermetals.com.au

Jonathan Whyte

Company Secretary
Charger Metals NL

jdw@chargermetals.com.au

Alex Cowie

NWR Communications
+61 412 952 610

alexc@nwrcommunications.com.au

Forward Looking Statements

This announcement may contain certain "forward looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

However, forward looking statements are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to exploration risk, Resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes.

For more detailed discussion of such risks and other factors, see the Company's prospectus, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Lake Johnston Tenement Schedule

Tenement	Table 1
	% Interest in Tenements subject to Key Terms in Appendix 1.
E63/1809	Charger 70% all commodities; Lithium Australia NL 30% interest
E63/1903	Charger 100% all commodities
E63/1883	Charger 100% all commodities
E63/1722	70% interest in lithium rights under the Lithium Rights Agreement with Hampton Metals Limited
E63/1723	70% interest in lithium rights under the Lithium Rights Agreement with Hampton Metals Limited
E63/1777	70% interest in lithium rights under the Lithium Rights Agreement with Hampton Metals Limited

APPENDIX 1

Key Terms of the binding RTX Agreement

The key terms of the RTX binding agreement (**RTX Agreement**) are as follows:

- (a) Subject to satisfaction (or waiver) of the RTX Farm-in Conditions (see below) RTX will (**RTX Farm-in**):
 - (i) reimburse Charger \$500,000 in exploration expenditure on the Lake Johnston Project;
 - (ii) have an exclusive right to earn a 51% interest in the Lake Johnston Project by sole funding \$10,000,000 of exploration and associated expenditure within a 4-year period, including a minimum exploration commitment of \$3,000,000 within the first 12 months and \$1 million per calendar year (**Stage 1 Earn-in**);
 - (iii) Charger will manage the exploration programmes in consultation with RTX during the first year.
 - (iv) pay Charger \$500,000 at the end of the minimum exploration commitment (unless RTX elects to withdraw from the Stage 1 Earn-in at that point);
 - (v) pay Charger \$500,000 in the event of a significant drill intersection at the Lake Johnston Project of $\geq 20\text{m}$ true width at $\geq 1.2\%$ Li_2O ;
 - (vi) after completing the Stage 1 Earn-in, have an exclusive right to earn a further 24% interest in the Lake Johnston Project by sole funding to the earlier of (A) a definitive feasibility study on the Lake Johnston Project and (B) an additional \$30,000,000 of exploration and associated expenditure on the Lake Johnston Project (**Stage 2 Earn-in**);
 - (vii) pay Charger \$1,000,000 if it elects to proceed with the Stage 2 Earn-in;
 - (viii) if it elects not to complete the Stage 2 Earn-in, transfer a 2% interest in the Lake Johnston Project back to Charger (so that Charger will hold a 51% interest in the Lake Johnston Project).
- (b) The RTX Farm-in will be conditional on the satisfaction (or waiver) of the following conditions (**RTX Farm-in Conditions**):
 - (i) ASX granting the ASX LR10.7 Waiver to Charger (see below) and Charger obtaining shareholder approval under ASX Listing Rule 10.1 to proceed with the LIT Agreement and completion occurring under the LIT Agreement;
 - (ii) Various consents being obtained from third parties who granted the contractual lithium rights forming part of the Lake Johnston Project (and the execution of all necessary deeds of assignment in relation to the proposed transfer of such contractual lithium rights to RTX under the RTX Agreement);
- (c) The RTX Agreement documents include joint venture terms to govern the unincorporated joint venture that will be constituted between Charger and RTX following RTX earning a 51% interest in the Lake Johnston Project upon completion of the Stage 1 Earn-in. Those joint venture terms include dilution provisions including a term to the effect that where a party dilutes to below a 10% interest in the Lake Johnston Project that party's interest will convert to a 1.25% gross revenue royalty on the first 15 years of commercial production.
- (d) RTX will loan Charger up to A\$1,200,000 under an unsecured, interest free Convertible Loan (**RTX Convertible Loan**) within 5 business days of satisfaction (or waiver) of the following conditions:
 - (i) Charger entering into a transaction with LIT to purchase their minority interest in the Lake

Johnston Project (as satisfied by the execution of the LIT Agreement);

- (ii) ASX granting the ASX LR10.7 Waiver to Charger (being a waiver from ASX Listing Rule 10.7 to permit Charger to provide cash and offtake rights to LIT for LIT's minority interest in the Lake Johnston Project (being consideration other than "restricted securities" per ASX Listing Rule 10.7) – see below.

The RTX Convertible Loan converts to fully paid ordinary shares in Charger (**CHR Shares**) within 3 Business Days of the RTX Farm-in Conditions (see below) being met in (b) at a Conversion Price equal to the issue price of any capital raising by Charger prior to the Charger shareholder meeting to vote on the LIT Agreement, or if no raising is undertaken at the 10-day VWAP of CHR Shares prior to conversion, but subject to a minimum Conversion Price is \$0.25 per CHR Share. If Charger does not obtain shareholder approval under ASX Listing Rule 10.1 to proceed with the LIT Agreement (see below) or the RTX Farm-in Conditions (see below) are not satisfied, RTX can elect whether to require that Charger repay the Convertible Loan or Convert to CHR Shares (at the 10-day VWAP of CHR Shares prior to conversion but subject to a minimum Conversion Price is \$0.25 per CHR Share). If the RTX Farm-in Conditions are not satisfied, RTX will retain certain rights of refusal in relation to the funding of Charger's acquisition of the LIT interest in the Lake Johnston Lithium Project and the funding of Charger's exploration of the project for a period of 12 months.

Key Terms of the Lithium Australia Binding Agreement

The key terms of the Lithium Australia binding agreement (**LIT Agreement**) are as follows:

- (a) Charger will acquire the Lake Johnston JV Sale Interest from LIT for the following consideration:
 - (i) \$2,000,000 cash (**Cash Consideration**) (including \$150,000 of which is immediately payable to LIT as an "exclusivity fee"); and
 - (ii) a right of first refusal to LIT to take an offtake on commercial terms (including price) of up to 30% of lithium products produced by Charger from the Lake Johnson Project.
- (b) The LIT Agreement is subject to and conditional on the satisfaction (or waiver) of a number of conditions precedent on or before 28 February 2024, including the following outstanding conditions precedent:
 - (i) Charger obtaining a waiver from ASX Listing Rule 10.7 to permit Charger to provide the above consideration to LIT for LIT's minority interest in the Lake Johnston Project (being consideration other than "restricted securities" per ASX Listing Rule 10.7) (**ASX LR10.7 Waiver**);
 - (ii) Charger obtaining an independent expert's opinion that the LIT Agreement is fair and reasonable to Charger's shareholders (excluding LIT) or not fair but reasonable to Charger's shareholders (excluding LIT);
 - (iii) consents being obtained from third parties who granted the contractual lithium rights forming part of the Lake Johnston Project (and the execution of all necessary deeds of assignment in relation to the proposed transfer of such contractual lithium rights to Charger under the LIT Agreement); and
 - (iv) Charger obtaining shareholder approval under ASX Listing Rule 10.1 to proceed with the LIT Agreement.
 - (v) The RTX Agreement remaining in full force and effect as at Completion.