

29 November 2021

Option Agreement to Acquire Lithium Brine Tenements in Argentina

Highlights:

- ✎ Option to acquire 2 highly prospective lithium tenements in Argentina – in the heart of the “Lithium Triangle”
- ✎ Total area 6,000 Ha in close proximity to Lake Resources Kachi project
- ✎ Potential for development of a district scale Lithium Brine project with further ground acquisitions being considered

Xantippe Resources Limited (ASX: XTC) (Xantippe, XTC, or the Company) is pleased to advise it has entered into an option agreement with Carolina Lithium Pty Ltd which holds rights to acquire two tenements prospective for lithium brine deposits in Catamarca, Argentina (**Option Agreement**) known as the Carachi Pampa Licences.

Carachi Pampa Lithium Project

The target is a paleo salt flat with proven lithium brine at depths of 180-200m and 140-230 mgLi/l, covering 9,100 hectare and is suitable for Direct Lithium Exchange processing (DLE).

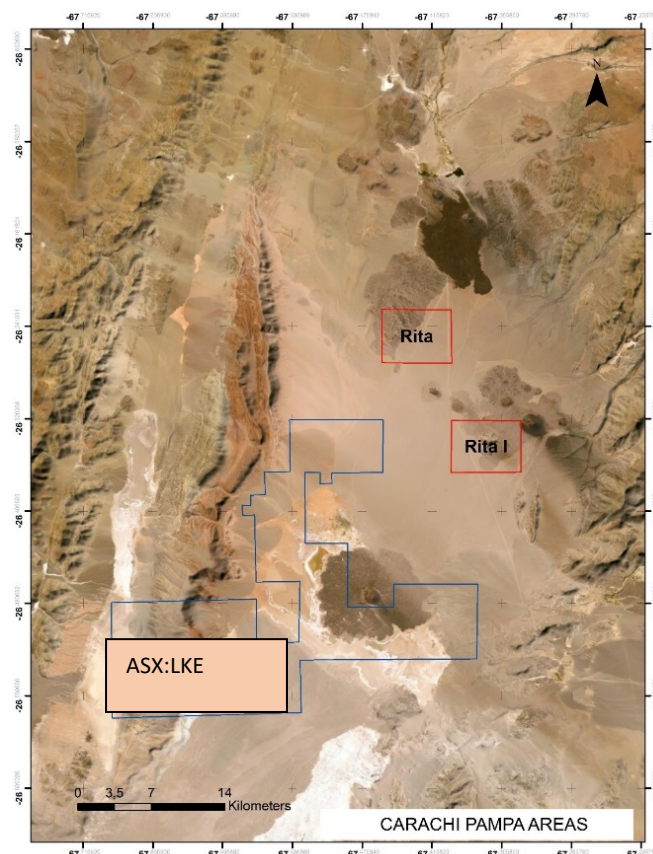


Figure 1: Carachi Pampa Licences

The Carachi Pampa Lithium Project comprises the Rita and Rita I properties, which cover over 6,000ha on Carachi Pampa salt flat north of Lake Resources (ASX:LKE) project in Catamarca Province, Argentina. Both are located within the Carachi basin and the main outcropping units are alluvial fan and recent thin lava flows. The presence of a paleo salar at depth is backed up by the available information in the area.

The 2 concessions offered by Arlupo comprise a lithium brine target in Carachi Pampa which is a paleo salar found at depth and which continues under a more recent alluvial fan cover to the northeast of licences currently owned by Lake Resources, whose concessions are over the centre and southern extensions of the Carachi pampa salt lake.

Many tenements in this area are in the salt lake and are prone to flooding whereas the target areas are covered by alluvial fans and easy to access.

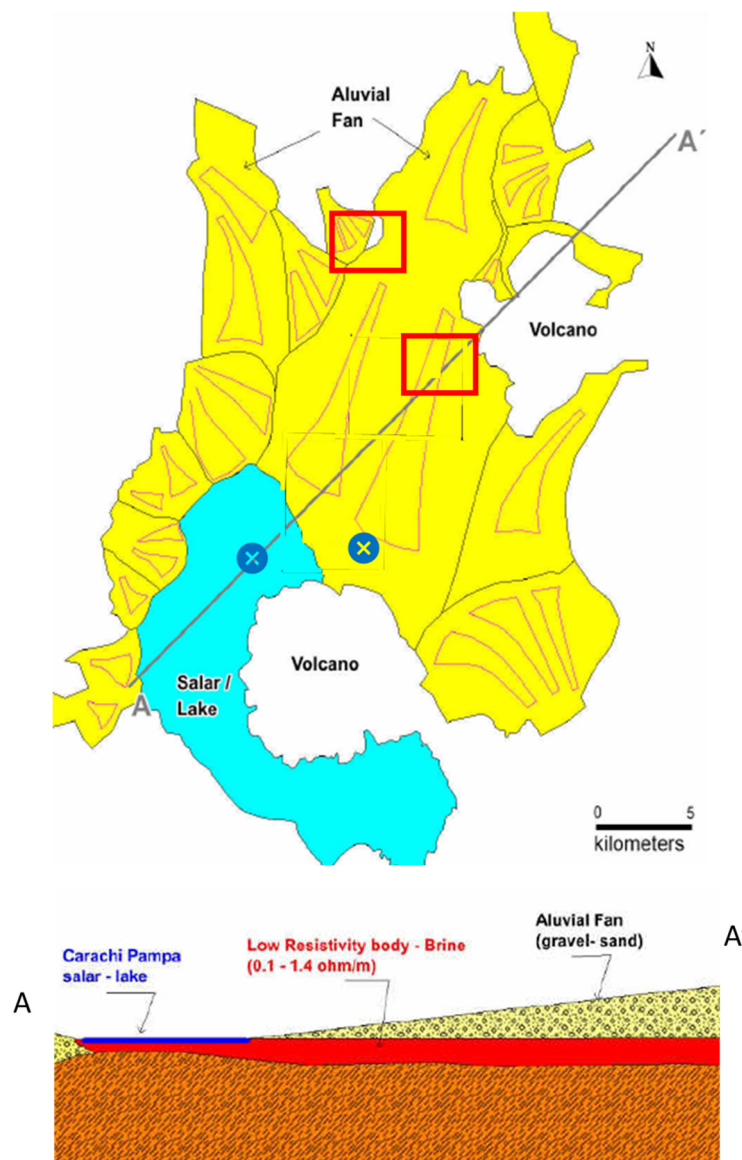


Figure 2: Geomorphological units showing alluvial cover and continuation of brine saturated level (subject areas in red). Wells confirming Li bearing brine in blue.

Drilling on the area surrounding the Rita and Rita I properties, reports lithium rich brine at depths of 60 up to 300m and 187 to 252Li mg/l (ASX:LKE 30 April 2020) and 291-334m and 234 avg Li mg/l (ASX:LKE 27 November 2018) some 12Km and 0.5 Km away from the areas under consideration. Vertical Electrical Sounding (VES) profiles on adjacent properties suggest the brine saturated levels continue to the west into our target zone starting at 70m depth in the south going deeper to the north.

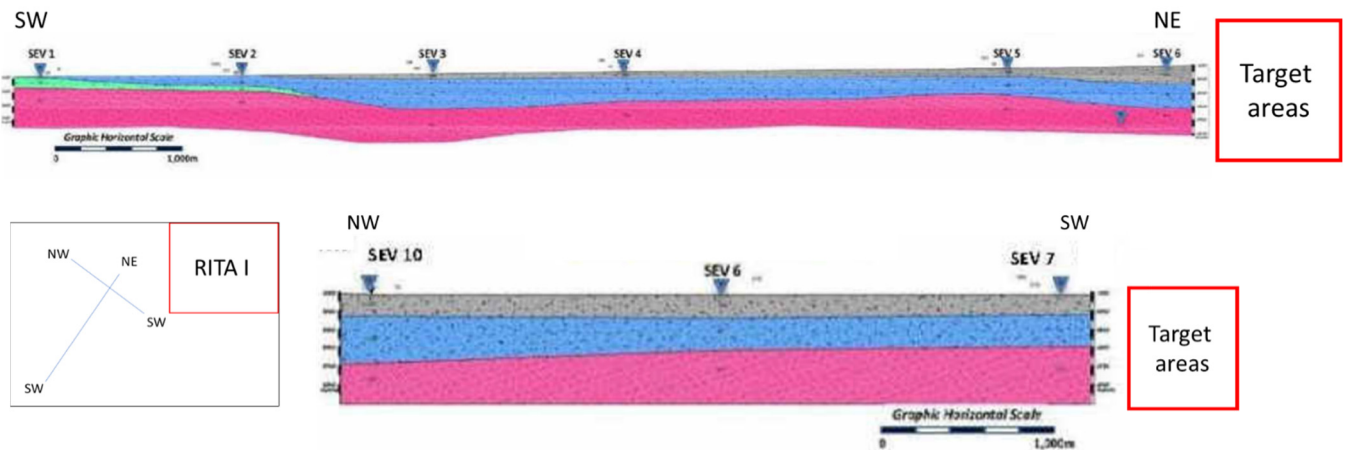


Figure 3: VES profile southwest of Rita I area showing conductive zone (pink) that continues into target areas.

The LKE resources of 4.4 million tons LCE were defined after studying an area of 172 Km² with 14 wells and includes a pyroclastic complex (ASX: LKE 27 November 2018). The Lake Resources PFS is on its Kachi project.

The resource estimate at Kachi is reported as 1M tonnes at 290mg/L Lithium (indicated) and 3.4M tonnes @210mg/L lithium (inferred) (ASX: LKE 27 November 2018).

Kachi lithium brine is hosted in a 700-800m deep depression filled with brine salt water, salts, capped by salt crust and small lake.

The Carachi pampa salt lake is rhomboidal in shape with a NW-SE axis and covers a known surface area of about 135km². The salt lake area is bounded to the east and west by NNE-SSW trending mountain range. The target area is over 95Km² offering potential to host similar resources to surrounding reserves; expanding the footprint in the salt flat will grow to a bigger project. The Xantippe local partners are already starting negotiations to study more areas in the salt flat.

It is anticipated that Carachi Pampa will offer proven lithium bearing brines that can host a feasible project and by working in collaboration with Arecco Ingenieria, a major shareholder in Carolina Lithium, the Company is confident to secure further deal flow from the Argentinian portion of the South American Lithium Triangle.

Tenement Details

The tenements which comprise the Carachi Pampa Lithium Project are 100% include 2 concessions with titles on 2 mining properties owned by Mrs Fabiana Ramos (**Owner**) and have the following details:

Mine	Administrative File
RITA	Sentencia interlocutoria N*144 del 8 de mayo de 2018 para Rita
RITA I	Sentencia interlocutoria N*116 del 26 de mayo 2018 para Rita I

Proposed Exploration

To be determined after completion of Phase 1 due diligence.

Terms of the Acquisition

Xantippe has entered into an exclusive six month option agreement (**Option**) with the shareholders of Carolina Lithium Pty Ltd (**Carolina Lithium**) to acquire all the shares (**Sale Shares**) in Carolina which is entitled to become the beneficial owner of Arlupo SA (**Arlupo**), a company registered in Argentina that holds the rights to the acquisition of the Tenements under a letter of offer (**Offer Agreement**) with the Owner.

Upon the exercise of the Option, the Company will, subject to securing all shareholder and regulatory approvals including shareholder approval under Listing Rule 7.1, pay to the shareholders of Carolina 1,000,000,000 fully paid ordinary shares in the Company in consideration for the Sale Shares (**Consideration Shares**) and assume all obligations of Carolina (through Arlupo or otherwise) to meet any future payments owing under the Offer Agreement.

Under the Offer Agreement and the Option, the following consideration will be payable by the Company:

1. Immediate payment of a non-refundable option fee of US\$40,000 to Carolina to be passed onto the Owner to enable the Company (via Carolina and Arlupo) to conduct due diligence on the Carachi Pampa Lithium Project.
2. US\$100,000 payable to the Owner upon exercise of the Option and signing a definitive acquisition agreement prior to 30 May 2022.
3. Subject to shareholder approval, issue the Consideration Shares to the shareholders of Carolina following exercise of the Option.
4. US\$2,060,000 payable to the Owner in two separate payments detailed below:
 - a. US\$1,000,000 12 months after signing the definitive agreement.
 - b. US\$1,060,000 18 months after signing the definitive agreement.

Following the exercise of the Option and the acquisition of Carolina (assuming both proceed), the Company will hold rights to acquire all the shares in Arlupo SA, the holder of the rights to the Carachi Pampa Lithium Project under the Offer Agreement.

Managing Director Richard Henning commented: *“Our recent Capital Raising through a Rights Issue has given us the opportunity to seek and explore new resource projects. Whilst we remain committed*

to our exploration efforts in Southern Cross, we are also committed to using the knowledge gained in Korea with regard to Graphite and its application to battery technology.

The Lithium sourced from brines in South America will offer a clean product using direct lithium extraction which requires a smaller environmental footprint and uses less water. The option to investigate, and potentially acquire, two tenements in this proven region of Argentina with known resources of lithium, another crucial element in battery technology, is an obvious extension to the XTC strategy to participate in the development of new world elements."

This announcement has been approved for release by the Board of Xantippe Resources.

For more information, please contact:

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