

ASX ANNOUNCEMENT

ASX RELEASE: 28 February 2025

Update on tenement acquisition

XTC Lithium Limited (ASX: XTC) (XTC, or the Company) provides the following update in respect of the acquisition of the Luz Maria tenement.

As announced on 2 August 2022, the Company had appointed Juan Santos as a director of the Company, who as noted in previous disclosure is associated with the Luz Maria vendor "Crydon". This appointment was made some time after the Company had entered into definitive documentation to purchase the Luz Maria tenement, see the Company's announcement of 10 June 2022, and resulted in the Luz Maria vendor becoming a related party of the Company for the purposes of the ASX Listing Rules on 2 August 2022. The Luz Maria vendor was not a related party of the Company at the time the definitive documentation to purchase the Luz Maria tenement was entered.

The Company announced on 13 April 2023 that, subject to shareholder and regulatory approval, the Luz Maria vendor would accept a convertible note from the Company with a face value of US\$5million (**Convertible Note**) in lieu of an equivalent payment due under the definitive documentation subject to shareholder and other regulatory approval.

As of the date of this announcement the Convertible Note has not been approved by Company shareholders and following discussion with ASX will not be issued.

The Company announced on 2 October 2023 that an extension of final payment terms had been agreed with the Luz Maria vendor, as part of which the Company would make payment of an additional US\$400,000 to the vendor (**Additional Payment**).

As at the date of this announcement the Additional Payment has not and following discussion with ASX will not be paid.

In consultation with the ASX, the Company acknowledges that agreeing to the Additional Payment without first obtaining shareholder approval constituted an inadvertent breach of Listing Rule 10.1.

The Company confirms that, other than extensions to due dates for payments that have been agreed with the vendor, the Luz Maria purchase is proceeding on its original terms and that accordingly no additional shareholder approval will be sought. As such, Listing Rule 10.1 is no longer applicable to the acquisition of the Luz Maria tenement and this has occurred following ASX raising concerns that there may have been a breach of Listing Rule 10.1 on agreeing to make the Additional Payment.

To date, the Company has paid the Luz Maria vendor an aggregate amount of US\$12,380,000 in both cash and shares in the Company and there is an outstanding balance of US\$9,800,000 still payable by the Company which is as was agreed prior to the appointment of Juan Santos as a director of the Company. This outstanding balance is to be paid as follows:

- US\$800,000 payable by 30 June 2025;
- US\$2,000,000 payable by 31 December 2025;

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- US\$2,000,000 payable by 30 June 2026;
- US\$2,500,000 payable by 31 December 2026; and
- US\$2,500,000 payable by 30 June 2027.

The Company is assessing a range of potential options for funding this remaining balance which have not yet been secured, and will provide further updates to the market as and when appropriate.

This announcement has been approved for release by the Board.

For more information, please contact:

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