XTC Lithium Limited

ABN 56 123 102 974

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(Formerly Xantippe Resources Limited)

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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CORPORATE DIRECTORY

DIRECTORS

Mr John Featherby	Chairman
Mr Juan Santos	Non-Executive Director
Mr Matthew Beem	Executive Director
Mr Kevin Lynn	Executive Director

Company Secretary
Kevin Lynn

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ASX CODE
XTC

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Your directors submit their report for the half-year ended 31 December 2023:

DIRECTORS

The names and details of the Directors of XTC Lithium Limited (formerly Xantippe Resources Limited) during the half year and up to the date of this report are:

Mr John Featherby	(Executive Chairman)	
Mr Juan Manuel Santos	(Non-Executive Director)	
Mr Kevin Lynn	(Executive Director)	
Mr Matthew Beem	(Executive Director)	
Mr Carlos Arecco	(Non-Executive Director)	(Resigned 7 February 2025)
Ms Carolina Arecco	(Non-Executive Director)	(Resigned 7 February 2025)

PRINCIPAL ACTIVITIES

The principal activity of the Group has been focused on the acquisition and exploration of the lithium brine deposits in Catamarca, Argentina (Carachi Pampa Lithium Project) and exploration on the Group's Southern Cross Project tenements for both lithium and gold.

OPERATING RESULTS

The consolidated loss of the Group for the half year after providing for income tax amounted to $5,971,658 (2022: $1,936,914).

REVIEW OF OPERATIONS

During the half-year to December (HY23), XTC Lithium Limited (**XTC** or the **Group**) focussed its efforts on developing its owned lithium brine projects in Catamarca, Argentina known as the Carachi Pampa Lithium Project, which is has deferred consideration instalments payable to 2027 (also refer to matters subsequent to the end of the financial period below). In addition, it conducted exploration activities for gold and lithium on its Southern Cross tenements.

Carachi Pampa Lithium Project, Argentina

The Carachi Project comprises the La Sofia, Luz Maria, La Fortuna, La Fortuna 1, Rita and Rita I, Justina and La Portola properties, which cover over 21,900ha on Carachi Pampa salt flat east of Lake Resources (ASX: LKE) project in Catamarca Province, Argentina. They are located within the Carachi basin. The presence of a paleo salar at depth has been confirmed by the Vertical Electrical Survey (VES).

The tenements consist of a lithium brine target in Carachi Pampa is a paleo salar, which continues to the northeast of licences currently owned by Lake Resources. (refer to Figure 1).

The Group aims to target the paleo salt flat with lithium brine covering 21,900ha. Many tenements in this area are in the salt lake and are prone to flooding whereas the Group target areas are covered by alluvial fans and easy to access. Geophysics show potential for these properties to host the deepest part of the salar. At depth, the potential for a hyper-saline brine is greater. Fresh water is available on the surface should the process chosen require such type of water. The Group's ground position in the Basin occupies the central and deepest point in the water basin.

The **Luz Maria** property covers over 3,383Ha on Carachi Pampa salt flats adjacent to Lake Resources' project (ASX: LKE) in Catamarca Province, Argentina. It lies in the centre of the Carachi basin, and the main outcropping units are alluvial fans, and a small portion of it is a salt lake. The presence of superficial brine and a paleo salar at depth is evidenced by available information on the area.

The **Rita and Rita I** properties cover over 6,000ha on the Carachi Pampa salt flat north of Lake Resources' project. Both are located within the Carachi basin, and the main outcropping units are alluvial fans and recent thin lava flows.

The **La Sofia** property lies some 200 metres south of Rita and adds 3,000ha to the Group land package. La Sofia's geological structure appears to be a continuation of Rita.

The **La Fortuna** properties cover over 9,500ha on the Carachi Pampa salt flat and comprise four tenements: La Fortuna, La Fortuna 1, La Potola, and Justina in Catamarca, Argentina.

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Drilling in the neighbouring area controlled by Lake Resources has reported lithium-rich brine at depths of 60 up to 300m and 187 to 252Li mg/l (refer to ASX: LKE announcement 30 April 2020) and 183-198m and 229 avg Li mg/l (refer to ASX: LKE announcement 27 November 2018) some 12km away from the areas under consideration. Drilling has extended the brine beyond these depths. VES profiles undertaken by the Group on adjacent properties indicates the brine-saturated levels continue to the northeast and northwest into our target zone, starting at 70m depth in the south and going deeper to the north.

The maiden Lake JORC indicated an Inferred resource estimate of 4.4 million tons LCE was defined after studying an area of 172 Km^2 with 14 wells and included a pyroclastic complex (refer to ASX: LKE announcement 27 November 2018). The Lake Resources PFS is on its Kachi project. The current Kachi Measured and Indicated Resource is 2.9 million Tonnes of Lithium Carbonate Equivalent with a 5.2 million tonnes Inferred Resource to a depth of 400m over 106 square kilometres (km^2) (refer to ASX: LKE announcement 15 June 2023). The lithium grade of the Measured Resource (0-400m) across the salar is 210 mg/L lithium, the Indicated Resource immediately southeast is 174 mg/L lithium, and the surrounding Inferred Resource (0-400m) has a concentration of 200 mg/L lithium. Kachi lithium brine is hosted in a 700-800m deep depression filled with brine salt water and salts, capped by salt crust and a small lake.

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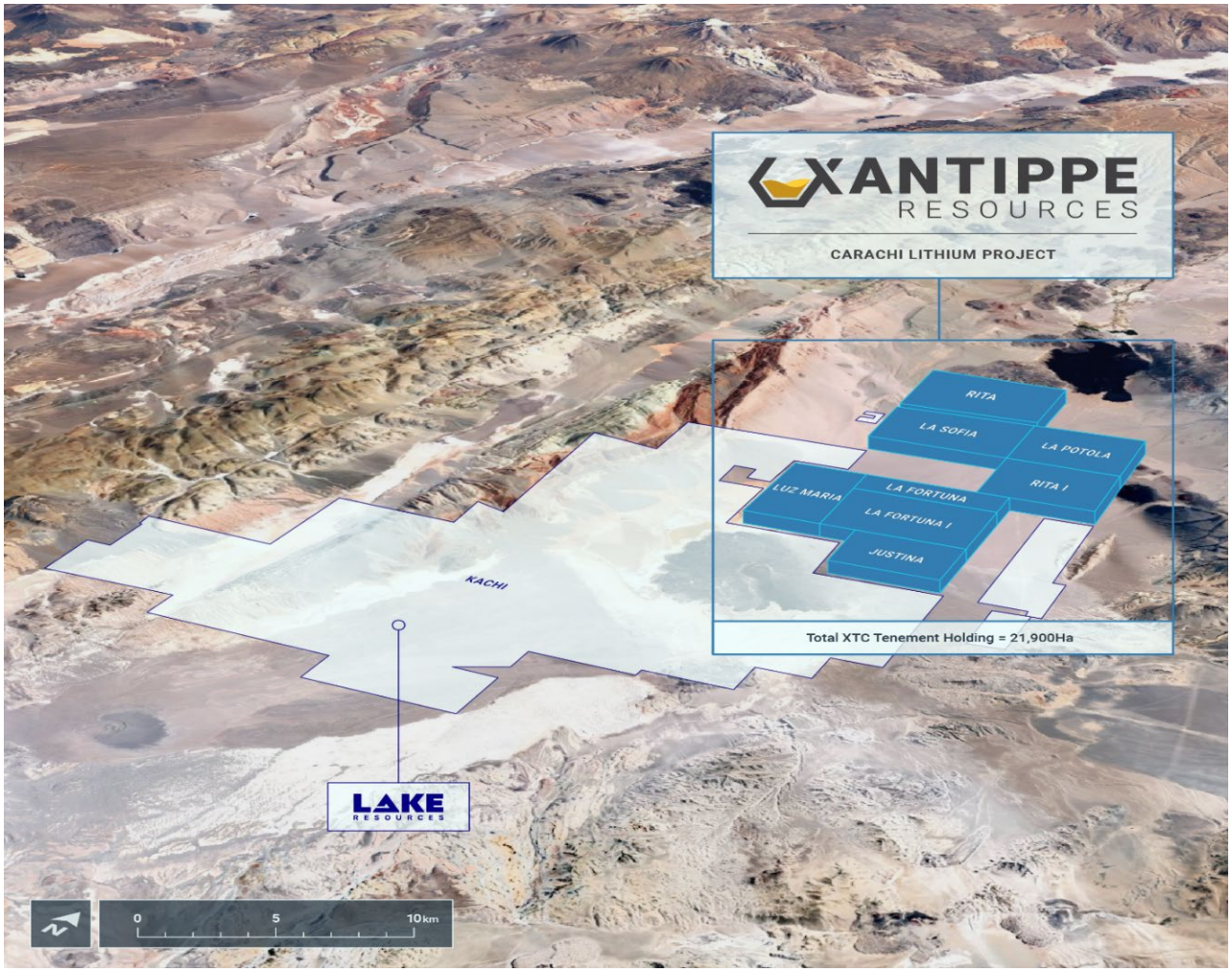


Figure 1: Carachi Pampa Licenses

Tenement Details

The tenements which comprise the Carachi Pampa Lithium Project include the following concessions:

Mine	Administrative File	Title
RITA	2021-00427648	XTC Lithium Argentina SAR
RITA I	2022-00120248	XTC Lithium Argentina SAR
Luz Maria	1209-C-2006	XTC Lithium Argentina SAR
La Sofia	242-A-2011	Arlupo SA
LA FORTUNA	848 F 2005	XTC Lithium Argentina SAR
LA FORTUNA I	849 F 2005	XTC Lithium Argentina SAR
LA POTOLA	622 F 2004	XTC Lithium Argentina SAR
JUSTINA	100 F 2008	XTC Lithium Argentina SAR

Table 1: Carachi Pampa Lithium Project concession details

Processing technology

The Group's technical team has shown that lithium can be processed in a more time-efficient and environmentally responsible way if the correct technology is used at each step of the process. There is no one technology better than another. It has in previous projects developed the process that best suits the chemistry of each salar based on the environmental constraints present in each region. To achieve this, the Group is opening one of Argentina's most advanced land largest lithium research facilities. The Group's objectives always include:

- Water conservation
- Footprint reduction
- Energy optimisation
- Chemical reduction and optimisation
- Improvement of recovery cycles
- Environmental consideration for waste

The Group will conduct a preliminary assessment of all commercial technologies for the Carachi Project and all alternatives (mining properties) considered for partnership.

During the period:

The Group completed Hydrological drill hole exploration at the Group's Carachi Project in the Catamarca Province, Argentina. The results were inconclusive due to the nature of the work. The hole was closed and rehabilitated as requested by the authorities. This remediation work closes incomplete work left by the Group that originally drilled the hole and enables XTC to start the new drilling campaign seeking to establish a resource in the area.

Using data from VES Geophysical Survey conducted by CONHIDRO S.R.L. the Group completed the mapping of the entire Salar at the Carachi Project which encompassed the Luz Maria, La Justina, Fortuna, Fortuna I, La Potola, La Sofia, Rita and Rita I blocks. As a result of the previously completed VES mapping, the Group has identified 6 drilling targets and has requested permission from the relevant authorities in Catamarca Argentina.

An assessment and attempted rehabilitation of historical drill holes was undertaken to test conceptual interpretation of improving grades with depth. The historical drill holes were found to have been compromised and thus unsuitable to conduct brine testing procedures.

The Group is looking to target the lower hyper saline aquifer running between 200m and 750m deep. This aquifer is in the centre of the water basin and due to its conductivity levels, a big target for this year's exploration campaign. All the necessary permits have been submitted to the local authorities.

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Southern Cross Gold Project, Western Australia

The fully owned Southern Cross Gold Project tenements hold around 60km of linear strike of the prospective Southern Cross Greenstone Belt, which has historically produced around 15Moz gold, predominantly from the Marvel Loch and Southern Cross centres, both of which are in operation to varying extents.

The Southern Cross Greenstone Belt is an elongated belt of altered intrusive and meta-sedimentary rocks with a strike length of about 400km. It has been metamorphosed into amphibolite and is complexly deformed by multiple phases of folding, shearing, and faulting.

High-quality government mapping is available for the Southern Cross region in both online and digital formats. GSWA carried out regional geological mapping of this province at a 1:250,000 scale between 1973 and 1979.

Limited ground exploration activity has been conducted at Southern Cross since 2005. Gold mineralisation in the belt can be categorised into two distinct styles: shear hosted and vein deposits. Most Southern Cross Greenstone Belt gold deposits are located at contacts between different rock types or are controlled by shear zone networks.

The project area is serviced by sealed roads, grid power, scheme water, rail and town amenities. Minjar operates the Marvel Loch plant nearby and Ramelius Resources operates the Edna May facility some 60 kilometres to the west.

During the period:

- Fifteen drill holes completed at Glen Dower and Glen Innes Prospects.
- Shallow high-grade gold intercepted in initial composites including 4m at 6.06g/t Au from 12m.
- Shallow pegmatites intercepted with anomalous lithium intervals.

The Group completed an RC drill programme near the historic Glen Dower and Glen Innes Prospects on E77/2367 at its Southern Cross project. A total of fifteen holes were drilled for 1,205m targeting both lithium and gold.

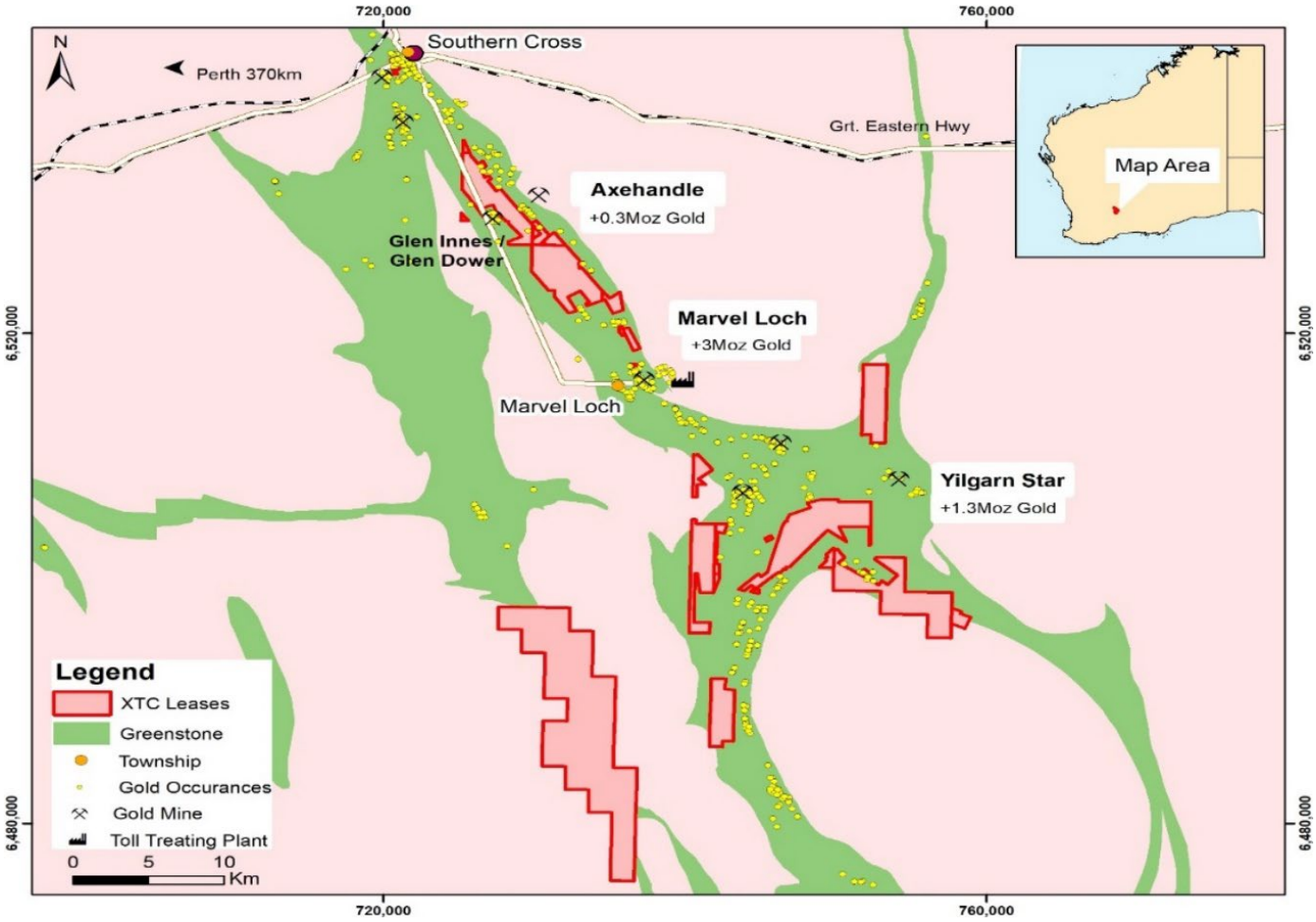


Figure 2: Southern Cross Project Location Map

The drilling successfully intercepted shallow gold at the Glen Innes prospect extending the strike of known mineralisation to approximately 420m. Drilling at Glen Dower less than 2km along strike to the south intercepted shallow high-grade gold and pegmatites with minor lepidolite logged in chips. The assays returned one outstanding interval of 4m at 6.06g/t Au from 12m, and a lithium interval returned 4m at 0.213% Li_2O from 56m. The initial 4m composite assays returned from the drilling highlight the potential the area still has for new gold mineralisation and show lithium is present in the pegmatites system to some extent. Both findings warrant further exploration.

The Glen Innes prospect has historical small scale gold excavations from the early to mid-1900's and follow-up drilling by Sons of Gwalia from the 90's targeting greenstone contacts and magnetic anomalies of the Southern Cross greenstone belt but has not seen any recent exploration. A line of drill holes (SXRC0033 – 40) proposed ~100m to the south of historic drilling successfully intercepted and extended the mineralisation from 300m in historic drilling to over 420m along the NW-SE trend. It included a notable intercept in SXRC0038 of 36m at 0.45g/t Au, including a 4m composite returning 1.24g/t Au from 40m in mafic saprolite clays. The extension of mineralisation demonstrates the continuity of gold-bearing structures here and the potential exists for additional mineralisation to be discovered with immediate opportunity to continue mineralisation to the south of the drill line. See Figure 3 for details.

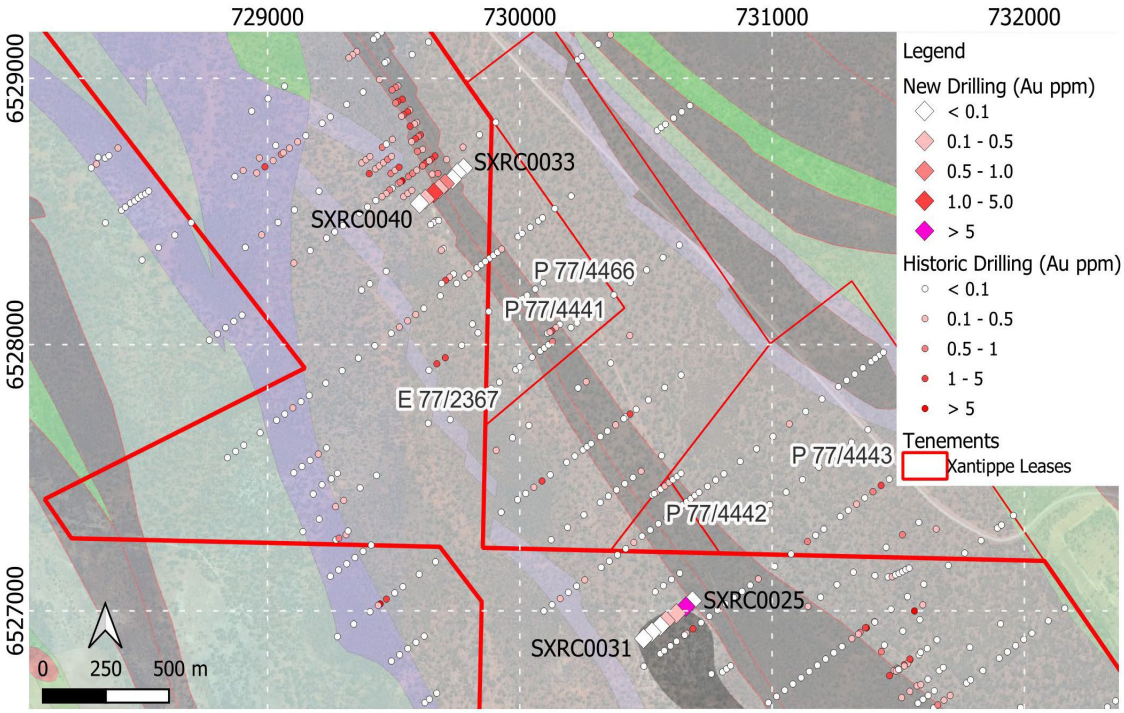


Figure 3: Drill locations on E77/2637

The completion of seven holes (SXRC0025 – 31, hole 32 was not drilled) near the Glen Dower prospect intercepted mafic greenstones intruded by pegmatites. High-grade gold intercepted in SXRC0026 was found in weathered mafic saprolite clays. The source of the gold is yet to be determined and the intercept which may be interpreted as steeply dipping is currently open at depth and along strike for further testing. Pegmatites were intercepted during the drilling from 1m depth, below transported cover, through to a maximum depth of 81m and remain open along strike and at depth. SXRC0026 had an anomalous zone of lithium in the pegmatites with a broad 24m zone from 52m returning 0.15% Li_2O including a 4m composite of 0.213% Li_2O from lepidolite mineralisation. The anomaly here demonstrates some of the thicker pegmatite intervals appear to have some lithium minerals forming and warrants further exploration with numerous pegmatites recorded within tenement boundaries.

XTC planed to follow up these results with sampling the anomalous composite intersections to determine metre intercepts and extending the trends with additional fieldwork. Exploration at the Project is ongoing with continual appraisal of targets over the tenement package to prioritise future work, but new results present here show clear potential for dip and strike extensions at each prospect.

Subsequent to the end of the HY23 period, the Southern Cross Gold Project tenements were disposed of for a consideration of $1.0 million.

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Director Changes

During the half year ending 31 December 2023, there were no changes to the Board of Directors. Subsequent to the end of the half year ending 31 December 2023, Mr Carlos Arecco and Ms Carolina Arecco resigned as Directors, effective 7 February 2025.

Capital Raisings

The following shares were issued during the period:

01/07/2023	Opening Balance	11,480,099,694
17/08/2023	Placement – Rights Issue	6,047,905,620
		17,528,005,314
12/12/2023	Share consolidation (200:1)	(17,440,363,953)
31/12/2023	**Closing Balance**	**87,641,361**

On 17 August 2023, the Group closed a renounceable pro-rata rights issue, raising $6.0 million and issuing 6,047,905,620 shares at an issue price of $0.001 (0.1 cents) per new share (pre-share consolidation basis).

On 2 October 2023, the securities of the Group were suspended from quotation under Listing Rule 17.5 for not lodging the relevant periodic report by the due date. The securities will remain suspended until ASX is satisfied with XTC's compliance with the Listing Rules (including Listing Rules 12.2 and 3.1) and that it is otherwise appropriate for XTC's securities to be reinstated to quotation.

On 12 December 2023, the Group completed a share consolidation on the basis of every two hundred (200) fully paid ordinary shares (Share) to one (1) Share. The post-consolidation Shares, Options, Performance Rights and Convertible Notes on issue are as follows:

Security	**Post-consolidation**
Fully paid ordinary shares	87,641,361
XTCO listed options (expiring 30 Sep 2024 @$0.70)	3,000,089
XTCOA listed options (expiring 10 June 2024 @$3.00)	7,879,663
XTCAU unlisted options (expiring 3 Jul 2026 @$1.20)	750,000
Convertible notes (face value of $1.00 each, conversion price $3.60)	2,884,440
XTCAP performance rights (expiring 19 Aug 2025)	16,667
XTCAQ performance rights (expiring 19 Aug 2025)	16,667
XTCAR performance rights (expiring 19 Aug 2025)	16,667
XTCAT performance rights (expiring 15 May 2028)	6,000,000
XTCAT performance rights (expiring 22 May 2026)	250,000

Movement in Options

Options to take up fully paid ordinary fully paid shares in XTC at 31 December 2023 are as follows:

	Listed Options No.	**Unlisted Options No.**
At 1 July 2023	2,175,950,347	30,000,000
Options issued	-	150,000,000
Options expired	-	(30,000,000)
	2,175,950,347	150,000,000
Share consolidation (200:1)	(2,165,070,595)	(149,250,000)
At 31 December 2023	10,879,752	750,000

XTC issued 150,000,000 unlisted Options on 3 July 2023 at an exercise price of $0.006 per option (pre-share consolidation basis), expiring 3 July 2026, to Roth Capital Partners LLC, per an executed Financial Services Agreement to act as Corporate Advisor assisting with a North American Capital markets strategy.

Post-Consolidation Number of Options	Listed/Unlisted	Grant Date	Post-Consolidation Exercise Price	Expiry Date
750,000	Unlisted	3 Jul 23	$1.20	3 Jul 26
3,000,089	Listed	10 Jun 22	$0.70	30 Sep 24
7,879,663	Listed	8 Sep 22	$3.00	10 Jun 24
11,629,752				

Movement in Performance rights issued

Performance rights to take up fully paid ordinary fully paid shares in XTC at 31 December 2023 are as follows:

	Number of Performance rights 2023
Outstanding at 1 July 2023	1,260,000,000
Share consolidation (200:1)	(1,253,700,000)
Outstanding at 31 December 2023	**6,300,000**

Competent Persons Statements

The exploration results relating to the Southern Cross Project reported in this report are based on, and fairly represent, information and supporting documentation prepared by Mr Brodie Box, MAIG. Mr Box is a geologist and has adequate professional experience with the exploration and geology of the Western Australian Goldfields to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Box consents to the form and context in which the Exploration Results are presented in this report.

The Exploration Results reported in this report relating to the Carachi Pampa Lithium Project are based on, and fairly represent, information and supporting documentation prepared Mr Rosko, M.Sc., C.P.G. Mr Rosko is the general manager of Montgomery and Associates office in Santiago, Chile (M&A) and is a competent person (CP) as defined by JORC. Mr Rosko has adequate professional experience in salar environments to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Rosko consents to the form and context in which the Exploration Results are presented in this announcement.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 2 October 2023, the securities of XTC were suspended from quotation under Listing Rule 17.5 for not lodging the relevant periodic report by the due date. The securities will remain suspended until ASX is satisfied with XTC's compliance with the Listing Rules (including Listing Rules 12.2 and 3.1) and that it is otherwise appropriate for XTC's securities to be reinstated to quotation.

On 12 December 2023, XTC completed a share consolidation on the basis of every two hundred (200) fully paid ordinary shares (Share) to one (1) Share.

XTC changed it's name from Xantippe Resources Limited to XTC Lithium Limited, effective from 11 December 2023.

There have been no other significant changes in the state of affairs of the Group.

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MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

On 16 April 2024, the Group's interest in Rosa Verde, LLC was disposed of for USD24,000 to Thomson Resources Ltd (Mr Kevin Lynn and Mr John Featherby are directors).

On 10 June 2024, 7,879,663 listed options in the Group exercisable at $3.00 per share, expired.
On 30 September 2024, 3,000,089 listed options in the Group exercisable at $0.70 per share, expired.

The formation of XTC Lithium Argentina SAR and the registration of XTC Lithium Limited as a foreign company in Argentina was completed during January 2025.

As a result of successful negotiations with vendors, the Group was granted deferred payment extensions in January 2025 with no changes to the principle acquisition consideration payable, as noted below:

- Rita & Rita 1, until 31 December 2025 to pay the balance for the 100% acquisition
- Luz Maria, until 30 June 2027 to pay the balance for the 100% acquisition
- La Potola, La Fortuna, La Fortuna 1 and Justina tenements until 30 June 2027 to pay the balance for the 100% acquisition

The Group's non-core 22.5% interest in the South Korean mineral tenements has been relinquished for $nil consideration, effective 31 January 2025.

On 7 February 2025, Mr Carlos Arecco and Ms Carolina Arecco resigned as Directors. Following their resignations, the Group lost control of Minera la Falda S.A.

On 28 February 2025 the Group completed the disposal of its non-core wholly owned exploration tenements at Southern Cross WA to a private buyer to further the Group's strategy to focus on its Carachi Lithium project in Argentina. Cash of $1.0 million is payable in 3 instalments as consideration for the tenement package at Southern Cross, WA as follows:

- $250,000 paid on 24 February 2025.
- $250,000 payable by 31 March 2025
- $500,000 payable by 30 June 2025

The Sale Agreement was subject to standard conditions for this type of transaction.

No other matters or circumstances have arisen after the end of the financial half year which significantly affected or could significantly affect the Group's operations, the results of those operations, or the state of affairs of the Group in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the lead auditor's independence declaration as required by Section 307c of the Corporations Act 2001 is included within the Financial Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of Directors:



John Featherby
DIRECTOR
Perth, 13 March 2025

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated 31 December 2023 $	Consolidated 31 December 2022 $
Other income	3	156,488	20
Administration expenses	4	(4,370,291)	(1,936,934)
Exploration and evaluation expenditure		(167,668)	-
Impairment	7	(1,590,187)	-
Loss before tax		(5,971,658)	(1,936,914)
Income tax expense		-	-
Net loss for the period		(5,971,658)	(1,936,914)
Other comprehensive income			
Item that may be reclassified subsequently to operating result			
Foreign currency translation		-	-
Total comprehensive loss for the period		(5,971,658)	(1,936,914)
Basic and diluted loss per share	15	(0.075)	(0.047)

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2023

	Note	Consolidated 31 December 2023 $	Consolidated Restated* 30 June 2023 $
Current Assets			
Cash and cash equivalents	5	70,754	318,608
Trade and other receivables		235,830	99,655
Total current assets		306,584	418,263
Non-Current Assets			
Property, plant and equipment	6	348,467	3,018
Exploration and evaluation expenditure	7	40,139,745	41,470,198
Total non-current assets		40,488,212	41,473,216
Total assets		40,794,796	41,891,479
Current Liabilities			
Trade and other payables	8	728,094	2,015,309
Loans	9	42,939	1,017,450
Financial liability	10	2,923,977	3,016,591
Total current liabilities		3,695,010	6,049,350
Non-Current Liabilities			
Trade and other payables	8	146,199	-
Total non-current liabilities		146,199	-
Total liabilities		3,841,209	6,049,350
Net Assets		36,953,587	35,842,129
Equity			
Issued capital	11	77,194,230	71,207,162
Reserves	12	1,760,945	697,897
Accumulated losses		(42,001,588)	(36,062,930)
Total Equity		36,953,587	35,842,129

*Refer to Note 2 for detailed information on restatement of comparatives.

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Total
At 1 July 2022	47,409,937	(26,358,271)	540,569	21,592,235
Loss for the half-year	-	(1,936,914)	-	(1,936,914)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half-year	**-**	**(1,936,914)**	**-**	**(1,936,914)**
Transactions with owners in their capacity as owners:				
Amortisation of performance rights	-	-	9,911	9,911
Share-based payments	7,022,000	-	-	7,022,000
Issue of convertible notes	521,562	-	-	521,562
Exercise of options	815,430	-	-	815,430
Exercise of performance rights	16,500	-	(16,500)	-
Issue of share capital	8,135,232	-	-	8,135,232
Transaction costs	(632,617)	-	-	(632,617)
At 31 December 2022	**63,288,044**	**(28,295,185)**	**533,980**	**35,526,839**
At 1 July 2023	71,207,162	(32,082,644)	914,702	40,039,220
Adjustment for correction of error (note 2)	-	(3,980,286)	(216,805)	(4,197,091)
At 1 July 2023 restated	71,207,162	(36,062,930)	697,897	35,842,129
Loss for the half-year	-	(5,971,658)	-	(5,971,658)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half-year	**-**	**(5,971,658)**	**-**	**(5,971,658)**
Transactions with owners in their capacity as owners:				
Amortisation of performance rights	-	-	1,096,048	1,096,048
Expired/Forfeited/cancelled during the period	-	33,000	(33,000)	-
Issue of share capital – rights issue	6,047,905	-	-	6,047,905
Transaction costs	(60,837)	-	-	(60,837)
At 31 December 2023	**77,194,230**	**(42,001,588)**	**1,760,945**	**36,953,587**

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated	
	31 December 2023	**31 December 2022**
	$	**$**
Cash flows from operating activities		
Other income	156,488	20
Other payments to suppliers and employees	(4,297,663)	(2,128,127)
Payments for exploration expenditure	(139,962)	(125,825)
Net cash (outflow) from operating activities	(4,281,137)	(2,253,932)
Cash flows from investing activities		
Payment for mining assets	(413,262)	(6,680,769)
Advance payment for mining asset acquisition	-	(845,484)
Payment for Property, plant and equipment	(194,371)	-
Net cash (outflow) from investing activities	(607,633)	(7,526,253)
Cash flows from financing activities		
Proceeds from capital raising	3,577,118	8,134,791
Proceeds from exercise of options	-	815,430
Proceeds from directors loans	1,124,635	-
Payment for share issue costs	(60,837)	(632,617)
Net cash inflow from financing activities	4,640,916	8,317,604
Net (decrease) in cash and cash equivalents	(247,854)	(1,462,581)
Cash at the beginning of the financial period	318,608	5,971,848
Cash at the end of the financial period	70,754	4,509,267

The accompanying notes form part of these financial statements.

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Notes to the Condensed Consolidated Financial Report

1. Material Accounting Policies

The financial report of XTC Lithium Limited (XTC or the Group) for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 13 March 2025. XTC Lithium Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors' Report.

XTC changed it's name from Xantippe Resources Limited to XTC Lithium Limited, effective from 11 December 2023.

(a) Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the period ended 30 June 2023 and any public announcements made by XTC Lithium Limited during the half-year reporting period in accordance with the continuous requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period.

(b) Adoption of New or Revised Accounting Standards and Interpretations

The consolidated Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated Group's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated Group.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

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(d) Reclassification of comparatives

In the current period Consulting and labour hire and Salaries and wages amounting to $811,698 and $628,889 respectively have been characterised as Consulting and labour. Reported other expenses amounting to $109,274 and audit fees amounting to $20,000 has been reclassified to $44,209 Travel and accommodation, $1,850 Foreign exchange gain and 87,095 Other expenses to achieve comparability with the current period.

(e) Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a net loss of $5,971,658 and had net cash outflows from operating activities and investing activities of $4,281,137 and $607,633 respectively for the half-year ended 31 December 2023. As at that date, the Group's current liabilities exceeded its current assets by $3,388,426.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding in the next 12 months, to pursue its current exploration and development strategy of the Carachi Pampa Lithium Project in Argentina.

Management will continue to explore the tenements, and the Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities when they fall due in the next 12 months. Specifically, the Directors' conclusion is supported by the following:

- Successful negotiation with vendors for payment extensions when and if needed. Recent negotiation for payment extension for the Rita, Rita 1, Luz Maria, La Potola, La Fortuna, La Fortuna 1 and Justina tenements has been granted.

- The ability to reduce exploration expenditures accordingly should the need arise through the ongoing close monitoring of cash reserves.

- Interest from third parties to provide funding as part of a potential joint venture arrangement for the Carachi Pampa Lithium Project, Argentina.

- The disposal of the Group's non-core wholly owned exploration tenements at Southern Cross WA to a private buyer during the first quarter of 2025 for a cash consideration of $1.0 million, is payable in 3 instalments to 30 June 2025. The first instalment of $250,000 was received on 24 February 2025.

- Loan funding provided by Directors to meet the Group's operational requirements.

On this basis, no adjustments have been made to the recoverability or classification of recorded asset amounts or the amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

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2. Restatement of Comparatives

Correction of error

Additional information has been obtained following the issuance of the 2023 Annual Report, to correctly reflect the state of affairs of the Group.

Statement of financial position

	30 June 2023 $ Reported	$ Adjustment	30 June 2023 $ Restated
Current assets			
Cash and cash equivalents	1,052,650	(734,042)	318,608
Other receivables	96,592	3,063	99,655
Total current assets	**1,149,242**	**(730,979)**	**418,263**
Non-current assets			
Exploration and evaluation expenditure	48,063,533	(6,593,335)	41,470,198
Total non-current assets	**48,066,551**	**(6,593,335)**	**41,473,216**
Total assets	**49,215,793**	**(7,324,314)**	**41,891,479**
Current liabilities			
Trade and other payables	2,873,392	(858,083)	2,015,309
Loans	1,024,146	(6,696)	1,017,450
Derivative financial instruments	5,279,035	(2,262,444)	3,016,591
Total current liabilities	**9,176,573**	**(3,127,223)**	**6,049,350**
Net Assets	**40,039,220**	**(4,197,091)**	**35,842,129**
Equity			
Reserves	914,702	(216,805)	697,897
Accumulated losses	(32,082,644)	(3,980,286)	(36,062,930)
Total equity	**40,039,220**	**(4,197,091)**	**35,842,129**

There were no changes to the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows for the half year ended 31 December 2022.

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		Consolidated	
		31 December 2023 $	31 December 2022 $
3.	**Other Income**		
	Interest income	2,563	20
	Other income*	153,925	-
		156,488	**20**

*Other income includes proceeds from due diligence activities granted to other parties.

		Consolidated	
		31 December 2023 $	31 December 2022 $
4.	**Administration expenditure**		
	Depreciation	4,420	1,927
	Consulting and labour	1,860,536	1,440,587
	Finance costs	190,074	-
	Facility charges	-	7,849
	Insurance and legal	559,424	257,163
	Share-based compensation	1,096,048	9,911
	ASX, ASIC and related fees	137,720	90,223
	Travel and accommodation	294,318	44,029
	Foreign exchange (gain)	(95,538)	(1,850)
	Other expenses	323,289	87,095
		4,370,291	**1,936,934**

		Consolidated	
		31 December 2023 $	Restated* 30 June 2023 $
5.	**Cash and Cash equivalents**		
	Cash at bank	70,754	318,608
	Balance at end of the period	**70,754**	**318,608**

*Refer to Note 2 for detailed information on the restatement of comparatives.

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		Consolidated	
		31 December 2023 $	30 June 2023 $
6.	**Property, plant and equipment**		
	Plant and equipment – at cost	81,427	81,427
	Less: Accumulated depreciation	(80,336)	(78,409)
	Total	1,091	3,018
	Buildings – as cost[1]	349,868	-
	Less: Accumulated depreciation	(2,492)	-
	Total	347,376	-
	Balance at end of the period	**348,467**	**3,018**

[1] An office was acquired in Buenos Aries, Argentina, for USD225,000 during the half year with an initial payment of USD125,000 and with the balance of USD100,000 payable by 19 September 2028.

		Consolidated	
		31 December 2023 $	Restated* 30 June 2023 $
7.	**Exploration and Evaluation expenditure**		
	Balance at the beginning of the period	41,470,198	12,908,697
	Exploration and evaluation costs incurred	259,734	28,561,501
	Impairment of exploration and evaluation costs [1]	(1,590,187)	-
	Balance at end of the period	**40,139,745**	**41,470,198**
	Exploration and evaluation cost incurred by projects:		
	Luz Maria	195,817	15,510,143
	Fornaciari	-	11,402,945
	La Sofia	-	892,893
	Total cost incurred on projects in Argentina	195,817	27,805,981
	Total cost incurred on Southern Cross project Australia	63,917	755,520
	Total Exploration and Evaluation costs incurred	259,734	28,561,501

Exploration and Evaluation expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale, or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

[1]An impairment of $1,590,187 was recognised during the period ended 31 December 2023 as revisions to extend the payment terms for the deferred consideration payable in relation to the La Sofia tenement in Argentina are yet to be agreed.

*Refer to Note 2 for detailed information on the restatement of comparatives.

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	Consolidated	
	31 December 2023 $	Restated* 30 June 2023 $
8. Trade and Other Payables		
Current		
Trade creditors	270,724	377,115
Accruals and other creditors	457,370	1,638,194
	728,094	**2,015,309**
Non-current		
Other Payables	146,199	-
	146,199	**-**
Total	**874,293**	**2,015,309**

*Refer to Note 2 for detailed information on the restatement of comparatives.

	Consolidated	
	31 December 2023 $	Restated* 30 June 2023 $
9. Director Loans[1], [2]		
Balance at the beginning of the period	1,017,450	-
Drawdown on director loan facilities	1,118,438	1,012,669
Interest Accrued	6,197	4,781
Repayment of director loans[3]	(2,099,146)	-
Balance at the end of the period	**42,939**	**1,017,450**

[1] The combined director loan facility available for use by XTC is $3,350,000. As at 31 December 2023 $42,939 had been utilised.

As per the terms of the loan facility agreement between Mr Featherby and the Group (ratified on 3 September 2024), XTC has access to a $3.0 million facility (Principal Sum). The loan is repayable on or before 21 March 2026. Borrowings on the Principal Sum is subject to 0% p.a. in interest. Drawdowns exceeding the Principal Sum amount are subject to a 5% p.a. interest rate. Prior to the ratification of the current loan agreement between Mr Featherby and the Group, a 5% p.a. interest rate was applied to all drawn downs.

[2] As per the terms of the loan facility agreement between Mr Lynn and the Group, XTC has access to a $350,000 loan facility (Principal Sum). This loan is repayable on or before 17 August 2025. Borrowings on the Principal Sum is subject to 0% p.a. in interest. Drawdowns exceeding the Principal Sum amount are subject to a 5% p.a. interest rate.

[3] On 17 August 2023 $2.099 million of director loans were settled via the issue of 2,099,146,380 ordinary fully paid XTC shares (post-consolidation: 10,495,732 XTC shares).

*Refer to Note 2 for detailed information on the restatement of comparatives.

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	Consolidated	
		Restated*
	31 December 2023	30 June 2023
	$	$
10. Financial Liability		
Debt Payable	2,923,977	3,016,591
	2,923,977	3,016,591

*Refer to Note 2 for detailed information on the restatement of comparatives.

The Group issued 1000056634 Ontario Inc, Promissory Notes that denoted USD2,000,000 which was convertible into XTC shares up to 30 June 2023 in relation to partial consideration for the milestone payment of La Fortuna tenements. As a result of successful negotiations with vendors, the Group was granted deferred payment extensions in January 2025 until 31 December 2026 (Note 20).

	Consolidated	
	31 December 2023	30 June 2023
	$	$
11. Issued Capital		
87,641,361 (2023: 57,400,498)[(1)] fully paid ordinary shares	**77,194,230**	**71,207,162**

	Number	Share Capital
		$
At 1 July 2023	**11,480,099,694**	**71,207,162**
Placement – Rights Issue	6,047,905,620	6,047,905
	17,528,005,314	77,255,067
Share consolidation (200:1)	(17,440,363,953)	-
Share issue costs	-	(60,837)
At 31 December 2023	**87,641,361**	**77,194,230**

[(1)] Post-share consolidation basis.

On 17 August 2023, XTC closed a renounceable pro-rata rights issue, raising $6.0 million and issuing 6,047,905 620 shares at an issue price of $0.001 (0.1 cents) per new share (pre-share consolidation basis).

On 2 October 2023, the securities of XTC were suspended from quotation under Listing Rule 17.5 for not lodging the relevant periodic report by the due date. The securities will remain suspended until ASX is satisfied with XTC's compliance with the Listing Rules (including Listing Rules 12.2 and 3.1) and that it is otherwise appropriate for XTC's securities to be reinstated to quotation.

On 12 December 2023, XTC completed a share consolidation on the basis of every two hundred (200) fully paid ordinary shares (Share) to one (1) Share. The post-consolidation Shares, Options, Performance Rights and Convertible Notes on issue are as follows:

11. Issued Capital (continued)

Security	Post-consolidation
Fully paid ordinary shares	87,641,361
XTCO listed options (expiring 30 Sep 2024 @$0.70)	3,000,089
XTCOA listed options (expiring 10 June 2024 @$3.00)	7,879,663
XTCAU unlisted options (expiring 3 Jul 2026 @$1.20)	750,000
Convertible notes (face value of $1.00 each, conversion price $3.60)	2,884,440
XTCAP performance rights (expiring 19 Aug 2025)	16,667
XTCAQ performance rights (expiring 19 Aug 2025)	16,667
XTCAR performance rights (expiring 19 Aug 2025)	16,666
XTCAT performance rights (expiring 15 May 2028)	6,000,000
XTCAT performance rights (expiring 22 May 2026)	250,000

(a) Movement in Options

Options to take up fully paid ordinary fully paid shares in XTC at 31 December 2023 are as follows:

	Listed Options No.	Unlisted Options No.
At 1 July 2023	2,175,950,347	30,000,000
Options issued	-	150,000,000
Options expired	-	(30,000,000)
	2,175,950,347	150,000,000
Share consolidation (200:1)	(2,165,070,595)	(149,250,000)
At 31 December 2023	10,879,752	750,000

Number of Options	Listed/Unlisted	Grant Date	Exercise Price	Expiry Date
750,000	Unlisted	3 Jul 23	$1.20	3 Jul 26
3,000,089	Listed	10 Jun 22	$0.70	30 Sep 24
7,879,663	Listed	8 Sep 22	$3.00	10 Jun 24
11,629,752				

(b) Movement in Performance rights issued

Performance rights to take up fully paid ordinary fully paid shares in XTC at 31 December 2023 are as follows:

	Number of Performance rights 2023
Outstanding at 1 July 2023	1,260,000,000
Share consolidation (200:1)	(1,253,700,000)
Outstanding at 31 December 2023	**6,300,000**

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		Consolidated	
		31 December 2023 $	Restated* 30 June 2023 $
12.	**Share-Based Payments Reserve**		
	Opening balance	697,897	540,569
	Share-based payments expense	1,096,048	267,547
	Performance rights exercised	-	(16,500)
	Options expired/forfeited/cancelled during period	(33,000)	(93,719)
	Closing balance	**1,760,945**	**697,897**

*Refer to Note 2 for detailed information on restatement of comparatives.

Share-Based Payments

Performance rights

On 22 May 2023, XTC issued a total of 1,200,000,000 Performance rights (post-consolidation: 6,000,000 performance rights) to Mr Gabriel Pindar (Chief Operating Officer) as incentivised remuneration. Share based payment expense of $941,273 was recognised in the half year ended 31 December 2023 relating to the vesting period (30 June 2023: $235,318).

On 22 May 2023, the 50,000,000 Director Performance rights (post-consolidation: 250,000 performance rights) were issued to Mr Lynn and Mr Featherby. Share based payment expense of $35,716 was recognised in the half year ended 31 December 2023 relating to the vesting period (30 June 2023: $8,929).

On 19 August 2022, 10,000,000 Director Performance rights (post-consolidation: 50,000 performance rights) were issued to Imants Kins (Resigned 19 June 2023). Share based payment expense of $13,609 was recognised in the half year ended 31 December 2023 relating to the vesting period (30 June 2023: $23,300).

Options

XTC issued 150,000,000 unlisted Options on 3 July 2023 at an exercise price of $0.006 per option, expiring 3 July 2026, to Roth Capital Partners LLC, per an executed Financial Services Agreement to act as Corporate Advisor assisting with a North American Capital markets strategy. Included in Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2023 is $105,450 as share-based payment expense.

The Hoadley Barrier 1 valuation model was used to value the Corporate Advisor Options and the following table lists the inputs to the model used for the valuation of the options:

Item	Detail
Value of the underlying security (Pre-consolidation)	$0.001
Exercise price (Pre-consolidation)	$0.006
Valuation date	03/07/2023
Expiry date	03/07/2026
Volatility	100%
Risk-free interest rate	4.04%
Number of options (Pre-consolidation)	150,000,000
Valuation per option (Pre-consolidation)	$0.0003

On 11 August 2023, 30,000,000 Unlisted Options lapsed unvested and unexercised.

Shares Issued to Extinguish Liability

On 17 August 2023, XTC issued:

- 2,099,146,380 ordinary fully paid XTC shares (Post-consolidation: 10,495,732 XTC shares) for the repayment of Director loans to the Group.
- 371,640,540 ordinary fully paid XTC shares (Post-consolidation: 1,858,203 XTC shares) for the repayment of Director fees outstanding and KMP salaries.

Refer to Note 17 Related Party Transactions for further information.

13. Commitments for Expenditure

Tenement acquisition option payments

	Consolidated	
	31 December 2023 $	Restated* 30 June 2023 $
Within 1 year	19,641,813	20,452,489
Within 2 to 5 years	-	-
Beyond 5 years	-	-
	19,641,813	**20,452,489**

*30 June 2023 was restated as additional information has been obtained following the issuance of the 2023 Annual Report, the reported balance was $22,812,500, an adjustment of $2,360,011 (decrease) was recognised resulting in a restated amount of $20,452,489.

Subsequent to half-year end, the Group was granted payment extensions. Refer to Note 20 for further information.

Mineral tenements

In order to maintain the mineral tenements in which the Group is involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure requirements in accordance with the requirements of the Western Australian Department of Mines and Petroleum are:

	Consolidated	
	31 December 2023 $	30 June 2023 $
Within 1 year	69,320	168,328
Within 2 to 5 years	1,072,440	673,638
Beyond 5 years	448,400	-
	1,590,160	**841,966**

14. Contingencies

Contingent liabilities

There were no contingent liabilities for termination benefits under service agreements with Directors or executives at 31 December 2023 (2022: nil).

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15. Earnings Per Share

	Consolidated	
	31 December 2023 $	31 December 2022 $
Loss used in calculating earnings per share – basic and diluted	(5,971,658)	(1,936,914)
Net loss for the reporting period	(5,971,658)	(1,936,914)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share (Post-consolidation)[1]	79,915,799	41,397,579
Basic earnings per share	(0.075)	(0.047)
Diluted earnings per share	(0.075)	(0.047)

[1] Post-share consolidation basis which was completed on 12 December 2023 (refer to note 11).

16. Segment Information

The Group has identified its operating segments based on the internal reports reviewed and used by the Board of Directors (chief operating decision makers) to assess performance and allocate resources.

In the half-year ended 31 December 2023 and year ended 30 June 2023, the Group operated as two segments which is mineral exploration and evaluation within Australia and Argentina.

The Group is domiciled in Australia. Segment revenues are allocated based on the country in which the customer is located. Segment assets are allocated to countries based on where the assets are located.

No operating revenue was derived during the period (2022: nil).

	Australia $	Argentina $	Consolidated $
Period ended 31 Dec 2023			
Sales to external customers	-	-	-
Other revenue/income	2,563	153,925	156,488
Total segment revenue	2,563	153,925	156,488
Segment result from operations before tax	(2,013,863)	(3,957,795)	(5,971,658)
As at 31 Dec 2023			
Segment assets	4,082,487	36,712,309	40,794,796
Segment liabilities	(595,595)	(3,245,614)	(3,841,209)
Period ended 31 Dec 2022			
Sales to external customers	-	-	-
Other revenue/income	20	-	20
Total segment revenue	20	-	20
Segment result from operations before tax	(1,936,914)	-	(1,936,914)

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17. Related Party Transactions

Transactions with related parties

The following transactions occurred with related parties:

Other transactions of Directors and Director-related entities

Mr Juan Manuel Santos has entered into a consultancy agreement to provide services in Argentina for the Group. Mr Santos was paid USD72,000 consultancy for the financial period ended 31 December 2023.

Mr Kevin Lynn and Mr John Featherby provided the Group with $1,118,438 in loans during the half year ended 31 December 2023. $6,197 of interest accrued on Director loans during the half-year ended 31 December 2023 (Refer to Note 9). As part of the renounceable pro-rata rights issue on 17 August 2023 (refer to note 12), $2.099 million of Director loans were settled via the issue of 2,099,146,380 ordinary fully paid XTC shares (post-consolidation: 10,495,732 XTC Shares). The loan balance payable at 31 December 2023 was $42,939 (refer to note 9).

The Group lent $50,000 to Thomson Resources Limited for working capital purposes, repayable within 6 months at an interest rate of 5.0%. Mr Kevin Lynn and Mr John Featherby are directors of Thomson Resources Limited. On 25 January 2024 the full loan amount, including interest, was repaid to XTC Lithium.

On 17 August 2023, 371,640,540 ordinary fully paid XTC shares (Post-consolidation: 1,858,203 XTC shares) were issued for the repayment of:

- $33,000 of salaries to Mr Featherby;
- $43,602 of salaries to Mr Lynn;
- $73,500 of Director fees and $110,769 of Consulting fees to Mr Santos;
- $110,769 of salaries to Mr Pindar.

On 21 August 2023, USD75,000 was paid to Stephen Beem, father of Matthew Beem for consultancy services in relation to the acquisition of Investment Advisory, S.A. in Argentina during the half year period ended 31 December 2023.

18. Interests in Subsidiaries

XTC interests in the following subsidiaries:

Name	Principal place of business / Country of incorporation	Ownership interest 31 December 2023 %	Ownership interest 30 June 2023 %
Dawn Metals Pty Ltd	Australia	100	100
Carolina Lithium Pty Ltd	Australia	100	100
Slipstream Pty Ltd	Australia	100	100
Xantippe SX Pty Ltd	Australia	100	100
XTC Investments Australia Pty Ltd	Australia	100	-
Korean Resources Pty Ltd	Australia	22.5[(2)]	22.5
Suyeon Mining Company Limited	South Korea	22.5[(2)]	22.5
Korea Graphite Company Limited	South Korea	22.5[(2)]	22.5
Investment Advisory, S.A.	Argentina	100[(1)]	-
Minera la Falda S.A.	Argentina	97[(4)]	97
Lithium Royalties, LLC	USA	100	-
Rosa Verde, LLC	USA	100[(3)]	-

[(1)] The Group has a beneficial interest of 100% in Investment Advisory, S.A., which is held in trust for the Group by Mr Matthew Beem as at 31 December 2023.
[(2)] The Group's interest in these entities was relinquished, effective 31 January 2025 (refer to note 20).
[(3)] This entity was disposed of on 16 April 2024 (refer to note 20).
[(4)] The Group has a beneficial interest of 97% in Minera la Falda S.A. as of 31 December 2023. The Group lost control over this entity following the resignation of Carlos and Carolina Arecco on 7 February 2025.

19. Dividends

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

20. Subsequent Events

On 16 April 2024, the Group's interest in Rosa Verde, LLC was disposed of for USD24,000 to Thomson Resources Ltd (Mr Kevin Lynn and Mr John Featherby are directors).

On 10 June 2024, 7,879,663 listed options in the Group exercisable at $3.00 per share, expired.
On 30 September 2024, 3,000,089 listed options in the Group exercisable at $0.70 per share, expired.

The formation of XTC Lithium Argentina SAR and the registration of XTC Lithium Limited as a foreign company in Argentina was completed during January 2025.

As a result of successful negotiations with vendors, the Group was granted deferred payment extensions in January 2025 with no changes to the acquisition consideration payable, as noted below:

- Rita & Rita 1, until 31 December 2025 to pay the balance for the 100% acquisition
- Luz Maria, until 30 June 2027 to pay the balance for the 100% acquisition
- La Potola, La Fortuna, La Fortuna 1 and Justina tenements until 31 December 2026 to pay the balance for the 100% acquisition

The Group's non-core 22.5% interest in the South Korean mineral tenements has been relinquished for $nil consideration, effective 31 January 2025.

On 7 February 2025, Mr Carlos Arecco and Ms Carolina Arecco resigned as Directors. Following their resignations, the Group lost control of Minera la Falda S.A.

On 28 February 2025 the Group completed the disposal of its non-core wholly owned exploration tenements at Southern Cross WA to a private buyer to further the Group's strategy to focus on its Carachi Lithium project in Argentina. Cash of $1.0 million is payable in 3 instalments as consideration for the tenement package at Southern Cross, WA as follows:

- $250,000 paid on 24 February 2025.
- $250,000 payable by 31 March 2025
- $500,000 payable by 30 June 2025

The Sale Agreement was subject to standard conditions for this type of transaction.

No other matters or circumstances have arisen after the end of the financial half year which significantly affected or could significantly affect the Group's operations, the results of those operations, or the state of affairs of the Group in future financial periods.

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DIRECTORS' DECLARATION

In the directors' opinion:

a. the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b. the attached financial statements and notes give a true and fair view of the consolidated Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and

c. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



John Featherby
DIRECTOR
Perth, 13 March 2025

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the XTC Lithium Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of XTC Lithium Limited which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of XTC Lithium Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of XTC Lithium Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Emphasis of Matter – Restatement of comparative balances

We draw attention to Note 2 in the financial statements, which states that the amounts reported in the previously issued financial report for the year ended 30 June 2023 have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of $5,971,658 and had net cash outflows from operating activities and from investing activities of $4,281,137 and $607,633 respectively during the period ended 31 December 2023. As at that date, the consolidated entity's current liabilities exceeded its current assets by $3,388,426. As stated in Note 1, these events, or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity 's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of XTC Lithium Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM

RSM AUSTRALIA

JAMES KOMNINOS
Partner

Perth, WA
Dated: 13 March 2025

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AUDITOR'S INDEPENDENCE DECLARATION

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of XTC Lithium Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA

JAMES KOMNINOS
Partner

Perth, WA
Dated: 13 March 2025

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MINERAL TENEMENT INFORMATION

(as at 13 MARCH 2025)

South America

Mine	Administrative File	Title
RITA	2021-00427648	XTC Lithium Argentina SAR
RITA I	2022-00120248	XTC Lithium Argentina SAR
Luz Maria	1209-C-2006	XTC Lithium Argentina SAR
La Sofia	242-A-2011	Arlupo SA
LA FORTUNA	848 F 2005	XTC Lithium Argentina SAR
LA FORTUNA I	849 F 2005	XTC Lithium Argentina SAR
LA POTOLA	622 F 2004	XTC Lithium Argentina SAR
JUSTINA	100 F 2008	XTC Lithium Argentina SAR

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