

ASX ANNOUNCEMENT

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Strategic Partnership in Carachi Lithium Project

XTC Lithium Limited (ASX: XTC) (XTC, or the Company) is pleased to advise that XTC and American Battery Materials, Inc. (ABM), a Delaware-based corporation dedicated to advancing lithium resource development, have signed a non-exclusive non-binding Letter of Intent (LOI) outlining the principal terms of a proposed partnership to develop the Carachi Lithium Project in Argentina's Catamarca Province.

The Carachi Lithium Project, held by XTC's wholly-owned Argentine subsidiary, XTC Lithium Argentina SAR (XLA), comprises several exploration properties within Argentina's renowned Lithium Triangle. This region is globally recognized for its rich lithium deposits, a critical component in the production of batteries for electric vehicles and renewable energy storage.

Under the terms of the LOI, ABM will have the opportunity to acquire up to a 50% interest in the Carachi Lithium Project, subject to the parties finalizing a definitive agreement and securing all necessary statutory, corporate, and regulatory approvals. Additionally, upon securing a 10% interest in the Project, ABM will have the right to enter into a joint venture agreement with XTC for the continued exploration and development of the tenements.

- It is proposed that subject to negotiation and agreement on final terms ABM have the option to secure an initial 10% by paying US\$3.5 million within three months of the signing of this LOI. XTC will use these funds to meet corporate and project commitments, for working capital and to commence a drilling program on the Carachi Lithium Project.
- ABM can then subject to negotiation and agreement on final terms acquire up to an additional 40% (for a maximum of a 50% interest) over the next 30 months after the acquisition of that initial 10%, based on a value model which calculates a real time future value for the project based on a baseline valuation of US\$35 million which is then adjusted based on four factors: the Lithium Carbonate Equivalent China Spot Price, XTC's market cap, the project resource size and the parts per million of lithium (or another critical mineral) in the project resource..

"This Letter of Intent represents a pivotal step in our strategy to expand our footprint in the global lithium market," said Mr Graber, CEO of American Battery Materials, Inc. "Partnering with XTC Lithium Ltd., gives us access to a promising project in the heart of the Lithium Triangle, and we look forward to working together to unlock its full potential."



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Mr Graber also said, “Beyond proven geological data on the Salar, Xantippe has an excellent operating team in place that is personally invested in the project. Those individuals have a successful track record in identifying, developing and financing projects all the way thru a sale.”

John Featherby, Chairman of XTC Lithium Limited, added, “We are excited to collaborate with ABM on the Carachi Lithium Project. Their expertise and shared commitment to sustainable resource development make them an ideal partner as we advance this project toward production.”

The proposed partnership underscores both companies’ commitment to meeting the growing global demand for lithium, driven by the rapid expansion of the clean energy sector. The parties will now work toward finalizing a definitive agreement and obtaining all required approvals to move forward with the transaction.

About American Battery Materials, Inc.

American Battery Materials, Inc., headquartered in Greenwich, Connecticut, is a U.S.-based company focused on the exploration, acquisition, and development of lithium and other battery materials critical to the global energy transition. ABM is committed to sustainable practices and delivering value to its stakeholders through strategic partnerships and innovative projects.

Carachi Lithium Project – Catamarca, Argentina

The Carachi Lithium Project is located in Catamarca Province, Argentina (the “Project”) which is inside the world-renowned Lithium triangle in South America that covers areas of Argentina, Chile and Bolivia. The Project, which comprises 21,900 hectares, is situated 40 kilometres south of the town of Antofagasta de la Sierra, Catamarca, at approximately 3,000 metres elevation. This region of Argentina includes the Hombre Muerto Salar where a US\$840 million lithium mine is under development by the Korean multinational corporation POSCO. Livent Corporation has been producing lithium in the southwest part of Hombre Muerto for over 25 years, whilst Allkem Resources has a large development stage lithium Project in the south part of the Hombre Muerto salar. At the district level, the Carachi Project is adjacent to Lake Resources’ Kachi lithium project that is well-advanced in its development stage.

This announcement has been approved for release by the Board.

For more information, please contact:

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