Quarterly Activities Report

December 2021

31 January 2022

Battery metals explorer **Charger Metals NL** (ASX: **CHR**, '**Charger**' or '**the Company**') is pleased to provide the following update on its activities for its second quarter since listing.

HIGHLIGHTS

Bynoe Lithium Project, Northern Territory

- Charger's targeting shows potential for Bynoe Project to contain a large lithium system.
- Geochemistry and aeromagnetic programs completed by Charger, combined with publicly available drilling information from Core Lithium Ltd (ASX: CXO) and other earlier explorers, suggests multiple swarms of lithium-caesium-tantalum (LCT) pegmatites that extend from CXO's adjacent Finniss Lithium Project into the Company's Bynoe Project.
- Geochemistry results highlight two large LCT pegmatite target zones, with significant strike lengths of 8km at Megabucks and 3.5km at 7-Up.
- Numerous drill-ready lithium targets identified.
- Planning and permitting for the maiden drill program at Bynoe is advancing.

Coates Ni-Cu-Co-PGE Project, Western Australia

- SkyTEM aerial survey confirms prospective Ni-Cu-Co-PGE targets at the Coates Project.
- Interpretation of data has delineated 22 conductive targets (which may include rocks containing nickeliferous sulphides).
- Target T1 is a cluster of prominent conductors extending over 1,500m and apparently closely related to the magnetic horizons of the Coates mafic intrusive complex.
- The northern end of the T1 target correlates with anomalous Ni-Cu-Au-PGE values in the available regolith geochemistry.

Lake Johnston Lithium Project, Western Australia

- 50% of soil geochemical program completed at the Mt Day Prospect in addition to completed sampling at the Medcalf Prospect. The entire program comprises 7,116 sites.
- The linear extent of the sampling at Mt Day and Medcalf Prospects is 23 km and 9 km respectively.

Corporate

- Cash $4.53M as at 31 December 2021.
- Board strengthened with additional exploration and development experience.
- Tight capital structure and current market capitalisation of $39M.

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Figure 1: Location of Charger Metals NL Projects

BYNOE LITHIUM PROJECT, NORTHERN TERRITORY (CHARGER - 70% INTEREST)

Charger commenced exploration activities at the Company's Bynoe Lithium Project, located approximately 35 km southwest of Darwin, Northern Territory. The Bynoe Project is in an area with excellent access and nearby infrastructure.

Charger's interest in the Bynoe project was acquired due to its prospectivity for spodumene (the preferred lithium ore mineral) however the area is a past producer of cassiterite (Sn) and is recognised as prospective for tantalite (Ta) as well[1].

These minerals are hosted in LCT pegmatites, and previously the Company had identified at least 14 pegmatite targets within the Project, forming the basis for the current program.

Charger's Project is surrounded by Core Lithium Limited's (ASX: CXO) Finnis Lithium Project (refer to Figure 2), which has a mineral resource of 14.7Mt at 1.32% Li_2O (see CXO ASX announcement dated 6 August 2021, Definitive Feasibility Study Investor Presentation).

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 some 70 km in length and 15 km in width.

[1] The following element abbreviations are used: lithium (Li), tantalum (Ta) tin (Sn)

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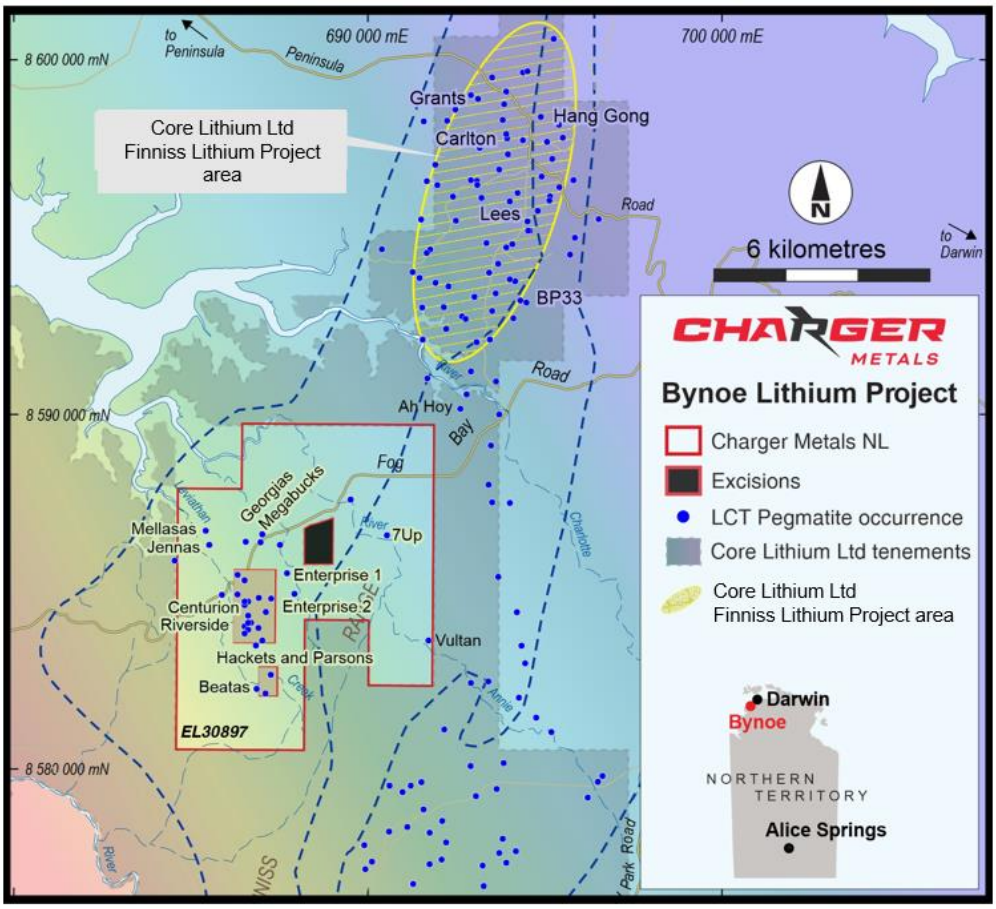

Figure 2: Bynoe Lithium Project location plan showing LCT pegmatite prospect names and proximity to Core Lithium's Finniss Lithium Project. Note the location of the Ah Hoy pegmatite.

A soil geochemical program was completed with 3,034 samples taken. Assay results have been merged with pre-existing data.

The results indicate that pegmatite swarms have been emplaced within two large zones: (Refer to Figure 3):

- The Megabucks Zone, approximately 8km long and up to 4km wide, hosts numerous pegmatites including Jenna's, Megabucks, Neil's and Enterprise. Most of this zone has been sampled on a 200m x 50m grid.
- The 7-Up Zone, which includes the continuous, linear, 1.5km long 7-Up lithium-caesium anomaly within a broader zone that is 5km x 2km. Soil geochemistry within this zone is on a 400m x 50m grid.

Pegmatites generally trend in a north-easterly direction, which is corroborated by aeromagnetic imagery, and while the soil geochemistry signature of each lithium anomaly is different, all are generally multi-elemental in nature. Coincident elements include all or some of lithium, beryllium, caesium, tin and rubidium. These are classic element associations of lithium endowed LCT pegmatites.

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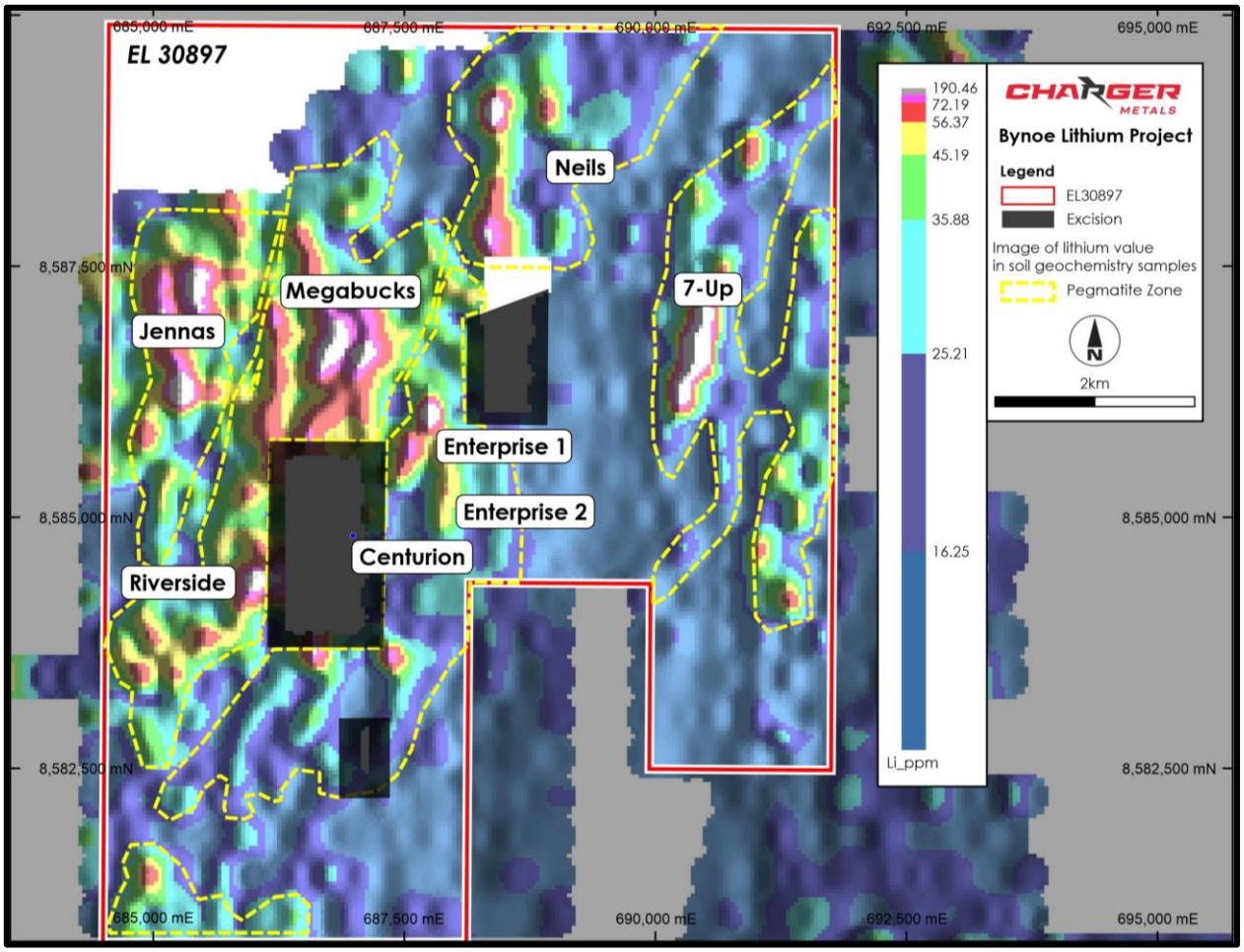

Figure 3: Bynoe Project geochemistry interpretation - pegmatite zones outlined over lithium geochemistry. Drill-ready targets are named.

On 13 December 2021, Charger's immediate tenement neighbour, Core Lithium Ltd (ASX: CXO), released the following information in respect of its Ah Hoy Prospect. The Ah Hoy pegmatite outcrops approximately 800m northeast of the Bynoe Lithium Project[2], and 3km along trend from Charger's 7-Up pegmatite.

"Eleven RC drill holes have been completed at Ah Hoy with most holes intersected consistent thicknesses of spodumene mineralisation within the Western Pegmatite. Assay results have been received for all holes at Ah Hoy with the best intersections as follows.

- 11m @ 1.42% Li_2O in SRC053
- 19m @ 1.21% Li_2O in SRC054
- 14m @ 1.37% Li_2O in SRC055
- 11m @ 1.28% Li_2O in SRC056"

[2] "Finniss Lithium Project Exploration Update". ASX: CXO 13 December 2021

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On 8 December 2021, Core Lithium Ltd (ASX: CXO), announced[3]:

"Significant lithium intersections were found in all drill holes at the Centurion Prospect. The lithium-rich Centurion Pegmatite is open along strike in both directions and at depth. Assays received to date include:

- 9m @ 0.67% Li_2O in CRC001
- 22m @ 0.74% Li_2O in CRC002
- 5m @ 0.96% and 2m @ 2.26% Li_2O in CRC003
- 2m @ 0.92% Li_2O in CRC004
- 2m @ 0.61% Li_2O in CRC005"

Charger's Enterprise 1 Prospect is approximately 600m northeast along a structural trend from Core Lithium's Centurion Prospect.

The location of the Ah Hoy and Centurion Prospects, as well as Charger's priority lithium prospects, are shown on Figures 2, 3 and 4.

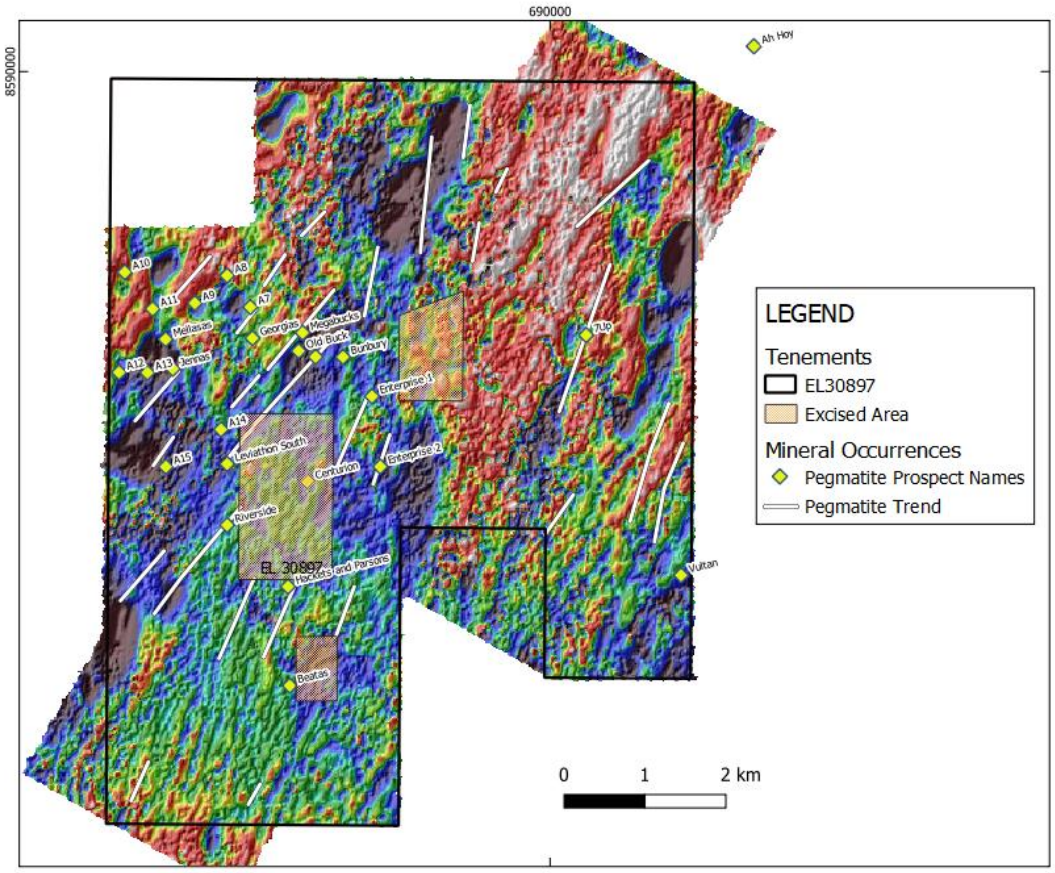

Figure 4: Bynoe Lithium Project: imaged aeromagnetic data. (Inverted colour RTP_SE Shade) showing the locations of named pegmatites and their geochemical trends.

[3] "Core executes acquisition of six highly prospective mining leases adjacent to Finniss in the NT" ASX: CXO 8 December 2021

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Refer to the ASX announcements released by Charger on 13 December 2021 and 17 January 2022 for further details.

Bynoe Lithium Project Outlook

Priority targets, such as those at Megabucks, Enterprise, Jenna's and 7-Up pegmatites are being prepared for drilling following the Darwin wet season.

COATES NI-CU-CO-PGE PROJECT, WESTERN AUSTRALIA (CHARGER 70%-85% INTEREST)

The Company holds a 70% to 85% ownership in the Coates Project, which is located approximately 60 km east of Perth at Wundowie, Western Australia, (Figure 5). The Coates Project is considered prospective for Ni Cu Co PGE[4].

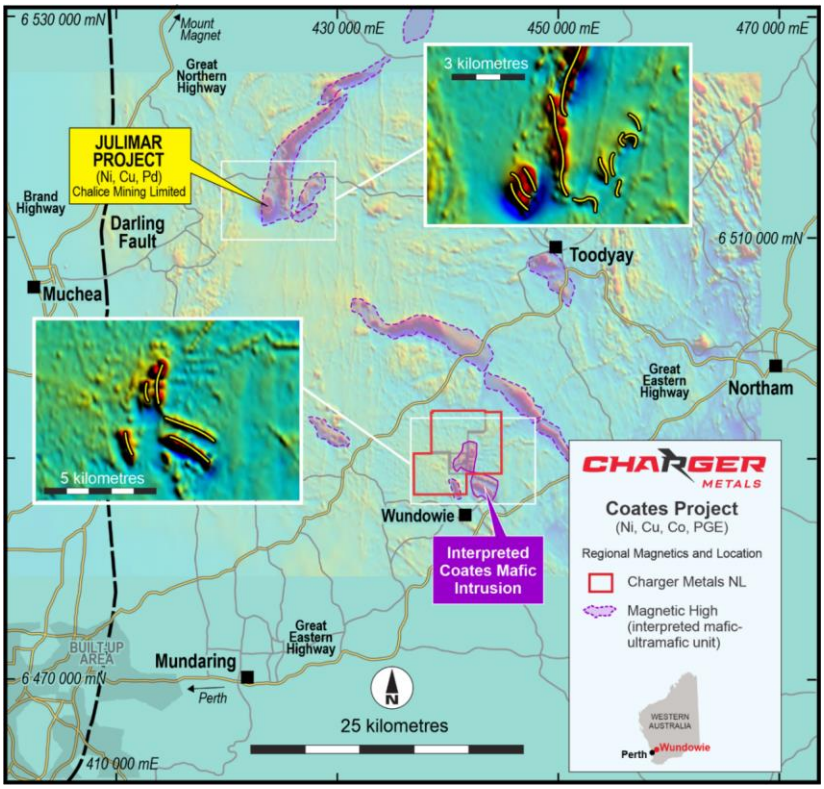

Figure 5: Location plan of the Coates Ni-Cu-Co-PGE Project overlain on an image of processed regional aeromagnetic data. The Coates project is approximately 20km southeast of the Julimar Project (Chalice Mining Limited ASX: CHN).

Recent interest in the Western Yilgarn Province, which includes the Coates Project, has been driven by the nearby discovery of the significant mafic intrusive-hosted Julimar Ni Cu Co PGE Project by Chalice Gold Mines Ltd, located approximately 20 km to the northwest of the Coates Project.

Charger's Coates Ni Cu Co PGE Project benefitted from an earlier exploration program by Bauxite Resources Ltd, which undertook vacuum drilling and sampling. Geochemical analysis of end of hole samples for Ni, Cu, Au, As and PGE returned anomalous, and often co-incident, values including platinum (max 37ppb), palladium (max 53ppb) and gold (max 108ppb) adjacent to the Coates mafic intrusive complex, which is considered most encouraging from an exploration point of view. By analogy, the mineralisation at Chalice's Julimar Project is characterised by a similar Cu Ni Co PGE elemental association within a mafic intrusive complex.

[4] Ni means nickel, Cu - copper, Co - cobalt PGE - platinum group metals

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SkyTEM Generates Ni-Cu-Au-PGE Targets Associated with the Coates Mafic Intrusive Complex

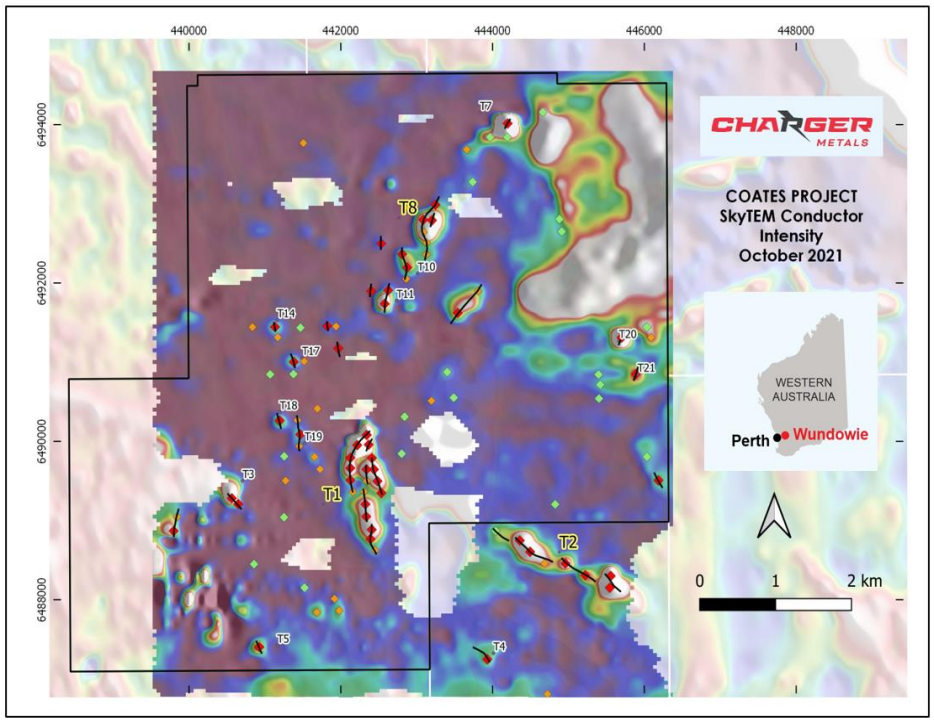

Figure 6: The High Moment (HM) Channel 30 Z-Component image showing 22 priority targets, including Target T1. Anomaly ranking: Red diamonds - high, orange – medium, green – low rank.

In August 2021 SkyTEM Australia Pty Ltd completed a helicopter electromagnetic (HEM) survey to test the Company's Coates Ni Cu Co PGE Project, targeting the Coates mafic intrusive complex and surrounding ground, for conductors (which may include nickeliferous sulphide rocks). The survey included the area with previously defined Ni Cu and PGE anomalies and was flown with 150m line spacing.

From the results, target 1 (T1) consists of a cluster of 19 HEM anomalies interpreted to form several parallel conductors with an extent of 1500m. Some of the HEM anomalies have very high conductivity. The Target 1 conductors sit immediately adjacent to magnetic features interpreted to be components of the Coates mafic intrusive complex.

The northern end of T1 (at the southern end of the Bauxite Australia Ltd vacuum drilling program) is coincident with the Ni, Cu, As, Au and PGE geochemical anomaly previously mentioned.

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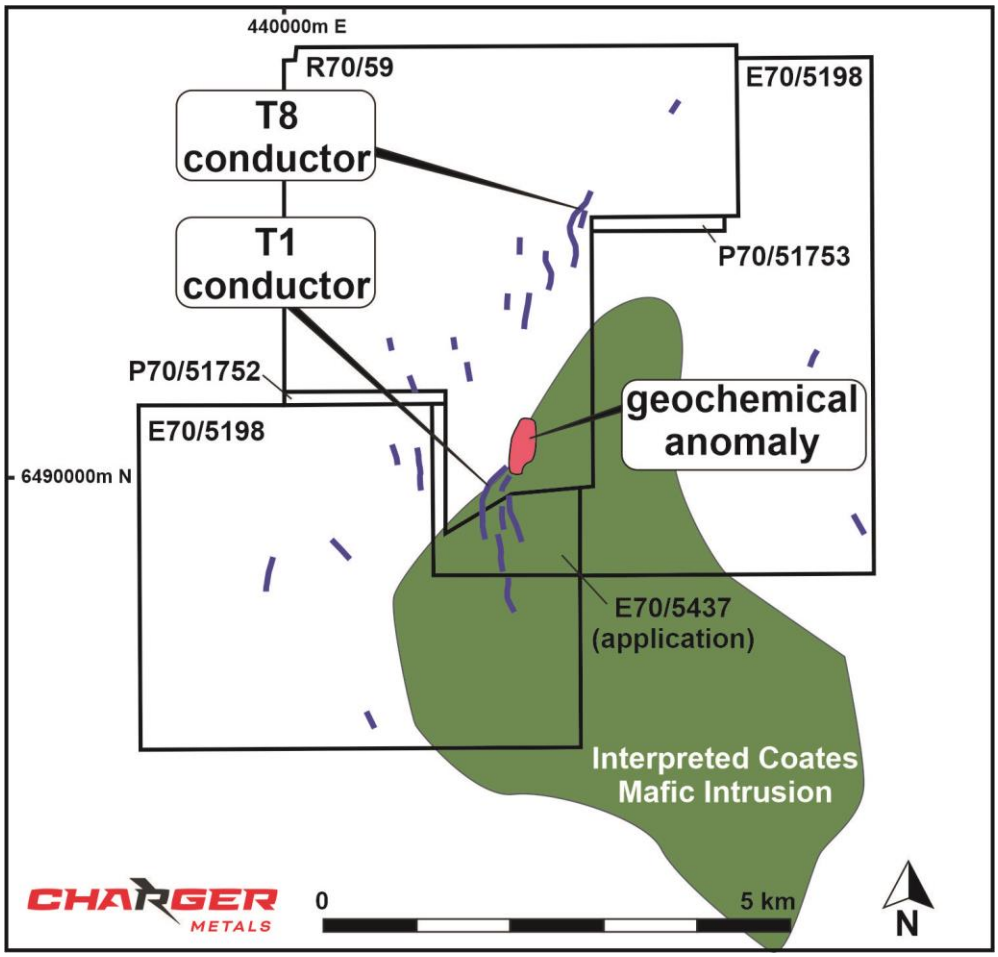

Figure 7: The location of significant conductors identified from the SkyTEM geophysical survey in the context of the interpretated Coates Mafic Intrusion and Ni-Cu-Au-As-PGE geochemical anomalism.

Some of the other targets are less extensive but are good conductors and will be progressively further tested, including Target T8, which is highly conductive and along strike from the Target T1. Other similar conductors of interest are along trend (refer to the Charger ASX announcement of 14 October 2021 for further details of the survey).

Coates Project Outlook

Forthcoming work will include:

- Fixed-loop electromagnetic (FLEM) surveys. This geophysical technique is commonly used to better resolve the model of conductive rock units and is expected to provide a better delineated T1 drill target.
- Preparations and permitting for diamond drilling of the T1 target.
- Continuing social and environmental engagement. The Company is engaging with stakeholders on an on-going basis.

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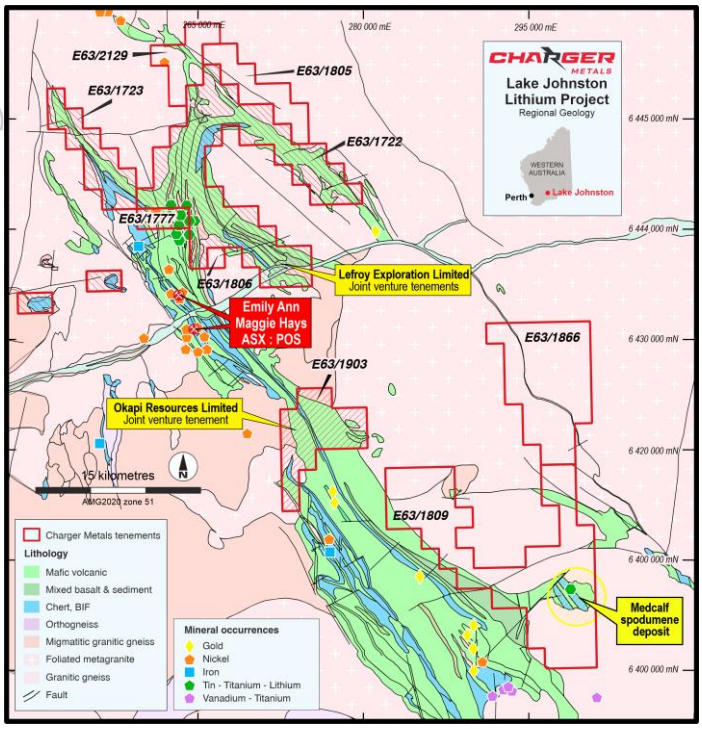
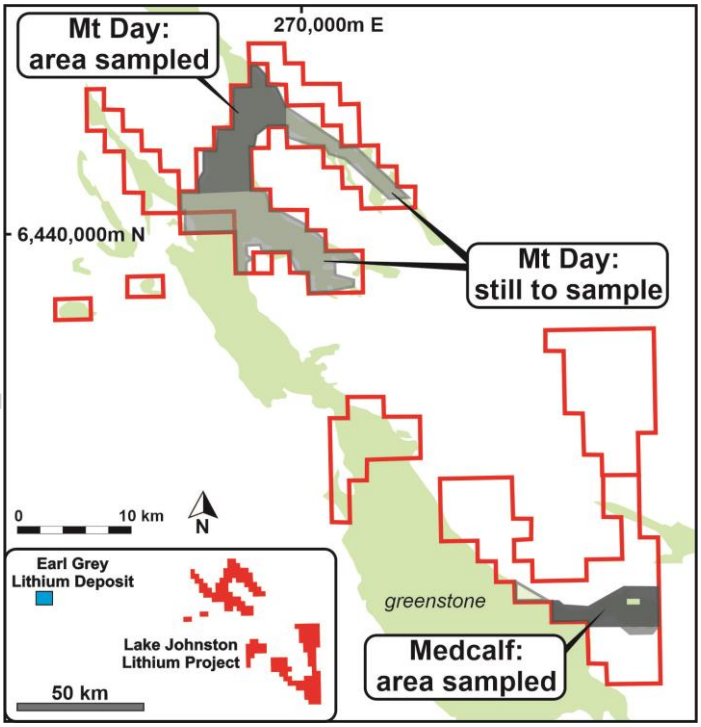
LAKE JOHNSTON LITHIUM PROJECT, WESTERN AUSTRALIA (CHARGER 70%-100% INTEREST)



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 and SQM, located approximately 70km west of the Lake Johnston Project. It is understood to be one of the biggest undeveloped hard-rock lithium projects in the world with Ore Reserves for the Earl Grey Deposit estimated at 94.2 Mt at 1.5% Li_2O[5].

Figure 8: The Lake Johnston Lithium Project tenements over GSWA geology.



Soil Geochemistry Sample Collection

The Company's geochemical programs are guided by Geochemical Services Pty Ltd, which provides expert procedural and interpretive services.

Sampling is along a sample grid of 400m x 50m and targets the greenstone geological units. The extent of the sampling program at Mt Day is 23 km. At Medcalf the extent is 9 km.

At the end of 2021 approximately half of the 7,116 sites were sampled.

Figure 9: The Lake Johnston Lithium Project tenements showing the location of the soil geochemistry program.

[5] *Kidman Resources ASX Announcement dated 18 December 2018.*

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Lake Johnston Outlook

The soil geochemistry sampling will be completed in the June 2022 quarter. The samples will be analysed initially using a portable x-ray fluorescence (pXRF) instrument and then a subset will be selected and sent for laboratory analysis. Interpretation of the soil analyses will occur at the completion of this process.

CORPORATE

Board Changes

In November 2021 the Company appointed Mr Adrian Griffin to the Board as a non-executive director.

Mr Griffin has more than 40 years' experience in the mining industry – ranging from project identification, through exploration, development and financing, and oversight of integrated mining and processing facilities. As managing director of Lithium Australia, he is focused on the downstream production of lithium-ion battery components, and recycling of battery/e-waste to recover the energy metals they contain. Mr Griffin was a founding director of Northern Minerals (the first heavy-rare-earths producer outside China) and brings particular expertise in a wide range of mineral exploration and mineral processing techniques, particularly in the lithium and nickel sectors.

Mr Alan Armstrong resigned as a director of the Company effective from the 31 December 2021.

Strong Funding Position

Charger completed the acquisition of its interests in its three projects in early July 2021. On the 9th of July 2021, Charger listed on the ASX after successfully raising $6,000,000 before costs as outlined in its Prospectus dated 27 May 2021.

Charger had cash of $4.53M as at 31 December 2021 and currently has a capital structure with 50 million ordinary shares and market capitalisation of just $39M.

ASX Listing Rule 5.3.2 Disclosure

There were no substantive mining production and development activities conducted during the quarter.

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ASX Listing Rule 5.3.4 Disclosure

Indicative Use of Funds	Per IPO Prospectus (2-year period)	Actual Expenditure Up to 30 September 2021
Exploration at Coates Project	$1,536,000	$128,555
Exploration at Lake Johnston Lithium Project	$948,000	$167,702
Exploration at Bynoe Lithium and Gold Project	$937,200	$255,573
Acquisition costs & stamp duty (including expenses of offer)	$746,506	$706,343
New project acquisition targets	$300,000	$0
General working capital	$2,187,294	$611,690
Total Allocation	**$6,355,000**	**$1,869,862**

Table 1: Indicative use of funds

ASX Listing Rule 5.3.5 Disclosure - Payments to related parties during the quarter as outlined in Sections 6.1 and 6.2 of the Appendix 5B consisted of $102,818 in directors' fees and fees to the Managing Director under his executive services agreement.

The Company's Annual General Meeting was held on Friday 26 November 2021 and all resolutions were passed on a show of hands.

Authorised for release by the Board.

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Tenement Schedule as at 30 September 2021

Tenement	Project	% interest
E70/5198	Coates Project, Western Australia	70%
ELA70/5437 *	Coates Project, Western Australia	70%
P70/1752	Coates Project, Western Australia	70%
P70/1753	Coates Project, Western Australia	70%
R70/59	Coates Project, Western Australia	85% - subject to Yankuang Bauxite Interest
EL30897	Bynoe Lithium and Gold Project, Northern Territory	70%
E63/1805	Lake Johnston Lithium and Gold Project, Western Australia	70%
E63/1809	Lake Johnston Lithium and Gold Project, Western Australia	70%
E63/1866	Lake Johnston Lithium and Gold Project, Western Australia	70%
E63/1806	Lake Johnston Lithium and Gold Project, Western Australia	70%
ELA63/2129 *	Lake Johnston Lithium and Gold Project, Western Australia	100%
E63/1903	Lake Johnston Lithium and Gold Project, Western Australia	70% - Okapi currently earning a 75% interest in E63/1903 excluding rights to all lithium and associated minerals that occur within lithium-caesium-tantalum pegmatites
E63/1722	Lake Johnston Lithium Project, Western Australia	70% interest in lithium rights under the Lithium Rights Agreement with Lefroy Exploration Limited
E63/1723	Lake Johnston Lithium Project, Western Australia	70% interest in lithium rights under the Lithium Rights Agreement with Lefroy Exploration Limited
E63/1777	Lake Johnston Lithium Project, Western Australia	70% interest in lithium rights under the Lithium Rights Agreement with Lefroy Exploration Limited

* Exploration Licence Applications

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JORC Table 1 Statement

JORC Table 1 for the Coates Project included in an announcement to the ASX released on 14 October 2021: "SkyTEM Survey confirms prospective nickel-copper-PGE targets". Charger confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the exploration results continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

JORC Table 1 for the Bynoe Project included in an announcement to the ASX released on 27 October 2021: "Charger confirms emerging lithium targets at Bynoe". Charger confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the exploration results continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Person Statement – Exploration Strategy

The information in this announcement that relates to exploration strategy and results is based on information provided to and compiled by geologist David Crook BSc GAICD who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Crook is Managing Director of Charger Metals NL.

Mr Crook has sufficient experience which is relevant to the style of mineralisation and exploration processes as reported herein to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Crook consents to the inclusion in this announcement of the information contained herein, in the form and context in which it appears.

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.