

9 September 2024

Lithium Australia sells its Charger Metals shares and interest in the Bynoe Lithium Project to Core Lithium

HIGHLIGHTS

- Lithium Australia has agreed to sell its remaining 7.6m shares in Charger Metals NL (ASX:CHR) to Core Lithium Ltd. (ASX:CXO)
- Lithium Australia will receive 0.8 CXO shares for every 1 CHR share (Initial Ratio), representing a consideration of A\$541k (Initial Valuation), based on CXO 5 day VWAP as at 6 September 2024
- If Charger Metals is acquired within the next 9 months at a value in excess of the Initial Valuation, Lithium Australia has the option to receive this takeover premium
- In addition, Lithium Australia has sold its remaining 30% interest in the Bynoe Lithium Project for A\$500k to Core Lithium, subjective to pre-emptive rights
- The disposal of our interests in Charger Metals continues the Company's strategy of realising value for non-core assets to fund ongoing activities

Lithium Australia Ltd (ASX:LIT) ("**Lithium Australia**" or the "**Company**") is pleased to announce that the Company has signed an agreement with Core Lithium Ltd. (ASX:CXO) ("**Core Lithium**") to sell its remaining 7.6m shares in Charger Metals NL (ASX:CHR) ("**Charger Metals**") and its remaining 30% interest in the Bynoe Lithium Project.

Lithium Australia will receive 0.8 CXO share for every 1 CHR share, which equates to Lithium Australia receiving ~6.1m CXO shares for the remaining 7.6m Charger Metals shares held and represents a consideration of A\$541k (**Initial Valuation**), based on CXO's 5 day volume weighted average trading price (**VWAP**) as at 6 September 2024. There is no escrow period for the CXO shares to be received by Lithium Australia, with the shares being freely tradable immediately upon receipt.

The transaction includes a Control Event clause, which allows Lithium Australia to capture any upside from a potential qualifying takeover event for Charger Metals in the next 9 months (**Control Valuation**). If Charger is acquired within this period, Lithium Australia retains the option to gain the difference between the Initial Ratio and the Control Valuation by buying back the 7.6 million Charger Metals shares from Core Lithium at the Initial Ratio (based on the 5 day VWAP of CXO shares at that time) and subsequently selling these shares into the successful transaction (regardless of the acquirer), or in some circumstances, Lithium Australia may receive this difference from Core Lithium.

Separate to the Charger Metals shares transaction, Lithium Australia has sold the remaining 30% interest in the Bynoe Lithium Project for a A\$500k cash consideration to Core Lithium, subject to Charger Metals' pre-emptive rights over the interest. If the pre-emptive rights are not exercised, or if the pre-emption period expires, this transaction will be settled with a A\$500k cash payment to Lithium Australia.

These transactions align with Lithium Australia's strategic focus on its existing operations and provides balance sheet flexibility for key growth initiatives.

For personal use only

Divisions of Lithium Australia



Lithium Australia Limited
ASX: LIT ACN: 129 129 413
Investorhub.lithium-au.com
lithium-au.com

Suite 16/17, 79-83 High Street
Kew, Victoria 3101
T: +61 (0) 3 7017 2656
E: info@lithium-au.com

Comment from Lithium Australia CEO and Managing Director, Simon Linge

"Divesting of non-core assets to funding our ongoing activities has been our strategy for a number of years and we are pleased to realise value for our Charger shares and project assets.

The exchange of the Charger Metals shares into Core Lithium shares provides us with improved liquidity in our investment holdings, which can be freely sold. In addition, our agreement with Core also allows the Company to retain any upside on a potential Charger transaction in the near future."

Authorised for release by the Board.

Simon Linge

Managing Director / CEO
Mobile +61 (0) 438 721 280

simon.linge@lithium-au.com

Stuart Tarrant

Chief Financial Officer
Mobile +61 (0) 467 817 005

stuart.tarrant@lithium-au.com

Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

About Lithium Australia

Lithium Australia is aiming to lead and enable the global transition to sustainable lithium production. The Company operates Australia's market leading battery recycler, produces critical battery material lithium ferro phosphate (LFP), and has developed a patented lithium extraction technology. Lithium Australia's revenue-generating recycling business and technologies are well-placed to capitalise on growing global lithium-ion battery demand and provides diversification benefits to global supply chains.

For personal use only

Divisions of Lithium Australia



Lithium Australia Limited

ASX: LIT ACN: 129 129 413

Investorhub.lithium-au.com

Suite 16/17, 79-83 High Street

Kew, Victoria 3101

T: +61 (0) 3 7017 2656