

9 September 2024

ASX: CXO Announcement

Strategic Investment in Charger Metals and the Bynoe Project

Summary

- Purchase of 7.6 million shares in Charger Metals from Lithium Australia, representing 9.8% of Charger's shares on issue
- Acquisition of a 30% free carried interest in Charger's Bynoe Lithium Project from Lithium Australia (which remains subject to a pre-emptive right to Charger)
- Strategic investment in exploration target within trucking distance of Core's existing processing infrastructure at Finniss
- For the reasons set out below, Core has no current intention to make a takeover offer for Charger

Core Lithium Ltd (**ASX: CXO**) (**Core** or the **Company**) announces that it has entered into separate and discrete agreements with Lithium Australia Limited (**ASX: LIT**) (**Lithium Australia**) in relation to Charger Metals NL (**ASX: CHR**) (**Charger**) and the Bynoe Project (**Bynoe**).

Acquisition of Charger Shares

Core has agreed to acquire 7.6 million Charger shares held by Lithium Australia (**Charger Shares**). The purchase price payable by Core is the issue of 6.08 million new Core shares (being 0.8 Core shares for each Charger Share).¹

Completion of the purchase of the Charger Shares must occur before 20 September 2024.

At Completion, Core will own approximately 9.8%² of Charger shares on issue and Lithium Australia will hold a 0.3% shareholding in Core.

In addition, Core has granted Lithium Australia a call option (**Option**) to re-acquire the Charger Shares should a prescribed control event occur within 9 months with an offer ratio that exceeds 0.8 Core shares for each Charger Share, or equivalent, in which case, consideration will become payable by Core to Lithium Australia. The agreement to issue the Core shares as consideration for any cancellation of the option is capped at 15 million Core shares and is made under the Company's 15% placement capacity under Listing Rule 7.1.

Full details of this agreement will be released with Core's substantial shareholder notice.

¹ Using Core's 5 day volume weighted average price to 6 September 2024 (**VWAP**) of \$0.089, the consideration is worth approximately \$0.071 per Charger share utilising Core's 15% placement capacity under Listing Rule 7.1.

² Based on 77,420,250 Charger shares on issue on 6 September 2024.

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Acquisition of 30% interest in Bynoe

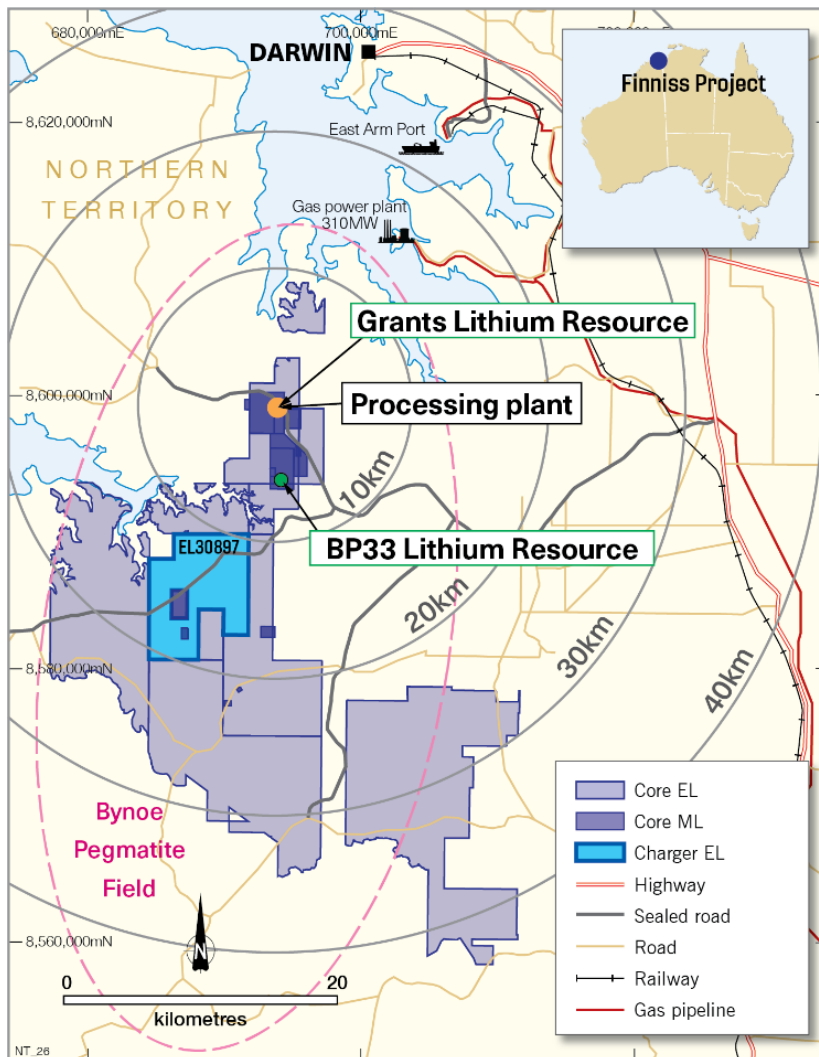
In a separate agreement, Core has agreed to purchase Lithium Australia’s 30% interest in Bynoe, subject to certain conditions precedent. Bynoe is an exploration licence in the Northern Territory which is surrounded by tenements that are part of Core’s Finnis Project (Figure 1). Charger owns the remaining 70% of Bynoe.

Under the terms of Charger and Lithium Australia’s joint venture agreement (**JV**) for Bynoe, the 30% interest Core has agreed to acquire is free carried and requires no expenditure by LIT until Charger completes a Definitive Feasibility Study. Until then, 100% of the costs incurred in relation to Bynoe, including exploration costs, are to be borne by Charger.

The purchase price for the acquisition of the 30% interest in Bynoe is \$500,000 in cash.

Under the terms of the JV, Charger has a pre-emptive right to acquire the 30% Bynoe interest for the same purchase price of \$500,000, for a period of 60 days. The acquisition by Core will only proceed if Charger declines to exercise this right during this time.

Figure 1 – Location of Bynoe Project (Charger EL)



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Strategic Rationale

These agreements follow the confidential non-binding indicative offer (**NBIO**) proposed by Core for the potential acquisition of Charger by way of a scheme of arrangement, announced by Charger on Monday 19 August 2024. The NBIO was subject to due diligence (among other things) and was not accepted by Charger’s Board. The NBIO has lapsed following its public disclosure by Charger.

Now that Core has agreed to purchase a strategic stake in Charger and may also purchase a strategic stake in Bynoe, Core is willing to remain a strategic investor in Charger and Bynoe.

Equally, Core remains open to discussing the progression of its NBIO with Charger should Charger’s board be willing to do so in a constructive manner.

In the present circumstances, without access to due diligence information and subject to the actions of Charger or third parties, Core has no current intention to make a takeover offer for Charger.

This announcement has been approved for release by the Core Lithium Board.

For further information, please contact:

Investor Enquiries

Paul Brown
 CEO
 Core Lithium Ltd
 +61 8 8317 1700
info@corelithium.com.au

Media enquiries

Michael Vaughan
 Executive Director
 Fivemark Partners
 +61 422 602 720
michael.vaughan@fivemark.com.au

About Core

Core Lithium Ltd (ASX: CXO) (Core or Company) is an Australian hard-rock lithium company that owns the Finnis Lithium Operation on the Cox Peninsula, south-west and 88km by sealed road from the Darwin Port, Northern Territory. Core's vision is to generate sustained value for shareholders from critical minerals exploration and mining projects underpinned by strong environmental, safety and social standards.

For further information about Core and its projects, visit www.corelithium.com.au

Not an offer in the United States

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