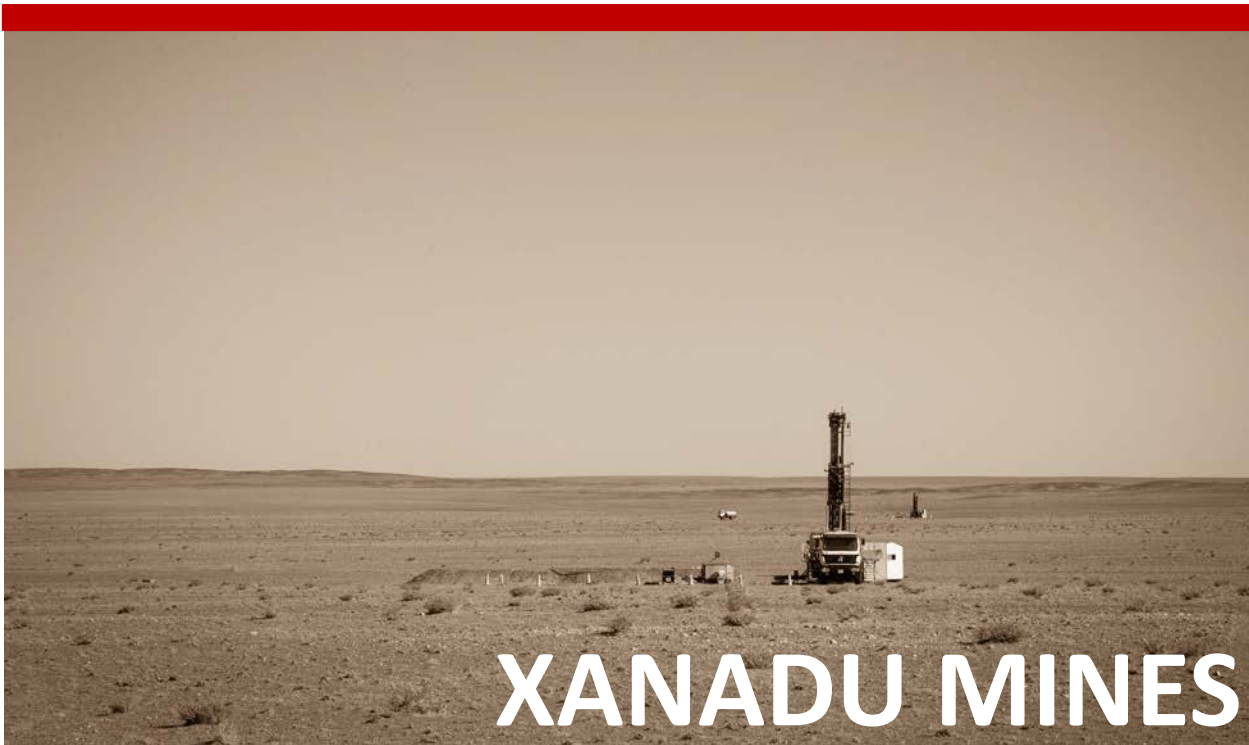




XANADU MINES



**XANADU MINES**

**121** MINING  
INVESTMENT

17-18 MAY 2018  
LONDON

## FORWARD LOOKING STATEMENTS

**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.

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**JORC:** The information in this report that relates to the exploration results previously reported in the ASX Announcements dated 30 April 2018. The Company is not aware of any new information or data that materially affects the information included in those relevant market announcements.



# UNIQUE INVESTMENT OPPORTUNITY

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## GLOBALY-SIGNIFICANT COPPER & GOLD DISCOVERY

KHARMAGTAI EMERGES AS ONE OF THE PREMIER UNDEVELOPED ASSETS GLOBALLY

---

## EASY DEVELOPMENT PATHWAY

SHALLOW RESOURCES CAPABLE OF PRODUCING LARGE AMOUNTS OF COPPER & GOLD

EASY ACCESS TO INFRASTRUCTURE AND SKILLED WORKFORCE AVAILABLE



## ESTABLISHED PORTFOLIO OF ADVANCED PROJECTS

MULTIPLE PORPHYRY COPPER-GOLD PROJECTS WITH GENUINE POTENTIAL

---

## EXPERIENCED BOARD & INCOUNTRY MANAGEMENT

HIGH-CALIBRE TEAM WITH A PROVEN RECORD OF DISCOVERY IN MONGOLIA & GLOBALLY



# SCARCITY OF SHALLOW COPPER DISCOVERIES

## VALUE AT THE DRILL BIT - 2ND BEST HOLE GLOBALLY 2017

### RIU: SIGNIFICANT DRILL INTERSECTIONS OF 2017



rank	country	company	project	status	commodity	date	hole	intersection	share price chg*	(AuEq.)m
1		<b>SolGold Plc. (DGR Global Ltd.)</b> (LSE)	Cascabel	Exploration		29-Jun	CSD-17-023R	1030m @ 0.59% Cu, 0.9g/t Au from 490m	3.4%	1802
2		<b>Xanadu Mines Ltd.</b> (ASX)	Kharmagtai	Resource definition		29-Mar	KHDDH394	646m @ 0.51% Cu, 0.87g/t Au from 16m	9.5%	1034
3		<b>Matsa Resources Ltd.</b> (ASX)	Red Dog	Exploration		1-Dec	17RDRCD77	6m @ 155g/t Au from 6m	4.2%	930
4		<b>Peel Mining Ltd.</b> (ASX)	Wagga Tank	Exploration		30-Oct	WTRC035	26m @ 25.45 % Zn, 9.92% Pb, 0.34% Cu, 215g/t Ag, 1.19g/t Au from 190m	42.6%	808
5		<b>Azure Minerals Ltd.</b> (ASX)	Sara Alicia	Exploration		27-Nov	DSA-03	26.2m @ 8.6g/t Au, 1.261% Co from 0.6m	0.0%	765
6		<b>Explaurum Ltd.</b> (ASX)	Tampia	Resource definition		7-Aug	THRC344	10m @ 72.94g/t Au from 61m	8.3%	729
7		<b>Middle Island Resources Ltd.</b> (ASX)	Sandstone	resource definition		14-Nov	MSDD156	508.3m @ 1.38g/t Au from 83.7m	14.3%	701
8		<b>Musgrave Minerals Ltd.</b> (ASX)	Cue	Resource definition		5-Sep	17MORC084	11m @ 54.0g/t Au from 217m	6.9%	594
9		<b>Ardea Resources Ltd.</b> (ASX)	KNP	Resource definition		4-Jul	AGSD0001	131m @ 0.10% Co, 1.06% Ni from 34m	16.1%	516
10		<b>Alliance Resources Ltd.</b> (ASX)	Wilcherry	exploration		3-Apr	17WDRCO17	14m @ 36.1g/t Au from 118m	15.1%	505

\*between close of trade the day prior to the announcement and open of trade the day after the announcement date.

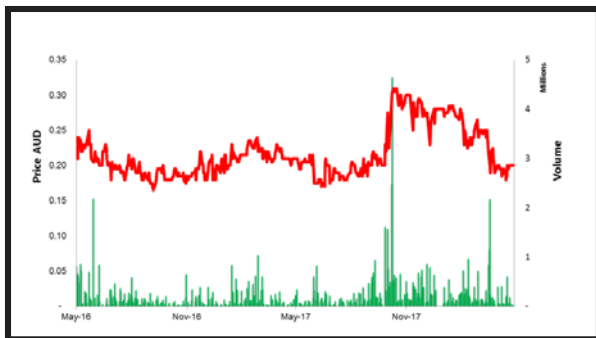
Source: RSC Mineral Intelligence email dated 3<sup>rd</sup> May 2018, intel@rscmme.com

## BUILDING STRONG FOUNDATION FOR GROWTH

### CAPITAL STRUCTURE

Share price (30 April 2018)	A\$0.20
52w range	A\$0.17-0.345
Issued shares	588.8m
<b>Market Capitalisation</b>	<b>A\$117.8m</b>
Cash (31 March 2018)	A\$5.1m
<b>Enterprise value</b>	<b>A\$112.7m</b>

### SHARE PRICE PERFORMANCE



### EXPERIENCED BOARD OF DIRECTORS

#### Kevin Tomlinson

Non-Executive Chairman

Experienced resources company CEO, director and financier with more than 30 years' experience within the Canadian, Australian and United Kingdom Stock markets. Previous development and production boards included Chairman of Medusa Mining (ASX, AIM, TSX) and NED on Centamin Plc (ASX, AIM, LSE, TSX) and Orbis Gold (ASX).

#### 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.

#### 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.

#### 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.

#### Hannah Badenach

Non-Executive Director

Director Mongolia and 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.

#### Michele Muscillo

Independent Non-Executive Director

Michele has practised exclusively in corporate law for the duration of his legal career and has extensive experience in mergers and acquisitions and capital markets transactions, including the negotiation of significant commercial contracts and agreements. His key areas of practice include Corporate Advisory and Governance, Mergers and Acquisitions, Capital Markets and Resources and Energy.

# SCARCITY OF SHALLOW COPPER DISCOVERIES

## GROWING DEMAND FOR NEW COPPER PROJECTS



Source: Company websites. CuEq. calculations only use copper and gold. Metal price assumptions: Cu \$2.6/lb, Au \$1,300/oz

\*ASX announcement dated 19 March 2015 "Kharmagtai Maiden JORC Resource".

\*ASX announcement dated 18 September 2014 "Kharmagtai exploration target upgraded".

# LAST GREAT EXPLORATION FRONTIERS

## LARGE MINERAL PROVINCES ON THE NEW SILK ROAD

World-class copper province

New Silk Road initiative

Fourth most endowed copper province globally

Highly mineralised & vastly underexplored

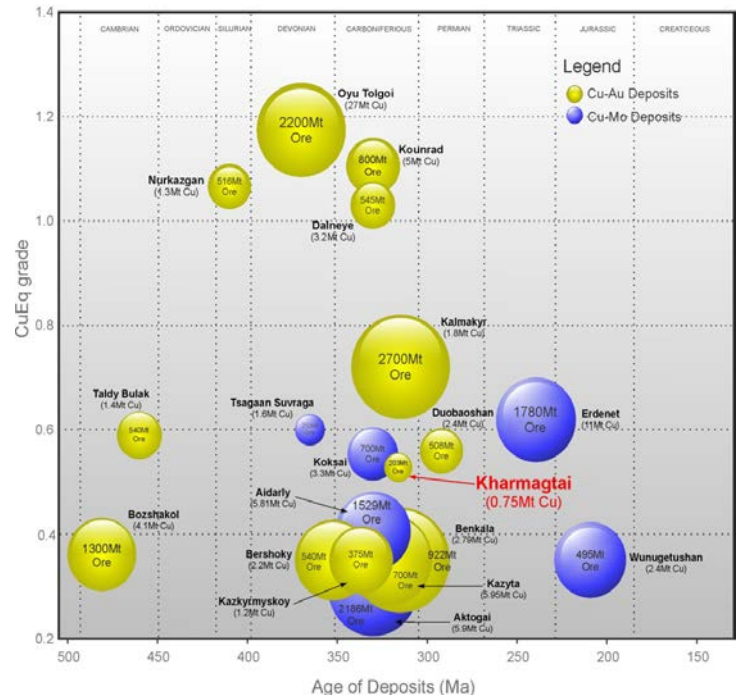
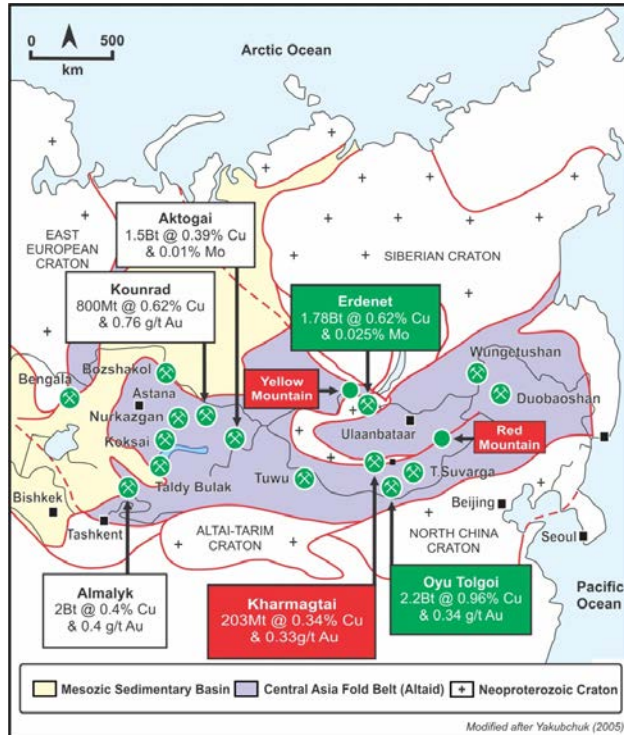
- Silk Road Economic Belt
- Railway connection
- Gas pipelines
- Oil Pipelines



# LAST GREAT EXPLORATION FRONTIERS

## LARGE MINERAL PROVINCES ON THE NEW SILK ROAD

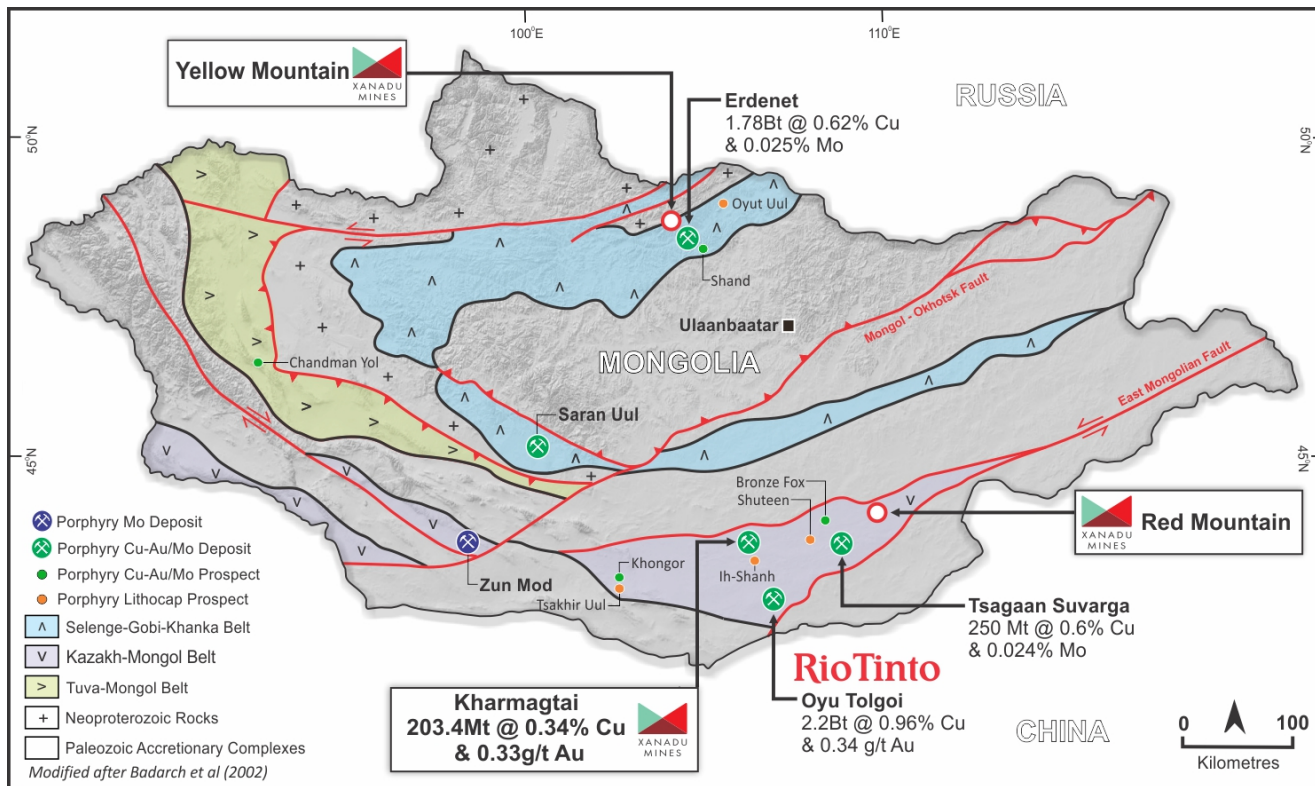
NUMEROUS HIGHLY MINERALISED & VASTLY UNDEREXPLORED PORPHYRY BELTS





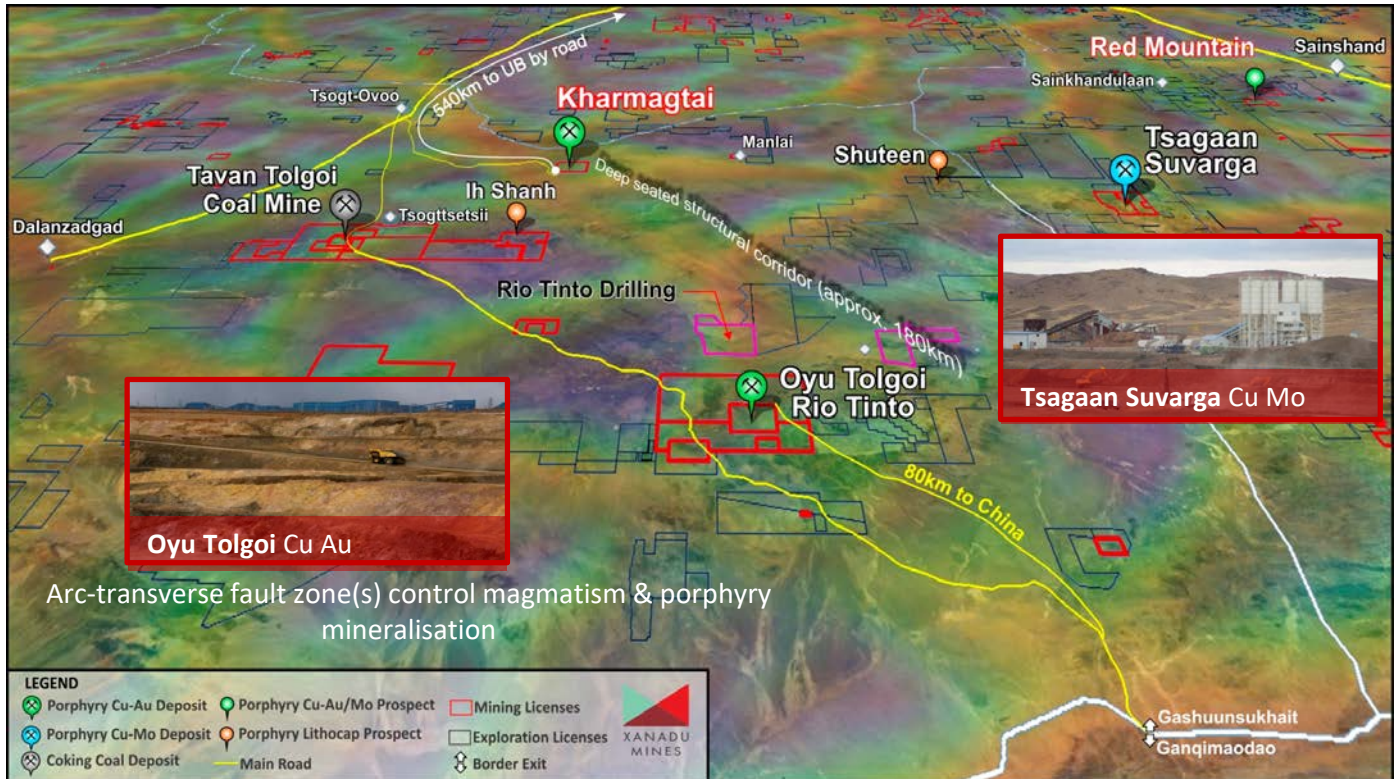
# MONGOLIAN PORPHYRY COPPER BELTS

## SIGNIFICANT UNTAPPED COPPER-GOLD POTENTIAL



# WORLD CLASS OYU TOLGOI PORPHYRY TREND

## ESTABLISHED COPPER PROVINCE WITH INFRASTRUCTURE



The background of the slide is an aerial photograph of a vast, arid, mountainous landscape. In the lower right quadrant, there is a small industrial or mining facility with several buildings and storage tanks. The sky is a gradient of orange and yellow, suggesting a sunrise or sunset. The text is overlaid on this image in white and red.

# **KHARMAGTAI PORPHYRY CU-AU DISTRICT**

## **LARGE DISTRICT-SCALE PORPHYRY CU-AU PROJECT**

Under explored & hosting a globally significant copper-gold discovery

## **SHALLOW OPEN-PITABLE HIGH-GRADE MINERALISATION**

Multiple 200+ meter interceptes @ 1% CuEq from surface

## **FAST-GROWING COPPER & GOLD RESOURCE BASE**

Maiden resource containing 1,533 MLB CU & >2 MOZ AU\*

## **CLOSE TO INFRASTRUCTURE**

Close to significant deposits in development & production, including Rio Tinto's Oyu Tolgoi

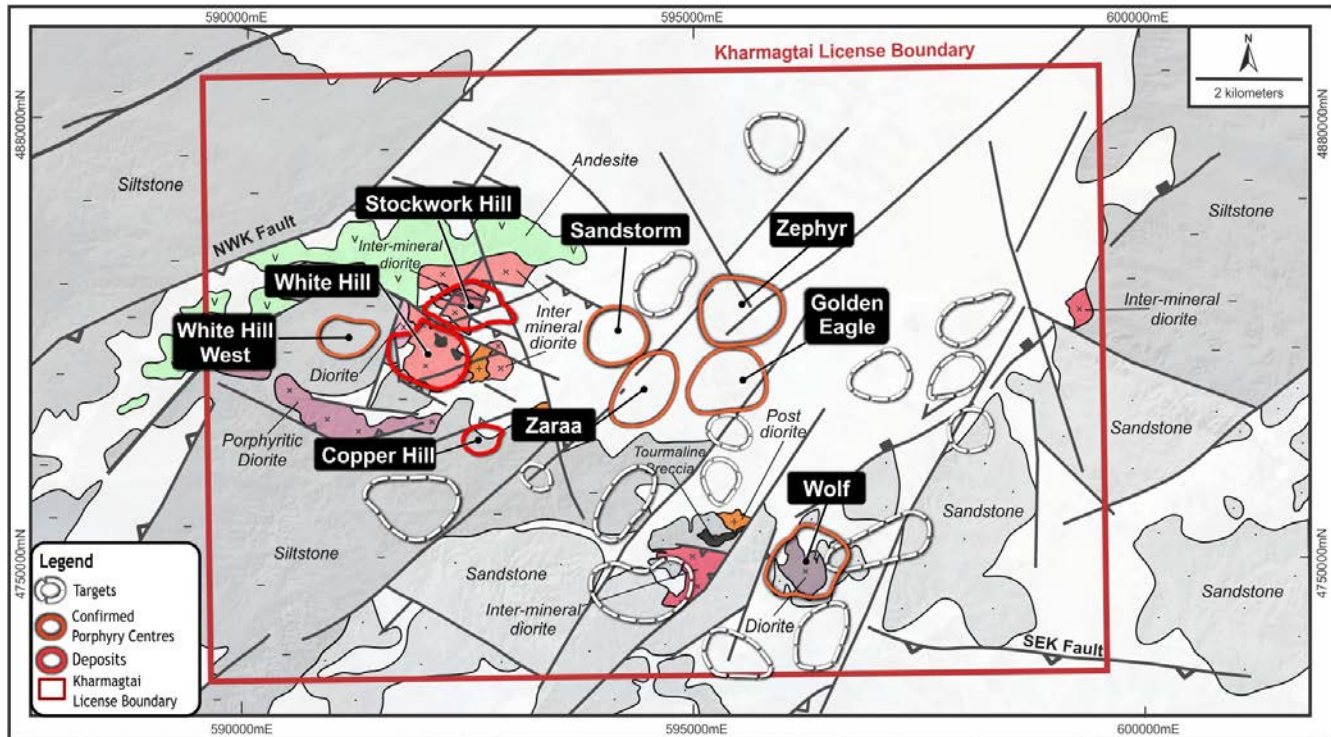
\*ASX announcement dated 19 March 2015 "Kharmagtai Maiden JORC Resource." Table 1 information dated 29 April 2016 continues to apply.



# **KHARMAGTAI PORPHYRY CU-AU DISTRICT**

## **CLUSTER OF OUTCROPPING PORPHYRY DEPOSITS**

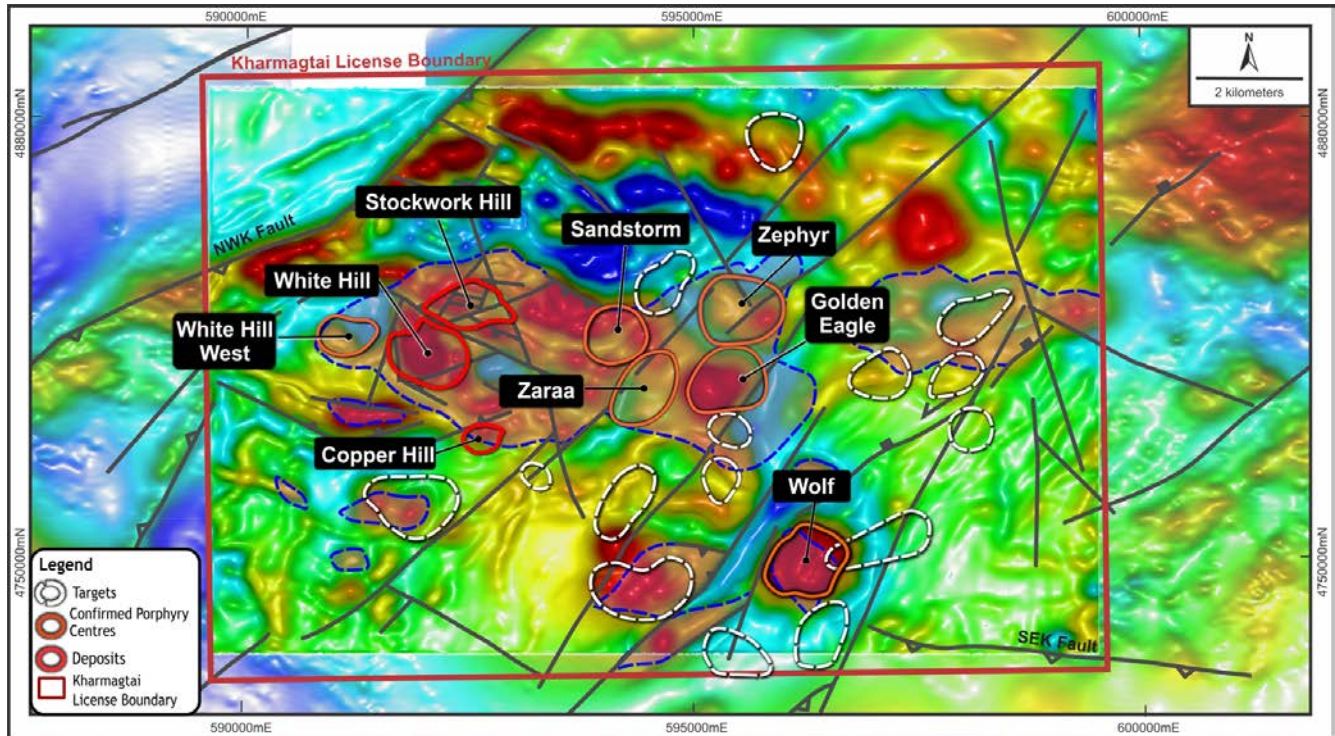
**DRILLING CONFIRMS A HUGE SYSTEM & GROWING - NUMEROUS TARGETS UNDERCOVER**



# **KHARMAGTAI PORPHYRY CU-AU DISTRICT**

## **LARGE COMPOSITE DIORITE INTRUSIVE COMPLEX**

**NEW DRILLING CONTINUES TO EXPAND MINERALISATION OUTSIDE CURRENT RESOURCES**







# KHARMAGTAI PORPHYRY CU-AU DISTRICT

## SIGNIFICANT DISCOVERY IN A WORLD CLASS DISTRICT

### 1995-1998

#### QGX GOLD

Early exploration  
focused on the  
shallow gold  
mineralisation

### 2001-2006

#### IVANHOE MINES

Exploration focused on  
outcropping porphyry  
mineralisation  
Drill holes were shallow  
and closely spaced

### 2015 & beyond

#### XANADU MINES

Exceptional  
exploration  
success  
Recent drilling  
intercepts >650m or  
greater at +1%  
copper equivalent  
Start the  
commercialisation  
process to the  
benefit of Xanadu's  
shareholders of this  
world class Cu-Au  
discovery

*“ More often it's  
the third or fourth  
explorer of a  
particular district  
that hits the  
mother load ”*

# **KHARMAGTAI PORPHYRY CU-AU DISTRICT**

## **LARGE DISTRICT WITH MULTIPLE PORPHYRY CENTRES**

**OUTCROP THROUGHOUT THE KHARMAGTAI DISTRICT IS SPARSE  
QUATERNARY SAND FORMING A THIN COVER OVER MOST OF THE PORPHYRY  
SYSTEM**

**Stockwork Hill**



**Copper Hill**

**White Hill**





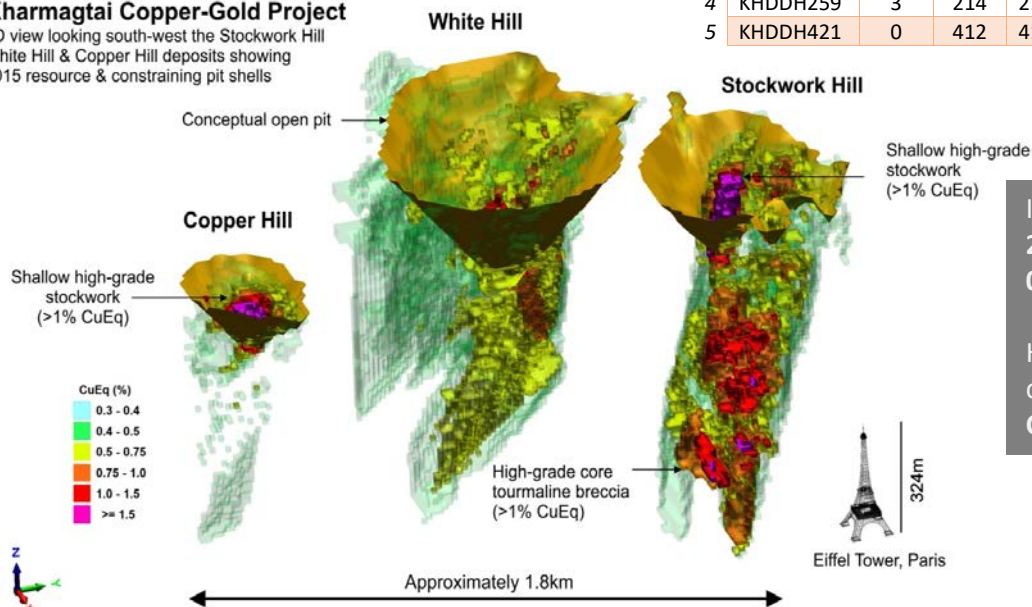
# KHARMAGTAI PORPHYRY CU-AU DISTRICT

## A LOW RISK COPPER-GOLD INVESTMENT WITH BIG UPSIDE

NEAR TERM DEVELOPMENT OPPORTUNITY  
HIGH QUALITY STAND ALONE RESOURCE  
FAST-GROWING RESOURCE

### Kharmagtai Copper-Gold Project

3D view looking south-west the Stockwork Hill  
White Hill & Copper Hill deposits showing  
2015 resource & constraining pit shells



#	HOLEID	From (m)	To (m)	Tk (m)	Cu (%)	Au (g/t)	CuE (%)	mCuE (m%)
1	KHDDH394	6	662	656	0.5%	0.86	<b>1.05%</b>	687
2	KHDDH240	3	220	217	0.72%	2.52	<b>2.33%</b>	506
3	KHDDH259	3	224	221	0.76%	2.27	<b>2.21%</b>	488
4	KHDDH259	3	214	211	0.79%	2.37	<b>2.31%</b>	486
5	KHDDH421	0	412	412	0.54%	0.79	<b>1.05%</b>	431

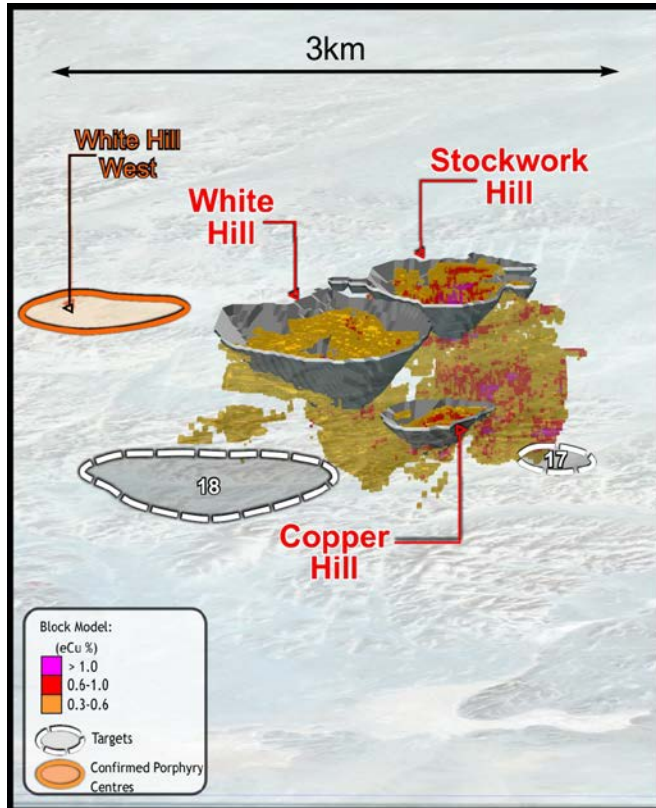
Indicated and Inferred  
**203Mt @ 0.34% Cu &  
0.33g/t Au**

Higher-grade core  
currently **56 Mt @ 0.85  
CuEq**

\*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**

## **ADVANCED & DE-RISKED COPPER-GOLD OPPORTUNITY**



Kharmagtai Open Pit project will:

Be a starter project for a greater Kharmagtai future project including UG

Incorporate 3 already defined deposits of **White Hill, Stockwork Hill and Copper Hill**

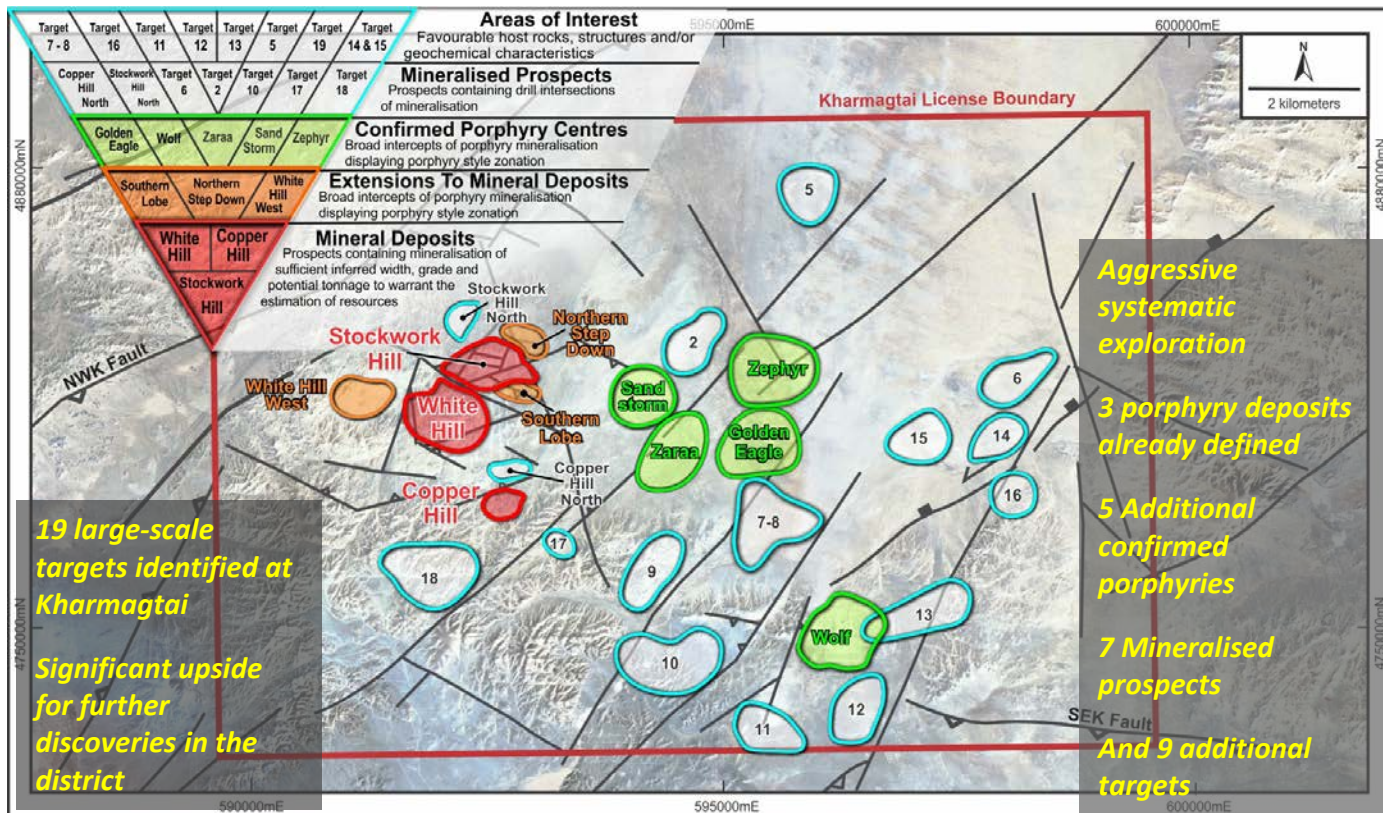
Include 3 extension deposits of **White Hill West, Southern Lobe and Northern Step Down**

May include additional targets of **Stockwork Hill North and Copper Hill North**

\*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**

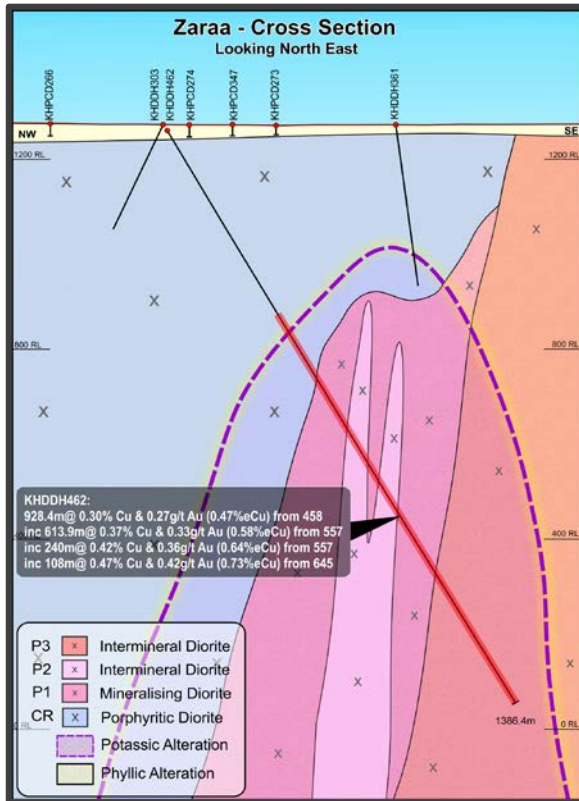
## HIGH CONVERSION RATE OF TARGET TO DISCOVERY





# KHARMAGTAI PORPHYRY CU-AU DISTRICT

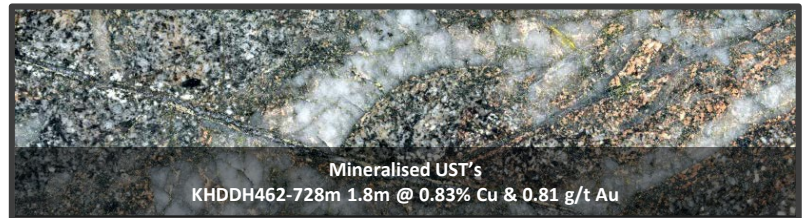
## ZARAA IS ONE OF THE LONGEST INTERCEPTS TO DATE



Zaraa discovery - new copper porphyry centre

Discovery hole has intersected over **900 metres** of near-continuous copper & gold

Extends the Kharmagtai mineralised system and demonstrates yet again the **incredible potential** of this district



# **KHARMAGTAI PORPHYRY CU-AU DISTRICT**

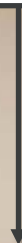
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## **HIGH CONVERSION RATE OF TARGET TO DISCOVERY**

**KHDDH467**

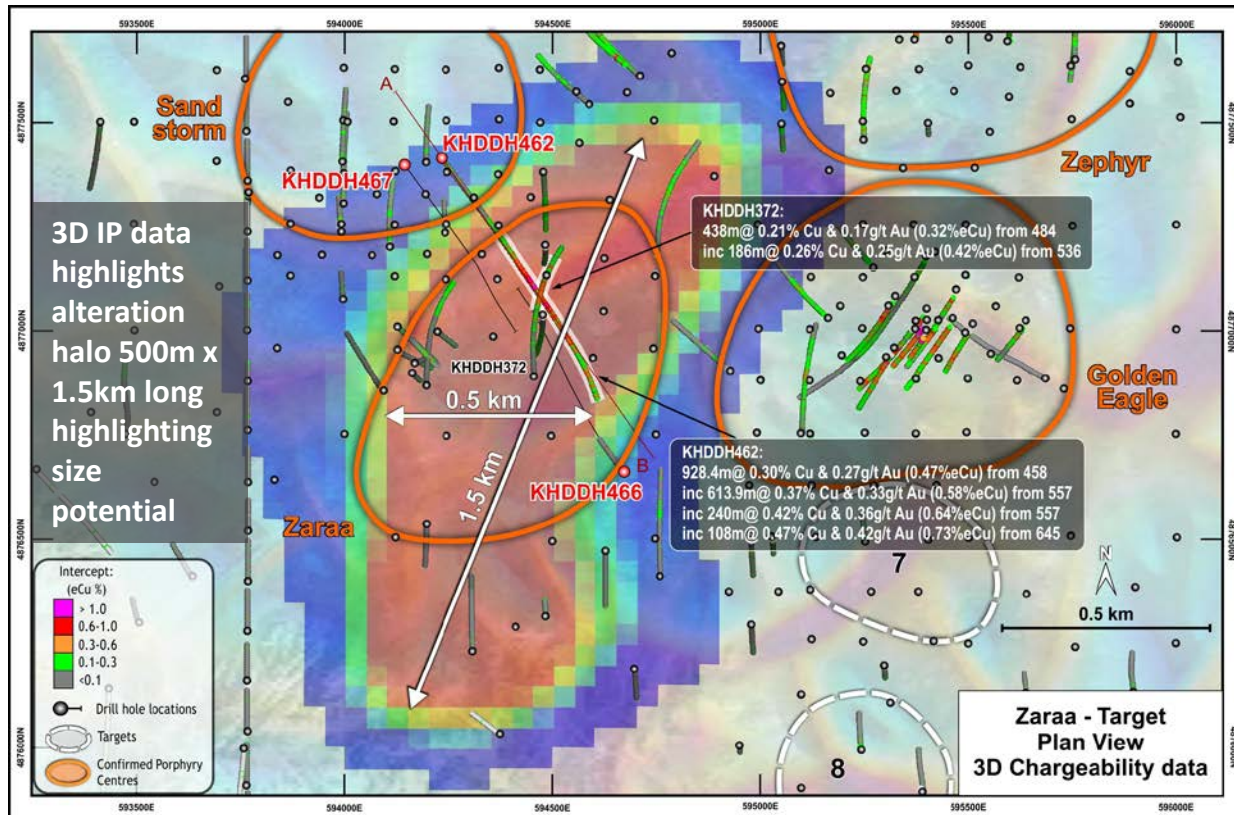


**KHDDH466**



# KHAMAGTAI PORPHYRY CU-AU DISTRICT

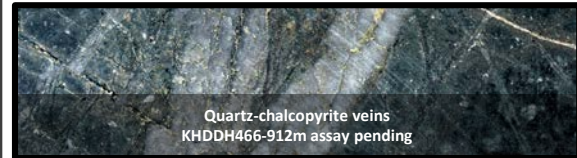
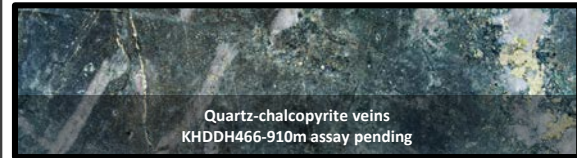
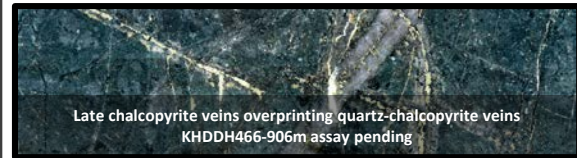
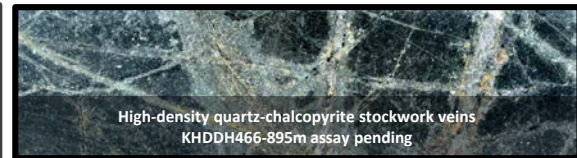
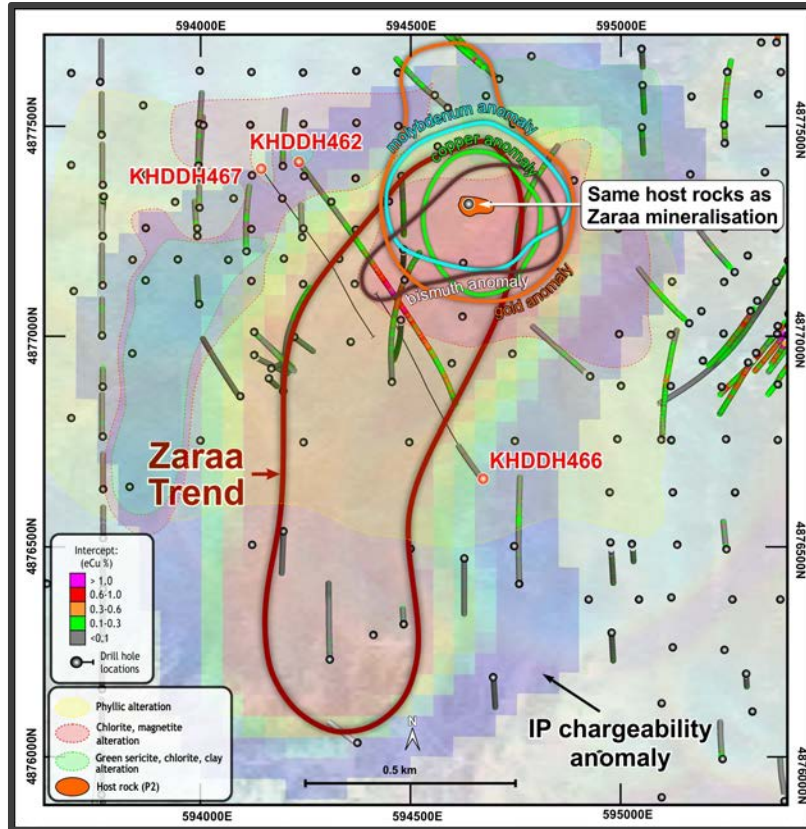
## DRILLING CONTINUES AT ZARAA WITH TWO DRILL RIGS





# KHARMAGTAI PORPHYRY CU-AU DISTRICT

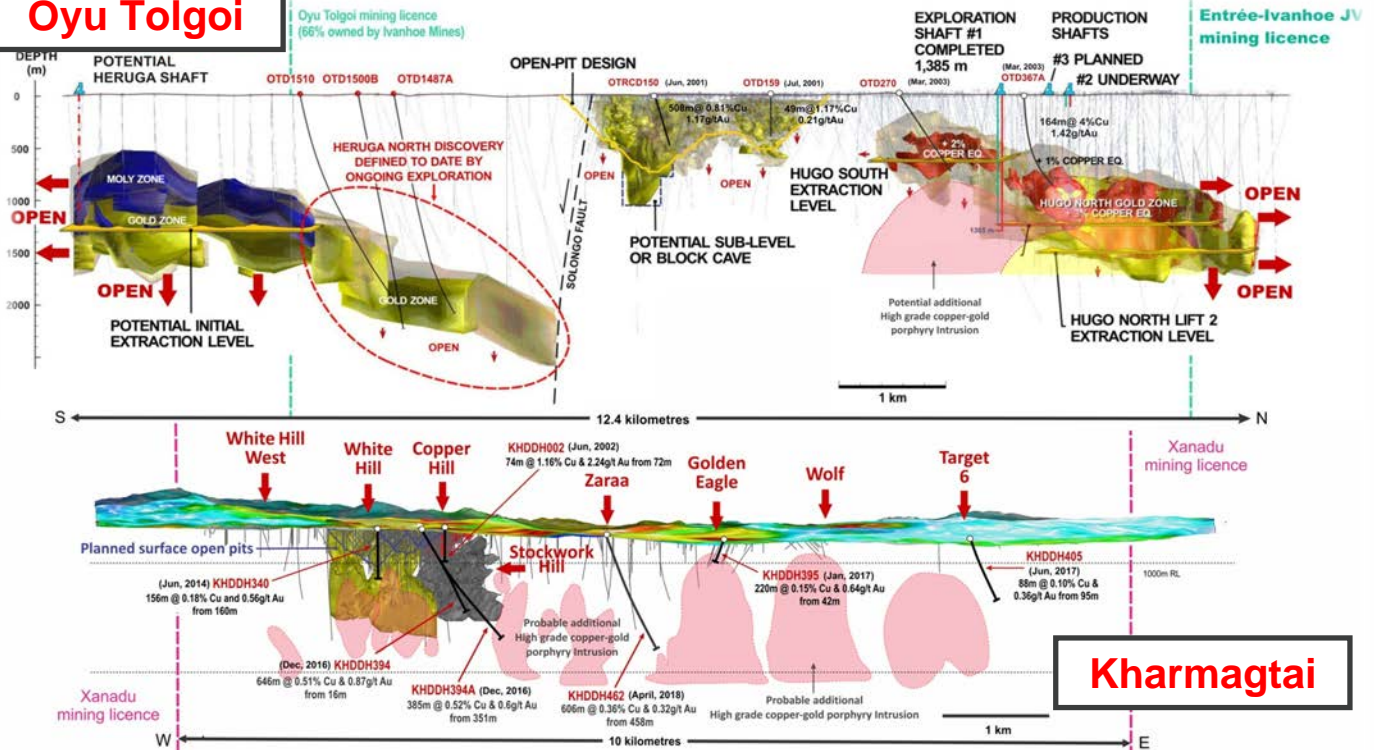
## POTENTIAL SURFACE EXPRESSION OF ZARAA IDENTIFIED





# ARCHITECTURE OF SOUTH GOBI PORPHYRY SYSTEMS

# Oyu Tolgoi



\*Oyu Tolgoi section taken from the discovery history of the giant Oyu Tolgoi porphyry copper deposit, Doug Kirwin, 2008.



# RED MOUNTAIN PORPHYRY CU-AU DISTRICT



# RED MOUNTAIN PORPHYRY CU-AU DISTRICT



# RED MOUNTAIN PORPHYRY CU-AU DISTRICT



# RED MOUNTAIN PORPHYRY CU-AU DISTRICT



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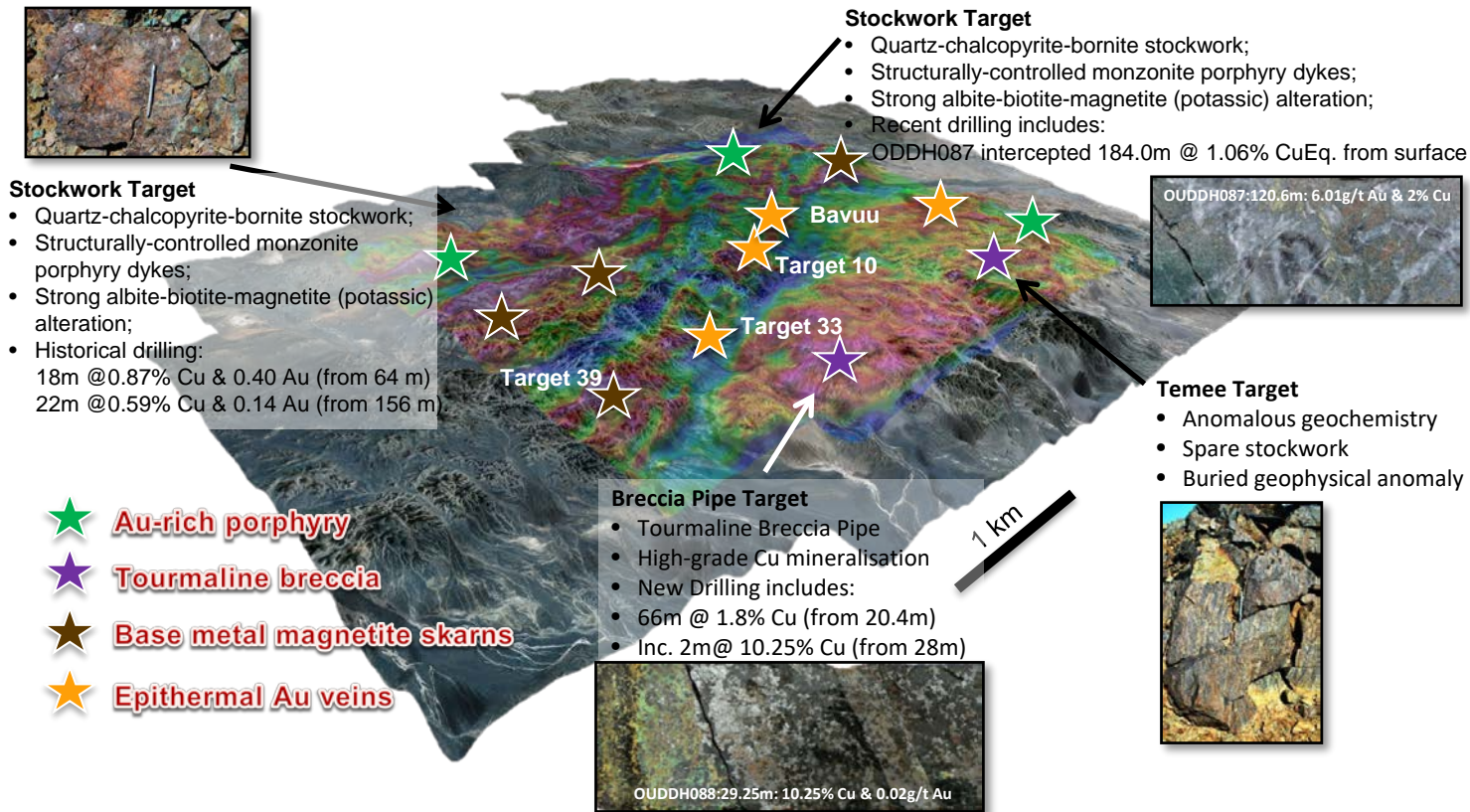
# RED MOUNTAIN PORPHYRY CU-AU DISTRICT





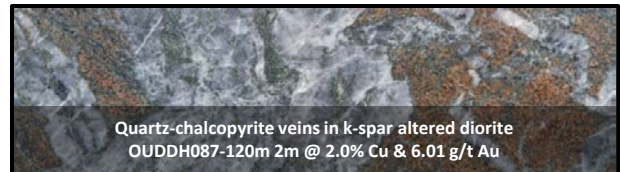
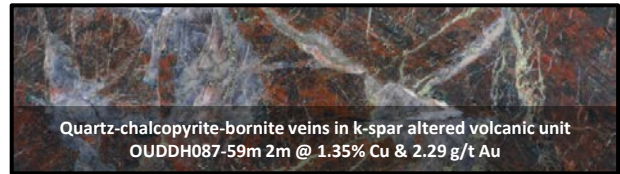
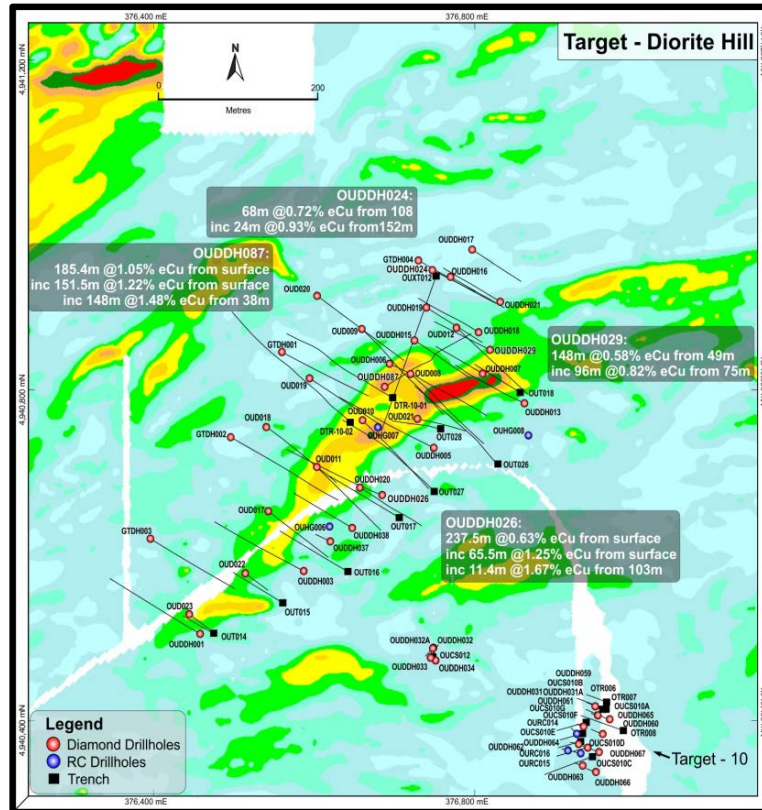
# RED MOUNTAIN PORPHYRY CU-AU DISTRICT

## SHALLOW HIGH-GRADE PORPHYRY MINERALISATION



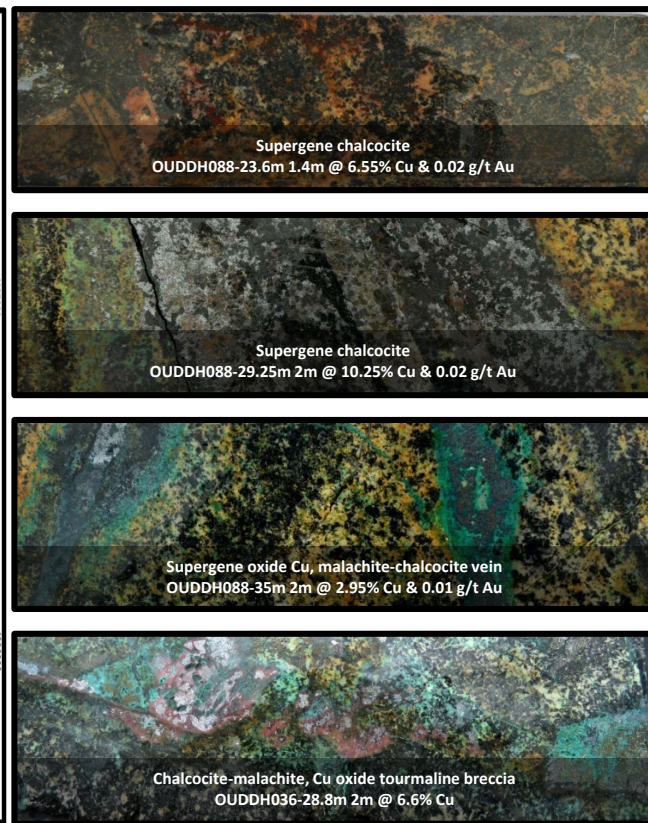
# RED MOUNTAIN PORPHYRY CU-AU DISTRICT

## MINERALISATION IS HOSTED WITHIN STOCKWORK ZONES



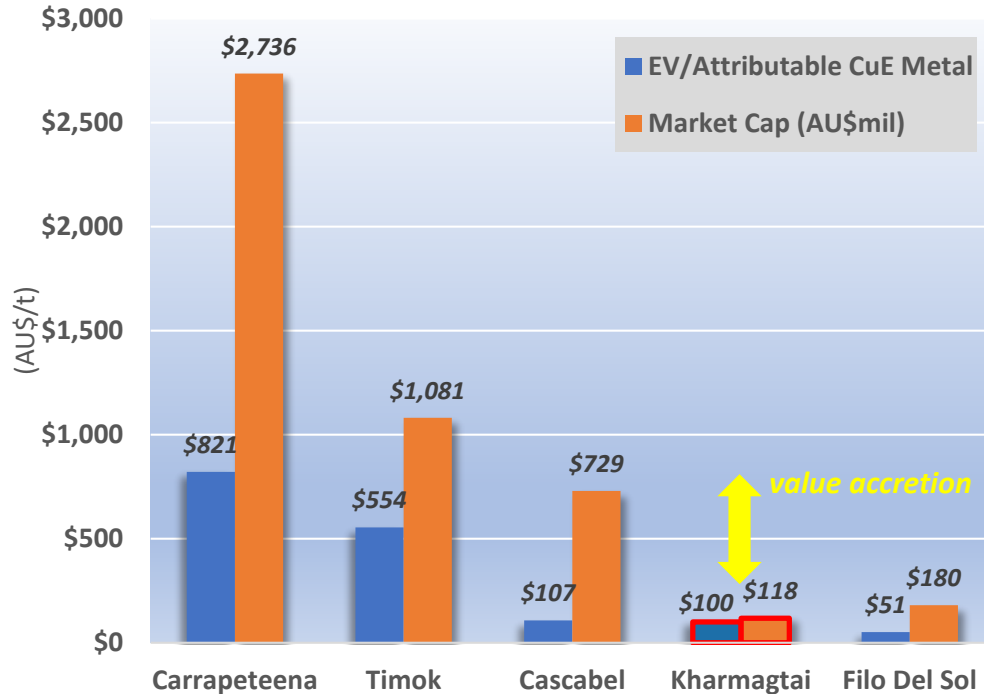


## HIGH-GRADE TOURMALINE BRECCIA MINERALISATION



# COMPARING KHARMAGTAI CU-AU PROJECT

## XANADU VALUE ACCRETION STILL HAS SOME WAY TO GO



The average factor of Market Capitalisation to EV/Cu tonnes in this peer group is 3.3x (MC is 3x EV/Cu tonnes)

Xanadu's factor is only 1.1x

Xanadu's current share price of ~20c represents a discount of 300% to this peer-value comparison

Xanadu's share price has plenty of upward pressure

Based on Kharmagtai's 2015 JORC-complain resource. All others based on latest resource and company information from each company website



# DRILLING STRATEGY & FORWARD PLAN

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## UNLOCKING THE POTENTIAL OF THE KHARMAGTAI CU-AU DISTRICT

Shallow infill RC & DD drilling targeting near-surface resource extensions

Extending high-grade mineralisation below current resources

Kharmagtai resource update and starter project assessment

---

## ACCELERATED DRILLING ON MULTIPLE TARGETS

High conversion rate of target to discovery - Zaraa new copper-gold porphyry

District-scale with 9 additional large-scale targets identified at Kharmagtai

---

## FOLLOWING ON STRONG DRILLING RESULTS AT RED MOUNTAIN

Drilling is continuing to test multiple near surface priority targets at Red Mountain





XANADU  
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For further information please visit  
**[www.xanadumines.com](http://www.xanadumines.com)** or contact:

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Managing Director & Chief Executive  
Officer

T: +976 70130211 M: +976 99999211

[Andrew.stewart@xanadumines.com](mailto:Andrew.stewart@xanadumines.com)





# COMPETENT PERSON STATEMENT

## IMPORTANT NOTICES

**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 28 July 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.