

12 January 2022

Xantippe Continues with Key Development Milestones

Option Agreement to Acquire further Lithium Brine Tenements in Argentina

Highlights:

- ✎ Option to acquire La Sophia a 3rd highly prospective lithium tenement in Argentina – in the heart of the “Lithium Triangle”
- ✎ “La Sophia” has a total area of 3,000 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, pursuant to its rights to purchase the shares in Carolina Lithium Pty Ltd following the option announced recently to acquire Rita and Rita1 (see ASX release dated 29 November 2021), secured an option to acquire a third tenement – La Sophia. All three tenements are prospective for lithium brine deposits in Catamarca, Argentina and are known as the Carachi Pampa Lithium Project.

Carachi Pampa Lithium Project

The target area is a proven paleo salt flat with lithium brine potential covering 9,100 hectare suitable for Direct Lithium Exchange processing (DLE).

Tenement Details

La Sophia has title on 1 mining property owned by Arrayanes SA (La Sophia Owner), a company unrelated to Xantippe controlled by Messrs Oscar Alberto Figueroa and Victor Ramón Salvatierra, as follows:

Mine	Administrative File
La Sophia	242-A-2011

Proposed Exploration

To be determined after completion of Phase 1 due diligence.

Terms of the Acquisition

As set out in the ASX release dated 29 November 2021, 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.

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In addition to holding the rights to acquire the Rita and Rita I tenements, Arlupo holds the rights to the acquisition of La Sophia, under a letter of offer (**Offer Agreement**) with the La Sophia Owner.

Under the Offer Agreement, the following consideration will be payable by the Company to acquire the La Sophia tenement:

1. Payment of a non-refundable option fee of US\$40,000 plus legal expenses of US\$15,000 to the La Sophia Owner to enable the Company (via Carolina Lithium and Arlupo) to conduct due diligence on La Sophia.
2. US\$460,000 payable to the La Sophia Owner upon exercise of the Option and signing a definitive acquisition agreement within 3 months of the option being exercised.
3. US\$1,500,000 payable to the La Sophia Owner in two separate payments detailed below:
 - a. US\$600,000 6 months after signing the definitive agreement; and
 - b. US\$900,000 12 months after signing the definitive agreement.

As announced on 29 November 2021, the following consideration is payable by the Company in consideration for the Rita and Rita I tenements:

1. Payment of a non-refundable option fee of US\$40,000 to Carolina to be passed onto Mrs Fabiana Ramos (**Rita Owner**) to enable the Company (via Carolina Lithium and Arlupo) to conduct due diligence on the Carachi Pampa Lithium Project.
2. US\$100,000 payable to the Rita Owner upon exercise of the Option and signing a definitive acquisition agreement prior to 30 May 2022.
3. Subject to shareholder approval, issue 1,000,000,000 Consideration Shares to the shareholders of Carolina following exercise of the Option.
4. US\$2,060,000 payable to the Rita 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 three tenements comprising the Carachi Pampa Lithium Project. In the event the Company does not exercise the option to acquire the La Sophia and/or Rita tenements the option fees will not be recoverable.

Whilst the Company will seek to raise funds via an equity issue to pay for the Option consideration in the event of exercise, no decision has been made to raise capital as yet. Below is a worked example of the dilutionary effect of an equity placement based on the current shares on issue of 5,095,705,502 ordinary shares:

	Issue Price Example	\$ 0.0075	\$ 0.0085	\$ 0.0100
Percentage of Capital Issued	Shares Issued	Funds Raised		
10%	509,570,550	\$ -	\$ 4,331,350	\$ 5,095,706
15%	764,355,825	\$ 5,732,669	\$ 6,497,025	\$ 7,643,558
20%	1,019,141,100	\$ 7,643,558	\$ 8,662,699	\$ 10,191,411
25%	1,273,926,375	\$ 9,554,448	\$ 10,828,374	\$ 12,739,264

La Sophia

Xantippe Resources recently announced it had entered into an option agreement to acquire two properties (Rita and Rita I) covering over 6,000ha in Carachi Pampa salt flat north of Lake Resources project (LKE) in Catamarca Province, Argentina. Both lie 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 **La Sophia** property lies some 200 metres south of Rita and will add another 3,000ha to the Xantippe land package. La Sophia geological structure is expected to be the continuation of Rita. This represents a unique opportunity to extend Xantippe's footprint in the Salt Flat and improve the feasibility of a Direct Lithium Exchange (DLE) project.

The lithium brine target in Carachi Pampa is a paleo salar found at depth and related to current salt flat layout. This paleo salar continues under a more recent alluvial fan cover to the northeast and west of LKE areas, the advantage of being located on the alluvial fan is that the area is not prone to flooding and access is easier.

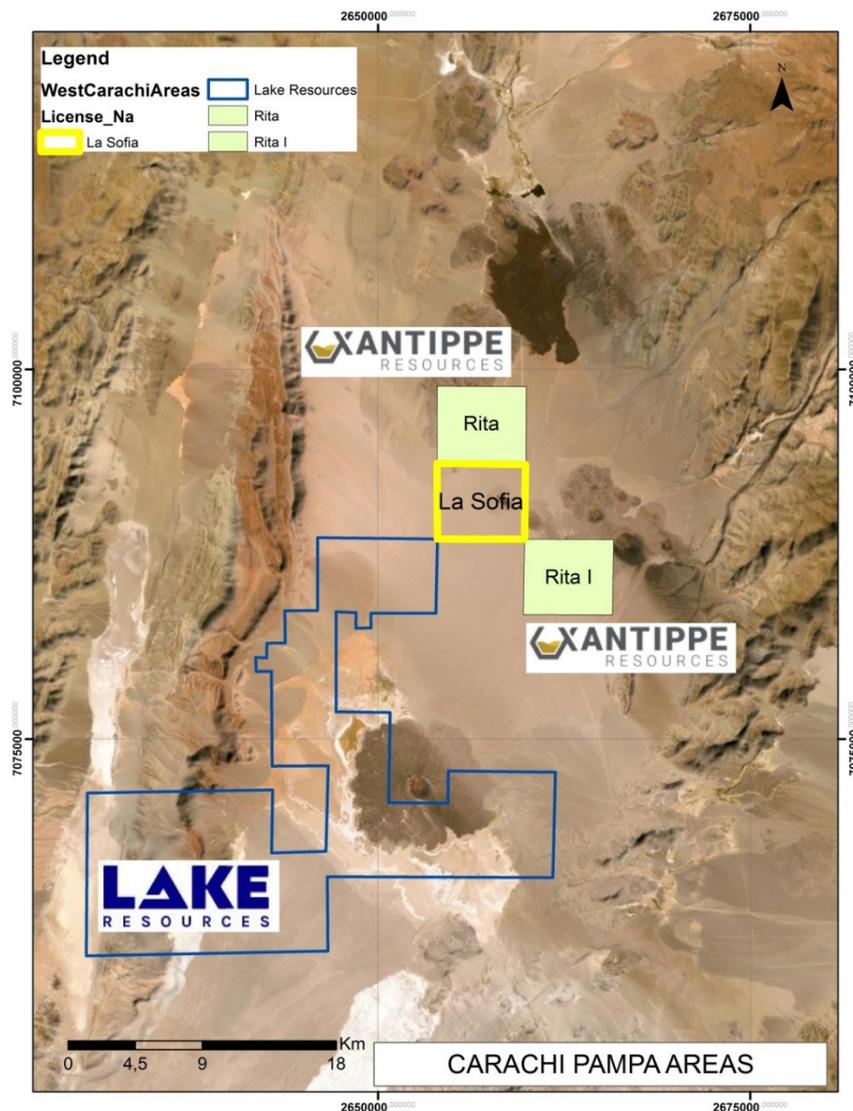


Figure 1: La Sophia in relation to Rita and Rita 1 showing proximity to LKE tenements.

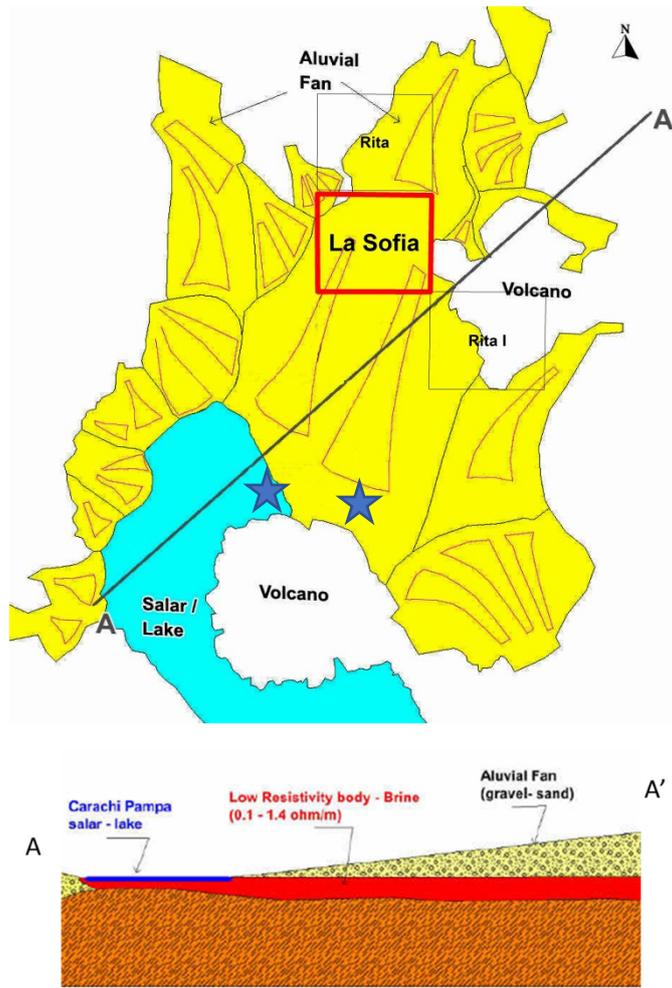


Figure 2: Geomorphological units showing alluvial cover and continuation of brine saturated level (subject areas in red). Wells confirming Li bearing brine in blue.

Drilling in the area by Lake Resources on its tenements reported lithium rich brine at depths of 60 up to 300m and 187 to 252Li mg/l (ASX:LKE 30 April 2020) and 183-198m and 229 avg Li mg/l (ASX:LKE 27 November 2018) some 12Km away from the areas under consideration. Vertical Electrical Sounding (VES) profiles on adjacent properties suggest the brine saturated levels continue to the northeast and northwest into our target zone starting at 70m depth in the south going deeper to the north.

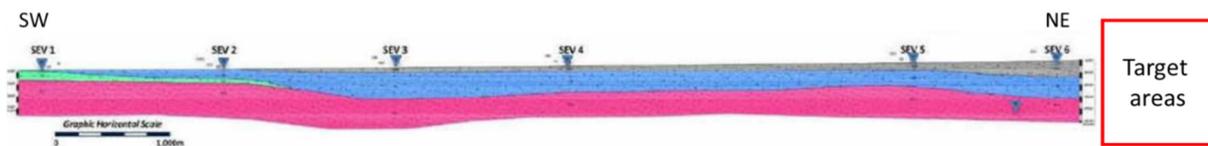


Figure 3: VES profile southwest of La Sophia area showing conductive zone (pink) that continues into target areas.

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

The Rita & Rita I area covers more than over 60Km²; La Sophia adds another 30 Km² for a total of 90Km² (9,000 Ha) offering potential to host similar resources. Further efforts to expand the footprint in the salt flat are on-going through the Arecco Group.

Managing Director Richard Henning commented: *“The acquisition of La Sophia adds to our strategy of extending our footprint in Catamarca and developing a Lithium product sourced from brines in South America. This will be a clean product using direct lithium extraction (DLE) which requires a smaller environmental footprint and uses less water. There has been much research in recent years with regard to the potential cost and environmental benefits of DLE and XTC is currently in discussion with a tier one research institution based in Korea to further develop work that has been undertaken on this process. Xantippe is currently working towards a technology collaboration agreement which it hopes to announce shortly.”*

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

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