

16 November 2020

Korea Graphite Farm-in Agreement and Sale

Xantippe Resources Limited (ASX: XTC) (XTC or the Company) is pleased to advise it has entered into a binding term sheet whereby XTC will transfer 77.5% of its interest in wholly owned subsidiary Korean Resources Pty Ltd (**Korean Resources**) to MGM O'Connor Corporate Advisors Pty Ltd (**MGM O'Connor**) (**Agreement**).

Xantippe will retain a 22.5% free carried interest in Korean Resources, the holder of the flake graphite and base metal projects (**Projects**) in South Korea until the occurrences of certain events detailed below.

The Agreement follows a period of review and negotiation with a number of prospective partners that sought to advance the Projects, including the Ubeong Zinc-Lead Copper Project in addition to the proposed merger with Battery Minerals Resources Limited which was ultimately abandoned following BML entering receivership.

MGM O'Connor is a Perth-based strategic advisory firm focused on creating opportunities for Australian and Korean businesses. Xantippe Non-Executive Director Mr Young Yu is a Director and shareholder of MGM O'Connor.


Xantippe's Managing Director, Mr Richard Henning commented:

"Managing these projects from Australia has been difficult particularly with regard to international travel restrictions in recent months. I believe there is still value in these holdings and their development but this will take time and investment. Our immediate focus is the exploration and development of our Southern Cross tenements. This deal with MGM O'Connor allows us to keep that focus while maintaining an interest in the upside of the potential in Korea at no further cost to the Company."

Terms of the Agreement

The Company has entered into a binding term sheet with MGM O'Connor whereby Xantippe will transfer 77.5% of its interest in Korean Resources on the following material terms:

- MGM O'Connor will incur expenditure of no less than \$75,000 within twelve months from completion of the Agreement on the Projects held by Suyeon Mining Co., Ltd (**Suyeon**) being a wholly own subsidiary of Korea Graphite Co., Ltd (**Korea Graphite**) which is a wholly owned subsidiary of Korean Resources;
- Xantippe's 22.5% interest in Korean Resources will be free-carried until the occurrence of any of the following:
 - o The date that is 2 years from the Agreement;

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- The date MGM O'Connor provides evidence acceptable to Xantippe that the value of the Projects is in excess of \$5 million;
 - The completion of an initial public offering of Korean Resources on a recognised securities exchange; or
 - A third party subscribing for securities in Korean Resources for an amount that Xantippe, in its sole discretion, agrees ought to trigger the termination of the free-carry.
- The Board of Korean Resources will comprise one director from each party;
 - Xantippe will grant MGM O'Connor a first right of refusal on its remaining interest in Korean Resources;
 - MGM O'Connor will manage the day to day operations of Korean Resources, Korea Graphite and Suyeon.
 - The Agreement is subject to the following conditions precedent:
 - MGM O'Connor completing due diligence at its absolute discretion within 30 days of execution of the Agreement;
 - Each party obtaining all necessary shareholder or regulatory approvals; and
 - Each party obtaining any other required approvals required to give effect to the Agreement.

Authorised for release by the Xantippe Board of Directors.

For more information, please contact:

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About Xantippe's Southern Cross Gold Project

The Southern Cross Project is located 380km east of Perth, south east of Southern Cross in the Yilgarn Goldfield.

The project comprises 20 Prospecting Licences and 6 Exploration Licences with a combined area of around 175km², over contiguous tenements cover around 40km of strike of the 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 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.