

Battery Industry Metals

CHARGER
METALS

ASX: CHR

July 2021

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properties; native title and Aboriginal heritage issues; dependence on key personnel, and share-price volatility. They also include unanticipated and unusual events, many of which it is beyond the Company's ability to control or predict.

COMPETENT PERSON'S STATEMENT

The information contained in this presentation that relates to exploration strategy or to exploration results is based on information generated by Charger Metals NL, and compiled by, or reviewed by, Mr David Crook who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Crook has sufficient experience which is relevant to the activities reported herein to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Crook consents to the inclusion in the presentation the matters based on his information in the form and context in which it appears.

CHARGER METALS

Project Locations



Targeting Battery Industry Metals

Charger has secured options to acquire:

- 85% of the Coates North² and 70% interest in the adjacent Coates Ni-Cu-Co-PGE Prospect¹
- 70% interest in the Lake Johnson Lithium and Gold Project (Western Australia)¹, and
- 70% interest in the Bynoe Lithium and Gold Project (Northern Territory)¹

¹ See Appendix 1 for LIT Acquisition Agreement

² See Appendix 2 for Mercator Acquisition Agreement

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Corporate Overview



Terry Gardiner - Non-Executive Chairman
Experienced director, specialist in capital raising and corporate advisory services to listed companies.



David Crook - Managing Director
Experienced Managing Director with a strong commercial, exploration and project development background.

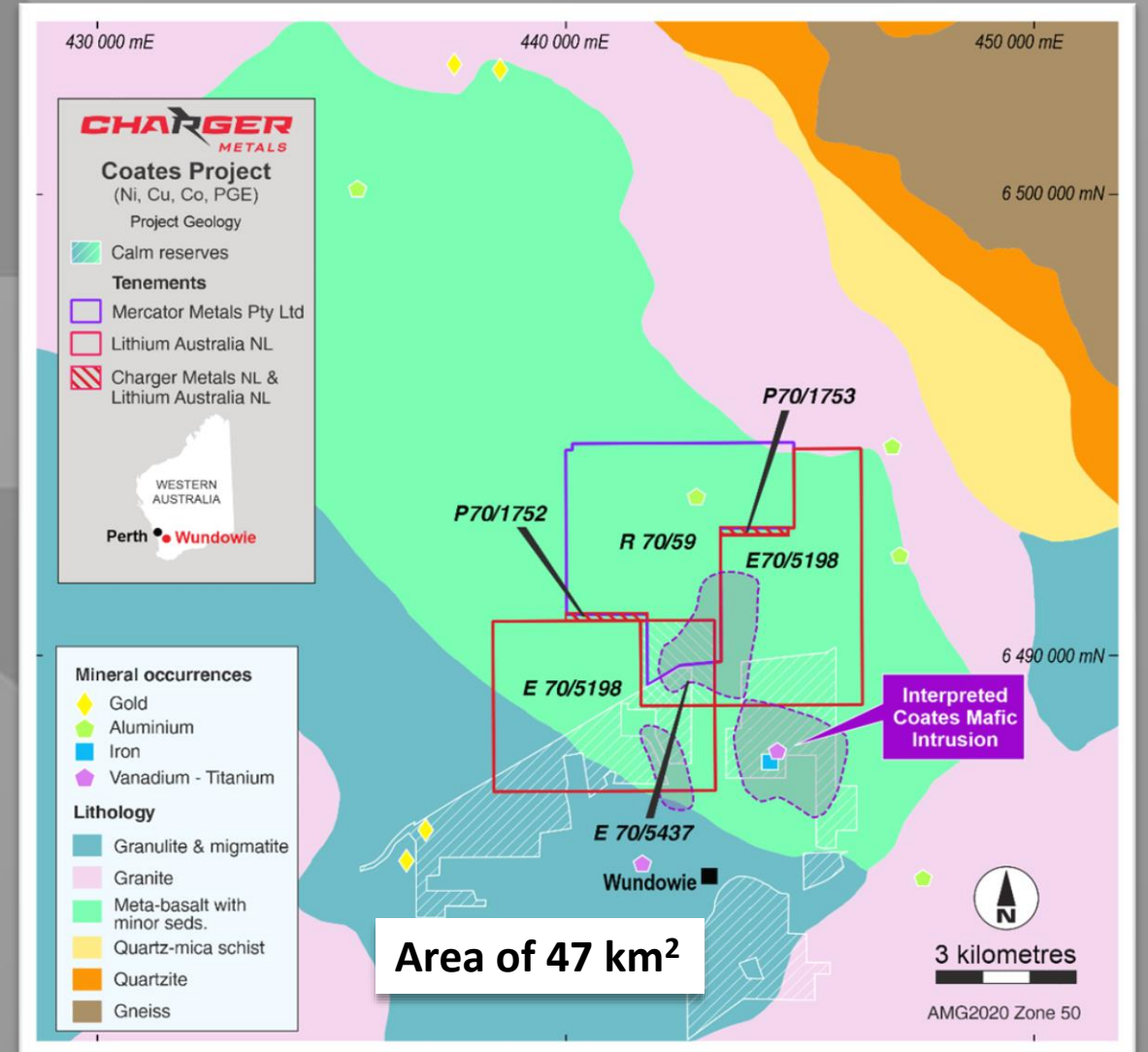
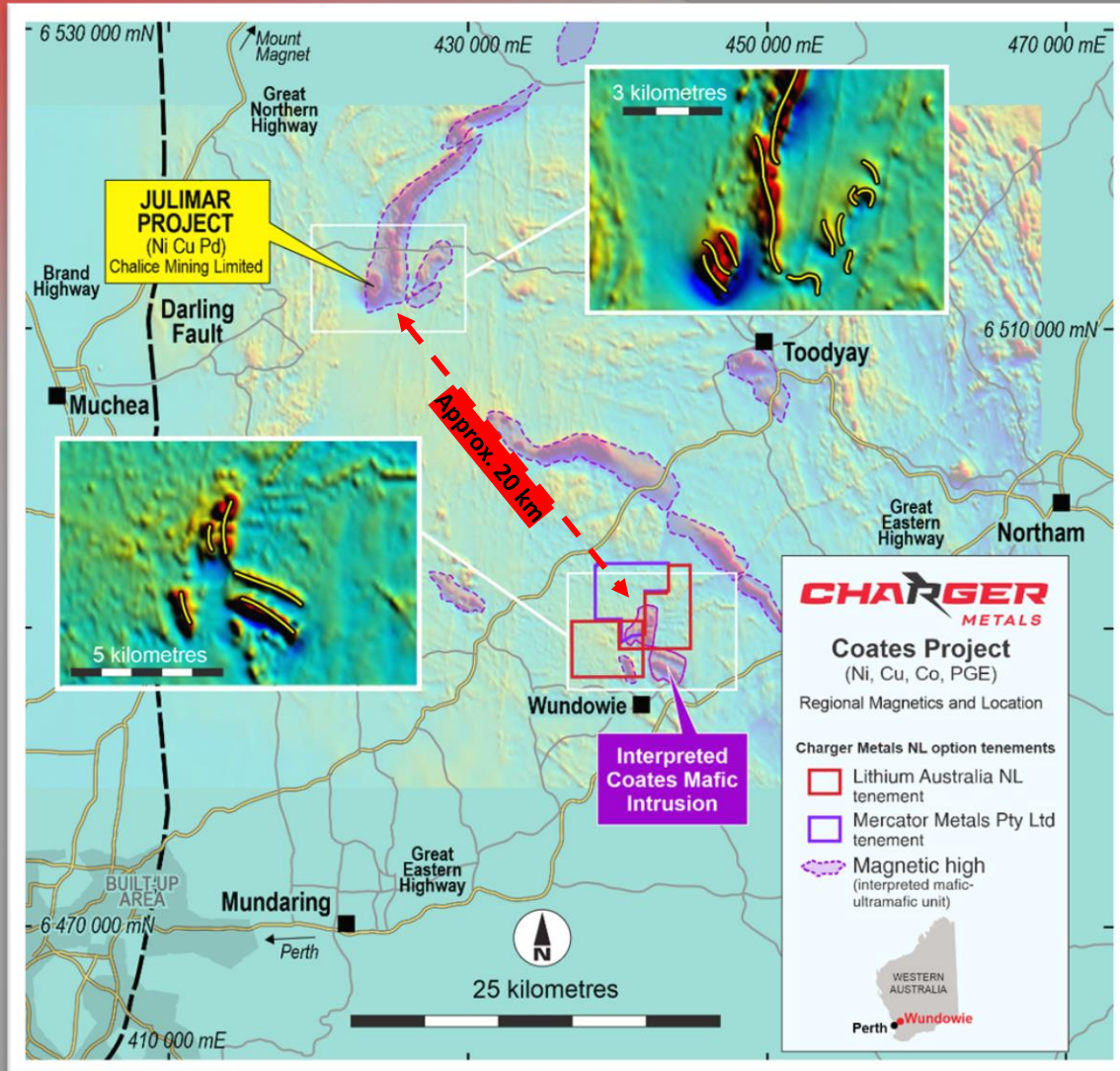


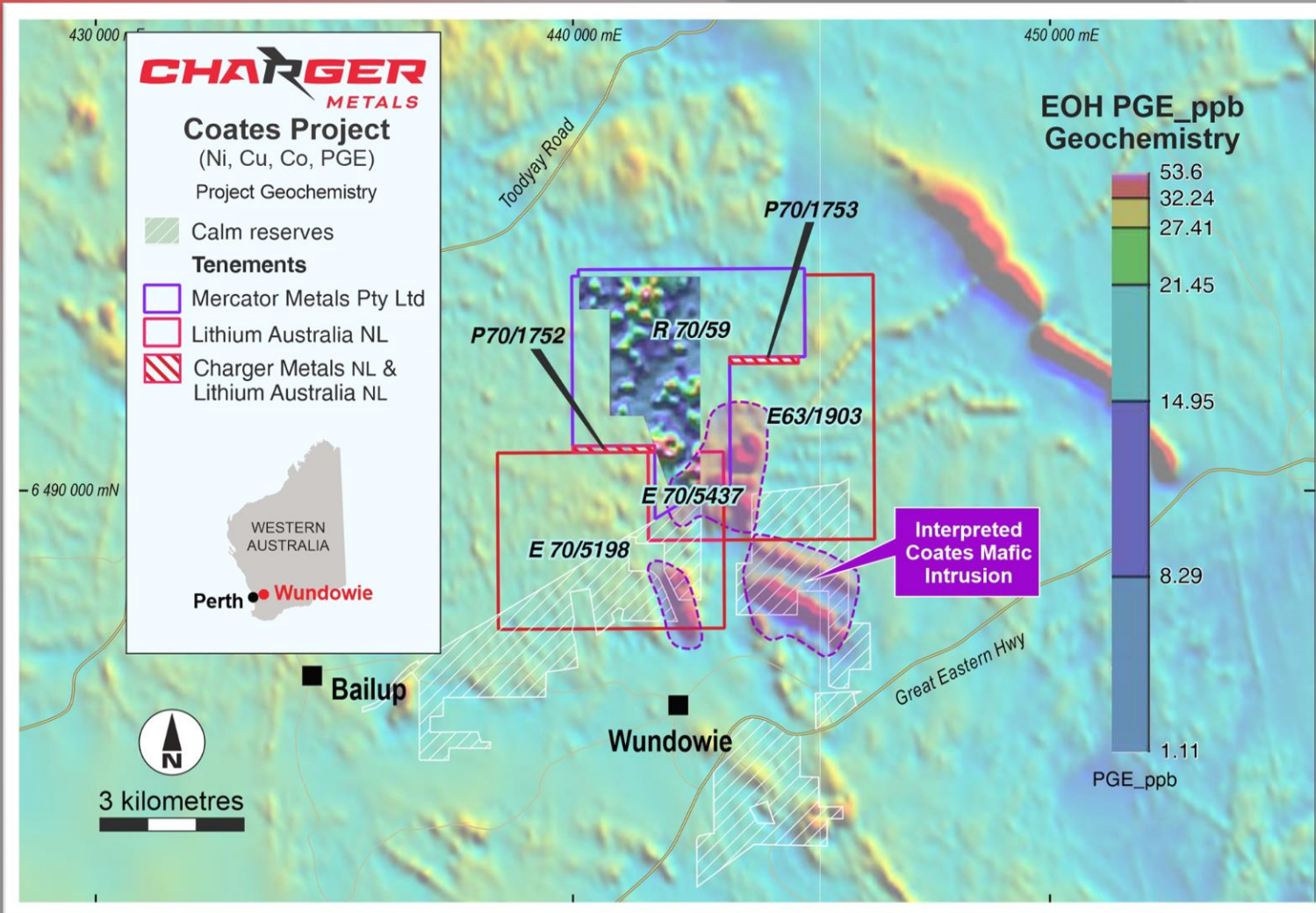
Alan Armstrong - Independent Non-Executive Director
Experienced Director and specialist in corporate governance in the mining & metals industry.



Jonathan Whyte - Chief Financial Officer, Company Secretary
Extensive corporate, company secretarial, corporate governance and finance experience

Shares on Issue	50.4 million
Options (\$0.30 exercise and 9 July 2024 expiry)	6.0 million
Performance Securities	up to 4.0 million
Share Price	\$0.20
Market Capitalisation	\$10.1 million
Cash	\$5.6 Million





Project History

- 1980s drilling identified the Coates Mafic Intrusion
- Mercator drilling EOH samples returned anomalous Ni, Cu, Au, Pt and Pd

Activity outlook

- Further geochemical soil sampling underway
- HTEM or VTEM being set up now
- Landholder engagement advancing prior to drill programs

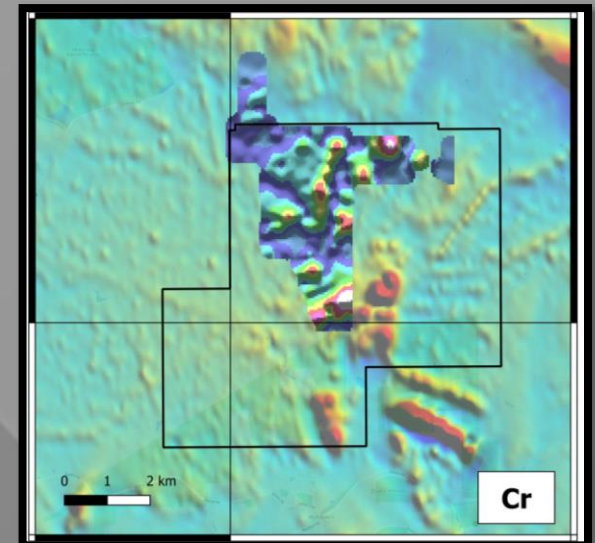
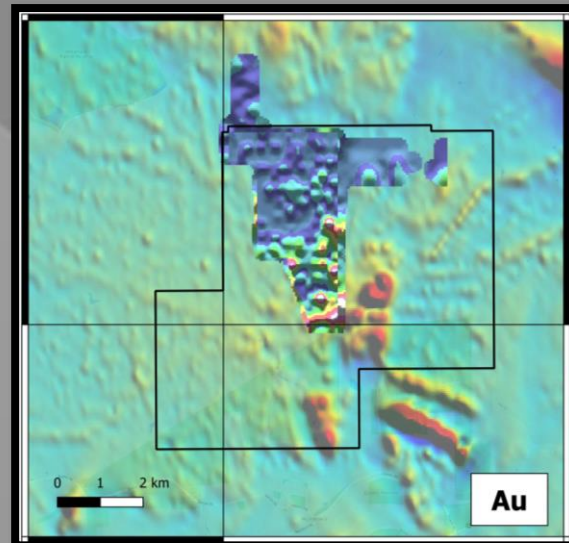
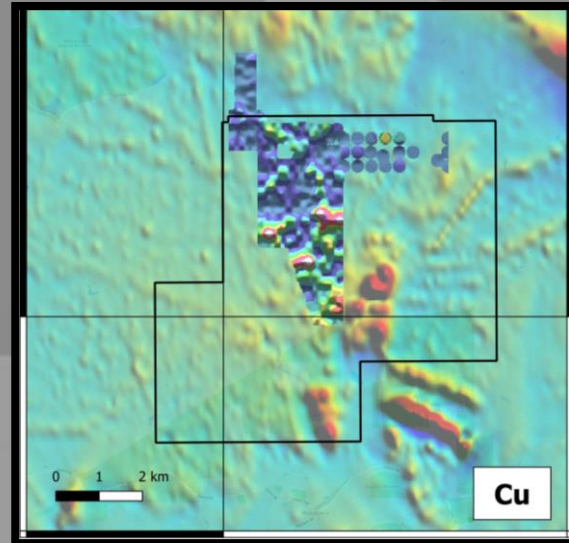
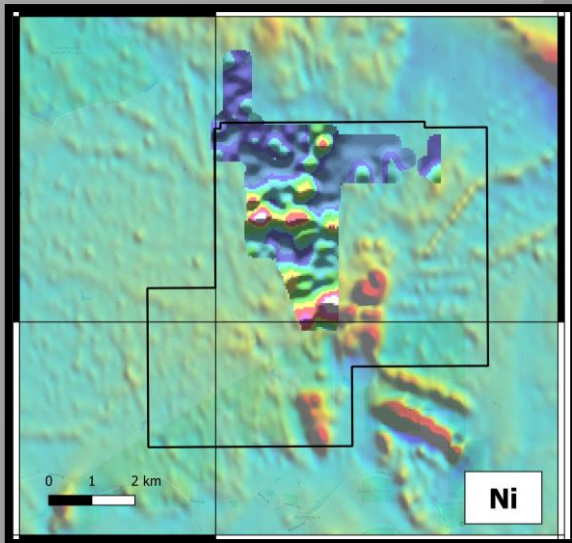
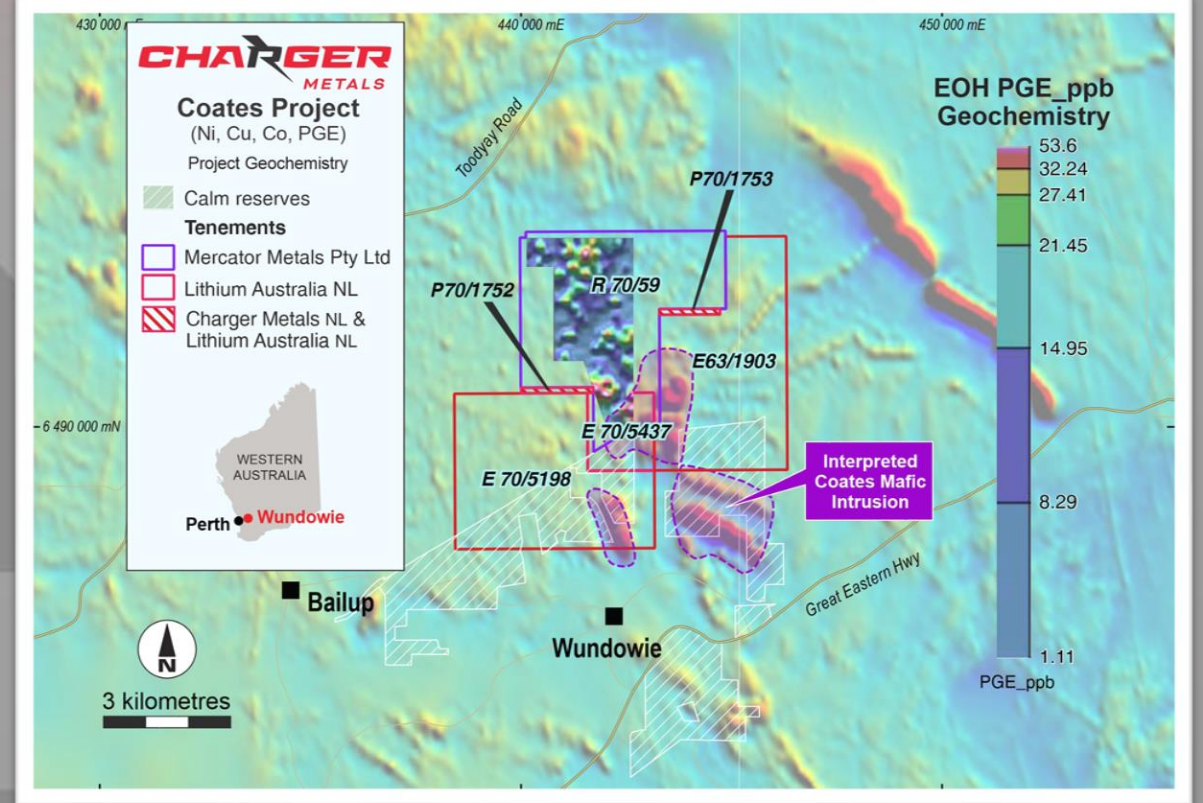
¹ See Appendix 1 for LIT Acquisition Agreement

² See Appendix 2 for Mercator Acquisition Agreement

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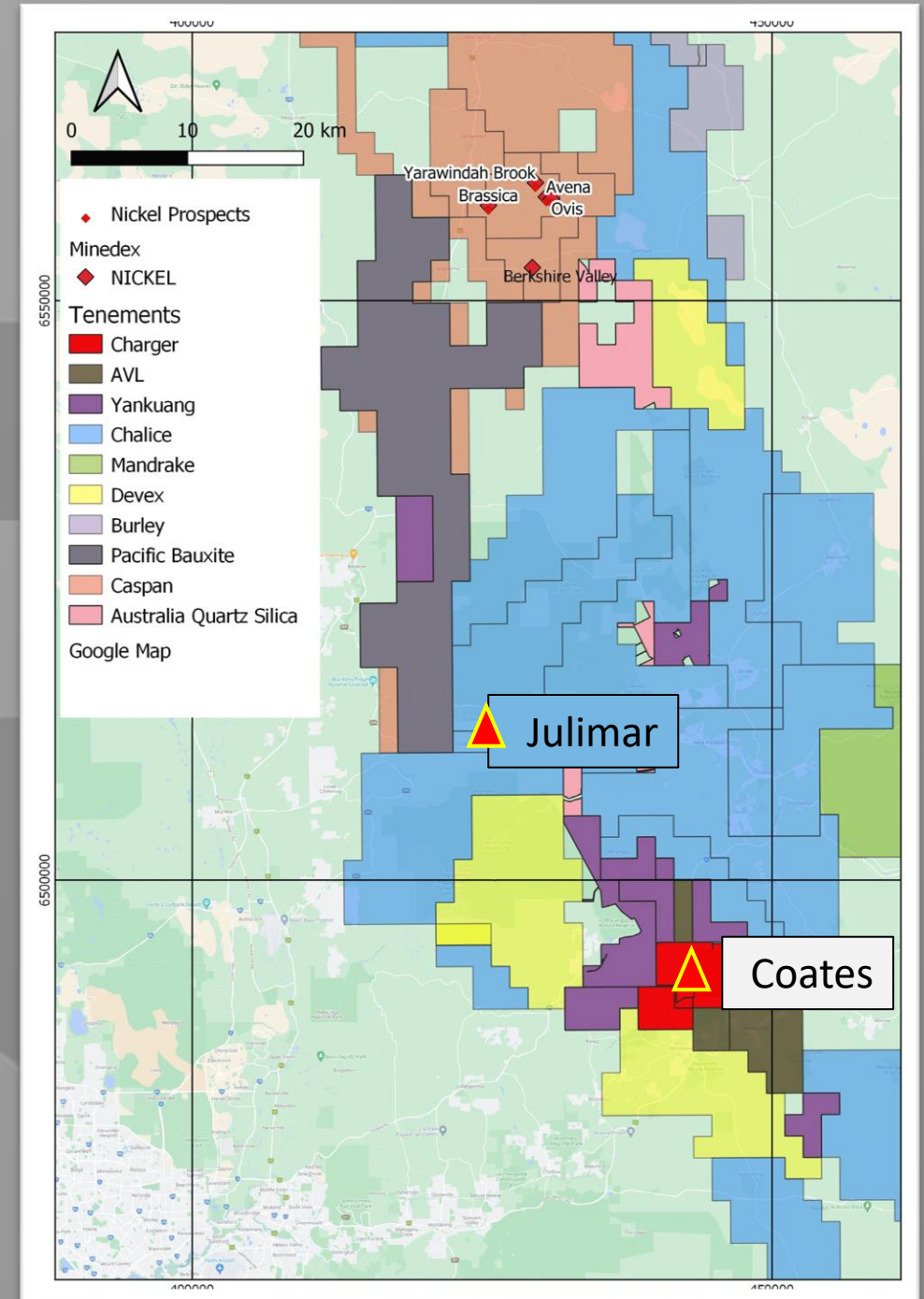
Coates Ni-Cu-Co-PGE Project

Geochemical anomalies include Ni, Cu, Au and PGE



Coates Ni-Cu-Co-PGE Project

- Located 29 km from Chalice's Julimar discovery
- Neighbors having exploration success include:
 - Chalice Mining Ltd - ASX CHN
 - Caspin Resources Ltd - ASX CPN
 - Pursuit Minerals Ltd - ASX PUR
 - Mandrake Resources Ltd - ASX MAN
 - Devex Resources Ltd - ASX DEV

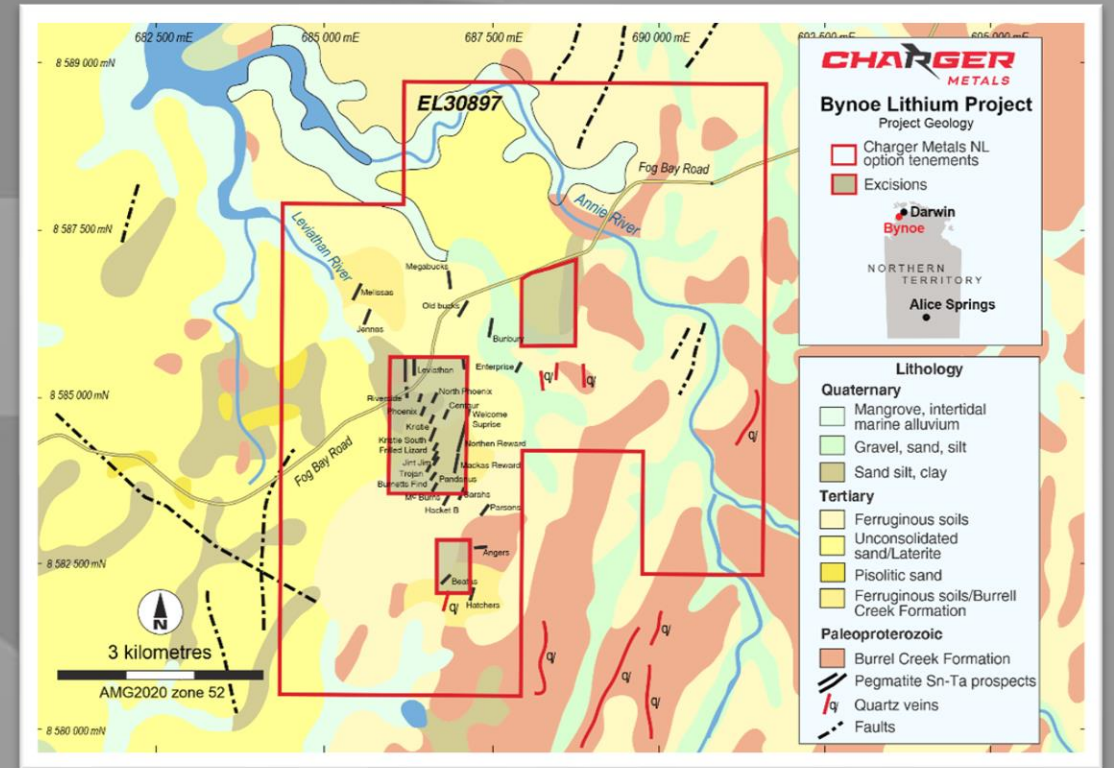
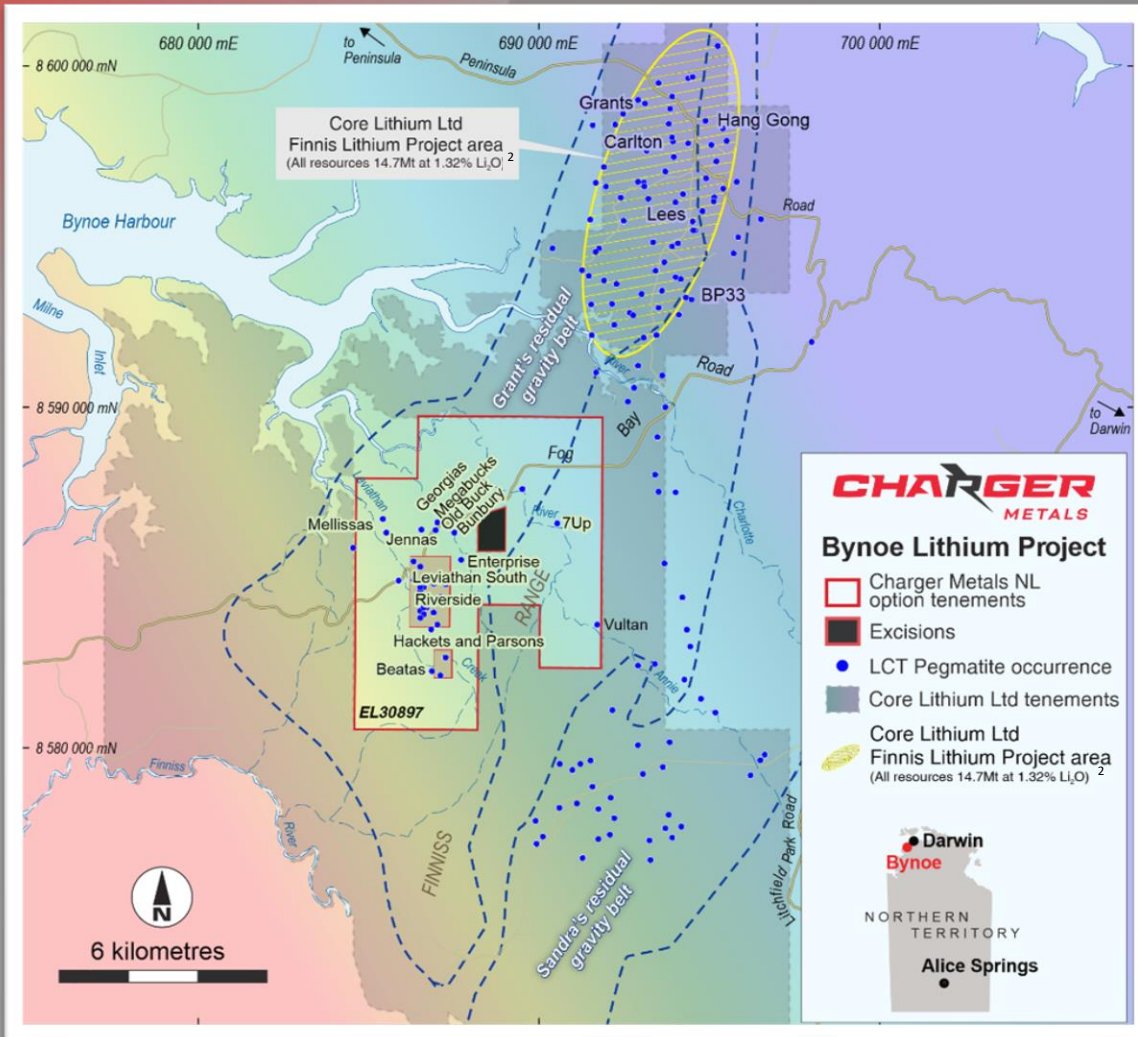


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Bynoe (NT) Lithium and Gold Project¹

Project is surrounded by Core Lithium tenements

LCT Pegmatites are well known



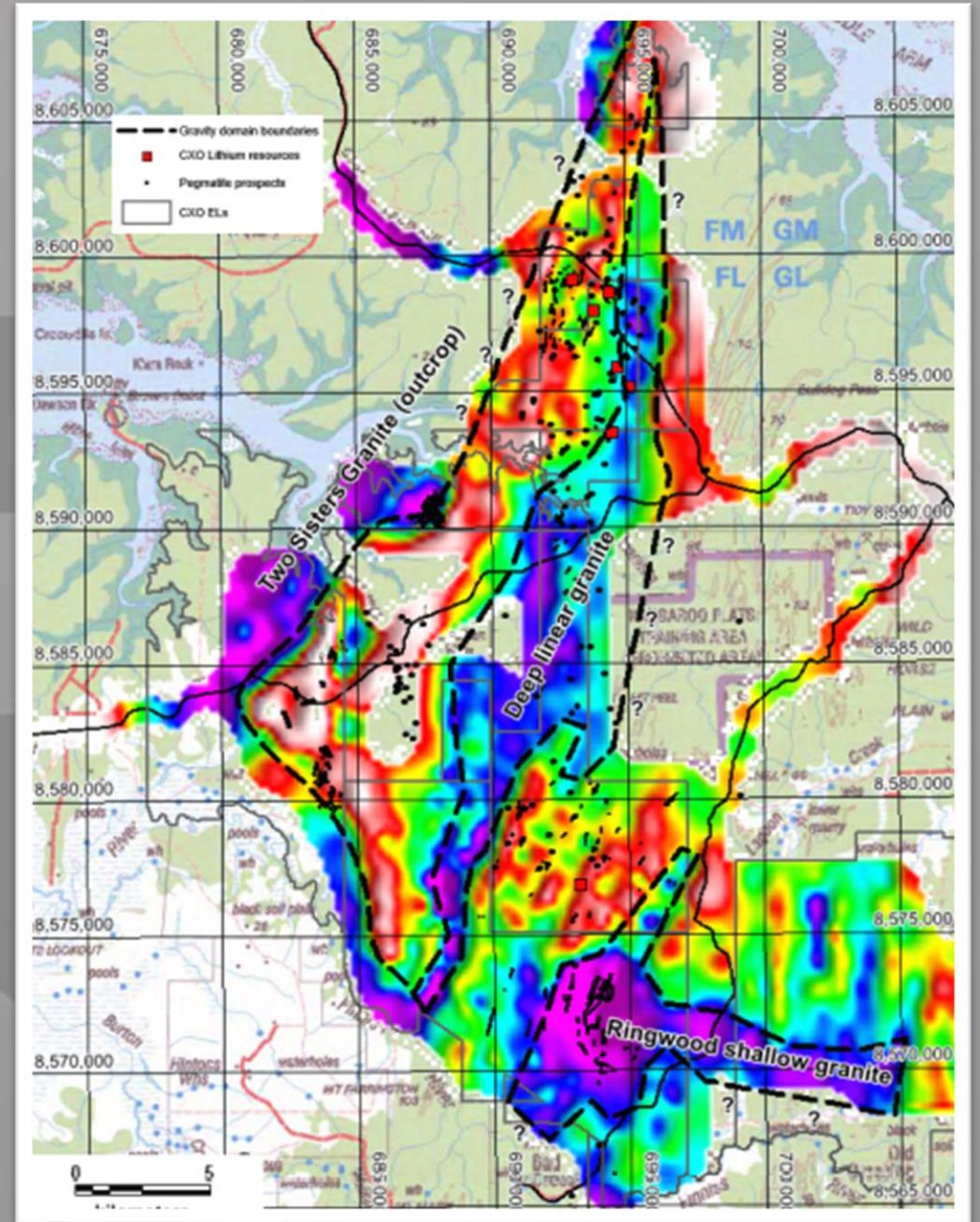
¹ See Appendix 1 for LIT Acquisition Agreement

² Source: Core Lithium Limited Quarterly Activities Report for Three Months Ended 31 March 2021

Bynoe (NT) Lithium and Gold Project

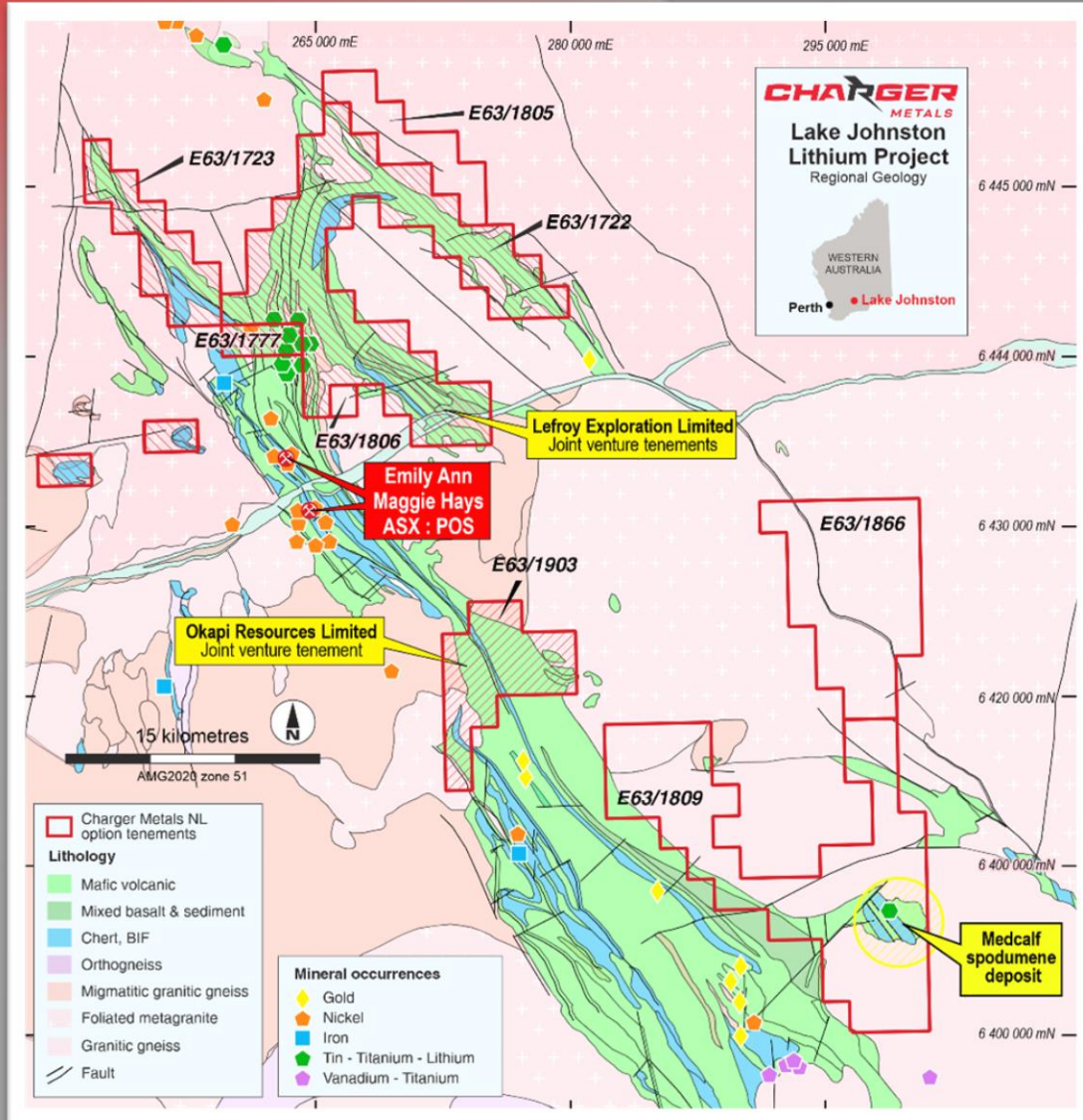
- **Project History**
- Bynoe covers approximately 62.7 km².
- Surrounded by Core Lithium Ltd, with a Mineral Resource inventory of 14.7 Mt at 1.32% Li₂O¹.
- Regolith geochemistry shows LCT vectors.
- Gravity shows contiguous geological environment.
- **Project Outlook**
- Soil coverage and mapping, leading to the first drilling programme
- Mines Department “Mining Proposal” for drilling

¹ Source: Core Lithium Limited Quarterly Activities Report for Three Months Ended 31 March 2021

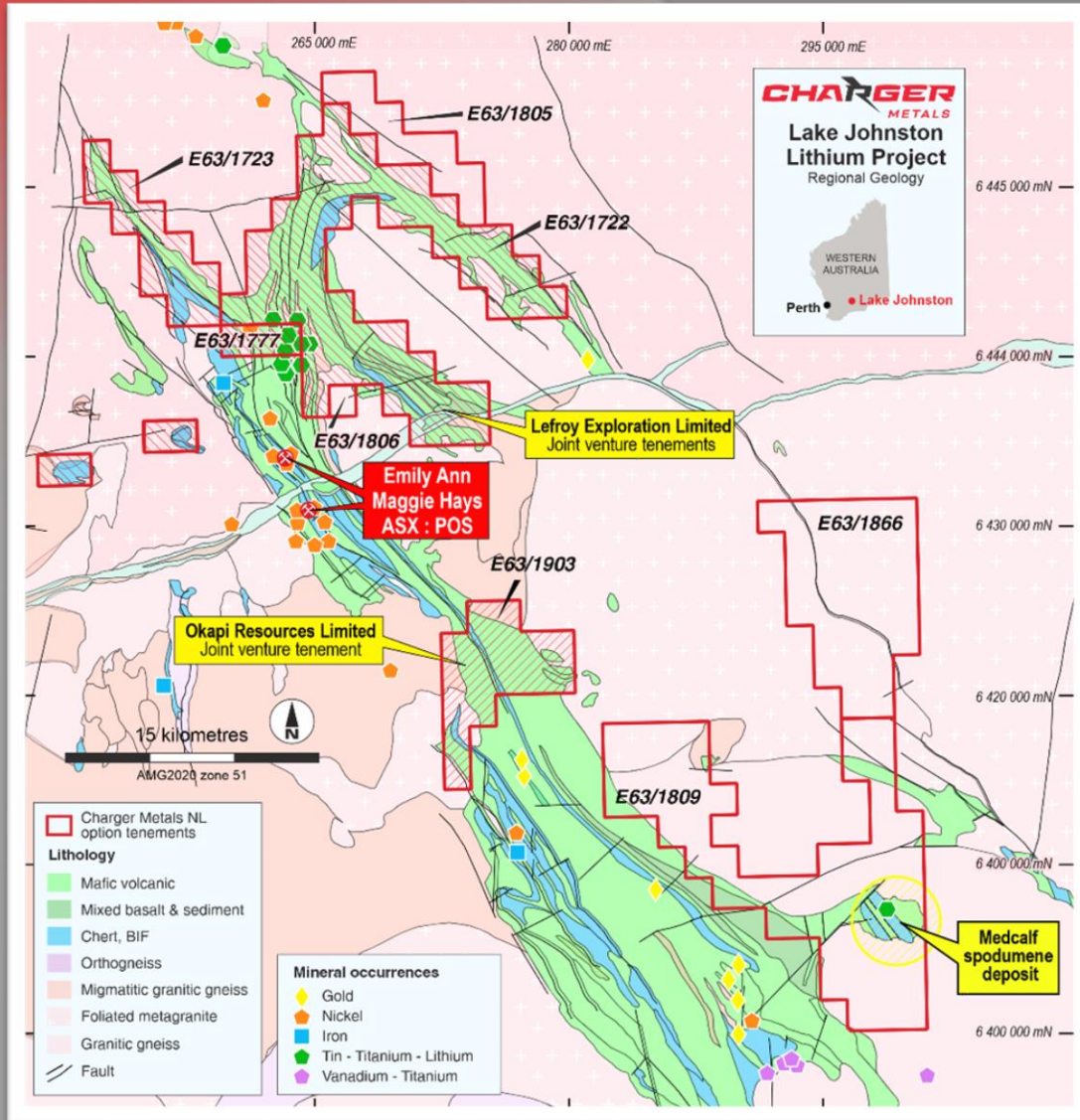


Gravity image of the Finnis and Bynoe Area

Lake Johnston Lithium and Gold Project



Lake Johnston Lithium and Gold Project¹



- **Project History**
- Medcalf Spodumene deposit discovered in 2018 by Lithium Australia
- Region is attractive since the discovery of the Earl Grey/Mt Holland lithium deposits by Kidman Resources Limited.
- Large LCT pegmatite field also at Mount Day, 50km NW
- **Project Outlook**
- Soil geochemistry
- Conservation Management and Heritage Protection
- Drilling approvals currently being sought

¹ See Appendix 1 for LIT Acquisition Agreement

- *Commodities* – Li, Ni, Cu, PGE are all metals in demand
- **Projects:**
 - Coates - A Julimar geochemical lookalike requiring drilling
 - Bynoe - fertile area close to a proposed Li mine
 - Lake Johnston - large landholding with known spodumene
- Well credentialed mining industry professionals with backgrounds in these commodities

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Company's Contact Details

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APPENDIX 1: LIT ACQUISITION AGREEMENT

See Prospectus dated 27 May 2021 (Prospectus) Section 13 for summary of Key terms and conditions.

In 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 license E70/5198 and E70/5437 (Coates EL Application) which, collectively with prospecting licenses P70/1752 and P70/1753 constitute the Coates Cu-Ni-PGE Project;

(b) a 70% interest in exploration license EL30897 (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 licenses E63/1805, E63/1809, E63/1866 and E63/1806

(e) a 100% interest in exploration license E63/1903); 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 14.4 of the Prospectus.

(g) The option fee paid by Charger under the LIT Acquisition Agreement 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 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.

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. 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.

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 licenses 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 13.2 to 13.5 of the Prospectus dated 27 May 2021.



APPENDIX 2: MERCATOR ACQUISITION AGREEMENT

See Prospectus dated 27 May 2021 (Prospectus) Section 13 for summary of Key Terms and Conditions.

In 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 license 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) of

the Prospectus.

In addition, Charger must either 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 either:

- 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 the Prospectus as Vendor Performance.

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 .

Upon completion of the Coates North Acquisition and Mercator intends to transfer 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 13.5 and 13.6 of the Prospectus dated 27 May 2021.