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# INTERIM FINANCIAL REPORT

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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## Contents

Corporate Directory ..... 2
Directors' Report ..... 3
Auditor's Independence Declaration ..... 10
Independent Auditor's Review Report ..... 11
Condensed Statement of Profit or Loss and Other Comprehensive Income ..... 13
Condensed Statement of Financial Position ..... 14
Condensed Statement of Changes in Equity ..... 15
Condensed Statement of Cash Flows ..... 16
Notes to the Condensed Financial Statements ..... 17
Directors' Declaration ..... 25

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## Corporate Directory

| | |
|---|---|
| **Managing Director/CEO** | David Crook |
| **Non-Executive Chairman** | Terry Gardiner |
| **Non-Executive Director** | Adrian Griffin |
| **Company Secretary/CFO** | Jonathan Whyte |
| **Principal & Registered Office** | Units 32/33, 22 Railway Road<br>Subiaco WA 6008<br>T: +61 8 6146 5325 |
| **Auditors** | Nexia Perth Audit Services Pty Ltd<br>Level 3, 88 William Street<br>Perth WA 6000 |
| **Share Registry** | Advanced Share Registry Services<br>110 Stirling Highway<br>Nedlands WA 6009<br><br>T: +61 8 9389 8033 |
| **Stock Exchange** | Australian Securities Exchange (ASX)<br>ASX Code: CHR |
| **Website** | www.chargermetals.com.au |

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# Directors' Report

Your Directors present their interim financial report on Charger Metals NL (the '**Company**' or '**Charger**') for the half-year ended 31 December 2021.

## Directors

The names of Directors in office at any time during or since the end of the period are:

- David Crook — Managing Director/CEO
- Terry Gardiner — Non-Executive Chairman
- Adrian Griffin — Non-Executive Director (appointed 26 November 2021)
- Alan Armstrong — Non-Executive Director (resigned 31 December 2021)

Directors have been in office since the start of the financial period unless otherwise stated.

## Significant Changes in the State of Affairs

On 5 July 2021, the Company issued 30,000,000 fully paid ordinary shares at an issue price of $0.20 per share under its Prospectus dated 27 May 2021.

On 5 July 2021, the Company issued 12,150,000 ordinary shares and 1,000,000 unlisted options as part consideration for the purchase of interest in the Coates, Coates North, Lake Johnston and Bynoe Projects completing the both the Lithium Australia Acquisition and Mercator Acquisition. The options are exercisable at $0.30 per option, with an expiry date of 9 July 2024.

On 7 July 2021 the Company was admitted to the Official list of the ASX.

Other than the above, no significant changes in the Company's state of affairs occurred during the financial period.

## Operating Results

The loss of the Company for the financial period after providing for income tax amounted to $705,284 (31 December 2020: $3,201).

## Principal Activities and Review of Operations

The principal activity of the Company during the financial period was the entering into agreements to acquire interests in mineral exploration and evaluation tenements as well as seeking out further exploration, acquisition and joint venture opportunities.

***Figure 1: Location of Charger Metals NL Projects***

**Lithium Australia Acquisition Agreement - Coates, Lake Johnston and Bynoe Projects**

The Company acquired a 70% interest in the Coates, Lake Johnston and Bynoe Projects in early July 2021 by reimbursing Lithium Australia NL (**Lithium Australia**) $100,000 of exploration expenditure and issuing 9,600,000 fully paid ordinary shares in the Company to Lithium Australia (**Lithium Australia Acquisition**). In addition, the Company must pay Lithium Australia or its nominee the deferred consideration (consisting of either $200,000 or 2,000,000 fully paid ordinary shares in the Company) if Charger, by 4 December 2026, delineates a JORC Code compliant inferred resource.

**Mercator Acquisition Agreement - Coates North Project**

In July 2021, the Company acquired the 85% interest in the Coates North Project by issuing 2,550,000 fully paid ordinary shares and 1,000,000 unlisted options in the Company. The Company may also have to meet deferred consideration consisting of either $200,000 or 2,000,000 fully paid ordinary shares in the Company which is contingent on certain milestones being met in relation to the development of the tenement (**Mercator Acquisition**).

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## Directors' Report (continued)

***The Bynoe Project (Charger 70%) - Background***

The Bynoe Project occurs within the Litchfield Pegmatite Field, 35km southwest of Darwin, Northern Territory. The area has a history of tin mining and is demonstrably prospective for spodumene-bearing LCT pegmatites. This Project is surrounded by the extremely large tenement holdings of ASX listed Core Lithium Limited's Finnis Lithium Project (refer to Figure 2), which has a mineral resource inventory of 14.7Mt at 1.32% $Li_2O$ and is at a very advanced stage of development, having had completed a definitive feasibility study (Core Lithium Ltd announcement dated 6 August 2021). The Bynoe Project is located in an area with excellent access and nearby infrastructure.

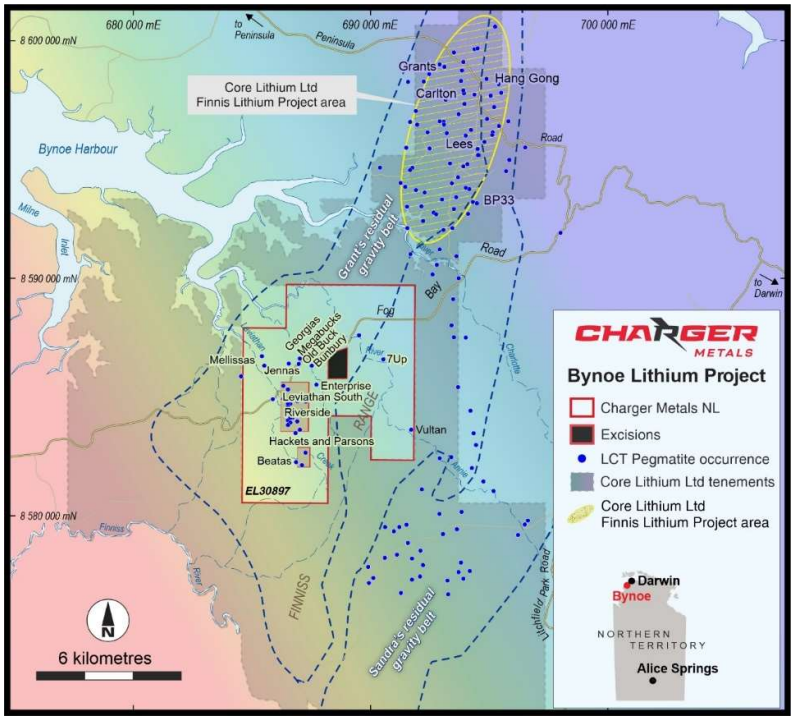


***Figure 2: Location of the Bynoe Project***

The Company commenced exploration activities at the Bynoe Lithium Project during the half-year through a soil geochemical program which was completed with 3,034 samples taken.

The results indicate that pegmatite swarms have been emplaced within two large zones as well as other locations:

- The Megabucks Zone, approximately 8km long and up to 4km wide, hosts numerous pegmatites including Jenna's, Megabucks, Georgia's and Neil's. 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.
- The Enterprise 1 and 2 pegmatites, approximately 600m northeast from Core Lithium's Centurion Prospect.

Pegmatites generally trend in a north or 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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## Directors' Report (continued)

***The Coates Project (Charger 70%-85%) - Background***

The Company holds a 70% to 85% ownership in the Coates Project, which is located approximately 60km east of Perth at Wundowie, Western Australia, (Figure 3). The Coates Project is considered prospective for nickel, copper, cobalt and platinum group elements (**Ni Cu Co PGE**).

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 20km to the northwest of the Company's Coates Project.

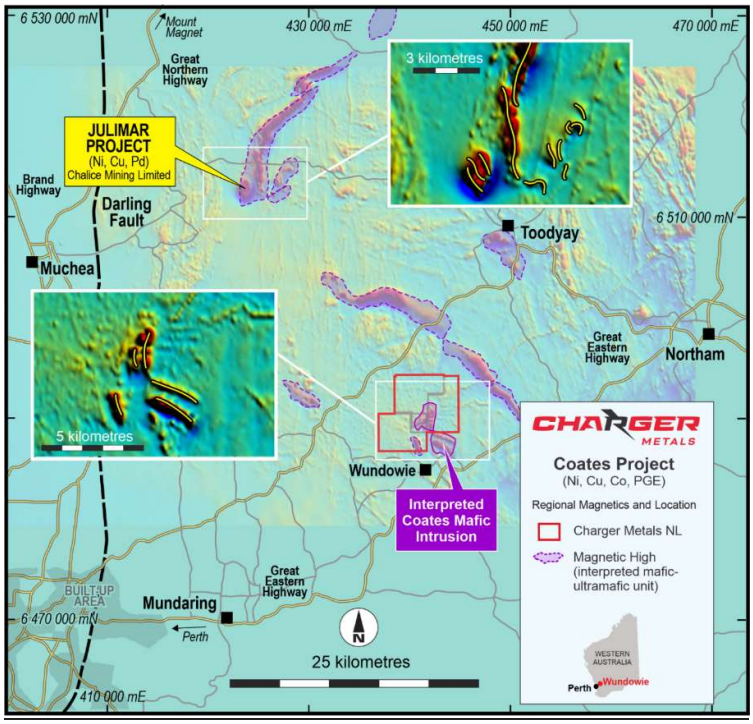


***Figure 3: Location of the Coates Ni Cu Co PGE Project***

Charger's Coates Ni Cu Co PGE Project benefitted from geochemical sampling by an earlier explorer which returned anomalous Ni, Cu, Au and PGE adjacent to the Coates mafic intrusion.

During the half-year the Company completed a helicopter electromagnetic (**HEM**) survey to test the Project for conductors (which may include nickeliferous sulphide rocks).

Priority target T1 consists of a cluster of 19 HEM anomalies interpreted to form several parallel conductors with an extent of 1500m. The T1 conductors sit immediately adjacent to the Coates mafic intrusion and coincident with the area with previously defined Ni Cu Au and PGE anomalies.

Subsequent to the end of the half-year, the Company has completed a Fixed-Loop Electromagnetic (**FLEM**) survey to better resolve the model of conductive rock units which is expected to provide a better delineated T1 drill target. Preparations and permitting for diamond drilling of the T1 target are expected to commence following the completion of this survey.

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## Directors' Report (continued)

***The Lake Johnston Project (Charger 70%-100%) - Background***

The Lake Johnston Project includes the Medcalf Spodumene discovery and much of the Mount Day lithium-caesium-tantalum (**LCT**) pegmatite field. 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 Sociedad Quimica y Minera de Chile (**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 Australia with Ore Reserves for the Earl Grey Deposit estimated at 94.2 Mt at 1.5% $Li_2O$ (Kidman Resources Ltd ASX announcement dated 18 December 2018).

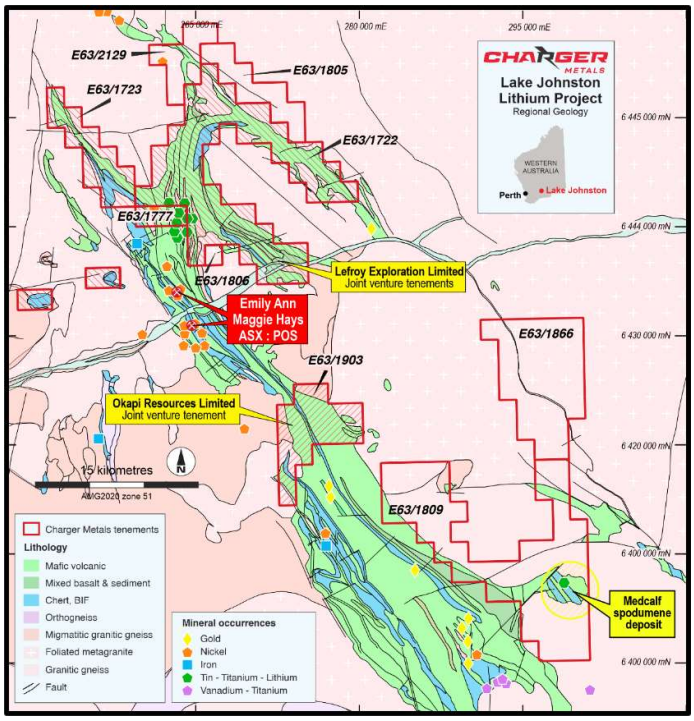


***Figure 4: Location of the Lake Johnston Project***

During the half-year, Charger released the first results from on-going soil geochemistry surveys. A significant lithium anomaly within E63/1903 was detected with subsequent mapping identifying a previously unrecognised pegmatite. By December 2021 over 3,000 sites were sampled, with the balance of sampling due to be completed during the June 2022 quarter.

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

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# Directors' Report (continued)

**Corporate Activities**

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

In November 2021 the Company appointed Mr Adrian Griffin to the Board as a Non-Executive Director.

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

## Financial Position

The half-year 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. The Company has reported a net loss for the period of $705,284 and a cash outflow from operating activities of $593,453.

As at 31 December 2021 the Company had $4,530,031 in cash and cash equivalents (30 June 2021: $79,991) and a working capital surplus of $4,305,328 (30 June 2021: deficit of $220,280). The Company successfully completed an IPO raising $6,000,000 (before costs) and commenced official quotation on the ASX on 9 July 2021. The Directors manage discretionary expenditure in line with the Company's cash flow and are confident that there are sufficient funds to meet the Company's working capital requirements for a minimum of 12 months from the date of this report. Accordingly the Directors consider it appropriate to prepare the financial statements on a going concern basis.

## Dividends Paid or Recommended

There have been no dividends paid or declared since the start of the half-year.

## Events After the Reporting Date

On 18 January 2022, 650,000 Performance Rights were granted to employees and consultants of the Company in three equal tranches with expiry dates from 1 December 2024 to 1 December 2026. Refer to ASX announcement on 18 January 2022 for further details.

On 14 February 2022, 1,100,000 Performance Rights were granted to Directors of the Company in three equal tranches with expiry dates from 1 December 2024 to 1 December 2026, following approval at a General Meeting of shareholders on 10 February 2022. Refer to Notice of Meeting lodged on ASX on 7 January 2022 for further details.

In March the Company announced that it had signed a key landowner agreement at the Coates Ni Cu Co PGE Project, providing access to priority drill targets including the T1 target (as announced to ASX on 11 March 2022). The Company is working through the program of work permits with the DMIRS, and approval is expected within the coming weeks, which will enable drilling to commence thereafter.

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No further matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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# Directors' Report (continued)

## Likely Developments and Expected Results of the Operations

The Company will continue its mineral exploration activities at and around its exploration projects with the object of identifying commercial resources.

## Environmental Regulations

The Company has a policy of complying with or exceeding its environmental performance obligations. The Board believes that the Company has adequate systems in place for the management of its environmental requirements. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of, and complies with, all environmental legislation. The Directors are not aware of any breach of environmental legislation for the half-year under review.

## Unissued Shares

As at the date of this report, the unissued ordinary shares of the Company under option are as follows:

| Details | Grant Date | Number | Exercise Price ($) | Date of Expiry |
|---|---|---|---|---|
| Unlisted Options | Various | 6,000,000 | $0.30 | 9 Jul 2024 |
| Unlisted Options | 13 Oct 2021 | 1,000,000 | $0.60 | 13 Oct 2024 |
| Performance Rights | Various | 1,216,667 | $0.00 | Various |

***Shares Issued on Vesting of Rights***

During or since the end of the half-year, the Company issued 533,333 ordinary shares as a result of the vesting and conversion of the following Performance Rights:

| Details | Number of Rights Vested/ Shares Issued | Total Value ($) |
|---|---|---|
| Performance Rights – Tranche B | 533,333 | 193,227 |

## 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.

## Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2021 has been received and can be found on page 10 of the interim financial report.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board

David Crook
Managing Director/CEO
15 March 2022

Nexia Australia

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To the directors of Charger Metals NL

## Auditor's independence declaration under section 307C of the *Corporations Act 2001*

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2021 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

**Nexia Perth Audit Services Pty Ltd**

**Muranda Janse Van Nieuwenhuizen**
Director

Perth
15 March 2022

**Nexia Perth**
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# Independent Auditor's Review Report to the members of Charger Metals NL

## Report on the Interim Financial Report

### Conclusion

We have reviewed the accompanying interim financial report of Charger Metals NL (the Company), which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Charger Metals NL does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Responsibility of the Directors for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine are necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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## Auditor's Responsibility for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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 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.

NPAS

**Nexia Perth Audit Services Pty Ltd**

**Muranda Janse Van Nieuwenhuizen**
Director

Perth
15 March 2022

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## Condensed Statement of Profit or Loss and Other Comprehensive Income

### For the Half-Year Ended 31 December 2021

| | Notes | 31 Dec 2021 $ | Date of Incorporation 27 Nov 2020 to 31 Dec 2020 $ |
|---|---|---|---|
| Other income | | 200 | - |
| Corporate & compliance expenses | | (191,930) | (3,201) |
| Directors' fees | | (117,866) | - |
| Consulting fees | | (112,572) | - |
| Share-based payments expense | *3* | (282,653) | - |
| Depreciation expense | | (463) | - |
| **Loss before income tax** | | **(705,284)** | **(3,201)** |
| Income tax expense | | - | - |
| **Net loss for the period** | | **(705,284)** | **(3,201)** |
| **Other comprehensive income** | | - | - |
| **Total comprehensive loss for the period** | | **(705,284)** | **(3,201)** |
| **Total comprehensive loss attributable to owners of the Company** | | **(705,284)** | **(3,201)** |
| Loss per share | | | |
| - Basic and diluted (cents per share) | | (1.44) | (320,100) |

*The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

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## Condensed Statement of Financial Position

### As at 31 December 2021

| | Notes | 31 Dec 2021 $ | 30 Jun 2021 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | | 4,530,031 | 79,991 |
| Trade and other receivables | | 91,169 | 138,450 |
| Total Current Assets | | 4,621,200 | 218,441 |
| **Non-Current Assets** | | | |
| Exploration and evaluation expenditure | *4* | 3,514,045 | 297,382 |
| Property, plant and equipment | | 9,916 | - |
| Total Non-Current Assets | | 3,523,961 | 297,382 |
| **Total Assets** | | **8,145,161** | **515,823** |
| **Current Liabilities** | | | |
| Trade and other payables | *5* | 315,872 | 438,721 |
| Total Current Liabilities | | 315,872 | 438,721 |
| **Total Liabilities** | | **315,872** | **438,721** |
| **Net Assets** | | **7,829,289** | **77,102** |
| **Equity** | | | |
| Issued capital | *6* | 8,308,976 | 412,501 |
| Reserves | *7* | 605,456 | 44,460 |
| Accumulated losses | | (1,085,143) | (379,859) |
| **Total Equity** | | **7,829,289** | **77,102** |

*The above condensed statement of financial position should be read in conjunction with the accompanying notes.*

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## Condensed Statement of Changes in Equity

### For the Half-Year Ended 31 December 2021

| | Notes | Issued Capital $ | Reserves $ | Accumulated losses $ | Total $ |
|---|---|---|---|---|---|
| **Balance as at 1 July 2021** | | **412,501** | **44,460** | **(379,859)** | **77,102** |
| Loss for the period | | - | - | (705,284) | (705,284) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive loss for the period | | - | - | (705,284) | (705,284) |
| ***Transactions with owners, recorded directly in equity*** | | | | | |
| Issue of share capital | *6* | 8,448,000 | - | - | 8,448,000 |
| Share-based payments | *3* | - | 389,708 | - | 389,708 |
| Capital raising costs | *3, 6* | (551,525) | 171,288 | - | (380,237) |
| Total transactions with owners | | 7,896,475 | 560,996 | - | 8,457,471 |
| **Balance as at 31 December 2021** | | **8,308,976** | **605,456** | **(1,085,143)** | **7,829,289** |

| | Notes | Issued Capital $ | Reserves $ | Accumulated losses $ | Total $ |
|---|---|---|---|---|---|
| **Balance as at Incorporation Date** | | 1 | - | - | 1 |
| Loss for the period | | - | - | (3,201) | (3,201) |
| Other comprehensive income | | - | - | - | - |
| **Total comprehensive loss for the period** | | **-** | **-** | **(3,201)** | **(3,201)** |
| ***Transactions with owners, recorded directly in equity*** | | | | | |
| Total transactions with owners | | - | - | - | - |
| **Balance as at 31 December 2020** | | **1** | **-** | **(3,201)** | **(3,200)** |

*The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.*

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## Condensed Statement of Cash Flows

### For the Half-Year Ended 31 December 2021

| | Notes | 31 Dec 2021 $ | Date of Incorporation 27 Nov 2020 to 31 Dec 2020 $ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Payments to suppliers and employees | | (593,653) | - |
| Interest received | | 200 | - |
| **Net cash flows used in operating activities** | | **(593,453)** | **-** |
| **Cash Flows from Investing Activities** | | | |
| Payments for exploration and evaluation | | (655,185) | - |
| Payments for property, plant and equipment | | (10,379) | - |
| **Net cash flows used in investing activities** | | **(665,564)** | **-** |
| **Cash Flows from Financing Activities** | | | |
| Proceeds from issue of shares | | 6,000,000 | 1 |
| Capital raising costs | | (290,943) | - |
| **Net cash flows generated from financing activities** | | **5,709,057** | **1** |
| Net increase in cash and cash equivalents | | 4,450,040 | 1 |
| Cash and cash equivalents at the beginning of the period | | 79,991 | - |
| **Cash and cash equivalents at the end of the period** | | **4,530,031** | **1** |

*The above condensed statement of cash flows should be read in conjunction with the accompanying notes.*

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# Notes to the Condensed Financial Statements

## For the Half-Year Ended 31 December 2021

### Note 1. Statement of Significant Accounting Policies

**Statement of Compliance**

Charger Metals NL (the '**Company**' or '**Charger**') is a no liability company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange.

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The interim financial report for the six months ended 31 December 2021 does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These interim financial statements were authorised for issue in accordance with a resolution of the directors on 15 March 2022.

**Basis of Preparation**

The interim 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. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2021. Those accounting policies comply with Australian Accounting Standards and with International Financial Reporting Standards.

**Financial Position**

The Company has reported a net loss for the period of $705,284 and a cash outflow from operating activities of $593,453. As at 31 December 2021 the Company had $4,530,031 in cash and cash equivalents (30 June 2021: $79,991) and a working capital surplus of $4,305,328 (30 June 2021: deficit of $220,280). The Company successfully completed an IPO raising $6,000,000 (before costs) and commenced official quotation on the ASX on 9 July 2021.

The Directors manage discretionary expenditure in line with the Company's cash flow and are confident that there are sufficient funds to meet the Company's working capital requirements for a minimum of 12 months from the date of this report. Accordingly the Directors consider it appropriate to prepare the financial statements on a going concern basis.

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**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.

**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.

**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.

**Coronavirus (COVID-19) Pandemic**
Judgment has been exercised in considering the impacts that the 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.

**Operating Segments**
The Company has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Segments are identified on the basis of area of interest. Financial information about each segment is provided to the chief operating decision makers on at least a monthly basis.

The Company has one reportable operating segment as follows:

- Australia

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## Note 2. Key Management Personnel

Names and positions held of the Company's key management personnel in office at any time during the financial period are:

| Key Management Personnel | Position |
|---|---|
| David Crook[1] | Managing Director/CEO |
| Terry Gardiner | Non-Executive Chairman |
| Adrian Griffin[2] | Non-Executive Director |
| Alan Armstrong[3] | Non-Executive Director |
| Jonathan Whyte[4] | Company Secretary |

1. Services provided by OreSource Pty Ltd ATF OreSource Trust of which Mr Crook is the Trustee.
2. Mr Griffin was appointed as Non-Executive Director effective 26 November 2021. Mr Griffin receives a Director's fee of $50,000 per annum, inclusive of superannuation.
3. Services provided by Mining Corporate Pty Ltd, of which Mr Armstrong is an employee. Mr Armstrong resigned as Non-Executive Director effective 31 December 2021.
4. Services provided by Keyport Investments Pty Ltd, of which Mr Whyte is a Director.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no loans to key management personnel at the end of the half-year.

## Note 3. Share-Based Payments

| | 31 Dec 2021 $ | Date of Incorporation 27 Nov 2020 to 31 Dec 2020 $ |
|---|---|---|
| **Reserves (Note 7)** | | |
| Options issued to Lead Manager - (capital raising costs)[1] | 171,288 | - |
| Options issued to Mercator - (exploration and evaluation)[2] | 107,055 | - |
| Options issued to consultants - (share-based payments expense)[3] | 282,653 | - |
| **Total Share-Based Payments - Reserves** | **560,996** | **-** |

Notes:

1. On 5 July 2021, 1,600,000 unlisted options exercisable at $0.30 per option, with an expiry date of 9 July 2024, were granted to Lead Manager, Pamplona Capital Pty Ltd.

| Valuation and Assumptions of Options: | |
|---|---|
| Grant date | 5 Jul 2021 |
| Number | 1,600,000 |
| Share price | $0.20 |
| Exercise price | $0.30 |
| Expiry date | 9 Jul 2024 |
| Volatility | 100% |
| Risk-free interest rate | 0.19% |

| Valuation and Assumptions of Options: | |
|---|---|
| Value per option | $0.107 |
| Total fair value | $171,288 |
| **Expense vested during the period** | **$171,288** |

2. On 5 July 2021, the Company issued 1,000,000 unlisted options as part consideration for the purchase of an interest in the Coates North Project completing the Mercator Acquisition. The options are exercisable at $0.30 per option, with an expiry date of 9 July 2024.

| Valuation and Assumptions of Options: | |
|---|---|
| Grant date | 5 Jul 2021 |
| Number | 1,000,000 |
| Share price | $0.20 |
| Exercise price | $0.30 |
| Expiry date | 9 Jul 2024 |
| Volatility | 100% |
| Risk-free interest rate | 0.19% |
| Value per option | $0.107 |
| Total fair value | $107,055 |
| **Expense vested during the period** | **$107,055** |

3. On 13 October 2021, 1,000,000 unlisted options exercisable at $0.60 per option, with an expiry date of 13 October 2024, were granted to consultants for the provision of marketing and investor relations services.

| Valuation and Assumptions of Options: | |
|---|---|
| Grant date | 13 Oct 2021 |
| Number | 1,000,000 |
| Share price | $0.49 |
| Exercise price | $0.60 |
| Expiry date | 13 Oct 2024 |
| Volatility | 100% |
| Risk-free interest rate | 0.48% |
| Value per option | $0.283 |
| Total fair value | $282,653 |
| **Expense vested during the period** | **$282,653** |

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## Note 4. Exploration and Evaluation Expenditure

| | 31 Dec 2021 $ | 30 Jun 2021 $ |
|---|---|---|
| **Movement in Carrying Value:** | | |
| Balance at the beginning of the period | 297,382 | - |
| Exploration expenditure capitalised during the period | 3,216,663 | 297,382 |
| **Carrying Amount at the End of the Period** | **3,514,045** | **297,382** |

The carrying value of the exploration expenditure is dependent upon:

- The continuance of the rights to tenure of the areas of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

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

## Note 5. Trade and Other Payables

| | 31 Dec 2021 $ | 30 Jun 2021 $ |
|---|---|---|
| **Current** | | |
| Trade payables | 72,752 | 155,042 |
| Sundry payables and accrued expenses | 243,120 | 283,679 |
| **Total Trade and Other Payables** | **315,872** | **438,721** |

## Note 6. Issued Capital

| | 31 Dec 2021 $ | 30 Jun 2021 $ |
|---|---|---|
| 50,431,035 (30 June 2021: 8,250,001) fully paid ordinary shares | 8,308,976 | 412,501 |

| | 31 Dec 2021 No. | 30 Jun 2021 No. |
|---|---|---|
| **a) Ordinary Shares – Number of Shares** | | |
| Balance at the beginning of the period | 8,250,001 | 1 |
| Shares issued during the period: | | |
| • Shares issued - Initial Public Offering[1] | 30,000,000 | - |
| • Shares issued - acquisition of exploration projects[2] | 12,150,000 | - |
| • Shares issued to consultants[3] | 31,034 | - |
| • Shares issued during prior year | - | 8,250,000 |
| **Total at the End of the Period** | **50,431,035** | **8,250,001** |

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| | 31 Dec 2021 $ | 30 Jun 2021 $ |
|---|---|---|
| **b) Ordinary Shares – Value of Shares** | | |
| Balance at the beginning of the period | 412,501 | 1 |
| Shares issued during the period: | | |
| • Shares issued - Initial Public Offering[1] | 6,000,000 | - |
| • Shares issued - acquisition of exploration projects[2] | 2,430,000 | - |
| • Shares issued to consultants[3] | 18,000 | - |
| • Shares issued during prior year | - | 412,500 |
| Less: | | |
| • Capital raising costs | (551,525) | - |
| **Total at the End of the Period** | **8,308,976** | **412,501** |

Notes:

1. On 5 July 2021, the Company issued 30,000,000 fully paid ordinary shares at an issue price of $0.20 per share under its Prospectus dated 27 May 2021.
2. On 5 July 2021, the Company issued 12,150,000 ordinary shares as part consideration for the purchase of interests in the Coates, Coates North, Lake Johnston and Bynoe Projects completing the both the Lithium Australia Acquisition and Mercator Acquisition.
3. On 8 September 2021, the Company issued 31,034 ordinary shares as part consideration for the provision of marketing and investor relations services in lieu of cash.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**c) Options**

The unissued ordinary shares of the Company under option at 31 December 2021 are as follows:

| Date of Expiry | Exercise Price ($) | Number under Option |
|---|---|---|
| 9 July 2024 | $0.30 | 6,000,000 |
| 13 October 2024 | $0.60 | 1,000,000 |
| **Total** | | **7,000,000** |

A reconciliation of the total options on issue is as follows:

| | 31 Dec 2021 No. | 30 Jun 2021 No. |
|---|---|---|
| Balance at the beginning of the period | 3,400,000 | - |
| Issued during the period[1,2,3] | 3,600,000 | 3,400,000 |
| Exercised during the period | - | - |
| Expired during the period | - | - |
| **Total at the End of the Period** | **7,000,000** | **3,400,000** |

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Notes:

1. On 5 July 2021, 1,600,000 unlisted options exercisable at $0.30 per option, with an expiry date of 9 July 2024, were granted to Lead Manager, Pamplona Capital Pty Ltd.
2. On 5 July 2021, the Company issued 1,000,000 unlisted options as part consideration for the purchase of an interest in the Coates North Project completing the Mercator Acquisition. The options are exercisable at $0.30 per option, with an expiry date of 9 July 2024.
3. On 13 October 2021, 1,000,000 unlisted options exercisable at $0.60 per option, with an expiry date of 13 October 2024, were granted to consultants for the provision of marketing and investor relations services.

## Note 7. Reserves

### a) Share-Based Payments Reserve

The share-based payments reserve records items recognised as expenses on valuation of employee share and consultants' options.

A reconciliation of the movement in the share-based payments reserve is as follows:

| | 31 Dec 2021 $ | 30 Jun 2021 $ |
|---|---|---|
| Balance at the beginning of the period | 44,460 | - |
| Share-based payments (Note 3) | 560,996 | 44,460 |
| **Total at the End of the Period** | **605,456** | **44,460** |

## Note 8. Events After the Reporting Date

On 18 January 2022, 650,000 Performance Rights were granted to employees and consultants of the Company in three equal tranches with expiry dates from 1 December 2024 to 1 December 2026. Refer to ASX announcement on 18 January 2022 for further details of vesting conditions.

On 14 February 2022, 1,100,000 Performance Rights were granted to Directors of the Company in three equal tranches with expiry dates from 1 December 2024 to 1 December 2026, following approval at a General Meeting of shareholders on 10 February 2022. Refer to Notice of Meeting lodged on ASX on 7 January 2022 for further details of vesting conditions.

In March the Company announced that it had signed a key landowner agreement at the Coates Ni Cu Co PGE Project, providing access to priority drill targets including the T1 target (as announced to ASX on 11 March 2022). The Company is working through the program of work permits with the DMIRS, and approval is expected within the coming weeks, which will enable drilling to commence thereafter.

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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No further matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## Note 9. Contingent Assets and Liabilities

**Lithium Australia Acquisition Agreement - Coates, Lake Johnston and Bynoe Projects**
The Company acquired a 70% interest in the Coates, Lake Johnston and Bynoe Projects in early July 2021 by reimbursing Lithium Australia $100,000 of exploration expenditure and issuing 9,600,000 fully paid ordinary shares in the Company to Lithium Australia. In addition, the Company must pay Lithium Australia or its nominee the deferred consideration (consisting of either $200,000 or 2,000,000 fully paid ordinary shares in the Company) if Charger, by 4 December 2026, delineates a JORC Code compliant inferred resource.

**Mercator Acquisition Agreement - Coates North Project**
In July 2021, the Company acquired the 85% interest in the Coates North Project by issuing 2,550,000 fully paid ordinary shares and 1,000,000 unlisted options in the Company. The Company may also have to meet deferred consideration consisting of either $200,000 or 2,000,000 fully paid ordinary shares in the Company which is contingent on certain milestones being met in relation to the development of the tenement.

The Company is unaware of any other contingent assets or liabilities that may have a material impact on the Company's financial position.

## Note 10. Capital Commitments

In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments.

| | 31 Dec 2021 $ | 30 Jun 2021 $ |
|---|---|---|
| **Minimum Tenement Expenditure Commitments** | | |
| Within one year | 427,500 | 243,500 |
| Later than one year but no later than five years | 1,496,250 | 974,000 |
| **Total** | **1,923,750** | **1,217,500** |

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# Directors' Declaration

## For the Half-Year Ended 31 December 2021

The Directors of the Company declare that:

The financial statements, notes and additional disclosures included in the Directors' report are in accordance with the Corporations Act 2001 and:

a) comply with Australian Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the Company's financial position as at 31 December 2021 and of the performance for the half-year period ended on that date;

c) the financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

David Crook
Managing Director/CEO

15 March 2022