

## Chariot announces the sale by one of its portfolio companies of the Halo Project to a subsidiary of Clear Sky Lithium Corp. for US\$2.6 million in cash and scrip-based consideration

### HIGHLIGHTS

- Chariot through FMSL, and FMSL’s wholly owned subsidiary, Halo Lithium LLC, has entered into an Option Agreement granting Clear Sky the right to acquire 100% of the Halo Project
- Clear Sky Lithium Corp. (CSE: POWR) (“Clear Sky”) is a Canadian Securities Exchange listed company
- Total consideration of US\$2.6 million in cash and scrip, payable in stages over the next 24 months<sup>1</sup>
- Clear Sky is a highly credible operator of lithium exploration projects with certain principals and investors previously associated with the success of American Lithium Corp. (current market value of approximately C\$560 million) and Millennial Lithium Corp., which was sold to Lithium Americas Corp. for approximately US\$400 million
- The Halo Project represents approximately 0.9% of Chariot’s global portfolio of lithium projects, by surface area

Chariot Corporation Limited (“Chariot” or the “Company”) and FMS Lithium Corporation (“FMSL”), are pleased to announce that Halo Lithium LLC, a wholly owned subsidiary of FMSL has entered into a Property Option Agreement (the “Option Agreement”), dated August 05, 2022, entitling a subsidiary of Clear Sky Lithium Corp. (CSE: POWR) (“Clear Sky”) to acquire 100% of the Halo Project (“Halo Project”) subject to the Royalty.

Pursuant to the terms of the Option Agreement, Clear Sky may acquire 100% of the rights to the Halo Project from FMSL, subject to the Royalty, in consideration for completing a series of cash payments and share issuances (the “Consideration Shares”) in accordance with the following schedule:

Deadline	Cash Payment	Consideration Share Issuance
Initial Payment	US\$250,000	1,865,269
First Anniversary of Option Agreement (“First Anniversary Payment”)	US\$200,000	1,250,000
Second Anniversary of Option Agreement (“Second Anniversary Payment”)	US\$200,000	500,000

All Consideration Shares issued to the FMSL will be subject to a voluntary escrow arrangement during which time the Consideration Shares may not be traded without the prior approval of the Clear Sky. The Consideration Shares will be released from the escrow arrangement over a period of twelve months in three tranches (25% in the first tranche and 37.5% in the second and third tranches after six, nine and twelve months, respectively).

In the event Clear Sky’s subsidiary exercises the option, Halo Lithium LLC will transfer the Halo Project subject to a one-percent net smelter returns royalty (the “Royalty”) on commercial

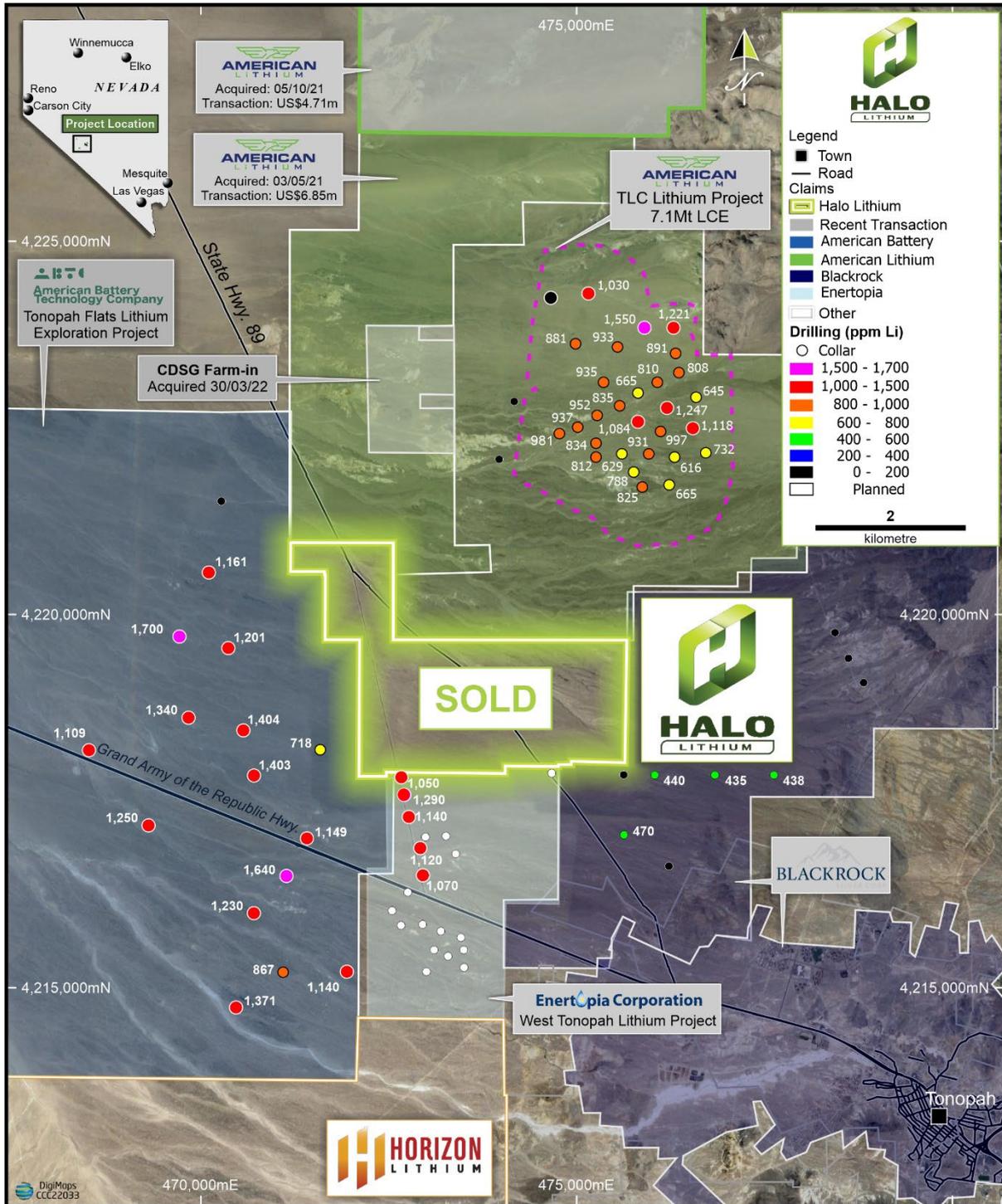
production from the Project. One-half of the Royalty may be bought back from Halo Lithium LLC by Clear Sky's subsidiary at any time through a one-time cash payment of US\$1,000,000.

Only the Initial Payment upon signing of the Option Agreement is guaranteed with Clear Sky having full discretion whether to make the subsequent payments. Following the First Anniversary Payment the option will be deemed to be exercised, entitling Clear Sky to all rights, title and interest in and to the property, subject to the Royalty and further subject to a reversal of the transfer in the event the Second Anniversary Payment is not made by Clear Sky.

### **Halo Lithium Project**

The Halo Project is located in Esmeralda and Nye Country, Nevada, USA and consists of 98 filed lode claims encompassing 819 hectares of land considered prospective for claystone hosted lithium mineralisation.

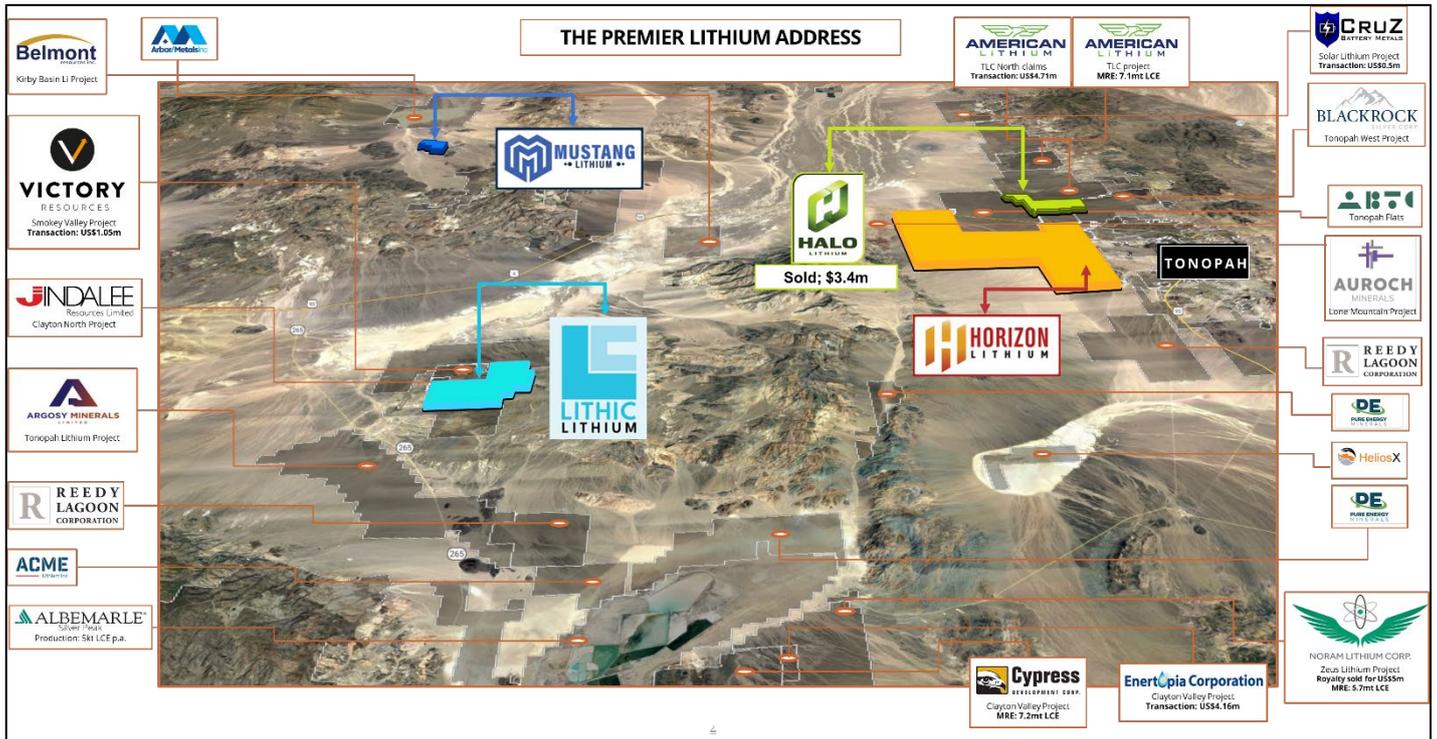
The Halo Project area is located strategically between two lithium majors being American Lithium's TLC Lithium Project ("**TLC project**") (MRE: 7.1mt LCE<sup>2</sup>) and American Battery Technology Company's Tonopah Flats Lithium Exploration Project. The Halo Project is believed to be underlain by the same geologic formation that hosts the TLC project.



## Horizon, Mustang and Lithic Lithium Exploration Projects: Evaluation of Strategic Opportunities

We are considering strategic opportunities for three other projects owned by FMSL and located within the same geologic formation: the Horizon, Mustang and Lithic projects. These projects together consist of 992 claims, covering 8,193 hectares located in the highly endowed Monte Cristo and Big Smokey Valley basins, which host a number of prospective lithium exploration and development projects.

## Clayton - Big Smoky - Monte Cristo Valleys, Central Nevada



Commenting on the transaction, Shanthar Pathmanathan, the Managing Director and CEO of Chariot and the President and CEO of FMSL, said:

*“The sale of the Halo Project represents an early-monetisation of one of our high-quality lithium exploration projects. This transaction validates the extreme value of our portfolio. The Halo Project represents less than 1% of the land area of our global lithium exploration portfolio.”*

This transaction enables Chariot to sharpen its focus on its remaining portfolio of lithium exploration projects. Chariot’s current portfolio (excluding the Halo Project) covers 13 lithium exploration projects, 86,214 hectares and both claystone hosted and hard rock styles of lithium mineralisation in the United States, Africa and Western Australia.

The Clear Sky announcement can be found here: [\[link\]](#)

Shanthar Pathmanathan  
Chief Executive Officer  
Chariot Corporation Ltd

Note:

1. Total consideration value based on Clear Sky’s closing share price on August 08, 2022 (C\$0.67 / US\$0.52)
2. American Lithium uses a 400 ppm Li cut-off grade for the TLC Project

## **About Chariot**

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

Chariot's strategy is to identify, evaluate, acquire and develop Tier-1 lithium assets with a view to building a global lithium asset portfolio and assist in the transition to a clean energy future.

## **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.

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