

# CORPORATE ANNOUNCEMENT

7 DECEMBER

2022

## Sale of the Lithic and Mustang Lithium Projects to Red Mountain Mining Limited for up to A\$2.6m<sup>a</sup> in cash and stock-based consideration

### HIGHLIGHTS

- Lithic Lithium LLC, a wholly-owned subsidiary of FMSL, completes the sale of the Lithic and Mustang Projects to Red Mountain Mining
- Sales proceeds include total cash and stock consideration of US\$1.685m (A\$2.6m<sup>a</sup>), which comprises of US\$0.885m (A\$1.4m<sup>a</sup>) in upfront payments and US\$0.8m (A\$1.2m<sup>a</sup>) in milestone-based payments, and a 2% net smelter royalty
- The transaction further validates the quality of Chariot's core portfolio of lithium assets in the United States of America and is part of our process for the structured divestment of certain non-core exploration assets
- Chariot has sold 9,012ha of non-core exploration tenure in Nevada with potential proceeds totalling A\$30m<sup>a</sup> in cash and stock-based consideration

Chariot Corporation Ltd ("**Chariot**" or "**the Company**") and FMS Lithium Corporation ("**FMSL**") are pleased to announce that a wholly-owned subsidiary of FMSL, Lithic Lithium LLC ("**LLL**") has entered into a purchase agreement (the "**Purchase Agreement**") with Red Mountain Mining Limited (ASX: RMX) ("**Red Mountain**" or "**RMX**") to divest the Lithic Lithium Project ("**Lithic**") and the Mustang Lithium Project ("**Mustang**", with "Lithic" collectively the "**Projects**").

### **Chariot's CEO, Shanthar Pathmanathan commented:**

*"We are extremely pleased to have entered into this transaction with Red Mountain, and moreover, to partner with the Red Mountain team, who we believe will be great custodians of these projects, going forward. Mr Foster Wilson, a geologist on our team who discovered these projects, will continue to be involved with these projects as a consultant to Red Mountain.*

*Foster Wilson is one of the most experienced claystone hosted lithium geologists in Nevada and will be invaluable to Red Mountain's efforts to develop these projects."*

## Purchase Agreement

RMX paid LLL an option fee of US\$35,000 on the 18<sup>th</sup> of October 2022 for a 45-day option period and subsequently purchased the Projects for the following consideration:

- a) US\$150,000 cash;
- b) 179,487,179 shares of RMX<sup>b</sup> (with a value of US\$700,000 based on agreed FX and share price values); and
- c) a net smelter royalty in favour of LLL of 2%.

If RMX achieves certain milestones at either Project, RMX is required to pay to LLL additional consideration, as follows:

- a) 102,564,103 shares upon achieving 200 metres or greater aggregated over 10 drill holes with an average grade of 900 ppm Lithium; and
- b) 102,564,103 shares upon achieving 400 meters or greater aggregated over 10 drill holes with an average grade of 900 ppm Lithium.

The total cash and stock consideration including milestone payments based on agreed FX and share price values is US\$1.685m (A\$2.6m)<sup>a</sup>.

## Location of the Projects

The Lithic and Mustang Projects are located in the prolific Big Smoky and Monte Cristo Basins of Esmeralda County, Central Nevada. This region currently hosts the only operating lithium mine in the USA (Silver Peak Lithium Mine NYSE: ALB) and is the nexus of claystone hosted lithium exploration and development in the USA including:

- American Lithium Corp.'s TLC Lithium Project (Mineral Resource: 7.1 mt LCE)<sup>c</sup>
- Cypress Development Corp.'s Clayton Valley Project (Mineral Resource: 7.2 mt LCE)<sup>d</sup>
- Noram Lithium Corp.'s Zeus Lithium Project (Mineral Resource: 5.7 mt LCE)<sup>e</sup>
- Ioneer's Rhyolite Ridge project (Mineral Resource: 1.25 mt LCE, and 11.89 mt Boric Acid)<sup>f</sup>

### Notes:

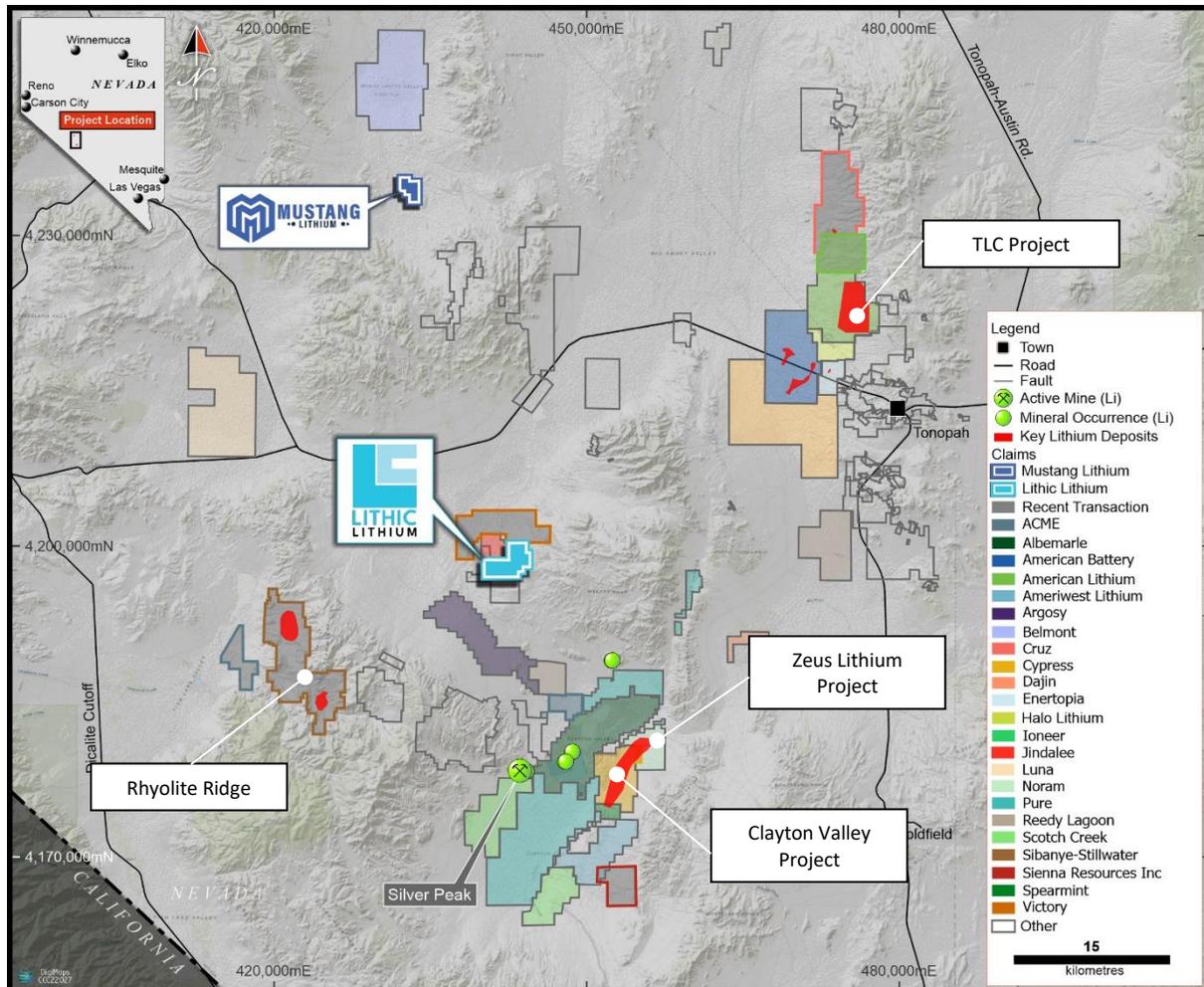
- a) Assumes an exchange rate of AUD: USD = 0.65 and RMX share price of A\$0.006
- b) Subject to RMX shareholder approval at an upcoming General Meeting
- c) American Lithium Corp. NI 43-101 technical report dated 4 May 2020
- d) Cypress Develop Corp. NI 43-101 technical report dated 15 March 2021
- e) Noram Lithium Corp. NI 43-101 technical report dated 16 August 2021
- f) Ioneer Ltd Definitive Feasibility Study report dated April 2020



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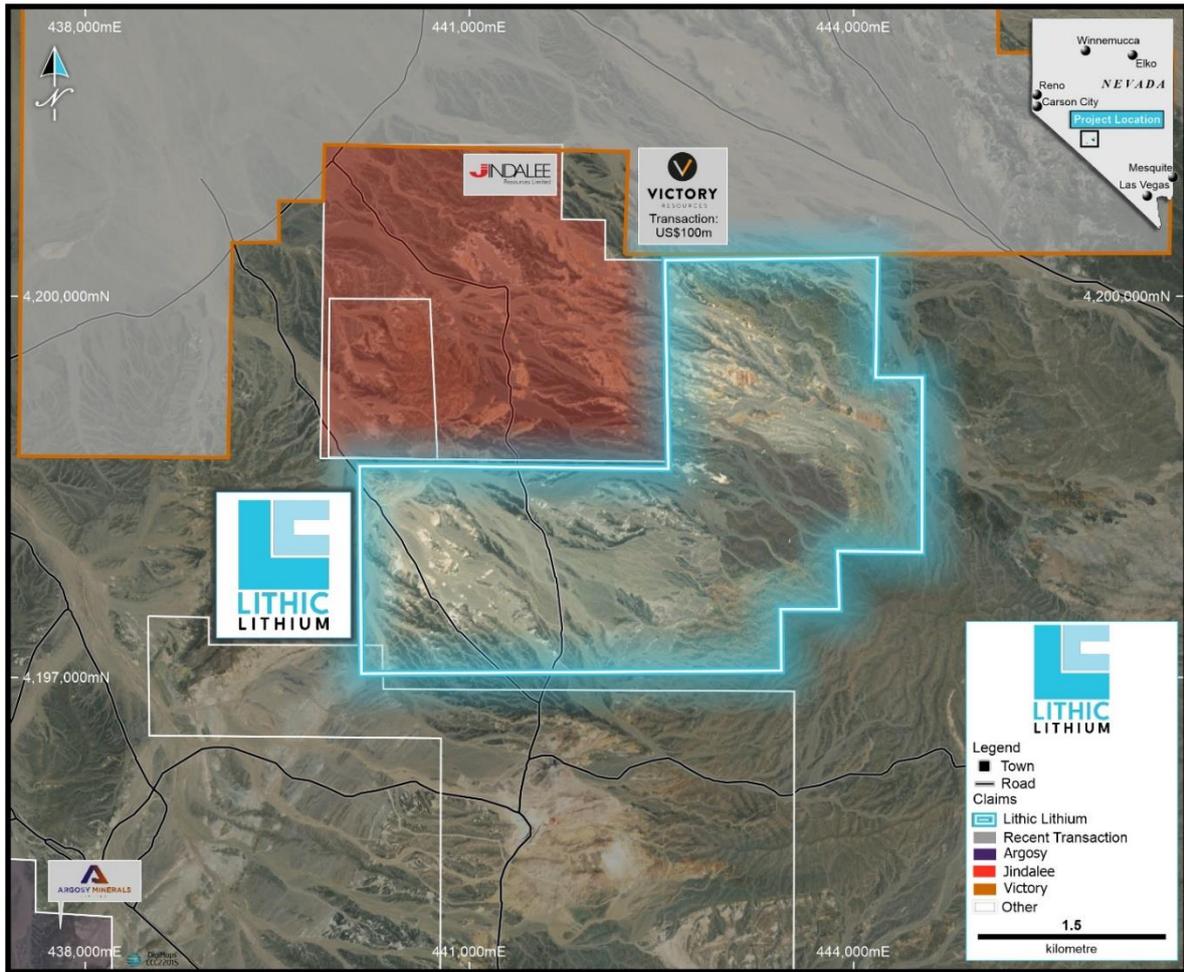
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The Projects are located in close proximity infrastructure, power, mining services and future offtake partners. Nevada is a top ranked jurisdiction for mining according to the Fraser Institute 2021 annual survey.



## Lithic Lithium Project

Lithic is located 29 km north of Silver Peak, the only operational lithium producing mine in the United States. The property consists of 115 claims (961 ha) and adjoins Jindalee's Clayton North Project and Victory Resource's Smokey Lithium Project.



## Mustang Lithium Project

Mustang is located on the south-eastern flank of the hydrologically closed Monte Cristo Valley, 9 km south of Belmont Resources Kibby Lake project and 40 km east of American Lithium’s TLC deposit.



The Mustang project consists of 38 claims (217 ha) of a generally flat alluvial outwash plane with well exposed fines-dominant sediments and lithic tuffs. This claim area is within a mapped caldera inside the Monte Cristo Valley containing a significant area of volcanic rock capable of supplying lithium to the closed basin. Andesite and basalt flows are exposed in all directions within 2 – 6 km of the project in erosional windows through the alluvium.

### Chariot Assets Sales Summary

Chariot has now completed structured divestments of four of its non-core assets comprised of 1,090 filed lode claims (9,012 ha) in the Big Smoky and Monte Cristo Valley, Nevada (the **“Non-Core Exploration Assets”**). The transactions, if the options are exercised, may generate up to US\$19.1m (A\$29.6m<sup>a</sup>) in cash and stock-based consideration and, in the case of the Lithic, Mustang and Horizon projects, potential net smelter royalty payments. The divested Non-Core Exploration Assets represent approximately 10% of the Chariot group’s landholding by area.

BUYER	PAN AMERICAN ENERGY CORP.	CLEAR SKY LITHIUM CORP. <sup>c</sup>	RED MOUNTAIN MINING LIMITED <sup>b</sup>	TOTAL
Ticker	CSE: PNRG	CSE: POWR	ASX: RMX	
Assets Sold	HORIZON	HALO	LITHIC + MUSTANG	
Upon signing (US\$) – Cash and Stock	2,250,000	1,259,153	885,000 <sup>d</sup>	4,394,153
Year 1 (US\$) – Cash and Stock	3,250,000	825,000	-	4,075,000
Year 2 (US\$) – Cash and Stock	4,500,000	450,000	-	4,950,000
Milestone Issuance A (US\$)	1,250,000	-	400,000	1,650,000
Milestone Issuance B (US\$)	3,750,000	-	400,000	4,150,000
NSR	-	1% <sup>f</sup>	2%	
Total Proceeds Gross (inc. Milestone Issuances) (US\$) Gross – 100% basis	15,000,000	2,534,153	1,685,000	19,219,153
<b>Total Proceeds Gross (inc. Milestone Issuances) (A\$) – 100% basis<sup>a</sup></b>	<b>23,076,923</b>	<b>3,898,697</b>	<b>2,592,308</b>	<b>29,567,928</b>
<b>Total Proceeds Attributable to Chariot Gross – 20.8% (A\$)<sup>e</sup></b>	<b>4,800,000</b>	<b>810,929</b>	<b>539,200</b>	<b>6,150,129</b>

**Notes:**

- Assumes an exchange rate of AUD: USD = 0.65
- Assumes an exchange rate of AUD: USD = 0.65 and RMX share price of A\$0.006
- Assumes a Clear Sky Lithium Corp. (CSE: POWR) share price of US\$0.5
- Includes US\$35,000 option fee
- Assumes Chariot makes a further US\$1m investment into FMSL at US\$1,600 per share to increase its interest in FMSL from 16.7% to 20.8%.
- Clear Sky or its assignees shall have the right, at any time prior to commencing commercial production from the Property, to purchase one-half of the NSR for a one-time cash payment of US\$1,000,000

The Red Mountain ASX announcement can be found here: [Link](#)

Authorised on Behalf of the Directors.

Shanthar Pathmanathan  
Chief Executive Officer  
Chariot Corporation Ltd



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## About Chariot

Chariot is a lithium exploration company with a global portfolio of lithium exploration assets, with a focus on the United States of America, Zimbabwe and Western Australia.

Chariot's strategy is to build a global lithium portfolio with Tier 1 potential that will constitute one of the premier land-banks of lithium assets early in the industry's life cycle.

## Important Notice

Statements in this announcement are made only as of the date of this announcement unless otherwise stated and the information in this announcement remains subject to change without notice.

To the maximum extent permitted by law, neither Chariot nor any affiliates, related bodies corporate and their respective officers, directors, employees, advisors and agents, nor any other person, accepts any liability as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this announcement or any omission from this announcement or of any other written or oral information or opinions provided now or in the future to any person.

This announcement may contain some references to forecasts, estimates, assumptions, and other forward-looking statements. Although the Company believes that its expectations, estimates, and projected outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved.



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