

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 Thursday 11th January 2024
commencing at 10.00 am (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 transaction the subject of Resolution 1 is, in the absence of an alternative offer, **fair and 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 Thursday, 11th January 2024, commencing at 10.00 am (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 Lake Johnston Acquisition

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

“That, for the purposes of Listing Rule 10.1, and for all other purposes, approval is given for the Company to acquire from Lithium Australia Limited its minority interest in the Lake Johnston Project in consideration for \$2,000,000 and the grant of the Offtake Right of First Refusal to Lithium Australia Limited under the LIT Acquisition Agreement and otherwise 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 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, **fair and 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) 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
- (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.

Resolution 2 – Ratification of Prior Issue of Shares Under Listing Rules 7.1 and 7.1A

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,600,000 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue and any 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.

Resolution 3 – Approval of Issue of Shares on Conversion of RTX Convertible Loan

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 4,800,000 Shares to Rio Tinto Exploration Pty Ltd (or nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of RTX Exploration Pty Ltd and any associate of Rio Tinto Exploration Pty Ltd. 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.

Resolution 4 – Approval of Issue Options to Lead Manager

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Options to Prenzler Group Pty Ltd (or nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Prenzler Group Pty Ltd and any associate of Prenzler Group Pty Ltd. 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.

Resolution 5 – Approval to issue 10,000,000 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 Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 10,000,000 Shares 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: (a) a person who is expected to participate, or who will obtain a material benefit as a result of, the proposed issue of Shares under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company); or (b) an associate of that person (or 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 directions given to the proxy or attorney to vote on the Resolution in that way;
- (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.

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

8 December 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 Thursday, 11th January 2024, 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 8.

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 9th January 2024. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the General Meeting.

1. AGREEMENTS WITH LITHIUM AUSTRALIA LIMITED AND RIO TINTO EXPLORATION PTY LTD

1.1 Background

Under an Acquisition and Joint Venture Agreement dated 4 December 2020 (as amended) 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 Company's Coates Ni-Cu-PGE-Project, Bynoe Lithium and Gold Project and part of the Lake Johnston Project (except that the Company acquired a 100% interest in E63/1903 comprising part of the Lake Johnston Project (registration of transfer pending)). In addition to acquiring a 100% interest in E63/1903 from LIT, in November 2022 the Company has also acquired a 100% interest in E63/1883 (registration of transfer pending) which forms part of the Lake Johnston Project. It is noted that E63/1886 a 70% interest in which the Company also acquired from LIT under the Original Acquisition and JV Agreement has been surrendered.

On 18 November 2023, the Company entered into the Lake Johnston Acquisition Agreement with LIT (**LIT Acquisition Agreement**) under which LIT agreed to sell, and the Company agreed to acquire LIT's minority interest in certain tenements and contractual lithium rights comprising part of the Company's Lake Johnston Project (**Lake Johnston Acquisition**), specifically LIT's minority interest in

- exploration license numbered E63/1809 (**Sale Tenement**); and
- 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, Hampton Metals Limited (**Lithium Rights Agreement**)

(collectively, the **Sale Interest**) in consideration for \$2,000,000 (\$150,000 of which has already been paid as an exclusivity payment repayable only where the LIT Acquisition Agreement terminates for LIT's breach) (**Cash Consideration**) 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**). Further details of the LIT Acquisition Agreement are contained in Section 1.2.

The Company has also entered into an agreement with Rio Tinto Exploration Pty Ltd (ACN 000 057 125) (**RTX**) (**RTX Farm-in Agreement**) under which RTX has made available a loan to the Company of up to \$1,200,000 under a convertible loan and by which RTX has, subject to various conditions (including Completion of the Lake Johnston Acquisition) the right to earn, by way of a combination of cash payments and sole funding of exploration expenditure, up to a 75% interest in the Company's Lake Johnston Project which (following Completion of the Lake Johnston Acquisition) will consist of the Sale Tenement, contractual rights to lithium in the Contractual Rights Tenements and exploration licenses E63/1903 and E63/1883. Further details of the RTX Farm-in Agreement are contained in Section 1.3.

1.2 LIT Acquisition Agreement

The material terms of the LIT Acquisition Agreement are as follows:

- Completion of the Lake Johnston Acquisition is conditional on a number of conditions being satisfied or waived by 28 February 2024 including the following which remain outstanding as at the date of this Notice:
 - the Company, LIT and Hampton Metals Limited entering into a deed of assignment under which (with effect on and from completion of the Lake Johnston 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 Lake Johnston 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 Lake Johnston Acquisition is, in the absence of an alternative offer, **fair and 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);
 - the Company obtaining all approvals from Shareholders as is necessary to proceed with the Lake Johnston Acquisition, including for the purposes of Listing Rule 10.1 (**Shareholder Approval for Lake Johnston Acquisition**). This condition precedent will be met if Resolution 1 is passed; and
 - the RTX Farm-in Agreement being in full force and effect as at Completion of the Lake Johnston Acquisition.
- Upon completion of the Lake Johnston Acquisition, LIT will transfer the Sale Interest to the Company for the purchase price, being the unpaid amount of the Cash Consideration (\$1,850,000) 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 2030.
 - 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 Lake Johnston 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 LIT 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.

1.3 RTX Farm-in Agreement

Under the RTX Farm-in Agreement, RTX has made available a loan to the Company of up to \$1,200,000 (**RTX Convertible Loan**). The key terms of the RTX Convertible Loan are as follows:

- The RTX Convertible Loan is unsecured, interest free and with no restriction on use of funds and may be drawn down as required by the Company provided that either RTX or the Company can elect for the Company to drawdown all loan funds upon satisfaction of all the Farm-in Conditions (see below) except Completion of the Lake Johnston Acquisition.
- Upon satisfaction of the Farm-in Conditions (see below), the RTX Convertible Loan will automatically convert into Shares at the same price as the issue of the Placement Shares under the Placement (see Section 3 below).
- Unless otherwise agreed, the number of Shares to be issued upon conversion of the Convertible Loan will be capped such that RTX does not exceed a 9.99% relevant interest (as defined in the Corporations Act) in the Company upon conversion. Any remaining balance of the Convertible Loan after such capped conversion will be repayable by the Company to RTX.
- If Resolution 1 is not passed (ie. Shareholder Approval for Lake Johnston Acquisition is not obtained) (or this Meeting is cancelled or withdrawn) or the Farm-in Conditions (see below) are not met within 1 month of this Meeting (assuming Resolution 1 is passed), RTX can elect whether to:
 - require that the Company repay the amounts drawn down under the RTX Convertible Loan; or
 - convert the RTX Convertible Loan at the 10-day VWAP prior to conversion but subject to a minimum Conversion Price of \$0.25 per Share,

and, in such circumstance RTX will retain a 12 month first right of refusal in relation to any proposed transaction by the Company to obtain funds for the purposes of funding of the Company's exercise of its pre-emptive right over the Sale Interest (under the Original Acquisition and JV Agreement) or funding exploration on the Lake Johnston Project (excluding pro rata issues to Shareholders) and the parties will in good faith work together to seek to agree an alternate transaction.

Under the RTX Farm-in Agreement, subject to satisfaction (or waiver) of the Farm-in Conditions (see below) RTX will:

- reimburse the Company \$500,000 in exploration expenditure on the Lake Johnston Project;
- have an exclusive right to earn a 51% interest in the Lake Johnston Project by sole funding \$10,000,000 of exploration and associated expenditure within a 4-year period (including a minimum \$3,000,000 initial drilling campaign within the first 12 months) (**Stage 1 Earn-in**);

- pay the Company \$500,000 at the end of the initial drilling program (unless RTX elects to withdraw from the Stage 1 Earn-in at that point) or \$1,000,000 at such point in the event of a drill intersection at the Lake Johnston Project of $\geq 20\text{m}$ true width at $\geq 1.2\%$ Li₂O during the initial drilling program;
- pay the Company \$1,000,000 at the conclusion of the Stage 1 Earn-in (unless RTX elects to withdraw from the Stage 1 Earn-in at that point);
- after completing the Stage 1 Earn-in, have an exclusive right to earn a further 24% interest in the Lake Johnston Project by sole funding to the earlier of (A) a definitive feasibility study on the Lake Johnston Project and (B) an additional \$30,000,000 of exploration and associated expenditure on the Lake Johnston Project (in each case within 6 years) (**Stage 2 Earn-in**);
- if it elects not to complete the Stage 2 Earn-in, transfer a 2% interest in the Lake Johnston Project back to the Company (so that the Company will hold a 51% interest in the Lake Johnston Project),

(RTX Farm-in).

Under the RTX Farm-in Agreement, the RTX Farm-in is conditional on a number of conditions (**Farm-in Conditions**) including the following which remain outstanding:

- Resolution 1 being passed (ie. Shareholder Approval for Lake Johnston Acquisition being obtained) and Completion of the Lake Johnston Acquisition occurring; and
- various consents being obtained from Hampton Metals Limited in relation to the Contractual Lithium Rights (and the execution of all necessary deeds of assignment in relation to the transfer by of the Contractual Lithium Rights to RTX as contemplated by the RTX Farm-in Agreement).

The RTX Farm-in Agreement additionally includes joint venture terms to govern the unincorporated joint venture that will be constituted between the Company and RTX following RTX earning a 51% interest in the Lake Johnston Project upon completion of the Stage 1 Earn-in including dilution provisions such that where a party dilutes to below a 10% interest in the Lake Johnston Project that party's interest will convert to a 1.25% gross revenue royalty on the first 15 years of commercial production.

1.4 Pro forma statement of financial position

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

1.5 Independent Expert's Report

The Independent Expert's Report assesses whether the Lake Johnston Acquisition 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 Lake Johnston Acquisition is, in the absence of an alternative offer, **fair and 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.

1.6 Advantages of the Lake Johnston Acquisition

The Directors are of the view that the following non-exhaustive list of advantages of the Lake Johnston 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 Lake Johnston Acquisition):

- (a) The Company will move to a 100% ownership of the Lake Johnston Project which will give the Company the ability to proceed with the RTX Farm-in Agreement. In this regard, Completion of the Lake Johnston Acquisition is a condition to the RTX Farm-in under the RTX Farm-in Agreement. The RTX Farm-in will see significant investment by RTX which will allow thorough, systematic exploration over all of the Lake Johnston Project tenure, with initial exploration focused on fast-tracking the Medcalf Prospect as well as progressing the Mt Day and Mt Gordon lithium prospects.
- (b) The payment of Cash Consideration minimises dilution for existing Shareholders as no shares will be issued as part of the consideration for the Lake Johnston Acquisition.
- (c) The Independent Expert has concluded that the Lake Johnston Agreement is, in the absence of an alternative offer, **fair and reasonable** to Shareholders not associated with LIT or its associates.

1.7 Disadvantages of the Lake Johnston Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages of the Lake Johnston 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 payment of the Cash Consideration will reduce the Company's cash reserves although this is offset by the funds raised under the RTX Convertible Loan, the reimbursement under the RTX Farm-in Agreement and also the Placement (see Section 3)
- (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.

1.8 Board intentions upon completion of the Lake Johnston Acquisition

Following completion of the Lake Johnston Acquisition:

- (a) Subject to satisfaction of the remaining Farm-in Conditions under the RTX Farm-in Agreement, exploration of the Lake Johnston Project will proceed in accordance with the RTX Farm-in Agreement. The Company will manage the exploration programme on the Lake Johnston Project (in consultation with RTX) for at least the first year of the RTX Earn-in; and
- (b) the Company intends to accelerate the exploration and development of the Company's Bynoe Lithium and Gold Project and Coates Ni-Cu-PGE-Project.

1.9 Board intentions and Consequences if completion of the Lake Johnston Acquisition does not occur

If Resolution 1 is not passed and Completion of the Minority Interest Acquisition does not occur, the Lake Johnston Project will remain under the current ownership structure and the Farm-in Conditions under the RTX Farm-in Agreement will not be met (and thus the RTX Farm-in will not proceed). In these circumstances, the Company will continue to progress its Lake Johnston Project (under the current ownership structure) together with the Company's Coates Ni-Cu-PGE-Project and Bynoe Lithium and Gold Project. The Company also, in these circumstances, intends to continue discussions with RTX about an alternate transaction on the Lake Johnston Project.

If the Lake Johnston Acquisition does not occur the RTX Farm-in will not proceed in its current form which may impact on the share price. In addition, the Company will only recover the \$150,000 exclusivity payment which has already been paid where the LIT Acquisition Agreement terminates for LIT's breach.

1.10 Indicative Timetable for Lake Johnston Acquisition

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

Event	Date
ASX announcement of Lake Johnston Acquisition	20 November 2023
General Meeting for Shareholder Approval of Lake Johnston Acquisition	10.00am 11 January 2024
Completion of Lake Johnston Acquisition (subject to satisfaction of conditions precedent as set out in Section 1.2)	17 January 2024

2. RESOLUTION 1 – APPROVAL OF LAKE JOHNSTON ACQUISITION

2.1 Background

Resolution1 seeks Shareholder approval for the purposes of Listing Rule 10.1 for the acquisition of a substantial asset (the Sale Interest, being LIT's minority interest in the Company's Lake Johnston Project) from a substantial holder (10% or more) of the Company.

2.2 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 2023) were \$11,245,002. A substantial asset is therefore an asset of value greater than \$562,250.

The consideration payable by the Company under the Lake Johnston Acquisition includes the payment of the Cash Consideration (of \$2,000,000) and therefore (and even without ascribing any value to the Offtake Right of First Refusal), the Lake Johnston Acquisition will result in the acquisition of a substantial asset for the purposes of 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 as at the date of execution of the LIT Acquisition Agreement (and 10.45% of the total votes attached to voting shares in the Company as at the date of this Notice), 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 Lake Johnston 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 by virtue of holding 10.45% 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.

(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 minority interest in the Lake Johnson Project). Further details of the Sale Interest are set out in Section 1.1 above.

(d) **Consideration for the acquisition**

- (i) the Cash Consideration, being \$2,000,000 (\$150,000 of which has already been paid to LIT as an exclusivity payment repayable only where the LIT Acquisition Agreement terminates for LIT's breach); 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 Cash Consideration payable as partial consideration for the Minority Interest Acquisition will be funded by the funds raised under the RTX Convertible Loan (see Section 1.3 for further details) and the Placement (see Section 4 for further details) and from the Company's existing cash reserves.

The grant of the Offtake Right of First Refusal as partial consideration for the Lake Johnston Acquisition does not require any funds to be raised by the Company.

(f) **Timetable for the acquisition**

Completion of the Lake Johnston Acquisition is anticipated to occur within 5 Business Days of this Meeting, being on or about 17th January 2024.

(g) **Summary of material terms of acquisition agreement**

The key terms of the LIT Acquisition Agreement are summarised in Section 1.2.

(h) **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 Lake Johnston Acquisition is, in the absence of an alternative offer, **fair and 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.

3. **RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULES 7.1 AND 7.1A**

3.1 **Background to Placement**

On 23 November 2022, the Company announced that it had received firm commitments to raise \$2,700,000 (before costs) under a placement of Shares to institutional, sophisticated and professional investors (**Placement**).

Prenzler Group Pty Ltd acted as lead manager to the Placement (**Lead Manager**).

The Placement comprised the issue of 10,600,000 new Shares (at an issue price of \$0.255 per Share) (**Placement Shares**).

The Placement Shares were issued on 1 December 2023 under Listing Rules 7.1 and 7.1A:

- (a) 4,400,000 Placement Shares were issued under the Company's 15% capacity under Listing Rule 7.1; and
- (b) 6,200,000 Placement Shares were issued under the Company's 10% capacity under Listing Rule 7.1A).

3.2 Ratification of Placement Shares

Resolution 2 seeks shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

3.3 Listing Rule 7.1 and 7.1A

In general terms, Listing Rule 7.1 provides that a company must not, subject to specified exceptions in Listing Rule 7.2, issue or agree to issue (without the approval of its shareholders) more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members (by way of a special resolution passed at its annual general meeting) to increase the 15% capacity under Listing Rule 7.1 by an extra 10% (up to 25%). The Company obtained approval to increase its limit to 25% at its annual general meeting held on 23 November 2022.

The issue of the Placement Shares uses up part of the 25% limit set in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12-month period following the dates of issue of the Placement Shares.

3.4 Listing Rule 7.4

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying the issue of the Placement Shares, the Company will retain the flexibility to issue equity securities in the future up to the 25% placement capacity set out in Listing Rules 7.1 and 7.1A without the requirement to obtain prior Shareholder approval.

3.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the Placement Shares:

- (a) the Company has issued 10,600,000 Placement Shares;
- (b) 4,400,000 Placement Shares were issued in accordance with Listing Rule 7.1 and 6,200,000 Placement Shares were issued in accordance with Listing Rule 7.1A;
- (c) the issue price for the Placement Shares was \$0.255 per Placement Share;
- (d) the Placement Shares were issued on 29 November 2023;
- (e) the Placement Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Placement Shares were issued to institutional, professional and sophisticated investors identified by the Company and the Lead Manager. In accordance with ASX Guidance Note 21, the Company confirms that none of the investors that are a related party of the Company, a member of the Company's key management personnel, an advisor to the Company or an

associate of any such persons were issued more than 1% of the Company's current issued capital;

- (g) the funds raised from the issue of the Placement Shares (after administration costs) will be used to fund part of the Cash Consideration payable under the Lake Johnston Acquisition Agreement and to accelerate the exploration and development of the Company's Bynoe Lithium Project and for general working capital purposes; and
- (h) a voting exclusion statement is included in the Notice.

3.6 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Placement Shares will be excluded in calculating the Company's 25% limit in Listing Rules 7.1 and 7.1A, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares.

If Shareholders do not approve Resolution 2, the Company will not be able to access, for 12 months (unless subsequently ratified with the approval of Shareholders) such of the 15% annual placement capacity under Listing Rule 7.1 and 10% annual placement capacity under Listing Rule 7.1A as is used by the Company to issue the Placement Shares.

4. RESOLUTION 3 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF RTX CONVERTIBLE LOAN

4.1 Background

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of up to 4,800,000 Shares (**Convertible Loan Shares**) upon conversion of the RTX Convertible Loan.

Details of the RTX Convertible Loan are set out in Section 1.3.

4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 3.3.

The issue of the Convertible Loan Shares does not fit within any of the applicable exceptions under Listing Rule 7.1. While the issue of the Convertible Loan Shares does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1.

To do this, the Company is asking Shareholders to approve the issue of the Convertible Loan Shares under Listing Rule 7.1 so that it does not use up any of its 15% annual placement capacity on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

The effect of Resolution 3 will be to allow the Company to issue the Convertible Loan Shares on conversion of the RTX Convertible Loan during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Convertible Loan Shares to be issued is 4,800,000;
- (b) the Convertible Loan Shares will be issued to Rio Tinto Exploration Pty Ltd (ACN 000 057 125) or nominee;
- (c) the Convertible Loan Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of all Convertible Loan Shares will occur on the same date;
- (d) the deemed issue price will depend on the circumstances of conversion as set out in Section 1.3 but will be no lower than \$0.25 per Convertible Loan Share;
- (e) the Convertible Loan Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised through the issue of Convertible Loan Shares as they are being issued upon conversion of the RTX Convertible Loan. The Company intends to use the funds raised under the Convertible Loan fund part of the Cash Consideration payable under the Lake Johnston Acquisition Agreement and to accelerate the exploration and development of the Company's Bynoe Lithium Project and for general working capital purposes; and
- (g) a voting exclusion statement is included in the Notice.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Convertible Loan Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Convertible Loan Shares.

If Shareholders do not approve Resolution 3, the Company will not be able to access, for 12 months (unless subsequently ratified with the approval of Shareholders) such of the 15% annual placement capacity under Listing Rule 7.1 as is used by the Company to issue the Convertible Loan Shares.

5. RESOLUTION 4 – APPROVAL TO ISSUE OPTIONS TO LEAD MANAGER

5.1 General

By a mandate agreement between the Company and with Prenzler Group Pty Ltd, the Company appointed Prenzler Group Pty Ltd as Lead Manager of the Placement. Under the mandate agreement:

- (a) Prenzler Group Pty Ltd agreed to act as Lead Manager of the Placement;
- (b) the Company agreed to pay Prenzler Group Pty Ltd a fee of:
 - (i) 6% (excluding GST) on all monies raised under the Placement (being, \$162,180); and
 - (ii) 1,000,000 options in the Company (being, the 1,000,000 Options the subject of Resolution 4), subject to Shareholder approval

Resolution 4 seeks Shareholder approval for the issue of 1,000,000 Options to Prenzler Group Pty Ltd (or its nominee) in part consideration for services provided to the Company as Lead Manager to the Placement. A valuation of the Options is set out in Annexure C.

5.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in section 3.3. **Error! Reference source not found.** The issue of the 1,000,000 Options to Prenzler Group Pty Ltd (or its nominee) does not fit within any of the applicable exceptions under Listing Rule 7.1. Given the use of the Company's 15% limit in Listing Rule 7.1 to issue the Placement Shares, the Company does not currently have the capacity to issue the 1,000,000 Options to Prenzler Group Pty Ltd (or its nominee) without Shareholder approval for the purposes of Listing Rule 7.1 (although the Company will have the capacity after the Meeting to issue the 1,000,000 Options to Prenzler Group Pty Ltd (or its nominee) using its refreshed 15% limit in Listing Rule 7.1 if Resolution 2 is passed ratifying the issue of the Placement Shares).

The effect of Resolution 4 will be to allow the Company to issue the 1,000,000 Options to Prenzler Group Pty Ltd (or its nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% limit in Listing Rule 7.1.

5.3 General

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued to Prenzler Group Pty Ltd (or its nominee) is 1,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration in part satisfaction of the fees for services provided by Prenzler Group Pty Ltd as Lead Manager of the Placement;
- (d) the Options will be issued under a mandate agreement with the Company the material terms of which are summarised in Section 5.1
- (e) the Options will be issued to Prenzler Group Pty Ltd (or its nominee), who is an advisor of the Company pursuant to the mandate agreement the material terms of which are summarised in Section 5.1 but which is not a related party of the Company, a member of the Company's key management personnel, a substantial holder of the Company or an associate of any such persons;
- (f) the Options will be issued on the terms and conditions set out in Schedule B;
- (g) no funds will be raised from the issue to the Lead Manager as the Options are being issued as part consideration for services provided by as Lead Manager of the Placement; and
- (h) a voting exclusion statement is included in the Notice.

5.4 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to issue the 1,000,000 Options the subject of Resolution 4 to Prenzler Group Pty Ltd (or its nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% limit in Listing Rule 7.1.

If Shareholders do not approve Resolution 4, the Company will not be able to issue the 1,000,000 Options the subject of Resolution 4 to Prenzler Group Pty Ltd (or its nominee) unless Resolution 2 is passed ratifying the issue of the Placement Shares (and thus refreshing the Company's 15% limit in Listing Rule 7.1). Accordingly, if Shareholders do not approve Resolution 4 and:

- (a) Resolution 2 is passed, the Company will issue the 1,000,000 Options the subject of Resolution 4 to Prenzler Group Pty Ltd (or its nominee) using the Company's 15% limit in Listing Rule 7.1; and
- (b) Resolution 2 is not passed, the Company will not be able to issue the 1,000,000 Options the subject of Resolution 4 to Prenzler Group Pty Ltd (or its nominee).

6. RESOLUTION 5 – APPROVAL TO ISSUE 10,000,000 SHARES

6.1 Background

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 (and for all other purposes) for the issue of 10,000,000 Shares (**Proposed Shares**), (**Proposed Share Issue**). The issue price for the Proposed Shares under any Proposed Share Issue will not be less than 80% of the volume weighted average price over the 5 days on which sales of Shares are recorded prior to the announcement of any Proposed Share Issue (**Proposed Issue Price**).

6.2 Listing Rule 7.1 and technical Information required by Listing Rule 14.1A

A summary of Listing Rule 7.1 is set out in section 3.3.

Any Proposed Share Issue will not fall within any of the specified exceptions in Listing Rule 7.2 and whilst the Proposed Shares under any Proposed Share Issue may or may not exceed the Company's 15% Placement Capacity (and/or any additional 10% Placement Capacity under Listing Rule 7.1A), the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Proposed Shares under any Proposed Share Issue for the purposes of Listing Rule 7.1 so that any Proposed Share Issue doesn't use up the Company's 15% Placement Capacity (and/or any 10% Placement Capacity under Listing Rule 7.1A).

If Resolution 5 is passed, a Proposed Share Issue can proceed without using any of the Company's 15% Placement Capacity (and/or any additional 10% Placement Capacity under Listing Rule 7.1A) and the Proposed Shares under the Proposed Share Issue will be excluded from the calculation of the number of equity securities that the Company can issue under its 15% Placement Capacity (and/or any additional 10% Placement Capacity under Listing Rule 7.1A) without Shareholder approval. It is noted that to the extent the Company undertakes a capital raising for the Proposed Share Issue and the Company ultimately issues equity securities additional to the Proposed Shares the additional equity securities will, to the extent they don't fall within any of the specified exceptions in Listing Rule 7.2, use up the Company's 15% Placement Capacity (and/or any 10% Placement Capacity under Listing Rule 7.1A).

If Resolution 5 is not passed, the Company will have to rely on the Company's 15% Placement Capacity (and/or any additional 10% Placement Capacity under Listing Rule 7.1A) to proceed with a Proposed Share Issue to raise funds for the purposes described in Section 6.3(f) below.

6.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Placement Shares under any Proposed Share Issue:

- (a) The Directors intend that the Proposed Shares will be issued under any Proposed Share Issue to institutional, professional and sophisticated investors identified by the Directors or who are clients of a lead manager to be engaged in connection with any Proposed Share Issue. The Company has not yet determined who will be issued any Proposed Shares, however, the recipients will be identified through a bookbuild or similar process which will involve the Board

and/or the lead manager to be engaged in connection with any Proposed Share Issue seeking expressions of interest from non-related parties of the Company.

- (b) In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Proposed Shares under any Proposed Share Issue will be:
- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company.
- (c) The number of Proposed Shares to be issued under any Proposed Share Issue is 10,000,000 Shares. It is noted that to the extent the Company undertakes a capital raising for the Proposed Share Issue and the Company ultimately issues equity securities additional to the Proposed Shares the additional equity securities will, to the extent they don't fall within any of the specified exceptions in Listing Rule 7.2, use up the Company's 15% Placement Capacity (and/or any 10% Placement Capacity under Listing Rule 7.1A).
- (d) All Proposed Shares under any Proposed Share Issue will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Proposed Shares under any Proposed Share Issue will be issued no later than three months following the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is intended that the issue of the Proposed Shares under any Proposed Share Issue will occur progressively.
- (f) The Proposed Issue Price per Proposed Share under any Proposed Share Issue will not be less than 80% of the volume weighted average price for Shares over the 5 days on which sales of Shares were recorded prior to the announcement of any Proposed Share Issue.

The table below provides examples of the amount that may be raised under any Proposed Share Issue (before costs) if Shareholders approve this Resolution 5. The table uses various Proposed Issue Prices (noting that the closing price of Shares on ASX on 7 December 2023 was \$0.22 and noting that the Proposed Issue Price per Proposed Share under any Proposed Share Issue will not be less than 80% of the volume weighted average price for Shares over the 5 days on which sales of Shares were recorded prior to the announcement of any Proposed Share Issue) to calculate the amount that may be raised (before costs) under any Proposed Share Issue:

Proposed Issue Price (\$ per Share)	Raising Amount (before costs) (\$)
\$0.20	2,000,000
\$0.25	2,500,000
\$0.30	3,000,000
\$0.35	3,500,000
\$0.40	4,000,000

The maximum that existing Shareholders will be diluted under any Proposed Share Issue (based on the existing number of Shares on issue (being 72,714,368 Shares as at the date of this Notice) and assuming no options are exercised, no convertible securities (including the Convertible Loan) are converted and no additional Shares are issued and no other equity securities are issued under any capital raising undertaken for the Proposed Share Issue) will be 13.8%.

- (g) The funds raised from the issue of Proposed Shares (after costs) will be used on exploration activities including exploration to advance the Company's Bynoe Lithium Projects and for general working capital purposes.
- (h) A voting exclusion statement is included in the Notice.

7. OTHER INFORMATION

7.1 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.

7.2 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of the Resolutions (in relation to Resolution 1 in the absence of a superior proposal to the Lake Johnston Acquisition) and the Directors intend to vote all Shares owned or controlled by them in favour of the Resolutions (in relation to Resolution 1 in the absence of a superior proposal).

7.3 Voting intentions of the Chair

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

8. DEFINITIONS

Acquisition means the proposed transaction set out in Section 1.1.

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.

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.

Cash Consideration has the meaning given that term in Section 1.1.

Chair means the chairperson of the Meeting.

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

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

Convertible Loan Shares has the meaning given that term in Section 4.1.

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

Director means a director of the Company.

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

Farm-in Conditions has the meaning given that term in Section 1.3.

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.

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

Lead Manager has the meaning given that term in Section 3.1.

Listing Rules means the official listing rules of the ASX.

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

LIT Acquisition Agreement means the acquisition agreement dated 17 November 2023 between the Company and LIT, as described in Section 1.2.

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.

Option means an option to acquire a Share with the terms and conditions set out in Schedule B.

Placement has the meaning given that term in Section 3.1.

Placement has the meaning given that term in Section 3.1.

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

Proposed Issue Price has the meaning given that term in Section 6.1.

Proposed Shares has the meaning given that term in Section 6.1.

Proposed Share Issue has the meaning given that term in Section 6.1.

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

RTX means Rio Tinto Exploration Pty Ltd (ACN 000 057 125).

RTX Convertible Loan has the meaning given that term in Section 1.3.

RTX Farm-in has the meaning given that term in Section 1.3.

RFT Farm-in Agreement has the meaning given that term in Section 1.1 (and as further detailed in Section 1.3).

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.

Shareholder Approval for Lake Johnston Acquisition has the meaning given that term in Section 1.2.

Stage 1 Earn-in has the meaning given that term in Section 1.3.

Stage 2 Earn-in has the meaning given that term in Section 1.3.

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

	Audited Balance as at 30/06/2023 \$	Note	Unaudited Pro Forma Adjustments \$	Unaudited Pro Forma after Acquisition \$
CURRENT ASSETS				
Cash and cash equivalents	4,257,506		(2,000,000)	2,257,506
Trade and other receivables	196,915		-	196,915
	<u>4,454,421</u>		<u>(2,000,000)</u>	<u>2,454,421</u>
NON-CURRENT ASSETS				
Exploration and evaluation assets	7,476,368		2,000,000	9,476,368
Plant and equipment	113,397		-	113,397
	<u>7,589,765</u>		<u>2,000,000</u>	<u>9,589,765</u>
CURRENT LIABILITIES				
Trade and other payables	795,393		-	795,393
Provisions	3,791		-	3,791
	<u>799,184</u>		<u>-</u>	<u>799,184</u>
NET ASSETS	<u>11,245,002</u>		<u>-</u>	<u>11,245,002</u>
EQUITY				
Contributed equity	13,953,119		-	13,953,119
Reserves	975,146		-	975,146
Accumulated losses	(3,683,263)		-	(3,683,263)
TOTAL EQUITY	<u>11,245,002</u>		<u>-</u>	<u>11,245,002</u>

SCHEDULE B – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.60 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable anytime on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after receipt of the Notice of Exercise, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)I 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 exercise of the Options.

If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable.

SCHEDULE C – OPTIONS VALUATION

The Options proposed to be issued pursuant to Resolution 5 have been independently valued by RSM Australia Pty Ltd using the Hoadley Trading and Investment Tools ESO2 valuation model on the following assumptions:

Number of Options	1,000,000
Valuation date	21 November 2023
Assumed Share price at grant date	\$0.28
Exercise price	\$0.60
Market value on ASX of underlying Shares at the time of setting the exercise price	\$0.275
Exercise price premium to market value	218.18%
Expiry date	3 years from the date of issue
Expected volatility	100%
Risk free interest rate	4.10%
Annualised dividend yield	nil
Value of each Option	\$0.117
Aggregate value of Options	\$116,995

Notes:

1. At the Valuation Date, the volatility of the Share price of the Company was calculated using data extracted from Bloomberg.
2. The Australian Government 3-year bond rate as at the Valuation Date was used.
3. A nil dividend yield was assumed on the basis that the Company is unlikely to pay a dividend during the life of the Options.
4. The assumed Share price at the grant date of \$0.275 is based on the closing underlying Share price on the valuation date.
5. Under the accounting standard AASB 2 Share Based Payments, the Company will recognise a non-cash expense in the income statement based on the fair value of the Options over the period from the date of issue to the vesting date. The total of the fair value of the Options will be allocated over the applicable vesting periods.

ANNEXURE 1 – INDEPENDENT EXPERT’S REPORT

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CHARGER METALS NL
Independent Expert's Report

OPINION: FAIR AND REASONABLE

8 December 2023

Financial Services Guide

8 December 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 Johnston Joint Venture ('Proposed Acquisition'). As consideration for the Proposed Acquisition, Charger will pay cash consideration of \$2,000,000 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 \$22,000.

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.

Other Assignments

BDO Corporate Finance (WA) Pty Ltd were engaged by Charger to provide an Independent Expert's Report on the proposed acquisition of the 30% interest in the Lake Johnston Lithium Joint Venture from Lithium Australia for shares in Charger which was announced on 7 February 2023. Our report was lodged in draft with the Australian Securities and Investments Commission ('ASIC') and was subsequently finalised and attached to the Notice of Meeting. Our fee for the aforementioned report was 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.

BDO Corporate Finance (WA) Pty Ltd also provided due diligence services to Lithium Australia during 2022 and 2023 for total fees of approximately \$410,000 and valuation services to Lithium Australia during 2023 for total fees of approximately \$3,000.

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

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Technical Assessment and Valuation Report by VRM

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8 December 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 20 November 2023, Charger Metals NL (**'Charger'** or **'the Company'**) announced it had entered into an agreement with Lithium Australia Limited (**'Limited Australia'**) to acquire its remaining 30% interest in the Lake Johnston Joint Venture (**'Lake Johnston JV Projects'**) (**'Proposed Acquisition'**). At the completion of the Proposed Acquisition, Charger will have a 100% beneficial holding in the Lake Johnston Lithium Project (**'Lake Johnston Project'** or **'the Project'**).

As consideration for the Proposed Acquisition, Charger will pay cash consideration of \$2.0 million to Lithium Australia (**'Cash Consideration'**) and will grant an offtake first right of refusal to Lithium Australia for up to 30% of lithium products produced from the Project (**'Offtake FROR'**) (collectively, **'the Consideration'**).

As the Proposed Acquisition is with a substantial shareholder 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), pursuant to the Australian Securities Exchange (**'ASX'**) listing rules 10.1 and 10.5. As such, this independent expert's report (**'our Report'**) expresses an opinion as to whether the Proposed Acquisition is fair and reasonable to Shareholders.

Also on 20 November 2023, Charger simultaneously announced that it had entered into a binding farm-in agreement with Rio Tinto Exploration Pty Limited (**'RTX'**), a wholly owned subsidiary of Rio Tinto Limited (**'Rio Tinto'**), in which RTX will be able to earn a majority interest of up to 75% in the Lake Johnston Project by sole funding staged exploration at the Project (**'RTX Transaction'** or **'RTX Agreement'**). Under the RTX Agreement, RTX will also subscribe for an up to \$1.20 million convertible loan in Charger (**'Convertible Loan'**). We note that our Report does not express an opinion on the RTX Transaction, however, we have included details of the RTX Transaction to the extent that it may relate to our assessment of the Proposed Acquisition.

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

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

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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 to express an opinion as to whether or not the Proposed Acquisition is fair and reasonable to Shareholders.

Our Report is prepared pursuant to ASX listing rules 10.1 and 10.5 and is to be included in the Notice of Meeting for Charger in order to assist the Shareholders in their decision on whether to approve the Proposed Acquisition.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 76 'Related party transactions' ('RG 76'), 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 Lithium Australia's 30% interest in the Lake Johnston JV Projects being acquired compares to the value of the Consideration to be provided to Lithium Australia;
- The likelihood of an alternative proposal being made to Charger;
- Other factors which we consider to be relevant to the Shareholders in their assessment of whether to approve 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 proposal, the Proposed Acquisition is fair and reasonable to the Shareholders.

In our opinion, the Proposed Acquisition is fair because the preferred and high values of Lithium Australia's 30% interest in the Lake Johnston JV Projects being acquired are greater than the Consideration to be paid to Lithium Australia. We also consider that the advantages of the Proposed Acquisition outweigh the disadvantages.

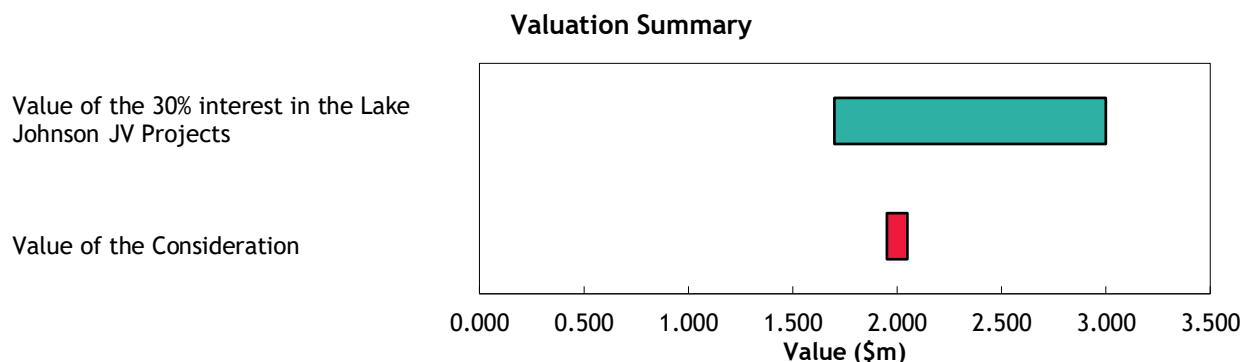
2.4 Fairness

In Section 12 we determined that the value of Lithium Australia's 30% interest in the Lake Johnston JV Projects being acquired in the Proposed Acquisition compares to the Consideration being paid by Charger for the interest, as detailed below.

	Ref	Low (\$m)	Preferred (\$m)	High (\$m)
Value of the 30% interest in the Lake Johnston JV Projects	10	1.7	2.3	3.0
Value of the Consideration	11	2.0	2.0	2.0

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the Proposed Acquisition is fair for Shareholders.

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 Transaction.

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
13.1.1	The Proposed Acquisition is fair for Shareholders	13.2.1	Consideration for the Proposed Acquisition results in the depletion of cash
13.1.2	The Proposed Acquisition allows for the consolidation of the project and enables funding through the RTX Transaction to be secured		
13.1.3	Enlarged entity with simplified structure may improve access to capital for development of Charger's other projects		
13.1.4	The Proposed Acquisition does not dilute the interests of existing Shareholders		

Other key matters we have considered include:

Section	Description
13.3	Alternative Proposal
13.4	Consequences of Not Approving the Proposed Acquisition

3. Scope of the Report

3.1 Purpose of the Report

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 audited accounts as at 30 June 2023, the value of the Consideration to be paid to Lithium Australia is more than 5% of the equity interest of Charger (based on book value of equity). Lithium Australia is an existing substantial shareholder of Charger, holding a 15.46% interest prior to the announcement of the Proposed Acquisition and 12.24% as at 23 November 2023.

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 expert's report is required for the Proposed Acquisition.

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.

RG 111 suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1 this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Acquisition to be a control transaction as Lithium Australia is not gaining additional interest in the share capital of Charger. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Acquisition as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states:

"where the proposed transaction consists of an asset acquisition by the entity, it is fair if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired." (RG 111.58)

In the case of this Proposed Acquisition the asset being acquired is the 30% interest in the Lake Johnston JV Projects, and the 'financial benefit being offered' is the Consideration to be paid by Charger. 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. RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should

consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Proposed Acquisition is a control transaction. As such, we have not included a premium for control when considering this comparison.

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 alternate options.

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

- A comparison between the value of the 30% interest in the Lake Johnston JV Projects to be acquired and the value of the Consideration to be paid for the interest (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

4.1. Overview

On 20 November 2023, Charger announced that it had signed a binding agreement with Lithium Australia for the acquisition of Lithium Australia's remaining 30% interest in the Lake Johnston JV Projects ('Acquisition Agreement').

Under the Acquisition Agreement, Lithium Australia has agreed to sell, and Charger has agreed to acquire:

- Lithium Australia's remaining 30% interest in the tenements that comprise part of the Lake Johnston Project (also termed the 'Lake Johnston JV Projects'); and
- Lithium Australia's remaining 30% interest in the contractual rights to lithium in the Lake Johnston JV Projects.

As consideration for the Proposed Acquisition, Charger will pay Lithium Australia the Consideration as follows:

- Cash Consideration of \$2.0 million, which includes a \$0.15 million non-refundable (except where completion of the Proposed Acquisition does not occur for Lithium Australia's breach) exclusivity payment to be paid within two business days of signing the Acquisition Agreement; and
- The grant of a conditional offtake first right of refusal over the lithium product produced from the tenements to Lithium Australia.

4.2. Offtake FROR

The Offtake FROR covers lithium product equal to the lower of:

- 30% of the lithium product produced on the relevant tenements for the term of the agreement reached for offtake, should a binding agreement be reached; and
- The lithium product required by Lithium Australia to produce lithium metal phosphate product through a commercial facility(s) in which Lithium Australia has an ownership interest of 25% or more.

Other key terms of the Offtake FROR include:

- Charger is not required to make the Offtake FROR 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 Charger expects (acting reasonably) to make a financial investment decision to produce lithium product in commercial quantities ('Charger Pre-FID Date') or 31 December 2030;
- If Lithium Australia accepts the Offtake FROR offer, Charger 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;
- Charger must not enter into any arrangement for the sale of more than 70% of its anticipated lithium product from the tenements and/or the contractual rights 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; and

- Charger 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 Lake Johnston Project (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 Lake Johnston Project.

4.3. 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 28 February 2024:

- Charger obtaining a waiver from ASX Listing Rule 10.7 to the extent necessary to permit Charger to pay Lithium Australia the Cash Consideration and to grant Lithium Australia the Offtake FROR;
- 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 contractual rights to lithium in tenements forming part of the Lake Johnston Project;
- Charger obtaining all approvals from its Shareholders as is necessary to proceed with the Proposed Acquisition, including for the purposes of ASX Listing Rule 10.1; and
- Charger entering into the RTX Agreement and the RTX Agreement remaining in full force and effect as at the completion date of the Proposed Acquisition.

4.4. RTX Agreement

On 20 November 2023, Charger also announced that it had entered into a binding farm-in agreement with RTX, whereby, subject to satisfaction (or waiver) of certain farm-in conditions below ('Farm-in Conditions'), RTX will:

- reimburse Charger \$500,000 in exploration expenditure on the Lake Johnston Project;
- have an exclusive right to earn a 51% interest in the Lake Johnston Project by sole funding \$10.0 million in exploration expenditure within a four-year period including a minimum exploration commitment of \$3.0 million within the first 12 months and \$1.0 million per calendar year ('Stage 1 Earn-in');
- pay Charger \$500,000 at the end of the minimum exploration commitment (unless RTX elects to withdraw from the Stage 1 Earn-in at that point);
- pay Charger \$500,000 in the event of a significant drill intersection at the Lake Johnston Project of $\geq 20\text{m}$ true width at $\geq 1.2\%$ Li_2O ;
- after completing the Stage 1 Earn-in, have an exclusive right to earn a further 24% interest in the Lake Johnston Project by sole funding to the earlier of (A) a definitive feasibility study ('DFS') on the Project and (B) an additional \$30.0 million of exploration and associated expenditure on the Project ('Stage 2 Earn-in');

- pay Charger \$1.0 million if it elects to proceed with the Stage 2 Earn-in; and
- if it elects not to complete the Stage 2 Earn-in, transfer a 2% interest in the Lake Johnston Project back to Charger (so that Charger will hold a 51% interest in the Project).

Farm-In Conditions

The Farm-in Conditions are outlined as follows:

- ASX granting the ASX Listing Rule 10.7 waiver to Charger and Charger obtaining various other confirmations from the ASX (which have been obtained as at the date of this Report);
- Charger obtaining all approvals from its Shareholders as is necessary for the Proposed Acquisition to proceed; and
- Relevant consents received, as required, from third parties who granted the contractual lithium rights in tenements forming part of the Lake Johnston Project.

Convertible Loan

Under the RTX Agreement, RTX will also loan Charger up to \$1.20 million under an unsecured, interest-free Convertible Loan. Upon satisfaction of the Farm-in Conditions, the Convertible Loan will automatically convert into Charger shares at a conversion price of \$0.255 per share.

The number of Charger shares to be issued upon conversion of the Convertible Loan will be capped such that RTX does not exceed a 9.99% interest in Charger's ordinary shares upon conversion. Any remaining balance of the Convertible Loan after such capped conversion will be repayable by Charger to RTX.

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, the Bynoe Project ('Bynoe Project') and the Coates Project ('Coates Project').

The Company's Board of Directors and key management are:

- Aidan Platel - Managing Director and Chief Executive Officer;
- Adrian Griffin - Non-Executive Chairman;
- David Crook - Non-Executive Director;
- Terry Gardiner - Non-Executive Director; and
- Jonathan Whyte - Chief Financial Officer and Company Secretary.

5.2 Projects

5.2.1. Lake Johnston Project

The Lake Johnston Project is located approximately 450 kilometres ('km') east of Perth, WA. The project area comprises Lithium-Caesium-Tantalum ('LCT') pegmatites that are formed within a 50 km long corridor. The Project's key prospects include the Medcalf Spodumene Prospect ('Medcalf Prospect'), Mt Gordon Prospect ('Mt Gordon Prospect') and the Mount Day Lithium Prospect ('Mount Day Prospect'). The Company currently has a varying ownership interest in the tenements that underpin the Project (between 70-100%). Tenements and the contractual lithium rights in tenements for which the Company has a 70% ownership interest in are subject to the Proposed Acquisition.

Medcalf Prospect

The Medcalf Prospect is the most advanced prospect area of the Lake Johnston Project, containing spodumene-bearing pegmatites that are 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 in the Project 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 five 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 that commenced in December 2022. The drill programme included 41 reverse circulation ('RC') 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 and that it 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.

During the September 2023 quarter, the Company prepared for further exploration programmes with the submission of POW applications that included both RC and diamond drill programmes, initially at Medcalf to test for strike and depth extensions to the existing spodumene mineralisation, and then maiden drill programmes at the Mount Day Prospect.

Exploration tenement E63/1866, forming part of the Medcalf Prospect, expired in April 2023 and was not renewed.

Mt Gordon Prospect

In May 2023, A soil sampling programme over E63/1883 was completed, and results used to define targets for follow-up work programmes. Additionally as part of preparation for further drilling, an Aboriginal Cultural Heritage survey was completed in April 2023 over the area immediately surrounding the Mt Gordon Prospect.

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 35 km 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 comprises 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.

In May 2023, Charger commenced a maiden RC drill programme at the project, designed to test priority target areas including Old Bucks, Mega Bucks and Enterprise Prospects for pegmatite-hosted lithium mineralisation. Charger announced assay results in early July 2023, confirming lithium mineralisation in spodumene-bearing pegmatites intersected at the Enterprise Prospect. Subsequently, a diamond drill programme was commenced to test for further lithium mineralisation at the Enterprise Prospect.

In addition to the diamond drilling program, Charger continued a RC drilling programme, testing along strike at Old Bucks, Mega Bucks and Enterprise Prospects as well as drilling into other priority targets such

as the 7Up, Utopia, Kraken and Bunbury Prospects which are defined by multiple pegmatite outcrops and historical tin-tantalum workings.

In September 2023, the Company announced the results from the three diamond drill-holes and 66 RC drill holes, which confirmed lithium and tantalum mineralisation in pegmatites at three (Enterprise, Utopia and 7Up) of the seven prospects drilled.

5.2.3. Coates Project

The Coates Project is located in Wundowie, approximately 65 km east of Perth, WA. The project is situated in the Jimpending 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.

The Company awaits the grant of ELA70/5437. The tenement overlies the majority of the T1 conductor to the south of the targets drilled in 2022 and is closer to the core of the Coates Project mafic intrusive system.

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.

In February 2023, Charger announced it had entered into a binding agreement with Lithium Australia, to acquire its minority interest in the Lake Johnston Project for a consideration in the form of 7,000,000 consideration shares ('February 2023 Proposal'). On 13 June 2023, Charger announced the results of the General Meeting, noting that the proposal did not proceed as a majority of shareholders eligible to vote voted against the approval of the acquisition and issue of consideration shares.

In March 2023, the Company announced that Mr Aidan Platel was appointed as Managing Director and CEO, replacing Mr David Crook who remained on the Board as a Non-Executive Director. The Company

simultaneously appointed existing Non-Executive Director Mr Adrian Griffen as Non-Executive Chairman, replacing Mr Terry Gardiner who remained on the Board as a Non-Executive Director.

On 23 November 2023, the Company announced it had received firm commitments to raise \$2.7 million (before cost) through a placement of 10.6 million shares at an issue price of \$0.255 per share, to institutional, sophisticated, and professional investors ('November 2023 Placement'). The funds from the November 2023 Placement are to be used predominantly on exploration activities including drilling to advance the Company's Bynoe Lithium Project, Lake Johnston acquisition costs and for general working capital.

5.4 Historical Statement of Financial Position

Statement of Financial Position	Audited as at 30-Jun-23	Audited as at 30-Jun-22	Audited as at 30-Jun-21
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4,257,506	3,467,990	79,991
Trade and other receivables	196,915	82,367	138,450
TOTAL CURRENT ASSETS	4,454,421	3,550,357	218,441
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	7,476,368	4,099,094	297,382
Property, plant and equipment	113,397	9,592	-
TOTAL NON-CURRENT ASSETS	7,589,765	4,108,686	297,382
TOTAL ASSETS	12,044,186	7,659,043	515,823
CURRENT LIABILITIES			
Trade and other payables	795,393	255,672	438,721
Provisions	3,791	-	-
TOTAL CURRENT LIABILITIES	799,184	255,672	438,721
TOTAL LIABILITIES	799,184	255,672	438,721
NET ASSETS	11,245,002	7,403,371	77,102
EQUITY			
Issued capital	13,953,119	8,720,046	412,501
Reserves	975,146	782,927	44,460
Accumulated losses	(3,683,263)	(2,099,602)	(379,859)
TOTAL EQUITY	11,245,002	7,403,371	77,102

Source: Charger's audited financial statements for the year ended 30 June 2022 and 2023 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 \$4.26 million as at 30 June 2023. The increase in cash and cash equivalents of \$0.79 million was primarily due to proceeds from the Placement (being \$5.50 million before costs). This was partially offset by payments for exploration and evaluation of \$3.07 million, payments to suppliers and employees of \$1.27 million, capital raising costs of \$0.33 million and payments for property, plant and equipment of \$0.13 million;
- Exploration and evaluation expenditure increased from \$4.10 million as at 30 June 2022 to \$7.48 million as at 30 June 2023. The increase was primarily from exploration expenditure of \$3.44 million

being capitalised for the period, which largely related to the maiden drill programme at the Medcalf Prospect; and

- Trade and other payables of \$0.80 million as at 30 June 2023 comprised \$0.46 million of trade payables and \$0.34 million of accrued expenses.

5.5 Historical Statement of Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23	Audited for the year ended 30-Jun-22	Audited for the period from 27-Nov-20 to 30-Jun-21
	\$	\$	\$
Interest Income	82,120	760	-
Corporate and compliance expenses	(660,969)	(350,150)	(254,253)
Employee expense	(296,705)	(240,606)	(68,646)
Consulting fees	(414,057)	(253,678)	-
Share-based payments expense	(210,292)	(871,194)	(56,960)
Impairment expense	(62,753)	(2,925)	-
Depreciation expense	(21,005)	(1,950)	-
Loss before income tax	(1,583,661)	(1,719,743)	(379,859)
Income tax expense	-	-	-
Net loss for the year/period	(1,583,661)	(1,719,743)	(379,859)
Other comprehensive income	-	-	-
Total comprehensive loss for the year/period	-	-	-
Total comprehensive loss attributable to owners of the Company	(1,583,661)	(1,719,743)	(379,859)

Source: Charger's audited financial statements for the year ended 30 June 2022 and 2023 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

- Share based payments expense of \$0.21 million for the year ended 30 June 2023 related to the performance rights (with varying vesting conditions) granted to employees and directors of the Company in the financial year; and
- Impairment expense of \$0.06 million was recognised in the year ended 30 June 2023 was in relation to non-core tenements relinquished during the year.

5.6 Capital Structure

The share structure of Charger as at 22 November 2023 is outlined below:

	Number
Total ordinary shares on issue	62,114,368*
Top 20 shareholders	29,974,320
Top 20 shareholders - % of shares on issue	48.26%

Source: Charger's share registry information

*As part of the November 2023 Placement, 10,600,000 shares are to be issued on 1 December 2023. Total ordinary shares on issue are expected to be 72,714,368 as at 1 December 2023.

The range of shares held in Charger as at 22 November 2023 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	175	112,578	0.18%
1,001 - 5,000	596	1,550,466	2.50%
5,001 - 10,000	285	2,372,666	3.82%
10,001 - 100,000	520	17,790,072	28.64%
100,001 - and over	80	40,288,586	64.86%
TOTAL	1,656	62,114,368	100.00%

Source: Charger's share registry information

The ordinary shares held by the most significant shareholders as at 22 November 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

*On 23 November 2023, Lithium Australia sold 2,000,000 shares in Charger, which reduced its shareholding to 12.24%. At 1 December 2023, Lithium Australia's holding is expected to reduce to 10.45% following the issue of the November 2023 Placement shares.

The unlisted options and performance rights on issue as at 22 November 2023 are detailed below:

Description	No. of Options/ Rights
Options expiring 13-Oct-24 and exercisable at \$0.60	1,000,000
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
Performance Rights - Class A*	583,330
Performance Rights - Class C**	583,337
MD Performance Rights - Tranche A***	500,000
MD Performance Rights - Tranche B***	500,000
MD Performance Rights - Tranche C***	500,000
MD Performance Rights - Tranche D***	1,000,000
Total number of options and performance rights****	10,866,667

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.

***On 14 June 2023, the Company granted 2,500,000 performance rights to Mr. Aidan Platel (Managing Director and Chief Executive Officer), following approval at a General Meeting of shareholders on 13 June 2023. The performance rights are subject to the following vesting conditions and expire on 13 June 2028:

- **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.

****As part of the November 2023 Placement, Charger will grant 1,000,000 unlisted options to lead manager, Prenzler Group Pty Ltd, which will be exercisable at \$0.60 and with an expiry date three years from issue. The unlisted options are subject to shareholder approval. This will result in a total number of options and performance rights of 11,866,667.

We also note that Lithium Australia is entitled to (at the Company's election) \$200,000 cash or 2,000,000 shares upon certain inferred resource milestones being met.

6. Profile of Lithium Australia

On the basis that Lithium Australia is the counterparty to the Proposed Acquisition, we have presented a brief overview of the company and its business to the extent it relates to our assessment.

6.1 History

Lithium Australia comprises three vertically integrated business divisions focussed on lithium chemicals, battery materials and battery recycling. The company is listed on the ASX and is headquartered in Kew, Victoria. 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 - Managing Director and Chief Executive Officer; and
- Stuart Tarrant - Chief Financial Officer.

Lithium Australia held 9,600,000 Charger shares, equating to a 15.46% interest in the Company as at 22 November 2023 and 7,600,000 shares, equating to a 12.24% interest in the Company as at 23 November 2023.

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®') and SiLeach® ('SiLeach®') 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 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.

In August 2023, Lithium Australia signed a joint development agreement with Mineral Resources Limited ('MinRes') to commercialise the LieNA® technology. Under the agreement, MinRes will provide raw materials as well as fund the development and operation of a pilot plant, and an engineering study for a demonstration plant for up to \$4.50 million. Upon successful completion and subject to results, a 50:50 joint venture will be formed between Lithium Australia and MinRes to jointly own and commercialise the LieNA® technology through a licensing model.

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.

6.2.2. Battery Materials- VSPC

Lithium Australia wholly acquired VSCP Pty Ltd ('VSPC') in 2017. VSPC develops cathode materials, including LFP and lithium manganese ferro phosphate ('LMFP'), 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 December 2022, an engineering study was completed by Lycopodium Limited for a pre-qualification pilot plant, with a production capacity of approximately 250 tonnes per annum ('tpa'). The pre-qualification pilot plant development is underpinned by demand for both cathode material samples (LFP and LMFP) requested by potential large-scale customers for assessment of suitability for their special battery applications. It was an essential step towards commercialisation of the LFP manufacturing facility.

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. Envirostream 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 20-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.

Lithium Australia signed multiple partnerships agreements to increase collection points and secure future battery collection growth. During the financial year ended 30 June 2023 ('FY23'), Lithium Australia made strategic agreements with Battery World and LG Energy Solutions in addition to agreements signed with international tier 1 electric vehicle ('EV') and energy storage systems ('ESS') manufacturers for collection of used batteries as well as domestic partner network for the collection of customer drop-off batteries including Mobile Muster, Bunnings Warehouse, TTI, and Officeworks.

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.

In May 2023, Lithium Australia established an unmarketable parcel sale facility ('UMPSF') for shareholders who held less than \$500 worth of fully paid ordinary shares. The UMPSF was closed in July 2023 with the final number of shares eligible to be sold being 46,819,251 from a total of 7,253 shareholders.

As mentioned above, in August 2023, Lithium Australia signed a joint development agreement with MinRes to commercialise the LieNA® technology. As part of the agreement, MinRes would provide a \$4.50 million convertible note to fund an engineering study for a demonstration plant. Subsequent to the September



2023 quarter end, Lithium Australia announced that it has successfully drawn down \$0.9 million of initial funding from the \$4.5 million convertible note issued by MinRes as part of the joint development agreement.

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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.

7.1 Australia

In its November 2023 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') made the decision to raise the cash rate target by 25 basis points to 4.35%. Prior to this, the RBA had held interest rates steady since June 2023, allowing time to measure the impact of the four-percentage point increase beginning in May 2022. Elevated interest rates were intended to ease inflationary pressures and return inflation to its target rate within a reasonable timeframe.

Inflation reached 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%. The RBA stated in its July 2023 statement that the decline in the monthly consumer price index ('CPI') indicator for May 2023 suggested that inflation has since passed its peak in Australia. However, the RBA considered that inflation was still too high and whilst goods price inflation had further eased, the prices of many services continued to increase. The forecast for CPI inflation reveals it is expected to continue to decline, however, the RBA has observed progress is being achieved slower than previously anticipated, with CPI inflation expected to return to the top of the target range by late 2025.

According to the RBA, growth in the Australian economy was slightly stronger than expected over the first half of 2023, although the economy continues to experience a below-trend growth that is further expected to persist. Recently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. As a result, equity market conditions, particularly for retail investors, have dampened alongside the decline in discretionary income. Additionally, dwelling investments have demonstrated weakness on the back of, continual hikes in housing prices across the country.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed in on demand in Australia. For 2023-24, it is anticipated that Gross Domestic Product ('GDP') growth in Australia's key trading partners will remain substantially below historical norms. However, downside risks to growth in major global economies have lessened in recent months, accelerated by China's pro-longed reversal of its COVID-19 restrictions in December 2022, stabilising the supply chain recovery trajectory.

The banking system crisis in the US and Switzerland in March 2023 has contributed to increased volatility in financial markets and a reassessment of the outlook for global interest rates. Such macroeconomic conditions are envisioned to influence tighter financial conditions, creating an additional headwind for the global economy. Despite this, the RBA considers the Australian banking system to be strong, well capitalised and highly liquid, and therefore, well placed to provide the credit that the economy needs, albeit at higher interest rates compared to the rates observed during the COVID-19 pandemic.

Regarding the labour market, conditions have eased although remain tight. As growth in the economy is forecast below trend, employment is predicted to expand at a slower rate than the labour force and the unemployment rate is anticipated to gradually rise to around 4.25%. Additionally, wage growth has also increased over the past year and inflation has tapered slightly.

Outlook

Returning inflation to its target level within a reasonable timeframe remains the priority of the RBA, which is expected to be achieved over the medium term. Economic growth in Australia is forecast to be hampered by continued interest rate hikes, higher living costs and declining real wealth. Household consumption remains uncertain with many households experiencing a squeeze on their finances, whilst others are benefiting from rising housing prices, substantial savings buffers and sources of higher interest income. Services price inflation has persisted overseas and the same is likely to occur in Australia. Further uncertainties regarding the lags in the effect of the monetary policy and how firms' pricing decisions and wages respond to the slower growth in the economy will remain apparent. On a global scale, there are additional concerns surrounding the outlook of the Chinese economy and the implications of ongoing conflicts abroad.

Further monetary policy tightening may be required in the coming periods to allow inflation to return to the target level within a reasonable timeframe. The Board will continue to pay close attention to developments in the global economy, trends in domestic demand and the outlook for inflation and the labour market.

Lithium 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 Michele Bullock Governor: Monetary Policy Decision dated 7 November 2023 and prior periods, www.rba.gov.au Statement on Monetary Policy June 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 to the extent that these relate to our assessment of the Proposed Acquisition.

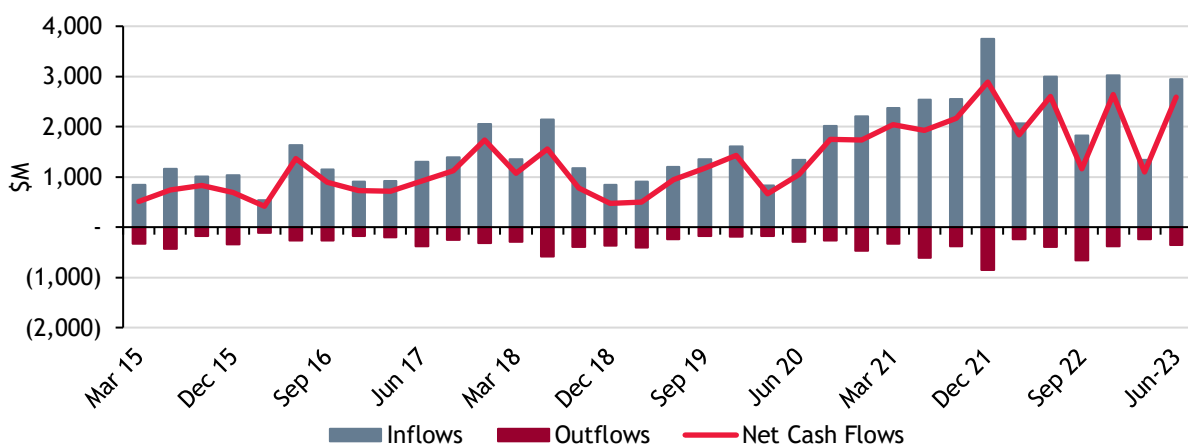
8.1 Exploration Sector

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 June quarter of 2023 suggests that improved financial market conditions following a turbulent global macroeconomic environment, has enabled the sector to position itself for the battery mineral future.

Unlike the previous two quarters of subdued operations and investment, the current quarter showed a reset in investor sentiment, demonstrated by the increase in financing, investments and exploration spending as cash balances remained healthy. This quarter also saw a return in consolidation activity among explorers, particularly in the gold sector, while initial public offerings ('IPOs') focused on critical minerals, comprising lithium and rare-earth minerals. A total of 779 companies lodged an Appendix 5B for the June 2023 quarter, representing a reduction of eight companies from the March 2023 quarter and marking the first reduction in companies to lodge since the September 2020 quarter. Interestingly, seven companies were acquired or merged with in the June 2023 quarter, signifying the commencement of a healthy wave of consolidation activity across the sector, particularly within the gold sector, as explorers favour this route over running the gauntlet with current uncertain and volatile capital markets.

Following a decrease of 55% in the amount of funds raised in the previous quarter, financing cash inflows for the June 2023 quarter increased 111% to total \$2.84 billion. Alongside, the average financing inflows per company was up 8.5% to total \$3.65 million, when compared to the two-year average of \$3.36 million. The recent volatility in financing cash flows, as outlined below, is a consequence of the adverse reaction from capital markets to increasing interest rates since May 2022, in conjunction with an inflationary environment, and global economic uncertainty. In the current quarter, we observed a loosening of previously tightened capital markets, evidenced by the increased number of large fund raisings.

Financing Cash Flows (\$M)

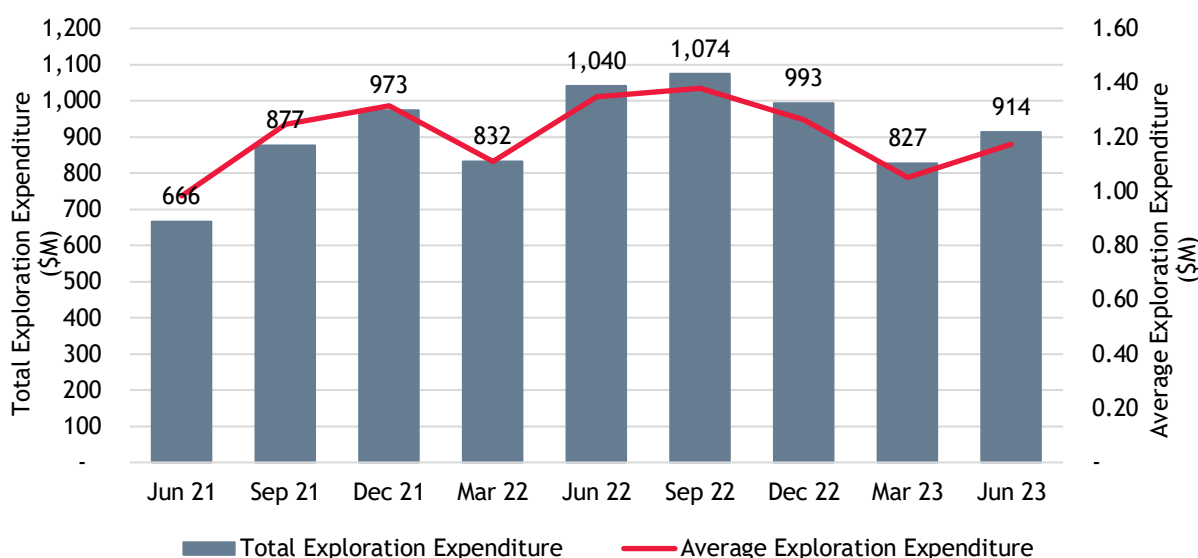


In the June 2023 quarter, 53 companies (which we have termed ‘Fund Finders’) raised capital exceeding \$10 million, up from 34 in the previous quarter. For the second successive quarter, both gold and lithium secured the top spots on our Fund Finders, underscoring the notion that market sentiment is being both driven by the demand for battery metals, yet tempered by economic volatility.

Explorers’ cash positions increased modestly in the June 2023 quarter, with 82% of exploration companies reporting a cash balance of over \$1 million, up from 81% in the March 2023 quarter. Notably, this marks a slight reversal of a trend of explorers with cash balances over \$1 million reducing since the June 2022 quarter. This development is encouraging, especially considering the industry-wide rise in investment and exploration expenditure throughout the quarter, in tandem with the prevailing inflationary environment.

In the June 2023 quarter, total exploration expenditure increased for the first time since the record-billion dollar spend in the September 2022 quarter of \$1.07 billion. The June 2023 quarter’s \$914 million exploration spend represented a 10% increase from the March 2023 quarter. The average exploration spend per company rebounded by 12% to \$1.17 million from the two-year low of \$1.05 million shown in the March 2023 quarter.

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



The top ten exploration spending companies comprised four lithium companies, three gold companies, one nickel-copper, graphite, and coal company. Gold and oil and gas typically account for the largest portion of the top 10 exploration spends, however, this quarter, we have also observed growth in exploration spending for lithium that has likely been driven by the sustained demand for renewable energy sources to meet future requirements.

Contradictory macroeconomic signals defined the macroeconomic landscape in the June 2023 quarter. For example, gold topped our Fund Finders for the fourth consecutive quarter, which would potentially serve as an indicator of ongoing economic turbulence, given the recognised safe haven attributes of gold. However, despite the prevailing economic uncertainty, there was a resurgence of capital market support during the same period, largely driven by the demand for battery metals. Nonetheless, the results from the June 2023 quarter suggests that the sector has healthily rebounded from the noticeable industry wide slowdown observed in the preceding two quarters.

Source: BDO Explorer Quarterly Cash Update: June 2023 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.

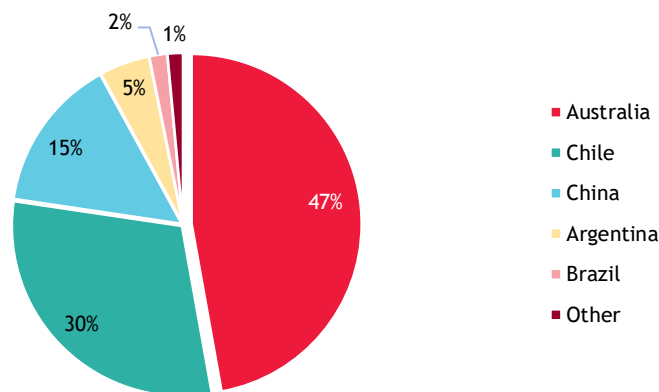
Lithium's use in batteries has increased significantly in recent years as rechargeable lithium batteries are used extensively in the growing market for portable electronic devices and increasingly in electric tools, EVs and grid storage applications. It is also used to strengthen and improve resistance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

Growth in the EV 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.

8.2.1. Lithium production and reserves

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

Global Lithium Production 2022

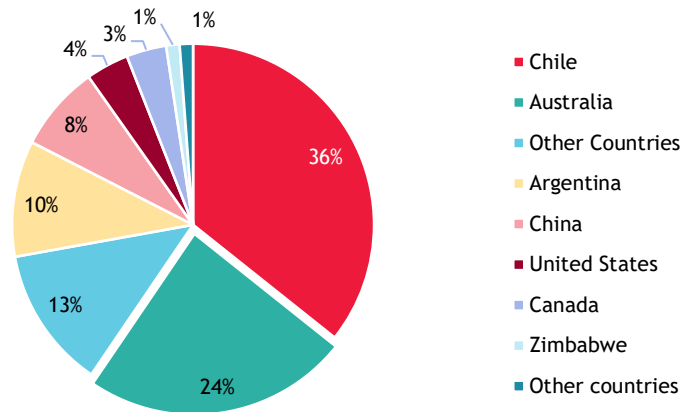


Source: U.S. Geological Survey, January 2023

*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. As of 2022, Chile held approximately 9.3 Mt of lithium, accounting for approximately 41% of global reserves, followed by Australia which held approximately 6.2 Mt, representing 24% of global reserves.

Lithium Reserves by country 2022

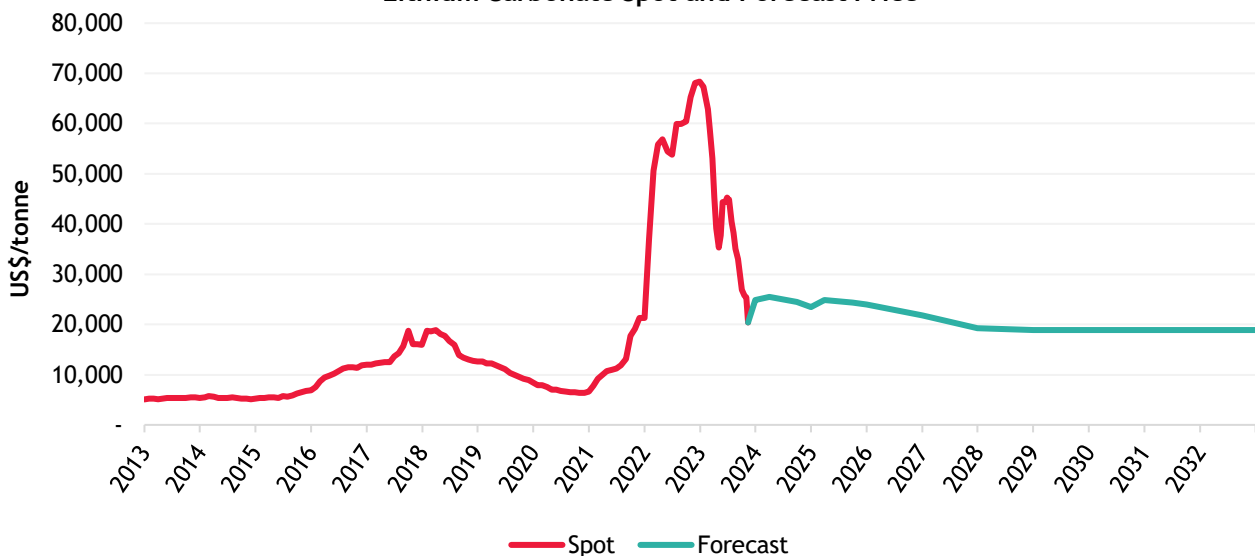


Source: U.S. Geological Survey, January 2023

8.2.2. 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.

Lithium Carbonate Spot and Forecast Price



Source: S&P Global Market Intelligence, Consensus Economics Survey dated 13 November 2023.

The figure above illustrates the historical fluctuations in the global average lithium carbonate spot prices from January 2013 to November 2023 and the consensus economics forecast for lithium carbonate prices for the remainder of 2023 through to 2033.

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. Subsequently, prices fell below US\$10,000/t in 2020.

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 over the past decade. Additionally, global supply side issues, originating from the COVID-19 pandemic have further exacerbated prices in the lithium market, with spot prices exceeding US\$59,000/t in July 2022.

Lithium carbonate prices increased further in August 2022 owing to the Chinese domestic market, where stronger-than-anticipated lithium demand, driven by electric vehicle demand, outpaced lithium supply significantly. Subsequently, in November 2022, lithium prices reached a record high of US\$68,500/t, primarily due to the Chinese government's extension of its electric vehicle subsidy programme, combined with an effort from refiners and battery manufacturers to build up inventories in response to concerns surrounding global supply chains.

Lithium prices fell to approximately US\$33,000/t in September 2023, representing a 52% decline from the record price reached in November 2022. This decline coincides with a broad slowdown of growth in China's EV market. Additionally, during August 2023, China's production of lithium carbonate grew 56.2% year-on-year with little signs of increased consumption, leading to further pricing pressure towards the end of the year.

According to Consensus Economics, the medium-term forecast lithium price from 2025 to 2027 is expected to range between US\$19,280/t and US\$24,880/t, with the long term (2028-2032) nominal forecast at approximately US\$18,885/t.

Source: Bloomberg, Consensus Economics, IBISWorld, Reuters and S&P Global.

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.

For the purpose of assessing whether the Proposed Acquisition is fair to Shareholders for the purposes of ASX Listing Rule 10.1, we have considered the value of the 30% interest in the Lake Johnston Lithium Project to be acquired relative to the value of the Consideration to be paid for the interest.

9.1 Valuation of 30% interest in the Lake Johnston JV Projects

In performing our valuation of Lithium Australia's remaining 30% interest in the Lake Johnston JV Projects, we have relied on the independent technical assessment and valuation report ('**Technical Specialist Report**') prepared by Valuation and Resource Management Pty Ltd ('**VRM**'), which provides an assessment of the market value of the 30% interest in the Lake Johnston JV Projects.

We instructed VRM to provide an independent market valuation of the 30% interest in the Lake Johnston JV Projects. VRM considered a number of different valuation methods when valuing the project. 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 Valuation of the Consideration

The Consideration comprises:

- Cash Consideration of \$2.0 million; and
- The grant of the Offtake FROR to Lithium Australia.

We have no reasonable grounds to determine the value of the grant of the Offtake FROR to Lithium Australia. Furthermore, consideration in relation to the lithium production from the Lake Johnston Project that is subject to the Offtake FROR will be based on commercial terms negotiated in the future and is not a disposal at this point in time. The terms offered by Charger may also be rejected by Lithium Australia.

We further note that there are no reasonable grounds to determine a forecast of future production at the Lake Johnston Project, in accordance with Regulatory Guide 170 'Prospective Financial Information ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214').

Therefore, the value of the Consideration is determined based on the Cash Consideration only of \$2.0 million.

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10. Valuation of Lithium Australia's 30% interest in the Lake Johnston JV Projects

In performing our valuation of the 30% interest in the Lake Johnston JV Projects, we have relied on the Technical Specialist Report prepared by VRM.

We instructed VRM to provide an independent market valuation of Lithium Australia's 30% interest in the Lake Johnston JV Projects. VRM considered a number of different valuation methods when valuing the 30% interest in the Lake Johnston JV Projects. All the tenements have been valued using the Geoscientific (or Kilburn) valuation method as a primary method with a supporting valuation methodology being a Prospectivity Enhancement Multiplier ('PEM'). The preferred valuation has been determined based on the average of the primary and supporting valuations.

VRM has provided a valuation for the components of Lithium Australia's 30% interest in the Lake Johnston JV Projects, consisting of a 30% interest in exploration license numbered E63/1809 and 30% interest in contractual rights to the lithium in exploration licenses numbered E63/1722, E63/1723 and E63/1777. We note that VRM has valued Lithium Australia's 30% interest in the relevant exploration tenements and as such, we have not been required to apply a pro-rata adjustment to VRM's valuation.

The range of values for Lithium Australia's 30% interest in the Lake Johnston JV Projects, as assessed by VRM is set out below:

Tenement	Valuation Method	Low Value \$m	Preferred Value \$m	High Value \$m
E63/1809	Kilburn	1.02	1.52	2.02
	PEM	1.48	1.67	1.85
E63/1722	Kilburn	0.23	0.46	0.69
	PEM	0.29	0.34	0.39
E63/1723	Kilburn	0.14	0.28	0.41
	PEM	0.12	0.14	0.16
E63/1777	Kilburn	0.10	0.20	0.29
	PEM	0.08	0.09	0.10
Lake Johnston JV Projects (30% interest basis)	Kilburn	1.5	2.5	3.4
	PEM	2.0	2.2	2.5
VRM Preferred Lake Johnston JV Projects Valuation (30% interest basis)		1.7	2.3	3.0

Source: Technical Specialist Report prepared by VRM

The table above indicates a range of values between \$1.7 million and \$3.0 million, with a preferred value of \$2.3 million. For further information on VRM's approach and valuation, refer to the Technical Specialist Report, which is included in Appendix 3 of our Report.

11. Valuation of Consideration

As outlined in Section 9.2, we have determined the value of the Consideration to be paid by Charger to Lithium Australia for its 30% interest in the Lake Johnston JV Projects to be equivalent to the Cash Consideration of \$2.0 million.

12. Is the Proposed Acquisition fair?

The value of Lithium Australia's 30% interest in the Lake Johnston JV Projects and the value of the Consideration is compared below:

	Ref	Low \$m	Preferred \$m	High \$m
Value of the 30% interest in the Lake Johnston JV Projects	10	1.7	2.3	3.0
Value of the Consideration	11	2.0	2.0	2.0

Source: BDO analysis

The above table indicates that, in absence of a superior proposal, the Proposed Acquisition is fair for Shareholders, as the value of Lithium Australia's 30% interest in the Lake Johnston JV Projects is more than the value of the Consideration paid under the preferred and high scenarios.

Therefore, in accordance with RG 111, we consider that the Proposed Acquisition is fair.

13. Is the Proposed Acquisition reasonable?

We have considered below the advantages and disadvantages of approving the Proposed Acquisition as well as other factors that Shareholders should consider in assessing whether to approve the Proposed Acquisition.

13.1 Advantages of Approving the Proposed Acquisition

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

13.1.1. The Proposed Acquisition is fair for Shareholders

As set out in Section 12, the Proposed Acquisition is fair. RG 111.12 states that an offer is reasonable if it is fair.

13.1.2. The Proposed Acquisition allows for the consolidation of the Project and enables funding through the RTX Transaction to be secured

The Proposed Acquisition, if approved, will result in the Company increasing its interest in the Lake Johnston Project from 70% to 100%. Given that Shareholders in the Company are already exposed to its risks, Charger increasing its exposure in the Project through the Proposed Acquisition allows Shareholders to benefit more from any potential upside should it be successfully developed, whilst retaining the same risks.

Following the consolidation, the beneficial interest of Charger in the Project is likely to change based on RTX's actions to earn-in an interest in the Project. The RTX Transaction will result in potential spending by RTX at the Lake Johnston Project of up to \$42.5 million for RTX to acquire up to 75% of the Lake Johnston Project.

The funding is anticipated to expedite drilling and development at the Project, which if proven feasible, is likely to result in an upside for Shareholders. Furthermore, the RTX Transaction may mean that the Company gains better access to the management expertise and resources of large mining group, Rio Tinto.

The RTX Transaction is subject to certain Farm-in Conditions, including the approval of the Proposed Acquisition by Shareholders. Therefore, approval of the Proposed Acquisition would assist with advancing the RTX Transaction and securing the funding for the development of the Project.

13.1.3. Enlarged entity with simplified structure may improve access to capital for development of Charger's other projects

In addition to the benefits set out in Section 13.1.2, the Proposed Acquisition will result in Charger experiencing a step change in its size due to the consolidation of the Project. This, along with the simplified ownership structure of the Project, 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. Such funds can be used not only for the Lake Johnston Project, but for the Bynoe and Coates Projects as well.

13.1.4. The Proposed Acquisition does not dilute the interests of existing Shareholders

If the Proposed Acquisition is approved, Charger will pay the Cash Consideration to Lithium Australia for the additional interest in the Lake Johnston Project. Therefore, the interests of existing shareholders will not be diluted as a result of the Proposed Acquisition.

13.2 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:

13.2.1. Consideration for the Proposed Acquisition results in the depletion of cash

The Proposed Acquisition, if approved, will result in the depletion of cash held by Charger upon payment of the Cash Consideration, which could have been spent on the advancement of the Lake Johnston Project. However, this disadvantage should also be considered in relation to the RTX Transaction, which may result in potential spending by RTX of up to \$42.5 million to advance the Project.

13.3 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Charger a superior offer or arrangement over the Proposed Acquisition.

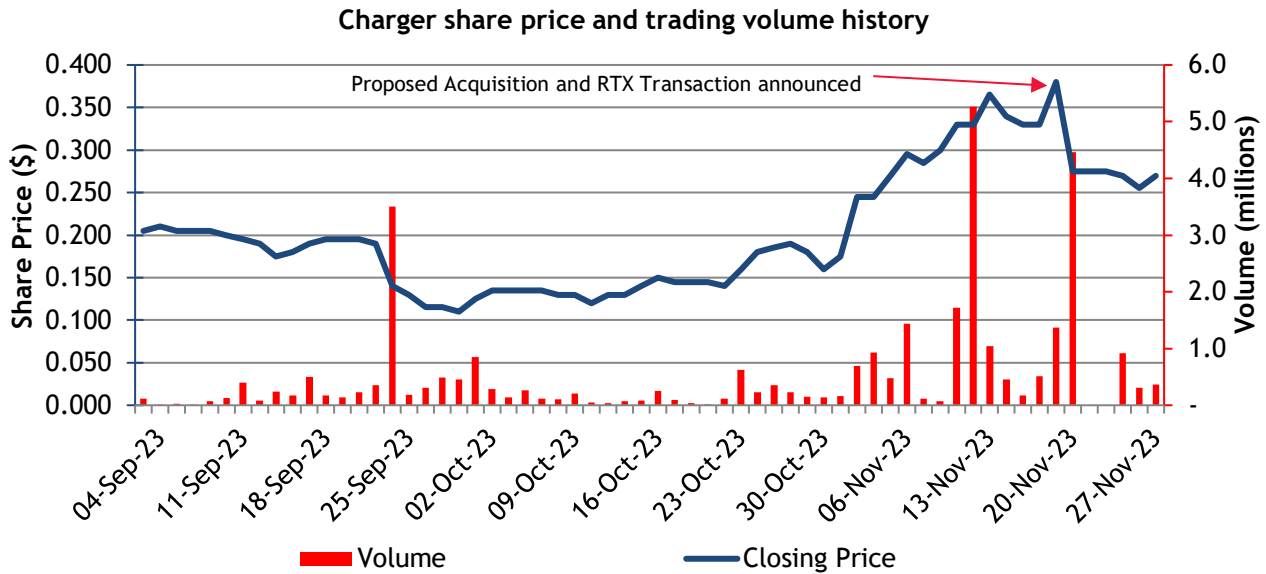
13.4 Consequences of Not Approving the Proposed Acquisition

13.4.1. 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.

13.4.2. Potential impact on share price

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



Source: Bloomberg

The closing price of a Charger share from 1 September 2023 to 27 November 2023 ranged from a low of \$0.110 on 28 September 2023 to a high of \$0.380 on 17 November 2023.

The Proposed Acquisition and RTX Transaction were announced on 20 November 2023. On the date of the announcement, the share price closed at \$0.275, down from a closing price of \$0.380 on the previous trading day, which represents a 27.6% decline. On that day, 4,467,026 shares were traded, representing approximately 7.19% of Charger's current issued capital. Following the announcement of the Proposed Acquisition and RTX Transaction, the closing share price of Charger has fluctuated from a low of \$0.255 on 24 November 2023, to a high of \$0.275 on 20 November 2023 (Charger's shares were placed in a trading halt on 21 November 2023 and 22 November 2023 at the request of the Company prior to the announcement of the November 2023 Placement).

We consider that the trading in Charger's shares subsequent to the announcement of the Proposed Acquisition may have been impacted by an expectation of a capital raising implied by the terms of the Convertible Loan, which referenced a conversion price at a minimum of \$0.25 per share.

Given the above analysis it is unclear as to whether the share price of Charger will increase or decrease if the Proposed Acquisition is not approved.

In the event that the Proposed Acquisition is not approved, Charger will continue to progress the Lake Johnston Project (under the current ownership structure) together with the Coates Project and the Bynoe Project.

13.4.3. Non-recoverable costs

Charger has incurred costs in relation to the Proposed Acquisition including a \$0.15 million exclusivity fee paid to Lithium Australia that is non-refundable. Charger will not be able to recover the costs that it has incurred in relation to the Proposed Acquisition, irrespective of whether or not the Proposed Acquisition is approved.

13.4.4. RTX Agreement will not complete

If the Proposed Acquisition is not approved by Shareholders, one of the Farm-in Conditions of the RTX Agreement will not be met. Therefore, unless an unlikely a waiver is granted, the RTX Transaction will not complete unless the Proposed Acquisition is approved, which will mean that Charger will not receive the potential funding of up to \$42.5 million for the development of the Project under the RTX Transaction.

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 proposal, the Proposed Acquisition is fair and reasonable to the Shareholders.

In our opinion, the Proposed Acquisition is fair because the preferred and high values of Lithium Australia's 30% interest in the Lake Johnston Project being acquired are greater than the Consideration to be paid to Lithium Australia. We also consider that the advantages of the Proposed Acquisition outweigh the disadvantages.

15. Sources of information

Our Report has been prepared based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this Report;
- Audited financial statements of Charger for the years ended 30 June 2023, 30 June 2022 and the period from incorporation to 30 June 2021;
- 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 and Lithium Australia.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$22,000 (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.

A draft of this report was provided to Charger, Lithium Australia 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 Adam Myers and Sherif Andrawes 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 Project is fair and reasonable to Charger Shareholders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the 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 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.

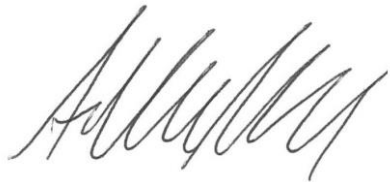
BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Charger. The valuer engaged for the mineral asset valuation, VRM, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted 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



Adam Myers
Director



Sherif Andrawes
Director

Appendix 1 - Glossary of Terms

Reference	Definition
AAPA	Aboriginal Affairs Protection Authority
ABS	Australian Bureau of Statistics
Acquisition Agreement	Binding agreement between Charger and Lithium Australia for the acquisition of Lithium Australia's remaining 30% interest in the Lake Johnston Project
Act	The Corporations Act 2001 Cth
AFCA	Australian Financial Complaints Authority
ANSTO	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
Cash Consideration	Cash of \$2,000,000 paid by Charger to Lithium Australia as consideration for the Proposed Acquisition
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 Project	the Coates Project in which the Company holds an interest
Consideration	Collectively, the Cash Consideration and Offtake FROR, to be granted by Charger to RTX as consideration for the Proposed Acquisition
Convertible Loan	An up to \$1,200,000 convertible Loan provided by RTX to Charger as part of the RTX Transaction
CPI	Consumer Price Index
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

Reference	Definition
ELA	Exploration licence application
Envirostream	Envirostream Australia Pty Ltd
ESS	Energy storage systems
EV	Electric vehicle
Farm-In Conditions	Conditions that are required to be satisfied or waived as part of the RTX Agreement
February 2023 Proposal	Proposed agreement between Charger and Lithium Australia in February 2023, whereby, Charger would acquire Lithium Australia's minority interest in the Lake Johnston Project for a consideration in the form of 7,000,000 consideration shares and an offtake right to first refusal of up to 30% of lithium products from relevant Lake Johnston Project tenements. The proposal was voted against by a majority of Charger shareholders eligible to vote
FLTEM	Fixed-loop electromagnetic survey
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FYXX	Financial year ended 30 June 20XX
Galan	Galan Lithium Limited
GDP	Gross Domestic Product
IP	Intellectual proprietary
IPOs	Initial public offerings
IS 214	Mining and Resources: Forward-looking Statements
km	Kilometres
km2	Square kilometres
Lake Johnston JV Projects	Joint venture tenements and contractual rights between Charger and Lithium Australia over certain tenements in the Lake Johnston Project
Lake Johnston Project or the Project	the Lake Johnston Project in which the Company holds an interest
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
LMFP	Lithium manganese ferro phosphate

Reference	Definition
Medcalf Prospect	Most advanced prospect area at the Company's Lake Johnston Project, containing spodumene-bearing pegmatites that are prospective for lithium
MinRes	Mineral Resources Limited
MMP	Mine Management Plan
Mount Day Lithium Prospect	Lithium and tantalum prospect at the Company's Lake Johnston Project
Mt Gordon Prospect	Lithium prospect at the Company's Lake Johnston Project
NAV	Net Asset Value
November 2023 Placement	Charger's placement of 10.6 million shares to raise \$2.7 million in November 2023
NSR	Net smelter return
NT	Northern Territory
Offtake FROR	The grant of the offtake first right of refusal to Lithium Australia from Charger as part of the consideration for the Proposed Acquisition
our Report	This Independent Expert's Report prepared by BDO
P	Prospecting Licence
PEM	Prospectivity Enhancement Multiplier
PGE	Platinum group elements
Placement	Charger's placement of 11 million shares to raise \$5.5 million in September 2022
POW	Program of Work
Proposed Acquisition	Charger's binding formal agreement with Lithium Australia to acquire its 30% interest in the Lake Johnston Joint Venture
QMP	Quoted market price
RBA	the Reserve Bank of Australia
RC	Reverse circulation
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective Financial Information
RG 74	Acquisitions Approved by Members
RG 76	Related party transactions
Rio Tinto	Rio Tinto Limited
RTX	Rio Tinto Exploration Pty Limited
RTX Transaction or RTX Agreement	Proposal for RTX to be able to earn a majority interest of up to 75% in the Lake Johnston Project by sole funding staged exploration

Reference	Definition
Shareholders	Shareholders of Charger not associated with the Proposed Acquisition
SiLeach®	A type of extraction and refining technology for the recovery of lithium known as SiLeach® developed by Lithium Australia
Stage 1 Earn-In	RTX's right to earn a 51% interest in the Lake Johnston Project by sole funding \$10.0 million in exploration expenditure and paying Charger minimum further cash payments of \$1.5 million
Stage 2 Earn-In	RTX's right to earn a 75% interest in the Lake Johnston Project by sole funding \$40 million in exploration expenditure or completing a Definitive Feasibility Study.
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 the Lake Johnston Project
the Company	Charger Metals NL
the Vendor	Lithium Australia Limited
tpa	tonnes per annum
UMPSF	Unmarketable parcel sale facility
USGS	the United States Geological Survey
VALMIN Code	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
VWAP	Volume weighted average price
WA	Western Australia

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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.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Independent Technical Assessment and Valuation Report

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TECHNICAL ASSESSMENT AND VALUATION REPORT FOR CHARGER METALS NL

Presented To:
BDO Corporate Finance (WA) Pty Ltd

Date Issued:
December 8, 2023



Document Reference	Charger ITAR Nov 2023 Rev3
Distribution	Charger Metals NL BDO Corporate Finance (WA) Pty Ltd Valuation and Resource Management Pty Ltd
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Valuation Date	8 December 2023

Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) commissioned, on behalf of Charger Metals NL (ASX: CHR) (Charger or the Company), Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation Report (ITAR or Report) on the Lake Johnston Joint Venture Projects (Projects or Lake Johnston JV Projects) and assist BDO in making an assessment of a proposed transaction on the Projects where Charger intends to increase its equity in the Projects from 70% to 100% (ASX release 20 November 2023). The proposed acquisition of the 30% of the Projects is linked to a proposed Joint Venture (JV) with Rio Tinto Exploration Pty Ltd (RTX), a subsidiary of Rio Tinto Limited (ASX: RIO). The proposed RTX JV is conditional on Charger holding 100% of the Projects.

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 and an assessment of the market value of the Lake Johnston Lithium Joint Venture with Lithium Australia (ASX: LIT) on E63/1809 and Lake Johnston Lithium Joint Venture on E63/1722, E63/1723 and E63/1777 where Hampton Metals Limited (HML) are the registered holder however the lithium rights are contractually held by LIT in JV with Charger.

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

Summary of the Lake Johnston Lithium Project

The Lake Johnston Lithium Project occurs within the 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 lithium and associated minerals in the granite greenstone parts of the belt, where extensive outcropping pegmatite clusters have been identified.

At the Medcalf Prospect, preliminary geochemical and geophysical exploration has 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.

At the Mt Day Prospect, Company mapping and surface sampling has defined anomalous lithium, with testing for LCT pegmatites at depth planned via drilling in the short term. The area remains prospective for LCT pegmatite mineralization as well as for gold mineralization of an orogenic lode gold style as is well-known in the district.

Conclusions

Based on the technical review and the analysis undertaken by VRM the market value of the Mineral Assets considered in this ITAR has been determined in accordance with the guidelines of the VALMIN Code, including using two (2) separate valuation methods with the valuation detailed in Table 1. VRM has applied appropriate rounding to the valuation in line with the variability associated with valuations of this nature.

VRM considers that 30% of the Lake Johnston JV Projects have a market value between \$1.7 million and \$3.0 million with a preferred value of \$2.3 million as a pre-transaction estimate that accounts for Charger's beneficial interest in 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 for each valuation method and VRM's preferred Valuation Range

Project	Valuation Method	Low (\$ million)	Mid (\$ million)	High (\$ million)
Lake Johnston JV Projects	Kilburn	1.5	2.5	3.4
	PEM	2.0	2.2	2.5
VRM Preferred Valuation Range		1.7	2.3	3.0

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1. Introduction

BDO Corporate Finance (WA) Pty Ltd (BDO) commissioned Valuation and Resource Management Pty Ltd (VRM), on behalf of Charger Metals NL (ASX: CHR) (Charger or the Company), to prepare an Independent Technical Assessment and Valuation Report (ITAR or Report) on the Lake Johnston JV Projects located in Western Australia. The Projects are subject to a transaction where Charger proposes to increase its equity in the Projects from 70% to 100% for cash consideration of \$2.0 million (ASX release 20 November 2023). The proposed acquisition of the 30% of the Projects is linked to a proposed Joint Venture (JV) with Rio Tinto Exploration Pty Ltd (RTX), a subsidiary of Rio Tinto Limited (ASX: RIO). The proposed RTX JV is conditional on Charger holding 100% of the Projects. The proposed transaction which is the reason for this Report and the proposed RTX transaction were both announced by Charger in the ASX release of 20 November 2023.

This Report is a technical review and an assessment of the market value of the Lake Johnston Lithium Joint Venture between Charger (70%) and Lithium Australia (ASX: LIT) (30%) on E63/1809 and Lake Johnston Lithium Joint Venture on E63/1722, E63/1723 and E63/1777 with the lithium rights on these tenements contractually held in JV between LIT (30%) and Charger (70%) with the registered holder of the tenements being Hampton Metals Limited (HML). Charger proposes to acquire the interests of LIT and HML in the tenements. VRM understands that LIT is a substantial holder in Charger and therefore the proposed acquisition of LIT's 30% interest in the Lake Johnston JV Projects will require Charger to obtain shareholder approval under the ASX listing rule 10.1..

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.

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 Projects.

VRM has compiled the ITAR based upon the principle of reviewing and interrogating both the work of Charger, independent specialists, and information from the public domain, which have contributed to the technical information available for the projects. This report is a summary of the work conducted to November 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 the Company, which could be regarded as affecting the ability to give an independent, objective, and unbiased opinion. VRM previously prepared an ITAR for inclusion in a IER prepared by BDO in April 2023 which was included in a Notice of Meeting that Charger released on 10 May 2023. This report is an update of the previous report with the update incorporating additional exploration information since April 2023 and using an updated market analysis of the lithium market. 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 \$15,000 (ex GST), this fee is in addition to the fee paid for the April 2023 report which was \$43,000 (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 Assets 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.

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 16 November 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.

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2. Mineral Assets

Charger's mineral tenements under consideration are detailed in Table 2, where the Prospect 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. Importantly the registered holder of the Mt Day tenements is Hampton Metals Limited however the lithium rights are contractually held in JV by LIT (30%) and Charger (70%).

2.1. Mineral Tenure

According to the databases of the Government of Western Australia Department of Mines, Industry Regulations and Safety the licences listed in Table 2 are current and in good order as of November 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.

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.

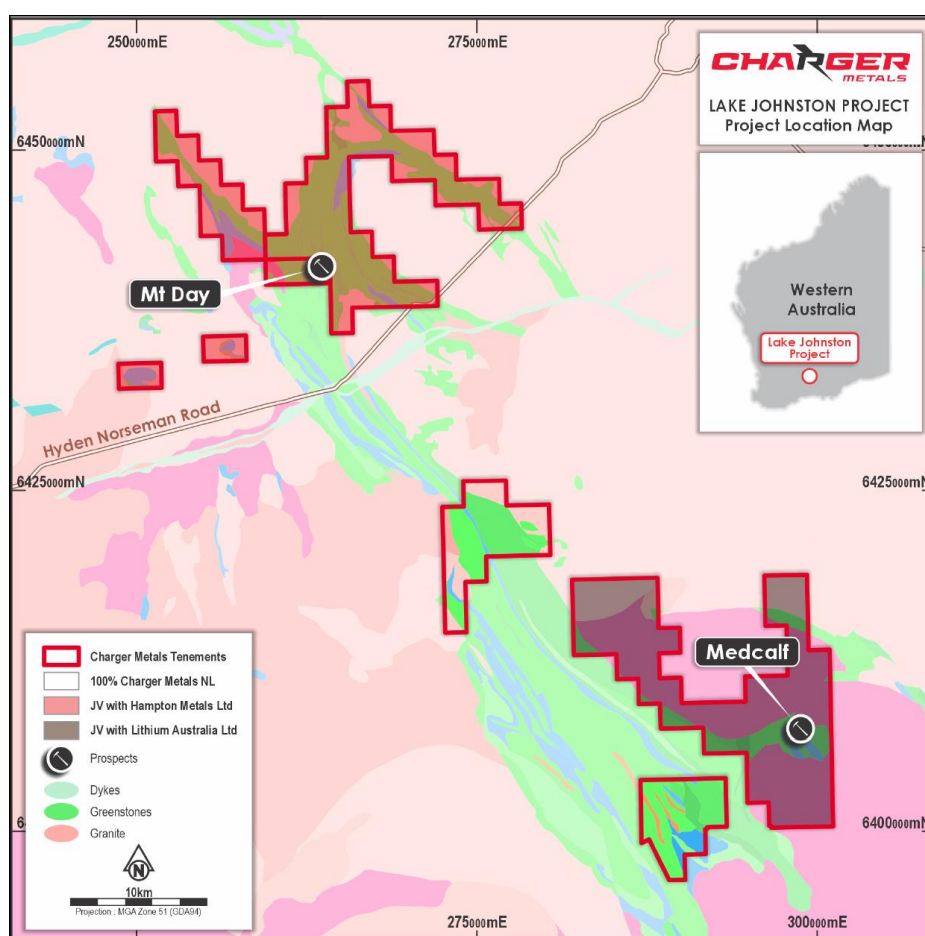


Figure 1: Location of the Lake Johnston Lithium Project.

(Note: Only the JV tenements are considered in this ITAR).

(Source: Charger Metals NL)

Table 2: Tenements considered in this Report.

Tenement	Project	Prospect	Holder	Current CHR Equity	Status	Area ¹	Grant date	Expiry date	Minimum Expenditure (\$)
E63/1809	Lake Johnston Lithium	Medcalf	Lithium Australia Ltd	70%	Live	32	17/10/2017	16/10/2027	64,000
E63/1722	Lake Johnston Lithium	Mt Day	Hampton Metals Ltd	70% ²	Live	39	01/04/2016	31/03/2026	117,000
E63/1723	Lake Johnston Lithium	Mt Day	Hampton Metals Ltd	70% ²	Live	16	28/07/2015	27/07/2025	70,000
E63/1777	Lake Johnston Lithium	Mt Day	Hampton Metals Ltd	70% ²	Live	3	07/10/2016	06/10/2026	50,000

¹ Block,

² The lithium rights on these tenements are contractually held in JV by LIT (30%) and Charger (70%).

3. Lake Johnston Lithium Project

3.1. Location and Access

The Projects comprise four (4) active Exploration Licences located approximately 450 km east of Perth, and 150 km southwest of Coolgardie in Western Australia (Figure 1, Figure 2; and Table 2). Access to the Project area is available via the Norseman-Hyden or Marvel Loch-Mt Day all-weather roads.

The Projects comprise two (2) main Prospects; the Mt Day and Medcalf Prospects (Figure 2). The Mt Day prospect, is a lithium JV between Charger (70%) and LIT(30%), comprises three (3) active Exploration Licences (E63/1722, E63/1723 and E63/1777) located approximately ~117 km west of the town of Norseman, and 15km to the northwest of the Medcalf Prospect. The registered holder of the tenements that constitute the Mt Day prospect is HML with the lithium rights contractually held in JV by LIT and Charger. The Medcalf Prospect, 70% Charger and 30% LIT, refers to the remaining active Exploration Licence (E63/1809) (Figure 2; Table 2).

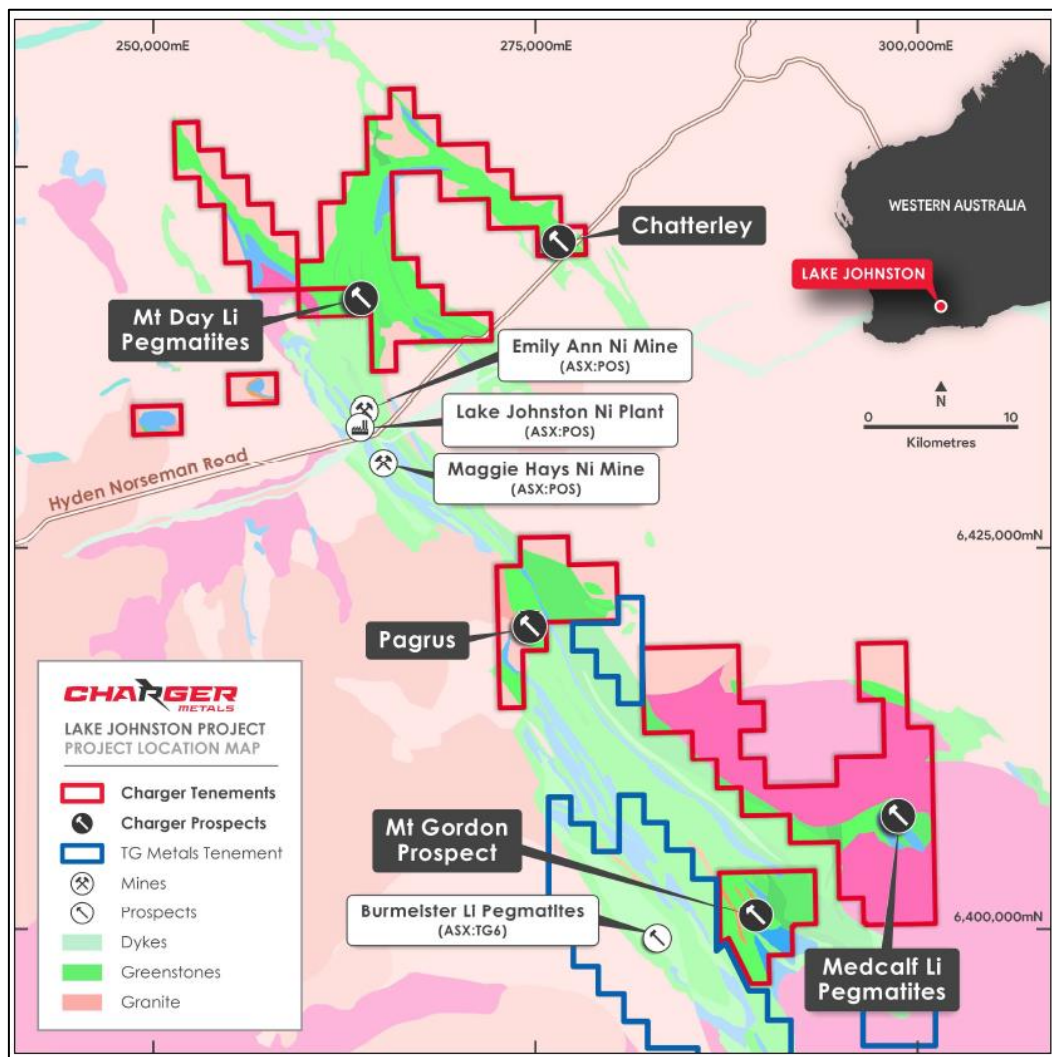


Figure 2: Location and interpreted geology at the Lake Johnston Project

(Source: Charger Metals ASX Announcement 10 November 2023)

Note the outline of the Medcalf tenement does not reflect the current tenement due to a 21-block reduction.

3.2. Geology and Exploration History

The Projects are located 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 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 Lithium-Caesium-Tantalum (LCT) pegmatites (LCT pegmatites), and a spodumene pegmatite cluster at Bontempelli Hill near Lake Medcalf (see Charger Prospectus, 2021). 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% Li₂O, and up to a maximum of 7.15% Li₂O 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 three (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).

Around the Mt Day Prospect, 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% Li₂O, 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.

3.3. Exploration by Charger - Medcalf Prospect

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

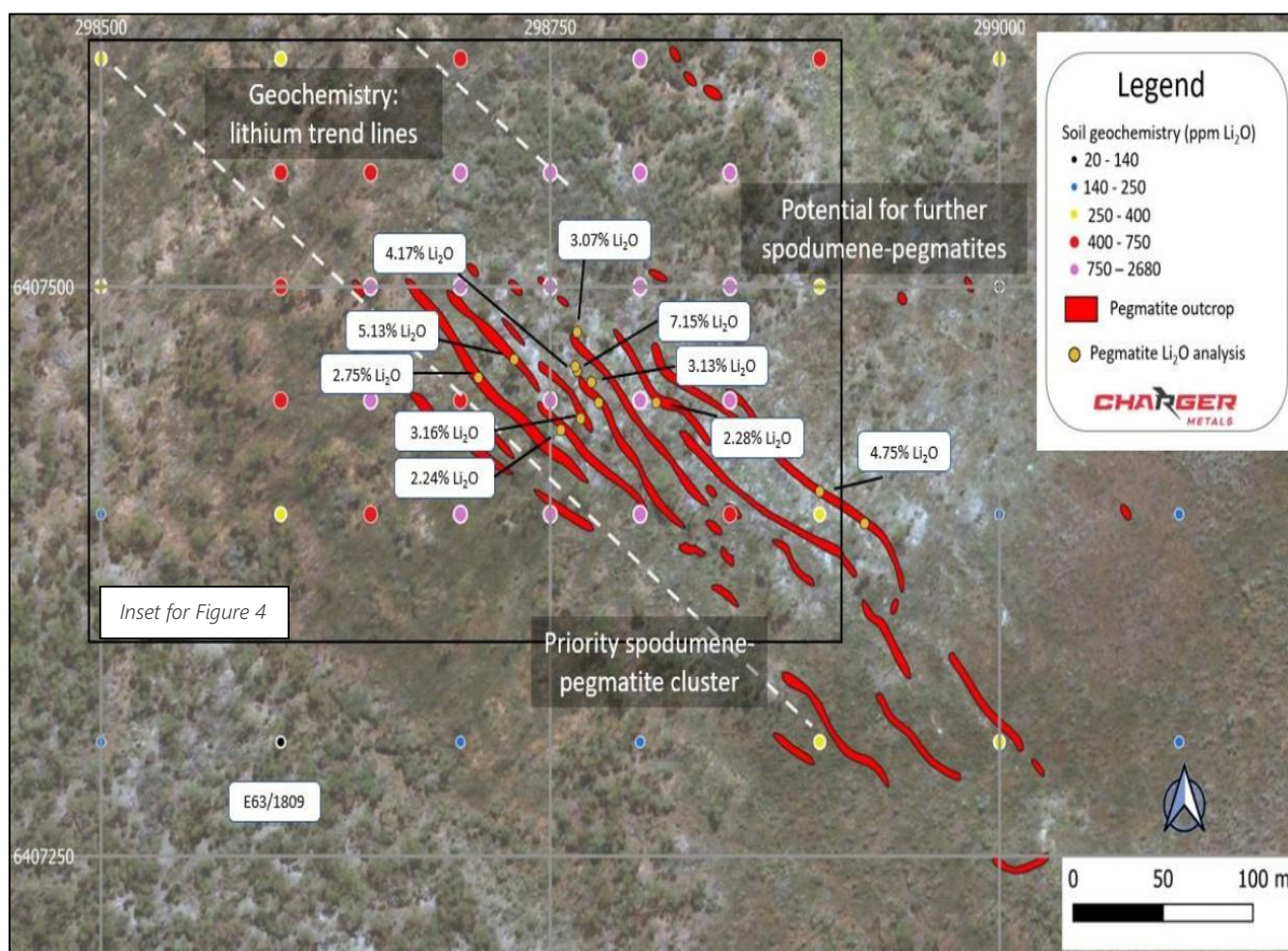


Figure 3: Medcalf Lithium Prospect showing mapped pegmatite swarm, soil sample and rock chip locations.

(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)

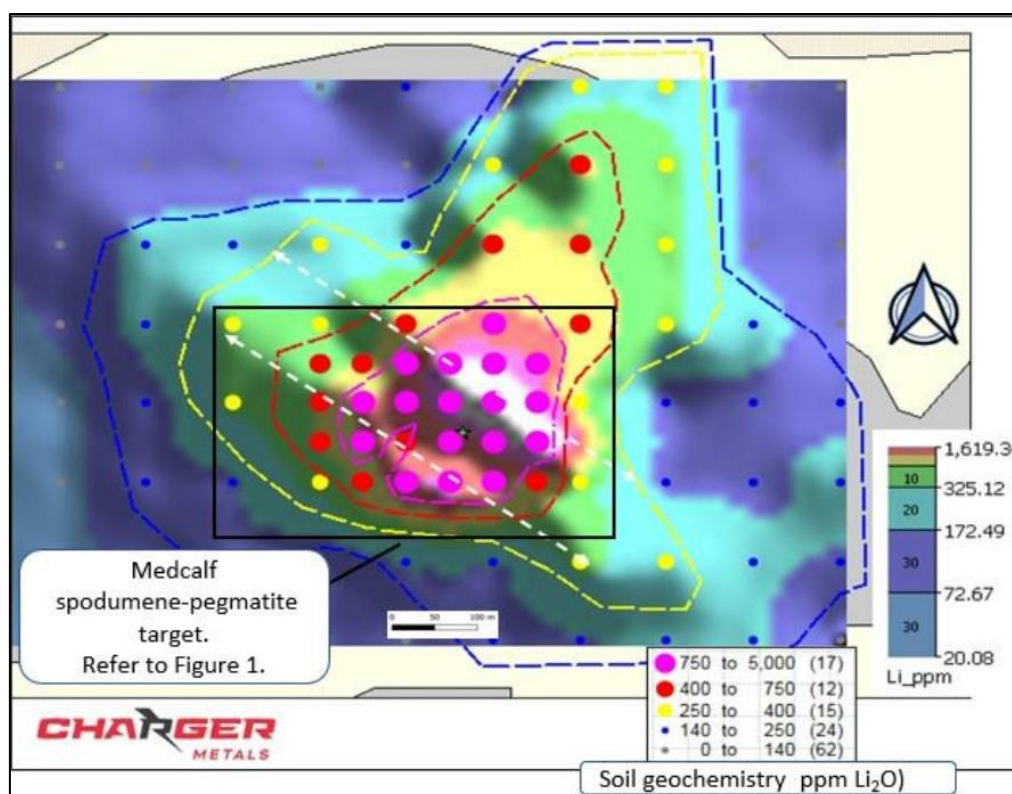


Figure 4: Processed Li assay values from soil geochemistry (background), overlain by graduated point Li₂O assay values.

(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. Location within tenement shown in Figure 3)

(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 (Figure 5). Spodumene-pegmatites were again intersected on each of the four (4) sections 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% Li₂O₄ from 68m including 2m at 4.19% Li₂O.
- 22CRC005: 3m at 1.25% Li₂O from 6m and
 - 6m at 1.52% Li₂O from 26m and 3m at 1.21% Li₂O from 40m
 - 3m at 1.21% Li₂O from 40m

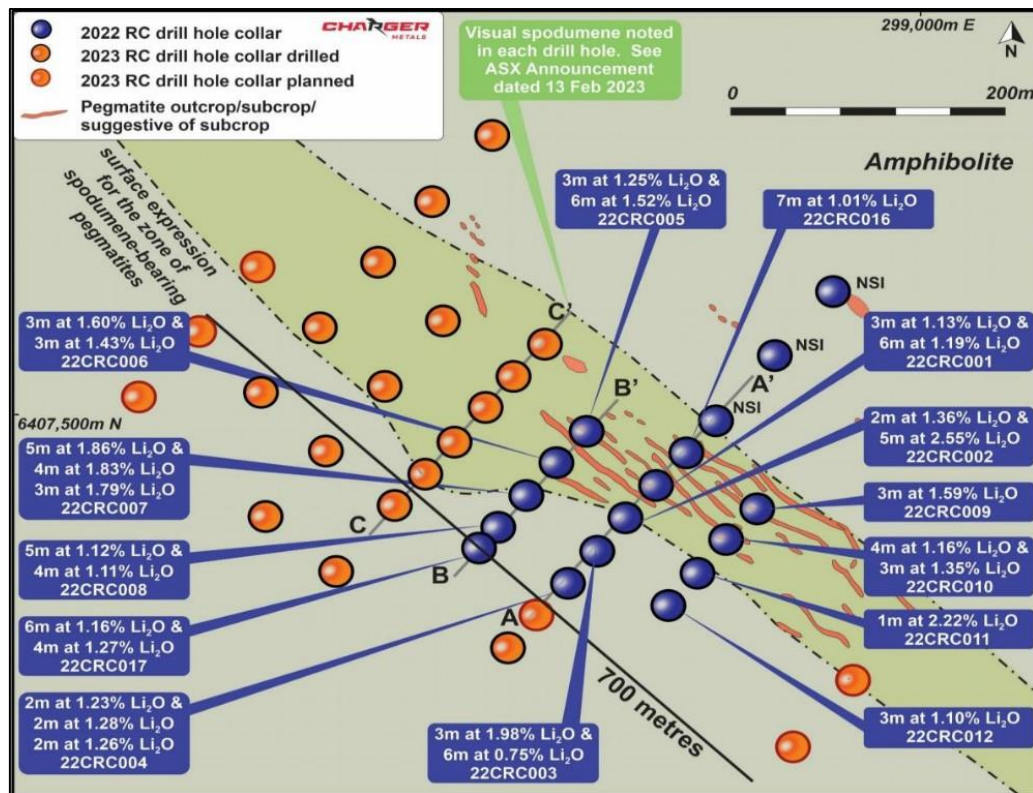


Figure 5: Mapped pegmatite with completed and proposed drill collars relative to the surface mapped pegmatite swarm.

(NB: A-A', B-B' refer to section lines as shown in Figure 6).

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

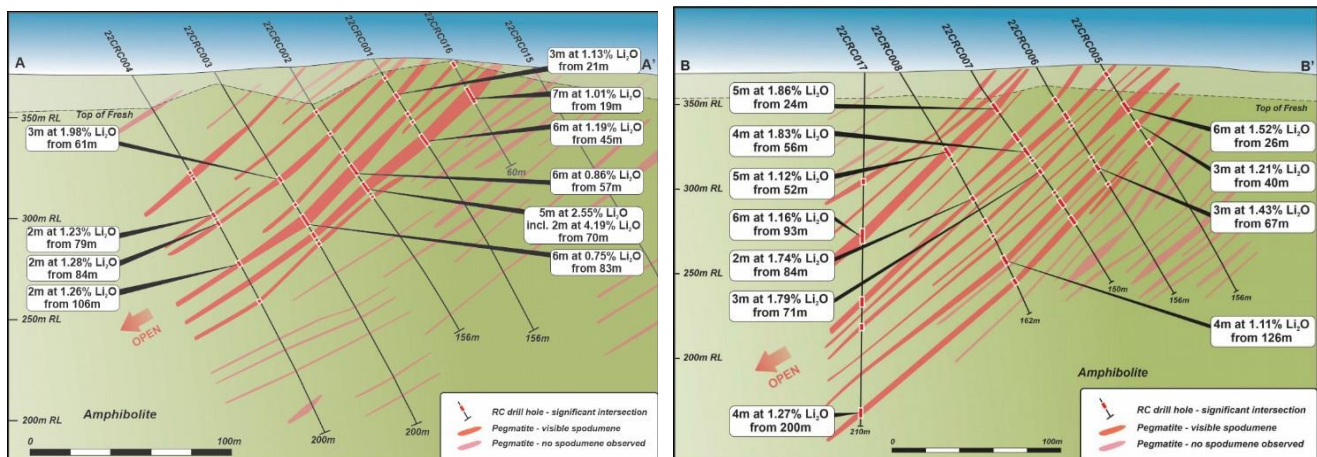


Figure 6: Cross section A-A' and B-B' showing an interpretation of the pegmatite swarm and assays.

(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% Li_2O from 24m and 2m at 1.12% Li_2O from 47m and 4m at 1.83% Li_2O from 56m and 3m at 1.79% Li_2O from 71m
- 22CRC008: 5m at 1.12% Li_2O from 52m and

1m at 4.02% Li_2O from 63m; and
2m at 1.74% Li_2O from 84m

- 22CRC009: 3m at 1.59% Li_2O from 21m
- 22CRC017: 6m at 1.16% Li_2O from 93m; and
4m at 1.27% Li_2O from 200m

On 3 April 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 Figure 5 (Charger ASX Announcement 3 April 2023). These include¹:

- 23CRC013: 4m at 2.06% Li_2O from 145m
- 23CRC06: 6m at 1.56% Li_2O from 19m
- 23CRC007: 5m at 1.41% Li_2O from 83m
- 23CRC003: 6m at 1.34% Li_2O from 24m; and
- 23CRC002: 6m at 1.06% Li_2O 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.

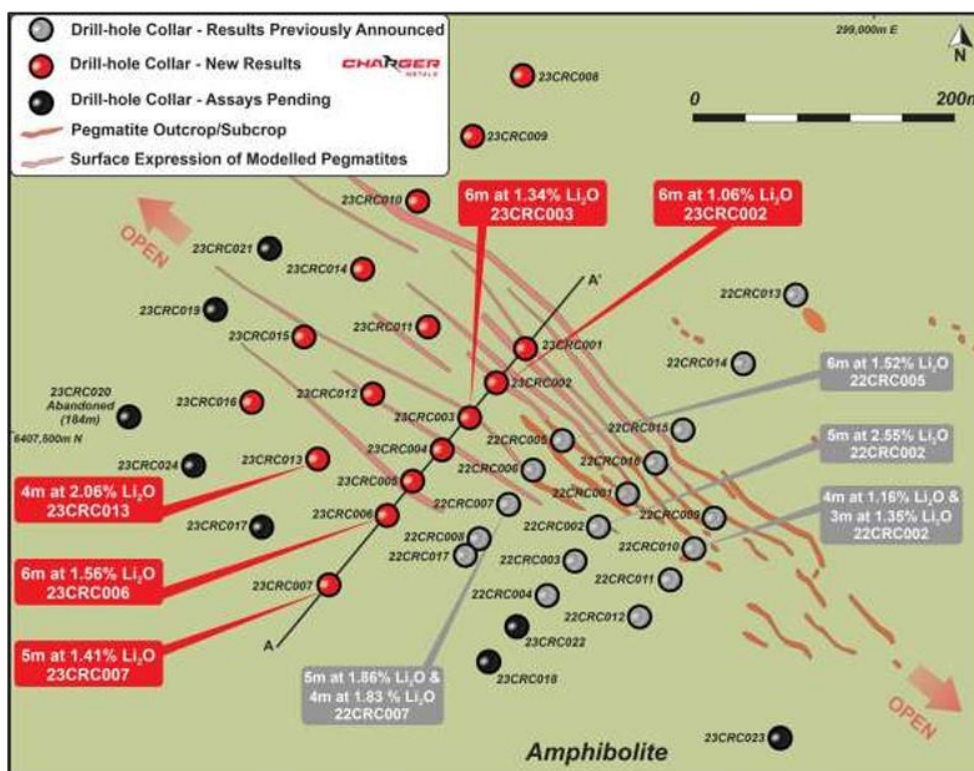


Figure 7: Preliminary results from the March 2023 RC drilling program with completed and proposed drill collars showing pegmatite swarm continuity along strike to the NW.

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

¹ Intersections are reported as down-hole widths using a cut-off of 0.5% Li_2O and a maximum of 2m internal dilution.

3.4. Exploration by Charger - Mt Day Prospect

Company mapping has demonstrated that the pegmatites have differing orientations, likely representing differing generations of emplacement under different structural regimes (Figure 8). The mapped pegmatites include sub-vertical NE trending dykes (e.g. at Whitten and Floyd; and apparently more widespread, flat-lying exposed sills (e.g. at Bulldog and Mount Day).

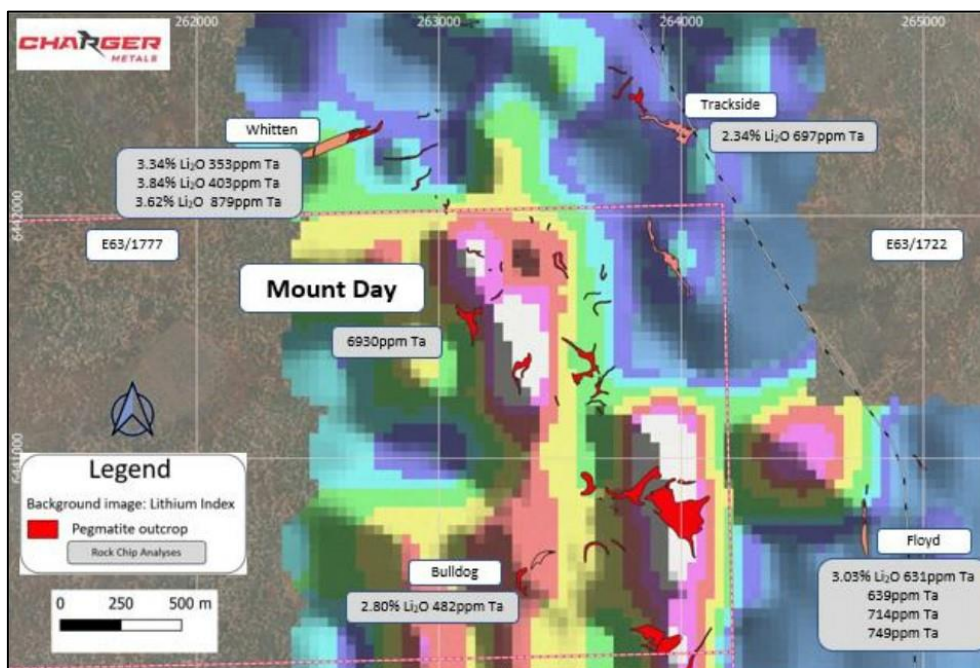


Figure 8: Mapped pegmatites at Mount Day showing Li₂O and Ta analyses from rock chip samples.

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

(Source: Charger Metals ASX Announcement 18 October 2022)

3.5. Exploration Potential

As detailed above Charger previously intersected a swarm of thin pegmatite intrusions at the Medcalf Prospect, there has been recent interest in the Lake Johnston region due to additional exploration success including recent soil and drill intersections at the Burmeister Prospect as announced by TG Metals Limited (ASX: TG6) on 30 October 2023 (Figure 2) which included drill intersections of 9m at 1.35% Li₂O and 9m at 1.62% Li₂O.

3.5.1. Medcalf

The area remains highly prospective for LCT pegmatite mineralization, with the Medcalf Prospect the primary area of focus in for the Company in the region. 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 lithium 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.

3.5.2. Mt Day

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

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4. 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 are that the limited exploration completed to date indicates that there are pegmatites with considerable strike and down-dip extent. Preliminary drilling returns promising Li_2O 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

- Initial drilling results at Medcalf 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, the Mt Day Prospect represents a drill-ready target which will benefit from the geological understanding gained through drill testing at Medcalf.
- 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 broader Lake Johnston Lithium Project area; and
- Exploration within the majority of the Project area is still at an early stage, with extensive areas noted for the presence of pegmatitic rock types, which are yet to be systematically explored.

Risks

- Given that the Prospects are of an early-stage 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.

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5. 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 whether 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.

5.1. Previous Valuations

VRM is not aware of any previous valuations of the Projects, other than the valuation that was included in the VRM report from April 2023. The previous VRM valuation was appended to the May 2023 BDO IER and the Charger notice of meeting where VRM attributed a value of between \$6.0 million and \$10.4 million with a preferred valuation of \$8.2 million for the Charger 70% equity, which equates to a value of between \$2.6 million and \$4.4 million with a preferred valuation of \$3.5 million for the 30% of the Projects that Charger proposes to acquire. The main difference between the previous valuation and the valuation detailed in this Report is the reduced minimum commitment on the main Medcalf tenement (E63/1809) due to a significant reduction in in the tenement area from 53 blocks to 32 blocks and a resulting reduction in the BAC to \$64,000 used in this report compared to the BAC of \$106,000 used in the April 2023 valuation.

5.2. 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 27 November 2023 and considers information up to 15 November 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.

5.3. Lithium Market Analysis

The lithium price is directly linked to the demand for lithium-ion batteries, largely for use in electric vehicles (EVs). This report is not intended to provide a detailed account for the lithium market however there has been a significant increase over the past several years toward reducing carbon emissions especially from vehicles. There has been a significant increase in EV sales, especially post the main impact of COVID-19 on the global economy with several governments around the world providing subsidies and incentives to promote the uptake of EV use. Additional demand for lithium stems from large-scale electrical storage batteries to reduce the dependence on electrical supply. In addition to the rapidly increasing EV and battery demand there is the ongoing demand increase for lithium in several traditional uses including ceramics, lubricants increase. Since 2015 the percentage of global lithium production used in batteries has increased from 31% to approximately 80%, while the global mine production has increased from 34,000t in 2013 to 107,000t in 2021 (USGS Minerals Yearbook 2015 and 2023). VRM considers it reasonable to assume that there will be a continued and significant growth in the demand for lithium.

The Lithium Carbonate price in A\$/t (Global average and CIF North America) for the past three years is shown in Figure 9.

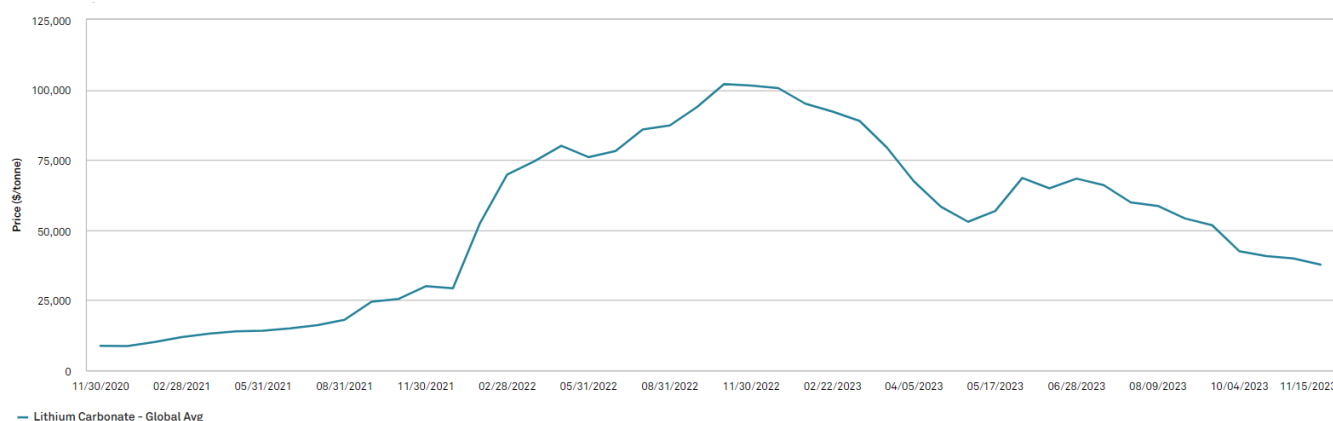


Figure 9: Global Average Lithium Carbonate price (A\$/t) November 2020 to November 2023.

(Source: S&P Capital IQ)

5.4. 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\$.

5.5. 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 does not consider the existing JV transactions on the Projects should be used to value the Projects due to the main consideration of the existing JV's was equity in Charger upon its ASX listing. Therefore, while a value at the time of listing could be calculated the JV was negotiated prior to any significant exploration activities and on that basis does not reflect the current value of the Projects.

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.

5.6. 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.

5.7. 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.

5.8. 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 previous expenditure has been determined based on the reported Form 5 tenement expenditure for the past five years and the proportional minimum annual commitment since the last tenement anniversary.

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

6. Valuation of Charger Metals tenements

The Lake Johnston JV 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 entirety of Projects with this value being for the beneficial interest that will potentially be acquired by Charger.

6.1. 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
- Lithium Projects: no discounts or premiums were applied to the project valuations. VRM notes the decrease in the global average lithium carbonate price as shown above however the requirement for a discount or premium needs to consider the longer-term price. Additionally, there is significant interest in the Lake Johnston lithium potential as shown by the significant appreciation in the share prices of TG Metals and Bryah Resources subsequent to the recent ASX announcements by TG metals. Therefore, in VRM's opinion no discount (or premium) should be applied to the technical valuations due to the recent reductions in the lithium carbonate price as this is offset by the increased market interest in lithium exploration within the region.

6.1.1. Lake Johnston JV Projects

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1.5 and 3.5, the On-Property Criteria between 1.5 and 2.5, the Anomaly Factor between 1.5 and 3.5 while the Geology Criteria are considered to be between 2.0 and 3.5. 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 relevant factors as outlined in Section 6.1. The Geoscientific valuation for the Lake Johnston JV Projects is for the 30% equity that is subject to the proposed transaction. The value range determined on a tenement-by-tenement basis for the Projects is presented in Table 6.

Table 6: Geoscientific Valuation for 30% of the Lake Johnston JV Projects

Tenement	Geoscientific (Kilburn) valuation (A\$ million)		
	Min	Mid	Max
E63/1809	1.02	1.52	2.02
E63/1722	0.23	0.46	0.69
E63/1723	0.14	0.28	0.41
E63/1777	0.10	0.20	0.29
All Tenements	\$1.5	\$2.5	\$3.4

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

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The Geoscientific valuation for the Lake Johnston JV Projects is considered by VRM to have a market value in Australian dollars of between A\$1.5 million and A\$3.4 million with a preferred value of A\$2.5 million.

6.2. Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation for the Mineral Assets using the exploration expenditure reported to DMIRS in the annual exploration expenditure reports (Form 5's) and the proportional minimum annual exploration commitment since the last tenement anniversary. 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 7 details the expenditure, the PEM multiples, and the valuations for the Projects.

Based on the PEM valuation methodology the 30% of the Lake Johnston JV Projects have an expected market value of between \$2.0 million and \$2.5 million with a preferred (mid-point) valuation of \$2.2 million.

Table 7: PEM Valuation for all granted exploration tenements.

Project	PEM Valuation by Tenement					
	30% of previous Expenditure (\$)	PEM Low	PEM High	Lower (\$M)	Upper (\$M)	Preferred (\$M)
Lake Johnston JV Projects						
E63/1809	\$740,908	2.0	2.5	1.48	1.67	1.85
E63/1722	\$195,187	1.5	2.0	0.29	0.34	0.39
E63/1723	\$81,304	1.5	2.0	0.12	0.14	0.16
E63/1777	\$50,145	1.5	2.0	0.08	0.09	0.10
Total				2.0	2.2	2.5

Note The valuations have been rounded to reflect the accuracy of the valuation.

7. Preferred Valuation Range

Based on the analysis presented, VRM considers the pre-transaction market value of the 30% of the Projects that Charger proposes to acquire to be between A\$1.7 M and A\$3.0 M with a preferred value of A\$2.3 M. Importantly this valuation is for the 30% JV interest in one tenement (E63/1809) held by LIT and the 30% of the contractual lithium rights, held by LIT, on the three tenements (E63/1722, E63/1723 and E63/1777) owned by HML.

Table 8 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 10 provides a visual comparative analysis of the valuation results by method for the Projects, and VRM's preferred valuation range.

Table 8: Summary of Valuation results and VRM's Preferred valuation range for the Projects.

Project	Valuation Method	Low (\$ million)	Mid (\$ million)	High (\$ million)
Lake Johnston JV Projects	Kilburn	1.5	2.5	3.4
	PEM	2.0	2.2	2.5
VRM Preferred Valuation Range		1.7	2.3	3.0

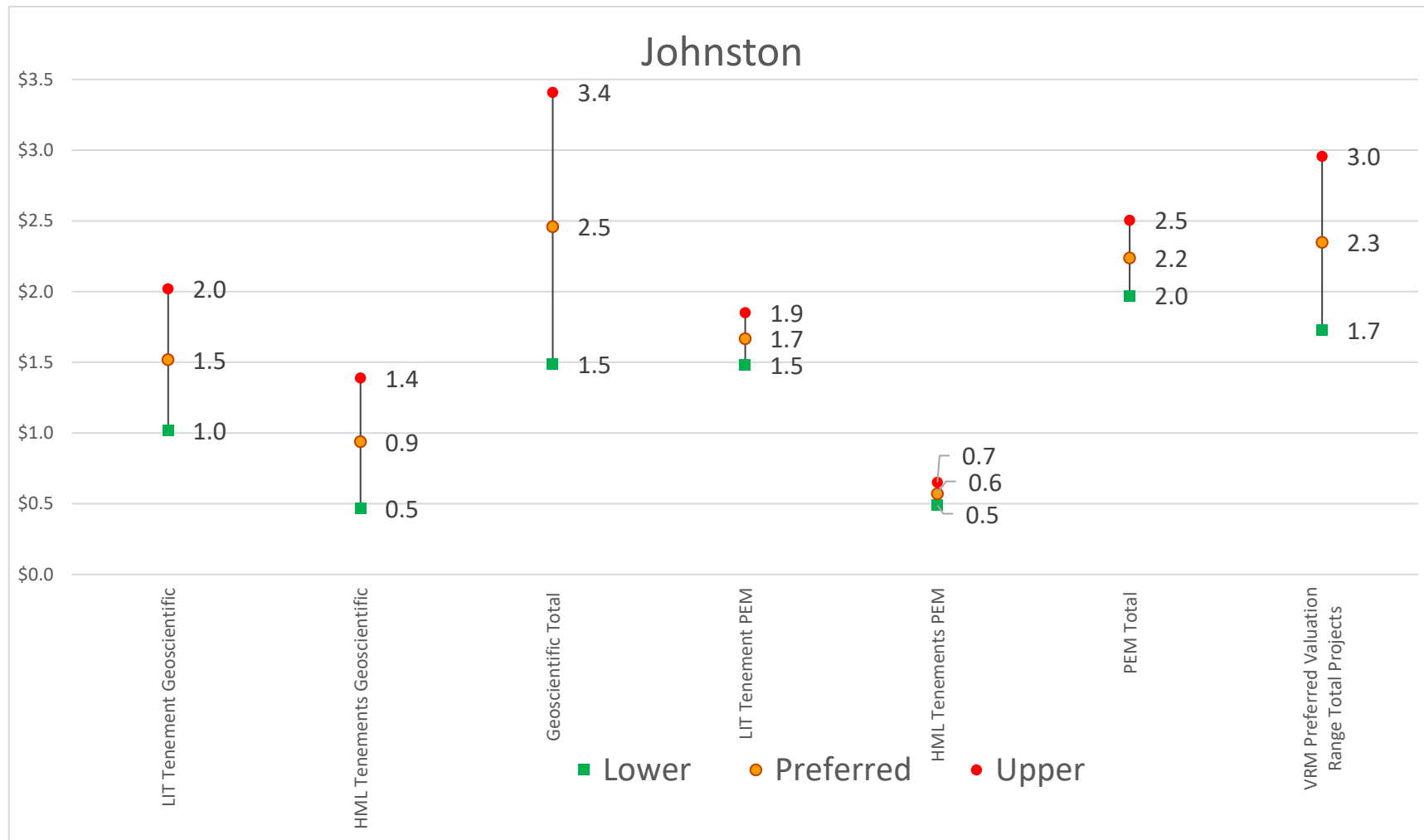


Figure 10: Valuation ranges as determined by the relevant method for 30% of the Projects, and VRM's preferred valuation range.

8. References

8.1. Published References

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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).

8.2. Project Specific References

This section outlines database reports used in the report.

8.2.1. Lake Johnston JV Projects

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 Field, Western Australia Combined Reporting Group C16/1997 Exploration Licences: E63/296, E63/297, E63/318, E63/349, E63/362, E63/426-432, E63/	LIONORE AUSTRALIA (NICKEL) LTD
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 Johnston 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, Maggie Hays, Brian's Bluff - Lake Percy, Johnston Sandplain, Honman Ridge, Burmeister Hill, Mount Glasse, West Lake, and Mt Gordon Prospects. Expl	LIONORE AUSTRALIA (NICKEL) LTD
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

A- Number	Author	Date	Report Title	Company / Operator
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
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
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
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

A-Number	Author	Date	Report Title	Company / Operator
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

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9. 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 Lake Johnston JV Projects

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	64,000	3.0	3.5	2.0	2.5	3.0	3.5	3.0	3.5	1,036,800	1,547,400	2,058,000	1.02	1.52	2.02
E63/1722	117,000	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	236,940	469,470	702,000	0.23	0.46	0.69
E63/1723	70,000	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	141,750	280,875	420,000	0.14	0.28	0.41
E63/1777	50,000	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5	101,250	200,625	300,000	0.10	0.20	0.29
Total Lake Johnston JV Projects													\$1.5	\$2.5	\$3.4

To determine the market value the technical value has been discounted following the parameters outlined in Section 6.1 on a tenement-by-tenement basis.



LODGE YOUR PROXY APPOINTMENT ONLINE



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.

EXTRAORDINARY 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 Extraordinary General Meeting of the Company to be held **at Level 3, 30 Richardson Street West Perth, WA 6005 on Thursday, 11 January 2024 at 10:00 am (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.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Approval of Lake Johnston Acquisition	☐	☐	☐
2 Ratification of Prior Issue of Shares Under Listing Rules 7.1 and 7.1A	☐	☐	☐
3 Approval of Issue of Shares on Conversion of RTX Convertible Loan	☐	☐	☐
4 Approval to Issue Options to Lead Manager	☐	☐	☐
5 Approval to issue 10,000,000 Shares	☐	☐	☐



* 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.

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 10:00 am (WST) on 9 January 2024, 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

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