



Xanadu Mines

**Creating value through
discovery in Mongolia**

Disclaimer & forward looking statements

Important notices

Nature of this document: The purpose of this presentation is to provide general information about Xanadu Mines Limited (the 'Company'). Unless otherwise stated herein, the information in this presentation is based on the Company's own information and estimates. In attending this presentation or viewing this document you agree to be bound by the following terms and conditions.

Not an offer: This presentation is for information purposes only and does not constitute or form any part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in the Company in any jurisdiction. This presentation and its contents must not be distributed, transmitted or viewed by any person in any jurisdiction where the distribution, transmission or viewing of this document would be unlawful under the securities or other laws of that or any other jurisdiction. This presentation is not considered a recommendation by the Company or any of its affiliates, directors or officers that any recipient invest in the Company nor does it constitute investment, accounting, financial, legal or tax advice.

Not financial product advice: This presentation does not take into account the individual investment objectives, financial situation and particular needs of each of the Company's Shareholders. You may wish to seek independent financial and taxation advice before making any decision in respect of this presentation. Neither the Company nor any of its related bodies corporate is licensed to provide financial product advice in respect of the Company's securities or any other financial products.

Forward-looking statements: Certain statements in the presentation are or may be "forward-looking statements" and represent the Company's intentions, projections, expectations or beliefs concerning, among other things, future operating and exploration results or the Company's future performance. These forward looking statements speak, and the presentation generally speaks, only at the date hereof. The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks and uncertainties, and are necessarily based on assumptions, which may cause the Company's actual performance and results in future periods to differ materially from any express or implied estimates or projections. It is recognised that it is common practice for a company to comment on and discuss its exploration in terms of target size and type. All statements contained in this presentation by the Company which refer to the potential quantity and grade of the target is accompanied by a detailed explanation of the basis for the statement. The potential quantity and grade for the target is conceptual in nature and, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

Disclaimer: No representation or warranty, express or implied, is made by the Company that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of the Company, its directors, officers, employees, advisers and agents expressly disclaims any responsibility for the accuracy, fairness, sufficiency or completeness of the material contained in this presentation, or any opinions or beliefs contained in this document, and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission there from. The Company is under no obligation to update or keep current the information contained in this presentation or to correct any inaccuracy or omission which may become apparent, or to furnish any person with any further information, unless required to do so by law. Any opinions expressed in the presentation are subject to change without notice. Recipients of this presentation should make their own, independent investigation and assessment of the Company its business, assets and liabilities, prospects and profits and losses, as well as the matters covered in this presentation. Independent expert advice should be sought before any decision based on an assessment of the Company is made.

Unverified information: This presentation may contain information (including information derived from publicly available sources) that has not been independently verified by the Company.

About Xanadu Mines

One of the pioneering explorers of Mongolia



- Advancing two large gold-copper porphyry districts;
- Proven explorer with track record of success;
- Experienced team with deep regional knowledge;
- Large strategic position in a world-class Cu-Au province;
- Growing gold-rich copper JORC resource base;
- Advanced projects with both scale and high-grade;
- Repeat discoveries set to extend resource;
- Mongolia back on the radar with investors & miners.

Corporate snapshot

Well positioned junior copper-gold explorer

Capital structure

Share price (1 May 2017)	A\$0.21
52w high	A\$0.26
52w low	A\$0.16
Issued shares	511.2m

Market capitalisation	A\$107.4m
------------------------------	------------------

Cash (31 Mar 2017)	A\$6.2m
--------------------	---------

Debt ¹	A\$3.6m
-------------------	---------

Enterprise value	A\$104.8m
-------------------------	------------------

1 - term loan due July 2017 (US\$2.7m)



Experience Directors

Mark Wheatley

Non-Executive Chairman

Experienced resources company CEO and director with more than 30 years in mining and related industries. Previous director roles have included Chair of Gold One International, Norton Goldfields & Goliath Gold. Directorships of St Barbara Mines & Uranium One.

Andrew Stewart

Managing Director & Chief Executive Officer

Geologist with over 15 years' experience in minerals exploration primarily focused on project generation and evaluation and development of exploration strategies throughout Asia and Eastern Europe. Senior technical and management positions at Ivanhoe & Vale.

Ganbayar Lkhagvasuren

Executive Director

Co-founder of Xanadu and Director since 2006. Joint venture partner in Mongol Metals LLC and brings a vital Mongolian perspective to the Board of Directors. Responsible for day-to-day operations in Mongolia.

Darryl Clark

Independent Non-Executive Director

Exploration geologist with over 20 years' experience throughout Australia, Central Asia and South East Asia. Previous corporate roles with both Vale and BHP Billiton. Responsible for business development strategies and the coordination of discovery events.

Barry Lavin

Independent Non-Executive Director

Mining engineer with 18 years' experience with the Rio Tinto Group. Previous executive roles with the Copper Group and Global Technical Services. Currently a non-executive director of Barminto Ltd, and is Managing Director of Teviot Resources.

Hannah Badenach

Non-Executive Director

Director Mongolia at Noble Resources International Pte Ltd Head of Mongolia and Asian/Middle East base metals at Noble Resources International Pte Ltd. Extensive Mongolian, commercial and business development experience across a broad range of commodities.

Marcus Engelbrecht

Non-Executive Director

Well-rounded senior mining executive with more than 30 years industry experience. Spent 20 years with BHP Billiton and more recently was MD and CEO of a London listed gold miner operating in Indonesia. He has worked in various emerging markets across the globe, including in Africa and South East Asia.

Creating value through discovery

Targeting world class Cu-Au discoveries in Mongolia

Our Vision

To be Mongolia's premier copper & gold exploration company.

Our Mission

Create value through the discovery of globally significant Cu & Au deposits.

Key drivers for our business model

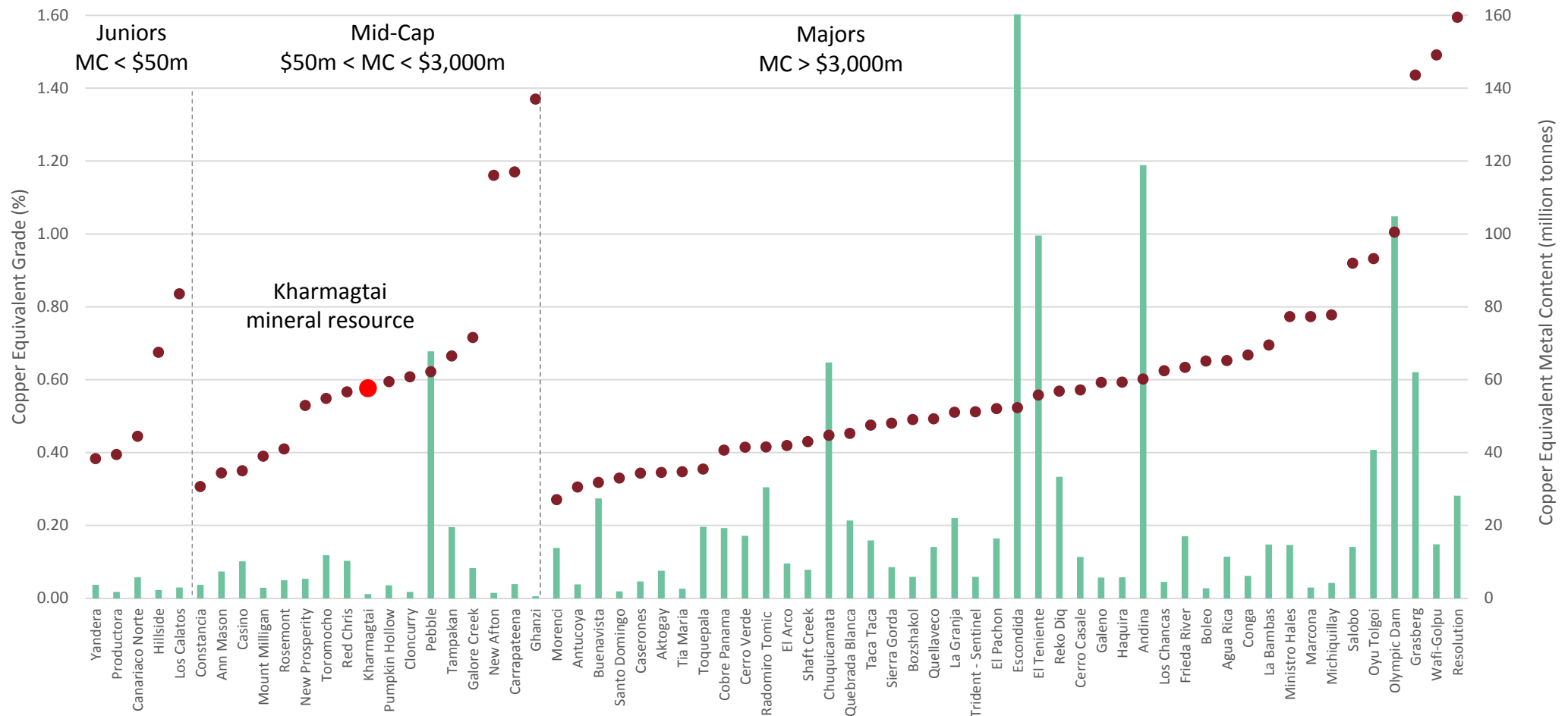
Clear drivers for Xanadu's project generation model



- Decade long decline in discovery rates of copper & gold:
 - May equate to 5 Mt of Cu & 60 MOz Au per year short fall
- Major decline in exploration spend of last decade:
 - Exploration teams disbanded
 - Fewer new exploration projects
- Improving copper & gold price outlook:
 - Money starting to flow into new M&A
- Aggressive counter cyclic project generation program has delivered projects:
 - Positioned to deliver shareholder value creation via discovery
- Demand for quality exploration projects & discoveries.

Scarcity of quality copper projects

Large copper deposits are controlled by the majors



Source: SNL Mining & Metals. Terra Studio. MC = market capitalisation. Cu Eq. calculations only use copper, molybdenum, gold and silver content.

Metal price assumptions: Cu \$2.50/lb, Mo \$6.00/lb, Au \$1,200/oz, Ag \$15/oz

Changing landscape in Mongolia

Mining & exploration industry plays a crucial role

Erdenet Copper Project



Oyu Tolgoi Copper-Gold Project



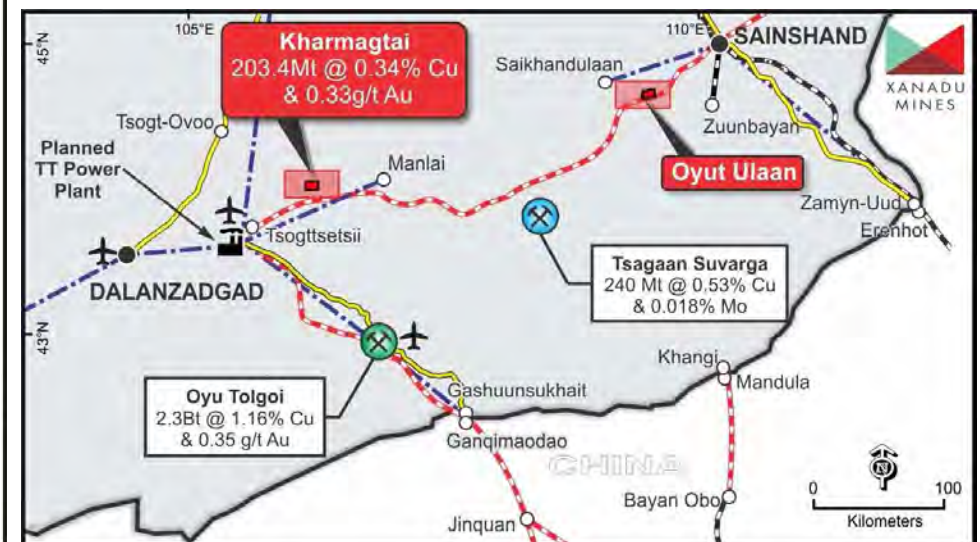
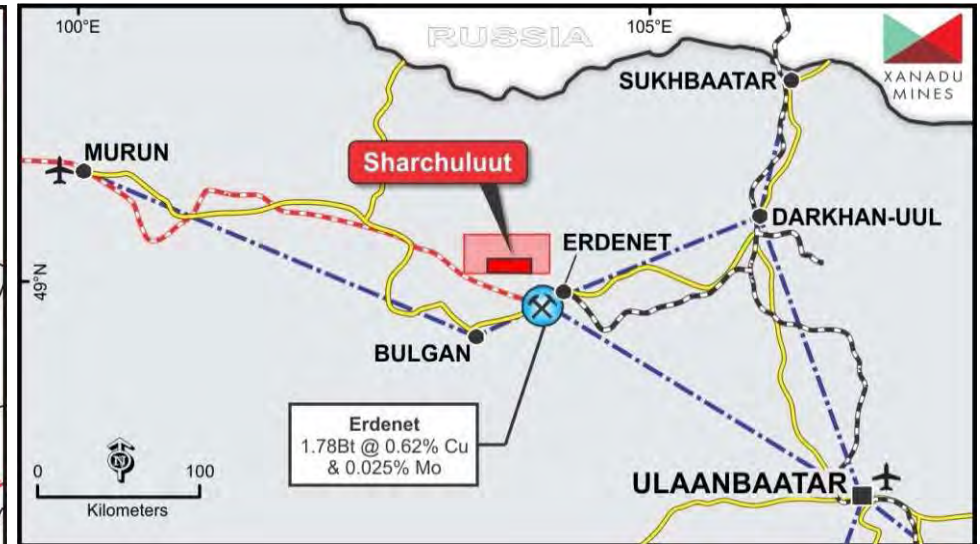
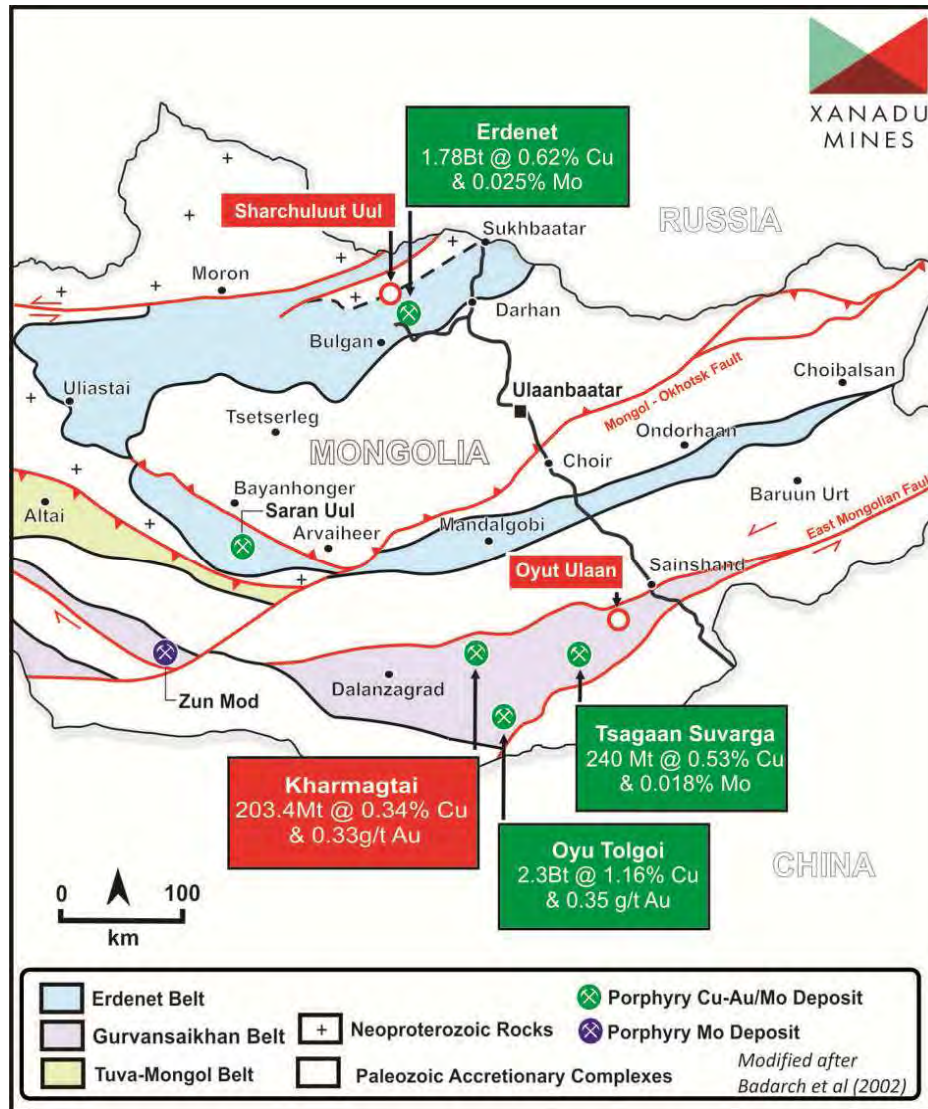
One of the last great exploration frontiers

A large mineral provinces on the new Silk Road



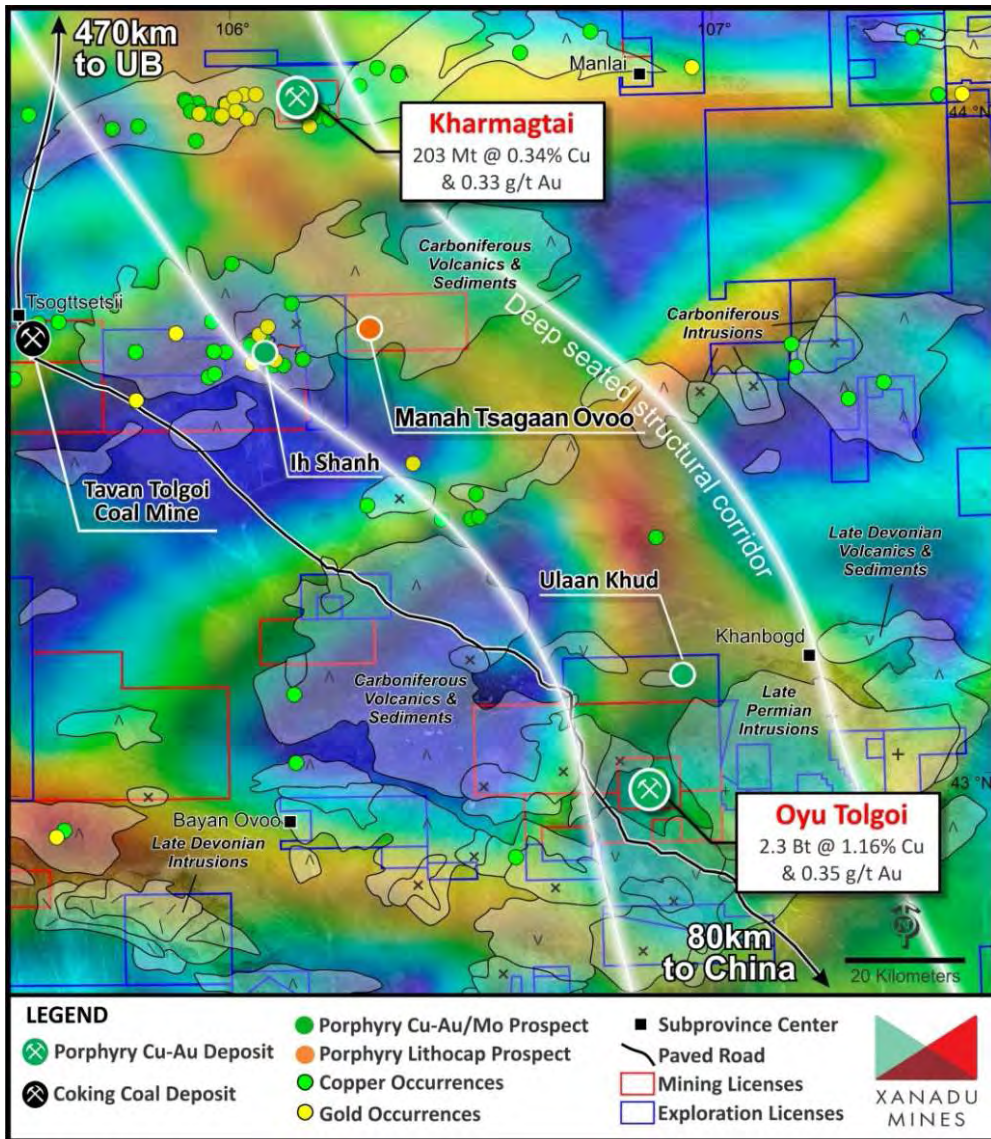
Highly mineralised & vastly underexplored

Proximity to infrastructure and the North Asia market



World class Oyu Tolgoi porphyry trend

World class mining district – significant potential



- Strategic footprint in Mongolia's pre-eminent copper porphyry trend;
- Close to significant deposits in development & production;
- Arc-transverse fault zone(s) control magmatism & porphyry mineralisation.

Large scale and crustal scale structural corridors identified via structural processing of regional gravity data .

Kharmagtai porphyry Cu-Au district

Unlocking the potential of the Kharmagtai district

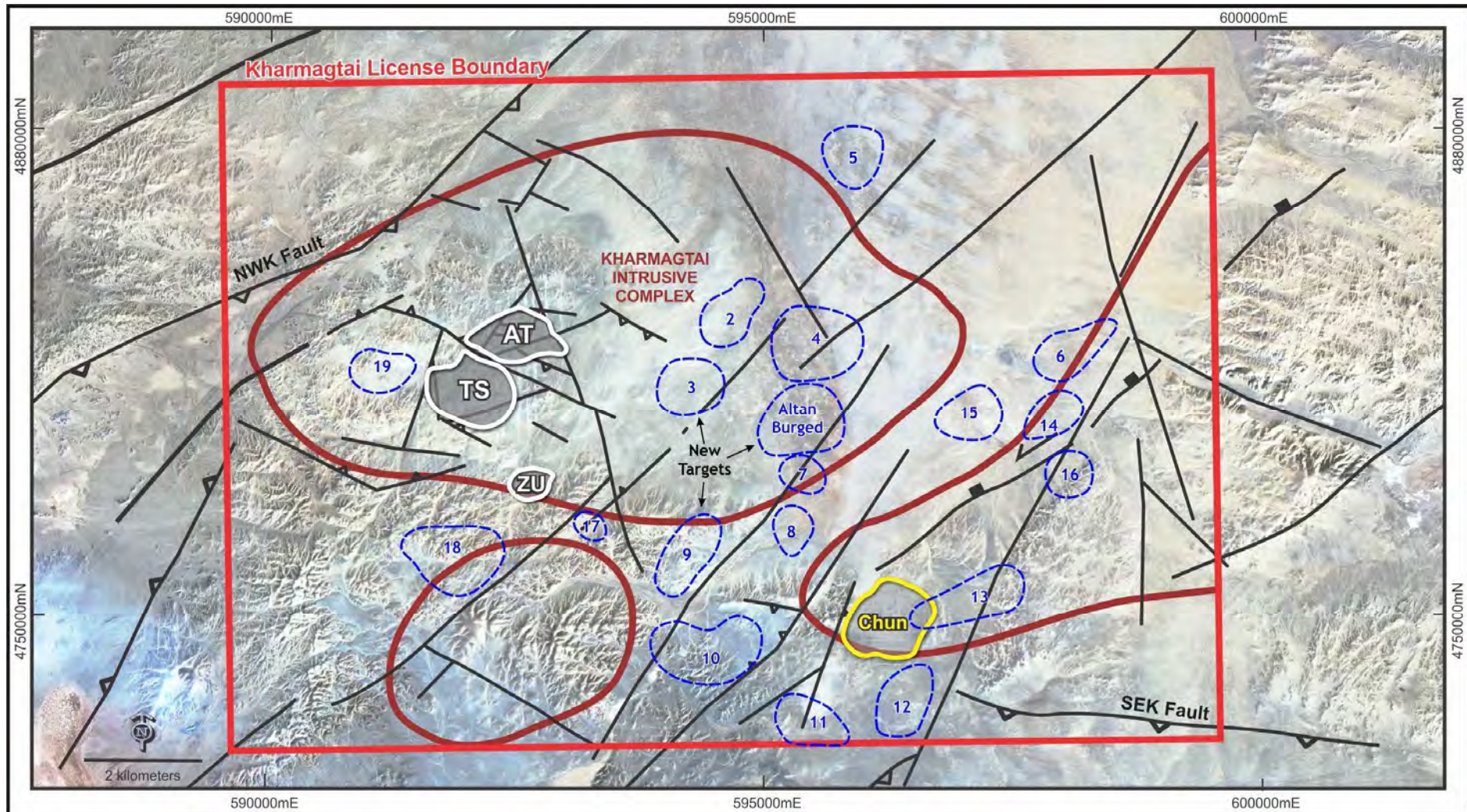
Altan Tolgoi

Zesen Uul

Tsagaan Sudal

Kharmagtai porphyry Cu-Au district

District with a cluster of outcropping porphyry deposits

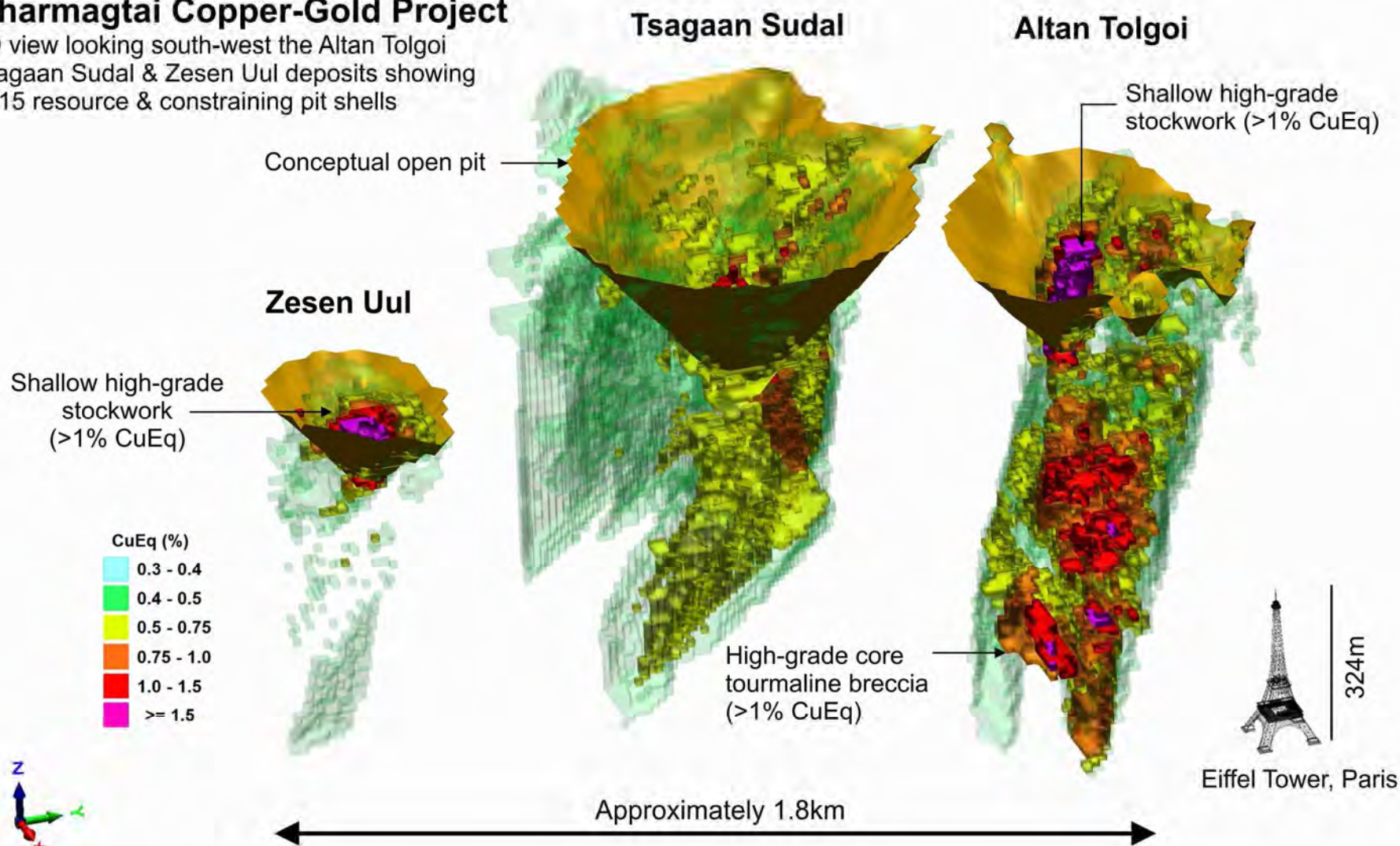


Kharmagtai porphyry Cu-Au district

Growing gold-rich copper resource base

Kharmagtai Copper-Gold Project

3D view looking south-west the Altan Tolgoi
Tsagaan Sudal & Zesen Uul deposits showing
2015 resource & constraining pit shells

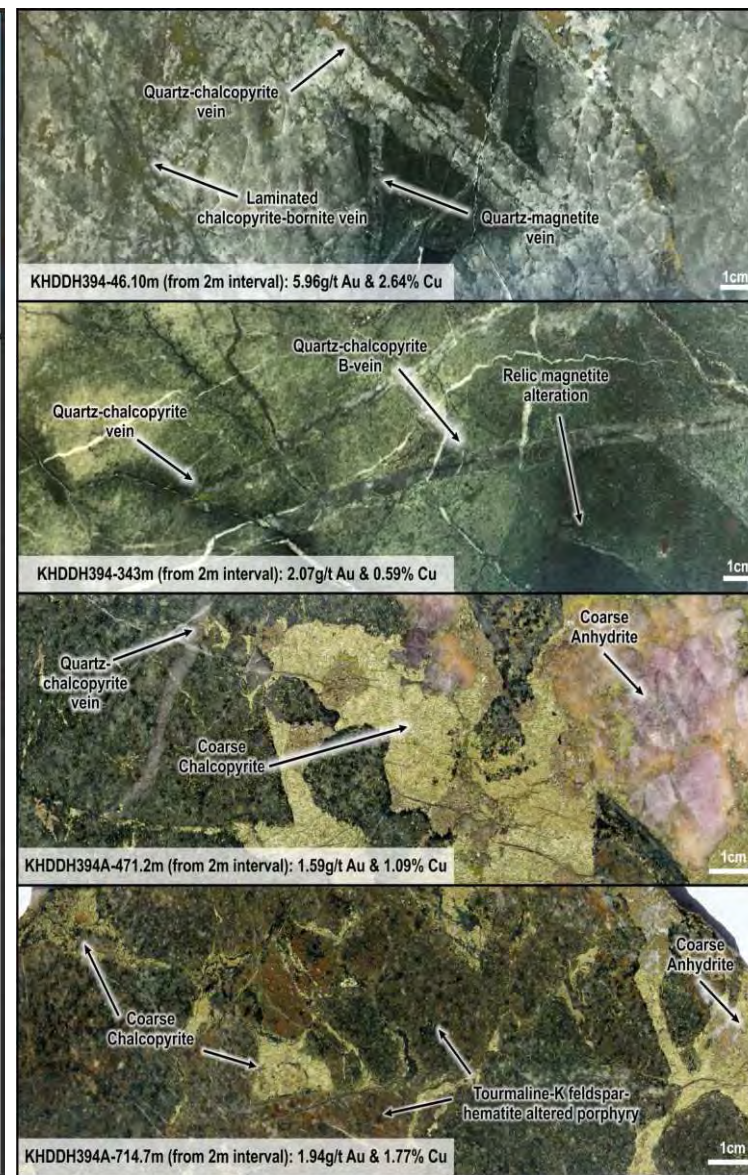
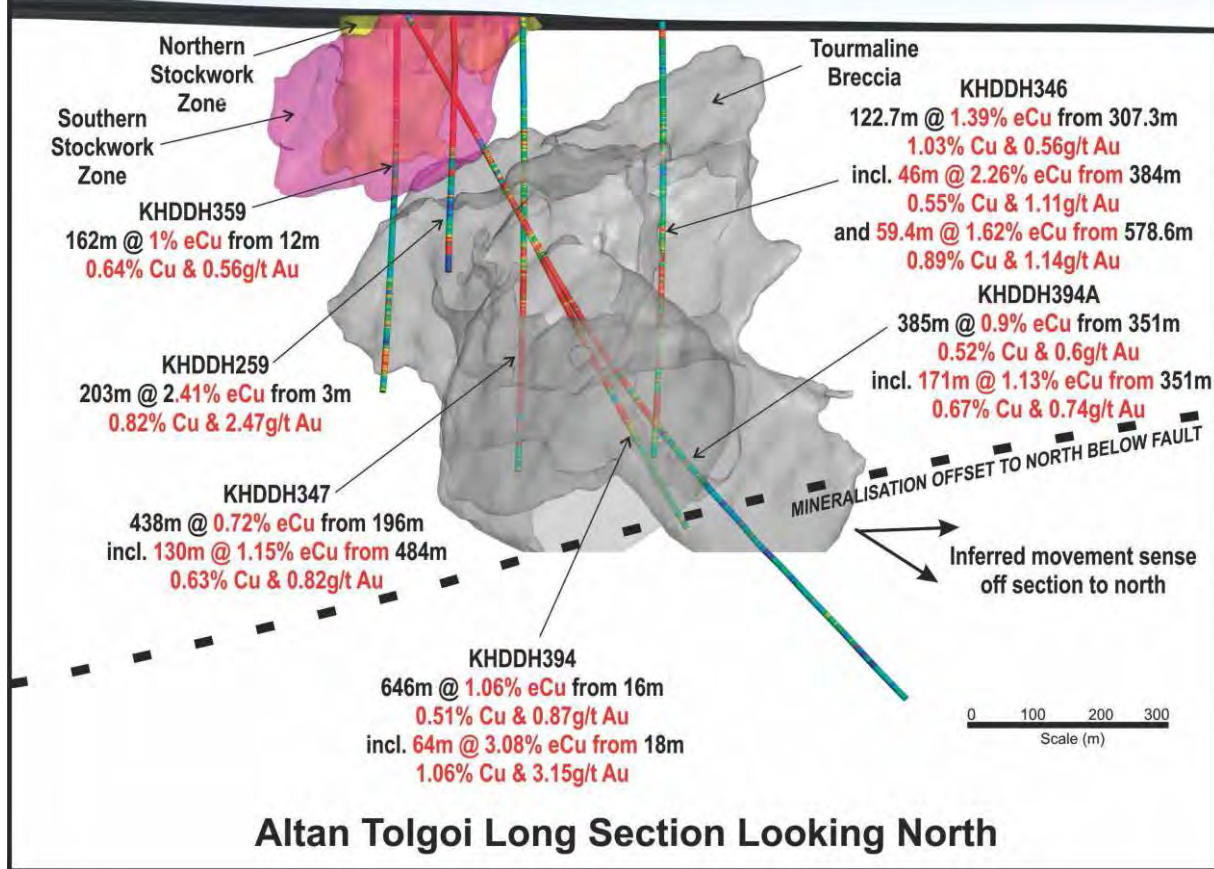


*ASX announcement dated 19 March 2015 "Kharmagtai Maiden JORC Resource."
Table 1 information dated 29 April 2016 continues to apply.

Kharmagtai porphyry Cu-Au district

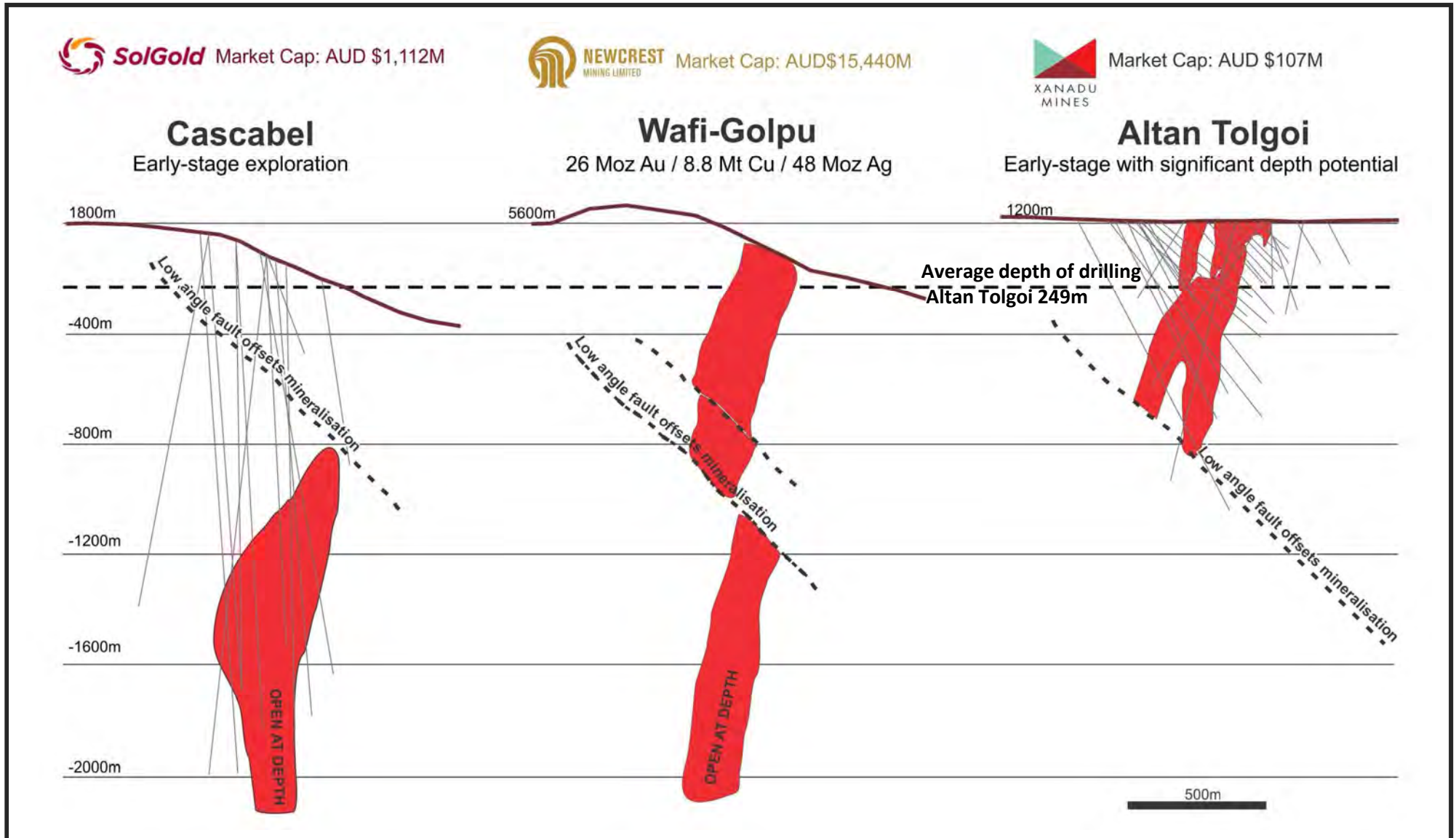
Latest drilling shows more extensive mineralisation

Where is the bornite core of this large system?



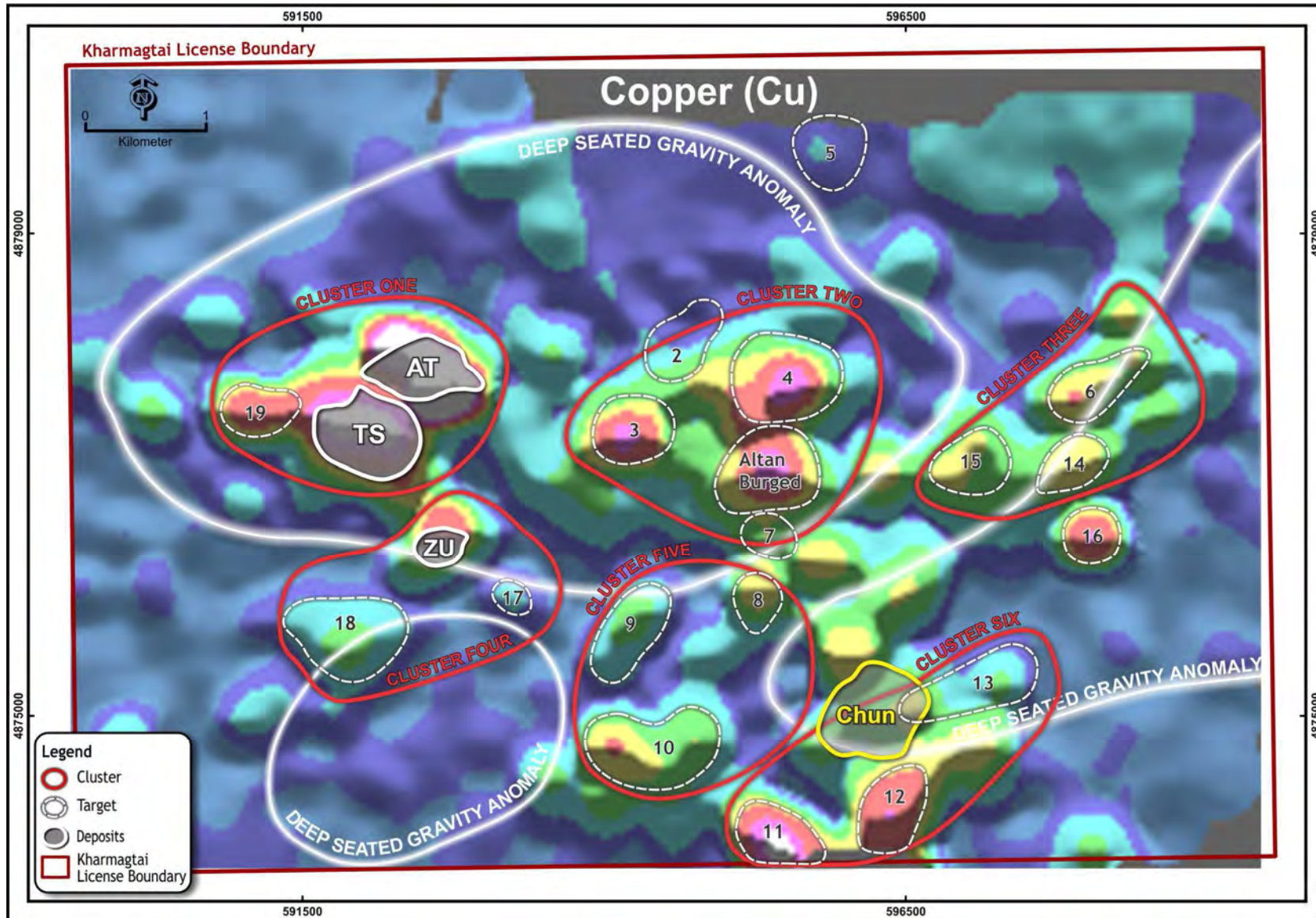
Global gold-rich porphyry peer comparison

Significant Depth Potential to Kharmagtai district



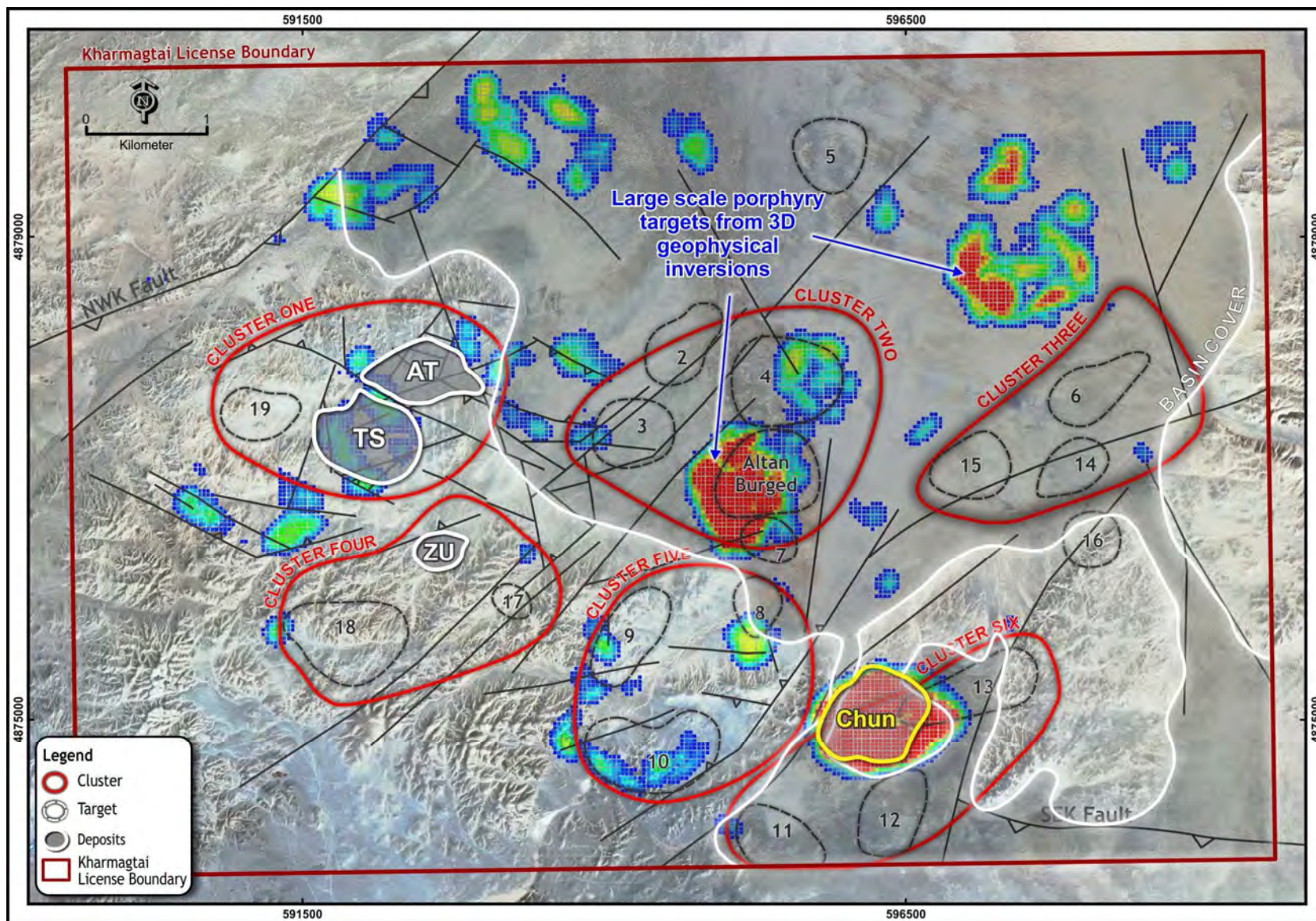
Kharmagtai porphyry Cu-Au district

Widespread near-surface mineralisation under cover



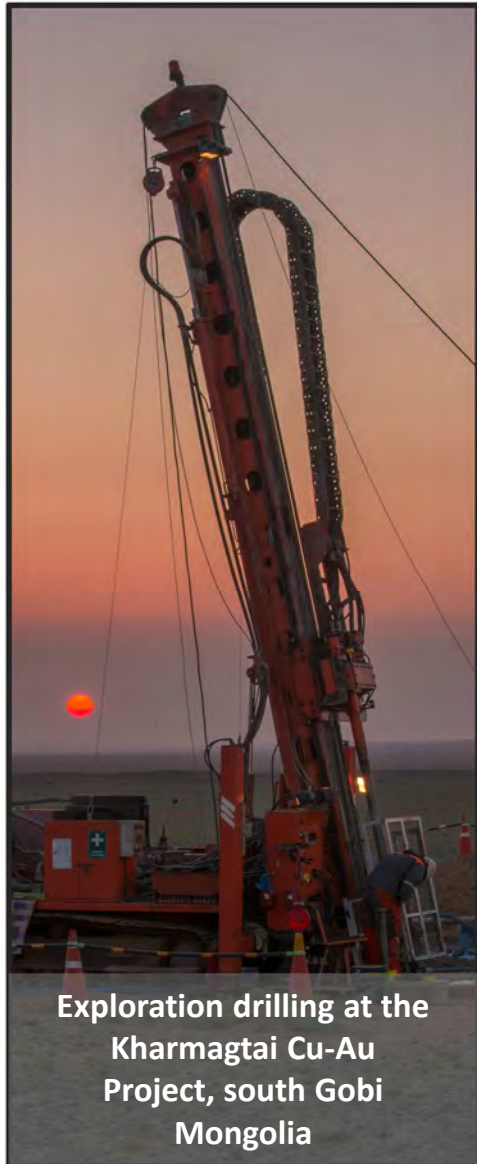
Kharmagtai porphyry Cu-Au district

Six potential porphyry clusters identified



Active exploration across multiple projects

Substantial activity over next 12 months



- Exploration programs across multiple district-scale projects;
- Drilling underway at Kharmagtai with dual focus;
- Shallow high-priority porphyry copper-gold and gold targets under-cover;
- Drill test tourmaline breccia mineralisation below Altan Tolgoi;
- Accelerated exploration program at Oyut Ulaan;
- Drill test all shallow high-priority porphyry copper-gold targets;
- Evaluate high-grade epithermal gold mineralisation.



For further information please visit
www.xanadumines.com or contact:

Dr Andrew Stewart

Managing Director & Chief Executive Officer

T: +976 70130211 M: +976 99999211

Andrew.stewart@xanadumines.com



Competent person statement

Kharmagtai Mineral Resource estimate: The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

The information in this presentation that relates to Mineral Resources is based on information compiled by Mr. Andrew J. Vigar, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Vigar is employed by Mining Associates Limited Hong Kong. Mr. Vigar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Competent Person" as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Vigar consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Exploration Results: The information in this presentation that relates to Exploration Results is based on information compiled by Dr. Andrew Stewart who is responsible for the exploration data, comments on exploration target sizes, QA/QC and geological interpretation and information, which is incorporated in the database that was provided to Mining Associates for undertaking the Resource estimate. Dr. Stewart is an employee of Xanadu and is a Member of the Australasian Institute of Geoscientists. Dr. Stewart has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as the "Competent Person" as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Dr. Stewart consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Copper equivalence: When used is calculated using the following formula: $CuEq = Cu(\%) + Au(g/t) * 0.6378$, based on a copper price of \$2.60/lb, and a gold price of \$1300/oz, with assumed recoveries of 90% for copper and 70.85% for gold.

For the purpose of ASX Listing Rules 5.7.1, Xanadu refers to its Table 1 disclosure dated 31 January 2017 which continues to apply as at the date of this presentation. Xanadu is not aware of any new information or data that materially affects the information included in that announcement.