

Charger Metals NL
ACN 646 203 465

Notice of General Meeting

General Meeting to be held at
Level 3, 30 Richardson Street West Perth, WA 6005
on Tuesday 13 June 2023
commencing at 10.00am (WST).

Important

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Shareholders should refer to the Independent Expert's Report contained inside this Notice. A copy of the Independent Expert's Report is also accessible on the Company's website: www.chargermetals.com.au. If requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost.

The Independent Expert has determined that the control transaction referred to in this Notice is, in the absence of an alternative offer, **not fair but reasonable** to non-associated Shareholders.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the shareholders of Charger Metals NL ACN 646 203 465 (**Company**) will be held at Level 3, 30 Richardson Street, West Perth, Western Australia, 6005 on Tuesday, 13 June 2023, commencing at 10.00am (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Resolution 1 – Approval of Acquisition and Issue of Consideration Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of item 7 of section 611 of the Corporations Act and Listing Rule 10.1, and for all other purposes, approval is given for:

- (a) *the Company to acquire from Lithium Australia Limited the remaining 30% of the Lake Johnston Project in consideration for the issue of 7,000,000 Shares (**Consideration Shares**) and the grant of the Offtake Right of First Refusal to Lithium Australia Limited under the Acquisition Agreement; and*
- (b) *Lithium Australia Limited to acquire a Relevant Interest in the Company's Shares as a result of being issued the Consideration Shares upon completion of the Acquisition Agreement, which increases Lithium Australia Limited's Voting Power in the Company from 15.46% to up to 24.02%,*

on the terms and conditions set out in the Explanatory Statement.

Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd for the purposes of Shareholder approval required under item 7 of section 611 of the Corporations Act and Listing Rule 10.1 for this Resolution. The Independent Expert's Report comments on the fairness and reasonableness of the transaction to the non-associated Shareholders. The Independent Expert has determined that the transaction the subject of this Resolution is, in the absence of an alternative offer, **not fair but reasonable** to the non-associated Shareholders.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Lithium Australia Limited and any other person who will receive a material benefit as a result of the transaction and any associate of those persons (**excluded person**). However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting exclusion statement – Corporations Act

No votes may be cast in favour of this Resolution by:

- the person proposing to make the acquisition and their associates; or
- the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by Lithium Australia Limited and any of its associates.

Resolution 2 – Approval of issue of Performance Rights to Mr Aidan Platel, Managing Director

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, under and for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the issue to Mr Aidan Platel (who is the Managing Director and CEO of the Company) and/or his nominee(s) of up to 500,000 Performance Rights Class A, 500,000 Performance Rights Class B, 500,000 Performance Rights Class C and 1,000,000 Performance Rights Class D and the subsequent issue of fully paid ordinary shares in the Company on the vesting and exercise of those Performance Rights pursuant to the Charger Metals NL Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of: (i) Mr Aidan Platel (and his nominees) and a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Charger Metals NL Securities Incentive Plan; or (ii) an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (A) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Other Business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the General Meeting.

By Order of the Board of Directors

Jonathan Whyte
Company Secretary
Charger Metals NL

9 May 2023

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Charger Metals NL ACN 646 203 465 ACN 009 131 533 (**Company**) in connection with the Resolutions to be considered at the General Meeting to be held at Level 3, 30 Richardson Street, West Perth Western Australia, 6005 on Tuesday, 13 June 2023, commencing at 10.00am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company's, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms in Section 5.

References to "\$" and "dollars" in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the Resolutions in the Notice.

Voting instructions

(i) Voting in person

To vote in person, attend the Meeting at the time, date and place set out on the first page of the Notice.

If you do attend in person, you will need to abide by the processes and procedures declared by the Chair of the Meeting on the day, including as required in the interests of public health and safety in light of the global outbreak of the Coronavirus (COVID 19).

(ii) Proxies

Voting by proxy

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Power of Attorney

If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must only vote on a poll;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either of the following applies:
 - (A) the proxy is not recorded as attending the meeting; or
 - (B) the proxy does not vote on the resolution,
 the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

(iii) Corporate representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 6146 5325.

Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 10.00am (WST) on 11 June 2023. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the General Meeting.

1. PROPOSED TRANSACTION

1.1 Background

Under an Acquisition and Joint Venture Agreement dated 4 December 2020 (which was subsequently amended by the Amended and Restated Letter Agreement – Acquisition and Joint Venture dated 16 April 2021) between the Company and Lithium Australia Limited (ACN 126 129 413) (**LIT**) (**Original Acquisition and JV Agreement**), the Company acquired a 70% interest in certain tenements and contractual lithium rights comprising the Coates Ni-Cu-PGE-Project, the Bynoe Lithium and Gold Project and the Lake Johnston Project (except that the Company acquired a 100% interest in E63/1903 comprising part of the Lake Johnston Project).

On 6 February 2023, the Company entered into the Lake Johnston Acquisition Agreement with LIT (as amended by variation letter dated 9 May 2023) (**Acquisition Agreement**) under which LIT agreed to sell, and the Company agreed to acquire LIT's remaining 30% interest in certain tenements and contractual lithium rights comprising the Lake Johnston Project (**Acquisition**), specifically:

- a 30% interest in exploration licenses numbered E63/1809 and E63/1866) (**Sale Tenements**); and
- a 30% interest in contractual rights to the lithium in exploration licenses numbered E63/1722, E63/1723 and E63/1777 (**Contractual Rights Tenements**) held pursuant to a rights acquisition agreement between the Company (70%) and LIT (30%) and the registered holder of the Contractual Rights Tenements, Johnston Lakes Nickel Ltd (**Lithium Rights Agreement**)

(collectively, the **Sale Interest**) in consideration for the issue of 7,000,000 Shares (**Consideration Shares**) and the grant of 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 the Company from the Sale Tenements and/or Contractual Right Tenements (**Offtake Right of First Refusal**).

Upon completion of the Acquisition, the Company will wholly own the Lake Johnston Project comprising:

- the Sale Tenements (being exploration licenses numbered E63/1809 and E63/1866);
- rights to lithium in the Contractual Rights Tenements (being exploration licenses numbered E63/1722, E63/1723 and E63/1777) pursuant to the Lithium Rights Agreement; and
- exploration licenses numbered E63/1903 and E63/1883.

The issue of the Consideration Shares to LIT as part of the consideration payable for the Sale Interest will result in the LIT's Voting Power in the Company increasing from 15.46% to 24.02%. Accordingly, the Company is seeking approval for the purposes of item 7 of section 611 of the Corporations Act to comply with the Chapter 6 of the Corporations Act in respect of the issue of Consideration Shares to LIT. Additionally, the Company is seeking approval for the purposes of Listing Rule 10.1 to acquire a substantial asset from a substantial holder (10% or more) of the Company.

1.2 Acquisition Agreement

The material terms of the Acquisition Agreement are as follows:

- Completion of the Acquisition is subject to, and conditional on the following conditions (**Conditions Precedent**) being satisfied or waived by 20 June 2023:
 - the Company obtaining a waiver from Listing Rule 10.7 to the extent necessary to permit the Company to grant LIT the Offtake First Right of Refusal as part consideration for the Sale Interest. This waiver was granted on 21 February 2023.

- the Company, LIT and Johnston Lakes Nickel Ltd entering into a deed of assignment under which (with effect on and from completion of the Acquisition) LIT assigns to the Company LIT's rights (and the Company assumes LIT's obligations) under the Lithium Rights Agreement;
- the Company obtaining an opinion from a suitably qualified independent expert concluding that the Acquisition is in the best interests of the Shareholders and is fair and reasonable to the Shareholders (excluding LIT) or not fair but reasonable to the Shareholders (excluding LIT). The Independent Expert (BDO Corporate Finance (WA) Pty Ltd) has determined that the proposals as outlined in the Acquisition Agreement are, in the absence of an alternative offer, **not fair but reasonable** to Shareholders not associated with LIT or its associates – the Independent Expert's Report is enclosed as Annexure 1 of this Notice and is also accessible on the Company's website www.chargermetals.com.au (and, if requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost); and
- the Company obtaining all approvals from Shareholders as is necessary to proceed with the Acquisition, including for the purposes of section 611 Item 7 of the Corporations Act and Listing Rules 7.1, 10.1.3 and 10.11.3 (if required by ASX). (The Company and LIT have agreed that the approval of Shareholders under Listing Rule 10.11.3 is not required in order for this Condition Precedent to be met). This Condition Precedent will be met if Resolution 1 is passed.
- Upon completion of the Acquisition, LIT will transfer the Sale Interest to the Company for the purchase price, being the issue of the Consideration Shares and the grant of the Offtake Right of First Refusal.
- The Key terms of the Offtake Right of First Refusal are as follows:
 - Prior to commencing production of lithium product in commercial quantities from the Sale Tenements and/or Contract Rights Tenements, the Company must offer to sell to LIT the Agreed Offtake Amount (being the lower of (a) 30% of such lithium product and (b) the lithium product required to produce lithium metal phosphate through a commercial facility in which LIT has an ownership interest of 25% or more) (**OFRF Offer**).
 - The Company is not required to make the OFRF Offer if LIT has not made (and announced) a financial investment decision to construct a commercial facility to produce lithium metal phosphate cathode powders prior to (a) the date that is two months before the Company expects (acting reasonably) to make a financial investment decision to produce lithium product in commercial quantities (**Charger Pre-FID Date**) or (b) 31 December 2029.
 - If LIT accepts the OFRF Offer, the Company and LIT must agree the terms of a take or pay offtake agreement for the Agreed Offtake Amount with a minimum term of five (5) years and otherwise on such commercial terms (including price) considered standard for an agreement of such nature.
 - The Company must not enter into any arrangement for the sale of more than 70% of its anticipated lithium product from the Sale Tenements and/or the Contractual Rights Tenements prior to the Charger Pre-FID Date but is otherwise not restricted from entering into any commercial arrangement (including any offtake arrangement) with one or more third parties in respect of the sale of any lithium product.
 - The Company and LIT must keep each other regularly updated regarding (in the Company's case) its progress towards making a final investment decision to produce lithium product in commercial quantities from the LIT Sale Tenements and/or the Contractual Rights Tenements (and in LIT's case) its progress towards making a final

investment decision to construct a commercial facility to produce lithium metal phosphate cathode powders. The Company must also ensure that it provides LIT a reasonable opportunity to participate in the Company's processes in relation to potential commercial arrangements in respect of the sale of any lithium product from the Sale Tenements and/or the Contractual Rights Tenements.

- Upon completion of the Acquisition, the Original Acquisition and Joint Venture Agreement will continue unamended except that the joint venture terms (which will continue in respect of the Company and LITs respective interests in the Coates Ni-Cu-PGE-Project and the Bynoe Lithium and Gold Project) will terminate in relation to the Lake Johnston Project.

The Acquisition Agreement also contains additional provisions which the Company considers are standard for agreements of this nature, including warranties and indemnities given by LIT in favour of the Company.

The Acquisition Agreement does not contain any obligation on the Company to appoint a nominee of LIT to the Board of the Company.

1.3 Lake Johnston Project

As set out above, upon completion of the Acquisition, the Company will acquire the Sale Interest and thereby increase its existing 70% interest in the Lake Johnston Project to a 100% interest in the Lake Johnston Project.

Upon completion of the Acquisition, the Company will wholly own the Lake Johnston Project comprising:

- the Sale Tenements (being exploration licenses numbered E63/1809 and E63/1866);
- rights to lithium in the Contractual Rights Tenements (being exploration licenses numbered E63/1722, E63/1723 and E63/1777) pursuant to the Lithium Rights Agreement;
- exploration licenses numbered E63/1903 and E63/1883.

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 prospects include the advancing Medcalf Spodumene Prospect and much of the Mount Day lithium-caesium-tantalum (LCT) pegmatite field, prospective for lithium and tantalum minerals.

The Lake Johnston Lithium Project has attracted considerable interest due to its proximity to the large Earl Grey Lithium Project 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) located approximately 70km west of the Lake Johnston Project.

1.4 Pro forma capital structure

The table below provides a summary of the capital structure of the Company at the date of this Notice and upon completion of the Acquisition.

Capital structure (1)	Existing	Post-completion of the Acquisition (2)
Existing Shares	62,114,368	69,114,368
Consideration Shares	-	7,000,000

Total Shares	62,114,368	69,114,368
Existing Options (3)	7,200,000	7,200,000
Existing Performance Rights (4) (5)	1,166,667	1,166,667
Fully diluted share capital	70,481,035	77,481,035

- (1) Under agreements executed by the Company in 2020 (including the Original Acquisition and Joint Venture Agreement) the Company has agreed to:
- either pay \$200,000 or issue 2,000,000 Shares (at the Company's election) to LIT upon the achievement (prior to 4 December 2026) of certain inferred resource milestones on the Coates Ni-Cu-PGE-Project, the Bynoe Lithium and Gold Project and the Lake Johnston Project; and
 - either pay \$200,000 or issue 2,000,000 Shares (at the Company's election) to the vendor (not being LIT or an associate of LIT) of a permit forming part of the Coates Ni-Cu-PGE-Project upon the achievement (prior to 4 December 2026) of certain inferred resource milestones relating to that permit.
- Given that the issue of any such Shares is contingent (and even if issued will not be issued prior to completion of the Acquisition) and, in any event, is at the option of the Company: (a) the Company is not seeking the approval under Resolution 1 (or otherwise) for the issue of such Shares to LIT; and (b) such Shares are not included in the above pro forma capital structure or any calculation in this Notice of the fully diluted share capital of the Company.
- (2) Assuming no Existing Options are exercised or Existing Performance Rights are converted prior to completion of the Acquisition.
- (3) Consisting of:
- 6,000,000 options exercisable at \$0.30 on or before 9 July 2024;
 - 200,000 options exercisable at \$0.90 on or before 28 February 2024;
 - 1,000,000 options exercisable at \$0.60 on or before 13 October 2024;
- (4) Consisting of:
- 583,330 Existing Performance Rights Class A vesting on the Company, on or before 1 December 2026, achieving certain inferred resource milestones; and
 - 583,337 Existing Performance Rights Class C vesting on the Shares, on or before 1 December 2025, trading on or above a 15-day VWAP of \$1.00.
- (5) Note that this does not include the Performance Rights proposed to be issued to Mr Aidan Platel the subject of Resolution 2. If these Performance Rights are issues, the number of Performance Rights on issue will be increased by 2,500,000 Performance Rights.

1.5 Pro forma statement of financial position

Assuming Resolution 1 is passed and completion of the Acquisition occurs, the unaudited pro forma statement of financial position for the Company is set out in Schedule A.

1.6 Independent Expert's Report

The Independent Expert's Report assesses whether the acquisition of Shares by LIT under the proposals as outlined in the Acquisition Agreement is fair and reasonable to the Shareholders who are not associated with LIT or its associates. The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the Acquisition. This assessment is designed to assist Shareholders in reaching their voting decision on Resolution 1.

BDO Corporate Finance (WA) Pty Ltd has prepared the Independent Expert's Report and has provided an opinion that it believes the proposals as outlined in the Acquisition Agreement are, in the absence of an alternative offer, **not fair but reasonable** to Shareholders not associated with LIT or its associates. It is recommended that all Shareholders read the Independent Expert's Report in full which is enclosed as Annexure 1 of this Notice. A copy of the Independent Expert's Report is also accessible on the Company's website: www.chargermetals.com.au. If requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost.

1.7 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages of the Acquisition may be relevant to a Shareholder's decision on how to vote on Resolution 1 (and Shareholders are also directed to the Independent Expert's Report which also contains an assessment of the advantages and disadvantages of the Acquisition):

- (a) The Company will move to 100% ownership of the Lake Johnston Project which will give the Company full control of all decision making in relation to the Lake Johnston Project.
- (b) The Acquisition will simplify the Lake Johnston Project ownership structure and streamline governance procedures through a sole owner of the Lake Johnston Project.
- (c) The cash reserves of the Company will be conserved as the consideration for the Acquisition is comprised of non-cash consideration (being the Consideration Shares and the Offtake Right of First Refusal).
- (d) The Independent Expert has concluded that the proposals as outlined in the Acquisition Agreement are, in the absence of an alternative offer, **not fair but reasonable** to Shareholders not associated with LIT or its associates.

1.8 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages of the Acquisition may be relevant to a Shareholder's decision on how to vote on Resolution 1 (and Shareholders are also directed to the Independent Expert's Report which also contains an assessment of the advantages and disadvantages of the Acquisition):

- (a) The existing Shareholders will have their shareholding diluted by the Consideration Share to be issued under the Acquisition.
- (b) In granting the Offtake Right of First Refusal to LIT, the Company's must take into account its obligations to LIT (as summarised in Section 1.2 above) when considering offtake options for lithium product that may be produced in commercial quantities from the Sale Tenements and/or the Contract Right Tenements.

1.9 Board intentions upon completion of the Acquisition

Following completion of the Acquisition, the Company's business model will be to further explore and accelerate the development of the Bynoe Lithium and Gold Project and the Lake Johnston Project. Specifically, the Company's main objectives on completion of the Acquisition remain substantially the same as has been previously disclosed.

1.10 Board intentions if completion of the Acquisition does not occur

If Resolution 1 is not passed and the Acquisition is not completed, the Lake Johnston Project will remain under the current ownership structure and the Company will continue to progress the Lake Johnston Project (under the current ownership structure) together with the Coates Ni-Cu-PGE-Project and the Bynoe Lithium and Gold Project.

1.11 Indicative Timetable

The Company anticipates the Acquisition will be implemented in accordance with the following timetable:

Event	Date
ASX announcement of Acquisition	7 February 2023
General Meeting to approve acquisition	13 June 2023
Completion of acquisition (subject to satisfaction of Conditions Precedent as set out in Section 1.2)	16 June 2023

2. RESOLUTION 1 – APPROVAL OF ACQUISITION AND ISSUE OF CONSIDERATION SHARES

2.1 General

Resolution1 seeks Shareholder approval for the purposes of:

- ASX Listing Rule 10.1 for the acquisition of a substantial asset (the Sale Interest, being LIT's 30% interest in the Lake Johnston Project) from a substantial holder (10% or more) of the Company; and
- item 7 of section 611 of the Corporations Act to allow the issue of the Consideration Shares (being 7,000,000 Shares) as consideration for acquiring the Sale Interest (being LIT's 30% interest in the Lake Johnston Project).

2.2 Item 7 of section 611 of the Corporations Act

Takeover prohibition

Section 606 of the Corporations Act prohibits a person from acquiring a Relevant Interest in the issued voting shares of a listed company if the person acquiring the Relevant Interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of that transaction that person's (or another person's) Voting Power in the company increases:

- from 20% or below to more than 20%; or
- from a starting point that is above 20% and below 90%.

Voting Power

The Voting Power of a person in a company is determined in accordance with section 610 of the Corporations Act. It is aimed at grouping together and counting the percentage of all voting shares in a company that are controlled by a person and its associates (i.e. their Relevant Interests).

Relevant Interests

Section 608(1) of the Corporations Act provides that a person has a Relevant Interest in securities if that person:

- is the holder of the securities;
- has power to exercise, or control the exercise of, a right to vote attached to the securities; or
- has power to dispose of, or exercise control over the disposal of, the securities.

It is immaterial whether the power or control is direct or indirect, and it does not matter how remote the Relevant Interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that, if a body corporate has a Relevant Interest in securities, a person will also have a Relevant Interest in those securities if:

- the person has Voting Power in the body which is above 20%; or
- the person controls the body.

Associates

In determining who is an associate for the purposes of calculating a person's Voting Power, section 12(2) of the Corporations Act provides that:

- the following entities are associates of a body corporate:
 - another body corporate which it controls;
 - another body corporate which controls it; and
 - another body corporate that is controlled by the same entity which controls it;
- a person will be an associate of another person if they have, or propose to enter into, a relevant agreement for the purpose of controlling or influencing:
 - the composition of a body's board; or
 - the conduct of the body's affairs; and
- a person will be an associate of another person if they are acting, or propose to act, in concert in relation to the affairs of a body.

Item 7 of section 611 of the Corporations Act

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition in section 606 where the acquisition of the Relevant Interest has been approved by shareholders in general meeting, provided that:

- no votes are cast in favour of the resolution by the person proposing to make the acquisition or their associates; and
- shareholders are given all information known to the acquirer or the company that was material to the decision on how to vote.

Reason item 7 section 611 approval is required

The acquisition of Shares by LIT as a result of being issued the Consideration Shares at completion of the Acquisition will result in LIT acquiring a Relevant Interest in the Company's Shares which will potentially increase its Voting Power in the Company from 20% or below to more than 20%;

Based on certain assumptions, the maximum Voting Power that LIT may obtain in the Company as a result of being issued the Consideration Shares upon completion of the Acquisition Agreement is 24.02%. Please refer below for further information on the Voting Power that may be acquired by LIT pursuant to the Acquisition.

Accordingly, Resolution 1 seeks Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act in respect of the issue of the Consideration Shares to LIT.

2.3 Prescribed information required by item 7 section 611 of the Corporations Act

Prescribed information

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74: *Acquisitions approved by members* for the purposes of obtaining approval under item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd contained in Annexure 1 of this Notice. A copy of the Independent Expert's Report is also accessible on the Company's website: www.chargermetals.com.au. If requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost.

Identity of the acquirer and its associates

The Consideration Shares will be issued to LIT.

The Company has been informed by LIT that it does not have an associate relationship with any existing Shareholders.

Effect on the acquirer's Voting Power

At the date of this Notice, LIT has:

- a Relevant Interest in 9,600,000 Shares, being the Shares issued to LIT on completion under the Original Acquisition and JV Agreement (by which the Company acquired its existing 70% interest in the Lake Johnston Project); and
- an entitlement to either (at the Company's election) \$200,000 or 2,000,000 Shares upon the achievement (prior to 4 December 2026) of certain inferred resource milestones on the Coates Ni-Cu-PGE-Project, the Bynoe Lithium and Gold Project and the Lake Johnston Project (**Contingent Entitlement**).

The maximum Voting Power that LIT may obtain in the Company as a result of being issued the Consideration Shares upon completion of the Acquisition Agreement is 24.02%.

This level of Voting Power (and the table below) does not take into account any Shares that may be issued under the Contingent Entitlement given that the issue of any Shares under the Contingent Entitlement is contingent (and even if Shares are issued they will not be issued prior to completion of the Acquisition) and, in any event, the issue of Shares is at the option of the Company (ie. the Company may meet the Contingent Entitlement by paying cash).

The table below sets out the potential effect of the issue of Contingent Shares on LIT's Voting Power in the Company.

	LIT's Relevant Interest in Shares (1)	Total Shares on issue (1)	LIT's Voting Power (1)
Existing position	9,600,000	62,114,368	15.46%
Issue of Consideration Shares	16,600,000	69,114,368	24.02%

(1) Assumes that: (a) the Company does not issue any additional Equity Securities except those contemplated by this Notice; (b) LIT does not acquire any additional Shares; (c) no Existing Options are exercised; (d) no Performance Rights are converted; and (e) no Shares are issued under the Contingent Entitlement.

Reasons for the acquisition

In accordance with the Acquisition Agreement, LIT will acquire the Consideration Shares in consideration of LIT transferring to the Company the Sale Interest (being LIT's 30% interest in the Lake Johnston Project). Upon completion of the Acquisition, the Company will wholly own the Lake Johnston Project. Summaries of the key advantages and disadvantages of the Acquisition are set out in Sections 1.7 and 1.8.

Timing of the acquisition

LIT will acquire the Consideration Shares upon completion of the Acquisition Agreement, which is anticipated to be on or about 16 June 2023. LIT will acquire a Relevant Interest in the Consideration Shares once they have been issued.

Material terms of the Acquisition

A summary of the key terms of the Acquisition Agreement is set out in Section 1.2, and a summary of the Acquisition generally is set out in Section 1.

Other relevant agreements

Other than the Original Acquisition and Joint Venture Agreement, the Lithium Rights Agreement and the Acquisition Agreement, no relevant agreements exist between the Company and LIT, or any of its associates.

LIT's intentions regarding the future of the Company

Other than as disclosed elsewhere in this Notice, the Company understands that LIT:

- has no current intention of making any changes to the business of the Company;
- does not propose to inject further capital into the Company;
- does not intend to change the employment arrangements of the Company;
- does not propose to transfer any assets between the Company and LIT, or its associates;
- has no intention to otherwise redeploy the fixed assets of the Company; and
- does not intend to change the financial or dividend distribution policies of the Company.

These intentions are based on information concerning the Company, its business and the business environment which is known to LIT at the date of this Notice. Final decisions regarding these matters will only be made by LIT in light of material information and circumstances at the relevant time. Accordingly, the statements set out above are statements of current intention only, which may change as new information becomes available to them or as circumstances change.

Directors' interests and recommendations

No Director has a material personal interest in the issue of the Consideration Shares to LIT under Resolution 1.

All of the Directors are of the opinion that the Acquisition is in the best interests of the Shareholders and accordingly the Directors unanimously recommend that Shareholders vote in favour of Resolution 1. The Directors recommendation are based on the reasons set out in Section 1.7.

Additional directors

There is no current intention of changing the Board in connection with Resolution 1.

Capital structure

Section 1.4 provides a summary of the capital structure of the Company at the date of this Notice and upon completion of the Acquisition.

Independent Expert's Report

The Independent Expert's Report assesses whether the acquisition of the Consideration Shares by LIT under the Acquisition Agreement is fair and reasonable to the Shareholders who are not associated with LIT. The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the Acquisition under the Acquisition Agreement. This assessment is designed to assist Shareholders in reaching their voting decision.

BDO Corporate Finance (WA) Pty Ltd has prepared the Independent Expert's Report and has provided an opinion that it believes the proposals as outlined in the Acquisition Agreement are, in the absence of an alternative offer, **not fair but reasonable** to Shareholders not associated with LIT or its associates. It is recommended that all Shareholders read the Independent Expert's Report in full which is enclosed as Annexure 1 of this Notice. A copy of the Independent Expert's Report is also accessible on the Company's website: www.chargermetals.com.au. If requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost.

2.4 Listing Rule 10.1

General

Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons, a substantial holder (being a holding of 10% or more) or one of its associates, without the prior approval of shareholders.

An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The equity interests of the Company as defined by the Listing Rules and as set out in the latest accounts given to the Company under the Listing Rules (being for the financial year ending 30 June 2022) were \$7,403,371. A substantial asset is therefore an asset of value greater than \$370,169.

The consideration for the Acquisition includes the issue of the Consideration Shares which, using the closing price of Shares on 5 May 2023 of \$0.50 ascribes a value for the Consideration Shares of \$3,500,000 and therefore (and even without ascribing any value to the Offtake Right of First Refusal), the Acquisition will result in the acquisition of a substantial asset for the purposes of ASX Listing Rule 10.1.

LIT is deemed to be a substantial holder in the Company by virtue of holding 15.46% of the total votes attached to voting shares in the Company, which is greater than the 10% threshold prescribed by Listing Rule 10.1.3.

Therefore, the Company is required to obtain Shareholder approval for the purposes of Listing Rule 10.1 in order to complete the Acquisition. Listing Rule 10.10.2 requires a notice of meeting containing a resolution under Listing Rule 10.1 to include a report on the transaction from an independent expert.

Specific information for the purposes of Listing Rule 10.5

For the purposes of Listing Rule 10.5, the following information is provided to Shareholders in relation to Resolution 1:

(a) **Name of the person from whom the Company is buying the substantial asset**

Lithium Australia Limited.

(b) **Relationship that requires shareholder approval**

LIT is a substantial holder of the Company with a Voting Power in the Company above 10%.

(c) **Details of the substantial asset being acquired by the Company**

The substantial asset being acquired by the Company from LIT is the Sale Interest (being LIT's 30% interest in the Lake Johnston Project). Further details of the Lake Johnston Project are set out in Section 1.3 above.

(d) **Consideration for the acquisition**

(ii) the Consideration Shares (being 7,000,000 Shares); and.

(ii) the Offtake Right of First Refusal (details of which are set out in Section 1.2).

(e) **Source of funds to pay for the acquisition**

The acquisition will be funded by the issue of the Consideration Shares and the grant of the Offtake Right of First Refusal. No cash consideration is payable.

(f) **Timetable for the acquisition**

The acquisition will occur upon completion of the Acquisition, which is anticipated to be on or about 16 June 2023.

(g) **Issue price of the securities**

Nil cash consideration as the issue of the Consideration Shares and grant of the Offtake Right of Refusal is being made as consideration for the Sale Interest (being LIT's 30% interest in the Lake Johnson Project).

(h) **Summary of material terms of agreement under which securities are issued**

The issue of the Consideration Shares (and the grant of the Offtake Right of First Refusal) to LIT is made pursuant to the Acquisition Agreement the key terms of which are summarised in Section 1.2 above.

(i) **Independent Expert's Report**

BDO Corporate Finance (WA) Pty Ltd has prepared the Independent Expert's Report and has provided an opinion that it believes the proposals as outlined in the Acquisition Agreement are, in the absence of an alternative offer, **not fair but reasonable** to Shareholders not associated with LIT or its associates. It is recommended that all Shareholders read the Independent Expert's Report in full which is enclosed as Annexure 1 of this Notice. A copy of the Independent Expert's Report is also accessible on the Company's website: www.chargermetals.com.au. If requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost.

2.5 Technical information required by Listing Rule 7.1

Approval under Listing Rule 7.1 is not required for the issue of the Consideration Shares as approval is being obtained for the purposes of item 7 section 611 of the Corporations Act, which is an exception to Listing Rule 7.1. Accordingly, the issue of the Consideration Shares to LIT under the Acquisition Agreement will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

3. RESOLUTION 2 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO MR AIDAN PLATEL, MANAGING DIRECTOR AND CEO

3.1 Background

Pursuant to Resolution 2, the Company is proposing to issue 2,500,000 Performance Rights in aggregate to Mr Aidan Platel (Managing Director and CEO) under the Charger Metals NL Securities Incentive Plan (**Incentive Plan**) (together, the **Performance Rights**).

A summary of the Performance Rights to be issued to Mr Platel is outlined below:

Director	Performance Rights				Total
	Class A	Class B	Class C	Class D	

Aidan Platel	500,000	500,000	500,000	1,000,000	2,500,000
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3.2 ASX Listing Rule 10.14 and Chapter 2E of the Corporations Act

Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not allow any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director of the company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the company or a person referred to in paragraph (a) or (b) is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders or at least one of the exceptions to Listing Rule 10.14 (set out in Listing Rule 10.16) apply.

The issues of the Performance Rights to Mr Aidan Platel the subject of Resolution 2 fall within paragraph (a) above (being Listing Rule 10.14.1) and therefore require the approval of Shareholders under Listing Rule 10.14.

None of the exceptions in Listing Rule 10.16 apply.

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Mr Platel is a related party of the Company by virtue of being a Director of the Company.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E where the financial benefit is remuneration that would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Board believes, after a review of the publicly available information relating to the remuneration packages of industry executives and non-executives in similar roles, that the proposed grant of the Performance Rights to Mr Platel is within the exemption contained in section 211 of the Corporations Act as reasonable remuneration.

However, notwithstanding this, Shareholder approval is sought under Resolution 2 for the grant of the Performance Rights to Mr Platel under Chapter 2E of the Corporations Act given that Shareholder approval is in any event being sought for the grant of the Performance Rights under Listing Rule 10.14.

In addition to the grant of the Performance Rights, Mr Platel is also (as per below) to be paid an annual salary of \$270,000 (plus superannuation) (**Base Salary**). Mr Platel is also entitled to up to 25% of his Base Salary (subject to achievement of KPIs agreed with the Board) (**Annual Bonus**). The Board believes after a review of the publicly available information relating to the remuneration

packages of industry executives and non-executives in similar roles, that the proposed grant of the Base Salary and Annual Bonuse to Mr Platel is within the exemption contained in section 211 of the Corporations Act as reasonable remuneration. Shareholder approval is therefore not being sought for the payment of the Base Salary or the Annual Bonus to Mr Platel.

Approval sought

Resolution 2 seeks the required Shareholder approval to the issue of the Performance Rights to Mr Platel under and for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act.

If Resolution 2 is passed, the Company will be able to proceed to issue the respective Performance Rights to Mr Platel.

If Resolutions 2 is not passed, the Company will not be able to proceed to issue the respective Performance Rights to Mr Platel.

3.3 Terms and Conditions of the Performance Rights

The material terms of the Performance Rights are summarised in Annexure 3. A summary of the Incentive Plan is contained in Annexure 2.

The Performance Rights will be issued for no consideration. The Performance Rights will convert into a Share, at the execution of the holder, upon vesting. No consideration is payable for the conversion of Performance Rights to Shares. The Performance Rights have an expiry date of five (5) years from the grant date.

The Performance Rights will vest subject to satisfaction of the following performance milestones.

(a) Performance Rights Class A

By 1 December 2026, the Company delineates on the tenements on which it holds an interest an inferred mineral resource under the JORC Code of:

- (i) 10,000 tonnes of contained nickel;
- (ii) 100,000 ounces of gold equivalent; or
- (iii) at least 10,000,000 tonnes equal to or greater than 1.2% lithium oxide, calculated on the Company's attributable share of its project interest,

(Performance Milestone A).

(b) Performance Rights Class B

By the date that is 2 years from the grant date of the Performance Rights, the Company's share price trades on or above a 15-day VWAP of \$0.50, being a 100% increase from the closing price of the Company's shares of \$0.25 as at 27 March 2023,

(Performance Milestone B).

(c) Performance Rights Class C

By the date that is 3 years from the grant date of the Performance Rights, the Company's share price trades on or above a 15-day VWAP of \$0.85, being a 240% increase from the closing price of the Company's shares of \$0.25 as at 27 March 2023,

(Performance Milestone C).

(d) Performance Rights Class D

By the date that is 4 years from the grant date of the Performance Rights, the Company delivers a positive definitive feasibility study based on a JORC Reserve of no less than 10,000,000 tonnes at a grade of 1.2% lithium oxide (calculated on the Company's attributable share of its project interest),

(Performance Milestone D).

3.4 Purpose of Performance Rights

The issue of the Performance Rights rewards and incentivises Mr Platel by linking his remuneration to the achievements of the strategic goals and long term performance of the Company.

The Company is cognisant of the requirement to preserve cash, while providing the principal drivers of Shareholder value with appropriate incentives. The Board considers that the delineation of JORC compliant resources and reserves as well as the achievement of a sustained and substantial target increase in the share price at 100% and 240% are milestones that, if reached, will deliver significant benefits to Shareholders and align executive rewards with Shareholder interests.

3.5 Valuation of Performance Rights

Information in relation to the valuation of the Performance Rights is contained in Annexure 4.

It is noted that, the 15-day VWAP price milestone target ascribed to each of the Performance Rights Class B and Performance Rights Class C Performance Milestones are based on the closing price of the Company's shares of \$0.25 as at a valuation date of 27 March 2023.

Performance Rights	Closing Price at value date	% Value Increase	Target Share Value	Performance Period
B	\$0.25	100%	\$0.50	2 years
C	\$0.25	240%	\$0.85	3 years

Note that the Company has also performed a valuation as at 5 May 2023, using the prevailing share price at that time of \$0.50, which is contained in Annexure 4.

Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

Therefore, the assessments of the Performance Milestones for Performance Rights Class B and Performance Rights Class C are that they are market vesting conditions and in accordance with AASB 2, have been independently valued using a Monte Carlo simulation option pricing model based on the closing price of the Company's shares as at the valuation date of 27 March 2023 (and also 5 May 2023 as disclosed above). The Company confirms it has not received an independent valuation of the value of the Performance Rights A and D.

3.6 Information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with ASX Listing Rule 10.15 and section 219 of the Corporations Act the following information is provided in relation to the proposed issue of the Performance Rights pursuant to Resolution 2:

- (a) Mr Aidan Platel (Managing Director and CEO) (or his nominees) is the person to whom equity securities (being the Performance Rights) will be issued if Resolution 2 is passed by Shareholders.
- (b) Mr Aidan Platel (Managing Director and CEO) falls within the category set out in Listing Rule 10.14.1 (being a director of the Company).
- (c) As per the table in Section 3.1 of this Explanatory Memorandum, 2,500,000 Performance Rights are proposed to be issued to Mr Aidan Platel (Managing Director and CEO) pursuant to Resolution 2.
- (d) The current remuneration package of Mr Platel is as per below:

Position	Annual remuneration excluding superannuation and non cash benefits (\$)	Annual bonus (25% of base salary)*	Estimated value of Performance Rights (\$) (Annexure 4)**	Total (annual remuneration \$ + annual bonus + estimated value of Performance Rights)
Managing Director	\$270,000	\$67,500	\$562,475	\$899,975

*Annual bonus is subject to achievement of KPIs as agreed with the Board.

** Note that the Company's share price has increased from \$0.25 (at 27 March 2023 being the date of appointment of Mr Platel) to \$0.50 as at 5 May 2023. This increases the total estimated value of the Performance Rights from \$562,475 to \$1,193,897.

- (e) The Performance Rights have an expiry date of five (5) years from the grant date.
- (f) The nature of the financial benefit proposed to be given is the issue of the Performance Rights for no consideration. The purpose of the issue is to provide cost effective remuneration to Mr Platel for his contribution to the Company in his role as Managing Director and CEO and to incentivise Mr Platel by linking his remuneration to the achievements of the strategic goals and performance of the Company.
- (g) The Performance Rights will be issued within 1 month of the date of the Meeting or such later date as the ASX Listing Rules permit (including such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (h) No Performance Rights or other equity securities have previously been issued under the Incentive Plan to Mr Platel. The Incentive Plan was established before the Company was listed. A summary of the terms of the Incentive Plan and the maximum number of securities proposed to be issued under the Incentive Plan were set out in the prospectus for the Company's initial public offering and are summarised in Annexure 2.
- (i) All Directors are entitled to participate in the Incentive Plan. See Annexure 2 (paragraph (a)) for details of all eligible participants in the Incentive Plan.
- (j) No loans will be made to Mr Platel in relation to his acquisition of the Performance Rights.

- (k) The issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights. No consideration is payable for the conversion of the Performance Rights to Shares and, as such, no funds will be raised upon conversion of the Performance Rights.
- (l) As at the date of this Notice, Mr Platel holds nil securities in the Company.
- (m) The Board does not consider that there are any material taxation ramifications or consequences or benefits foregone by the Company as a result of issuing the Performance Rights on the terms proposed compared to other forms of remuneration that might be available to the Company.
- (n) If Shareholders approve Resolution 2, and the Performance Rights are issued and exercised, it will dilute the holdings of existing Shareholders by approximately 4.02%.
- (o) Because the Performance Rights are not fully paid ordinary securities, the following information is provided:
 - (i) A summary of the material terms of the Performance Rights are provided in Annexure 3.
 - (ii) The Directors consider that the incentive represented by the issue of Performance Rights is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration. The Company is cognisant of the requirement to preserve cash, while providing the principal drivers of Shareholder value with appropriate incentives. The Board considered that the delineation of JORC compliant resources and reserves as well as the achievement of a sustained and substantial target increase in the share price at 100%, and 240% are milestones that, if reached, will deliver significant benefits to Shareholders and align Mr Platel's rewards with Shareholder interests. Ultimately, the primary purpose of the grant of Performance Rights is to provide an incentive to Mr Platel.
 - (iii) The Company has valued the Performance Rights. See Annexure 4 for details of the valuation. Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments grant. Due to the nature of the vesting conditions and the early stage nature of the company it is possible that the vesting conditions will not be met and thus no Performance Rights will vest. Therefore, the expense attributable to the Performance Rights and the value received by Directors from them could range between nil and the share price when the Performance Rights are granted. This valuation is not automatically the valuation for taxation purposes.
- (p) A voting exclusion statement is included in respect of Resolution 2 in this Notice.
- (q) Details of the Performance Rights issued under the Incentive Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (r) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Plan after Resolution 2 is approved (and who were not named in this Notice of Meeting) will not participate until approval is obtained under that rule.

- (s) Mr Aidan Platel declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights in the Company should the Resolution be passed.
- (t) Messrs David Crook (Non-Executive Director), Adrian Griffin (Non-Executive Director) and Terry Gardiner (Non-Executive Director) each recommend that Shareholders vote in favour of Resolution 2 for the reasons set out in 3.6(o)(ii) (above), 3.7(e) (below) and for the following reasons:
 - (i) consideration has been given to the amount of directors' fees that are currently paid and the Company's medium and long term objectives. Following such consideration, the Directors consider a portion of Mr Platel's total remuneration should be in the form of Performance Rights;
 - (ii) the grant of Performance Rights supplements the cash component of Mr Platel's remuneration and enables the Company to retain high quality and well-credentialed directors essential to the ongoing and longer term strategic development of the Company;
 - (iii) the grant of Performance Rights to Mr Platel will further align the medium to long-term interests of Mr Platel with those of Shareholders;
 - (iv) the grant of the Performance Rights to Mr Platel is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Platel; and
 - (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights to Mr Platel upon the terms proposed.

Messrs Crook, Griffin and Gardiner each have no personal interest in the outcome of Resolution 2.

3.7 Other information regarding proposed issue of the Performance Rights

- (a) The Board recognises that the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that non-executive directors should not receive performance rights as part of their remuneration. In this respect, the Board notes Mr Platel is an executive director (Managing Director and CEO) and, in any event, considers the issue of Performance Rights to Mr Platel is appropriate in the circumstances for the reasons set out below:
- (b) The Board has concluded that the totality of Mr Platel's remuneration package, including the equity component of such number of Performance Rights proposed to be issued to Mr Platel is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of the Directors' management experience and knowledge of the mineral exploration industry.
- (c) The Board does not consider that there are any material taxation consequences or benefits foregone by the Company as a result of issuing the Performance Rights on the terms proposed.
- (d) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision as to whether it is in the best interests of the Company to pass Resolution 2 other than as follows:

- (vi) if all the Performance Rights the subject of Resolution 2 are granted and exercised, then the Company's fully paid share capital (based on the existing number of Shares as at the date of this Notice and assuming no other Company securities are exercised or converted) will be diluted by 4.02% (and by 3.62% taking into account the Consideration Shares proposed to be issued to LIT the subject of Resolution 1);
 - (vii) the Directors consider that the incentive represented by the grant of Performance Rights is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration;
 - (viii) the primary purpose of the grant of Performance Rights is to provide an incentive to Mr Platel as the Managing Director and CEO of the Company. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Performance Rights that are the subject of Resolution 2 (other than as set out below); and
 - (ix) the Board has examined the individual remuneration packages of Directors to determine the fairness and reasonableness of the remuneration package of Mr Platel. As part of the examination, the Board has reviewed the publicly available remuneration packages of industry executives and non-executives in similar roles. The Board considers the grants to Mr Platel are appropriate in the circumstances for the reasons set out below.
- (e) Based on its examination, the Board has concluded that the totality of Mr Platel's remuneration package, including the equity component of up to 2,500,000 Performance Rights, now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Mr Platel's significant management experience and knowledge of the metals and mineral exploration industry.
 - (f) Accounting standards require that granted Performance Rights be valued and expensed. The Directors do not consider that there are any other opportunity costs to the Company or benefits forgone by the Company in respect of the proposed issue of Performance Rights pursuant to Resolution 2.
 - (g) The last available price of Shares quoted on ASX prior to the date of this Notice of Meeting on 5 May 2023 was \$0.50. The highest price for Shares trading on ASX over the period since official quotation on the ASX (7 July 2021) was \$0.91 on 13 August 2021 and the lowest price in that period was \$0.195 on 21 to 23 July 2021 and 26 to 28 July 2021.

3.8 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the Relevant Period (defined below), exceed 15% of the number of ordinary shares on issue at the commencement of that Relevant Period.

Under Exception 14 in Listing Rule 7.2, ASX Listing Rule 7.1 does not apply to the issue of the Performance Rights to Mr Platel and/or his nominee(s) as approval is being obtained under ASX Listing Rule 10.14.

Therefore, Shareholders should note that the issue of securities to Mr Platel (and/or his nominee(s)) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

Note for the purposes of above, **Relevant Period** means:

- (a) if the Company has been admitted to the official list for 12 months or more, the 12-month period immediately preceding the date of the issue or agreement; or

(b) if the Company has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

Therefore, because the Company was admitted to the official list on 7 July 2021, as at the date of this Notice, the Relevant Period for the purposes of above is the 12-month period immediately preceding the date of the issue of the equity securities.

4. OTHER INFORMATION

4.1 Scope of disclosure

The law requires that this Explanatory Statement sets out all other information that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions and which is known to the Company.

The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions other than as is disclosed in this Explanatory Statement or previously disclosed to Shareholders by the Company by notification to the ASX.

4.2 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of the Resolutions, other than to the extent that a Director abstains from expressing an opinion or making a recommendation due to having a material personal interest in the Resolutions, as disclosed in this Notice.

4.3 Voting intentions of the Chair

The Chair intends to vote all available proxies in favour of the Resolutions.

4.4 Taxation

The Acquisition and the passing of the Resolutions may give rise to income tax implications for the Company and Shareholders. Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal position. Neither the Company, nor any Director or adviser to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Acquisition or the Resolutions.

4.5 ASIC and ASX disclaimer

The fact that the Notice, Explanatory Statement and any other relevant documentation has been received by ASX and ASIC is not to be taken as an indication of the merits of the Resolutions or the Company. ASIC, ASX and their respective personnel take no responsibility for the contents of such documentation or any decision a Shareholder may make in reliance on that documentation.

5. DEFINITIONS

Acquisition means the proposed transaction set out in Section 1.1.

Acquisition Agreement means the acquisition agreement dated 6 February 2023 between the Company and LIT, as described in Section 1.2.

Annexure means an annexure to this Explanatory Statement.

General Meeting or **Meeting** means the general meeting convened by this Notice of General Meeting.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

Existing Options means the options listed in Note 3 to the pro forma capital structure in Section 1.4.

Board means the board of Directors.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.

Chair means the chairperson of the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Charger Metals NL (ACN 646 203 465).

Constitution means the constitution of the Company.

Contractual Rights Tenements has the meaning given that term in Section 1.1.

Convertible Securities means a security that is convertible by the holder, by the issuer, or otherwise by its terms of issue, into Equity Securities

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Security has the meaning given that term in the Listing Rules.

Existing Performance Rights means the performance rights listed in Note 4 to the pro forma capital structure in Section 1.4.

Explanatory Statement means this explanatory statement including any schedules or annexures to the explanatory statement.

Incentive Plan means the Charger Metals NL Securities Incentive Plan.

Independent Expert means the author of the Independent Expert's Report, BDO Corporate Finance (WA) Pty Ltd.

Independent Expert's Report means the Independent Expert's Report which is enclosed as Annexure 1 of this Notice. A copy of the Independent Expert's Report is also accessible on the Company's website: www.chargermetals.com.au. If requested by a Shareholder, the Company will send the Shareholder a hard copy of the Independent Expert's Report at no cost.

JORC means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

Lake Johnston Project has the meaning given that term in Section 1.1.

Listing Rules means the official listing rules of the ASX.

LIT means Lithium Australia Limited (ACN 126 129 413).

Lithium Rights Agreement has the meaning given that term in Section 1.1.

Notice of General Meeting or **Notice of Meeting** means the notice of general meeting attached to this Explanatory Statement.

Offtake Right of First Refusal has the meaning given that term in Section 1.1 as further described in Section 1.2.

Proxy Form means the proxy form annexed to this Explanatory Statement and the Notice of General Meeting.

Resolutions means the resolutions to be put to the Shareholders as set out in the Notice.

Sale Interest has the meaning given that term in Section 1.1.

Sale Tenements has the meaning given that term in Section 1.1.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Voting Power has the meaning given to that term in the Corporations Act.

VWAP means volume weighted average market price of a Share as defined in the Listing Rules.

WST means Western Standard Time in Australia.

SCHEDULE A – PRO FORMA STATEMENT OF FINANCIAL POSITION

	Reviewed Balance as at 31/12/2022 \$	Note	Unaudited Pro Forma Adjustments \$	Unaudited Pro Forma after Acquisition \$
CURRENT ASSETS				
Cash and cash equivalents	7,073,686		-	7,073,686
Trade and other receivables	147,243		-	147,243
	<u>7,220,929</u>		<u>-</u>	<u>7,220,929</u>
NON-CURRENT ASSETS				
Exploration and evaluation assets	5,391,734	1	3,500,000	8,891,734
Plant and equipment	81,755		-	81,755
	<u>5,473,489</u>		<u>3,500,000</u>	<u>8,973,489</u>
CURRENT LIABILITIES				
Trade and other payables	605,831		-	605,831
	<u>605,831</u>		<u>-</u>	<u>605,831</u>
NET ASSETS	<u>12,088,587</u>		<u>3,500,000</u>	<u>15,588,587</u>
EQUITY				
Contributed equity	13,953,119	1	3,500,000	17,453,119
Reserves	864,032		-	864,032
Accumulated losses	(2,728,564)		-	(2,728,564)
TOTAL EQUITY	<u>12,088,587</u>		<u>3,500,000</u>	<u>15,588,587</u>

Notes:

1. The consideration for the Acquisition includes the issue of the Consideration Shares which, using the closing price of Shares on 5 May 2023 of \$0.50 ascribes a value for the Consideration Shares of \$3,500,000.

For personal use only

For personal use only

CHARGER METALS NL Independent Expert's Report

OPINION: Not fair but reasonable

27 April 2023

Financial Services Guide

27 April 2023

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Charger Metals NL ('Charger') to provide an independent expert's report on the proposal to acquire Lithium Australia Limited's ('Lithium Australia') 30% interest in the Lake Johnson Joint Venture ('Proposed Acquisition'). As consideration for the Proposed Acquisition, Charger will issue 7,000,000 fully paid ordinary shares in Charger to Lithium Australia and will grant Lithium Australia an offtake first right of refusal. You are being provided with a copy of our report because you are a shareholder of Charger, and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Charger to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ♦ Who we are and how we can be contacted;
- ♦ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ♦ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ♦ Any relevant associations or relationships we have; and
- ♦ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$32,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Charger.

BDO Corporate Finance (WA) Pty Ltd provided due diligence services to Lithium Australia during 2021, 2022 and 2023 for total fees of approximately \$628,000.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Charger for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution*Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au
Interpreter Service:	131 450

TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	1
3.	Scope of the Report	5
4.	Outline of the Proposed Acquisition	7
5.	Profile of Charger	10
6.	Profile of Lithium Australia	16
7.	Economic analysis	18
8.	Industry analysis	20
9.	Valuation approach adopted	25
9.1	Value of a Charger Share Prior to the Proposed Acquisition	25
10.	Valuation of a Charger share prior to the Proposed Acquisition	27
11.	Valuation of a Charger share following the Proposed Acquisition	38
12.	Is the Proposed Acquisition fair?	40
13.	Is the Proposed Acquisition reasonable?	41
14.	Conclusion	44
15.	Sources of information	44
16.	Independence	45
17.	Qualifications	45
18.	Disclaimers and consents	46

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by Valuation and Resource Management

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27 April 2023

The Directors
Charger Metals NL
Unit 32, Level 3
22 Railway Road
Subiaco Western Australia 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 7 February 2023, Charger Metals NL ('Charger' or 'the Company') announced that it had entered into a binding agreement with Lithium Australia Limited ('Lithium Australia' or 'the Vendor') to acquire its 30% minority interest in the Lake Johnston Lithium Joint Venture ('Proposed Acquisition'). Completion of the Proposed Acquisition will see Charger move to a 100% beneficial holding in the Lake Johnston Lithium Project. As consideration for the Proposed Acquisition, Charger will issue 7,000,000 fully paid ordinary Charger shares to Lithium Australia ('Consideration Shares') and will grant an offtake first right of refusal to Lithium Australia. As a result of the issue of the Consideration Shares, Lithium Australia will obtain a 24.02% interest in the share capital of Charger.

As the Proposed Acquisition will result in Lithium Australia's interest in Charger increasing from below 20% to more than 20%, and the Proposed Acquisition is from a substantial holder in Charger, for an amount in excess of 5% of the reported net assets of the Company, approval from Charger shareholders not associated with Lithium Australia ('Shareholders') is required for the Company to complete the Proposed Acquisition (among other conditions precedent).

Further details of the Proposed Acquisition are outlined in Section 4 of our Report.

All figures are quoted in Australian dollars ('A\$' or 'AUD') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Charger have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Proposed Acquisition is fair and reasonable to Shareholders.

Our Report is prepared pursuant to Australian Securities Exchange ('ASX') Listing Rule 10.1 and 10.5, and item 7 section 611 of the Corporations Act 2001 Cth ('Corporations Act' or 'the Act') and is to be included in the Notice of Meeting in order to assist the Shareholders in their decision whether to approve the Proposed Acquisition.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guides Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Acquisition as outlined in the body of this report. We have considered:

- How the value of a Charger share prior to the Proposed Acquisition (on a control basis) compares to the value of a Charger share following the Proposed Acquisition (on a minority interest basis);
- The likelihood of an alternative offer being made to Charger;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Acquisition; and
- The position of Shareholders should the Proposed Acquisition not proceed.

2.3 Opinion

We have considered the terms of the Proposed Acquisition as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Acquisition is not fair but reasonable to Shareholders.

In our opinion, the Proposed Acquisition is not fair because the low, preferred, and high minority interest values of a share in Charger following the Proposed Acquisition are less than the respective low, preferred, and high controlling interest values of a Charger share prior to the Proposed Acquisition. However, we consider the Proposed Acquisition to be reasonable because the advantages of the Proposed Acquisition outweigh the disadvantages.

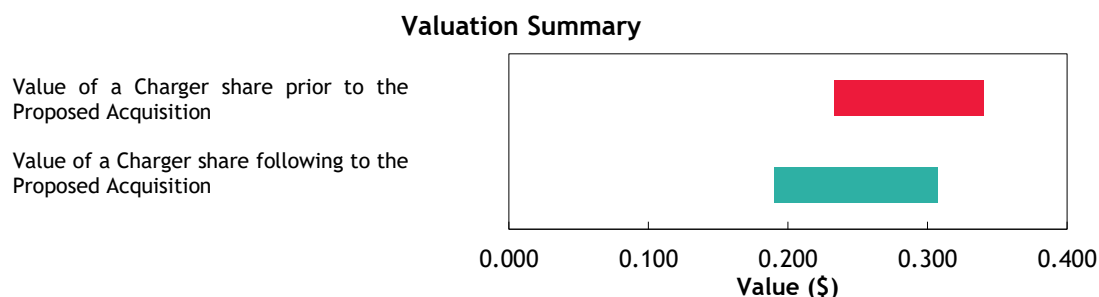
2.4 Fairness

In Section 12 we determined that the value of a Charger share prior to the Proposed Acquisition compares to the value of a Charger share following the Proposed Acquisition, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Charger share prior to the Proposed Acquisition on a controlling interest basis	10.3	0.233	0.286	0.339
Value of a Charger share following the Proposed Acquisition on a minority interest basis	11.1	0.190	0.246	0.307

Source: BDO analysis

The above valuation ranges are graphically presented below:



We note from the table above that the value of a Charger share prior to the Proposed Acquisition on a controlling interest basis is more than the value of a Charger share following the acquisition on a minority interest basis under the low, preferred, and high scenarios. Therefore, in accordance with RG 111, we consider that the Proposed Acquisition is not fair.

Further, we note that while the valuation ranges prior to and following the Proposed Acquisition overlap, it would be inappropriate to compare different points across the valuation range (i.e., comparing the low valuation prior to the Proposed Acquisition with the high valuation following the Proposed Acquisition), as the value of a Charger share following the Proposed Acquisition is inclusive of our pre-transaction value of Charger. As a result, comparing these points would imply two different values of Charger's mineral assets. Therefore, the above valuations must be compared on a like for like basis at individual points, rather than across the range.

2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both:

- advantages and disadvantages of the Proposed Acquisition; and
- other considerations, including the position of Shareholders if the Proposed Acquisition does not proceed and the consequences of not approving the Proposed Acquisition.

In our opinion, the position of Shareholders if the Proposed Acquisition is approved is more advantageous than the position if the Proposed Acquisition is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Acquisition is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	The Proposed Acquisition increases Charger's exposure to the Lake Johnston Lithium Project	13.5	Dilution of Shareholders' interests

ADVANTAGES AND DISADVANTAGES

Section	Advantages	Section	Disadvantages
13.4	Alignment of interest via single management team to reduce inefficiencies and streamline development of the Lake Johnston Lithium Project		
13.4	Enlarged entity with simplified structure may improve access to capital for development of the Lake Johnston Lithium Project		
13.4	Consideration under the Proposed Acquisition is in the form of shares as opposed to cash		
13.4	The Proposed Acquisition is value accretive on a like-for-like basis		

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposal
13.2	Practical Level of Control
13.3	Consequences of Not Approving the Proposed Acquisition

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

Based on Charger's reviewed accounts at 31 December 2022, the value of the consideration paid to Lithium Australia is more than 5% of the equity interest of Charger. Lithium Australia is an existing substantial shareholder of Charger, holding a 15.46% interest in the Company prior to the announcement of the Proposed Acquisition.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Proposed Acquisition.

Item 7 Section 611 of the Corporations Act

Section 606 of the Corporations Act ('**Section 606**') expressly prohibits the acquisition of further shares by a party if the party acquiring the interest does so through a transaction and because of the transaction, that party (or someone else's voting power in the company) increases from 20% or below to more than 20%.

Section 611 of the Corporations Act ('**Section 611**') provides exceptions to the Section 606 prohibition and item 7 Section 611 ('**item 7 s611**') permits such an acquisition if the shareholders of Charger have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party.

Item 7 Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution Charger can commission an Independent Expert's Report.

The directors of Charger have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Acquisition is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Acquisition is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Acquisition as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between value of a Charger share prior to the Proposed Acquisition on a controlling interest basis and the value of a Charger share following the Proposed Acquisition on a minority interest basis (fairness - see Section 12 'Is the Proposed Acquisition Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Acquisition Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Acquisition

Overview

On 4 December 2020, Charger and Lithium Australia entered into an Acquisition and Joint Venture Agreement (subsequently amended and restated in April 2021). Under the terms of the Acquisition and Joint Venture Agreement, Charger acquired from Lithium Australia, a 70% interest in certain tenements comprising the Coates Project, the Bynoe Project and the Lake Johnston Project and a 70% interest in Lithium Australia's contractual rights to Lithium in certain tenements comprising part of the Lake Johnston Project. The Company acquired interests in the Lake Johnston Project, Bynoe Project and Coates Project from Lithium Australia, through the issue of 9,600,000 fully ordinary paid shares at a deemed issue price of \$0.20 per share. Under the Acquisition and Joint venture Agreements, the Company also agreed to either pay:

- \$200,000, or the issue of 2,000,000 shares at the Company's election, to Lithium Australia upon the achievement of certain inferred resource milestones on the Coates Project, the Bynoe Project and the Lake Johnston Project, prior to 4 December 2026 (**'Contingent Entitlement'**); and
- \$200,000, or the issue of 2,000,000 shares, at the Company's election, to the vendor (not being Lithium Australia or an associate of Lithium Australia) of a permit forming part of the Coates - Project upon the achievement of certain inferred resource milestones relating to that permit, prior to 4 December 2026.

On 7 February 2023, Charger announced that it had signed a binding agreement with Lithium Australia to acquire Lithium Australia's remaining 30% interest in the certain tenements and contractual rights to the lithium (comprising the Lake Johnston Project), specifically:

- a 30% interest in exploration licenses numbered E63/1809 and E63/1866 (**'Sale Tenements'**); and
- a 30% interest in contractual rights to the lithium in exploration licenses numbered E63/1722, E63/1723 and E63/1777 (**'Contractual Rights Tenements'**) held pursuant to a rights acquisition agreement between the Company and Lithium Australia and the registered holder of the Contractual Rights Tenements, Johnston Lakes Nickel Ltd (**'Lithium Rights Agreement'**)

As consideration for the Proposed Acquisition, Charger will issue to Lithium Australia 7,000,000 fully paid ordinary shares in the capital of Charger and the grant of the offtake first right of refusal to Lithium Australia (**'Offtake First Right of Refusal'**).

Offtake First Right of Refusal

The key terms of the Offtake Right of First Refusal are as follows:

- Prior to commencing production of lithium product in commercial quantities from the Sale Tenements and/or Contractual Rights Tenements, the Company must offer to sell to Lithium Australia the agreed offtake amount, being the lower of:
 - 30% of such lithium product; and
 - the lithium product required to produce lithium metal phosphate through a commercial facility in which Lithium Australia has an ownership interest of 25% or more (**'OFRF Offer'**)**'Agreed Offtake Amount'**.

- The Company is not required to make the OFRF Offer if Lithium Australia has not made and announced a financial investment decision to construct a commercial facility to produce lithium metal phosphate cathode powders prior to the date that is two months before the Company expects (acting reasonably) to make a financial investment decision to produce lithium product in commercial quantities ('Charger Pre-FID Date') or 31 December 2029.
- If Lithium Australia accepts the OFRF Offer, the Company and Lithium Australia must agree the terms of a take or pay offtake agreement for the agreed offtake amount with a minimum term of five years and otherwise on such commercial terms (including price) considered standard for an agreement of such nature.
- The Company must not enter into any arrangement for the sale of more than 70% of its anticipated lithium product from the Sale Tenements and/or the Contractual Rights Tenements prior to the Charger Pre-FID Date but is otherwise not restricted from entering into any commercial arrangement (including any offtake arrangement) with one or more third parties in respect of the sale of any lithium product.
- The Company and Lithium Australia must keep each other regularly updated regarding (in the Company's case) its progress towards making a final investment decision to produce lithium product in commercial quantities from the Sale Tenements and/or the Contractual Rights Tenements (and in Lithium Australia's case) its progress towards making a final investment decision to construct a commercial facility to produce lithium metal phosphate cathode powders. The Company must also ensure that it provides Lithium Australia a reasonable opportunity to participate in the Company's processes in relation to potential commercial arrangements in respect of the sale of any lithium product from the Sale Tenements and/or the Contractual Rights Tenements.

Conditions Precedent

Completion of the Proposed Acquisition is subject to and conditional on the satisfaction or waiver of the following conditions precedent on or before 31 May 2023:

- Charger obtaining a waiver from ASX Listing Rule 10.7 to the extent necessary to permit Charger to grant Lithium Australia the Offtake First Right of Refusal;
- Charger obtaining an opinion from a suitably qualified independent expert concluding that the Proposed Acquisition is fair and reasonable to Shareholders or not fair but reasonable to Shareholders (excluding Lithium Australia);
- Obtaining third party deeds of assignment in respect of Lithium Australia's transfer to Charger of the Contractual Rights under the Lithium Rights Agreement; and
- Charger obtaining all approvals from its Shareholders as is necessary to proceed with the Acquisition, including for the purposes of section 611 Item 7 of the Corporations Act and ASX Listing Rules 7.1, 10.1.3 and 10.11.3 (if required by ASX).

Shareholding following the Proposed Acquisition

Following the Proposed Acquisition, the potential changes in shareholding are summarised in the table below.

	Charger	Lithium Australia	Total
Shares currently on issue	52,514,368	9,600,000*	62,114,368
% holding prior to the Proposed Acquisition	84.54%	15.46%	100.00%
Shares to be issued to Lithium Australia as part of the Proposed Acquisition	-	7,000,000	7,000,000
Total Shares on completion of the Proposed Acquisition	52,514,368	16,600,000	69,114,368
% holding following the Proposed Acquisition	75.98%	24.02%	100.00%

Source: BDO analysis

*We have not included the 2,000,000 shares that could be issued under the Contingent Entitlement. We note the issue of those shares is subject to the achievement of certain milestones and would be at the election of the Company (i.e., they could elect to pay cash instead). The Company is currently not seeking the approval for the issue of the 2,000,000 shares under the Contingent Entitlement.

Our valuation of a Charger share following the Proposed Acquisition has been prepared assuming Lithium Australia acquires a maximum voting interest of 24.02% in Charger, as this is the approval level being sought by the Company. This assumes that no existing options or performance rights are converted into Charger shares prior to completion of the Proposed Acquisition.

Additionally, the Company is also seeking shareholder approval to issue 2,500,000 performance rights to Mr Aidan Platel, however we have not considered the conversion of these when calculating the number of shares on issue following the Proposed Acquisition, given the approval level being sought by the Company. The terms of these performance rights are detailed in section 5.6 of Our Report.

5. Profile of Charger

5.1 Overview

Charger is an exploration company focused on battery and precious metals in Australia. The Company listed on the ASX in July 2021 after acquiring an interest in a portfolio of battery metals projects located in Western Australia ('WA') and the Northern Territory ('NT') comprising the Lake Johnston Project ('**Lake Johnston Project**' or '**the Project**'), the Bynoe Project ('**Bynoe Project**') and the Coates Project ('**Coates Project**').

The Company's Board of Directors are:

- Aidan Platel - Managing Director and Chief Executive Officer;
- Adrian Griffin - Non-Executive Chairman;
- David Crook - Non-Executive Director; and
- Terry Gardiner - Non-Executive Director.

5.2 Projects

5.2.1. Lake Johnston Project

The Lake Johnston Project is located 450 kilometres ('km') east of Perth, WA. The project area comprises Lithium-Caesium-Tantalum ('LCT') pegmatites that are formed within a 50km long corridor. The project's key prospects include the Medcalf Spodumene Prospect ('**Medcalf Prospect**') and the Mount Day Lithium Prospect ('**Mount Day Prospect**'). The Company currently has a varying ownership interest in the tenements that comprise the Project (between 70-100%).

Medcalf Prospect

The Medcalf Prospect contains swarms of spodumene-bearing pegmatites and is prospective for lithium. The prospect area was discovered to have spodumene in 2018 and 2019, following reconnaissance fieldwork involving soil geochemistry, mapping and rock chip analysis.

On 21 November 2022, Charger announced it had entered into an agreement to acquire Exploration Licence ('E' or 'EL') 63/1883, a tenement that increased Charger's land position by 33 square kilometres ('km²'). The tenement was acquired from Peter Gianni for consideration of 100,000 fully paid ordinary shares in the Company and a further 100,000 fully paid ordinary shares within 5 business days of the Department of Mines Industry Regulation and Safety ('DMIRS') granting a Program of Work ('POW') approving a drill program within the licence area, and a 0.5% net smelter return ('NSR') royalty on all lithium concentrate produced.

In March 2023, the Company announced it had completed a maiden drill program at the Medcalf Prospect. The drill programme included 41 reverse circulation drill holes, totalling over 7,000 metres of drilling. In April 2023, the Company announced that assays results had been received for all 41 drill holes. The Company has initiated modelling of the spodumene bearing pegmatites and the lithium mineralisation in order to plan follow up drilling to target extensions of the mineralisation.

Mount Day Prospect

The Mount Day Prospect is prospective for lithium and tantalum. In 2016, initial fieldwork was undertaken by previous owners that identified LCT pegmatites. Since then numerous LCT pegmatites have been mapped at the prospect and soil geochemistry has been conducted along a sample grid of 400 metres x 50 metres. The Company intends for further mapping and sampling, in addition to botanic and heritage surveys, with the intent to commence drilling in late 2023.

5.2.2. Bynoe Project

The Bynoe Project is located approximately 35km southwest of Darwin, NT. The project is situated within the Litchfield Pegmatite Field and is prospective for lithium-bearing spodumene pegmatites and gold. The project is comprised of the tenement EL30897 and has nearby infrastructure. The Company holds a 70% interest in the project.

The Bynoe Project is surrounded by tenement holdings of Core Lithium Limited's Finnis Lithium Project, which is at an advanced stage of development following the completion of a definitive feasibility study conducted in April 2019.

In 2021, Charger completed a soil geochemistry program that generated approximately 3,000 samples and an aerial electromagnetic survey. In January 2022, the Company announced the results from these programs and in combination with publicly available information, suggested the project is host to multiple swarms of LCT pegmatites.

In July 2022, the Company's Mine Management Plan ('MMP') was approved by the Department of Industry Tourism and Trade, of Mining and Energy, in the NT. In November 2022, the Company received an Aboriginal heritage clearance from the Aboriginal Affairs Protection Authority ('AAPA') of the NT to drill up to 316 holes as part of a planned maiden drill program.

However, after receiving the drilling approvals, the wet season commenced earlier than expected, and the Company delayed drilling. The Company intends to drill at the project's Old Bucks, Mega Bucks and 7-Up prospects once the weather conditions are suitable.

5.2.3. Coates Project

The Coates Project is located in Wundowie, approximately 65km east of Perth, WA. The project is situated in the Jimperding Metamorphic Belt and is prospective for nickel and platinum group elements ('PGE') mineralisation. Charger holds a 70% interest in E70/5198, Prospecting Licence ('P') 70/1752 and P70/1753 and an exploration licence application ('ELA') 70/5437. The Company also holds an 85% interest in R70/59 (being the Coates North Project).

The Company acquired its interest in the Coates North Project from Mercator Metals Pty Ltd through the issue of 2,550,000 fully paid ordinary shares at a deemed issue price of \$0.20 per share and 1,000,000 unlisted options with an exercise price of \$0.30 per share and an expiry date of 9 July 2024.

Prior to the Company's acquisition of the Coates Project in July 2021, the project area was previously explored by Bauxite Resources Limited which undertook vacuum drilling and sampling. In August 2021, SkyTEM Australia Pty Ltd conducted an aerial electromagnetic survey, which confirmed the area to be prospective for mineralisation. The results were used to identify 22 priority targets for the next phase of fieldwork, including the top priority, T1 Target ('T1 Target'). Following this, the Company conducted a ground-based fixed-loop electromagnetic survey ('FLTEM') of the T1 Target.

In July 2022, the Company commenced its maiden diamond drill program at the project which was completed on 5 September 2022. The drilling returned 593 metres of diamond core, with four holes reaching the prescribed target depth and one hole being abandoned due to poor rock conditions. In the Company's December 2022 quarterly report, the Company stated sulphide-associated nickel and PGE was not found to be significant, and that the geological context remains unresolved.

5.3 Recent Corporate Events

In September 2022, the Company raised \$5.5 million (before costs) through a placement of 11 million shares at an issue price of \$0.50 per share, to institutional, sophisticated, and professional investors ('Placement'). Funds from the placement were used on exploration activities, including drilling at the Lake Johnston Project and the Bynoe Project.

5.4 Historical Statement of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-22 \$	Audited as at 30-Jun-22 \$	Audited as at 30-Jun-21 \$
CURRENT ASSETS			
Cash and cash equivalents	7,073,686	3,467,990	79,991
Trade and other receivables	147,243	82,367	138,450
TOTAL CURRENT ASSETS	7,220,929	3,550,357	218,441
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	5,391,734	4,099,094	297,382
Property, plant and equipment	81,755	9,592	-
TOTAL NON-CURRENT ASSETS	5,473,489	4,108,686	297,382
TOTAL ASSETS	12,694,418	7,659,043	515,823
CURRENT LIABILITIES			
Trade and other payables	605,831	255,672	438,721
TOTAL CURRENT LIABILITIES	605,831	255,672	438,721
TOTAL LIABILITIES	605,831	255,672	438,721
NET ASSETS	12,088,587	7,403,371	77,102
EQUITY			
Issued capital	13,953,119	8,720,046	412,501
Reserves	864,032	782,927	44,460
Accumulated losses	(2,728,564)	(2,099,602)	(379,859)
TOTAL EQUITY	12,088,587	7,403,371	77,102

Source: Charger's reviewed financial statements for the half year ended 31 December 2022, audited financial statements for the year ended 30 June 2022 and audited financial statements for the period from incorporation to 30 June 2021

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents increased from \$3.47 million as at 30 June 2022 to \$7.07 million as at 31 December 2022. The increase in cash and cash equivalents was primarily due to proceeds from the Placement (being \$5.5 million before costs). This was partially offset by payments for exploration and evaluation of \$0.98 million, payments to suppliers and employees of \$0.52 million and capital raising costs of \$0.33 million; and
- Exploration and evaluation expenditure increased from \$4.10 million as at 30 June 2022 to \$5.39 million as at 31 December 2022. The increase was primarily from exploration expenditure of \$1.29 million being capitalised for the period.

5.5 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the year ended 31-Dec-22	Audited for the year ended 30-Jun-22	Audited for the period from 27-Nov-20 to 30-Jun-21
	\$	\$	\$
Other income	18,507	760	-
Corporate and compliance expenses	(250,211)	(350,150)	(254,253)
Directors' fees	(115,121)	(240,606)	(68,646)
Consulting fees	(174,853)	(253,678)	-
Share-based payments expense	(99,178)	(871,194)	(56,960)
Impairment expense	(7,156)	(2,925)	-
Depreciation expense	(950)	(1,950)	-
Loss before income tax	(628,962)	(1,719,743)	(379,859)
Income tax expense	-	-	-
Net loss for the year/period	(628,962)	(1,719,743)	(379,859)
Other comprehensive income	-	-	-
Total comprehensive loss for the year/period	-	-	-
Total comprehensive loss attributable to owners of the Company	(628,962)	(1,719,743)	(379,859)

Source: Charger's reviewed financial statements for the half year ended 31 December 2022, audited financial statements for the year ended 30 June 2022 and audited financial statements for the period from incorporation to 30 June 2021

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Other income of \$18,507 for the half-year ended 31 December 2022 related to interest income; and
- Share based payment expense of \$0.87 million for the year ended 30 June 2022 related to 1.2 million unlisted options issued to consultants totalling \$0.35 million and 1.75 million performance rights (with varying vesting conditions) issued to employees and directors totalling \$0.52 million.

5.6 Capital Structure

The share structure of Charger as at 28 March 2023 is outlined below:

	Number
Total ordinary shares on issue	62,114,368
Top 20 shareholders	31,521,139
Top 20 shareholders - % of shares on issue	50.75%

Source: Charger's share registry information

The range of shares held in Charger as at 28 March 2023 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	183	121,213	0.20%
1,001 - 5,000	608	1,615,545	2.60%
5,001 - 10,000	282	2,351,953	3.79%
10,001 - 100,000	497	15,889,374	25.58%
100,001 - and over	88	42,136,283	67.84%
TOTAL	1,658	62,114,368	100.00%

Source: Charger's share registry information

The ordinary shares held by the most significant shareholders as at 28 March 2023 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Lithium Australia NL*	9,600,000	15.46%
Subtotal	9,600,000	15.46%
Others	52,514,368	84.54%
Total ordinary shares on Issue	62,114,368	100.00%

Source: Charger's share registry information

**This total does not include the 2,000,000 shares that could be issued under the Contingent Entitlement. We note the issue of those shares is subject to the achievement of certain milestones and would be at the election of the Company (i.e., they could elect to pay cash instead).

The unlisted options and performance rights on issue as at 28 March 2023 are detailed below:

Description	No. of Options/Rights
Options expiring 13-Oct-24 and exercisable at \$0.60	1,000,000
Performance Rights - Class A*	583,330
Performance Rights - Class C**	583,337
Options expiring 28-Feb-24 and exercisable at \$0.90	200,000
Options expiring 9-Jul-24 and exercisable at \$0.30	6,000,000
Total number of options and performance rights	8,366,667

Source: Charger's share registry information

*Class A performance rights vesting on the Company achieving certain inferred resource milestones on or before 1 December 2026

****Class C performance rights vesting on the Shares trading on or above a 15-day VWAP of \$1.00 on or before 1 December 2025.**

We note the Company is also seeking shareholder approval for the issue of 2,500,000 performance rights to Mr. Aidan Platel (Managing Director and Chief Executive Officer) under the Company's Incentive Plan. The performance rights are subject to the following vesting conditions:

- **Tranche A** - the performance rights will vest subject to the Company delineating, on the tenements on which it holds an interest, an inferred mineral resource under the JORC Code of:
 - 10,000 tonnes of contained nickel;
 - 100,000 ounces of gold equivalent; or
 - at least 10,000,000 tonnes equal to or greater than 1.2% lithium oxidecalculated on the Company's attributable share of its project interest, by 1 December 2026.
- **Tranche B** - the performance rights will vest subject to the Company's share price trading on or above a 15-day VWAP of \$0.50 within two years from the grant date of the performance rights.
- **Tranche C** - the performance rights will vest subject to the Company's share price trading on or above a 15-day VWAP of \$0.85 within three years from the grant date of the performance rights.
- **Tranche D** - the performance rights will vest subject to the Company delivering a positive definitive feasibility study based on a JORC Reserve of no less than 10,000,000 tonnes at a grade of 1.2% lithium oxide (calculated on the Company's attributable share of its project interest) within four years from the grant date of the performance rights.

6. Profile of Lithium Australia

6.1 History

Lithium Australia is comprised of three vertically integrated business divisions focussed on recycling, batteries and lithium chemicals. The company is listed on the ASX and is headquartered in Perth, WA. Lithium Australia's Board of Directors and senior management are:

- George Bauk - Non-Executive Chairman;
- Kristie Young - Non-Executive Director;
- Phil Thick - Non-Executive Director;
- Simon Linge - Chief Executive Officer; and
- Stuart Tarrant - Chief Financial Officer.

Lithium Australia currently holds 9,600,000 Charger shares, equating to a 15.46% interest in the Company.

6.2 Divisions

6.2.1. Lithium Chemicals

Lithium Australia has developed a suite of extraction and refining technologies for the recovery of lithium chemicals, known as LieNA® ('LieNA®'), SiLeach® ('SiLeach®') and a Phosphate Back-End ('Phosphate Back-End') technology.

LieNA®

LieNA® is a patented processing technology used for the metallurgical recovery of lithium from fine and low-grade spodumene to produce lithium phosphate, which can be used as direct feed to produce lithium ferro phosphate ('LFP'). The Company has a pilot plant under construction and commissioning. The technology is being produced in collaboration with the Australian Nuclear Science and Technology Organisation ('ANSTO'). The Company holds intellectual proprietary ('IP') on the technology, relating to the conversion process.

SiLeach®

SiLeach® is a patented processing technology that provides a low-energy recovery of lithium from micas to produce lithium phosphate, which can be used as direct feed to produce LFP. The Company is producing the technology in collaboration with the ANSTO. The Company holds IP on the technology, relating to the extraction and recovery of lithium values from lithium bearing materials. The process has been successfully pilot-tested.

Phosphate Back-End

The Company intends to progress its phosphate bank-end technology IP, relating to a process that recovers lithium values.

6.2.2. Batteries - VSPC

Lithium Australia wholly acquired VSCP Pty Ltd ('VSPC') on 28 February 2018. VSPC develops cathode materials, including LFP and lithium manganese ferro phosphate, that are used in the production of

lithium-ion batteries. The company owns and operates a pilot production facility located in Brisbane, QLD. VSPC holds global patents for its nanotechnology involved in the process.

In 2022, Lycopodium Limited was selected as the engineer to lead a technical study on a pre-qualification facility and a definitive feasibility study ('DFS') for a 10,000 tonne per annum LFP manufacturing facility. The study results, which have not been released, will be used to determine the optimal commercialisation pathway and for engagement with offtake and joint development partners. The DFS builds upon a pre-feasibility study conducted in 2021.

6.2.3. Battery Recycling - Envirostream

Envirostream Australia Pty Ltd ('Envirostream') is a wholly owned subsidiary of Lithium Australia that the Company first acquired an interest in 2019. The company was established in 2017 and is based in Melbourne, Victoria. Envirostream comprises an onshore, mixed-battery recycling operation that collects, sorts, shreds and separates the components of spent Li-ion and single-use alkaline batteries. In 2021, the Environment Protection Authority of Victoria issued the company a 99-year operation licence for battery recycling, permitting it to process more than 500 tonnes of specified electronic waste annually. The company is accredited by the Australian government-backed battery stewardship scheme, known as B-cycle, which provides incentives to recycle batteries through providing rebates.

6.3 Recent corporate events

In August 2022, Lithium Australia announced that it would undertake a placement to raise approximately \$12 million, through the issue of 185,772,347 shares at an issue price of \$0.065 per share, together with an attaching one for two option with an exercise price of \$0.10 and expiry of three years from the date of issue. Funds raised were used towards the commercialisation of VSPC and Envirostream.

On 13 December 2022, Lithium Australia entered into a binding agreement with Galan Lithium Limited ('Galan') for the sale of its 20% interest in the Greenbushes South Lithium Project located in WA. As consideration, Lithium Australia received fully paid ordinary shares in Galan to the value of \$1 million and a cash payment of \$2 million.

7. Economic analysis

Charger is exposed to the risks and opportunities of the Australian market due to its listing on the ASX and the location of its portfolio of assets. Accordingly, we have presented an analysis on the Australian economy.

Overview

In its April 2023 Monetary Policy Decision, the Reserve Bank of Australia ('RBA') stated that growth over the next couple of years is expected to be below trend, with the combination of heightened interest rates, cost-of-living pressures and a decline in housing prices leading to a substantial deceleration in household spending. Australia's gross domestic product ('GDP') is expected to ease to around 1.5% over 2023 and 2024 as global economic growth slows.

The rebound from the COVID-19 pandemic waned throughout 2022, contributing to a slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed on demand in Australia. In addition, in 2023 and 2024, it is anticipated that GDP growth in Australia's key trading partners will remain substantially below historical norms. However, downside risks to growth in the major global economies have lessened in recent months helped by China's reversal of its COVID-19 measures in December 2022, which has diminished such risks and stabilised the supply chain recovery trajectory.

Inflation was 7.8% over the 2022 calendar year, the highest year-end inflation figure since 1990, and significantly higher than the RBA's inflation target of 2-3%. However, the RBA has stated that the monthly consumer price index indicator suggests that inflation has peaked in Australia, with goods price inflation expected to moderate over the months ahead. As a result, the central forecast is for inflation to decline over 2023 and 2024 before returning to the upper end of target levels by mid-2025.

The RBA has executed monthly cash rate rises at each of its meetings since May 2022, with the most recent rise in March 2023 taking the cash rate to 3.60%. In its April 2023 meeting, the RBA decided to hold interest rates steady to provide additional time to assess the impact of the increase in interest rates to date and the economic outlook. However, the RBA anticipates further tightening of monetary policy will be needed to ensure that inflation returns to target and that this period of high inflation is only temporary.

The recent banking system crisis in the United States and Switzerland has resulted in volatility in financial markets and a reassessment of the outlook for global interest rates. These problems are also expected to influence tighter financial conditions, forming an additional headwind for the global economy. However, the RBA considers the Australian banking system to be strong, well capitalised and highly liquid. It is, therefore, well placed to provide the credit that the economy needs.

The RBA's balance sheet remains large by historical standards, reflecting the monetary policy measures introduced in response to the COVID-19 pandemic. Since November 2022, the size of the balance sheet remains little changed and as at end of March 2023 stood at around \$638 billion. However, the RBA's balance sheet is expected to decline over the coming years as funding provided under the Term Funding Facility and the RBA's government bond holdings mature.

The labour market remains notably tight, with the unemployment rate around 3.5%, close to a 50 year low. Both job vacancies and job advertisements are at high levels but have fallen recently.

Notwithstanding, many firms continue to express difficulty hiring workers, although some report an easing

in labour shortages, as job vacancies have plateaued in recent months. As economic growth slows, the unemployment rate is expected to rise, reaching 4.5% by mid-2025.

Wage growth has accelerated, particularly in the private sector, in response to the tight labour market. As a result, wages growth is predicted to increase further over the course of 2023. The RBA remains alert to the risk of a prices-wages spiral, given the limited spare capacity in the economy and the historically low rate of unemployment, and will continue to pay close attention to both the evolution of labour costs and the price-setting behaviour of firms.

Outlook

Economic growth in Australia is forecast to be hampered by rising interest rates, higher living costs and declining real wealth. As a result, the forecast declining trajectory of inflation in Australia remains uncertain and the high inflation environment is expected to continue weighing on real household incomes. The composition of inflation in Australia is also likely to shift, with higher inflation expected in more persistent and non-discretionary items, such as rent, in the coming years. However, despite inflationary concerns, aggregate household incomes have been sustained by solid labour demand, which has underpinned the health of household balance sheets. Although the balance of risks has improved in recent months, the pathway forward remains uncertain, with upside and downside scenarios equally plausible.

Resource exploration and development companies are not immune to the effects of inflation, with rising drilling and corporate costs impacting the level of capital required to fund exploration programs. Additionally, a tight labour market may make it more difficult for explorers to source labour and advance exploration.

Source: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 4 April 2023 and prior periods, www.rba.gov.au Statement on Monetary Policy February 2023 and prior periods, and BDO analysis.

8. Industry analysis

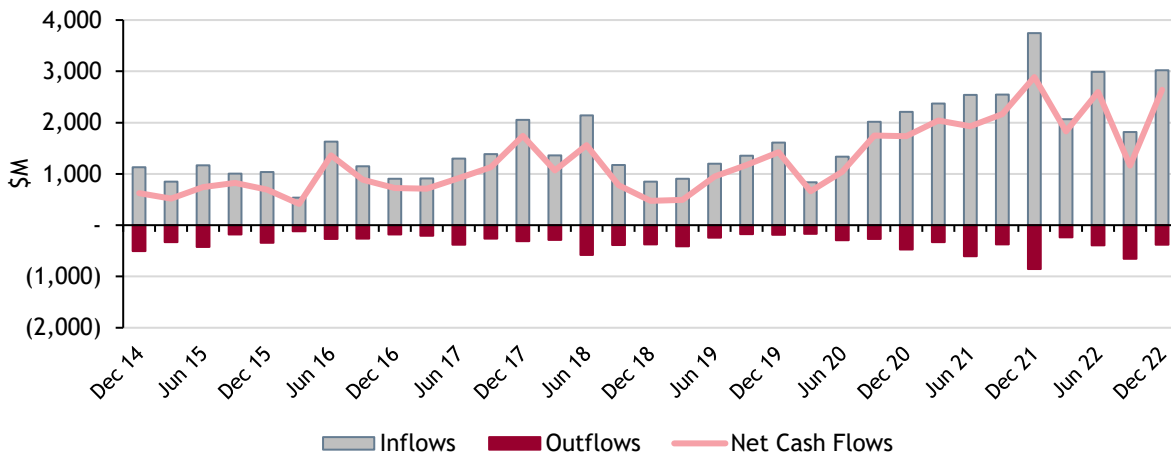
Charger is a lithium and battery metal exploration company that is listed on the ASX. As such, we have presented an overview of activity for ASX-listed exploration companies, as well as an analysis on the lithium sector.

8.1 Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the December quarter of 2022 suggests that explorers remain in good stead, with financing inflows bouncing back from a temporary lull in the prior September 2022 quarter. Further, investment and exploration spending remained at some of the highest levels observed since BDO commenced its analysis in June 2013.

Financing cash inflows for the December 2022 quarter totalled \$3.02 billion, representing a stark 66% increase from the previous quarter. The return of strong financing inflows in the quarter indicates that funds are still flowing readily into the sector and suggests that the "dip" in the September 2022 quarter was a temporary adverse reaction to the tightening of capital markets amidst global inflationary pressures and overall global economic uncertainty.

Financing Cash Flows (\$M)



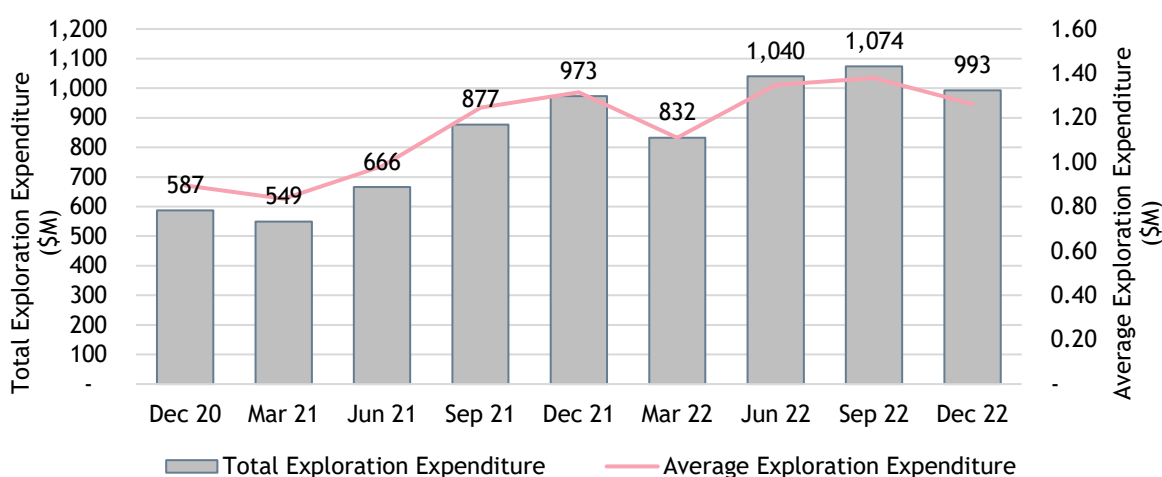
The strength in financing inflows in the December quarter was largely underpinned by large fund raisings of \$10 million or more, which made up 76% of the total funds raised by the sector. Within these fund raisings, gold explorers raised the most funds over the December quarter as growing inflation, geopolitical uncertainty and market volatility continued to drive demand. Lithium explorers also proved their ability to attract funding in the December quarter, demonstrating the continued market appetite for battery mineral investments. BDO also observed other energy transition metals such as rare earths, graphite, cobalt, uranium and nickel being prominent in capital raisings in 2022, supported by favourable investor sentiment and supply concerns.

Explorers' cash positions declined marginally despite the increased level of financing cash flows in the December 2022 quarter, with the average cash balance declining from \$11.4 million to \$11.1 million in the

September 2022 quarter. However, the overall cash position still remained strong with 84% of exploration companies reporting a cash balance of over \$1 million as at 31 December 2022, which is still significantly above the 63% average since the commencement of BDO's analysis in the June 2013 quarter.

Total exploration expenditure receded from the record \$1 billion spends in the June and September quarters of 2022, but only slightly. Although the December quarter's \$993 million exploration spend represented an 8% decrease from the September 2022 quarter, it remained 20% higher than the two-year average of \$825 million. In addition, the average exploration spend per company has ranged between \$1.26 million and \$1.38 million over the last three quarters, representing continued strength in exploration activity with explorers investing at historically high levels and taking advantage of the favourable capital raising conditions since late 2020.

Total Exploration Expenditure - Last Two Years (\$M)



The top ten exploration spending companies comprised four oil and gas companies, three gold company, two lithium companies and one nickel-copper company. Despite gold's noticeable presence in the top ten exploration spends, oil and gas exploration appeared to be more active in the December quarter 2022. This was likely to have been driven by continued spikes in energy prices arising from the Russian-Ukraine conflict. Further, recent funding towards battery mineral companies has translated into a rise in exploration spending as electric vehicle manufacturers aim to secure the raw materials required as part of the widespread electrification of global transport.

Results from the December quarter show that compared to historical levels, exploration companies broadly are still well funded and exploration activity remains strong. Commodities like gold, oil and gas, lithium, nickel and rare earth metals have continued to attract a substantial level of investor funding amidst the adverse impact of rising interest rates, inflation and geopolitical uncertainty. This broadly illustrates that the global need for a secure and sustainable supply of energy transition resources has outweighed the current economic circumstances, which places the Australian mining sector in a favourable position.

Source: BDO Explorer Quarterly Cash Update: December 2022 and prior releases.

8.2 Lithium

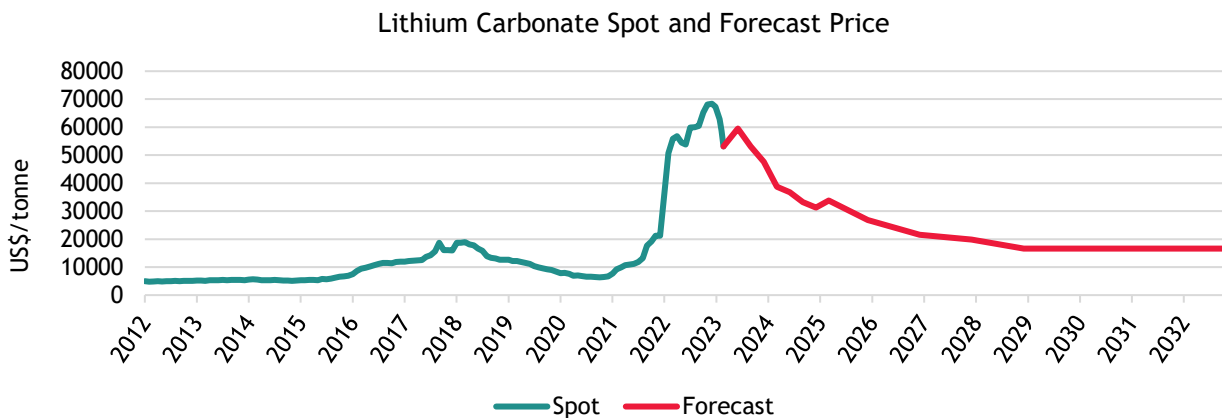
Lithium is a soft, silver-white metal belonging to the alkali metal group of chemical elements and is the lightest and least dense metal. It has excellent potential for power generation due to its reactivity, however, does not occur naturally as a metal in nature. Lithium occurs rather as chemical compounds which are extracted from ores of spodumene or from subsurface brines. Other sources of lithium include minerals such as lepidolite or petalite, and non-conventional sources.

Lithium's use in batteries has increased significantly in recent years as rechargeable lithium batteries are used extensively in the growing market for portable electronic devices and increasingly in electric tools, EVs and grid storage applications. It is also used to strengthen and improve resistance in glasses and ceramics, along with being alloyed with aluminium and copper to reduce weight in airframe structural components.

Growth in the electric car manufacturing industry particularly is a key driver for lithium demand, as major players within the industry, including Tesla, expand production and increasingly target mainstream markets. This has driven many electric car manufacturers to form strategic alliances and joint ventures with lithium mining companies to establish a reliable, diversified supply of lithium.

Lithium prices

Lithium trade is usually confined to a small number of producers and their customers, and as such, contract terms such as pricing are privately negotiated. Furthermore, there are an extensive range of products that can be made from lithium which leads to a range of prices that are dependent on the product and its purity.



Source: S&P Global Market Intelligence, Consensus Economics Survey dated 20 March 2023

The figure above illustrates the historical fluctuations in lithium carbonate spot prices from 1 January 2012 to 22 March 2023 and the consensus economics forecast for lithium carbonate prices through to 2032.

The strong performance of the lithium price over 2016 and 2017 was reversed in subsequent years through to 2020 as a correction in the oversupply and the delay in demand across the industry played out. Just as higher prices incentivised the rapid commissioning of production capacity throughout the supply chain, the slide in lithium prices led to output curtailments or suspensions of production.

The combination of the existing aforementioned supply issues and a substantial increase in consumer demand since 2021 has placed significant upward price pressures on lithium. A substantial portion of consumer demand is driven by Tesla and other auto makers, as global EV sales have grown considerably.

Additionally, global supply side issues, originating from the COVID-19 pandemic have further exacerbated prices in the lithium market.

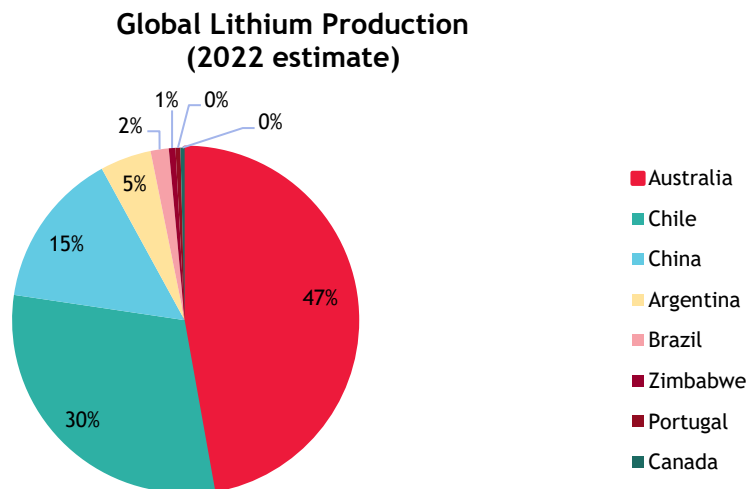
In August 2022, lithium carbonate prices in China's domestic market gained momentum responding to downstream demand and the coinciding supply shortages. In September, the price surged as the Chinese government added stimulus spurring demand of electric vehicles.

The scarcity of lithium has influenced automotive manufacturers to compete for long-term supply contracts, including Stellantis and Ford, whilst Tesla has chosen to build its own lithium refinery in Texas.

Lithium prices fell approximately 20% in January 2023, down from the record prices reached in December 2022. Bloomberg analysts are expecting average prices to fall from the average 2022 levels. This decline is expected as a result of new producers entering the market to meet growing EV demand. China's withdrawal of EV subsidies will also cause a reduction in lithium demand, further reducing the demand-supply mismatch.

Lithium production and reserves

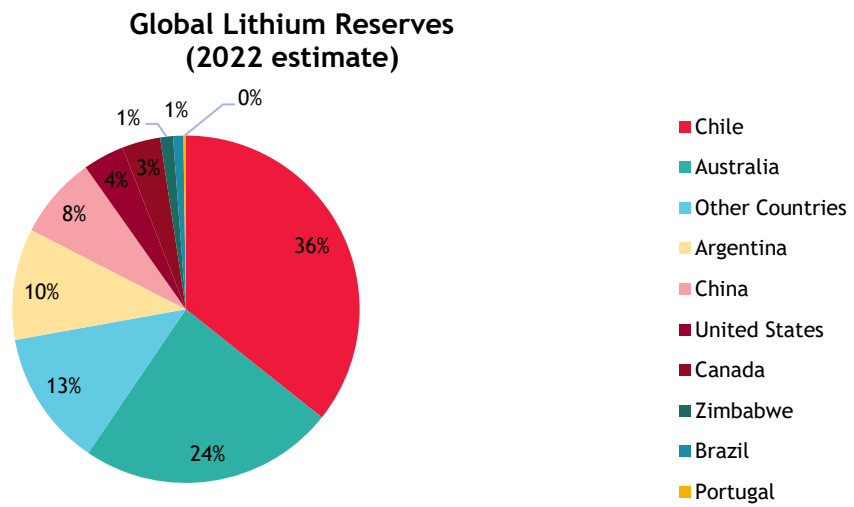
According to data released by the United States Geological Survey ('USGS'), Australia is expected to be the leading producer of Lithium in 2022, contributing approximately 61,000 tonnes of lithium, equating to 47% of global lithium production.



Source: U.S. Geological Survey, January 2023

*excluding undisclosed United States production data

Whilst Chile was the second largest producer of lithium, it holds the largest amount in reserves by a substantial margin. Based on estimated figures for 2022, Chile held approximately 9.3 million tonnes of lithium, accounting for approximately 36% of global reserves, followed by Australia which held approximately 6.2 million tonnes, representing 24% of global reserves.



Source: U.S. Geological Survey, January 2023

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above.

9.1 Value of a Charger Share Prior to the Proposed Acquisition

In assessing the value of a Charger share prior to the Proposed Acquisition, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology; and
- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a share if it were sold on market.

We have chosen these methodologies for the following reasons:

- We have adopted the Sum-of-Parts approach as our primary valuation method. We consider that the core value of Charger lies in the value of its mineral assets (which are currently not producing assets and they are not generating any cash flows). Consequently, we consider that the Sum-of-Parts approach to be the most appropriate methodology. We have commissioned Valuation and Resource Management Pty Ltd ('VRM') to provide an independent market valuation of the Company's mineral assets, which is incorporated in our Sum-of-Parts;
- We have adopted the QMP as a secondary methodology due to Charger's shares being listed on the ASX. This means there is a regulated and observable market where Charger's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the company's activities. As detailed in Section 10.2, we consider there to be a liquid and active market for Charger shares. Therefore, we have utilised the QMP approach as our secondary valuation methodology in determining the value of a Charger share prior to the Proposed Acquisition.

- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. Charger's mineral assets do not currently generate any income, nor are there any historical profits that could be used to represent future earnings. Furthermore, the FME methodology is not considered appropriate for valuing finite life assets such as mining assets, therefore, we do not consider the application of the FME approach to be appropriate; and
- Charger has no foreseeable future net cash inflows on which we would have sufficient reasonable grounds to rely, in accordance with Regulatory Guide 170 'Prospective Financial Information' ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214'), therefore we do not consider the application of the DCF approach to be appropriate.
- We note that in September 2022, the Company raised \$5.5 million (before costs) through a placement of 11 million shares at an issue price of \$0.50 per share ('Placement Price'), to institutional, sophisticated, and professional investors. We have not considered the Placement Price of \$0.50 per share in our assessment of the value of a Charger share prior to the Proposed Acquisition given the time that has elapsed since the Placement. We note that subsequent to the Placement the Company has released material announcements and lithium prices have fluctuated. As a result, we have relied on the Sum-of-Parts and QMP assessment of Charger in our assessment of the value of a Charger share prior to the Proposed Acquisition.

Technical Expert

In performing our valuation of Charger's mineral assets, we have relied on the Technical Specialist Report ('Technical Specialist Report') prepared by VRM, which includes an assessment of the market value of Charger's mineral assets.

We instructed VRM to provide an independent market valuation of Charger's mineral assets. VRM considered a number of different valuation methods when valuing these assets. VRM's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('VALMIN Code') and the JORC Code.

We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report attached in Appendix 3.

9.2 Value of a Charger Share Following the Proposed Acquisition

In our assessment of the value of a Charger share following the Proposed Acquisition, we have utilised the Sum-of-Parts methodology, which estimates the market value of Charger by aggregating the fair market value of its assets and liabilities, including those impacted through the Proposed Acquisition. In our Sum-of-Parts valuation, we have had consideration of the following:

- The value of Charger prior to the Proposed Acquisition as detailed in Section 10;
- The increase in the value of the Company as a result of the acquisition of the remaining 30% interest in the Sale Tenements and lithium rights from the Contractual Rights Tenements, with reliance on the independent market valuation undertaken by VRM;
- The effect of the new securities issued as part of the Proposed Acquisition; and
- The application of a minority discount.

The consistent use of the Sum-of-Parts approach before and after the Proposed Acquisition provides Shareholders with the best indicator of the change in value per share resulting from the approval of the Proposed Acquisition.

10. Valuation of a Charger share prior to the Proposed Acquisition

10.1 Sum-of-Parts

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Charger share on a control basis prior to the Proposed Acquisition, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- Value of Charger's mineral assets; and
- Value of Charger's other assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of Charger prior to the Proposed Acquisition	Ref	Low \$	Preferred \$	High \$
Value of Charger's mineral assets	10.1.1	8,800,000	12,100,000	15,400,000
Value of Chargers other assets and liabilities	10.1.2	5,660,761	5,660,761	5,660,761
Total value of Charger (control)		14,460,761	17,760,761	21,060,761
Number of shares outstanding	10.1.3	62,114,368	62,114,368	62,114,368
Value per share (\$) (control)		0.233	0.286	0.339

We have assessed the value of a Charger share prior to the Proposed Acquisition (on a controlling interest basis) to be in the range of \$0.233 to \$0.339 with a preferred value of \$0.286.

10.1.1. Valuation of Charger's mineral assets

In performing our valuation of Charger's mineral assets, we have relied on the Technical Specialist Report prepared by VRM which includes an assessment of the market value of the Company's interest in the Lake Johnston Lithium Project, Lake Johnston Lithium and Gold Project, the Bynoe Project and the Coates Project.

We instructed VRM to provide an independent market valuation of the mineral assets held by Charger. VRM considered a number of different valuation methods when valuing the mineral assets of Charger. All the Projects have been valued using Geoscientific or Kilburn method valuation method as a primary method with a supporting valuation being a Prospectivity Enhancement Multiplier ('PEM'). The preferred valuation has been determine based on the average of the primary and supporting valuations.

The range of values for Charger's mineral assets as determined by VRM, prior to the Proposed Acquisition is set out below:

	Low \$m	Preferred \$m	High \$m
Coates Project - Kilburn	1.6	2.7	3.9
Coates Project - PEM	1.1	1.3	1.4
Lake Johnston Lithium and Gold Project* - Kilburn	5.1	7.9	10.7
Lake Johnston Lithium and Gold Project* - PEM	5.6	6.3	7.0
Lake Johnston Lithium Project** -Kilburn	1.2	2.4	3.5
Lake Johnston Lithium Project** -PEM	0.7	0.8	0.9
Bynoe Project - Kilburn	0.6	0.8	1.0
Bynoe Project - PEM	1.7	2.0	2.3
VRM Valuation Range	8.8	12.1	15.4

*includes E63/1809, E63/1903 and E63/1888

**includes E63/1722, E63/1723 and E63/1777

Source: Technical Specialist Report prepared by VRM

The table above indicates a range of values between \$8.8 million and \$15.4 million, with a preferred value of \$12.1 million. For further information on VRM's approach and conclusions, refer to the VRM Technical Specialists Report, which is included as Appendix 3 of our Report.

10.1.2. Valuation of Charger's other assets and liabilities

The other assets and liabilities of Charger represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Charger and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Other assets and Liabilities of Charger	Ref	Reviewed as at 31-Dec-22 \$	Adjusted \$
CURRENT ASSETS			
Cash and cash equivalents	a)	7,073,686	6,037,594
Trade and other receivables		147,243	147,243
TOTAL CURRENT ASSETS		7,220,929	6,184,837
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	b)	5,391,734	-
Property, plant and equipment		81,755	81,755
TOTAL NON-CURRENT ASSETS		5,473,489	81,755
TOTAL ASSETS		12,694,418	6,266,592
CURRENT LIABILITIES			
Trade and other payables		605,831	605,831
TOTAL CURRENT LIABILITIES		605,831	605,831
TOTAL LIABILITIES		605,831	605,831
NET ASSETS		12,088,587	5,660,761

Source: Charger's reviewed financial statements for the half year ended 31 December 2022, management accounts as at 28 February 2023 and BDO analysis

We have been provided with Charger's unaudited management accounts at 28 February 2023. We have not undertaken a review of Charger's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of Charger since 28 February 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 31 December 2022 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to Charger's other assets and liabilities:

Note a) Cash and cash equivalents

Charger management has provided us with the unaudited cash balance of Charger as at 28 February 2023. We have adjusted the reviewed cash and cash equivalents balance of \$7.07 million as at 31 December 2022 to \$6.04 million. We have verified the 28 February 2023 cash balance by obtaining bank statements as support.

Note b) Deferred exploration expenditure

We have adjusted the book value of deferred exploration expenditure of \$5.39 million at 31 December 2022 to nil, as it is accounted for in the valuation of Charger's mineral assets, which have been valued separately in Section 10.1.1.

10.1.3. Number of shares outstanding

As detailed in Section 5.5, the number of Charger shares on issue as at the date of our Report is 62,114,368.

10.2 Quoted Market Prices for Charger Securities

To provide a comparison to the valuation of Charger in Section 10.1, we have also assessed the quoted market price for a Charger share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Whilst Lithium Australia will not be obtaining 100% of Charger, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

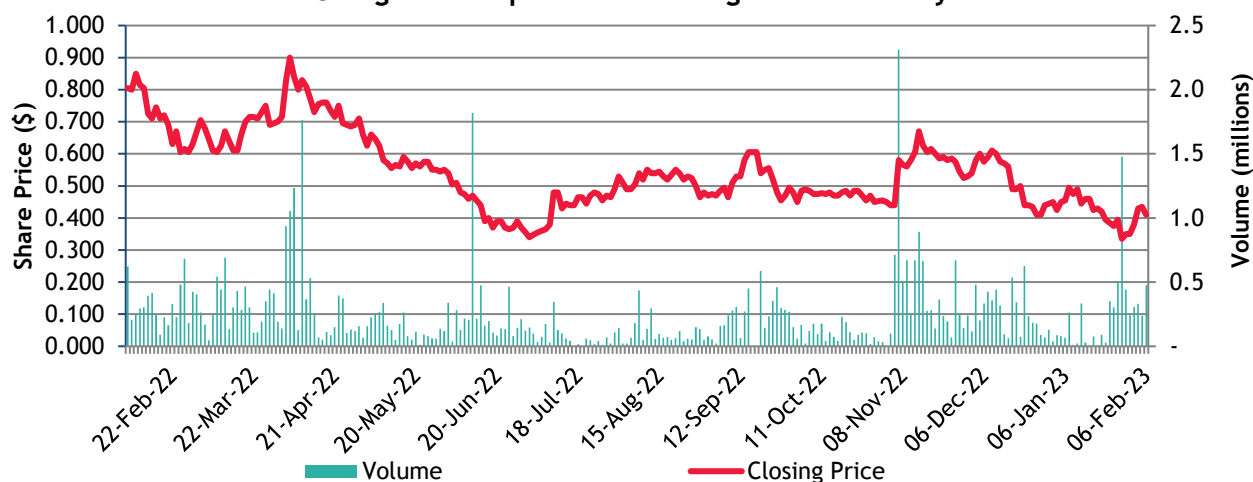
Therefore, our calculation of the quoted market price of a Charger share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Charger share is based on the pricing prior to the announcement of the Proposed Acquisition. This is because the value of a Charger share after the announcement may include the effects of any change in value as a result of the Proposed Acquisition. However, we have considered the value of a Charger share following the announcement when we have considered reasonableness in Section 13.

Information on the Proposed Acquisition was announced to the market on 7 February 2023. Therefore, the following chart provides a summary of the share price movement over the 12 months to 6 February 2023 which was the last trading day prior to the announcement.

Charger share price and trading volume history



Source: Bloomberg

The daily price of Charger shares from 7 February 2022 to 6 February 2023 ranged from a low of \$0.335 on 27 January 2023 to a high of \$0.900 on 4 April 2022. The largest day of single trading over the assessed period was 7 November 2022, when 2,311,308 shares were traded.

During this 12-month period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$	(movement)		\$	(movement)	
06/02/2023	Drilling Update for Chargers Medcalf Spodumene Discovery	0.410	▼ 5.7%		0.400	▼ 2.4%	
30/01/2023	Quarterly Cashflow Report	0.350	▲ 4.5%		0.430	▲ 22.9%	
30/01/2023	Quarterly Activities Report	0.350	▲ 4.5%		0.430	▲ 22.9%	
30/01/2023	Ceasing to be a substantial holder	0.350	▲ 4.5%		0.430	▲ 22.9%	
19/01/2023	Charger resumes drilling at the Medcalf spodumene discovery	0.420	▼ 2.3%		0.375	▼ 10.7%	
28/12/2022	Change in substantial holding	0.410	► 0.0%		0.450	▲ 9.8%	
20/12/2022	Medcalf drilling reveals spodumene-bearing pegmatite swarm	0.440	▼ 12.0%		0.410	▼ 6.8%	
02/12/2022	Charger commences drilling at Medcalf Spodumene Prospect	0.580	▲ 7.4%		0.590	▲ 1.7%	
07/11/2022	Chargers drilling approved for the Bynoe Lithium Project	0.580	▲ 31.8%		0.580	► 0.0%	
04/10/2022	Ceasing to be a substantial holder	0.485	▲ 7.8%		0.475	▼ 2.1%	
26/09/2022	Notice under Section 708A	0.480	▼ 7.7%		0.495	▲ 3.1%	
26/09/2022	Application for quotation of securities - CHR	0.480	▼ 7.7%		0.495	▲ 3.1%	
19/09/2022	Proposed issue of securities - CHR	0.540	▼ 10.7%		0.520	▼ 3.7%	
19/09/2022	Chargers \$5.5M Placement strongly supported	0.540	▼ 10.7%		0.520	▼ 3.7%	
13/09/2022	Notice under Section 708A	0.580	▲ 9.4%		0.605	▲ 4.3%	

Date	Announcement	Closing Share Price Following Announcement \$ (movement)			Closing Share Price Three Days After Announcement \$ (movement)		
13/09/2022	Application for quotation of securities - CHR	0.580	▲	9.4%	0.605	▲	4.3%
08/09/2022	Charger advances Medcalf Lithium Prospect towards Drilling	0.510	▲	9.7%	0.580	▲	13.7%
24/08/2022	Response to ASX Request for Information	0.530	▲	1.9%	0.465	▼	12.3%
28/07/2022	Quarterly Activities Report	0.465	▼	1.1%	0.510	▲	9.7%
28/07/2022	Quarterly Cashflow Report	0.465	▼	1.1%	0.510	▲	9.7%
22/06/2022	Company Presentation - Gold Coast Investment Showcase 2022	0.370	▼	5.1%	0.390	▲	5.4%
09/06/2022	Charger confirms large lithium system at Lake Johnston	0.470	▲	2.2%	0.390	▼	17.0%
29/04/2022	Quarterly Activities Report	0.690	▲	0.7%	0.625	▼	9.4%
29/04/2022	Quarterly Cashflow Report	0.690	▲	0.7%	0.625	▼	9.4%
07/04/2022	Charger -Battery Minerals Conference Presentation April 2022	0.830	▲	3.7%	0.730	▼	12.0%
07/04/2022	Charger confirms massive sulphide targets at Coates Project	0.830	▲	3.7%	0.730	▼	12.0%
15/03/2022	Half Yearly Report and Accounts	0.610	▼	4.7%	0.700	▲	14.8%
11/03/2022	Access Agreement signed to Drill Coates target near Julimar	0.670	▲	7.2%	0.610	▼	9.0%
10/02/2022	Results of Meeting	0.815	▼	4.1%	0.710	▼	12.9%

Source: Bloomberg and BDO analysis.

On 11 March 2022, Charger announced it had signed an access agreement with key landowners at the Coates Project for its maiden drill program. On the date of the announcement, the share price increased by 7.2% to close at \$0.670, before decreasing by 9.0% over the subsequent three trading days to close at \$0.610.

On 7 April 2022, Charger announced its FLTEM survey had confirmed sulphide targets at the Coates Project and released a Company presentation for a battery minerals conference. On the date of this announcement, 1,763,365 shares were traded with a share price increase of 3.7%, to close at \$0.830, before decreasing by 12.0% over the subsequent three trading days to close at \$0.730.

On 9 June 2022, Charger announced the confirmation of a lithium system at its Lake Johnston Project. On the date of this announcement, 1,817,539 shares were traded with a share price increase of 2.2%, to close at \$0.470, before decreasing by 17% over the subsequent three trading days to close at \$0.390.

On 24 August 2022, Charger announced its response to a request from the ASX regarding a variance between the proposed use of funds set out in the Prospectus dated 7 July 2021 and the actual exploration expenditure occurred as at 30 June 2022 for the Coates Project, whereby expenditure was less than the projected amount due to delays in the commencement of the drilling program. On the date of the announcement, the share price increased by 1.9% to close at \$0.530, before decreasing by 12.3% over the subsequent three trading days to close at \$0.465.

On 8 September 2022, Charger announced it had scheduled a maiden drilling program at the Medcalf Prospect for the December 2022 quarter. On the date of the announcement, the share price increased by 9.7% to close at \$0.510, before increasing by a further 13.7% over the subsequent three trading days to close at \$0.580.

On 19 September 2022, Charger announced it had received firm commitments to raise \$5.5 million (before costs), through the issue of 11,000,000 fully ordinary paid shares at \$0.50 per share. On the date of the announcement, the share price decreased by 10.7% to close at \$0.540, before decreasing by a further 3.7% over the subsequent three trading days to be \$0.520.

On 7 November 2022, Charger announced it had received further approvals to drill at the Bynoe Project, relating to an Aboriginal heritage clearance from the AAPA of the NT to drill up to 316 holes as part of the Company's maiden drill program. On the date of the announcement, 2,311,308 shares were traded with a share price increase of 31.8% to close at \$0.580 and remained unchanged over the subsequent three trading days.

On 20 December 2022, Charger announced drilling results at the Medcalf Prospect. On the date of the announcement, the share price decreased by 12.0% to close at \$0.440, before decreasing by a further 6.8% over the subsequent three trading days to close at \$0.410.

On 19 January 2023, Charger announced it had resumed drilling at the Medcalf Prospect. On the date of the announcement, the share price decreased by 2.3% to close at \$0.420, before decreasing by a further 10.7% over the subsequent three trading days to close at \$0.375.

On 27 January 2023, 1,478,433 shares were traded with a share price decrease of 15.2%, to close at \$0.335. The share price increased by 13.4% over the subsequent three-day trading period to close at \$0.380. However, no announcement was released on this date.

On 30 January 2023, Charger released its December 2022 quarterly cash flow and activities report. On the same day, it also released a notice of ceasing of a substantial holder, relating to Ausbil Investment Management Limited. On the date of the announcement, the share price increased by 4.5% to close at \$0.350, before increasing by a further 22.9% over the subsequent three trading days to close at \$0.430.

To provide further analysis of the market prices for a Charger share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 6 February 2023.

Share Price per unit	06-Feb-23	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.410				
Volume weighted average price (VWAP)		\$0.382	\$0.401	\$0.510	\$0.508

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Proposed Acquisition to avoid the influence of any increase in price of Charger shares that has occurred since the Proposed Acquisition was announced.

An analysis of the volume of trading in Charger shares for the twelve months to 6 February 2023 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.400	\$0.435	476,553	0.77%
10 Days	\$0.335	\$0.440	4,667,333	7.51%
30 Days	\$0.335	\$0.495	6,681,925	10.76%
60 Days	\$0.335	\$0.715	17,104,921	27.54%
90 Days	\$0.335	\$0.715	23,552,935	37.92%
180 Days	\$0.305	\$0.715	37,801,581	60.86%
1 Year	\$0.305	\$1.000	60,320,222	97.11%

Source: Bloomberg, BDO analysis

This table indicates that Charger's shares display a high level of liquidity, with 97.11% of the Company's current issued capital being traded in a twelve-month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Charger, we consider the shares to display a high level of liquidity, on the basis that more than 1% of securities have been traded weekly on average over the past twelve-month period preceding the announcement of the Proposed Acquisition.

We have also assessed the trading volumes for Charger shares on a weekly basis over the twelve months prior to 7 February 2023, being the last full trading day prior to the announcement of the Proposed Acquisition and found the mean and median weekly trading volume was approximately 1.86% and 1.46% of Charger's average issued capital for the corresponding week, respectively. Of the 52 weeks in which our analysis is based on, more than 1% of Charger's securities had been traded in 37 of those weeks.

Our assessment is that a range of values for Charger shares based on market pricing, after disregarding post announcement pricing, is between \$0.380 and \$0.410.

Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of ASX-listed general mining companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium). We have summarised our findings below:

ASX-listed general mining companies

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2023	3	42.15	35.34
2022	9	1929.92	22.67
2021	6	1235.14	29.89
2020	7	427.75	51.58
2019	12	143.74	42.83
2018	11	87.76	53.40
2017	5	13.91	35.21
2016	13	59.54	74.92
2015	9	340.83	57.86
2014	16	111.11	47.28
2013	17	117.99	63.99

Source: Bloomberg, BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2023	9	362.11	46.08
2022	41	3039.48	29.07
2021	36	1315.94	44.20
2020	27	419.16	48.36
2019	46	2961.72	36.74
2018	47	1054.73	40.74
2017	30	940.19	42.05
2016	42	718.52	49.58
2015	34	828.15	34.10
2014	46	507.34	39.97
2013	41	128.21	50.99

Source: Bloomberg, BDO analysis

The mean and the median of the entire data sets comprising control transactions from 2013 onwards for ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	General Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	357.68	50.62	1216.53	41.45
Median	39.38	41.33	115.57	30.86

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium by acquirers of ASX-listed mining and exploration companies and all ASX-listed companies is approximately 50.62% and 41.45% respectively.

However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 41.33% for general mining companies and 30.86% for all ASX listed companies.

Based on the above, we consider an appropriate premium for control to be between 20% and 30%.

Quoted market price including control premium

Applying a control premium to Charger's quoted market share price results in the following quoted market price value including a premium for control:

	Low \$	High \$
Quoted market price value	0.380	0.410
Control premium	20%	30%
Quoted market price valuation including a premium for control	0.456	0.533

Source: BDO analysis

Therefore, our valuation of a Charger share based on the quoted market price method and including a premium for control is between \$0.456 and \$0.533. We have adopted the rounded midpoint of these values as our preferred value as we do not have any reason for our preferred value to be on either end of the range. Therefore, our preferred value per Charger share using the QMP approach is \$0.495.

10.3 Assessment of the value of a Charger share prior to the Proposed Acquisition

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
Sum-of-Parts (Section 10.1)	0.233	0.286	0.339
QMP (Section 10.2)	0.456	0.495	0.533

Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate methodology to value Charger as the core value lies within the Company's mineral assets, which have been independently valued by VRM, an independent technical specialist in accordance with VALMIN.

We note that the value of Charger derived under the QMP approach is higher than that derived under the Sum-of-Parts valuation for the following reasons.

- It is not uncommon for mining exploration companies to trade at a premium to their intrinsic value. This is due to investors typically anticipating some potential upside of 'blue sky' prospects for the company, for example the discovery of further mineral deposits, the release of strong feasibility results, or bullish sentiment towards future commodity prices, which are factored into the share price in advance of any such value being realised. We note that lithium in particular has had significant recent publicity relating to the ongoing green energy transition and growing demand for EV's, which may be reflected in the QMP value;
- The Charger share price may be impacted by drilling results and resource upgrades from neighbouring and nearby projects to Charger's Projects. We note that neighbouring projects, including Core Lithium's Finnis Project, which surrounds the Company's Bynoe Project, are significantly more advanced than Charger's. Any market speculation or share price movements driven by results from neighbouring properties, is unable to be reflected in the independent

valuation of Charger's Exploration Assets performed by VRM, as the Technical Specialist Report is prepared in compliance with the VALMIN Code and other industry guidelines, which limits the valuation methodologies that can be adopted for early-stage exploration assets, like those held by Charger.

- Our Sum-of-Parts valuation includes an independent valuation of Charger's Exploration Assets performed by VRM. We have instructed VRM to prepare their Technical Specialist Report in compliance with the VALMIN Code and other industry guidelines, whilst also adhering to guidance provided by ASIC's Regulatory Guides. Market participants are not governed by these industry codes and therefore may be basing their valuations on different technical and economic assumptions. Additionally, investors are not necessarily guided by the principles of RG 170 and IS 214 in forming their valuations.

Based on the results above we consider the value of a Charger share to be between \$0.233 and \$0.339, with a preferred value of \$0.286.

11. Valuation of a Charger share following the Proposed Acquisition

11.1 Sum-of-Parts valuation of Charger following the Proposed Acquisition

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Charger share on a minority basis following the Proposed Acquisition, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- Value of Charger's mineral assets (assuming 100% ownership of the Sale Tenements and lithium rights from the Contractual Rights Tenements); and
- Value of Charger's other assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of Charger following the Proposed Acquisition	Ref	Low \$	Preferred \$	High \$
Value of Chargers mineral assets	11.1.1	11,400,000	15,600,000	19,900,000
Value of Charger's other assets and liabilities	10.1.3	5,660,761	5,660,761	5,660,761
Total value of Charger		17,060,761	21,260,761	25,560,761
Number of shares outstanding	11.1.2	69,114,368	69,114,368	69,114,368
Value per share (\$) (control)		0.247	0.308	0.370
Minority discount	11.1.3	23%	20%	17%
Value per share (\$) (minority)		0.190	0.246	0.307

The table above indicates that the value of a Charger share on a minority basis is between \$0.190 and \$0.307, with a preferred value of \$0.246.

11.1.1. Value of Charger's mineral assets

We determined the value of Charger's mineral assets prior to the Proposed Acquisition in section 10.1.1. Following the Proposed Acquisition, Charger will gain an additional:

- 30% interest in exploration licenses numbered E63/1809 and E63/1866; and
- 30% interest in contractual rights to the lithium in exploration licenses numbered E63/1722, E63/1723 and E63/1777.

The range of values for Charger's other mineral assets, following the Proposed Acquisition, as determined by us and VRM is set out below:

	Low \$m	Preferred \$m	High \$m
Coates Project - Kilburn	1.6	2.7	3.9
Coates Project - PEM	1.1	1.3	1.4
Lake Johnston Lithium and Gold Project* - Kilburn	7.1	10.9	14.8
Lake Johnston Lithium and Gold Project* - PEM	7.9	8.9	9.9
Lake Johnston Lithium Project** - Kilburn	1.7	3.4	5.0
Lake Johnston Lithium Project** - PEM	1.0	1.2	1.4
Bynoe Project - Kilburn	0.6	0.8	1.0
Bynoe Project - PEM	1.7	2.0	2.3
VRM Valuation Range	11.4	15.6	19.9

*includes E63/1809, E63/1903 and E63/1888

**includes E63/1722, E63/1723 and E63/1777

Source: Technical Specialist Report prepared by VRM

The table above indicates a range of values between \$11.4 million and \$19.9 million, with a preferred value of \$15.6 million. For further information on VRM's approach and conclusions, refer to the VRM Technical Specialists Report, which is included as Appendix 3 of our Report.

11.1.2. Number of shares outstanding

As set out in Section 4, the number of shares on issue following the Proposed Acquisition is 69,114,368.

11.1.3. Minority interest

As outlined in Section 3.3 of our Report, in assessing fairness we have compared the value of a Charger share prior to the Proposed Acquisition on a control basis to the value of a Charger share following the Proposed Acquisition on a minority interest basis, as we are required to do by RG 111.

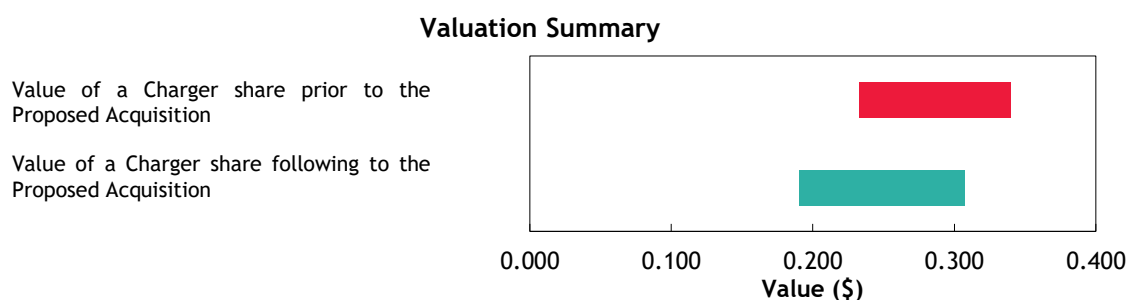
A minority discount is based on the inverse of the control premium and is calculated using the formula $1 - (1 / (1 + \text{control premium}))$. Based on our analysis in Section 10.2, we consider an appropriate control premium to be in the range of 20% to 30%. This assessed control premium range gives rise to a rounded minority discount in the range of 17% to 23% with a rounded midpoint of 20%.

12. Is the Proposed Acquisition fair?

A comparison of the value of a Charger share prior to the Proposed Acquisition, on a control basis, and the value of a Charger share following the Proposed Acquisition, on a minority interest basis, is set out below:

	Ref	Low \$	Preferred \$	High \$
Value of a Charger share prior to the Proposed Acquisition (controlling basis)	10.3	0.233	0.286	0.339
Value of a Charger share following the Proposed Acquisition (minority interest basis)	11.1	0.190	0.246	0.307

The above valuation ranges are graphically presented below:



We note from the table above that the value of a Charger share prior to the Proposed Acquisition on a controlling interest basis is more than the value of a Charger share following the acquisition on a minority interest basis under the low, preferred, and high scenarios. Therefore, in accordance with RG 111, we consider that the Proposed Acquisition is not fair.

Further, we note that while the valuation ranges prior to and following the Proposed Acquisition overlap, it would be inappropriate to compare different points across the valuation range (i.e., comparing the low valuation prior to the Proposed Acquisition with the high valuation following the Proposed Acquisition), as the value of a Charger share following the Proposed Acquisition is inclusive of our pre-transaction value of Charger. As a result, comparing these points would imply two different values of Charger's mineral assets. Therefore, the above valuations must be compared on a like for like basis at individual points, rather than across the range.

Our valuation of a Charger share following the Proposed Acquisition has been prepared assuming Lithium Australia acquires a maximum voting interest of 24.02% in Charger, as this is the approval level being sought by the Company. This assumes that no existing options or performance rights are converted into Charger shares prior to completion of the Proposed Acquisition. However, we note that the Company has 6,000,000 options on issue with a \$0.30 exercise price. Under our 'High' valuation scenario, both prior to and following the Proposed Acquisition, these options are 'in the money'. If we were to consider the exercise of the options both prior to and following the Proposed Acquisition, the value of a Charger share would be \$0.336 and \$0.302, respectively.

13. Is the Proposed Acquisition reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Charger a premium over the value resulting from the Proposed Acquisition.

13.2 Practical Level of Control

If the Proposed Acquisition is approved, then Lithium Australia will hold an interest of approximately 24.02% in Charger.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Acquisition is approved then Lithium Australia will not be able to block special and general resolutions (although in reality Lithium Australia would likely be able to block special resolutions), nor will they be able to pass general and special resolutions.

Under the binding agreement between Charger and Lithium Australia, Lithium Australia does not have the right to appoint any directors to the board of Charger.

Lithium Australia's control of Charger following the Proposed Acquisition will be significant when compared to all other shareholders. Therefore, in our opinion, while Lithium Australia will be able to significantly influence the activities of Charger, it will not be able to exercise a similar level of control as if it held 100% of Charger.

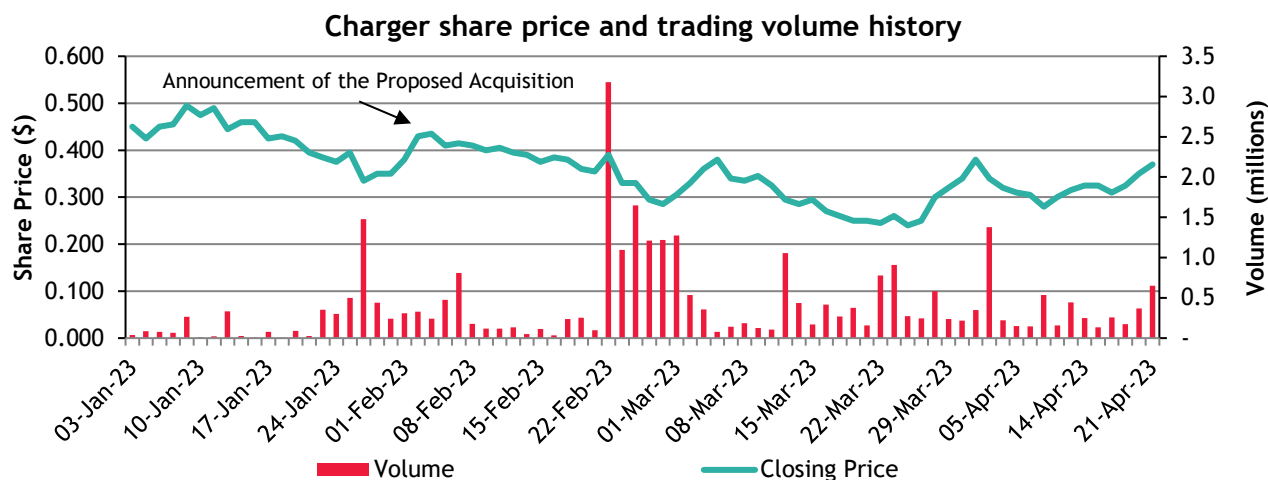
13.3 Consequences of not Approving the Proposed Acquisition

Intention of the Board if the Proposed Acquisition is not approved by Shareholders

If the Proposed Acquisition is not approved by Shareholders, the Lake Johnston Project will remain under the current ownership structure and the Company will continue to progress the Lake Johnston Project (under the current ownership structure) together with the Coates Project and the Bynoe Project.

Post announcement pricing

We have analysed movements in Charger's share price since the Proposed Acquisition was announced. A graph of Charger's share price and trading volume leading up to and following the announcement of the acquisition is set out opposite.



Source: Bloomberg

Following the announcement of the Proposed Acquisition on 7 February 2023, the share closed at \$0.415, up from a close price of \$0.410 on the previous day. Since the announcement of the Proposed Acquisition, the share price of Charger has trended downwards, with the share price closing at a low of \$0.240 on 24 March 2023.

The table below details the VWAP of Charger's shares for 10- and 30-day periods to 21 April 2023.

Share Price per unit	21-Apr-23	10 Days	30 Days
Closing price	\$0.370		
Volume weighted average price (VWAP)		\$0.325	\$0.307

We note that over the period since the Proposed Acquisition was announced, the lithium price has declined. Therefore, it is unclear whether movements in the Charger share price following the announcement reflect market sentiment for the Proposed Acquisition or external factors.

13.4 Advantages of Approving the Proposed Acquisition

We have considered the following advantages when assessing whether the Proposed Acquisition is reasonable.

Advantage	Description
The Proposed Acquisition increases Charger's exposure to the Lake Johnston Lithium Project	The Proposed Acquisition, if approved, will result in the Company increasing its interest in the Lake Johnston Lithium Project from 70% currently to 100%. This means that Shareholders will have greater exposure to the Lake Johnston Lithium Project and benefit more from any potential upside should it be successfully developed. Given that Shareholders in the Company are already exposed to its risks, the Proposed Acquisition increases Charger's exposure to the Project while retaining the same risks.

Advantage	Description												
Enlarged entity with simplified structure may improve access to capital for development of the Lake Johnston Lithium Project	Following the Proposed Acquisition, Charger will wholly own the Project and therefore experience a step change in its size (along with an increase in the number of shares on issue). Combined with the simplified ownership structure of the Lake Johnston Lithium Project, these factors could result in increased analyst coverage and better liquidity, thereby increasing the attractiveness of Charger’s shares and improving its ability to raise equity capital from the equity market and debt capital from financial institutions.												
Consideration under the Proposed Acquisition is in the form of shares as opposed to cash	The Proposed Acquisition does not deplete the cash funds Charger as the consideration payable by the Company is in the form of ordinary shares in Charger with no cash element.												
The Proposed Acquisition is value accretive on a like-for-like basis	In our assessment of whether the Proposed Acquisition is fair, we have assessed the value of a Charger share prior to the Proposed Acquisition on a control basis compared to the value of a Charger share following the Proposed Acquisition on a minority interest basis. However, we note that on a like-for-like basis, where the value of a Charger share is measured on a control basis both prior to and following the Proposed Acquisition, the Proposed Acquisition is value accretive under our assessed low, preferred and high valuations, as set out below. <table><tr><th></th><th>Low</th><th>Preferred</th><th>High</th></tr><tr><td>Value of a Charger share prior to the Proposed Acquisition (controlling basis)</td><td>\$0.233</td><td>\$0.286</td><td>\$0.339</td></tr><tr><td>Value of a Charger share following to the Proposed Acquisition (controlling basis)</td><td>\$0.247</td><td>\$0.308</td><td>\$0.370</td></tr></table> This analysis also indicates that whilst Lithium Australia is paying a premium for control of Charger, it is not the full control premium that we have assessed an acquirer should pay (as set out in Section 10.2).		Low	Preferred	High	Value of a Charger share prior to the Proposed Acquisition (controlling basis)	\$0.233	\$0.286	\$0.339	Value of a Charger share following to the Proposed Acquisition (controlling basis)	\$0.247	\$0.308	\$0.370
	Low	Preferred	High										
Value of a Charger share prior to the Proposed Acquisition (controlling basis)	\$0.233	\$0.286	\$0.339										
Value of a Charger share following to the Proposed Acquisition (controlling basis)	\$0.247	\$0.308	\$0.370										

13.5 Disadvantages of Approving the Proposed Acquisition

If the Proposed Acquisition is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Dilution of Shareholders' interests	If the Proposed Acquisition is approved, Charger will issue 7,000,000 Consideration Shares to Lithium Australia. Following the Proposed Acquisition, existing Shareholders' interests will be diluted from holding 84.54% of the Company prior to the Proposed Acquisition to holding 75.98% following the Proposed Transaction. Further details are set out in Section 4 of the Report.

14. Conclusion

We have considered the terms of the Proposed Acquisition as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Acquisition is not fair but reasonable to Shareholders.

In our opinion, the Proposed Acquisition is not fair because the low, preferred, and high minority interest values of a share in Charger following the Proposed Acquisition are less than the respective low, preferred, and high controlling interest values of a Charger share prior to the Proposed Acquisition. However, we consider the Proposed Acquisition to be reasonable because the advantages of the Proposed Acquisition outweigh the disadvantages.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Reviewed financial statements of Charger for the half year ended 31 December 2022;
- Audited financial statements of Charger for the years ended 30 June 2022 and 30 June 2021;
- Unaudited management accounts of Charger for the period ended 28 February 2023;
- Technical Specialist Report prepared by VRM
- Acquisition agreement between Charger and Lithium Australia;
- Bloomberg;
- S&P Capital IQ;
- U.S Geological Survey;
- Consensus Economics;
- Reserve Bank of Australia;
- Charger's ASX announcements;
- Lithium Australia's ASX announcements;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Charger.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$32,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Charger in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Charger, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Charger and Lithium Australia and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Charger and Lithium Australia and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Charger, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Charger and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been

responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

18. Disclaimers and consents

This report has been prepared at the request of Charger for inclusion in a Notice of Meeting which will be sent to all Charger Shareholders. Charger engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the proposed acquisition of Lithium Australia's 30% interest in the Lake Johnston Lithium Project is fair and reasonable to Charger Shareholders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement, or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to proposed Acquisition of Lithium Australia's interest in the Lake Johnston Lithium Project. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Acquisition, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Charger, or any other party.

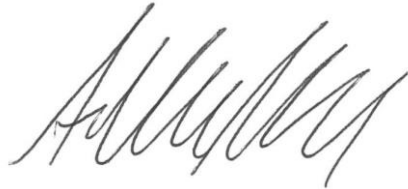
BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Charger. The valuer engaged for the mineral asset valuation, VRM, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

Adam Myers
Director

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', written in a cursive style.

Sherif Andrawes
Director

For personal use only

Appendix 1 - Glossary of Terms

For personal use only

Reference	Definition
AAPA	the Aboriginal Affairs Protection Authority
Agreed Offtake Amount	An agreed offtake amount being the lower of 30% of such lithium product and the OFRF Offer
ANSTO	the Australian Nuclear Science and Technology Organisation
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
AUD or A\$	Australian dollars
BDO	BDO Corporate Finance (WA) Pty Ltd
Bynoe Project	the Bynoe Project in which the Company holds an interest in
Charger	Charger Metals NL
Charger Pre-FID Date	The date the Company expects (acting reasonably) to make a financial investment decision to produce lithium product in commercial quantities
Coates North Project	the Company's Coates North Project
Coates Project	the Coates Project in which the Company holds an interest in
Consideration Shares	A total of 7,000,000 shares issued by Charger to Lithium Australia as consideration for the Proposed Acquisition
Contractual Rights Tenements	A 30% interest in contractual rights to the lithium in exploration licenses numbered E63/1722, E63/1723 and E63/1777 of the Lake Johnston Project
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
DFS	Definitive Feasibility Study
DMIRS	Department of Mines Industry Regulation and Safety
E or EL	Exploration Licence
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ELA	Exploration licence application
Envirostream	Envirostream Australia Pty Ltd
FLTEM	Fixed-loop electromagnetic survey
FME	Future Maintainable Earnings
FSG	Financial Services Guide
Galan	Galan Lithium Limited
IP	Intellectual Property
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements
item 7 s611	Item 7 Section 611 of The Corporations Act 2001 Cth

Reference	Definition
km	kilometres
km2	Square kilometres
Lake Johnston Project	the Lake Johnston Project in which the Company holds an interest in
LCT	Lithium-Caesium-Tantalum
LFP	Lithium ferro phosphate
LieNA®	A type of extraction and refining technology for the recovery of lithium known as LieNA® developed by Lithium Australia
Lithium Australia	Lithium Australia Limited
Lithium Rights Agreements	A rights acquisition agreement between the Company and Lithium Australia and the registered holder of the Contractual Rights Tenements, Johnston Lakes Nickel Ltd
Medcalf Prospect	the Medcalf Spodumene Prospect of the Lake Johnston Project
Mercator	Mercator Metals Pty Ltd
MMP	The Company's Mine Management Plan
Mount Day Prospect	the Mount Day Lithium Prospect of the Lake Johnston Project
NAV	Net Asset Value
NSR	Net smelter return
NT	Northern Territory
Offtake First Right of Refusal	The grant of the offtake first right of refusal to Lithium Australia from Charger as part of the consideration for the Proposed Transaction
OFRF Offer	The lithium product required to produce lithium metal phosphate through a commercial facility in which Lithium Australia has an ownership interest of 25% or more
our Report	This Independent Expert's Report prepared by BDO
P	Prospecting Licence
PGE	Platinum group elements
Phosphate Back-End	A type of extraction and refining technology for the recovery of lithium known as Phosphate Back-End developed by Lithium Australia
POW	Program of Work granted by the DMIRS
Proposed Acquisition	Charger announcing that it had entered into a binding formal agreement with Lithium Australia to acquire its 30% interest in the Lake Johnson Joint Venture
QMP	Quoted Market Price
RBA	the Reserve Bank of Australia
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Regulatory Guide 170 'Prospective Financial Information'
RG 74	Acquisitions Approved by Members
Sale Tenements	A 30% interest in the exploration licenses numbered E63/1809 and E63/1866 of the Lake Johnston Project
Section 606	Section 606 of The Corporations Act 2001 Cth
Section 611	Section 611 of The Corporations Act 2001 Cth
Shareholders	Shareholders of Charger not associated with the Proposed Acquisition

Reference	Definition
SiLeach®	A type of extraction and refining technology for the recovery of lithium known as SiLeach® developed by Lithium Australia
Sum-of-Parts	A combination of methodologies used referred to as a 'sum-of-parts'
T1 Target	The top priority target of the Company's fieldwork
Technical Specialist Report	A technical specialist report prepared by VRM which includes an assessment of the market value of Charger's mineral assets
the Act	The Corporations Act 2001 Cth
the Bank	the Reserve Bank of Australia
the Company	Charger Metals NL
the Project	the Lake Johnston Project in which the Company holds an interest in
the Vendor	Lithium Australia Limited
USGS	the United States Geological Survey
VALMIN Code	the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition)
VRM	Valuation and Resource Management Pty Ltd
VSPC	VSCP Pty Ltd
WA	Western Australia
We or Us or Ours	BDO Corporate Finance (WA) Pty Ltd

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The Directors

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Perth, WA 6000

Australia

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - VRM's Technical Specialist' Report

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TECHNICAL ASSESSMENT AND VALUATION REPORT FOR CHARGER METALS NL

Presented To:
BDO Corporate Finance (WA) Pty Ltd

Date Issued:
April 24, 2023

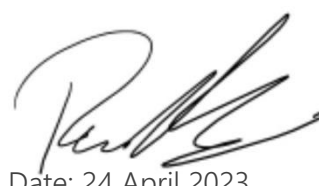
Distribution Charger Metals NL
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Date: 24 April 2023

Valuation Date 24 April 2023

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Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) commissioned, on behalf of Charger Metals NL, Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation Report (ITAR or Report) on the Mineral Assets owned or proposed to be acquired by Charger Metals NL (ASX: CHR) (Charger or the Company).

This report was prepared as a public document, in the format of a Specialist Report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (VALMIN) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (JORC).

This Report is a technical review of three (3) Projects in Western Australia (the Lake Johnston Lithium & Gold Project, the Lake Johnston Lithium Project, and the Coates Project), and one (1) Project in the Northern Territory (the Bynoe Lithium and Gold Project).

The Projects are all at the exploration stage, with no JORC 2012 Mineral Resource or Ore Reserve estimates within any of the Projects.



Figure 1: Location of the Projects reviewed in this report.

(Source: Charger Metals NL)

Summary of the Western Australian Projects

The three Western Australian Projects are comprised of nine (9) granted Exploration Licences, two (2) granted Prospecting Licences, and one (1) Retention Licence.

Coates Ni-Cu-Co-PGE Project

The Coates Project tenements are located within the prospective South West Greenstone terrane of Western Australia, which hosts the Gonneville Deposit discovered by Chalice Mining in 2019. The immediate area covers the Coates Mafic Intrusive Complex (CMIC), with Charger completing geophysical and geochemical surveys confirming the presence of sulphides within shear-textured quartz veining close to the contact with the CMIC. The area remains highly prospective for layered mafic-ultramafic intrusive complex-related Ni-Cu-Co-PGE mineralization akin to that discovered at Gonneville.

Lake Johnston Lithium and Gold Project

The Lake Johnston Lithium and Gold Project occurs within the broader Lake Johnston Greenstone Belt which has an extended geological history largely focussed on gold and nickel targets within the greenstone sequence. Charger is pursuing an exploration strategy focussed on gold, lithium, and associated minerals in the granite greenstone parts of the belt, with extensive outcropping pegmatite clusters identified. Preliminary geochemical and geophysical exploration defined drill targets, which when tested, confirmed numerous stacked spodumene-bearing pegmatites open at depth and along strike. Drilling continues to define the aerial and depth extents of the highly prospective Lithium-Caesium-Tantalum (LCT) pegmatites. The area remains prospective for LCT pegmatite mineralization as well as for gold mineralization of an orogenic lode gold style as is known in the district.

Lake Johnston Lithium Project

The Project is also located within the Lake Johnston Greenstone Belt, where Company mapping and surface sampling has already defined LCT pegmatites.

Summary of the Northern Territory Project

Bynoe Project

The Project is located within the Litchfield Pegmatite Belt which hosts numerous recognised groups of LCT pegmatites and has an extended history of tin mining. The tenement is a single Exploration Licence. Charger has completed geochemistry and aeromagnetic programs and has defined swarms of LCT pegmatites that extend into their tenements from the adjacent Finniss Lithium Project. These represent immediate drill targets that the Company is currently preparing to test.

Conclusions

Based on the technical review and the analysis undertaken by VRM the market value of the mineral assets of Charger has been determined in accordance with the guidelines of the VALMIN Code, including using two separate valuation methods. VRM has applied appropriate rounding to the valuation in line with the variability associated with valuations of this nature.

VRM considers that the mineral assets of Charger have a market value between \$8.8 million and \$15.4 million with a preferred value of \$12.1 million as a pre-transaction estimate that accounts for Chargers beneficial interest in each of the Projects reviewed. This valuation is based on the average of the Geoscientific or Kilburn valuation and the Prospectivity Enhancement Multiplier valuation method.

Table 1: Valuation results on an individual and total Project basis

Project	Valuation Method	Low	Mid	High
Coates	Kilburn	1.6	2.7	3.9
	PEM	1.1	1.3	1.4
Lake Johnston Li & Au	Kilburn	5.1	7.9	10.7
	PEM	5.6	6.3	7.0
Lake Johnston Li	Kilburn	1.2	2.4	3.5
	PEM	0.7	0.8	0.9
Bynoe	Kilburn	0.6	0.8	1.0
	PEM	1.7	2.0	2.3
All CHR Projects	Kilburn	8.4	13.8	19.1
	PEM	9.2	10.4	11.7
VRM Preferred Valuation Range – All CHR Projects		8.8	12.1	15.4

Contents

TECHNICAL ASSESSMENT AND VALUATION REPORT FOR CHARGER METALS NL	0
Executive Summary	i
List of Figures	v
List of Tables.....	vi
1. Introduction	1
1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides	1
1.2. Scope of Work	1
1.3. Statement of Independence	2
1.4. Competent Persons Declaration and Qualifications	2
1.5. Reliance on Experts	3
1.6. Sources of Information	3
1.7. Site Visits.....	3
2. Mineral Assets	4
2.1. Mineral Tenure	4
3. Lake Johnston Lithium and Gold Project	6
3.1. Location and Access	6
3.2. Geology and Exploration History	7
3.2.1.Exploration by Charger	7
3.2.2.Exploration Potential.....	11
4. Lake Johnston Lithium Project	12
4.1. Location and Access	12
4.2. Geology and Exploration History	13
4.3. Exploration by Charger	13
4.3.1.Exploration Potential.....	13
5. Bynoe Project	14
5.1. Location and Access	14
5.2. Geology and Exploration History	14
5.3. Exploration by Charger	16
6. Coates Ni-Cu-Co-PGE Project.....	18
6.1. Location and Access	18
6.2. Geology and Exploration History	18
6.3. Exploration by Charger	20
6.4. Exploration Potential.....	22
7. Risks and Opportunities	23
8. Valuation Approach	25

8.1. Previous Valuations	25
8.2. Valuation Subject to Change.....	25
8.3. General Assumptions	26
8.4. Exploration Asset Valuation	26
8.5. Geoscientific (Kilburn) Valuation.....	27
8.6. Comparable Market Based Transactions	28
8.7. Prospectivity Enhancement Multiplier (PEM) Valuation	29
9. Valuation of Charger Metals tenements.....	30
9.1. Geoscientific / Kilburn Valuation	30
9.1.1. Coates Project.....	30
9.1.2. Lake Johnston Lithium and Gold Project	31
9.1.3. Lake Johnston Lithium Project	32
9.1.4. Bynoe Project	32
9.2. Prospectivity Enhancement Multiplier (PEM) Valuation	33
10. Preferred Valuation Range.....	35
11. References.....	37
11.1. Published References.....	37
11.2. Project Specific References	39
11.2.1. Lake Johnston Lithium and Gold Project.....	39
11.2.2. Lake Johnston Lithium Project.....	42
11.2.3. Coates Project	44
11.2.4. Bynoe Project.....	45
12. Glossary	47
Appendix A - Geoscientific Valuation of the Coates Project	51
Appendix B - Geoscientific Valuation of the Lake Johnston Lithium and Gold Project.....	52
Appendix C - Geoscientific Valuation of the Lake Johnston Lithium Project.....	53
Appendix D - Geoscientific Valuation of the Bynoe Project	54

List of Figures

Figure 1: Location of the Projects reviewed in this report.	i
Figure 7: Location and interpreted geology at the Lake Johnston Lithium and Gold Project.....	6
Figure 8: Medcalf Lithium Prospect showing mapped pegmatite swarm, soil sample and rock chip locations.	8
Figure 9: Processed Li assay values from soil geochemistry (background), overlain by graduated point Li ₂ O assay values.....	8

Figure 12: Mapped pegmatite with completed and proposed drill collars relative to the surface mapped pegmatite swarm.....	9
Figure 13: Cross section A-A' and B-B' showing an interpretation of the pegmatite swarm and assays.....	10
Figure 14: Preliminary results from the March 2023 RC drilling program with completed and proposed drill collars showing pegmatite swarm continuity along strike to the NW.....	11
Figure 15: Location and interpreted geology at the Lake Johnston Lithium Project	12
Figure 16: Mapped pegmatites at Mount Day showing Li ₂ O and Ta analyses from rock chip samples.....	13
Figure 17: Location of the Bynoe Project.....	14
Figure 18: Geological setting of the Bynoe Project.....	15
Figure 19: Compilation map showing distribution of historic sampling at the Bynoe Project.....	16
Figure 2: Location of the Coates Project	18
Figure 3: Geological interpretation of the Coates Project area	19
Figure 4: SkyTEM image showing 22 priority targets, including Target T1.	21
Figure 5: Simplified geology showing coincident SkyTEM and geochemical anomaly.	21
Figure 6: Modelled FLTEM conductors C01 and C02 priority targets for massive sulphide mineralisation. ...	22
Figure 20: Valuation ranges as determined by the relevant method for each Project, and VRM's preferred valuation range.....	36

List of Tables

Table 1: Valuation results on an individual and total Project basis	iii
Table 2: Tenements considered in this Report.	5
Table 3: VALMIN Code 2015 valuation approaches suitable for mineral properties.	25
Table 4: Ranking criteria are used to determine the geoscientific technical valuation.....	28
Table 5: Prospectivity Enhancement Multiplier (PEM) ranking criteria.....	29
Table 6: Geoscientific Market Valuation of the Coates Project.....	31
Table 7: Geoscientific Valuation of the Lake Johnston Lithium and Gold Project	31
Table 8: Geoscientific Valuation of the Lake Johnston Lithium Project.....	32
Table 9: Geoscientific Valuation of the Bynoe Project	32
Table 10: PEM Valuation for all granted exploration tenements.	34
Table 11: Summary of Valuation results and VRM's Preferred valuation range for each Project.....	35

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (BDO) commissioned Valuation and Resource Management Pty Ltd (VRM), on behalf of Charger Metals NL, to prepare an Independent Technical Assessment and Valuation Report (ITAR or Report) on the Mineral Assets owned by Charger Metals NL (ASX: CHR) (Charger or the Company), and the Lake Johnston Lithium Project which Charger proposes to acquire from Lithium Australia Limited (ASX: LIT). VRM understands that LIT is considered to be a related party to Charger and therefore the proposed acquisition of LIT's 30% interest in the Lake Johnston Joint venture arrangement (JV) will require Charger to obtain shareholder approval under listing rule 10.1 and under item 7, section 611 of the Corporations Act. The directors of Charger have requested that BDO prepare an independent expert's report (IER) to express an opinion as to if the proposed acquisition is in the best interests of the non-associated shareholders of Charger. This ITAR is intended to be appended to the BDO's IER.

The minerals assets considered in this review include four (4) Projects across thirteen (13) granted licences (variably exploration, prospecting, or retention licences). The minimum interest held by Charger for any tenement is 70%. Other than the Bynoe Project, which is located in the Northern territory, the Projects are located in Western Australia.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

This ITAR is prepared applying the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (VALMIN) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (JORC). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This Report is a Public Report as described in the VALMIN Code (clause 5) and the JORC Code (clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Charger as referenced in this Report and additional publicly available information.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this report and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects in compliance with the JORC and VALMIN Codes. These require that the Public Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the ITAR based upon the principle of reviewing and interrogating both the work of Charger and independent specialists who have contributed to the technical information available for the projects. This report is a summary of the work conducted to April 2023 and is based on information supplied to VRM by Charger and its advisors as well as information that is in the public domain, to the extent required by the JORC and VALMIN Codes.

VRM understands that its review and report will be appended to BDO's IER report, and as such, it is understood that VRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the VALMIN Code.

Much of this report is based on information provided by Charger along with publicly available data, including ASX releases and public data from various companies currently or previously working existing and nearby tenements. VRM has made all reasonable endeavours to confirm the accuracy, validity and completeness of the technical data that forms the basis of this report. In VRM's opinion the information that has been provided is reasonable under both the JORC and VALMIN codes and conforms with the Reasonable Grounds Requirements of the Corporations Act 2001 and the ASIC Information Sheet 214 (INFO214). The opinions and statements in this report are given in good faith and under the belief that they are accurate and not false nor misleading.

1.3. Statement of Independence

VRM was engaged to undertake an ITAR on the mineral assets of Charger which is subject to the proposed transaction. This work has been conducted in accordance with the JORC and VALMIN Codes. It also complies with ASIC Regulatory Guideline 111 – Content of Expert Reports (RG111) and ASIC Regulatory Guidelines 112 Independence of Experts (RG112).

Dr Louis Bucci and Mr Paul Dunbar and VRM have no association with Charger, BDO, their individual employees, or any interest in the securities of either company, which could be regarded as affecting the ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated at approximately \$40,000 (ex GST).

1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Dr Louis Bucci and Mr Paul Dunbar

The information in this Report that relates to Technical Assessment of Mineral Assets and the mineral asset valuation reflects information compiled and conclusions derived by Dr Louis Bucci, who is a Member of the AIG and who has a PhD in economic geology and B AppSc Honours in geology. He is an associate of VRM, a Geology and Exploration Management consultancy.

The Technical Assessment sections of this report have been peer-reviewed by Mr Paul Dunbar. Additionally, Mr Dunbar contributed and supervised the valuation sections of the report. Mr Dunbar, who has a MSc in mineral exploration and BSc Honours in geology, is employed by VRM and he takes overall responsibility for compilation of the Report. He has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity that he is undertaking to qualify as a Practitioner as defined

in the 2015 edition of the VALMIN Code. Mr Dunbar consents to the inclusion in the Report of the matters based on the information in the form and context in which it appears.

1.5. Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting. VRM has relied on the information publicly available and the following:

- Information and/or reports obtained from Charger;
- Various ASX releases, including from previous owners and neighbouring companies; and
- Publicly available information, including maps, datasets, and technical publications of the Geological Survey of Western Australia and Northern Territory.

This report contains references or statements made by other parties sourced from the following:

- Academic and technical papers and abstracts in publicly available journals;
- ASX Releases by various Companies; and
- Published and unpublished Annual Technical reports for the Tenements.

The authors of these reports have not consented to the use of their statements in this report. These statements are issued in accordance with ASIC Regulatory Guide 55 and ASIC Corporations (Consents to Statements) Instrument 2016/72.

1.6. Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by Charger and other relevant publicly available data to 4 April 2023. Reference has been made to sources of information, published and unpublished, including government reports and reports prepared by previous parties to the areas. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Charger as detailed in the reference list. In addition, much of the technical information provided by Charger is also available in ASX releases by previous owners; it is referenced as such in the report below.

A draft of this report, with the valuations redacted, has been provided to Charger to identify and address any factual errors or omissions prior to finalisation of the report.

1.7. Site Visits

Site visits to the Projects were not undertaken during the preparation of this report. VRM has verified the information from previous owners via Government agencies and ASX releases and considered that site visits would not result in additional material information given the early-stage nature, remote location, limited outcrop, and minimal sampling associated with the tenements.

2. Mineral Assets

Charger's mineral tenements under consideration are detailed in Table 2, where the Project description denotes the section below where it is discussed on a location and geological framework basis. The list of tenements has been provided by Charger, and their distribution is presented in the relevant Project area sections, and broadly in Figure 1.

2.1. Mineral Tenure

According to the databases of the Government of Western Australia Department of Mines, Industry Regulations and Safety, and the Northern Territory Government Department of Industry, Tourism and Trade, the licences listed in Table 2 are current and in good order as of April 2023. To the best of VRM's knowledge, they remain in good standing with all statutory filings, reports and documentation including renewals supplied to the various government departments. VRM has been informed by the Company that E63/1866, which is due to expire on 26 April 2023, will not be renewed and on that basis any potential value of that tenement has been excluded from the valuation contained within this Report. It is however it is contained in the technical aspects of this report due to it being a current and live tenement at the date of this report.

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining. As VRM and the authors of this Report are not experts in mining law, no warranty or guarantee, be it expressed or implied, is made by VRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

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Table 2: Tenements considered in this Report.

Tenement	Region	Project	Holder	Equity	Status	Area [#]	Grant date	Expiry date	Minimum Expenditure (\$)
E70/5198	Jimperding Belt	Coates	Lithium Australia Ltd	70%	Live	10	02/04/2019	01/04/2024	30,000
E70/5437	Jimperding Belt	Coates	Lithium Australia Ltd	70%	Live	1	2/03/2023	1/3/2028	10,000
P70/1752	Jimperding Belt	Coates	Charger Metals NL, Lithium Australia Ltd	70%	Live	23.4 ¹	25/03/2021	24/03/2025	2,000
P70/1753	Jimperding Belt	Coates	Charger Metals NL, Lithium Australia Ltd	70%	Live	19.6 ¹	25/03/2021	24/03/2025	2,000
R70/59	Jimperding Belt	Coates	Mercator Metals P/L	85% ²	Live	1,695.7 ¹	04/10/2019	03/10/2027	N/A
E63/1809	Lake Johnston	Lake Johnston Lithium & Gold	Lithium Australia Ltd	70%	Live	53	17/10/2017	16/10/2027	106,000.00
E63/1866 ⁶	Lake Johnston	Lake Johnston Lithium & Gold	Lithium Australia Ltd	70%	Live	60	27/04/2018	26/04/2023	45,000
E63/1903	Lake Johnston	Lake Johnston Lithium & Gold	Lithium Australia Ltd	100%	Live	16	01/07/2019	30/06/2024	30,000.00
E63/1883	Lake Johnston	Lake Johnston Lithium & Gold	Gianni, Peter Romeo	100%	Live	13	20/12/2018	19/12/2023	30,000
E63/1722	Lake Johnston	Lake Johnston Lithium	Johnston Lakes Nickel Ltd	70%	Live	39	01/04/2016	31/03/2026	80,167.00
E63/1723	Lake Johnston	Lake Johnston Lithium	Johnston Lakes Nickel Ltd	70%	Live	16	28/07/2015	27/07/2025	70,000
E63/1777	Lake Johnston	Lake Johnston Lithium	Johnston Lakes Nickel Ltd	70%	Live	3	07/10/2016	06/10/2026	30,000
EL30897	Bynoe	Bynoe Pegmatite Field	Lithium Australia Ltd	70%	Live	16	22/03/2022	21/03/2024	12,400 ⁴

[#] Block; ¹ Hectare; ² Subject to Yankuang Bauxite Interest; ³ Interest in lithium rights only under the Lithium Rights Agreement with Lefroy Exploration Limited; ⁴ Based on Indicative Minimum Expenditure for Exploration Licences - Guideline 6 Northern Territory Government. ⁵ The tenement will shortly expire with the company providing information that no extension of term will be lodged, causing the tenement to die on 26 April 2023. Therefore, the potential value of the tenement has been excluded from the valuation detailed in this report.

3. Lake Johnston Lithium and Gold Project

3.1. Location and Access

The Project comprises four (4) active Exploration Licences located approximately 450 km east of Perth, and 150 km southwest of Coolgardie in Western Australia (Figure 2; Table 2). Access to the Project area is available via the Norseman-Hyden or Marvel Loch-Mt Day all-weather roads. The Project comprises two (2) main prospects; the Mt Day and Medcalf Prospects (Figure 2).

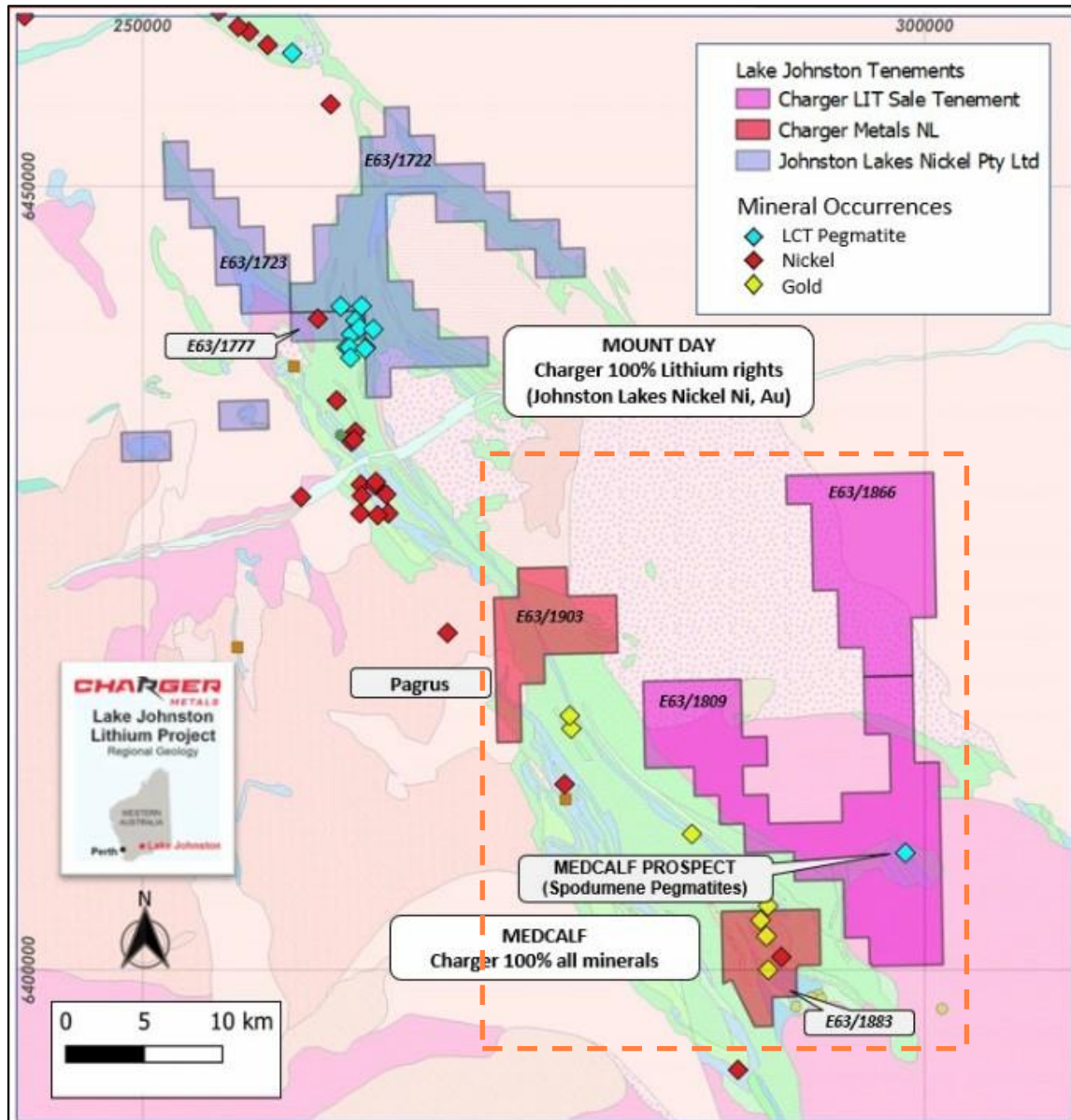


Figure 2: Location and interpreted geology at the Lake Johnston Lithium and Gold Project

(Note: Project area denoted by orange dashed box)

(Source: Charger Metals ASX Announcement 13 February 2023)

3.2. Geology and Exploration History

The Project occurs within the broader Lake Johnston Greenstone Belt which is comprised of an Archaean supracrustal sequence dominated by mafic volcanic rocks. The majority of the Greenstone Belt has been metamorphosed to amphibolite-facies grade and is defined by a strong regional fabric developed during extensive and pervasive deformation. At least three generations of granitic rocks reportedly intrude the sequence, including pegmatites (see Lowrey et al., 2021). Late-stage Proterozoic dolerite dykes are also common in the region and are variably east-west oriented. Given the extended geological history of the region, a variety of mineral commodities are viable as exploration focus; at this point, Charger is pursuing an exploration strategy focussed on gold, lithium, and associated minerals.

The area has seen variable exploration efforts focussed largely on gold and nickel, with the nickel boom of the 1960's seeing the commencement of focussed and structured exploration for nickel sulphide mineralization (see WAMEX 5958, 44939). Significant discoveries of the Maggie Hays and Emily Ann nickel deposits during the late 1980s and 90s drove exploration, with extensive work by Goldfields Exploration Pty Ltd (see WAMEX 54574), LionOre Australia (Nickel) Limited (see WAMEX 69091 and 73226) and Norilsk Nickel NL (WAMEX 79561 and 84517). Given the historic exploration success within the mafic sequence, exploration with the adjacent granitic regions has been limited until recently. Prior to the interest in Li, work on the granitic terranes was limited to GSWA geological mapping and their regional geophysical datasets (see <https://geoview.dmp.wa.gov.au/>).

More recent reconnaissance geological mapping and geochemical sampling within the granite greenstone terrane has identified a number of LCT pegmatites, and a spodumene pegmatite cluster at Bontempelli Hill near Lake Medcalf (see Charger Prospectus, 2021). Initially, promising targets were identified by LIT at the Lake Metcalf Prospect, where a large zone of very strongly mineralised pegmatite was mapped at Bontempelli Hill. The mineralization here outcrops, and consists of near fresh, stacked pegmatites, containing 20-30% spodumene. Rock-chip samples from the pegmatite dyke swarm average 3.6% Li_2O , and up to a maximum of 7.15% Li_2O from spodumene outcrop (see Charger Prospectus, 2021). The mineralised pegmatites cover a 450 x 250 m area, with soil sampling and geology indicating possible extensions to the southeast under adjacent cover. Individual dykes range from about 20 m to 120 m in length and 1 to 5 m in thickness. At least 3 spodumene zones within the thicker centres of the dykes range from 3-5 m wide and may increase at depth (see Charger Prospectus, 2021).

3.2.1. Exploration by Charger

The Company commenced focussed exploration within the Project with wide spaced soil geochemistry and mapping programs to compliment planned drilling at the high priority Medcalf Prospect. This work followed up previously identified outcropping pegmatite cluster at least 500m long within a 300m-wide corridor (Figure 3). Rock-chip assays from returned ranges between 1.51% and 7.15% Li_2O with the predominant lithium mineral being spodumene (Charger ASX Announcement 8 September 2022).

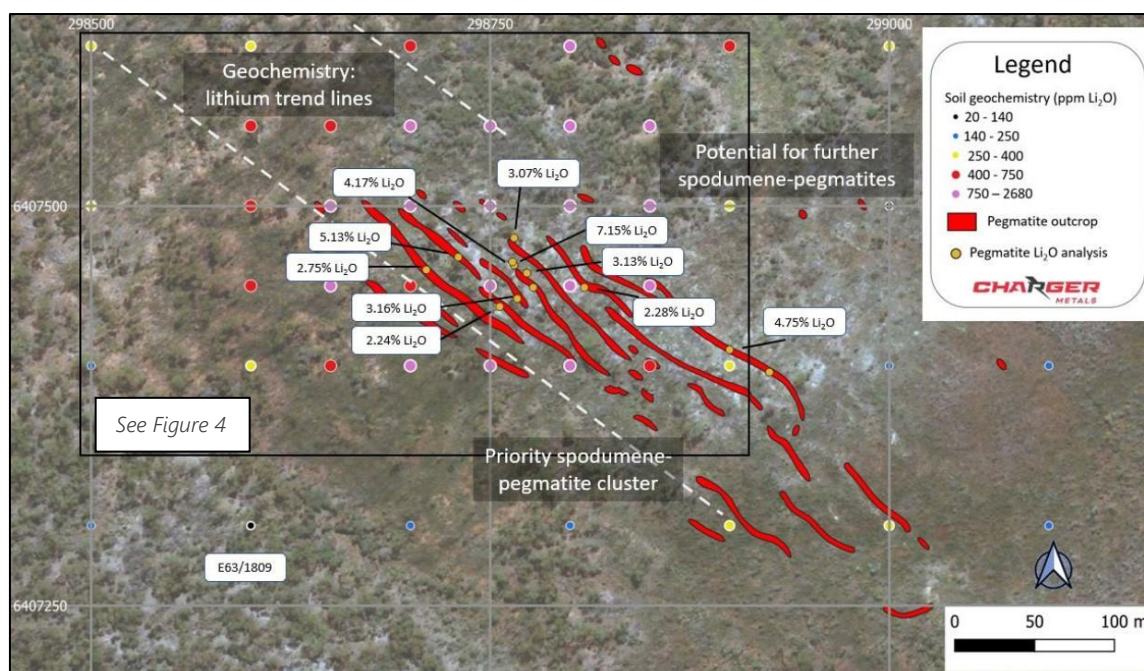


Figure 3: Medcalf Lithium Prospect showing mapped pegmatite swarm, soil sample and rock chip locations.

(Note: Assays shown are of spodumene-bearing rock chips. The central black rectangle aligns with the geochemical image in Figure 4)

(Source: Charger Metals ASX Announcement 8 September 2022)

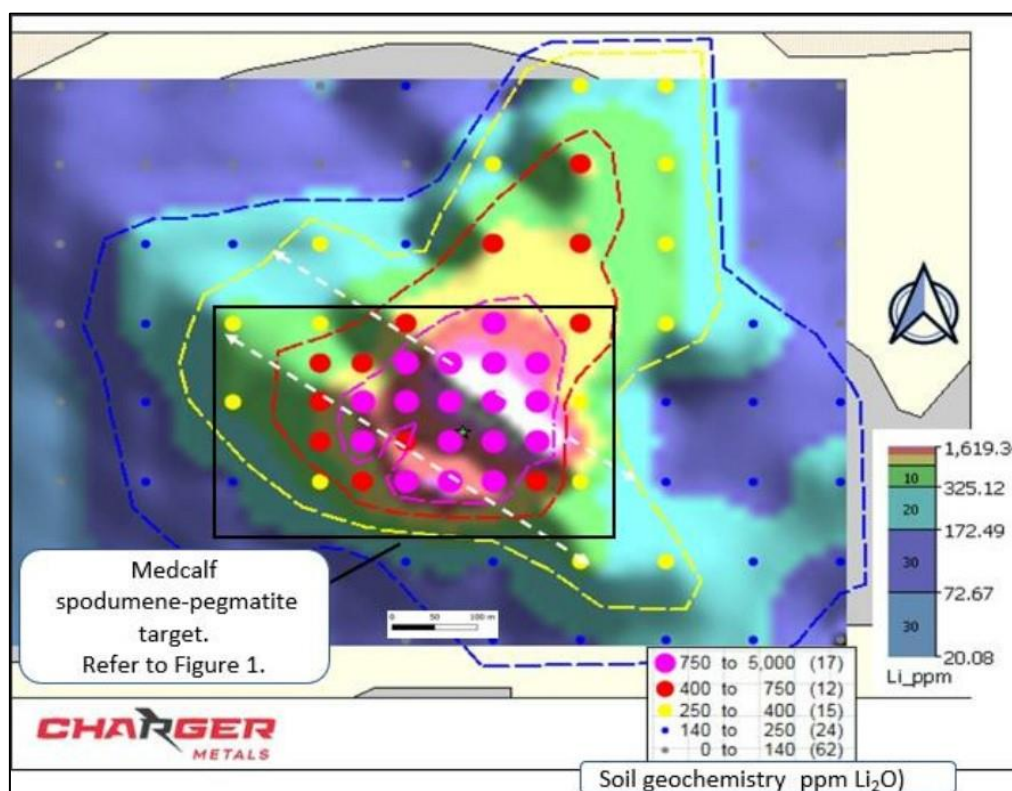


Figure 4: Processed Li assay values from soil geochemistry (background), overlain by graduated point Li₂O assay values.

(Note: The area of the Medcalf pegmatite cluster is indicated by the central black rectangle with a soil geochemistry anomaly over covering approximately 800m by 600m)

(Source: Charger Metals ASX Announcement 8 September 2022)

Preliminary drilling of seventeen (17) RC holes in December 2022 for 2,669 metres identified numerous stacked pegmatites between 1 and 5 metres wide, with field observations noting spodumene in fifteen (15) of seventeen (17) holes, within a zone approximately 50m wide (). This mineralization remains open at each end and at depth (Charger ASX Announcement 20 December 2022).

Drilling resumed at the prospect in January 2023, with a further ten (10) RC holes completed and an additional ten (10) to be drilled through March 2023 (Figure 5). Spodumene-pegmatites were again intersected on each of the four (4) sections now drilled to date. Individual units, up to 13m in width (allowing up to 2m of contiguous internal waste), have a NW strike direction with SW dip at approximately -40° (Figure 6). Importantly, thicker pegmatites are recorded on the NW-most drill section indicating a possible NW plunge to the mineralisation (Figure 6).

The interpretation of multiple spodumene-bearing zones in drilling was confirmed in February 2023, with the following significant lithium intersections announced to market:

- 22CRC002: 5m at 2.55% Li_2O from 68m including 2m at 4.19% Li_2O ;
- 22CRC005: 3m at 1.25% Li_2O from 6m and
6m at 1.52% Li_2O from 26m and 3m at 1.21% Li_2O from 40m
3m at 1.21% Li_2O from 40m

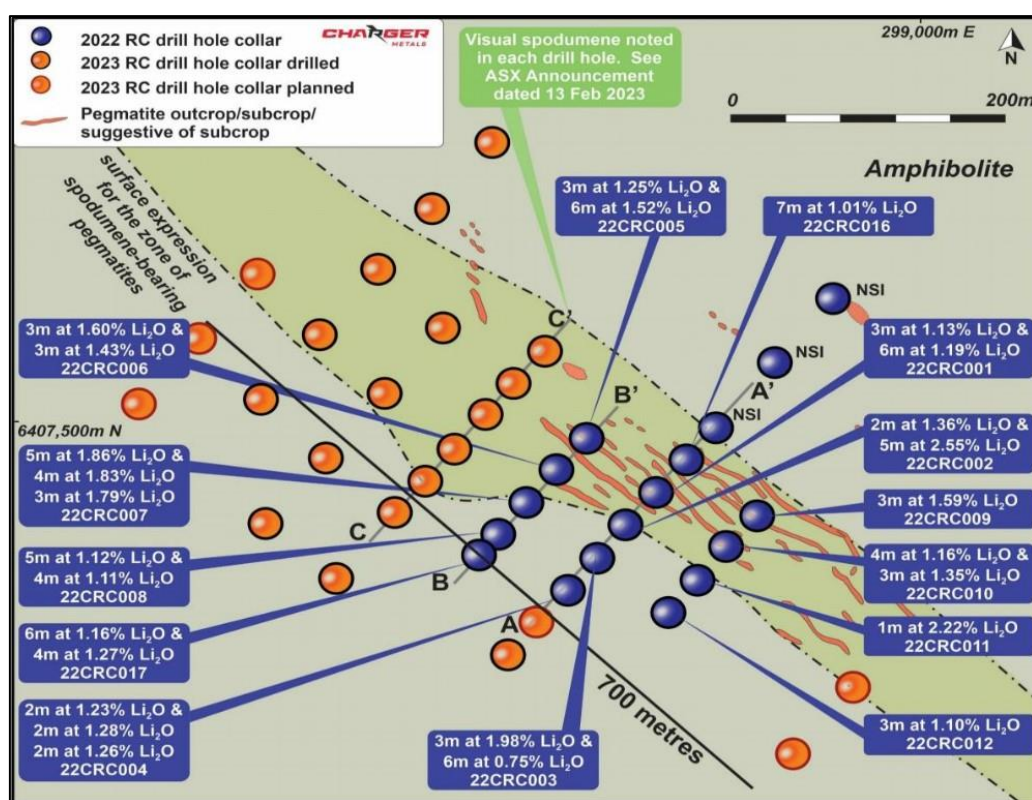


Figure 5: Mapped pegmatite with completed and proposed drill collars relative to the surface mapped pegmatite swarm.

(Source: Charger Metals ASX Announcement 22 February 2023 and CP statement therein)

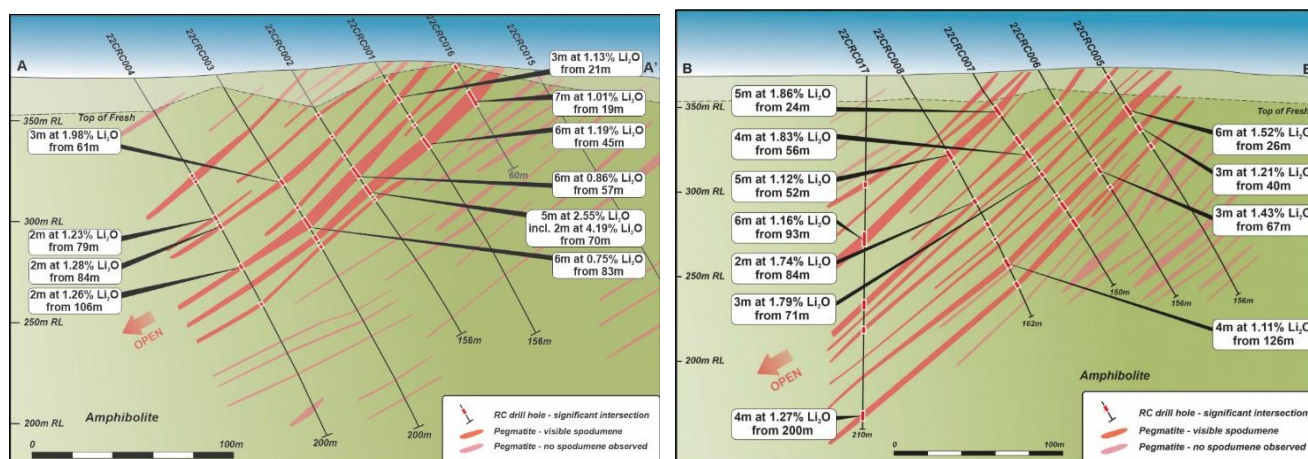


Figure 6: Cross section A-A' and B-B' showing an interpretation of the pegmatite swarm and assays.

(Note: Refer to Figure 5 for location of section lines. Occurrence of apparent spodumene within each pegmatite is shown.)

(Source: Charger Metals ASX Announcement 22 February 2023 and CP statement therein)

- 22CRC007: 5m at 1.86% Li₂O from 24m and 2m at 1.12% Li₂O from 47m and 4m at 1.83% Li₂O from 56m and 3m at 1.79% Li₂O from 71m
- 22CRC008: 5m at 1.12% Li₂O from 52m and 1m at 4.02% Li₂O from 63m; and 2m at 1.74% Li₂O from 84m
- 22CRC009: 3m at 1.59% Li₂O from 21m
- 22CRC017: 6m at 1.16% Li₂O from 93m; and 4m at 1.27% Li₂O from 200m

On April 3rd, 2023 the Company released results for five (5) drill holes completed during the March 2023 RC drilling campaign for section line C-C' presented in (Charger ASX Announcement 3 April 2023). These include¹:

- 23CRC013: 4m at 20.6% Li₂O from 145m
- 23CRC06: 6m at 1.56% Li₂O from 19m
- 23CRC007: 5m at 1.41% Li₂O from 83m
- 23CRC003: 6m at 1.34% Li₂O from 24m; and
- 23CRC002: 6m at 1.06% Li₂O from 47m

The results confirm the pegmatite swarms along strike and down-dip to the NW of previous drilling, and further demonstrate the continuity of multiply staked Li-rich pegmatites previously identified at Medcalf.

¹ Intersections are reported as down-hole widths using a cut-off of 0.5% Li₂O and a maximum of 2m internal dilution

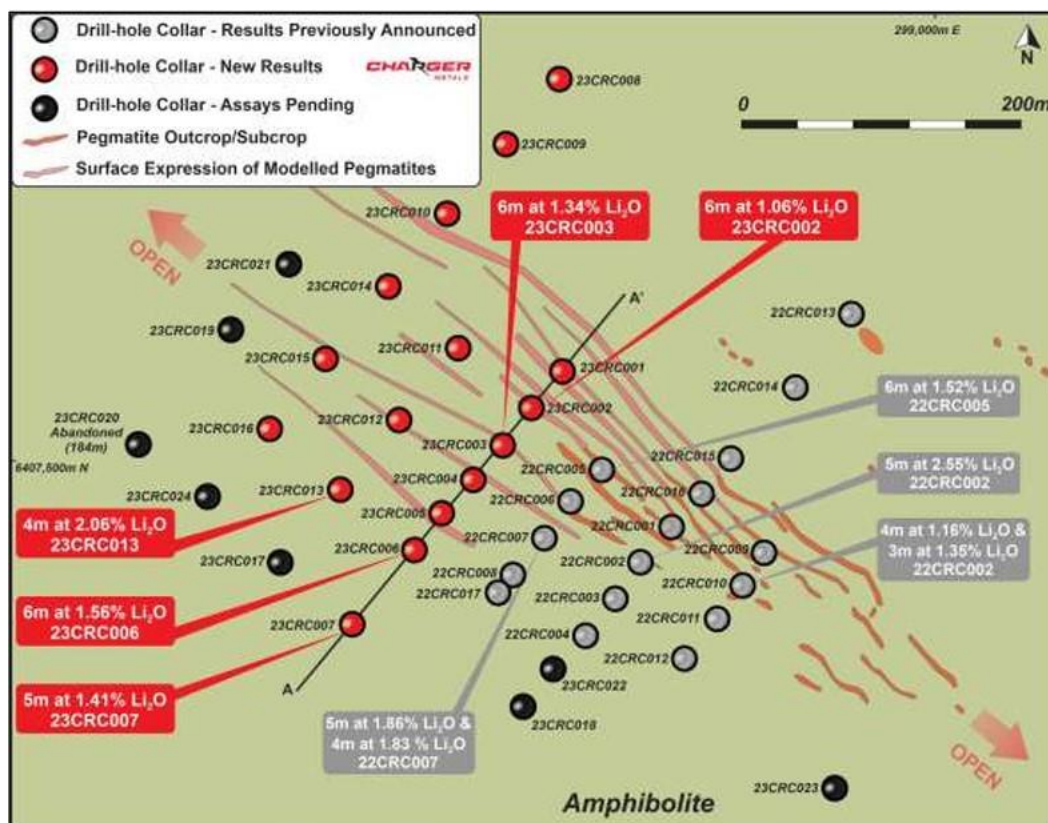


Figure 7: Preliminary results from the March 2023 RC drilling program with completed and proposed drill collars showing pegmatite swarm continuity along strike to the NW.

(Source: Charger Metals ASX Announcement 3 April 2023 and CP statement therein)

3.2.2. Exploration Potential

The area remains highly prospective for LCT pegmatite mineralization, with the Medcalf Prospect the primary area of focus for the Company. The definition of strike- and down-dip extensive spodumene-bearing pegmatites indicates a broad mineralizing system that still requires testing in order to constrain its aerial extent. Given the primary Li focus for the Company, drill testing within the mafic sequences for gold targets has been deprioritised at this stage. However, this does not suggest that the prospectivity potential for gold in the area should be downgraded.

4. Lake Johnston Lithium Project

4.1. Location and Access

The Project comprises three (3) active Exploration Licences located approximately 15km to the northwest of the Lake Johnston Lithium and Gold Project, and situated ~117 km west of the town of Norseman, Western Australia (Figure 8; Table 2). The company has previously termed this project the Mt Day Project.

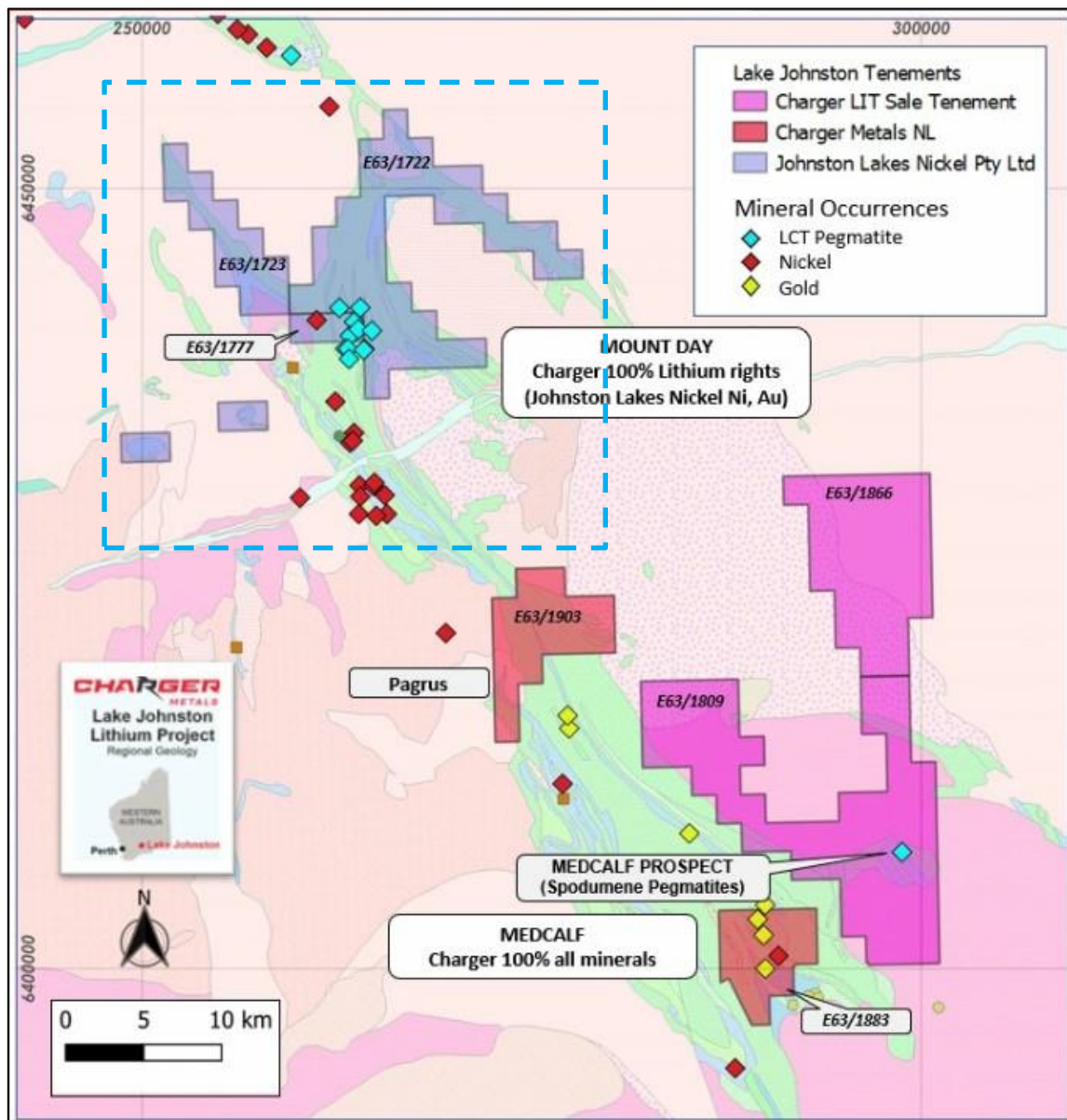


Figure 8: Location and interpreted geology at the Lake Johnston Lithium Project

(Note: Project area denoted by blue dashed box)

(Source: Charger Metals ASX Announcement 13 February 2023)

4.2. Geology and Exploration History

The geological setting is exactly the same as that described for the Lake Johnston Lithium and Gold Project in Section 3.2. In terms of exploration history, the area has seen similar efforts as at the Lake Johnston Lithium and Gold Project.

At the Mt Day area, field sampling and mapping by LIT located numerous, often large (>200 m long by >15m thick) pegmatites with massive lithium mica cores at a number of target areas. Rock-chip sampling of these zones returned highly anomalous assays, with individual results up to 3.94% Li_2O , 8,600 ppm Cs up to, 43,000 ppm Rb and up to 6,900 ppm Ta (see Charger Prospectus, 2021). These targets contained zones of outcropping massive lepidolite and zinnwaldite; altered petalite was also tentatively identified.

4.3. Exploration by Charger

Specifically at Mount Day, Company mapping has demonstrated that the pegmatites have differing orientations, likely representing differing generations of emplacement under different structural regimes (Figure 9). The mapped pegmatites include sub-vertical NE trending dykes (e.g. at Whitten and Floyd; (Figure 9) and apparently more widespread, flat-lying exposed sills (e.g. at Bulldog and Mount Day; (Figure 9).

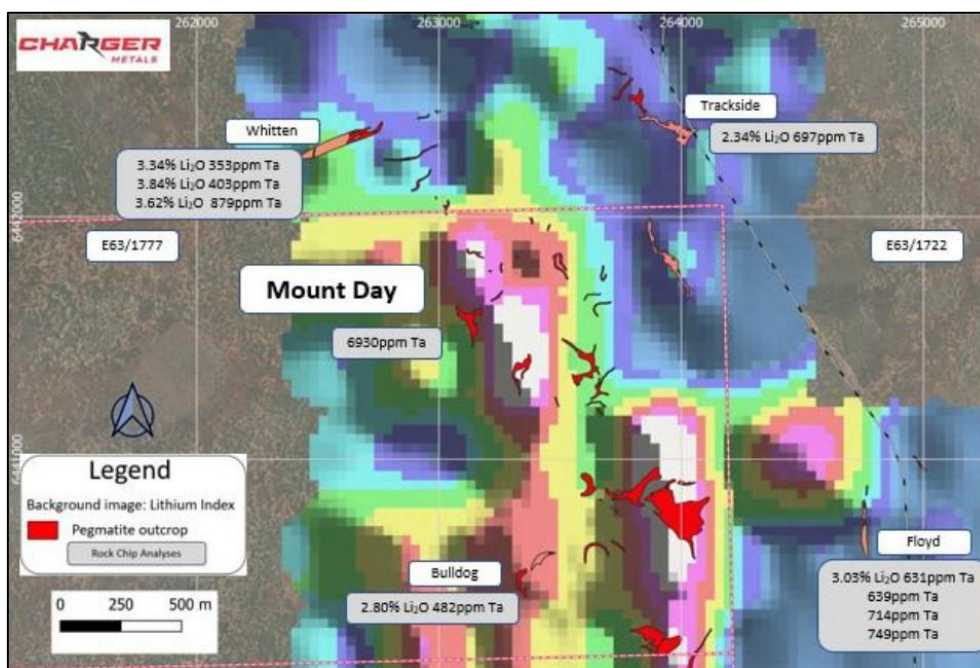


Figure 9: Mapped pegmatites at Mount Day showing Li_2O and Ta analyses from rock chip samples.

(Note: Mapping and rock chip results overlay an image of lithium index values)

(Source: Charger Metals ASX Announcement 18 October 2022)

4.3.1. Exploration Potential

As is the case for the Lithium and Gold Projects to the southeast, the area remains highly prospective for LCT pegmatite mineralization. Given the Company's primary focus is drilling at its high-priority Medcalf Prospect, an opportunity exists to further map and define the aerial extents of pegmatite at Mount Day prior to drilling.

5. Bynoe Project

5.1. Location and Access

The Project consists of one (1) granted exploration Licence (EL30897) covering approximately 63km², and is located ~38 km southwest of Darwin (Figure 10; Table 2). Access to the tenement is via paved road from Darwin and then an all-weather road and exploration tracks that pass through the tenement.

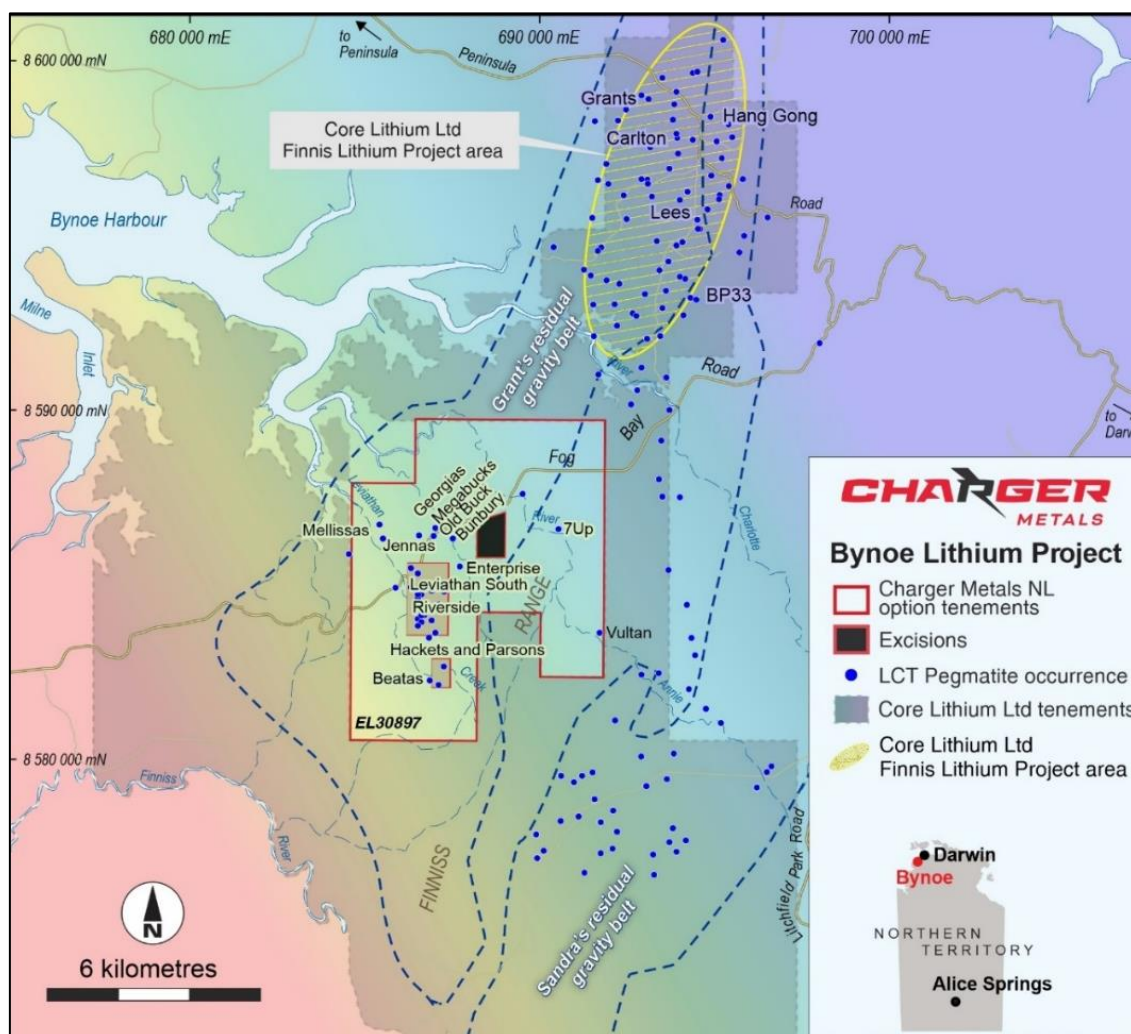


Figure 10: Location of the Bynoe Project

(Source: Charger Metals Prospectus, 2021)

5.2. Geology and Exploration History

The Bynoe Project is considered prospective for lithium and gold and occurs within the Litchfield Pegmatite Belt extending up to 180 km south from Darwin Harbour. The area hosts numerous recognised groups of LCT pegmatites and has an extended history of tin mining (see Frater, 2005; Figure 11).

The immediate Bynoe Project area is located within the Bynoe Pegmatite Field, which is the largest of the pegmatite fields within the Litchfield Pegmatite Belt. Mapping has defined LCT pegmatites distributed over

an approximate area of 70km x 15km, with at least 100 LCT-pegmatites identified within clusters, groups, or as single bodies. Individual pegmatites reportedly occur as bodies ranging in size from a few metres wide and tens of metres long, to larger bodies tens of metres wide and hundreds of metres long (Frater, 2005).

The pegmatites are largely hosted within metasedimentary rocks of the Burrell Creek Formation and Welltree Metamorphics, with pegmatite swarms usually conformable to the regional schistosity with variable dip geometries. Typical mineralogy of the Li-rich greisen zones is quartz-mica-cassiterite ($\pm$ tantalum), although greisen is not always definitively mineralized. Late extensive and pervasive kaolinite alteration of pegmatites is common, with previous explorers defining kaolinite alteration in RC drilling to at least 22m depth (see Corporate Development Resources, 1997). This has the potential to deplete Li dispersion within regolith profiles.

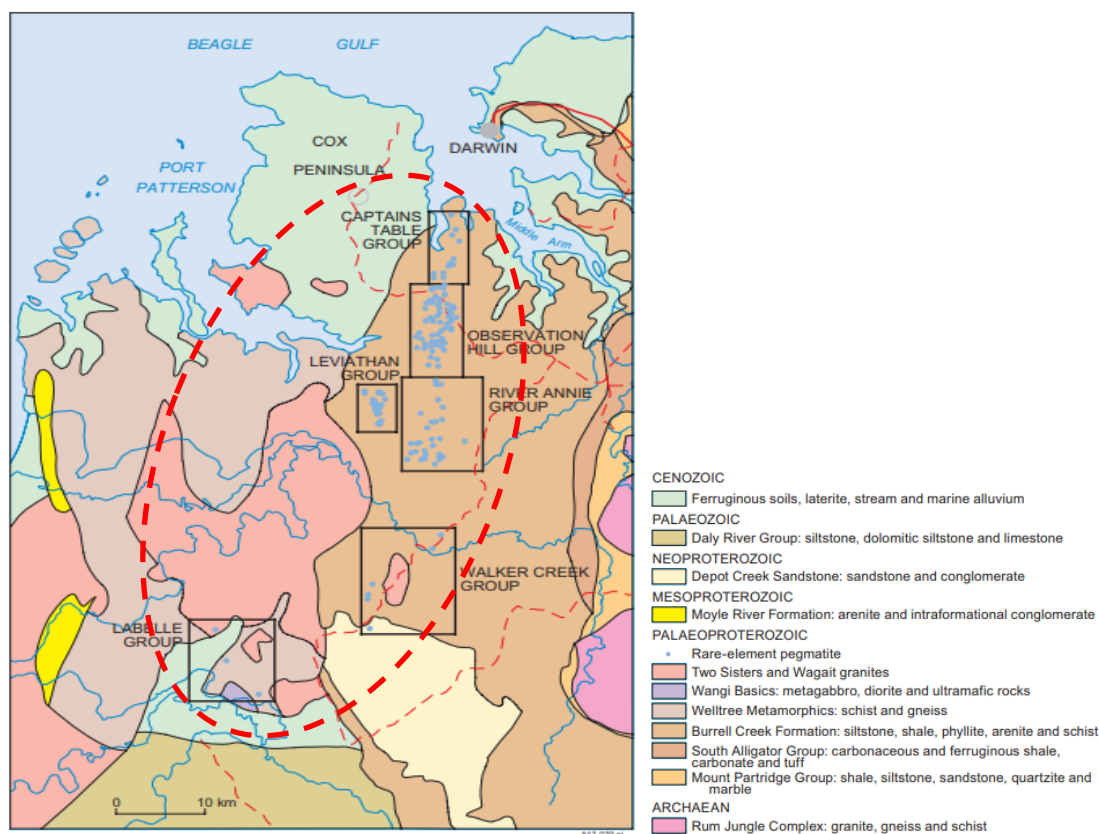


Figure 11: Geological setting of the Bynoe Project

(Source: Charger Metals Prospectus, 2021)

Mineralised pegmatites were initially discovered in the late 1880's in Leviathan Group rocks, with small scale production of tin starting soon thereafter (Frater, 2005). The tin mineralisation was variable, with production abandoned before 1910. It was then 70 years until Greenex Resources explored the area between 1983 and 1990, and estimates were made on tonnes and grade for Ta_2O_5 and SnO_2 in previously worked weathered pegmatites and alluvial sediments. This was followed up on by Corporate Development Resources (CDR; 1984-1992) who RC drilled numerous targets which resulted in a quantum of SnO_2 -bearing material being reported (see Carthew, 1996).

Julia Corporation Ltd explored the area under an option with CDR and completed costeaning and RC drilling targeting several of the larger Leviathan pegmatites. In total, over thirty pegmatites were discovered, but the ground was soon relinquished. Between 2007-2012, Haddington Resources Ltd (Haddington) (on behalf of Arnhem Resources Pty Ltd and Australian Tantalum Pty Ltd) explored the via programmes of rock-chip and soil sampling combined with RAB drilling on a broadly 400m x 100m grid (Charger Prospectus 2021) . Surface sampling was conducted where the depth of soil cover was from 0 to 0.5m deep. RAB Drilling was completed down to 10m in places with an average depth of 3m, and all samples were analysed for arsenic, beryllium, caesium, lithium, niobium, phosphorous, rubidium, tin, and tantalum. Although Haddington were principally focussed on tantalum, the first lithium prospect in this part of the Bynoe Pegmatite Field was located at their "7-Up Prospect".

In 2019 Lithium Australia NL (LIT) completed a detailed data review and compiled sampling data based on all previous work in the area (Figure 12). They also collected and laser-induced breakdown spectroscopy (LIBS) analysed termite mounds for comparison with RAB and soil samples analysed in laboratories. The results showed a good correlation in order to justify using LIBS for first pass, cost effective exploration. Most recently (2021), Core Lithium Limited's Finnis Project includes an Exploration Target for the Leviathan, Centurion, Northern Reward, Pandanus, and Trojan pegmatites, which all trend into Charger's Bynoe Project tenement.

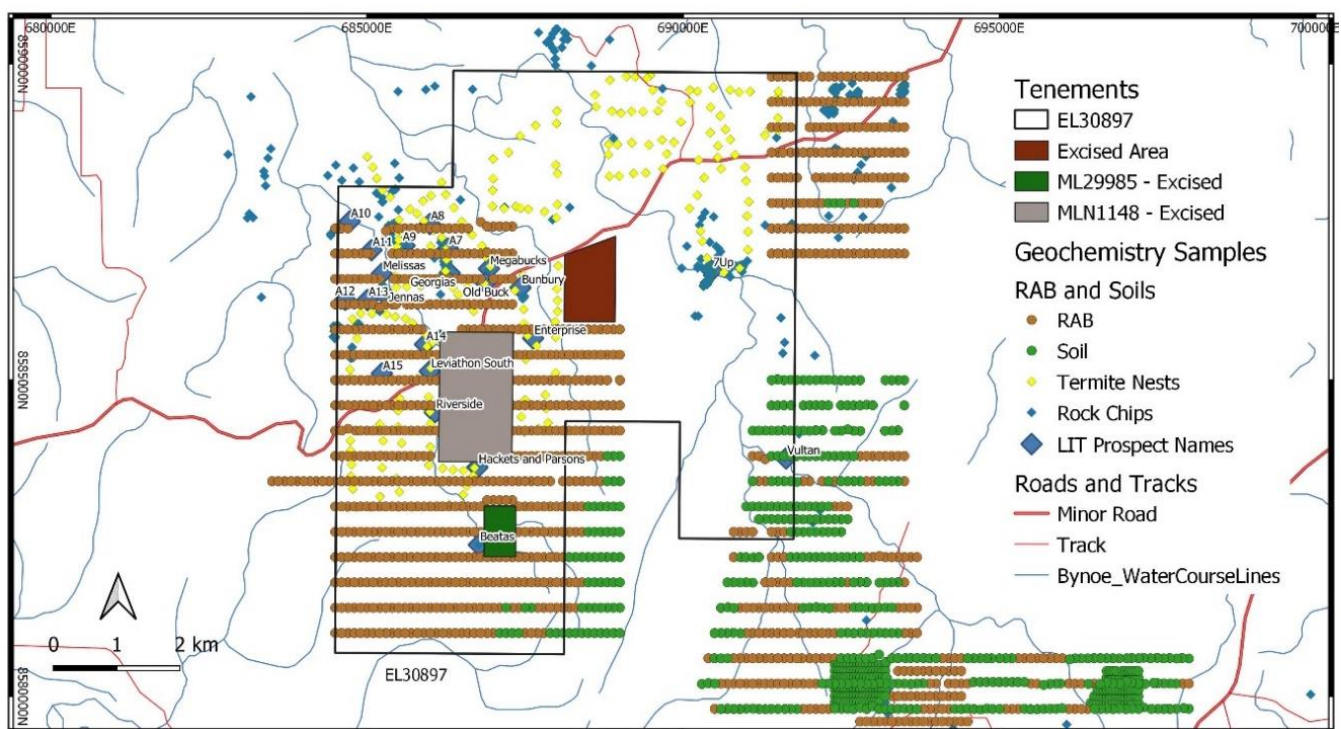


Figure 12: Compilation map produced by LIT showing distribution of historic sampling at the Bynoe Project

(Source: Charger Metals Prospectus, 2021)

5.3. Exploration by Charger

Charger has completed geochemistry and aeromagnetic programs (2022) and combined with results with drilling information reported to the market by Core Lithium Ltd (Core (ASX: CXO)). The results indicate

multiple swarms of LCT pegmatites that extend from the adjacent Finniss Lithium Project into Charger's Bynoe Lithium Project. In particular, geochemistry results highlight two large LCT pegmatite target zones, with significant strike lengths of 8km at Megabucks and 3.5km at 7-Up. Based on this, the Company has defined drill-ready lithium targets at the Megabucks, Jenna's, Enterprise 1, Enterprise 2, Riverside and 7-Up pegmatites.

Further, recently acquired aeromagnetic data indicates that recent drilling by Core which intersected high grade spodumene mineralisation at its Ah Hoy prospect, potentially trends into Charger's 7-Up prospect 3km away. Similarly, Core intersected lithium-fertile LCT pegmatites at Centurion, is located ~600m southwest along trend from Charger's Enterprise 1 Prospect. The Company has invested significant time in applying for the relevant permits to drill test the recently defined targets, and approval for such was granted in November 2022 (Charger ASX Announcement 7 November 2022). The Company is currently mobilising drill rigs to undertake this work.

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6. Coates Ni-Cu-Co-PGE Project

6.1. Location and Access

The Coates Project comprises two (2) granted Exploration Licences and two (2) granted Prospecting Licences and one (1) granted Retention Licence located approximately 60 km east of Perth in the northern part of the southwestern Yilgarn Craton of Western Australia (Figure 13; Table 2). The Project tenements cover a total area of 47.3km² distributed along the prospective South West Greenstone terrane which hosts the Gonneville Deposit discovered by Chalice Mining in 2019 (350Mt @ 0.94g/t Pd+Pt+Au (3E), 0.16% Ni, 0.10% Cu, 0.015% Co (~0.58% NiEq or ~1.8g/t PdEq) for 11Moz 3E, 560kt Ni, 360kt Cu and 54kt Co contained; <https://chalicemining.com/projects/julimar-nickel-copper-pge-project>). Access to the tenements is via the Great Eastern Highway from Perth, with the southern-most tenement located 1km north of the town of Mundowie.



Figure 13: Location of the Coates Project

(Source: Charger Metals ASX Announcement 25 July 2022)

6.2. Geology and Exploration History

The Coates Ni-Cu-Co-PGE Project is located within the Jimperding Metamorphic Belt, a sequence of metamorphosed mafic and ultramafic intrusive rocks variably intercalated with banded-iron formation and gneissic units (WAMEX 92954). The area has undergone multiple episodes of deformation with pre-, syn- and post-metamorphism granitic intrusions also noted throughout the belt.

Demonstrative mineralization in the region is associated with a layered mafic-ultramafic intrusive complex at Julimar, which has a strike extent of ~25km, and hosts the Gonneville Ni-Cu-Co-PGE deposit approximately 28km to the northwest of Charger's tenements (Figure 13; see description at

<https://chalicemining.com/projects/julimar-nickel-copper-pge-project/>). Sulphide mineralisation is characterised by massive, matrix, stringer and disseminated sulphides, akin to metamorphosed and deformed magmatic Ni sulphide deposits.

The immediate Coates Project area covers the Coates Mafic Intrusive Complex (CMIC), which is characterised by magnetite-bearing gabbroic intrusions into greenstones. The area has seen historic mining via the Coates Vanadium Deposit (CVD) which was discovered in 1961 and further explored in the late 1970s by multiple explorers (see WAMEX 92954 and references therein). Along with Bauxite, exploration in the area has been largely focussed on vanadium mineralization, with little base and precious metals exploration. Although preliminary development commenced at CVD, high deleterious elemental content (silica) resulted in the operation closing (WAMEX 6072, 6977). A summarised account of the historic exploration in the area is presented in the Charger Prospectus (Charger, 27 May 2021) and WAMEX 40397.

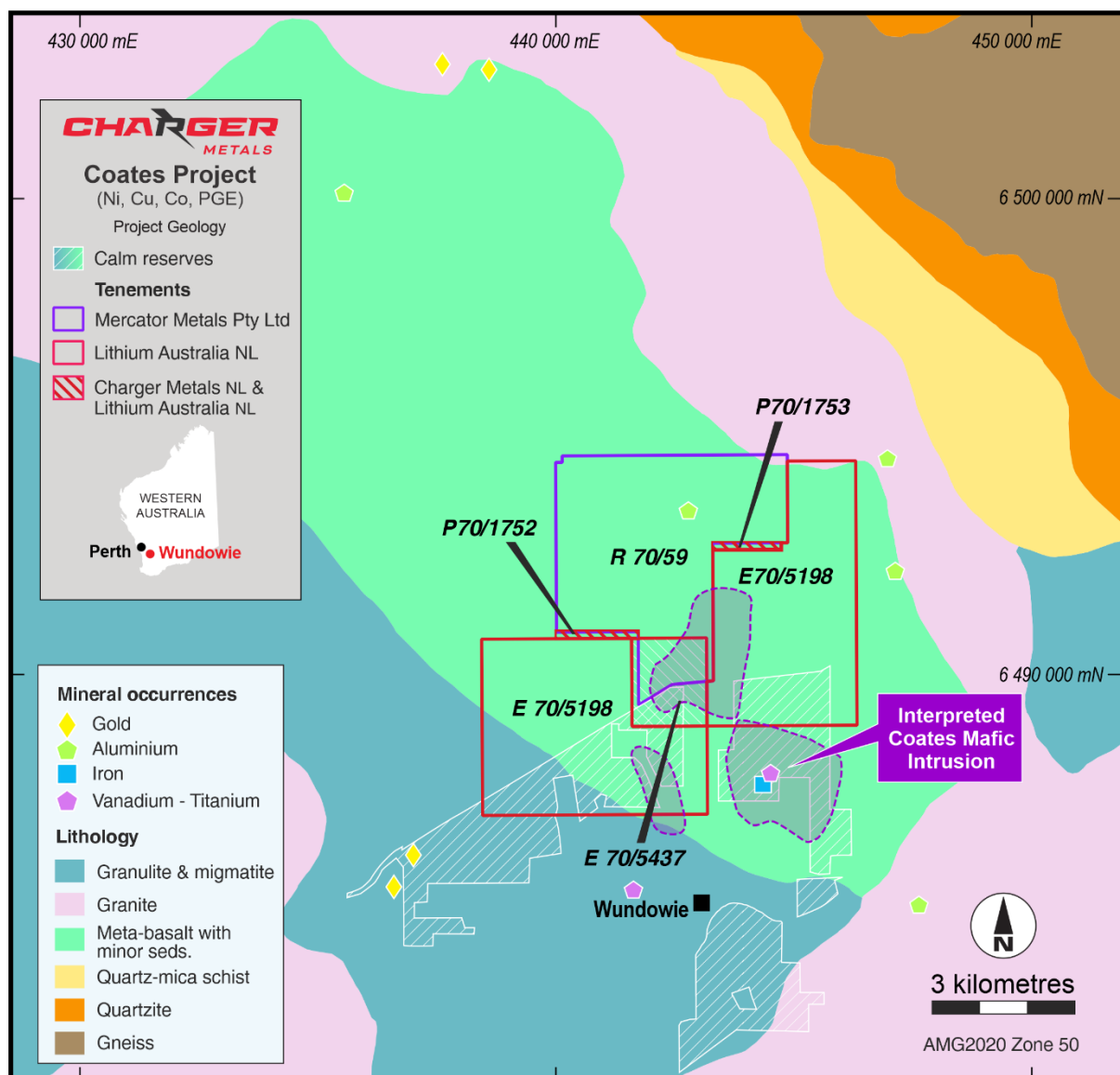


Figure 14: Geological interpretation of the Coates Project area

(Source: Charger Metals Prospectus 25 July 2022)

6.3. Exploration by Charger

Since acquisition of its interest in the Project, the Company has actively explored the Project area, completing the following:

- Sampling and geochemical analysis of regolith overlaying the Coates Mafic Intrusive. This has included 531 samples, resulting in a distinct multi-element signature (including Ni, Cu, Co, Au, and PGE) from which drill targets have been defined;
- Completion of a SkyTEM helicopter-borne geophysical survey targeting conductive rock units which may include nickel sulphides. This work defined Target T1 (Figure 15) which is partially coincident to a distinct Ni, Cu, Co, Au and PGE geochemical anomaly (Figure 16;). Similar geophysical targets are identified to the NE of T1 at the T8 target area;
- Completion of a Fixed Loop EM survey (FLTEM) over the northern 30% of the T1 Target which defined two (2) conductors (C01 and C02; Figure 17). The Company considers these as priority targets for massive sulphide mineralisation that could be related to nickel, copper, or possibly VMS-related mineralisation, associated with the Coates Mafic Intrusive Complex.

Commencement of drilling was announced to market in July 2022 (Charger ASX Announcement 25 July 2022) with basalt intruded by dolerites and higher magnesian peridotites of the Coates Mafic Intrusion intersected. An assemblage of pyrrhotite and pyrite with accessory chalcopyrite, in 5–30-centimetre bands, was intersected in holes targeting FLTEM conductors at depths close to the modelled target depth (Charger ASX Announcement 5 September 2022). The sulphides occurred with shear-textured quartz veining within basalt close to the contact with the Coates Mafic Intrusion. The Company have confirmed this sulphide assemblage by geochemical analysis, although the geological context remains uncertain (Charger ASX Announcement 30 January 2023).

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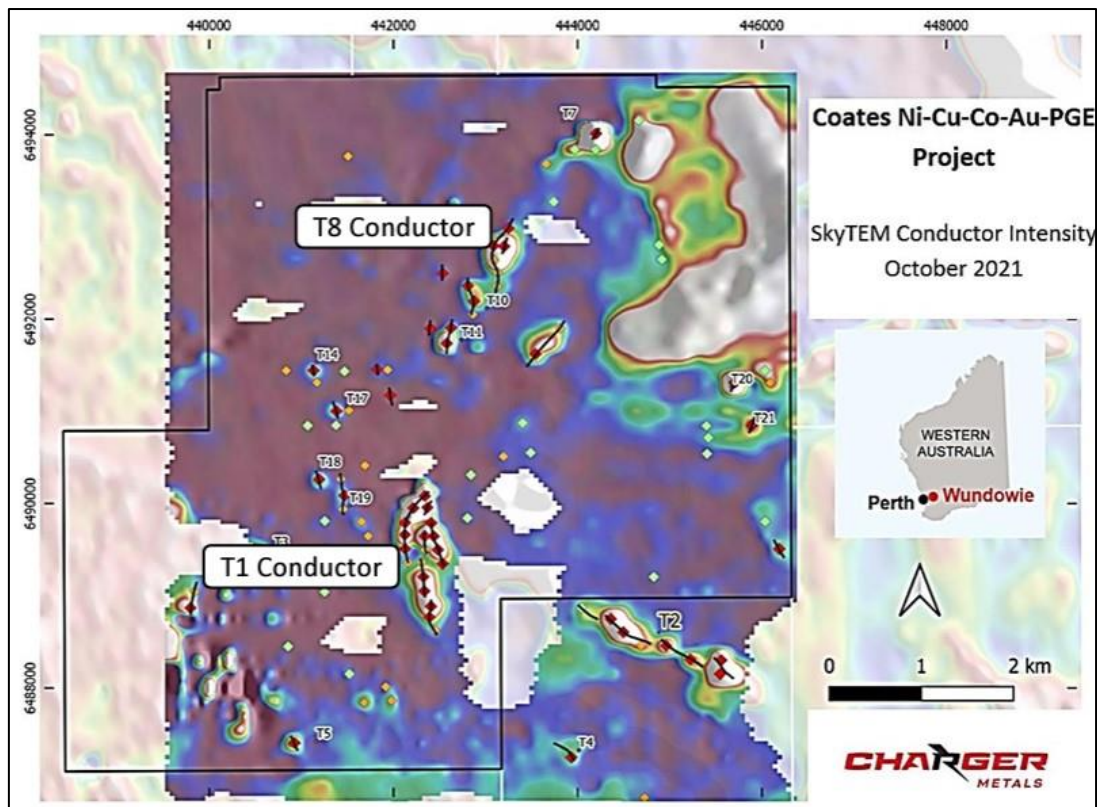


Figure 15: SkyTEM image showing 22 priority targets, including Target T1.

(Note: Anomaly ranking: Red diamonds - high, orange – medium, green – low rank)

(Source: Charger Metals ASX Announcement 11 March 2022)

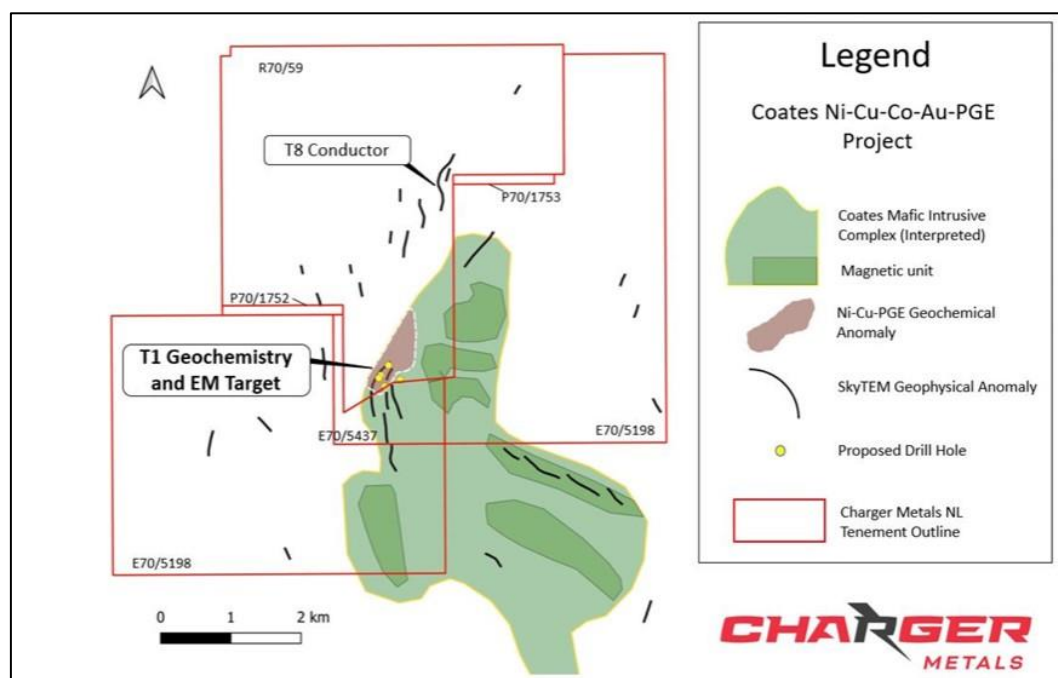


Figure 16: Simplified geology showing coincident SkyTEM and geochemical anomaly.

(Source: Charger Metals ASX Announcement 11 March 2022)

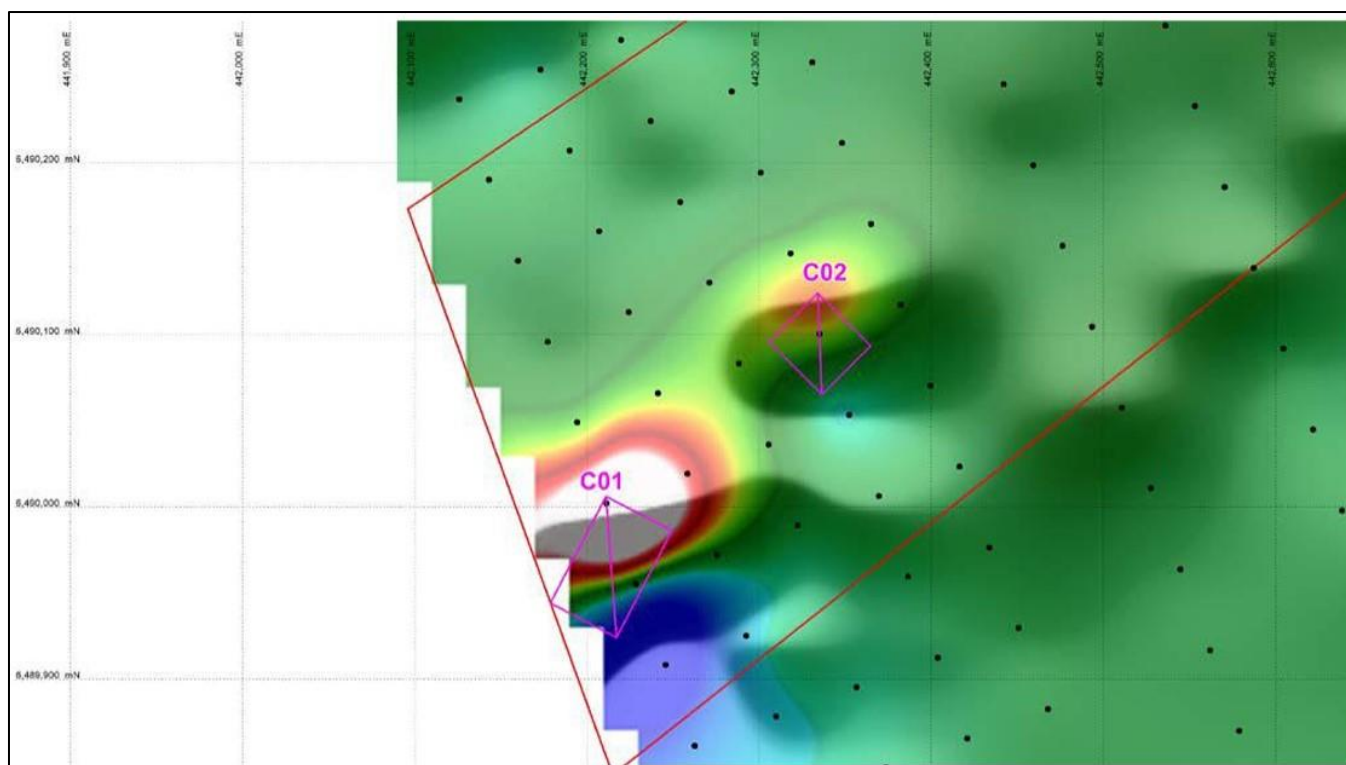


Figure 17: Modelled FLTEM conductors C01 and C02 considered priority targets for massive sulphide mineralisation.

(Source: Charger Metals ASX Announcement 25 July 2022)

6.4. Exploration Potential

The area remains highly prospective for layered mafic-ultramafic intrusive complex-related Ni-Cu-Co-PGE mineralization akin to that discovered at Gonneville. Coincident geophysical and geochemical anomalies at the T1 target area represents excellent walk-up drill targets, with the broader area to the north further displaying similar geophysical targets for testing.

7. Risks and Opportunities

As with all mineral assets there are several associated risks and opportunities and therefore also with the valuation of those assets. Some non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with security of tenure, native title claims, environmental approvals, social, geopolitical, and regulatory approval risks. These risks have been accounted for in the valuation.

The largest opportunity within any of the projects is future exploration. Initial indications from the Lake Johnston Lithium and Gold Project are that the limited exploration completed to date indicates that there are pegmatites with considerable strike and down-dip extent. Preliminary drilling returns promising Li₂O grades in RC samples, and further drilling is planned.

As with all exploration projects, a key technical risk is that further exploration will not result in identifying a body of mineralisation sufficiently large or high enough grade to be considered an economic Mineral Resource.

Opportunities

- The Coates Project displays coincident geophysical and geochemical signatures akin to those described for the recently discovered Gonville Project to the NE of the Project area. Preliminary drilling results confirms sulphides visually in drill samples, and in assay results. This indicates that a traditional geophysical and geochemical targeting strategy is appropriate for the area;
- Initial drilling results at the Lake Johnston Lithium and Gold Project reveal an extensive LCT pegmatite system that is ready for systematic drilling with a view to estimation of quantum of mineralization;
- Given the focus of the Company is the Medcalf Prospect at the Lithium and Gold Project, the Mount Day Prospect at the Lithium Project represents a drill-ready target which will benefit from the geological understanding gained through drill testing at Medcalf;
- The Bynoe Project mantles the highly prospect Ah Hoy and Bilatos Prospects of Core Lithium, with demonstrably mineralized pegmatites trending straight into Chargers tenements. With drilling permits in place, Bynoe represents a highly prospective project in a recognised intrusion-related mineralized terrane;
- Although not a focus for the Company, the potential for gold mineralization of an orogenic style within the greenstone sequences cannot be dismissed within the Lake Johnstone Project areas; and
- Exploration within the majority of the Projects is still at an early stage, with extensive areas noted for the presence of pegmatitic rock types, but they are yet to be systematically explored.

Risks

- Given that all Projects are early stage in nature, it is uncertain at this time whether exploration activities will result in the identification of a Mineral Resource on any of the exploration tenements under consideration; and

-
- At Coates, there are risks associated with land access due to EL70/5198 partially covering Parks, Nature Reserves, and a new residential development.

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8. Valuation Approach

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 3 and provides a guide as to the most applicable valuation techniques for different assets.

Table 3: VALMIN Code 2015 valuation approaches suitable for mineral properties.

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

No Mineral Resource estimates (JORC, 2012) are reported for the tenements under review, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. In VRM's opinion, the Projects are early-stage exploration projects, and should be valued using a Geoscientific or Kilburn approach, with a Prospectivity Enhancement Multiplier (PEM) valuation as a secondary approach.

The tenements constituting the mineral assets have been valued using a top-down approach via these two (2) separate valuations methods, which, when undertaken by ranking each tenement separately using various independent criteria that determine the value of early-stage exploration projects, result in a range of market valuations for each tenement.

8.1. Previous Valuations

VRM is not aware of any previous valuations of the Projects.

8.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time. The valuation date of this Report is 5th April 2023 and considers information up to 4th April 2023. This valuation is subject to change due to updates in the geological understanding, climatic variability that may impact on any development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment.

While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM. As at the date of this Report, in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

8.3. General Assumptions

The Mineral Assets under consideration in this report are valued using appropriate methodologies as described Table 3 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon;
- The valuations only relate to the Mineral Assets located within the tenement controlled by the respective Companies, and not the Company itself nor its shares or market value;
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licence will remain active;
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe;
- That the owners of the mineral assets can obtain the required funding to continue exploration activities; and
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

8.4. Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation;
- Comparable transactions (purchase) based on the Properties' area or historic "Resources;"
- Joint Venture terms based on the Properties' area; and
- A Prospectivity Enhancement Multiplier (PEM).

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves.

The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

8.5. Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity. Table 4 documents the ranking criteria that were used in conjunction with the base acquisition cost (BAC) for the one project tenement to determine the technical valuation of the project.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation. Using the ranking criteria from Table 4 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 4: Ranking criteria are used to determine the geoscientific technical valuation.

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralization in district	No known mineralization within	No targets defined	Generally favourable geological setting
1.5	Mineralization identified	Mineralization identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified		
2.5			Significant intersections – not correlated on section	
3.0	Along strike or adjacent to known mineralization	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The total technical valuation was discounted to derive a total market valuation by making a locational adjustment. A nominal 2% discount was applied to the technical valuation for all projects due to the locational risks with the projects including environmental approvals, heritage agreements and approvals, landholder access agreements and potential regulatory delays in advancing the projects.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used.

8.6. Comparable Market Based Transactions

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource or Ore Reserves estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

As such, this valuation method is typically the primary valuation method for exploration or advanced (pre-development) projects with defined Mineral Resource estimates. More advanced projects, with Ore Reserves estimates would generally be valued using an income approach due to the modifying factors for a mining operation being better defined. The preference is to limit the transactions and resource multiples to

completed transactions from the past two to three years in either the same geopolitical region or same geological terrain.

Although similar projects that have no defined resources can also be considered, the comparison would be based on the somewhat more subjective interpretation of the geological prospectivity potential, rather than contained Mineral Resources. Some view this valuation method not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals or where there are no resources identified. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

VRM has decided that the lack of Mineral Resources (JORC, 2012) on any tenement justifies omitting consideration of the comparable transaction valuation method in this review.

8.7. Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 3 and in the VALMIN Code, a cost - based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property.

The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 5. VRM considers the PEM valuation method as a secondary valuation method and no higher PEM ranges are used once a JORC 2012 Mineral Resource has been estimated. In the opinion of the author, it is preferable to use Resource multiples for comparable transactions once a JORC 2012 Mineral Resource has been estimated.

Table 5 Prospectivity Enhancement Multiplier (PEM) ranking criteria.

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrade the potential
0.5 – 1	Exploration has maintained the potential
1.0 - 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

9. Valuation of Charger Metals tenements

All the Projects have been valued using Geoscientific or Kilburn method valuation method as a primary method with a supporting valuation being a Prospectivity Enhancement Multiplier (PEM). The preferred valuation has been determined based on the average of the primary and supporting valuations.

The Kilburn valuation and the PEM valuations for the tenements provide a value of the entire Project with this value being for the beneficial interest held by Charger prior to the proposed transaction being completed.

9.1. Geoscientific / Kilburn Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, including ensuring that the specialist undertaking the valuation has a good understanding of the mineralization styles within the overall region. In addition, access is needed to all relevant exploration and geological information, to ensure that the rankings are based on a thorough knowledge of the project.

In addition to ensuring the rankings are correct, deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case, the BAC is derived by the exploration commitment to maintain the tenement in good standing and annual tenement rents, while the expected costs of targeting have not been included.

To determine the market value, the technical value has been discounted as follows:

- All tenements: geopolitical risks due to labour shortages, access issues, environmental approvals, and possible heritage delays. As such, a nominal 2% discount has been applied; and
- Gold and Lithium Projects: no discounts or premiums were applied to the project valuations.

9.1.1. Coates Project

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 3.0 and 3.5, the On-Property Criteria between 2.0 and 2.5, the Anomaly Factor between 1.5 and 2.0 while the Geology Criteria are also considered to be between 2.0 and 2.5. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix A - , this has determined the technical value. The technical value was then discounted by 2% for location-related risks, and a land access discount factor (10%) applied to account for tenement EL70/5198 partially covering Parks and Nature Reserves and a residential development (see Appendix A -). The Geoscientific valuation for the Coates Project is an entire project pre-transaction valuation, and only considers Chargers' beneficial interest. The value range determined on a tenement-by-tenement basis for the Project is presented in Table 6.

Table 6: Geoscientific Market Valuation of the Coates Project

Tenement	Geoscientific (Kilburn) valuation (A\$)		
	Min	Mid	Max
E70/5198	0.48	0.82	1.16
E70/5437	0.16	0.27	0.39
P70/1752	0.04	0.06	0.09
P70/1753	0.04	0.06	0.09
R70/59	0.88	1.51	2.14
All Tenements	1.6	2.7	3.8

Note: appropriate rounding has been included in the total which may not add due to rounding

The Geoscientific valuation for the Coates Project is considered by VRM to have a market value in Australian dollars of between A\$1.6 million and A\$3.8 million with a preferred value of A\$2.7 million.

9.1.2. Lake Johnston Lithium and Gold Project

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1.0 and 3.5, the On-Property Criteria between 1.0 and 2.5, the Anomaly Factor between 3.0 and 3.5 while the Geology Criteria are also considered to be between 2.5 and 3.0. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix B - , this has determined the technical value. The technical value was then discounted by relevant factors as outlined in Section 9.1. The Geoscientific valuation for the Lake Johnston Lithium and Gold Project is an entire project pre-transaction valuation, and only considers Chargers' beneficial interest. The value range determined on a tenement-by-tenement basis for the Project is presented in Table 7.

Table 7: Geoscientific Valuation of the Lake Johnston Lithium and Gold Project

Tenement	Geoscientific (Kilburn) valuation (A\$)		
	Min	Mid	Max
E63/1809	4.67	7.11	9.54
E63/1903	0.20	0.39	0.59
E63/1883	0.20	0.39	0.59
All Tenements	5.1	7.9	10.7

Note: E63/1966 has been excluded from this valuation and appropriate rounding has been included in the total which may not add due to rounding

The Geoscientific valuation for the South West Region Project is considered by VRM to have a market value in Australian dollars of between A\$5.1 million and A\$10.7 million with a preferred value of A\$7.9 million.

9.1.3. Lake Johnston Lithium Project

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1.5 and 2.0, the On-Property Criteria between 1.5 and 2.0, the Anomaly Factor between 1.5 and 2.0 while the Geology Criteria are also considered to be between 2.0 and 2.5. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix C - , this has determined the technical value. The technical value was then discounted by relevant factors as outlined in Section 9.1. The Geoscientific valuation for the Lake Johnston Lithium Project is an entire project pre-transaction valuation, and only considers Chargers' beneficial interest. The value range determined on a tenement-by-tenement basis for the Project is presented in Table 8.

Table 8: Geoscientific Valuation of the Lake Johnston Lithium Project

Tenement	Geoscientific (Kilburn) valuation (A\$)		
	Min	Mid	Max
E63/1722	0.53	1.05	1.57
E63/1723	0.46	0.92	1.37
E63/1777	0.20	0.39	0.59
All Tenements	1.2	2.4	3.5

Note: appropriate rounding has been included in the total which may not add due to rounding

The Geoscientific valuation for the Lake Johnston Lithium Project is considered by VRM to have a market value in Australian dollars of between A\$1.2 million and A\$3.5 million with a preferred value of A\$2.4 million.

9.1.4. Bynoe Project

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 3.5 and 3.75, the On-Property Criteria between 2.5 and 2.75, the Anomaly Factor between 1.5 and 2.0 while the Geology Criteria are also considered to be between 3.5 and 4.0. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix D - , this has determined the technical value. The technical value was then discounted by relevant factors as outlined in Section 9.1. The Geoscientific valuation for the Bynoe Project is an entire project pre-transaction valuation, and only considers Chargers' beneficial interest. The value range determined on a tenement-by-tenement basis for the Project is presented in Table 9.

Table 9: Geoscientific Valuation of the Bynoe Project

Tenement	Geoscientific (Kilburn) valuation (A\$)		
	Min	Mid	Max
EL30897	0.6	0.8	1.0

Note: appropriate rounding has been included in the total which may not add due to rounding

The Geoscientific valuation for the Bynoe Project is considered by VRM to have a market value in Australian dollars of between A\$0.6 million and A\$1.0 million with a preferred value of A\$0.8 million.

9.2. Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation for all the Charger tenements using the exploration expenditure reported to DMIRS in the annual exploration expenditure reports (Form 5's) and the expenditure since the last tenement anniversary year provided by Charger to 31 January 2023. The expenditures used in the valuation were based on the reported exploration expenditure on the tenement excluding expenditure that was not directly attributed to exploration. Excluded expenditure relates to acquisition costs, tenement rents and shire rates, administrative expenditure, and heritage access or associated costs.

This expenditure has been multiplied by a Prospectivity Enhancement Multiplier as detailed in Table 5. To generate a range in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple to generate a range in likely values of the Projects. The valuation ranges presented are pre-transaction, and only consider Chargers' beneficial interest with the preferred valuation being the average of the upper and lower PEM valuation. Table 10 details the expenditure, the PEM multiples, and the valuations for the Project.

Based on the PEM valuation methodology the Charger Mineral Assets have an expected market value of between \$9.2 million and \$11.7 million with a preferred (mid-point) valuation of \$10.4 million.

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Table 10: PEM Valuation for all granted exploration tenements.

Project	PEM Valuation by Tenement					
	Expenditure (\$)	PEM Low	PEM High	Lower (\$M)	Upper (\$M)	Preferred (\$M)
Coates Project						
E70/5198	179,610.66	2.0	2.5	0.36	0.45	0.40
E70/5437	-	2.0	2.5	-	-	-
P70/1752	3,052.00	2.0	2.5	0.01	0.01	0.01
P70/1753	3,052.00	2.0	2.5	0.01	0.01	0.01
R70/59	381,482.77	2.0	2.5	0.76	0.95	0.86
Lake Johnston Lithium and Gold Project						
E63/1809	2,704,400.55	2.0	2.5	5.41	6.76	6.08
E63/1903	92,486.76	1.0	1.3	0.09	0.12	0.11
E63/1883	125,305.04	1.0	1.3	0.13	0.16	0.14
Lake Johnston Lithium Project						
E63/1722	259,227.74	1.5	2.0	0.39	0.52	0.45
E63/1723	124,330.05	1.5	2.0	0.19	0.25	0.22
E63/1777	87,713.53	1.5	2.0	0.13	0.18	0.15
Bynoe Project						
EL30897	1,126,889.34	1.5	2.0	1.69	2.25	1.97

Note E70/5437 was granted on 2 March 2023 and there has been no expenditure since grant.
The valuations have been rounded to reflect the accuracy of the valuation.

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10. Preferred Valuation Range

Based on the analysis presented, VRM considers the pre-transaction market value of the Charger tenements to be between A\$8.8 M and A\$15.4 M with a preferred value of A\$12.1 M. This valuation considers only Chargers beneficial interest.

Table 11 presents a summary of the valuation results using the Geoscientific (Kilburn) and PEM valuation approaches, and VRM's preferred valuation range as based on these primary and secondary valuation methods.

Figure 18 provides a visual comparative analysis of the valuation results by method for each Project, and VRM's preferred valuation range.

Table 11: Summary of Valuation results and VRM's Preferred valuation range for each Project.

Project	Valuation Method	Low	Mid	High
Coates	Kilburn	1.6	2.7	3.9
	PEM	1.1	1.3	1.4
Lake Johnston Li & Au	Kilburn	5.1	7.9	10.7
	PEM	5.6	6.3	7.0
Lake Johnston Li	Kilburn	1.2	2.4	3.5
	PEM	0.7	0.8	0.9
Bynoe	Kilburn	0.6	0.8	1.0
	PEM	1.7	2.0	2.3
All CHR Projects	Kilburn	8.4	13.8	19.1
	PEM	9.2	10.4	11.7
VRM Preferred Valuation Range – All CHR Projects		8.8	12.1	15.4

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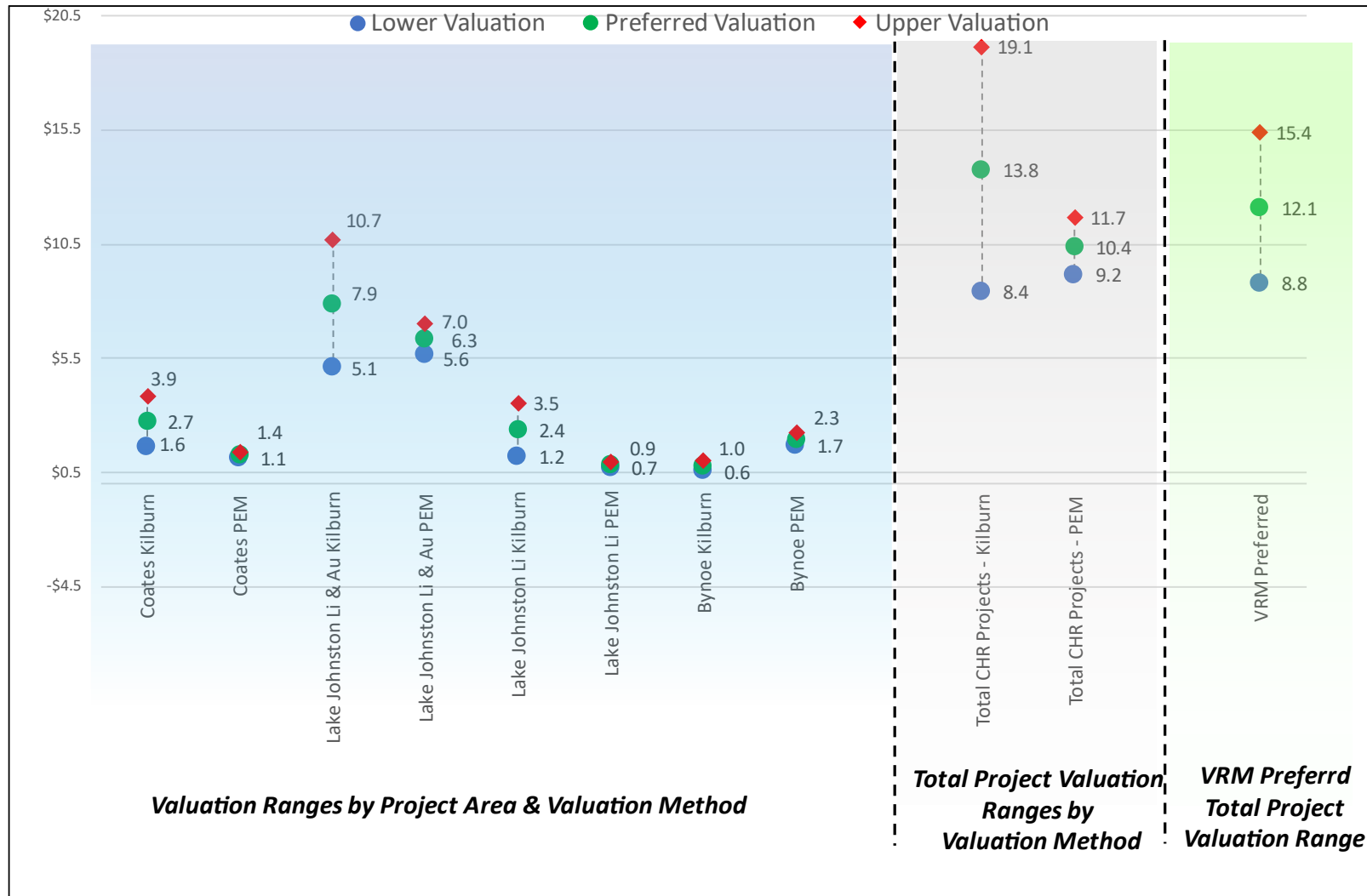


Figure 18: Valuation ranges as determined by the relevant method for each Project, and VRM's preferred valuation range.

11. References

11.1. Published References

The references below document the main documents referred to in this report. All ASX announcements have been sourced from <https://chargermetals.com.au/asx-announcements/>

Groves, D.I., Goldfarb, R.J., Gebre-Mariam, M., Hagemann, S., and Robert F., 1998. Orogenic gold deposits: A proposed classification in the context of their crustal distribution and relationship to other gold deposit types. *Ore Geology Reviews*, 13, 7-27. [https://doi.org/10.1016/S0169-1368\(97\)00012-7](https://doi.org/10.1016/S0169-1368(97)00012-7).

Joint Ore Reserves Committee, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) [online]. Available from: <http://www.jorc.org> (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

Carthew, S., 1996. Final Report for the Period ending 05/01/1996. EL 6805, Leviathan. Corporate Developments Pty Ltd. NT Open File Reference CR96/258

Charger Metals NL (Charger) (22 February 2023). ASX Announcement: Charger confirms high-grade lithium at the Medcalf Spodumene Discovery.

Charger Metals NL (Charger) (13 February 2023). ASX Announcement: RIU Explorers Conference Presentation. Australian Lithium Explorer drilling outstanding targets.

Charger Metals NL (Charger) (7 February 2023). ASX Announcement: Charger to take 100% ownership of Lake Johnston Lithium Project - Amended.

Charger Metals NL (Charger) (7 February 2023). ASX Announcement: Charger to take 100% ownership of Lake Johnston Lithium Project.

Charger Metals NL (Charger) (6 February 2023). ASX Announcement: Drilling Update for Charger's Medcalf Spodumene Discovery.

Charger Metals NL (Charger) (30 January 2023). ASX Announcement: Quarterly Activities Report.

Charger Metals NL (Charger) (19 January 2023). ASX Announcement: Charger resumes drilling at the Medcalf spodumene discovery.

Charger Metals NL (Charger) (20 December 2022). ASX Announcement: Drilling at Medcalf reveals spodumene-bearing pegmatite swarm.

Charger Metals NL (Charger) (2 December 2022). ASX Announcement: Charger commences drilling at Medcalf Spodumene Prospect.

Charger Metals NL (Charger) (21 November 2022). ASX Announcement: Charger receives drilling approvals, increases land position at its Lake Johnston Lithium Project.

Charger Metals NL (Charger) (7 November 2022). ASX Announcement: Charger's drilling approved for the Bynoe Lithium Project.

Charger Metals NL (Charger) (27 October 2022). ASX Announcement: Quarterly Activities Report.

Charger Metals NL (Charger) (18 October 2022). ASX Announcement: Lake Johnston drilling advances as regional target generation continues.

Charger Metals NL (Charger) (8 September 2022). ASX Announcement: Charger advances Medcalf Lithium Prospect towards drilling.

Charger Metals NL (Charger) (5 September 2022). ASX Announcement: Drilling update for Charger's Coates Nickel-Copper-PGE Project, Western Australia.

Charger Metals NL (Charger) (28 July 2022). ASX Announcement: Quarterly Activities Report.

Charger Metals NL (Charger) (25 July 2022). ASX Announcement: Charger commences drilling at Coates Nickel-Copper-PGE Project

Charger Metals NL (Charger) (7 April 2022). Charger confirms massive sulphide targets at its Coates Nickel-Copper-PGE Project near Julimar.

Charger Metals NL (Charger) (11 March 2022). Charger signs access agreement to drill Coates Project nickel-copper-PGE target near Julimar.

Charger Metals NL (Charger) (17 January 2022). Charger's targeting suggests large lithium system at its Bynoe Lithium Project.

Charger Metals NL (Charger) (28 July 2021). ASX Announcement: Charger Unveils New Lithium Target at the Lake Johnston Project.

Charger Metals NL (Charger) (30 June 2021). Annual Report for the year ended 30 June 2022.

Charger Metals NL (Charger) (17 June 2021). Supplementary Prospectus.

Charger Metals NL (Charger) (27 May 2021). Prospectus.

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Frater KM, 2005. Tin-tantalum pegmatite mineralisation of the Northern Territory. Northern Territory Geological Survey, Report 16.

Lithium Australia Limited (Lithium) (7 February 2023). ASX Announcement: Lithium Australia enters binding agreement for the sale of the Lake Johnston Lithium Project.

Lowrey, JR, Smithies, RH, and Champion, DC 2021, Yilgarn Granite Project — notes to accompany 2021 data release: Geological Survey.

of Western Australia, Record 2021/6, 4p.

Okapi Resources Limited (Okapi) (21 November 2022). ASX Announcement: Termination of Farm-In Agreement.

VALMIN Committee, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online]. Available from: <http://www.valmin.org> (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

11.2. Project Specific References

This section outlines database reports utilised in the report.

11.2.1. Lake Johnston Lithium and Gold Project

A-Number	Author	Date	Report Title	Company / Operator
97106	CAMERON R	2012	E63/1346 Plover Rocks Prospect Annual Report for the year ending 15th December 2012	WHITE CLIFF MINERALS LIMITED
92706	CAMERON R	2011	EXPLORATION LICENCE E63/1346 Plover Rocks Prospect ANNUAL REPORT FOR THE YEAR ENDING 15th December 2011	WHITE CLIFF MINERALS LIMITED
84517	FITZGERALD S; THOMPSON D	2009	ANNUAL REPORT ON THE LAKE JOHNSTON JOINT VENTURE FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009 DUNDAS MINERAL FIELD, WESTERN AUSTRALIA COMBINED REPORTING GROUP C16/1997 Exploration Licences: E63/296, E63/297, E63/318, E63/349, E63/428-432, E63/471, E63/	NORILSK NICKEL
79561	STOTT C; THOMPSON D	2008	ANNUAL REPORT ON THE LAKE JOHNSTON JOINT VENTURE FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008	NORILSK NICKEL AUSTRALIA LTD
75857	THOMPSON D	2007	Annual Report on the Lake Johnston Joint Venture for the Period 1 July 2006 to 30 June 2007 Dundas Mineral	LIONORE AUSTRALIA (NICKEL) LTD

A-Number	Author	Date	Report Title	Company / Operator
			Field, Western Australia Combined Reporting Group C16/1997 Exploration Licences: E63/296, E63/297, E63/318, E63/349, E63/362, E63/426-432, E63/	
73226	BARTLETT J	2006	Annual Report on the Lake Johnston Joint Venture for the Period 1 July 2005 to 30 June 2006, Combined Reporting No. C16/1997, E63/296, E63/297....M63/292, M63/302	LIONORE AUSTRALIA (NICKEL) LTD
72766	HUSSEIN E	2006	Mt Gordon Project, Annual Technical Report on Tenement E63/704, For the Period 13 October 2004 to 12 October 2005, (lake Johnston).	MONARCH RESOURCES LTD
71033	THOMPSON D	2005	Annual Report on the Lake Johnston Joint Venture for the period 1 July 2004 to 30 June 2005, Dundas Mineral Field, Western Australia, Combined Reporting Group C16/1997, E63/296, E63/297.....M63/292, M63/302	LIONORE AUSTRALIA (NICKEL) LTD
69091	STOTT C L	2004	Annual report for the period 01/07/2003-30/06/2004 Lake Johnston JV Project, E63/296, E63/297, E63/318 E63/349, E63/362, E63/426-432, E63/470-471, E63/542 E63/546-547, E63/735, M63/163, M63/302, M63/282, M63/283 M63/284, M63/292	LIONORE AUSTRALIA (NICKEL) LTD
69508	MILL J	2004	E63/704 Mt Gordon, Annual Report on Exploration Activities for the period 13th October 2003 to 12th October 2004.	MONARCH RESOURCES LTD
67327	STOTT C L	2003	Annual Report for the period 1 July 2002 to 30 June 2003 on the Lake Johnson JV Project Dundas Mineral Field E63/296,297 318,349,362,426-432,470-471,542,546-547,735 M63/163,302,282> M63/283,284,292	LIONORE AUSTRALIA (NICKEL) LTD
65567	STOTT C L	2002	Annual Report On The Lake Johnston Joint Venture For The Period 1 July 2001 to 30 June 2002. Emily Anne,	LIONORE AUSTRALIA (NICKEL) LTD

A-Number	Author	Date	Report Title	Company / Operator
			Maggie Hays, Brian's Bluff - Lake Percy, Johnston Sandplain, Honman Ridge, Burmeister Hill, Mount Glasse, West Lake, and Mt Gordon Prospects. Expl	
63285	CLAYTON W F	2001	Annual Report on the Lake Johnston Joint Venture for the period 1 July 2000 to 30 June 2001 exploration licences: 63/297, 63/349, 63/426-432, 63/470-471, 63/542, 63/546-547, E63/735; mining leases: 63/163, 63/302. Maggie Hays, Brian's Bluff, Johnston	LIONORE AUSTRALIA (NICKEL) LTD
54574	WARLAND I	1997	Annual Report for period 24/12/1996 to 23/12/1997, Lake Johnston (JV) Project, E63/383, 63/384, 63/385 & 63/386.	GOLDFIELDS EXPLORATION PTY LTD
49865	CUMMINS B	1997	Annual Report Lake Johnston West Project E63/385 Lake Johnston West Tenement Annual Report for 24/12/1995 to 23/12/1996 1:250,000 Lake Johnston 1:100,000 Johnston	GOLDFIELDS EXPLORATION PTY LTD
48987	CUMMINS B	1996	Annual Report, Lake Johnston Project E63/386 [Mt Gordon], Annual Report for 22/08/1995 to 21/08/1996.	GOLDFIELDS EXPLORATION PTY LTD
45914	CUMMINS B	1995	Annual Report Lake Johnston Project E63/386 [Mt Gordon], Annual Report for 22/08/1994 to 21/08/1995.	RGC EXPLORATION PTY LTD
43509	BOYD M	1995	Lake Johnston Project E63/385 [Lake Johnston West], Annual Report for 24/12/1993 to 23/12/1994.	RGC EXPLORATION PTY LTD
44940	WILKINSON & ASSOCIATES PTY LTD	1994	Review of Lake Johnston Project December 1994	BULLION GOLD LTD
44939	SCOMAC MANAGEMENT SERVICES	1993	Lake Johnston Tenements (E63/383-386) Technical Information Memorandum September 1993.	BULLION GOLD LTD

A-Number	Author	Date	Report Title	Company / Operator
2958	ESHUYS E; SMITH R; WILLETT G	1972	Lake Johnston Project, Final Surrender Report, August 1972, MC63/412-418, 501-515, 627-632,814-845, 1033-1036,1069-1109,1166-1171, 1253-1256, 1429-1482,1565-1646, 2088-2104 & 2458; TR70/3810H.	LAPORTE TITANIUM AUST PTY LTD

11.2.2. Lake Johnston Lithium Project

A-Number	Author	Date	Report Title	Company / Operator
129928	N/A	2022	Final Surrender Report (E63/1805) Lake Johnston - Mount Day for the period 28/02/2017 - 21/02/2022	CHARGER METALS NL; LITHIUM AUSTRALIA NL
126365	N/A	2021	Annual Mineral Exploration Report (E/63/1805) Lake Johnston - Mount Day for the period 28 February 2020 to 27 February 2021	LITHIUM AUSTRALIA NL
123732	N/A	2020	Annual Mineral Exploration Report E/63/1805 Lake Johnston - Mount Day for the period ending 27/2/2020	LITHIUM AUSTRALIA NL
119822	N/A	2019	Annual Mineral Exploration Report (E63/1805) Mount Day A Project for the period 28 February 2018 to 27 February 2019	LITHIUM AUSTRALIA NL
116413	N/A	2018	Annual Mineral Exploration Report (E63/1805) Mount Day A for the period 28/02/2017 - 27/02/2018	LITHIUM AUSTRALIA NL
109770	PIGOTT G	2016	Annual Report for E63/1723 - West Mount Day Project for the period 28/07/2015 to 27/07/2016	US MASTERS HOLDINGS LIMITED
70854	MILL J		Annual report for the period 6 November 2003 to 5 November 2004, Round Top Hill tenement, E63/703 (Lake Johnston).	MONARCH RESOURCES LTD
70784	MILL J	2005	Lake Johnston Project, Annual report, All of Plover Rock tenements E63/567, E63/743-5 inclusive and Ps 63/1126-9 inclusive, For the period ended 31 December 2004 (C161/2002)	MONARCH RESOURCES LTD

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A-Number	Author	Date	Report Title	Company / Operator
68215	OVERTON N	2004	Annual Report for the period ending 31/12/2003 Lake Johnston Project E63/567, E63/743-5, P63/1126-9	MONARCH RESOURCES LTD
68086	OVERTON N	2004	Annual Report for the period 06/11/2002-05/11/2003 Round Top Hill Project (C158/2002),E63/568,E63/703,E63/769	MONARCH RESOURCES LTD
66331	MCCROW B	2003	Annual Report for the period ending 31 December 2002 Plover Rock Tenement Group E63/567, 743-45, P63/1126-29 Combined Reporting Reference: C161/2002	MONARCH RESOURCES LTD
66192	MCCROW B	2003	Annual Report for the period 6 November 2001 to 5 November 2002 Round Top Tenement Group C158/2002: E63/703 and 769.	MONARCH RESOURCES LTD
65822	BAXTER C	2003	Annual Report for the period 15 November 2001 To 14 November 2002, Plover Rock Project, E63/743.	BULLION MINERALS LTD
64329	BAXTER C	2002	BULLION MINERALS LTD	BULLION MINERALS LTD
64952	BAXTER C; WILLIAMSON G L	2002	Annual Report For The Period 18 May 2001 to 17 May 2002 Round Top Tenement E63/703	BULLION MINERALS LTD
61710	BAXTER C	2001	Lake Johnston Joint Venture Annual Report for the period 6 November 1999 to 5 November 2000, Mt Day West tenement group M63/299-301, combined reporting reference: C124/2000.	BULLION MINERALS LTD
54167	REES BV	1998	Lake Johnston Project. Annual report E63/334,368. M63/299-301. 01/97-12/97.	AUSTRALASIAN GOLD MINES NL
40397	COX A A	1994	Lake Johnston Project, Annual Report for the period 08/09/1992 to 07/09/1993, E63/334.	AUSTRALASIAN GOLD MINES NL

11.2.3. Coates Project

A-Number	Author	Date	Report Title	Company / Operator
108108	GROENEWALD B	2016	ANNUAL REPORT For the Period 30 November 2014 to 29 November 2015 AREA 2 - TOODYAY PROJECT (C112/2014, E 70/02230, E 70/03002, E70/03064, E 70/03159, E 70/03160, E 70/03366, E 70/03432, E70/03598, E 70/03651, E 70/03730, E 70/03731, E 70/03900, E 70/0	BAUXITE ALUMINA JOINT VENTURES PTY LTD
102790	MENZIES M	2014	Wundowie Project, E70/2230, Partial Surrender Report for the period 07 January 2008 to 06 January 2012.	BAUXITE RESOURCES LTD
92954	MCINTYRE J	2012	Annual Report Wundowie Project E70/2230 12 January 2011 to 11 January 2012	MERCATOR METALS PTY LTD
58823	N/A	1999	1999 Surrender Reports for Hay Creek 1,2,3 & 4 E70/1583,1584, 1585,1589.	WA KAOLIN HOLDINGS PTY LTD
50703	WILLIAMS V A	1997	Hay Creek (1-5) Project, Annual Report, Exploration Licences E70/1583 -1585, 1589, 1625, for period 8th February 1996 to 31st January 1997 (Tenement not worked: E70/1625, Combined Reporting Group C426/1996).	CRA EXPLORATION PTY LTD
6978	GOVERNMENT CHEMICAL LABORATORIES WA	1977	Coates Siding Project, Non-statutory Report: Government Chemical Laboratories Report To Agnew Clough Limited On Sodium Removal From Vanadium Leach Residue Pellets, March 1977, MC70/4576-4579.	MT DEMPSTER MINING PTY LTD
6977	GOVERNMENT CHEMICAL LABORATORIES WA	1975	Coates Siding Project, Non-statutory Report: Miscellaneous Reports on Vanadiferous Magnetite from Coates Siding, WA, 1975, MC70/4576-4579.	MT DEMPSTER MINING PTY LTD
6072	N/A	1975	Coates Siding Project, Non-statutory Report: Diamond Drill Hole Logs (vol 2) (undated), TR70/2755H.	MT DEMPSTER MINING PTY LTD

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11.2.4. Bynoe Project

Report ID	Author	Date	Report Title	Company/Operator
CR2016-0051	Pearce, T	2016	Final annual report for ML 30203 from 6 January 2015 to 5 February 2016	Australia New Zealand Resources Corporation
CR2015-0005	Pearce, T	2015	Annual report for ML 30203 from 22 August 2013 to 5 January 2015	Australia New Zealand Resources Corporation
CR2015-0027	Jiang, Z Sun, Y	2015	EL 29700 Second annual and final exploration report for the period 27 February 2014 to 26 February 2015 (sic 8 May 2015)	Au Exploration Pty Ltd
CR2014-0092	Jiang, Z Sun, Y	2014	EL 29700 First annual report for the period 27 February 2013 to 26 February 2014	Au Exploration Pty Ltd
CR2012-0624	Pearce, T	2012	Annual report for MCN 5097 from 23 August 2011 to 22 August 2012	Australia New Zealand Resources Corporation
CR2011-0752	Pearce, T	2011	Annual report for MCN 5097 from 22 November 2010 to 22 November 2011	Corporate Developments, Australia New Zealand Resources Corporation
CR2010-0827	Pearce, T	2010	Annual report for MCN 5097 from 22 November 2009 to 22 November 2010	Corporate Developments, Australia New Zealand Resources Corporation
CR1989-0661	Mollemans, F	1989	EL3490 Bynoe Joint Venture Relinquishment Report year ending 15-07-1989.	Barbara Mining Corporation, Greenbushes, Bynoe Joint Venture
CR1988-1989	Hatcher, M Mollemans, F	1988	Annual Report on EL 1986-1987.	Greenbushes

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12. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org.

The following terms, if and where used, are taken from the 2015 VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea, and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert's Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being

reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralization may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralization present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralization, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralization, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralization means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience;
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialist are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendix A - Geoscientific Valuation of the Coates Project

Tenement	BAC (AUS\$)	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
		Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
E70/5198	30,000	3.0	3.5	2.0	2.5	1.5	2.0	2.0	2.5	540,000	926,250	1,312,500	0.48	0.82	1.16
E70/5437	10,000	3.0	3.5	2.0	2.5	1.5	2.0	2.0	2.5	180,000	308,750	437,500	0.16	0.27	0.39
P70/1752	2,000	3.0	3.5	2.0	2.5	1.5	2.0	2.0	2.5	36,000	61,750	87,500	0.04	0.06	0.09
P70/1753	2,000	3.0	3.5	2.0	2.5	1.5	2.0	2.0	2.5	36,000	61,750	87,500	0.04	0.06	0.09
R70/59	50,000	3.0	3.5	2.0	2.5	1.5	2.0	2.0	2.5	900,000	1,543,750	2,187,500	0.88	1.51	2.14
Total Coates Project										1,692,000	2,902,250	4,112,500	1.60	2.72	3.87

To determine the market value the technical value has been discounted following the parameters outlined in Section 9.1 on a tenement-by-tenement basis.

Appendix B - Geoscientific Valuation of the Lake Johnston Lithium and Gold Project

Tenement	BAC (AUS\$)	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
		Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
E63/1809	106,000	3.0	3.5	2.0	2.5	3.0	3.5	2.5	3.0	4,770,000	7,254,400	9,738,800	4.67	7.11	9.54
E63/1903	30,000	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	202,500	401,250	600,000	0.20	0.39	0.59
E63/1883	30,000	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	202,500	401,250	600,000	0.20	0.39	0.59
Total Lake Johnston Lithium and Gold Project										5,175,000	8,056,900	10,938,800	5.07	7.89	10.72

To determine the market value the technical value has been discounted following the parameters outlined in Section 9.1 on a tenement-by-tenement basis.

Appendix C - Geoscientific Valuation of the Lake Johnston Lithium Project

Tenement	BAC (AUS\$)	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
		Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
E63/1722		80,167	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	541,100	1,072,200	1,603,300	0.53	1.05
E63/1723		70,000	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	472,500	936,250	1,400,000	0.46	0.92
E63/1777		30,000	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	202,500	401,250	600,000	0.20	0.39
Total Lake Johnston Lithium Project										1,216,100	2,409,700	3,603,300	1.19	2.36	3.53

To determine the market value the technical value has been discounted following the parameters outlined in Section 9.1 on a tenement-by-tenement basis.

Appendix D - Geoscientific Valuation of the Bynoe Project

Tenement	BAC (AUS\$)	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
		Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
EL30897	12,400	3.5	3.8	2.5	2.8	1.5	2.0	3.5	4.0	569,600	796,300	1,023,000	0.56	0.78	1.00
Total Bynoe Project										8,697,700	14,301,550	19,905,400	8.5	13.9	19.3

To determine the market value the technical value has been discounted following the parameters outlined in Section 9.1 on a tenement-by-tenement basis.

ANNEXURE 2 – SUMMARY OF TERMS AND CONDITIONS OF CHARGER METALS NL SECURITIES INCENTIVE PLAN

The terms of the Charger Metals NL Securities Incentive Plan (**Plan**) and the maximum number of securities proposed to be issued under the Plan were set out in the prospectus for the Company's initial public offering and is summarised below:

- (a) (**Eligible Participant**): Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) (**Purpose**): The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
 - (iii) link the reward of Eligible Participants to Shareholder value creation;
 - (iv) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities; and
 - (v) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.
- (c) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) (**Eligibility, invitation and application**): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) (**Terms of Convertible Securities**): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (g) (**Vesting of Convertible Securities**): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. More than one signed Notice of Exercise can be delivered by a Participant in relation to a holding of Convertible Securities from the date of a Vesting Notice until the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture or non forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest or remain non forfeited.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

Good Leaver Where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Good Leaver, unless the Board determines otherwise vested Convertible Securities that have not been exercised will continue in force and remain exercisable until the Expiry Date and unvested Convertible Securities will be forfeited unless the Board determines otherwise. A Good Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) who ceases employment, office or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where an Eligible Participant's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.

A Bad Leaver Unless the Board determines otherwise, where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Bad Leaver unvested Convertible Securities will be forfeited and vested Convertible Securities that have not been exercised will be forfeited on the date of the cessation of employment or office of such Participant in accordance with clause 10. A Bad Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) whose employment, office or engagement with a Group Company ceases in any of the following circumstances: (i) the Eligible Participant's employment or engagement is terminated, or the Eligible Participant is dismissed from office, due to serious and wilful misconduct; a material breach of the terms of any contract of employment, engagement or office entered into by a Group Company and the Eligible Participant; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the Eligible Participant's contract of employment or engagement or

office, or at common law; (ii) the Eligible Participant ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the Eligible Participant's employment contract; or (iii) the Eligible Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 (disqualification from managing corporations) of the Corporations Act.

Discretion The Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

- (k) **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Plan Shares)**: All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares)**: If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities)**: If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan)**: Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration)**: The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

For personal use only

ANNEXURE 3 – SUMMARY OF MATERIAL TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The material terms of the Performance Rights are as follows:

(a) **Performance Milestone**

The Performance Rights will vest subject to satisfaction of the following performance milestones.

(i) **Performance Rights Class A**

By 1 December 2026, the Company delineates on the tenements on which it holds an interest an inferred mineral resource under the JORC Code of:

- (i) 10,000 tonnes of contained nickel;
- (ii) 100,000 ounces of gold equivalent; or
- (iii) at least 10,000,000 tonnes equal to or greater than 1.2% lithium oxide, calculated on the Company's attributable share of its project interest,

(Performance Milestone A).

(ii) **Performance Rights Class B**

By the date that is 2 years from the grant date of the Performance Rights, the Company's share price trades on or above a 15-day VWAP of \$0.50, being a 100% increase from the closing price of the Company's shares of \$0.25 as at valuation date of 27 March 2023,

(Performance Milestone B).

(iii) **Performance Rights Class C**

By the date that is 3 years from the grant date of the Performance Rights, the Company's share price trades on or above a 15-day VWAP of \$0.85, being a 240% increase from the closing price of the Company's shares of \$0.25 as at valuation date of 27 March 2023,

(Performance Milestone C).

(iv) **Performance Rights Class D**

By the date that is 4 years from the grant date of the Performance Rights, the Company delivers a positive definitive feasibility study based on a JORC Reserve of no less than 10,000,000 tonnes at a grade of 1.2% lithium oxide (calculated on the Company's attributable share of its project interest),

(Performance Milestone D).

(b) **Notification to holder**

The Company shall notify the holder in writing when the Performance Milestones have been satisfied.

(c) **Conversion**

Subject to paragraph (o), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(d) Expiry date of Performance Rights

The Performance Rights have an expiry date of five (5) years from the grant date.

(e) Consideration

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

(f) Share ranking

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) Application to ASX

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) Timing of issue of Shares on Conversion

Within 10 Business Days after date that the Performance Rights are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under section (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Transfer of Performance Rights

The Performance Rights are not transferable.

(j) Participation in new issues

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(l) Adjustment for bonus issue

If the Company makes a bonus issue of Shares or other securities to existing Shareholders

(other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(m) **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Change in control**

Subject to paragraph (o), upon:

- (iv) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
- (v) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Vesting Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (c) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(p) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(q) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(r) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

ANNEXURE 4 – VALUATION OF PERFORMANCE RIGHTS

Valuation

Performance Rights Class A and D

The Performance Rights Class A and D proposed to be issued to Mr Platel pursuant to Resolution 2 have been valued based on the number of Performance Rights granted multiplied by the prevailing Share price at the valuation date of 27 March 2023 multiplied by a Probability Factor that the Performance Milestones are achieved.

The number of Performance Rights granted and the Share price are known variables, however the probabilities assigned to the achievement of the Performance Milestones for the Performance Rights Class A and Class D are highly subjective and ultimately effected by a broad range of factors. Rather than make an assessment of this probability factor, a probability factor of 100% has been used to disclose the maximum value of the Performance Rights should all the Performance Milestones for the Class A and Class D Performance Rights be met.

A breakdown of the maximum number and value of the Shares and Performance Rights based on the valuation date of 27 March 2023 is summarised below:

Maximum number of Performance Rights	Maximum number of Performance Rights Class A	Prevailing Share Price (\$)	Probability Factor	Total Value of Shares (\$)
Class A	500,000	0.25	100%	125,000
Class D	1,000,000	0.25	100%	250,000
Total Value (\$) Performance Rights Class A and D				375,000

The Company has also performed a valuation as at 5 May 2023, using the prevailing share price at that time of \$0.50, which is detailed below.

Maximum number of Performance Rights	Maximum number of Performance Rights Class A	Prevailing Share Price (\$)	Probability Factor	Total Value of Shares (\$)
Class A	500,000	0.50	100%	250,000
Class D	1,000,000	0.50	100%	500,000
Total Value (\$) Performance Rights Class A and D				750,000

Performance Rights Class B and C

The Performance Rights Class B and C proposed to be issued to the Mr Platel pursuant to Resolution 2 have been valued independently by RSM Australia Pty Ltd (**RSM**). RSM have consented to the inclusion of the statements attributed to them in this Notice (including this Annexure 4) in the form and context in which they appear.

Australian Accounting Standard 2 Share-based Payment ('AASB 2') states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which

vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

RSM concluded that the vesting conditions attached to the Performance Rights meet the definition of a market condition, as the vesting of the Performance Rights is dependent on the future market price of the Company's ordinary shares. Therefore, in determining the value of the Performance Rights, RSM used the Hoadley Trading & Investment Tools ("Hoadley") *Barrier1* valuation model, as per below. The valuation model adopted is a binomial barrier model – as the Performance Rights have an "up-and-in" barrier price attached, it is necessary to assess the likelihood of the share price reaching that barrier at any point during the vesting period and factor into the valuation. A standard Black-Scholes valuation model does not include this ability so would not be appropriate in these specific circumstances.

Further information on Hoadley's employee option valuation models can be found at www.hoadley.net

Valuation of Performance Rights Based on Hoadley Valuation Model

Valuation at Grant Date 27 March 2023 (Prevailing Share Price \$0.25)

Maximum number of Performance Rights	Maximum number of Performance Rights	Value per Right (\$)	Total Value of Shares (\$)
Class B	500,000	0.1964	98,200
Class C	500,000	0.1786	89,275
Total Value (\$) Performance Rights Class B and C			187,475

Valuation at 5 May 2023 (Prevailing Share Price \$0.50)

Maximum number of Performance Rights	Maximum number of Performance Rights	Value per Right (\$)	Total Value of Shares (\$)
Class B	500,000	0.4650]	232,500
Class C	500,000	0.4228	211,397
Total Value (\$) Performance Rights Class B and C			443,897

	Performance Rights Class B	Performance Rights Class C
Assumptions		
Valuation Date ¹	27 March 2023	27 March 2023
Share Price ¹	\$0.25	\$0.25
Share Price Target	\$0.50	\$0.85
Vesting Date	27 March 2025	27 March 2026
Expiry Date	27 March 2028	27 March 2028
Expected Future Volatility	90%	90%
Risk Free Rate	2.91%	2.91%

¹ The Company also performed a valuation as at 5 May 2023 using a Share Price of \$0.50, as detailed above.


ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Charger Metals NL and entitled to attend and vote hereby:

APPOINT A PROXY

☐ The Chair of the Meeting **OR** ☐

 **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held **at Level 3, 30 Richardson Street West Perth, WA 6005 on 13 June 2023 at 10.00am (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Approval of Acquisition and Issue of Consideration Shares	☐	☐	☐
2 Approval of issue of Performance Rights to Mr Aidan Platel, Managing Director	☐	☐	☐



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐ Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 2, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 2.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (WST) on 11 June 2023, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033