



FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2021

CORPORATE DIRECTORY

DIRECTORS

Mr Phillip Jackson	Non-Executive Chairman
Mr Richard Henning	Managing Director
Mr Young Yu	Non-Executive Director
Mr Greg Cunnold	Non-Executive Director

AUDITOR

RSM Australia Partners
Level 32, Exchange Tower
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PERTH WA 6000

Company Secretary

Mr Matthew Foy

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XTC

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Chairman's Report

Dear Fellow Shareholders,

Over the course of the year, we established our presence in the Southern Cross area and began an early programme of exploration drilling, geophysical interpretation and formalising a database, that will enable a clear and targeted strategy as we move forward to seek to delineate a gold resource.

We recorded gold in almost all of the drilling undertaken, and we remain convinced that our exploration and resource investigation will prove fruitful as we hold one of the largest tenement footprints in the renowned Southern Cross region, between the township of Southern Cross and the producing Marvel Loch goldmine.

With the change in focus last year from Korea to Western Australia we considered a number of factors as outlined in last year's report. This year, whilst retaining a significant share of Korea Graphite, the Directors chose to farm-out the management of Korea, make substantial savings and develop an exploration strategy closer to home. The subsequent issues inherent with international travel restrictions have proven this decision to be a good one.

During the year there has been much activity 'below radar' as we continually seek to acquire existing projects that will enhance our exploration efforts. Not all of these are newsworthy or warrant a market release, but I can assure you that our executive team has been extremely busy. These efforts will continue as we enjoy the continued support of our shareholders.

The new industry focus is ESG – Environment, Social and Governance. I would like to report that, as a Board, particularly given our experience not just in Australia but overseas, we are acutely aware of the importance of ESG and we fully intend to comply with each and every requirement as we move forward.

I thank shareholders for their patience and believe that XTC has strategies that will prove fruitful and that we approach an exciting time for the Company.



Phillip Jackson

Chairman

REVIEW OF OPERATIONS

During the financial year 2021 ("FY21"), Xantippe Resources Limited ("Xantippe" or "the Company") focussed exploration efforts on its portfolio of exploration assets in Western Australia.

Southern Cross Gold Project, Western Australia

Southern Cross Greenstone Belt – Overview

Over the course of the Period the Xantippe tenement portfolio has grown to now cover around 60km of linear 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 Southern Cross Greenstone Belt is an elongated belt of altered intrusive and meta-sedimentary rocks with a strike length of about 300m. The belt has been metamorphosed to 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 format. Regional geological mapping of this province at 1:250,000 scale was carried out by GSWA 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 gold deposits in the Southern Cross Greenstone Belt are located at contacts between different rock types or are controlled by shear zone networks.

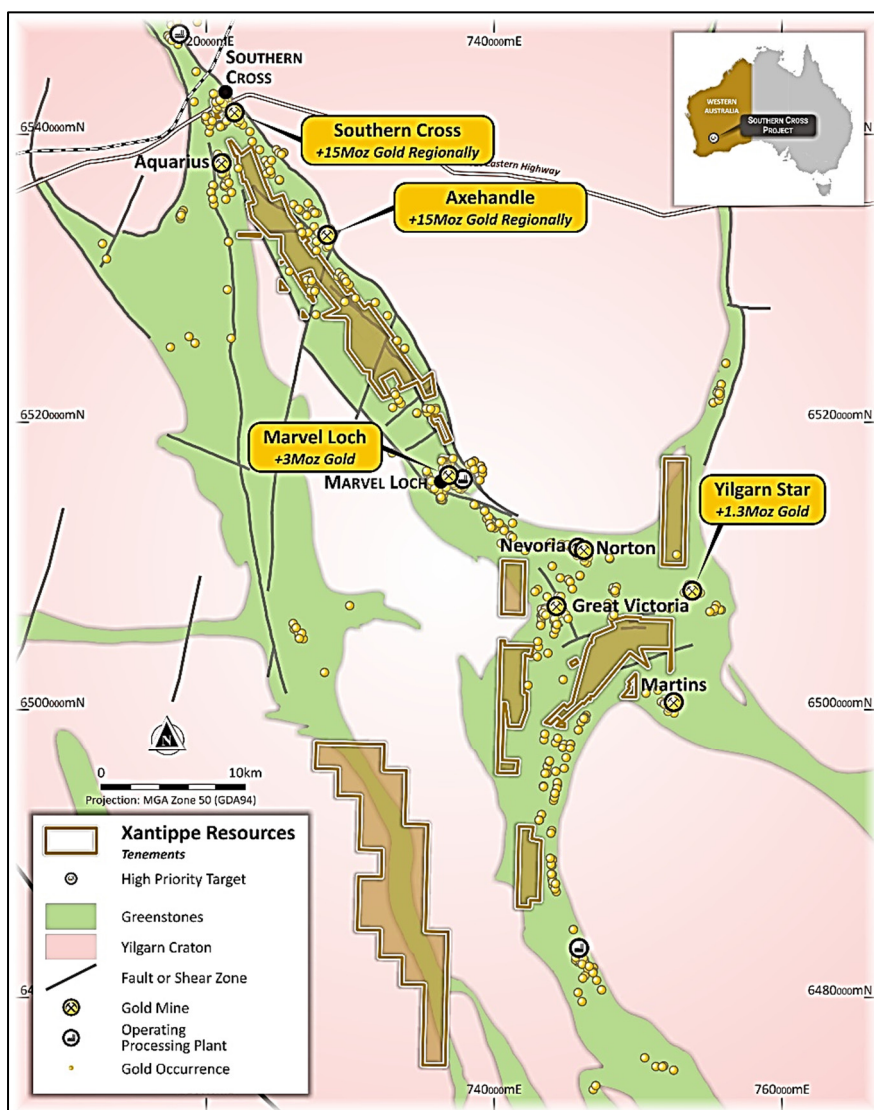


Figure 1: Southern Cross Project Location Map

During the Period Xantippe commenced its Phase 2 drilling programme at the project, more than doubled its footprint in the highly mineralised historic gold district to 176km² and exercised its option to acquire 100% of the highly prospective package of tenements.

The 2nd phase of drilling comprised 24 reverse circulation holes drilled for a total of 2,404m targeting high priority prospects at Boodarding, Alpine/Roma, Xantippe and Glendower North. Preliminary assays were undertaken on 4m composite samples using the photon assay technique. This technique was selected as a preliminary assay to identify mineralised zones, assaying 4m composite samples.

At the **Xantippe** prospect, preliminary assays indicated weathered intersections at shallow depth and are considered to be open at depth and along strike to the north. Significant results at this stage included:

- **4m @ 1.11g/t Au** from 48m and **4m @ 1.97g/t Au** from 60m [XAN006] and
- **4m @ 1.77g/t Au** from 68m and **24m @ 0.27g/t Au** from 96m [XAN 004] and

At **Treasury North**, best results include:

- **4m @ 6.31g/t Au** from 92m (TN 004).

One metre sample interval splits of the significant 4m composites were submitted for assay analysis. The 1m composite samples were considered significant when the photon assay returned elevated levels of gold.

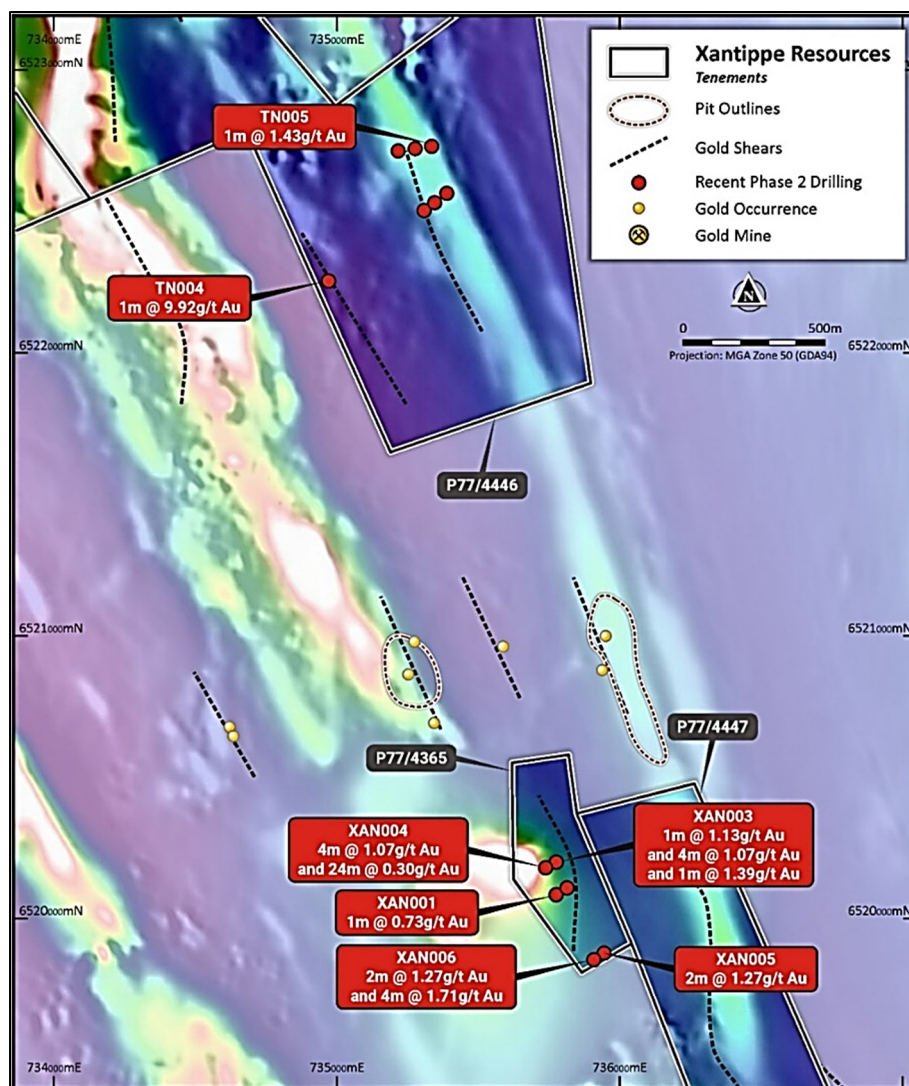


Figure 2: Showing significant intercepts overlain on magnetic data and gold shear zones

Fire assay results confirmed Xantippe intersected shallow gold intersections across its tenements, with highlights of:

- **1m @ 9.92g/t Au** from 93m [TN004];
- **1m @ 1.43 g/t Au** from 22m [TN005];
- **24m @ 0.30g/t Au** from 96m, including **1m @ 0.98g/t Au** from 105m and **1m @ 0.72g/t Au** from 100m [XAN004];
- **4m @ 1.07g/t Au** from 68m and **1m @ 1.39g/t Au** from 79m [XAN004]; and
- **4m @ 1.71g/t Au** from 61m [XAN006].

The intersections confirmed the presence of broad, shallow zones of mineralisation allowing Xantippe to target known gold deposits with follow-up drilling.

The significant intercepts, combined with the knowledge that the zones had not been drilled to significant depths, increases the Company's confidence that the Southern Cross tenements hold the potential to contain economic quantities of gold. The 24m zone is indicative of a potentially larger gold system which is of economic significance, improving to the north.

XTC commissioned consultant geophysicists, Resource Potentials of Perth, to interpret high-resolution magnetic and gravity data alongside publicly available historic drill results. The resultant work has identified structural and lithologically favourable locations for mineralisation at Boodarding. The location and geometry of Boodarding has many similarities to that at Yilgarn Star and drilling by previous explorers has returned similar geology beneath cover

This historic drilling also returned intersections including¹:

- LKD391: **3m @ 14.8 g/t Au** from 94m (including **1m @ 32.83 g/t Au**); and
- LKA247: **3m @ 5.94g/t Au** from 63m.

Regionally, the belt is a strongly deformed, metamorphosed synformal greenstone composed of a lower unit of quartz-muscovite schist (probably foliated granite) overlain by series of mafic and ultramafic volcanics and sedimentary sequences. The province has a long history of gold production and hosts several +1 million-ounce deposits such as Yilgarn Star and Marvel Loch.

Fire Assay Results

During the Period the Company reported encouraging results from drilling completed in December 2020 at the Southern Cross Gold Project. Final split sample fire assay results were completed and returned for Battler North, Great Unknown, Xantippe and Axehead projects.

Highlights included:

- Numerous anomalous gold intercepts across the project including **1m at 8.81 g/t Au**, upgraded to **16.2 g/t Au from 7m** at the Great Unknown Prospect.
- Increased wide zones of anomalous gold intersected at Xantippe prospect extending mineralisation for a total 500m strike length and remaining open to the North and at depth.
- Broad gold mineralisation intercepted from 30m and 70m depth at Battler North, including 1m at 5.03g/t Au, located 1km north of Battler Mine.
- Battler North, Great Unknown, and Xantippe prospects all remain open at depth and along strike.

An overview of significant drill intercepts is highlighted in Table 1 below. Intersections have been defined with a 0.5g/t cut off to encapsulate the extent of anomalous gold zones.

¹ Refer to XTC ASX Release dated 12 December 2019

Table 1: Significant intercepts at 0.5g/t cut off Au from recent drilling

Prospect	Hole ID	Depth (From)	Depth (To)	0.5g/t Cut off
Battler North	BN_001	70	74	4m @1.85m
	BN_003	30	33	3m @ 1.31g/t
Great Unknown	GU_002	37	39	2m @ 0.82g/t
	GU_002	40	43	3m @ 0.72g/t
	GU_003	7	8	1m @ 8.81 g/t
Xantippe	XAN_007	31	32	1m @ 3.18 g/t
	XAN_007	36	37	1m @ 2.63 g/t
	XAN_008	83	84	1m @3.17 g/t
	XAN_008	88	96	8m @ 0.95 g/t

Battler North Prospect

Positive assay results received from Battler North confirmed shallow anomalous gold mineralisation with intersections of 4m at 1.85g/t Au (drill hole BN_001) and 3m at 1.31g/t Au (drill hole BN_003). The Battler North prospect remains an area of interest to Xantippe with its proximity along strike to the Battler Mine site, favourable geology and presence of anomalous gold. Structural interpretation and target generation at the prospect is ongoing.

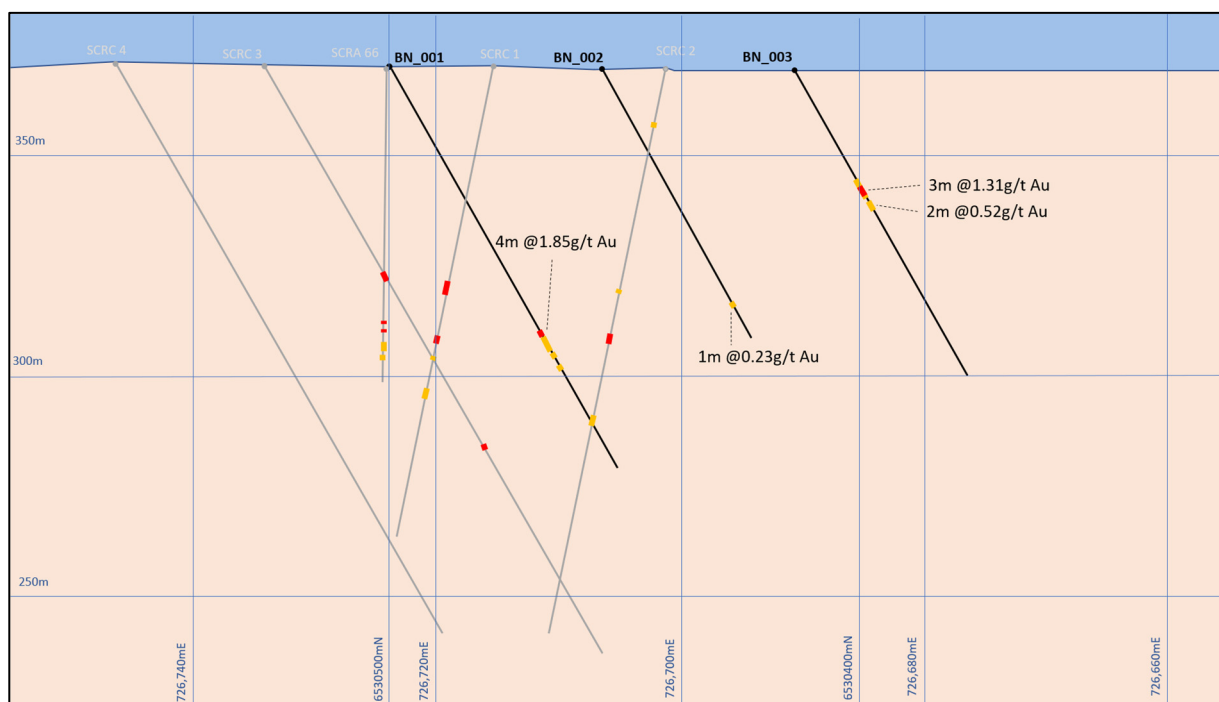


Figure 3: Oblique Section Looking South East

Great Unknown Prospect

The small drill programme completed at the Great Unknown prospect on tenement E77/2367, south of Glendower Prospect, returned positive single metre fire assay results. The programme was designed to test historical drill results that targeted a shear or fault zone contact between pelite and mafic schists and is closely associated with a cross cutting (D4) dyke revealed by geophysical surveys.

The high grade 8.81g/t Au result from GU_003 upgraded to 16.2g/t Au from the replicate sample and 13.8g/t Au from a secondary split during lab preparation highlights the undeveloped potential of quartz veins hosting gold in the area and remains a target area of interest to the Company.

The Great Unknown prospect is less than 1km from the Lenneberg open pit gold operation (operated by Hanking) and on strike to Xantippe's Glendower prospect.

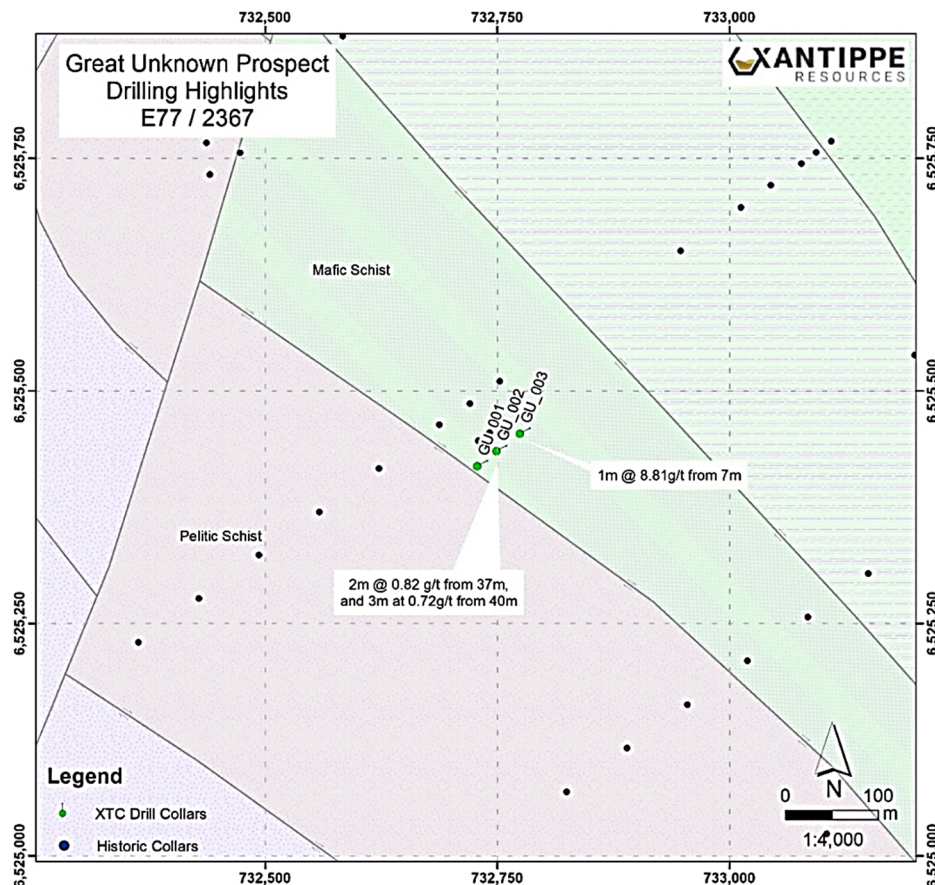


Figure 4: Great Unknown Prospect drilling location map

Xantippe Prospect

The mineralisation at the Xantippe Prospect (P77/4365), has continued to the north with drill holes XAN_007 and XAN_008 returning anomalous gold in fire assay splits. Analysis of all recent drilling undertaken by Xantippe shows gold mineralisation continuing with a total strike length of approximately **500m** in the favourable greenstone terrane.

The furthest north hole drilled by Xantippe, XAN_008, returned fire assay gold results including 1m at 3.17g/t Au and 3m at 1.33g/t Au in amongst a 31m intersection of anomalous gold (greater than 0.1g/t). This sizeable intersection remains open to the north and at depth.

The pegmatite contact has been intercepted in the majority of the holes drilled by Xantippe and is seen to run along the western boundary of the tenement with gold mineralisation generally forming on the footwall of the contact.

The mineralisation intercepted is less than 100m from surface and remains open to test its potential not only at depth but also along strike further to the North as seen in Figures 5 and 6 below. The Xantippe prospect remains a high priority target for further exploration drilling.

Historic drilling and recently drilled XAN_007 show some mineralisation in the pegmatite which needs to be investigated further.



The pleasing results with targeted drilling intercepting gold mineralisation at Battler North, Great Unknown and the Xantippe prospects means that all three prospects are now open to further exploration to expand these target areas along strike and at a depth which Xantippe believes will uncover further positive results.

Boodarding Assay Results

During the June quarter the Company advised of the return of split assay results from reverse circulation (RC) drilling at the Boodarding Prospect.

The three RC holes drilled at Boodarding followed up the abandoned drilling attempted last year and aimed to test historic diamond and RC drilling which intercepted anomalous gold at approximately 100-150m below surface. All three holes were completed to depth with two of the three RC holes intercepting gold mineralisation, confirming the potential existing at the Boodarding Prospect on Xantippe lease E77/2584.

Single-metre fire assay (30g) results have been returned from anomalous composite samples during RC drilling of the Boodarding Prospect earlier this year. The RC drilling proved difficult with numerous water-bearing fractures intercepted at depth, resulting in wet samples being produced from approximately 100m onwards. Analysis of wet samples in these conditions can sometimes produce uncertain results with gold potentially washed away. Due to the uncertain nature of wet RC samples the resultant assay results are considered to be indicative of mineralisation but do not provide an absolute measure of grade. Xantippe will use these results for targeting purposes, with the aim of utilising diamond drilling techniques in the future.

The results correlate with historic drill intercepts. Xantippe considers that this increases the confidence in these results and in developing the prospect. Quartz vein hosted gold has been intercepted throughout the area and remains open both along strike and with depth.

Hole ID	From	To	g/t Au
BD_003B	151	152	1.33
BD_001B	104	105	0.49
BD_001B	105	106	0.73
BD_001B	106	107	1.01
BD_001B	107	110	0.98
BD_001B	118	119	3.16

Table 2: Drill highlights from Boodarding split assays.

The Boodarding prospect is located beneath sediments on a prominent fold hinge, interpreted from magnetic data. The geology comprises greenstones and banded iron formation and the structural position is similar to that hosting the nearby Marvel Loch mineralisation. Previous explorers have reported encouraging results and Xantippe believes that this prospect will yield economic mineralisation with persistence. Xantippe is frustrated by the setback with the RC drilling being unable to penetrate the water table, but is confident that future diamond drilling will yield positive results.

Summary

The successful gold intercepts at Boodarding reinforce the underexplored potential of the area. Target generation can continue with extensions open for further gold mineralisation along strike and at depth. Xantippe aims to utilise diamond drilling in this area in the future to minimise the impact of water intersected at depth.

The return of fire assay single metre splits from the December round of drilling have shown encouraging results with targeted drilling intercepting gold mineralisation at Battler North, Great Unknown and the Xantippe prospects. All three prospects are now open to further exploration to expand these target areas along strike and at depth which Xantippe believes will uncover further positive results.

Grant of Exploration Licences

During the June quarter Xantippe advised of the grant of three Exploration Licences in the Southern Cross Region of Western Australia.

The three new Exploration Licences, E77/2694, E77/2695 and E77/2696 (Figure 7), increase the area of the Company's granted exploration and prospecting licence footprint in the region to 176 square kilometres.

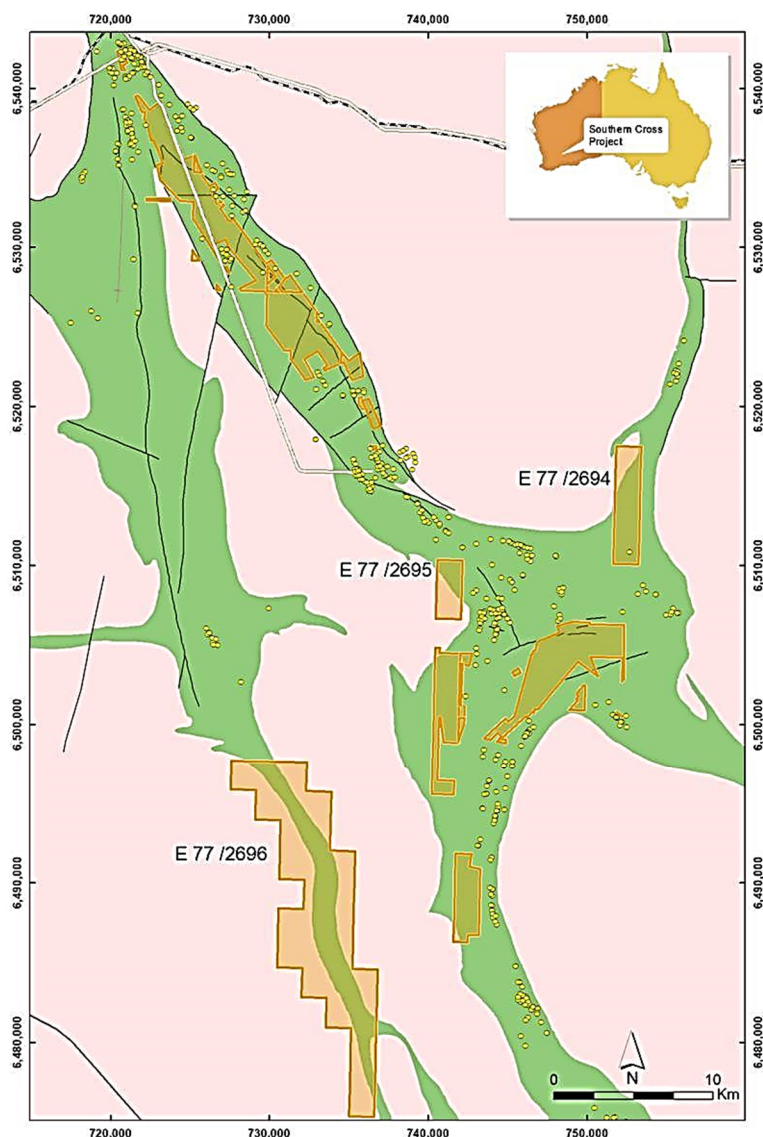


Figure 7: Location of 3 newly granted Exploration Licences in relation to existing Xantippe tenements.

The leases underwent geophysical and geological desktop reviews which highlighted several high priority targets for follow up fieldwork with planning underway for an interface sampling auger drill programme. The targets involve largely under-tested portions of the greenstone belt with strong geophysical signatures. E77/2696 (Figure 8) shows a greenstone belt with geophysical trends of over 8km length which is relatively untested with reliable modern exploration techniques.

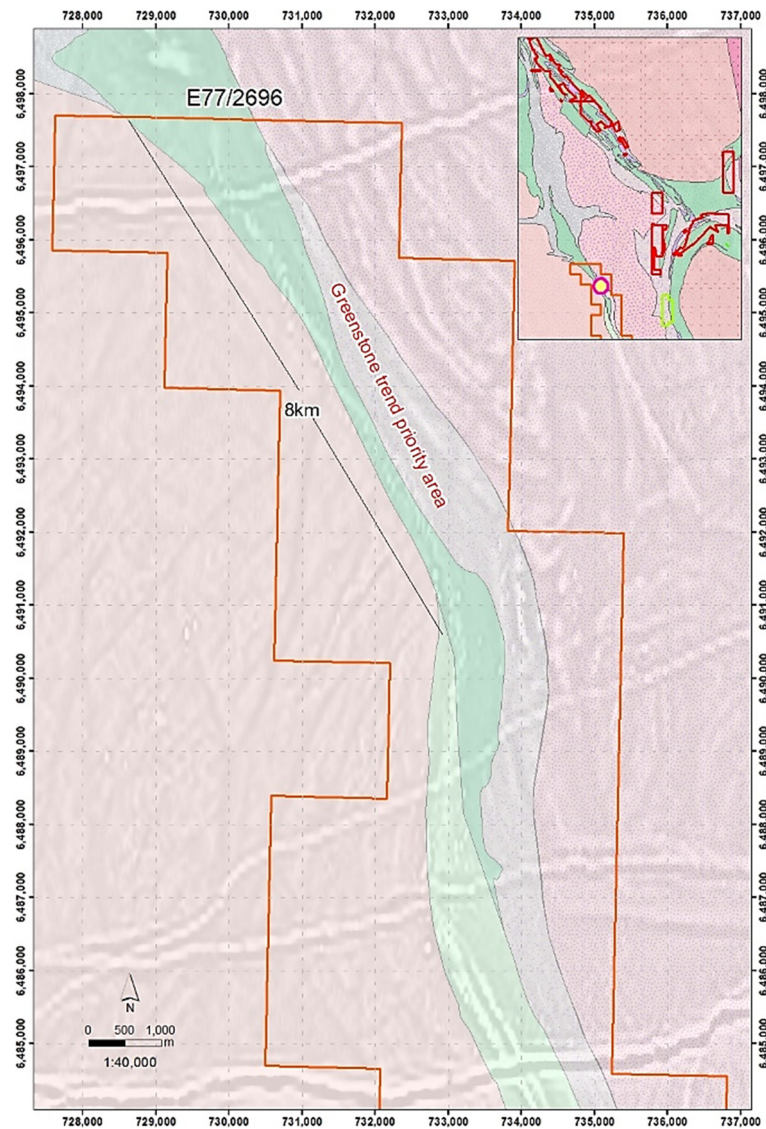


Figure 8: Target Greenstone Belt on E77/2696.

The continued sourcing and compilation of historic data into Xantippe's Southern Cross Database has highlighted several historic geochemical and drill anomalies that exist in favourable lithological units of the Southern Cross Greenstone Belt. Three locations across the project area have been prioritised for an auger drilling programme to verify and build on historic anomalies by utilising interface sampling at the base of transported cover which is often not reached in soil geochemical sampling. This will provide a cost-effective technique to cover large areas of the tenement package and highlight prospective ground for follow up drilling.

Figure 9 below highlights one of the prospective areas being tested with auger drilling which shows a continuous magnetic trend extending over 1km from known gold mineralisation in the north along mafic and ultramafic contacts. Further development of this target and analysis of assay results is pending.

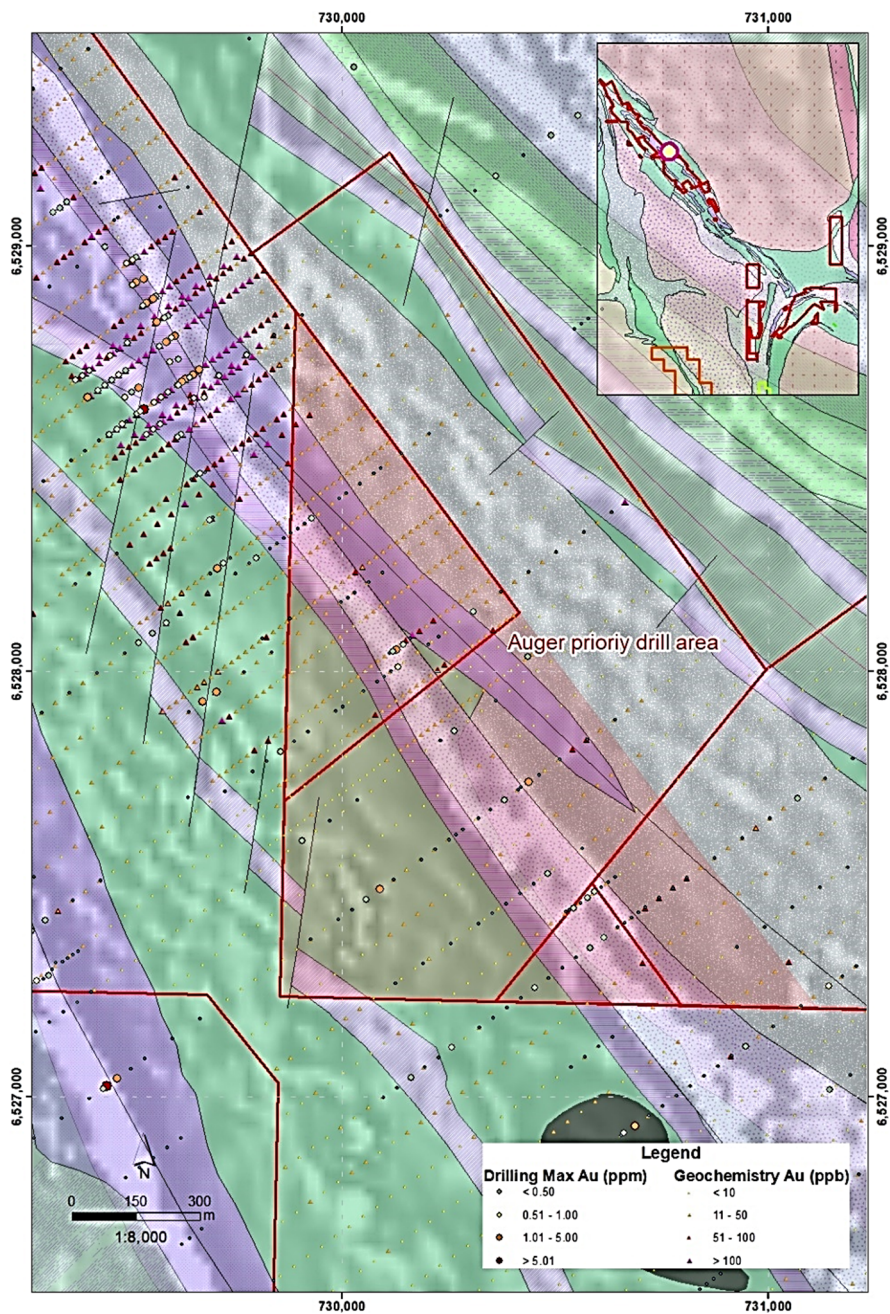


Figure 9: Geochemical Auger Drilling Site at Glendower.

Korea

During the Period Xantippe advised it had entered into a binding term sheet to transfer 77.5% of its interest in wholly owned subsidiary Korean Resources Pty Ltd (**Korean Resources or KRL**) to MGM O'Connor Corporate Advisory Pty Ltd (**MGM O'Connor**) (**Agreement**). This enabled Xantippe to cut costs by approximately \$0.5m per year, transfer management to an informed Korean based team and retain a significant percentage of future revenue.

The mineral development operations of Korean Resources remain strategically located in South Korea, the hub of high-technology manufacturing, where demand for mineral resources is high but where only minimal mining has occurred over the last four decades. South Korea is mineral rich with state-of-the-art transport infrastructure, including, road, port and rail. KRL brings Australian mineral exploration and development expertise to develop Korea's own resources with a focus on graphite, base metals and gold (See Figure 3).

Flake Graphite Projects: Gapyeong, Eunha, and Yongwon– Each project has flake graphite mapped over a strike of more than 1km in units of varying widths up to 10m. Each has undergone detailed ground electromagnetic (EM) surveys and trenching, as well as metallurgical and petrographic analysis to confirm ore suitability for spherical graphite production.

Wolmyeong “Amorphous” Graphite Project – a large graphite deposit well suited to steel manufacture applications. Formerly the largest graphite mine in Korea, mapping and additional petrography is planned, with the objective of locating areas of flake graphite.,

Ilweol polymetallic project – a drilling proposal was submitted covering the tenement Dogyedong 72 located over the former Ilweol polymetallic mine in Yeongyang-gun. Ground magnetics are encouraging and future drilling is located near to previous KORES intersections such as 7m @ 14.58% Zn and 2.12% Cu. Ground magnetics at the Ilweol Prospect have defined extensions to the mineralised skarn that had been historically mined for high grade zinc-lead-silver. A systematic soil sampling programme continues to further help refine drill targets.

Osu Gold Project - A number of historical underground mines on the flanks of Mount Palgong have exploited a mineralised zone over 1.2km strike. KRL has secured the ground and has previously conducted diamond drilling below the historical workings at the Palgong West Prospect and trenching at surface confirms a continuity of the high-grade gold-silver mineralisation both at surface and at depth.

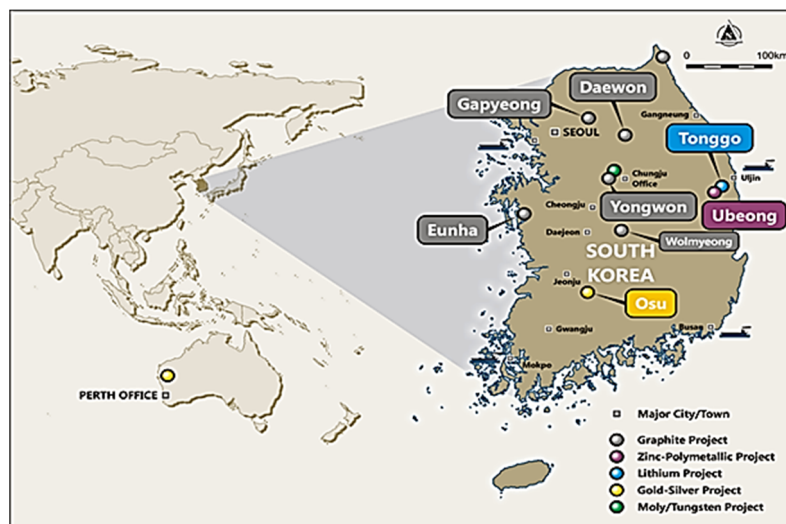


Figure 10: Xantippe Project Locations South Korea

Corporate

Exercise of Southern Cross Gold Project Options

During the Period the Company advised it had elected to exercise its right to acquire 100% interest in the package of highly prospective exploration tenements in the Southern Cross region of Western Australia covering approximately 175km². Further tenements have since been added on a similar cost basis.

Pursuant to the binding agreement announced on 12 December 2019 and as varied on 20 July 2020, the Company exercised its option to acquire 100% of the legal and beneficial ownership in 26 tenements from prospector West Australian Prospectors Pty Ltd and Mr Vernon Strange in consideration for a \$200,000 cash payment and grant of a 2% gross smelter return royalty (**GSR**) payable to West Australian Prospectors Pty Ltd.

Korea Graphite Farm-in Agreement and Sale

During the Period Xantippe advised it had entered into a binding term sheet to transfer 77.5% of its interest in wholly owned subsidiary Korean Resources Pty Ltd (**Korean Resources**) to MGM O'Connor Corporate Advisory 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 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.

Terms of the Agreement

The Company entered into a binding term sheet with MGM O'Connor on the following material terms:

- D1 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 owned subsidiary of Korea Graphite Co., Ltd (**Korea Graphite**) which is a wholly owned subsidiary of Korean Resources;
- D2 Xantippe's 22.5% interest in Korean Resources will be free-carried until the occurrence of any of the following:
 - a. The date that is 2 years from the Agreement;
 - b. The date MGM O'Connor provides evidence acceptable to Xantippe that the value of the Projects is in excess of \$5 million;
 - c. The completion of an initial public offering of Korean Resources on a recognised securities exchange; or
 - d. 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.
- D3 The Board of Korean Resources will comprise one director from each party;
- D4 Xantippe will grant MGM O'Connor a first right of refusal on its remaining interest in Korean Resources;
- D5 MGM O'Connor will manage the day-to-day operations of Korean Resources, Korea Graphite and Suyeon.
- D6 The Agreement was subject to the following conditions precedent:
 - a. MGM O'Connor completing due diligence at its absolute discretion within 30 days of execution of the Agreement;
 - b. Each party obtaining all necessary shareholder or regulatory approvals; and
 - c. Each party obtaining any other required approvals required to give effect to the Agreement.
- D7 On 9 February 2021, the Company advised it had completed the Agreement and retained a 22.5% free carried interest in Korean Resources.

Director Placement Completed

During the Period Xantippe held a general meeting of members where shareholders approved, amongst other things, the participation of all of the Directors for a total of \$100,000 in a placement on the same terms as the capital raising announced on 4 June 2020.

Southern Cross Gold Project Variation Agreement

Pursuant to the Agreement announced on 12 December 2019 and as varied on 20 July 2020, Xantippe, via its wholly owned subsidiary Xantippe SX Pty Ltd and West Australian Prospectors Pty Ltd agreed that, following payment by Xantippe of an additional option fee of \$85,000, the following additional licences were included in the original Agreement's package of 22 tenements (for a new total of 26 tenements):

Licence	Status	Region	Approx km ²
E77/2609	GRANTED	PARKER RANGE	7.9
E77/2694	GRANTED	NTH YILGARN STAR	9.66
E77/2695	GRANTED	WEST BURBIDGE	2.14
E77/2696	GRANTED	SOUTH WESTONIA BELT	78.86
AM0581545	PENDING	CATHERINE MINE	0.1

Mineral Rights Agreement

During the Period Xantippe advised it had entered into a mineral rights agreement with Yilgarn Iron Pty Ltd (YIPL) granting it the iron ore rights on two prospecting licences (P77/4414 & P77/4415) and one exploration licence (E77/2584) for cash consideration of \$275,000 and a 2% GSR payable to Xantippe on a quarterly basis on any product taken from the tenements. Xantippe will retain the rights to mine and explore for all minerals on the tenements other than iron ore.

Lapse of Options

During the Period the following class of unquoted securities lapsed unexercised:

SECURITY CLASS	Number
Options ex 1.5¢ expiring 9 November 2020	16,000,000
Options ex 5.68¢ expiring 29 November 2020	6,300,000
Options ex 8.34¢ expiring 29 November 2020	3,000,000
Options ex 0.7¢ expiring 13 June 2021	3,000,000
Options ex 0.545¢ expiring 13 June 2021	3,000,000

The capital structure of the Company as at the date of this report is set out below:

SECURITY CLASS	Number
ORDINARY SHARES	4,074,564,402
Options ex 2.4¢ expiring 9 November 2021	17,000,000
Options ex 1.0¢ expiring 13 June 2022	3,000,000
Options ex 1.5¢ expiring 13 June 2023	3,000,000
Options ex 0.778¢ expiring 13 June 2022	3,000,000
Options ex 1.167¢ expiring 13 June 2023	3,000,000
Options ex 0.4¢ expiring 11 August 2023	36,000,000
Options ex 0.5¢ expiring 11 August 2022	374,999,998
Options ex 0.26¢ expiring 30 January 2023	100,000,000
TOTAL OPTIONS	539,999,998

Principal Place of Business & Registered Office Update

During the Period the Company advised that its registered office and principal place of business has changed to:

Ground Floor West
20 Kings Park Road
West Perth WA 6005

All other contact details remain unchanged.

Forward looking Statements

This report contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on Xantippe Resources Ltd's current expectations, estimates and projections about the industry in which Xantippe Resources Ltd operates, and beliefs and assumptions regarding Xantippe Resources Ltd's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Xantippe Resources Ltd, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Xantippe Resources Ltd cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Xantippe Resources Ltd only as of the date of this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. Xantippe Resources Ltd does not undertake any obligation to report publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this report except as required by law or by any appropriate regulatory authority.

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 Jeremy Peters, FAusIMM CP (Mining, Geology). Mr Peters is a geologist and mining engineer and is an employee of Burnt Shirt Pty Ltd and has extensive professional experience with the geology of the Western Australian Goldfields. Mr Peters consents to the form and context in which the historical exploration results are presented in this announcement. Additionally, Mr Peters confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Mr Peters cautions that where indicated, some results are historical in nature and may not have been reported in accordance with the JORC Code or its predecessors. Mr Peters is satisfied that these results were collected in accordance with then-current industry standards and while not definitive, are indicative of the tenor and nature of mineralisation present.

DIRECTORS' REPORT

Xantippe Resources Ltd ("**the Company**" or "**Xantippe**") is a public company incorporated and domiciled in Australia and listed on the Australian Securities Exchange. The registered office of the Company is located at Ground Floor West, 20 Kings Park Road, West Perth, Western Australia.

The Directors of the Company present their report on the group, which comprises Xantippe Resources Limited and its controlled entities, for the year ended 30 June 2021.

DIRECTORS AND EXECUTIVES

The names and details of the Directors of Xantippe Resources Limited during the financial year and up to the date of this report are:

Chairman

Mr Phillip Sidney Redmond Jackson BJuris, LLB, MBA, FAICD

Phillip Jackson, the Chairman and a Director of the Company, is a barrister and solicitor with over 25 years legal and international corporate experience, especially in the areas of commercial and contract law, mining law and corporate structuring. He has worked extensively in the Middle East, Asia and the United States of America. In Australia he was formerly a managing legal counsel for a major international mining company, and in private practice specialised in small to medium resource companies. Phillip was managing region legal counsel: Asia Pacific for a leading oil services company for 13 years. He was General Counsel for a major international oil and gas company. Phillip has been Chairman of Anax Minerals Limited since it listed in June 2004 and Chairman of Predictive Discovery Limited since December 2014. Phillip is also a non-executive director of listed company Scotgold Resources Limited.

Managing Director

Mr Richard Henry Henning BSc

Graduating from Queens University, Belfast, Richard worked as a geologist in Australia, the UK and Canada before moving into the industry of technology transfer and commercialisation. After a period in venture capital, he joined Extract Resources, a company with uranium assets in Namibia and then Stonehenge Metals as Managing Director and Chairman.

Richard has extensive experience of working in Korea and other parts of Asia, particularly Myanmar where he is Chairman of Burma Mining Corporation.

Non-Executive Director

Mr Young Chan Yu, B. Acc, MBA, CPA

Young is a professional business adviser with private and public sector experience in finance, consulting, trade, mining, energy resources and international business in both Australia and Korea. Young specialises in international business development, cross cultural communication and stakeholder engagement advice between Australian and Korean organisations.

Young represented both West Australian and Australian governments in Korea as a Regional Director and Trade Commissioner during 2004 and 2012. Young was a National Leader of Korean Services Group at Deloitte Australia for four years from 2015-2019. Young is currently a Chairman of Asia Business Council in WA and Managing Director of MGM O'Connor Corporate Advisory.

Non-Executive Director

Mr Greg Cunnold, Bsc, MAIG, AusIMM

Greg is a geologist with over 25 years' experience in the international exploration industry. His expertise extends from project definition and acquisition, through grass roots exploration and delineation, to resource definition and bankable feasibility.

Mr Cunnold holds a Bachelor of Science (geology) from the University of Western Australia. He is also a member of the Australian Institute of Geoscientists (MAIG) and the Australian Institute of Mining and Metallurgy.

Company Secretary

Mr Matthew Foy

Matthew Foy was appointed company secretary on 1st June 2020. An active member of the WA State Governance Council of the Governance Institute Australia, he has over 13 years of experience working with ASX listed companies.

PRINCIPAL ACTIVITIES

The principal activity of the group is exploration in Western Australia and assessing, and if appropriate, acquiring exploration and mine development projects worldwide.

OPERATING RESULTS

The consolidated loss of the group for the financial year after providing for income tax amounted to \$1,675,766 (2020: \$2,803,063).

FINANCIAL POSITION

The net assets of the group at 30 June 2021 were \$228,520 (2020: \$1,768,330). At year end, the group had \$271,040 net cash (2020: \$1,817,640).

DIVIDENDS

No dividends were paid during the year and the directors do not recommend the payment of a dividend.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 23 August 2021, the Company advised it will undertake a pro-rata non-renounceable entitlements issue of Shares and Options to existing shareholders (**Rights Issue**) to raise up to \$2,037,282 before costs.

Under the Rights Issue, eligible shareholders will be entitled to subscribe for one (1) new Share for every four (4) Shares held at a price of \$0.002 per Share together with one (1) free attaching Option for every three (3) Shares subscribed for.

The Options will be exercisable at \$0.0035 and have an expiration date of three years from the date of issue. The Company will seek to have the options listed on ASX subject to the Listing Rules.

Funds raised under the Rights Issue will be used to

- provide working capital for the ongoing expansion of the Company's operations, including the development of future business development and corporate objectives in line with the Company's existing operations.
- fund the costs of the Rights Issue

No other matters or circumstances have arisen after the end of the financial year which significantly affected or could significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the financial year ended 30 June 2021 and the number of meetings attended by each Director:

Director	Full Board Meetings	
	Number Attended	Number Eligible to Attend
Phillip Jackson	5	5
Richard Henning	5	5
Greg Cunnold	5	5
Young Yu	5	5

REMUNERATION REPORT (Audited)

Board policy

The objective of the Company's remuneration policy for key management personnel is to ensure reward for performance is appropriate for the results delivered. The policy is designed to ensure that the following key criteria for good governance practices are followed:

- Acceptability to shareholders
- Transparency
- Capital management

Company performance, shareholder wealth and key management personnel remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and key management personnel by the issue of options to the key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

The constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in a general meeting. The Company has entered into separate Consulting Agreements with each of the Directors and pays Directors' fees as additional remuneration to the non-executive Directors.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

REMUNERATION REPORT (audited) (continued)

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2021.

Terms and Conditions of Engagement (as at the date of this report):

Name	Role	Associated Company	Date of Agreement	Date last Modified	Current Annual Consulting Fee	Directors' Fee/Salary	Notice Period Required from Company	Notice Period Required from Consultant	Termination Fees Payable
Directors									
Richard Henning	Managing Director	Expertec Pty Ltd	11 Jan 2019	11 Jan 2019	\$236,520		3 months	3 months	\$59,130
Phillip Jackson	Chairman	Holihox Pty Ltd	13 April 2010	06 Feb 2017		\$30,000	6 months	6 months	\$15,000
Greg Cunnold ⁽ⁱ⁾	Non-Executive Director	N/A	05 Feb 2020	19 Feb 2021	\$60,000	\$30,000	-	-	-
Young Yu	Non-executive Director	JLC Corporation Pty Ltd	10 Jan 2019	10 Jan 2019		\$30,000	-	-	-

- (i) The one year consulting agreement of G Cunnold expired on 18th February 2021 and is now on a month to month basis. The contract is for \$5,000 per month for the provision of advice in relation to exploration and technical operations as required.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

REMUNERATION REPORT (audited) (continued)

(a) Principles used to determine the nature and amount of remuneration

The nature and amount of remuneration paid to key management personnel has been determined by reference to the services provided, prevailing market rates and with the objective of retaining their services.

The Company remunerates key management personnel either by way of salary or by entering into agreements with entities related to key management personnel for the provision of their services to the group. Details of these agreements are set out within the remuneration report which is contained in the directors' report.

(b) Details of remuneration

The remuneration of the key management personnel, being the Directors, and other specified executives is summarised below.

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

2021	Short-term Benefits		Long Term Benefits		Other Benefits	Total	Represented by Equity
	Fees Paid to Associated Entity	Salary	Equity	Super-annuation			
	\$	\$	\$	\$	\$	\$	%
Directors							
R Henning	\$236,520	-	15,400	-	\$18,168 ⁽ⁱ⁾	\$270,088	5.7
P Jackson	\$29,773	-	8,800	-	-	\$38,573	22.8
G Cunnold ⁽ⁱⁱ⁾	-	\$82,192	-	\$7,803	-	\$89,995	-
Y Yu	\$30,000	-	8,800	-	-	\$38,800	22.7
	\$296,293	\$82,192	33,000	\$7,803	\$18,168	\$437,456	7.5

(i) Cash out of annual leave for \$18,168.

(ii) Gregory Cunnold was paid non-executive director fees of \$27,397 exclusive of super and consultancy fee of \$54,795 exclusive of super

REMUNERATION REPORT (audited) (continued)

2020	Short-term Benefits		Long Term Benefits		Other Benefits	Total	Represented by Equity
	Fees Paid to Associated Entity	Salary	Equity	Super-annuation			
	\$	\$	\$	\$	\$	\$	%
Directors							
R Henning	\$236,520	-	-	-	-	236,520	-
P Jackson	\$30,000	-	-	-	-	30,000	-
D Noonan ⁽ⁱ⁾	15,844	-	-	-	-	15,844	-
G Cunnold ^{(ii)(iv)}	-	31,255	-	2,969	-	34,224	-
Y Yu ⁽ⁱⁱⁱ⁾	70,000	-	-	-	-	70,000	-
	352,364	31,255	-	2,969	-	386,588	

(i) Resigned 16 October 2019

(ii) Appointed 5 February 2020

(iii) Young Yu was paid non-executive directors fees of \$30,000 and consultancy fee of \$40,000.

(iv) Greg Cunnold was paid non-executive directors fees of \$11,100 exclusive of super and a consultancy fee of 20,154 exclusive of super

The Company has not entered into any agreements to remunerate consultants on the basis of performance.

(c) Shares issued as remuneration

No shares were issued as remuneration during the period to the key management personnel or specified executives during the years ended 30 June 2021 and 30 June 2020.

(d) Compensation options

Options granted as compensation

There were 30,000,000 options granted to Directors in the year ended 30 June 2021.

	Number Granted	Grant Date	Vesting Date	Expiry Date	Exercise Price	Fair value per option At grant date
2021 Directors						
R Henning	14,000,000	29 July 2020	Immediately	11 August 2023	\$0.004	\$0.0011
Y Yu	8,000,000	29 July 2020	Immediately	11 August 2023	\$0.004	\$0.0011
P Jackson	8,000,000	29 July 2020	Immediately	11 August 2023	\$0.004	\$0.0011

REMUNERATION REPORT (audited) (continued)

(e) Additional disclosures relating to key management personnel

(i) Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel, including their personally related parties, is set out below:

	Opening Balance	Purchased	Sold	Converted from Options	Net Change Other ⁽ⁱ⁾	Closing Balance
2021						
Directors						
R Henning	29,230,800	13,888,889	-	-	-	43,119,689
P Jackson	14,818,677	13,888,889	-	-	-	28,707,566
G Cunnold	384,615,384	13,888,889	-	-	-	398,504,273
Y Yu	33,230,800	13,888,889	-	-	-	47,119,689

(ii) Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel, including their personally related parties, is set out below:

	Opening Balance	Received as Remuneration	Purchased	Options Expired	Net Change Other	Closing Balance
2021						
Directors						
R Henning	9,000,000	14,000,000	6,944,445	-	(3,000,000)	26,944,445
P Jackson	2,416,666	8,000,000	6,944,445	-	(2,416,666)	14,944,445
G Cunnold	-	-	6,944,445	-	-	6,944,445
Y Yu	9,000,000	8,000,000	6,944,445	-	(3,000,000)	20,944,445

(iii) Other transactions with key management personnel and their related parties

Anax Minerals Limited, a company of which P Jackson is a director provided office facilities and overheads to Xantippe to the value of \$53,269 (2020: \$55,307) by means of a Facilities agreement. At 30 June 2021, Anax was owed NIL (2020: \$25,720).

Mr Greg Cunnold provides consultancy services to Xantippe at an agreed fee of \$5,000 per month. The agreement was entered into on the 15 February 2020 and renewed on the 15 February 2021. Mr Greg Cunnold was paid \$60,000 inclusive of superannuation for the financial year ended 30 June 2021.

Additional information

The table below shows the performance of the Company as measured by earnings and share price:

	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Total comprehensive loss for the year	(1,675,686)	(2,803,479)	(1,766,202)	(2,633,311)	(2,477,080)
Basic and diluted loss per share	(0.00041)	(0.0014)	(0.0021)	(0.0042)	(0.0050)
Share price at 30 June	0.002	0.002	0.002	0.008	0.023

(f) Voting and comments made at the company's 2020 Annual General Meeting ('AGM')

At the 2020 AGM, 97.7% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

****END OF REMUNERATION REPORT (AUDITED) ****

PARTICULARS OF DIRECTORS' INTERESTS IN SHARES IN THE COMPANY

The relevant interest of each Director in the share capital of the Company at the date of this report is as follows:

	Ordinary Shares Fully Paid		Unlisted Options	
	Direct	Indirect	Direct	Indirect
R Henning	43,119,689	-	26,944,445	-
P Jackson	28,707,566	-	14,944,445	-
Y Yu	47,119,689	-	20,944,445	-
G Cunnold	398,504,723	-	6,944,445	-

SHARE OPTIONS

Options to take up ordinary fully paid shares in the Company at the date of this report are as follows:

Number of Options	Listed/Unlisted	Grant Date	Exercise Price	Expiry Date
17,000,000	Unlisted	09 Nov 18	\$0.024	09 Nov 21
3,000,000	Unlisted	13 June 19	\$0.01	13 June 22
3,000,000	Unlisted	13 June 19	\$0.015	13 June 23
3,000,000	Unlisted	13 June 19	\$0.00778	13 June 22
3,000,000	Unlisted	13 June 19	\$0.01167	13 June 23
100,000,000	Unlisted	30 Jan 20	\$0.0026	30 Jan 23
374,999,998	Unlisted	11 Aug 20	\$0.005	11 Aug 22
30,000,000	Unlisted	29 Jul 20	\$0.004	11 Aug 23
6,000,000	Unlisted	29 Dec 20	\$0.004	11 Aug 23
<u>539,999,998</u>				

- 30,000,000 options were granted on 29 Jul 20 to directors with expiring 11 Aug 2023.

The names of all persons who currently hold options are entered in the register kept by the Company pursuant to section 170 of the Corporations Act (2001). Inspection of the register and of the documents kept pursuant to subsection 170 (3) may be made free of charge.

Options do not entitle their holders to participate in entitlement offers of new shares in the Company unless the holders first exercise their options. No person entitled to exercise any option above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

AUDIT COMMITTEE

The Company is not of a size nor are its financial affairs of such complexity to justify a separate audit committee of the board of directors. Matters that might properly be dealt with by such a committee are the subject of scrutiny at full board meetings.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The consolidated entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

ENVIRONMENTAL REGULATIONS

In Western Australia the mining leases, exploration licences and prospecting licences granted to the group pursuant to the Mining Act (1978) (WA) are granted subject to various conditions which include standard environmental requirements. The group's policy is to adhere to these conditions and the Directors are not aware of any contraventions of these requirements.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

INSURANCE OF OFFICERS

The Company paid a premium in respect of a contract insuring directors and officers of the Company. The contract prohibits disclosure of the nature of the liabilities insured and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

NON-AUDIT SERVICES

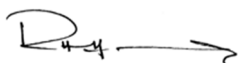
The Company's external auditor, RSM Australia Partners, did not provide any non-audit services to the Company during the year ended 30 June 2021.

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 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of Directors:



Richard Henning
DIRECTOR
Perth, 29 September 2021

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated	
	Note	2021 \$	2020 \$
Other income	3	290,854	101,446
Administration expenses	4	(920,323)	(833,310)
Exploration and evaluation expenditure	9	(1,046,297)	(2,072,199)
Loss before tax		(1,675,766)	(2,804,063)
Income tax expense	5	-	-
Net loss for the year		(1,675,766)	(2,804,063)
Other comprehensive income			
<i>Item that may be reclassified subsequently to operating result</i>			
Foreign currency translation		80	584
Total comprehensive loss for the year		(1,675,686)	(2,803,479)
Basic loss per share (cents per share)	23	(0.04)	(0.14)
Diluted loss per share (cents per share)	23	(0.04)	(0.14)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		Consolidated	
	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	6	271,040	1,817,640
Other receivables	7	31,733	109,139
Other current assets		-	8,818
Total current assets		302,773	1,935,597
Non-Current Assets			
Plant and equipment	8	14,176	40,079
Exploration and evaluation expenditure	9	-	-
Total non-current assets		14,176	40,079
Total assets		316,949	1,975,676
Current Liabilities			
Trade and other payables	10	65,450	144,721
Employee benefits	11	22,979	62,625
Total current liabilities		88,429	207,346
Total liabilities		88,429	207,346
Net Assets		228,520	1,768,330
Equity			
Issued capital	12	26,612,658	26,514,582
Reserves	13	5,174,334	5,133,186
Accumulated losses		(31,558,472)	(29,879,438)
Total Equity		228,520	1,768,330

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
		\$	\$	\$	\$	\$
CONSOLIDATED						
At 1 July 2019		22,480,836	(27,075,375)	(3,932)	4,977,534	379,063
Loss for the year		-	(2,804,063)	-	-	(2,804,063)
Other comprehensive income		-	-	584	-	584
Total comprehensive loss for the year		-	(2,804,063)	584	-	(2,803,479)
Transactions with owners in their capacity as owners:						
Share based payments		1,020,000	-	-	-	1,020,000
Issue Options		-	-	-	159,000	159,000
Issue of share capital		3,249,995	-	-	-	3,249,995
Transaction costs		(236,249)	-	-	-	(236,249)
At 30 June 2020		26,514,582	(29,879,438)	(3,348)	5,136,534	1,768,330
At 1 July 2020		26,514,582	(29,879,438)	(3,348)	5,136,534	1,768,330
Loss for the year		-	(1,675,766)	-	-	(1,675,766)
Foreign Exchange gain before disposal		-	-	80	-	80
Derecognition of foreign currency reserve		-	(3,268)	3,268	-	-
Total comprehensive loss for the year		-	(1,679,034)	3,348	-	(1,675,686)
Transactions with owners in their capacity as owners:						
Share based payments		-	-	-	37,800	37,800
Issue of Options		-	-	-	-	-
Issue of share capital	12	100,000	-	-	-	100,000
Transaction costs	12	(1,924)	-	-	-	(1,924)
At 30 June 2021		26,612,658	(31,558,472)	-	5,174,334	228,520

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated	
	Note	2021	2020
		\$	\$
Cash flows from operating activities			
Other payments to suppliers and employees		(939,870)	(840,822)
Payments for exploration expenditure		(734,927)	(888,719)
Other income		327,909	30,347
Interest received		212	34,410
		<u> </u>	<u> </u>
Net cash (outflow) from operating activities	6(b)	<u>(1,346,676)</u>	<u>(1,664,784)</u>
Cash flows from investing activities			
Payment for mining assets acquisition		<u>(298,000)</u>	<u>(181,277)</u>
		<u> </u>	<u> </u>
Net cash outflow from investing activities		<u>(298,000)</u>	<u>(181,277)</u>
Cash flows from financing activities			
Proceeds from issue of shares	12	100,000	3,035,494
Payment for share issue costs	12	<u>(1,924)</u>	<u>(21,746)</u>
		<u> </u>	<u> </u>
Net cash inflow from financing activities		<u>98,076</u>	<u>3,013,748</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,546,600)</u>	<u>1,167,687</u>
Cash at the beginning of the financial year		<u>1,817,640</u>	<u>649,953</u>
Cash at the end of the financial year	6(a)	<u>271,040</u>	<u>1,817,640</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(x).

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Xantippe Resources Limited at the end of the reporting period. Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(a) Principles of consolidation (*continued*)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(b) 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 \$1,675,766 and had net cash outflows from operating activities and investing activities of \$1,346,678 and \$298,000 respectively for the year ended 30 June 2021. As at that date the Group had net current assets of \$214,344.

The Directors regularly monitor the Group's cash position and on an on-going basis consider a number of strategic and operational plans to ensure that adequate funding continues to be available for the Group to meet its business objectives.

On the 23 August 2021, the Company announced an offer for eligible shareholders to raise up to \$2,037,282 (before costs) in a non-renounceable entitlement issue of shares and options. The capital raise is fully underwritten by Pulse Markets Pty Ltd. The offer closed on 24 September 2021, and \$851,868 has been received and held in trust from shareholders pending issue of securities on 30 September 2021. The shortfall of \$1,185,413 is fully underwritten by Pulse Markets Pty Ltd, and allocation of the shortfall shares and options is expected to occur no later than the week ending 8 October 2021. This funding will be sufficient to support its activities for up to 12-18 months and enables the Company to continue to explore its Southern Cross tenements.

(c) Taxation

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(c) Taxation (*continued*)

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Tax consolidation

The Company (the 'head entity') and its wholly-owned Australian resident entities have formed a tax-consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(d) Segment reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(e) Exploration, evaluation and development expenditure

Exploration and evaluation are written off as incurred. The consolidated entity's policy is that such costs will only be carried forward when development of the area indicates that recoupment will occur or where activities in the area have reached an advanced stage which permits reasonable assessment of the existence of economically recoverable reserves.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(e) Exploration, evaluation and development expenditure (*continued*)

Exploration, evaluation and development costs comprise acquisition costs, direct exploration and evaluation costs and an appropriate portion of related overhead expenditure but do not include general overhead expenditure which has no direct connection with a particular area of interest. Revenue received from the sale or disposal of product, materials or services during the exploration and evaluation phase of operation is offset against expenditure in respect of the area of interest concerned.

(f) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(g) Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expenses.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating activities. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(h) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(h) Business combinations (*continued*)

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(i) Revenue recognition

Interest income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net amount of goods and services tax (GST).

(j) Comparatives

Where required by accounting standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(k) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating profit after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(k) Earnings per share

the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(l) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period;

or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(n) Issued capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(o) Equity based payments

The group provides benefits to its directors, consultants and contractors in the form of share-based payments, whereby directors, consultants and contractors render services in exchange for options to acquire shares or rights over shares (equity-settled transactions).

The charge to profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of the modification.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(o) Equity based payments (*continued*)

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(p) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each fixed asset over its effective life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	7.5% - 33.33%

(q) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(q) Fair value measurement (*continued*)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(r) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset

or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(s) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non-vesting

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(t) Employee benefits

conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(u) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(u) Leases (*continued*)

profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(v) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(w) Trade and other receivables

Trade receivables, which generally have 30-90-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Other receivables are recognised at amortised cost, less any allowance for expected credit losses. An allowance for doubtful debts is made when there is objective evidence that the group will not be able to collect the debts. Bad debts are written off when identified.

(x) Critical accounting estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(y) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(z) Foreign currency transactions

The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

NOTE 2: LOSS OF CONTROL

On the 8th of February 2021, the Company disposed of 77.5% of its interest in Korean Resources Pty Ltd to MGM O'Connor Corporate Advisory Pty Ltd. The terms of the agreement are as follows:

- 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
- Xantippe 22.5% interest in Korean Resources will be free-carried until the occurrence of any of the following:
 1. The date that is 2 years from the Agreement (i.e., 16 November 2022)
 2. The date MGM O'Connor provides evidence acceptable to Xantippe that the value of the Projects is in excess of \$5 million;
 3. The completion of an initial public offering of Korean Resources on a recognised securities exchange; or
 4. A third party subscribing for securities in Korean Resources Pty Ltd for an amount that Xantippe, in its sole discretion, agrees ought to trigger the termination of the free-carry.

The carrying amounts of assets and liabilities of Korean Resources Pty Ltd at the date of disposal was:

	2021
	\$
Assets	
Current assets	4,083
Non-current assets	1,742
Total assets	<u>5,825</u>
Liabilities	
Current liabilities	26,885
Long Term Loan	6,696,674
Total liabilities	<u>6,723,559</u>

Income Statement of Korean Resources Pty Ltd before its disposal on the 8th February 2021

	2021
	\$
Other Income	4,439
Depreciation	(1,161)
Facility Charges	(8,964)
Administration Expenses	(53,579)
Loss incurred by KRL	<u>(59,265)</u>

NOTE 3: OTHER INCOME

	2021	2020
	\$	\$
Sales of mining rights	275,000	-
Interest income	212	34,410
Other income	15,642	67,036
	<u>290,854</u>	<u>101,446</u>

NOTE 4: ADMINISTRATION EXPENSES

	Consolidated	
	2021	2020
	\$	\$
Loss before income tax expense includes the following specific expenses:		
Depreciation	12,163	19,317
Less: allocated to exploration	-	(18,400)
	12,163	917
Consulting and labour hire	604,559	498,490
Salaries and wages	11,737	53,119
Facility charges	20,971	37,908
Insurance and legal	52,833	43,437
Share based compensation	37,800	-
ASX, ASIC and related fees	61,551	53,336
Short-term lease	48,024	10,591
Superannuation expenses	7,803	2,969
Other expenses	62,882	132,543
	<u>920,323</u>	<u>833,310</u>

NOTE 5: INCOME TAX

(a) Income tax expense/benefit

The components of income tax expense/benefit comprise:

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Reconciliation of income tax expense/(benefit) to prima facie tax payable on accounting profit/(loss)

Operating (loss) before income tax	(1,675,766)	(2,804,063)
Prima facie tax payable at Australian rate of 26% (2020: 27.5%)	435,699	771,117
Adjusted for tax effect of the following amounts:		
Tax effect of different tax rate of foreign subsidiaries	(1,876)	(12,849)
Taxable/non-deductible items	(25,611)	(105,410)
Non-taxable/deductible items	1,679,329	53,278
Adjustment for change in tax rate	(555,748)	
(Over)/Under-provision in prior year	-	(23,559)
Income tax benefit not brought to account	(1,531,793)	(682,577)
Income tax expense	<u>-</u>	<u>-</u>

(c) Deferred tax assets and liabilities not brought to account

The directors estimate that the potential future income tax benefits carried forward but not brought to account at year end at the Australian corporate tax rate of 25% (2020: 27.5%) are made up as follows:

Carry forward tax losses	5,759,113	4,877,637
Deductible temporary differences	1,002,720	352,404
	<u>6,761,833</u>	<u>5,230,041</u>

These benefits will only be obtained if:

- the group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised,
- the group continues to comply with the conditions for deductibility imposed by tax legislation, and
- no changes in tax legislation adversely affect the group in realising the benefit from the deduction for the losses.

NOTE 6(a): CASH AND CASH EQUIVALENTS

	Consolidated	
	2021	2020
	\$	\$
Cash at bank	271,040	1,817,640
	<u>271,040</u>	<u>1,817,640</u>

NOTE 6(b): RECONCILIATION TO OPERATING PROFIT

Reconciliation of loss after income tax to net cash flow from operating activities

Operating loss after income tax	(1,675,766)	(2,804,063)
Adjustment for investing activities:		
Payment for mining assets acquisitions	298,000	181,277
Non-cash flow in loss:		
Share based payment - options	37,800	159,000
Depreciation expense	12,163	19,313
Payment for services via issue of shares	-	1,020,000
Gain on foreign exchange	80	584
loss on disposal of fixed assets	13,738	-
Movement in assets and liabilities:		
Other receivables	77,407	(40,225)
Other current assets	8,817	-
Employee benefits	(39,646)	(67,650)
Payables	(79,269)	(133,020)
Net cash outflow from operating activities	<u>(1,346,676)</u>	<u>(1,664,784)</u>

(a) Credit standby arrangements

The Company has no credit standby arrangements.

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during the year ended 30 June 2021 (2020: nil).

NOTE 7: OTHER RECEIVABLES

GST receivable	31,733	62,459
Others	-	46,680
	<u>31,733</u>	<u>109,139</u>

NOTE 8: PLANT AND EQUIPMENT

	Consolidated	
	2021	2020
	\$	\$
Field equipment – at cost	81,427	119,462
Accumulated depreciation	(67,251)	(91,377)
	<u>14,176</u>	<u>28,085</u>
Motor vehicles and mobile equipment – at cost	-	32,839
Accumulated depreciation	-	(20,845)
	<u>-</u>	<u>11,994</u>
Total plant and equipment	<u>14,176</u>	<u>40,079</u>

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning of the current financial year is set out below:

	Field equipment	Vehicles & mobile plant	Total
	\$	\$	\$
CONSOLIDATED			
Carrying amount at 1 July 2019	44,335	15,057	59,392
Acquisitions during the year	-	-	-
Disposals during the year	-	-	-
Depreciation expense	(16,251)	(3,062)	(19,313)
Carrying amount at 30 June 2020	<u>28,084</u>	<u>11,995</u>	<u>40,079</u>
Carrying amount at 1 July 2020	28,084	11,995	40,079
Acquisitions during the year	-	-	-
Disposals during the year	(1,745)	(11,995)	(13,740)
Depreciation expense	(12,163)	-	(12,163)
Carrying amount at 30 June 2021	<u>14,176</u>	<u>-</u>	<u>14,176</u>

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2021	2020
	\$	\$
Balance at beginning of period	-	-
Exploration and evaluation costs incurred	1,046,297	2,072,199
Exploration and evaluation costs written off	(1,046,297)	(2,072,199)
Balance at end of year	<u>-</u>	<u>-</u>

NOTE 10: CURRENT TRADE AND OTHER PAYABLES

Accruals and other creditors	65,450	144,721
	<u>65,450</u>	<u>144,721</u>

NOTE 11: EMPLOYEE BENEFITS

Annual leave accrued

22,979	62,625
<u>22,979</u>	<u>62,625</u>

NOTE 12: ISSUED CAPITAL

	Consolidated	
	2021	2020
	\$	\$
4,074,564,402 (2020: 4,019,008,846) fully paid ordinary shares	<u>26,612,658</u>	<u>26,514,582</u>

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

Rights attaching to ordinary shares

Ordinary shares entitle the holder to participate in dividends and in the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote.

Movements in ordinary share capital

2021 Fully Paid Shares	Number	Issue	Issue Price	Share Capital
	2021	Date	\$	\$
At the beginning of the period	4,019,008,846			26,514,582
Placement	55,555,556	12 Aug 2020	\$0.0018	100,000
Costs of share issue	-			(1,924)
At reporting date	<u>4,074,564,402</u>			<u>26,612,658</u>
2020 Fully Paid Shares	Number	Issue	Issue Price	Share Capital
	2020	Date	\$	\$
At the beginning of the period	1,012,872,087			22,480,836
Placement	4,000,000	30 Sept 2019	\$0.005	20,000
Placement	11,538,500	11 Dec 2019	\$0.0013	15,006
Share purchase plan	15,400,000	11 Dec 2019	\$0.0013	20,020
Placement	3,846,200	16 Dec 2019	\$0.0013	5,000
Placement	114,045,300	17 Dec 2019	\$0.0013	148,259
Placement	7,700,000	17 Dec 2019	\$0.0013	10,000
Placement – Tranche 2	1,385,931,550	21 Jan 2020	\$0.0013	1,801,710
Share issued for vendors – Southern X	769,230,769	30 Jan 2020	\$0.0013	1,000,000
Capital Raising	694,444,440	11 Jun 2020	\$0.0018	1,250,000
Costs of share issue	-			(236,249)
At reporting date	<u>4,019,008,846</u>			<u>26,514,582</u>

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

NOTE 12: ISSUED CAPITAL (*continued*)

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

NOTE 13: RESERVES

Consolidated

	2021 \$	2020 \$
Option reserve ^(a)	5,133,186	4,973,602
Issue of Options to directors and consultants	37,800	159,000
Foreign currency translation reserve – transferred to income statement	80	584
Derecognition of foreign currency reserve	3,268	-
	<u>5,174,334</u>	<u>5,133,186</u>

(a) The option reserve records items recognised as expenses on valuation of share options.

	Number	\$
2021		
Balance at 1 July 2020	160,300,000	5,136,534
Forfeited/cancelled during the year	(31,300,000)	-
Granted during the period	410,999,998	37,800
Exercised during the period	-	-
Balance at 30 June 2021	<u>539,999,998</u>	<u>5,174,334</u>
2020		
Balance at 1 July 2019	192,997,994	4,977,534
Forfeited/cancelled during the year	(132,697,994)	-
Granted during the period	100,000,000	159,000
Exercised during the period	-	-
Balance at 30 June 2020	<u>160,300,000</u>	<u>5,136,534</u>

NOTE 13: RESERVES (continued)

Options to take up fully paid ordinary fully paid shares in the Company at 30 June 2021 are as follows:

Number of Options	Listed/Unlisted	Grant Date	Exercise Price	Expiry Date
17,000,000	Unlisted	09 Nov 18	\$0.024	09 Nov 21
3,000,000	Unlisted	13 June 19	\$0.01	13 June 22
3,000,000	Unlisted	13 June 19	\$0.015	13 June 23
3,000,000	Unlisted	13 June 19	\$0.00778	13 June 22
3,000,000	Unlisted	13 June 19	\$0.01167	13 June 23
100,000,000	Unlisted	30 Jan 20	\$0.0026	30 Jan 23
374,999,998	Unlisted	11 Aug 20	\$0.005	11 Aug 22
30,000,000	Unlisted	29 Jul 20	\$0.004	11 Aug 23
6,000,000	Unlisted	29 Dec 20	\$0.004	11 Aug 23
<u>539,999,998</u>				

- (a) The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary. As per note 2 above, the company disposed of its foreign entity on the 8th of February 2021 and recognised its gain on foreign currency in the Profit and loss at June 2021.

\$

2021

Balance at 1 July 2020	(3,348)
Foreign currency translation before disposal	80
Derecognition of foreign currency reserve	3,268
Balance at 30 June 2021	<u>-</u>

2020

Balance at 1 July 2019	(3,932)
Foreign currency translation	584
Balance at 30 June 2020	<u>(3,348)</u>

NOTE 14: SHARE BASED PAYMENTS

Each option entitles the holder to take up one fully paid ordinary share in the Company at any time up to and including the expiry date. Upon exercise of an option, the resulting ordinary share has the same rights as other ordinary shares. Options do not entitle their holders to receive dividends, participate in entitlement issues or vote at general meetings of shareholders.

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Consolidated	
	2021	2020
	\$	\$
Options issued to directors and consultants	37,800	-
Shares issued to directors in lieu of consulting fees	-	20,000
Issue of shares for acquisition of slipstream	-	1,000,000
Options issued in relation to acquisition of slipstream	-	159,000
	<u>37,800</u>	<u>1,179,000</u>

NOTE 14: SHARE BASED PAYMENTS (continued)

(a) Movements in options granted

	Weighted average exercise price 2021	Number of options 2021	Weighted average exercise price 2020	Number of options 2020
Outstanding at 1 July	\$0.0105	160,300,000	\$0.0186	192,997,994
Forfeited/cancelled during the period	\$0.0283	(31,300,000)	\$0.0164	(132,697,994)
Granted during the period	\$0.0049	410,999,998	\$0.0026	100,000,000
Exercised during the period	-	-	-	-
Outstanding at 30 June ⁽¹⁾	\$0.0052	539,999,998	\$0.0105	160,300,000
Exercisable at 30 June	\$0.0052	539,999,998	\$0.0105	160,300,000

(1) The weighted average life of the outstanding options is 762 days or 2.09 years (2020: 743 days or 2.04 years)

(b) Fair value

The fair value of any options granted as compensation are estimated at the date of grant using the Black-Scholes valuation model.

The following table sets out the assumptions made in determining the fair value of the options granted during the year ended 30 June 2021.

Date Granted	Number Granted	Expected Volatility	Risk free Interest Rate	Weighted Ave. Life of Options	Exercise Price	Share Price at Grant Date	Fair Value of Option	Vesting Date
		%	%	Years	Cents	Cents	Cents	
11 Aug 2020	374,999,998	-	-	2.00	0.005	-	-	11 Aug 20
29 Jul 2020	30,000,000	100	0.29	3.04	0.004	0.0025	0.0011	29 Jul 20
29 Dec 2020	6,000,000	100	0.10	2.62	0.004	0.0020	0.0008	29 Dec 20

The following table sets out the assumptions made in determining the fair value of the options granted during the year ended 30 June 2020.

Date Granted	Number Granted	Expected Volatility	Risk free Interest Rate	Weighted Ave. Life of Options	Exercise Price	Share Price at Grant Date	Fair Value of Option	Vesting Date
		%	%	Years	Cents	Cents	Cents	
30 Jan 2020 ⁽¹⁾	100,000,000	165.17	0.63	1.5	0.0026	0.003	0.00159	30 Jan 20

(1) Unlisted options issued to brokers associated with the acquisition of Slipstream.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility is based on the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

(c) Terms and conditions for each grant of options

In the year ended 30 June 2021, the Company issued options to directors and consultants.

2021	Number Granted	Grant Date	Value of Option at Grant Date	Exercise Price	Expiry Date
Free-attaching options	374,999,998	11 Aug 2020	-	\$0.0050	11 Aug 2022
Directors	30,000,000	29 Jul 2020	\$0.0025	\$0.004	11 Aug 2023
Consultants and Specified Executives	6,000,000	29 Dec 2020	\$0.0020	\$0.004	11 Aug 2023
	<u>410,999,998</u>				

NOTE 14: SHARE BASED PAYMENTS (continued)

(c) Terms and conditions for each grant of options (continued)

In the year ended 30 June 2020, the Company issued options to parties facilitating the acquisition of Slipstream.

2020	Number Granted	Grant Date	Value of Option at Grant Date	Exercise Price	Expiry Date
Others					
Others	100,000,000	22 Jan 2020	\$0.0030	\$0.0026	22 Jan 2023
	<u>100,000,000</u>				

(d) Shares issued as consideration

During the year ended 30 June 2021, the Company did not issue any shares as consideration.

During the year ended 30 June 2020, the Company issued 769,230,769 shares to acquire the southern cross project.

2020	Number Granted	Expense	Grant Date	Assigned value of share at grant date (cents)	Share price at date of grant (cents)
Others					
Mr Y Yu	4,000,000	\$20,000	30 Sep 2019	0.0050	0.002
Third Party	769,230,769	\$1,000,000	30 Jan 2020	0.0013	0.002
	<u>773,230,769</u>	<u>\$1,020,000</u>			

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions of key management personnel

The names and positions of persons who were key management personnel of Xantippe Resources Limited at any time during the financial year are as follows:

Key management personnel

P S R Jackson	Chairman (Non-Executive)
R H Henning	Managing Director
Y C Yu	Non-Executive Director
G Cunnold	Non-Executive Director

Key management personnel remuneration

	Consolidated	
	2021	2020
	\$	\$
Short-term personnel benefits	396,653	383,619
Equity based payments	33,000	-
Other long-term benefits	7,803	2,969
	<u>437,456</u>	<u>386,588</u>

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the group's key management personnel for the year ended 30 June 2021.

NOTE 16: REMUNERATION OF AUDITORS

	Consolidated	
	2021	2020
	\$	\$
Audit and review services	33,500	30,000
	<u>33,500</u>	<u>30,000</u>

NOTE 17: CONTINGENCIES

Contingent liabilities

There were no contingent liabilities for termination benefits under service agreements with Directors or executives at 30 June 2021 (2020: nil).

The Directors are not aware of any contingent liabilities at 30 June 2021 (2020: nil).

NOTE 18: COMMITMENTS FOR EXPENDITURE

Mineral tenements

In order to maintain the mineral tenements in which the group is involved, the group is committed to fulfill 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	
	2021	2020
	\$	\$
Exploration commitments		
Within 1 year	20,746	161,140
Within 2 to 5 years	529,914	-
Beyond 5 years	-	-
	<u>559,660</u>	<u>161,140</u>

These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

NOTE 19: RELATED PARTIES

(a) Remuneration and retirement benefits

Information on remuneration of Directors for the financial year is disclosed in Note 15 and in the remuneration report in the directors' report.

(b) Other transactions of Directors and Director-related entities

Anax Minerals Limited, a company of which P Jackson is a director provided office facilities and overheads to Xantippe to the value of \$53,269 (2020: \$55,307) by means of a Facilities agreement. At 30 June 2021, Anax was owed NIL (2020: \$25,720).

Mr Greg Cunnold provides consultancy services to Xantippe at an agreed fee of \$5,000 per month. The agreement was entered into on the 15 February 2020 and renewed on the 15 February 2021. Mr Greg Cunnold was paid \$60,000 inclusive of superannuation for the financial year ended 30 June 2021.

NOTE 19: RELATED PARTIES (*continued*)

(c) Transactions of Directors and Director-related entities concerning shares and share options

Details of transactions of Directors and Director-related entities concerning shares and share options are set out in the remuneration report in the directors' report.

NOTE 20: FINANCIAL RISK MANAGEMENT

The group, in its normal course of business, is exposed to financial risks comprising market risk (essentially interest rate risk), credit risk and liquidity risk.

The directors have overall responsibility for the group's management of these risks and seek to minimise these risks through on-going monitoring and review of the adequacy of the risk management framework in relation to the risks encountered by the group.

Market risk

The group's market risk exposure is to the Australian money market interest rates in respect of its cash assets. The risk is managed by monitoring the interest rate yield curve out to 90 days to ensure a balance is maintained between the liquidity of its cash assets and interest rate return.

The weighted average rate of interest earned by the group on its cash assets during the year was 0.02% (2020: 0.16%).

The table below summarises the sensitivity of the group's cash assets to interest rate risk. The group has no interest rate risk associated with any of its other financial assets or liabilities.

Financial Assets	Effect of decrease or increase of interest rate on profit and equity of the Group			
	-1%		+1%	
	Profit \$	Equity \$	Profit \$	Equity \$
CONSOLIDATED				
30 June 2021				
Total increase/(decrease)	(10,012)	(10,012)	10,012	10,012
30 June 2020				
Total increase/(decrease)	(6,687)	(6,687)	6,687	6,687

Liquidity risk

The group has no significant exposure to liquidity risk as the group's only debt is that associated with trade creditors in respect of which the group's policy is to ensure payment within 30 days. The group manages its liquidity by monitoring forecast cash flows.

Credit risk

The group's only exposure to credit risk arises from its cash deposits at the bank. The group manages this minimal exposure by ensuring its funds are deposited only with major banks with high security ratings.

Exposure to credit risk

	Consolidated	
	2021 \$	2020 \$
Other receivables	31,733	109,139
Cash and cash equivalents	271,040	1,817,640

NOTE 20: FINANCIAL RISK MANAGEMENT (*continued*)

Fair value estimates

The carrying amount of the group's financial assets and liabilities approximates fair value due to their short-term maturity.

Capital management risk

The group's objective in managing capital is to safeguard its ability to continue as a going concern, so that it can continue to explore for minerals with the ultimate objective of providing returns for shareholders whilst maintaining an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may issue new shares, sell assets, or farm out joint venture interests in its projects.

NOTE 21: EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

On 23 August 2021, the Company advised it will undertake a pro-rata non-renounceable entitlements issue of Shares and Options to existing shareholders (**Rights Issue**) to raise up to \$2,037,282 before costs. The capital raise is fully underwritten by Pulse Markets Pty Ltd.

Under the Rights Issue, eligible shareholders are entitled to subscribe for one (1) new Share for every four (4) Shares held at a price of \$0.002 per Share together with one (1) free attaching Option for every three (3) Shares subscribed for.

The Options are exercisable at \$0.0035 and have an expiration date of three years from the date of issue. The Company will seek to have the options listed on ASX subject to the Listing Rules.

Funds raised under the Rights Issue will be used to

- provide working capital for the ongoing expansion of the Company's operations, including the development of future business development and corporate objectives in line with the Company's existing operations.
- fund the costs of the Rights Issue.

As announced on 28 September 2021, the Rights Issue offer closed on 24 September 2021, and \$851,868 has been received and held in trust from shareholders pending issue of securities on 30 September 2021. The shortfall of \$1,185,413 is fully underwritten by Pulse Markets Pty Ltd, and allocation of the shortfall shares and options is expected to occur no later than the week ending 8 October 2021.

No other matters or circumstances have arisen after the end of the financial year which significantly affected or could significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

NOTE 22: SEGMENT INFORMATION

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operated as two segments, which are mineral exploration and evaluation within Australia and South Korea, until the South Korean entity was disposed of on the 8th of February 2021.

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

No operating revenue was derived during the year (2020: nil).

NOTE 22: SEGMENT INFORMATION (continued)

	Australia \$	South Korea \$	Consolidated \$
Year Ended 30 June 2021			
Sales to external customers	-	-	-
Other revenue/income	286,415	4,439	290,854
Total segment revenue	286,415	4,439	290,854
Segment result from continuing operations before tax	(1,627,878)	(47,808)	(1,675,686)
As at 30 June 2021			
Segment assets	316,949	-	316,949
Segment liabilities	(88,429)	-	(88,429)

	Australia \$	South Korea \$	Consolidated \$
Year Ended 30 June 2020			
Sales to external customers	-	-	-
Gain on sale of mining tenements	-	-	-
Other revenue/income	48,315	53,131	101,446
Total segment revenue	48,315	53,131	101,446
Segment result from continuing operations before tax	(2,479,027)	(324,452)	(2,803,479)
As at 30 June 2020			
Segment assets	1,914,568	61,108	1,975,676
Segment liabilities	139,829	67,517	207,346

NOTE 23: EARNINGS PER SHARE

	Consolidated	
	2021 \$	2020 \$
Reconciliation of loss		
Loss used in calculating earnings per share – basic and diluted	(1,675,766)	(2,804,063)
Net loss for the reporting period	(1,675,766)	(2,804,063)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	4,068,154,146	842,958,672
Basic earnings per share (cents per share)	(0.04)	(0.14)
Diluted earnings per share (cents per share)	(0.04)	(0.14)

NOTE 24: CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

	Country of Incorporation	Percentage Owned	
		2021	2020
Parent Entity:			
Xantippe Resources Limited	Australia	-	-
Subsidiaries of Peninsula Mines Ltd:			
Dawn Metals Pty Ltd	Australia	100%	100%
Korean Resources Pty Ltd	Australia	22.5%*	100%
Slipstream Pty Ltd	Australia	100%	100%
Suyeon Mining Company Limited	South Korea	22.5%*	100%
Korea Graphite Company Limited	South Korea	22.5%*	100%

The group's registered office is located on Ground Floor, 20 Kings Park Road, West Perth, Western Australia.

*The group lost control of the South Korean subsidiaries on 08 Feb 2021. Refer to Note 2.

NOTE 25: PARENT ENTITY DISCLOSURES

(a) Financial Position

	2021 \$	2020 \$
Assets		
Current assets	302,773	2,531,888
Non-current assets	14,176	25,178
Total assets	<u>316,949</u>	<u>2,557,066</u>
Liabilities		
Current liabilities	88,429	139,829
Total liabilities	<u>88,429</u>	<u>139,829</u>
Equity		
Issued capital	26,612,658	26,514,582
Reserves	5,174,334	5,136,534
Retained earnings	(31,558,472)	(29,233,879)
Total equity	<u>228,520</u>	<u>2,417,237</u>

(b) Financial Performance

Loss for the year	(2,324,593)	(2,154,572)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(2,324,593)</u>	<u>(2,154,572)</u>

(c) Guarantees entered into by the parent entity in relation to the debts of its subsidiary

Xantippe Resources Limited has not entered into any guarantees in relation to the debts of its subsidiary.

(d) Contingent liabilities of the parent

The parent entity did not have any contingent liabilities as at 30 June 2021 (30 June 2020: nil).

NOTE 25: PARENT ENTITY DISCLOSURES *(continued)*

(e) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2021 (30 June 2020: nil), the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

DIRECTORS' DECLARATION

The directors of the company declare that the financial statements and notes are in accordance with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

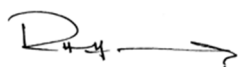
- a. comply with Australian Accounting Standards, which as stated in Note 1, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and
- b. give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date;

In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the directors in accordance with sections of 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Richard Henning
DIRECTOR
Perth, 29 September 2021

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INDEPENDENT AUDITOR'S REPORT To the Members of Xantippe Resources Limited

Opinion

We have audited the financial report of Xantippe Resources Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Exploration and evaluation expenditure Refer to Note 9 to the financial statements	
<p>The Group has expensed \$1,046,297 of exploration and evaluation expenditure of for the year ended 30 June 2021. This expenditure relates predominantly to exploration activities on its Southern Cross tenements.</p> <p>Exploration and evaluation expenditure was considered a key audit matter because it is the most significant expense item in the statement of comprehensive income and the judgments involved in applying the Group's policy for exploration and evaluation expenditure to determine whether the costs incurred are capital or not.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining a listing of tenements held by the Group and testing ownership on a sample basis; • Performing substantive testing on exploration expenditure on a sample basis; • Reviewing expenditure for any large or unusual items; • Assessing whether the Group's accounting policy for exploration and evaluation expenditure is in compliance with Australia Accounting Standards; and • Assessing the adequacy of the disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

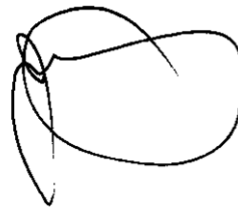
In our opinion, the Remuneration Report of Xantippe Resources Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'J A KOMNINOS'.

J A KOMNINOS
Partner

Perth, WA
Dated: 29 September 2021

RSM Australia Partners

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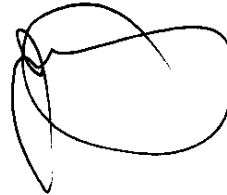
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Xantippe Resources Limited for the year ended 30 June 2021, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



J A KOMNINOS
Partner

Perth, WA
Dated: 29 September 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 27 August 2021

1. Number and Distribution of Equity Securities

The number and class quoted securities on issue:

ASX Code	Number	Description
XTC	4,074,564,402	Ordinary fully paid shares quoted

Distribution of equity securities:

Size of Holding	Number of Holders	Shares Held
1-1,000	38	8,162
1,001-5,000	65	223,869
5,001-10,000	55	423,108
10,001-100,000	293	14,799,049
100,001 and over	1,107	4,059,110,214
Total	1,558	4,074,564,402

Unmarketable parcel

There are 654 shareholders who hold less than a marketable parcel of 250,000 shares @ \$0.002 per share.

The number and class of unquoted securities on issue:

Number	Description
17,000,000	Options ex 2.4¢ expiring 9 November 2021
3,000,000	Options ex 1.0¢ expiring 13 June 2022
3,000,000	Options ex 1.5¢ expiring 13 June 2023
3,000,000	Options ex 0.778¢ expiring 13 June 2022
3,000,000	Options ex 1.167¢ expiring 13 June 2023
30,000,000	Options ex 0.4¢ expiring 11 August 2023
374,999,998	Options ex 0.5¢ expiring 11 August 2022
100,000,000	Options ex 2.6¢ expiring 30 January 2023

2. Substantial Shareholders

Shareholders who hold 5% or more of the issued capital of the Company as per substantial shareholder notices lodged with ASX are listed below.

Name	Number of Shares	%
MR GREGORY ROLLAND CUNNOLD + MS LARA CHERYL GROVES <STRATFORD A/C>	398,504,273	9.78

Unquoted Equity Security Holders with Greater than 20% of an Individual Class are listed below.

Name	Number of Class E Options (Exp 13/06/2022), Exercisable at \$0.00778	%
JLC CORPORATION PTY LTD <YU FAMILY A/C>	3,000,000	100
Name	Number of Class F Options (Exp 13/06/2023), Exercisable at \$0.01167	%
JLC CORPORATION PTY LTD <YU FAMILY A/C>	3,000,000	100
Name	Number of Options	%

(Exp 09/11/2021), Exercisable at \$0.024		
DALE ALLAN BRYAN <THE RAINBOW UNIT A/C>	3,412,500	20.07
Name	Number of Options (Exp 30/01/2023), Exercisable at \$0.0026	%
MR DALE ALLAN BRYAN <RAINBOW UNIT A/C>	42,156,500	42.16
JEMAYA PTY LTD <JH FEATHERBY SUPER FUND A/C>	24,718,500	24.72
Name	Number of Options (Exp 11/08/2022), Exercisable at \$0.005	%
DEUTSCHE BALATON AKTIENGESELLSCHAFT	83,333,350	22.22
Name	Number of Options (Exp 11/08/2023), Exercisable at \$0.004	%
MR RICHARD HENNING <RATHMORE S/F A/C>	14,000,000	38.89
HOLIHOX PTY LTD <PSR SUPER FUND A/C>	8,000,000	22.22
JLC CORPORATION PTY LTD <THE YCY SUPER FUND A/C>	8,000,000	22.22
Name	Number of Class C Options (Exp 13/06/2023), Exercisable at \$0.015	%
MR RICHARD HENNING <RATHMORE S/F A/C>	3,000,000	100
Name	Number of Class B Options (Exp 13/06/2022), Exercisable at \$0.01	%
MR RICHARD HENNING <RATHMORE S/F A/C>	3,000,000	100

3. Voting Rights

Ordinary Share

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

There are no voting rights attached to any class of options that are on issue.

SHAREHOLDER INFORMATION (Continued)

4. Twenty Largest Shareholders as at 27 August 2021

The twenty largest fully paid shareholders hold 52.01% of the issued capital and are tabled below:

Rank	Shareholder	No. of Shares	%
1	MR GREGORY ROLLAND CUNNOLD + MS LARA CHERYL GROVES <STRATFORD A/C>	398,504,273	9.78
2	SLIPSTREAM RESOURCES INTERNATIONAL PTY LTD <SLIPSTREAM CAPITAL A/C>	193,073,003	4.74
3	AURORA MINERALS LIMITED	171,295,270	4.20
4	DEUTSCHE BALATON AKTIENGESELLSCHAFT	166,666,700	4.09
5	PERTH SELECT SEAFOODS PTY LTD	150,000,000	3.68
6	BLUEDALE PTY LTD <COMB SUPER FUND A/C>	130,000,000	3.19
7	TWO TOPS PTY LTD	100,000,000	2.45
8	MR MOHAMMAD MANZUR MURSHED	95,726,355	2.35
9	CROFTBANK PTY LTD <WATTS FAMILY SUPER FUND A/C>	84,014,821	2.06
10	MR GEOFFREY DONALD COULTAS <THE COULTAS FAMILY A/C>	80,000,000	1.96
11	TARNEY HOLDINGS PTY LTD <DP & FL WADDELL FAMILY A/C>	80,000,000	1.96
12	JEMAYA PTY LTD <THE FEATHERBY FAMILY A/C>	73,875,000	1.81
13	LIGHTNING JACK PTY LTD <INDIGO FAMILY A/C>	66,542,382	1.63
14	BAYTOWN HOLDINGS PTY LTD <BAYTOWN INVESTMENT A/C>	65,000,000	1.60
15	MR WILLIAM TANNAHILL FLEMING	51,000,000	1.25
16	ACN 157 889 104 PTY LTD <JAGUAR SHARE TRADING A/C>	50,000,000	1.23
17	JORGENSON-WATTS PTY LTD <JORGENSON-WATTS FAMILY A/C>	45,506,169	1.12
18	MR RICHARD HENNING <RATHMORE S/F A/C>	43,119,689	1.06
19	TRADE HOLDINGS PTY LTD <K H & R M ALLISTER S/F A/C>	40,000,000	0.98
20	MR MICHAEL SANG YU	35,000,000	0.86
		2,119,323,662	52.01
Balance of Holders		1,955,240,740	47.99
Total Issued Shares		4,074,564,402	100.00

5. Securities Subject to Escrow

No securities are currently subject to any escrow provisions.

6. On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

7. Corporate Governance Statement

The 2021 Corporate Governance statement of Xantippe Resources Limited is available on the Company's website at <https://xantippe.com.au/the-company/corporate-governance/>

MINERAL TENEMENT INFORMATION AS AT 30 JUNE 2021

Western Australia

Project	Name	Status	Grant Date	Expiry Date	Current Area
Duketon EL	E77/2367	Live	5-Jul-17	4-Jul-22	23 BL
Caudin EL	E77/2584	Live	16-Dec-19	15-Dec-24	22 BL
Parker Range	E77/2609	Live	30-Mar-20	29-Mar-25	3 BL
Xantippe	P77/4365	Live	1-Dec-16	30-Nov-24	19HA
Roma / Alpine	P77/4366	Live	1-Dec-16	30-Nov-24	38HA
Mt Caudin	P77/4413	Live	24-Aug-17	23-Aug-21	188HA
Mt Caudin	P77/4414	Live	24-Aug-17	23-Aug-21	152HA
Mt Caudin	P77/4415	Live	24-Aug-17	23-Aug-21	199HA
Mt Caudin	P77/4416	Live	24-Aug-17	23-Aug-21	123HA
Marvel Loch North	P77/4433	Live	15-Sep-17	14-Sep-21	9HA
Toomey Wedge	P77/4434	Live	15-Sep-17	14-Sep-21	2HA
Kenny West	P77/4435	Live	15-Sep-17	14-Sep-21	10HA
Kenny West Wedge	P77/4436	Live	6-Oct-17	5-Oct-21	28HA
	P77/4439	Live	26-Sep-17	25-Sep-21	110HA
Mt Caudin	P77/4440	Live	26-Sep-17	25-Sep-21	160HA
Glendower	P77/4441	Live	1-Feb-18	31-Jan-22	189HA
Glendower	P77/4442	Live	26-Sep-17	25-Sep-21	141HA
Glendower	P77/4443	Live	1-Feb-18	31-Jan-22	200HA
Glendower	P77/4444	Live	26-Sep-17	25-Sep-21	140HA
Glendower	P77/4445	Live	26-Sep-17	25-Sep-21	194HA
Glendower	P77/4446	Live	26-Sep-17	25-Sep-21	200HA
Xantippe East	P77/4447	Live	26-Sep-17	25-Sep-21	87HA
Glendower	P77/4465	Live	15-Jan-19	14-Jan-23	137HA
Glendower	P77/4466	Live	26-Sep-17	25-Sep-21	96HA
Kelly Star	E77/2694	Live	23-Apr-21	22-Apr-26	4 BL
Burbidge	E77/2695	Live	08-Apr-21	07-Apr-26	2 BL
Northonopine	E77/2696	Live	08-Apr-21	07-Apr-26	27 BL
Catherine Mine	AM0581545	Pending			

The table above of Western Australian tenements are subject to an option agreement announced on 12 December 2019 and as amended on 20 July 2020. On 9 December 2020 the Company exercised its right to acquire the tenements and is currently progressing the transfer process.

MINERAL TENEMENT INFORMATION

(as at 30 June 2021)

SMCL – 22.5% subsidiary Suyeon Mining Company Limited

SOUTH KOREA

KGCL – 22.5% subsidiary Korea Graphite Company Limited

Deposit	Mine Land Ledger No.	Mining Right No.	XTC Holding %	*Grant/Application Date	Title Expiry	Notes
Granted Tenements						
Daewon	Yangdeokwon50-2	200917	22.5%	24-July-2017	12-Sep-24	SMCL was granted the title on 13 Sep 2017. On 18 June 2018 the Company transferred the title to KGCL. The Company has up to 6 years to complete the minimum exploration requirements and define a Mineral Resource** at the Daewon Project.
Eunha	Hongseong106-2	201098	22.5%	30-Nov-2018	30-Nov-2025	SMCL was granted an Exploration Right over this block on the 10 October 2018 and completed the final steps on the tenement registration process on 30 November 2018. The Company is in the process of transferring the tenement to KGCL.
Eunha	Hongseong97-4	201101	22.5%	11-Dec-2018	10-Dec-2025	SMCL was granted an Exploration Right over this block on the 10 October 2018 and completed the final steps on the tenement registration process on 30 November 2018. The Company is in the process of transferring the tenement to KGCL.
Eunha	Hongseong107-1	201010	22.5%	15-May-2018	14-May-25	SMCL was granted an Exploration Right over this block on the 15 May 2018. On the 18 June 2018 the Company transferred the tenement to KGCL. The Company lodged a Prospecting Plan on 30 May 2018 and has until 29 May 2021 to lodge a drilling report confirming that the Company has completed at least 50% of the required prospecting works. The Company can then be granted a further 3 years to complete the minimum required drilling work and define a Mineral Resource**.
Eunha	Hongseong107-2	201010	22.5%	15-May-2018	14-May-25	SMCL was granted an Exploration Right over this block on the 15 May 2018. On the 18 June 2018 the Company transferred the tenement to KGCL. The Company lodged a Prospecting Plan on 30 May 2018 and has until 29 May 2021 to lodge a drilling report confirming that at least 50% of the required prospecting works were complete. The Company can then be granted a further 3 years to complete the minimum required drilling work and define a Mineral Resource**.
Gapyeong	Gapyeong 125-3	201038	22.5%	26-July-2018	25-July-2025	SMCL was granted an Exploration Right over this block on the 26 July 2018. On the 5 September 2018 the Company transferred the tenement to KGCL. The Company has to lodge a Prospecting Plan by 25 July 2019. The Company will then have 3 years to lodge a drilling report confirming that at least 50% of the required prospecting works were completed in order to be granted a further 3 years**.

Deposit	Mine Land Ledger No.	Mining Right No.	XTC Holding %	*Grant/Application Date	Title Expiry	Notes
Gapyeong	Gapyeong 124-4	201099	22.5%	25-November-2018	30-Nov-2025	SMCL was granted an Exploration Right over this block on the 1 October 2018 and completed the final steps on the tenement registration process on 25 November 2018. The Company is in the process of transferring the tenement to KGCL.
Ilweol	Dogyedong 72	200954	22.5%	24-November-2017	23-Nov-2024	SMCL was granted an Exploration Right over this block on the 24 November 2017. The Company has until 23 November 2018 to file a Prospecting Plan with the Local Government Office for the grant of a 6-year period for exploration over the title block.
Ilweol	Dogyedong 82	200998	22.5%	16-March-2018	15-March-2025	SMCL was granted an Exploration Right over this block on the 16 March 2018. The Company has until 15 March 2019 to file a Prospecting Plan with the Local Government Office for the grant of a 6-year period for exploration over the title block.
Ilweol	Dogyedong 81	201233	22.5%	03-Feb-2020	03-Feb 2027	SMCL has 1 year from the date tax paid to file a Prospecting Plan with the Local Government Office for the grant of a 6 year period for exploration over the title block.
Palgong & Baegun	Osu 23	200471	22.5%	17-Dec-14	14-Dec-21	Granted to SMCL on the 17 December 2014. Exploring Plan lodged with the Ministry of Trade Industry and Economics 15 December 2015. SMCL has until 5 th December 2018 to complete 50% of proposed drilling work and file a report to obtain a 3-year extension of the title.
Ubeong	Hyeondong 59	200861	22.5%	26-April-2017	25-April-24	SMCL was granted the title on 26 April 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 7 March 2021 to apply for a further 3-year extension.
Ubeong	Hyeondong 60	200862	22.5%	26-April-2017	25-April-24	SMCL was granted the title on 26 April 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 7 March 2021 to apply for a further 3-year extension.
Ubeong	Hyeondong 69	200863	22.5%	26-April-2017	25-April-24	SMCL was granted the title on 26 April 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 7 March 2021 to apply for a further 3-year extension.
Ubeong	Hyeondong 70	200940	22.5%	25-August-2017	24-Aug-24	SMCL was notified of the Ministry's intention to grant an Exploration Right over this block for Zn, Pb & Ag exploration on the 25 August 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 11 August 2021 to apply for a further 3-year extension.

Deposit	Mine Land Ledger No.	Mining Right No.	XTC Holding %	*Grant/Application Date	Title Expiry	Notes
Ubeong	Hyeondong 70-1	200969	22.5%	30-December-2017	29-Dec-2024	The Company filed a Prospecting Plan on 29 Dec 2018. The company will have up to 6 years to complete the required mineral exploration work and define a Limestone Mineral Resource over this sub-block.
Ubeong	Hyeondong 68	201052	22.5%	7-August-2018	6-Aug-2025	SMCL has until 6 August 2019 to file a Prospecting Plan. The company will then have up to 6 years to complete the required mineral exploration work and define a Limestone Mineral Resource over this sub-block.
Ubeong	Hyeondong 78	200941	22.5%	25-August-2017	24-Aug-2024	SMCL was notified of the Ministry's intention to grant an Exploration Right over this block for Zn, Pb & Ag exploration on the 25 August 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 11 August 2021 to apply for a further 3-year extension.
Wolmyeong	Cheongsan 69-2	200812	22.5%	20-Dec-17	19-Dec-2023	SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required exploration works by 7 December 2020 to apply for a further 3-year extension.
Wolmyeong	Cheongsan 69-4	200812	22.5%	20-Dec-17	19-Dec-23	SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required exploration works by 7 December 2020 to apply for a further 3-year extension.
Wolmyeong	Cheongsan 79-2	200813	22.5%	20-Dec-17	19-Dec-23	SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required exploration works by 7 December 2020 in order to apply for a further 3-year extension.
Wolmyeong	Cheongsan 79-4	200813	22.5%	20-Dec-17	19-Dec-23	SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required exploration works by 7 December 2020 in order to apply for a further 3-year extension.
Wolmyeong	Cheongsan 89-1	200814	22.5%	20-Dec-17	19-Dec-23	SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to KGCL. The Company filed a prospecting report on 8 December 2017.

Deposit	Mine Land Ledger No.	Mining Right No.	XTC Holding %	*Grant/Application Date	Title Expiry	Notes
						The Company must complete 50% of the required exploration works by 7 December 2020 to apply for a further 3-year extension.
Yongwon	Eumseong 32-1	200811	22.5%	20-Dec-17	19-Dec-23	SMCL was granted an Exploration Right over this sub-block for graphite exploration on 20 December 2016. On the 18 June 2018 the Company transferred the tenement to KGCL. The Company filed a prospecting report on 27 September 2017. The Company must complete 50% of the required exploration works by 26 September 2020 in order to apply for a further 3-year extension.

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