31 July 2018

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 JUNE 2018

Xanadu Mines Ltd (**ASX: XAM** – "**Xanadu**" or "**the Company**") is pleased to provide shareholders with an update on exploration and associated activities undertaken during the June quarter 2018.

HIGHLIGHTS

New porphyry center discovered at Zaraa

- Drilling confirms discovery of a fourth large-scale porphyry centre with high-grade potential at Zaraa
  - KHDDH462 returning:

    928.4m @ 0.30% Cu and 0.25g/t Au (0.47% eCu or 0.73g/t eAu) from 458m

    including **622m @ 0.37% Cu and 0.32g/t Au (0.57% eCu or 0.90g/t eAu)** from 520m
  - KHDDH469 returning;

    441.6m @ 0.35% Cu and 0.35g/t Au (0.57% eCu or 0.89g/t eAu) from 378.9m

    including **333.4m @ 0.42% Cu and 0.41g/t Au (0.68% eCu or 1.06g/t eAu)** from 414m

    and 480.3m @ 0.30% Cu and 0.25g/t Au (0.46% eCu or 0.72g/t eAu) from 832.3m

    including **117.2m @ 0.49% Cu and 0.39g/t Au (0.74% eCu or 1.16g/t eAu)** from 988m
- Shallow top-of-basement drilling defines potential surface expression (gold-rich cap) of Zaraa porphyry
  - KHPCD478 returned **9m @ 6.60 g/t Au and 0.18% Cu (4.39% eCu or 6.88g/t eAu) from 24m**

    including **6m @ 9.63 g/t Au and 0.17% Cu (6.31% eCu or 9.90g/t eAu) from 26m**
  - KHPCD479 returned **4m @ 2.42 g/t Au and 0.07% Cu (1.62% eCu or 2.5 g/t eAu) from 27m**
- Further drilling at Zaraa is aimed at bringing it to surface and defining another large open pit project
- Zaraa is currently a northeast trending, steeply dipping porphyry system approximately 500m wide by 500m long and extends to a depth of over 1km
- Further drilling will continue to grow Zaraa in all directions

Stockwork Hill Extensions

- Extensional drilling at Stockwork Hill returns significant high-grade intervals potentially linking with the White Hill deposit at depth

Corporate activities

- Successful completion of a A$10 million oversubscribed placement
- Xanadu is well placed to deliver on its dual strategy of successful exploration as it converts targets to discoveries and economic assessment of the Kharmagtai Open Pit project (Copper Hill, White Hill and Stockwork Hill)
- Well-funded with cash balance of $10.9 million at 30 June 2018.

EXPLORATION ACTIVITIES

Commenting on the quarter's activities, MD/CEO Dr Andrew Stewart, said: *"The second quarter of 2018 has seen a significant step change for Xanadu at our flagship Kharmagtai copper and gold project. We are extremely pleased with the progress at our newest and fourth porphyry discovery, Zaraa. Initial drilling has returned near continuous intercepts of copper and gold mineralisation greater than 900m in length demonstrating that Zaraa is certainly a very large-scale system and significantly, a major new copper-gold discovery within the underexplored district.*

"While Zaraa is in early stages of exploration, broad intersections of high-grade mineralisation intersected at depth combined with our recent discovery of the shallow gold-rich cap, or near-surface expression of the system, validates our undercover targeting methods and highlights the importance of these techniques as key exploration tools in unlocking the potential of this large porphyry district. The current diamond drill program will now focus on delineating the near surface mineralisation and targeting the high-grade zones of this new and large porphyry centre."

"Following the discovery of another porphyry centre at Zaraa we believe the Kharmagtai project is approaching a near-term development opportunity. Our objective at Kharmagtai now is to work on a new mineral resource estimate for a low strip ratio, high quality standalone open-pit project and quickly demonstrate economic viability. We look forward to updating shareholders as results come to hand."

Kharmagtai Copper-Gold Project

The Kharmagtai copper-gold project is located within the South Gobi porphyry copper province of Mongolia, approximately 440km south-southwest of Ulaanbaatar and 120km north of Rio Tinto's Oyu Tolgoi copper-gold mine (Figure 1).

Exploration activities during the June quarter 2018 focused on targeting additional copper-gold porphyry discoveries undercover within this largely under-explored district. A total of 10 diamond drill holes (8,117.3m), 12 reverse circulation drill holes (3,572m) and 197 shallow top-of-basement PCD drill holes (7,610.1m) were completed during the quarter. All significant drill hole intersections from assay results received during the quarter are summarised in Tables 1 and 2.

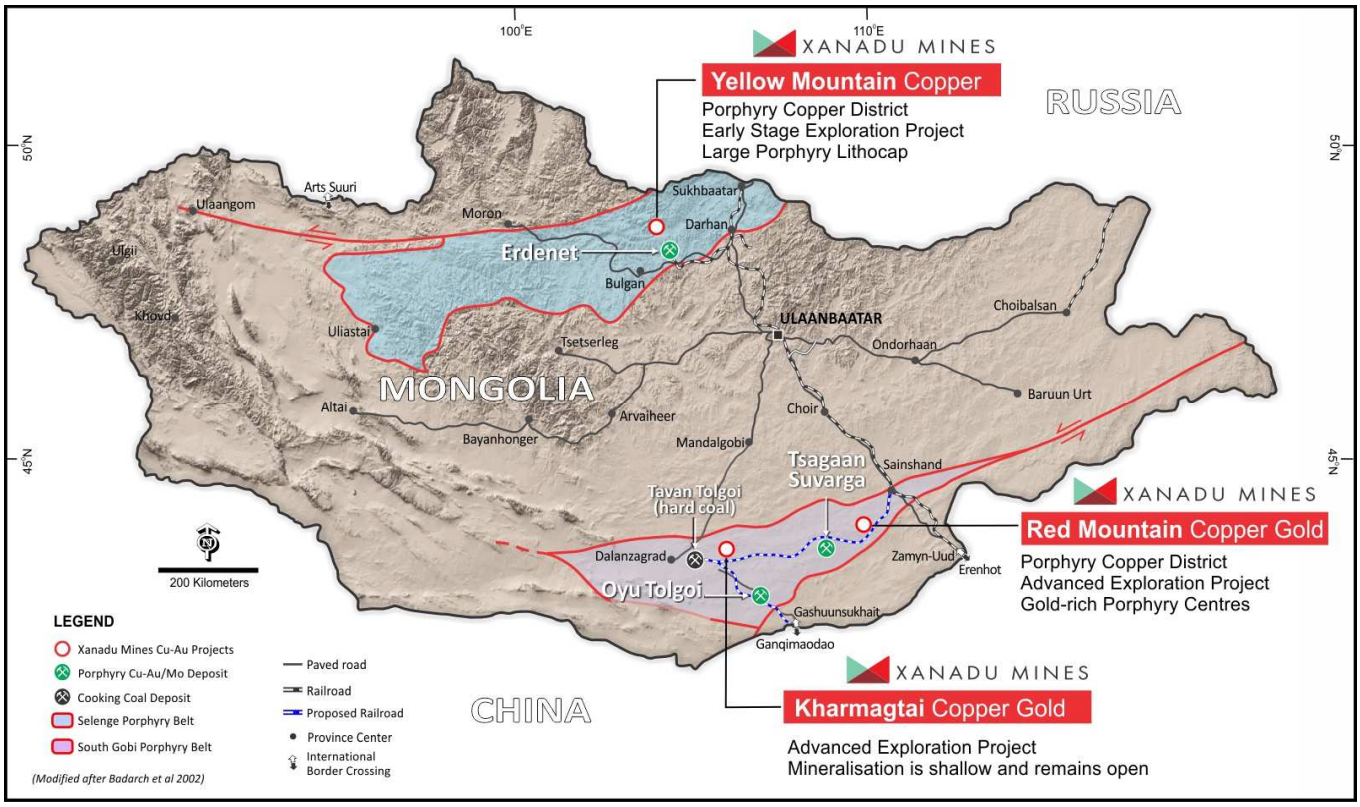


FIGURE 1: Location of the Kharmagtai Project in the South Gobi porphyry copper belt.

Discovery of a fourth large-scale porphyry centre with high-grade potential at Zaraa

Xanadu's aggressive 2018 drilling program, which was targeting the discovery of additional porphyry copper-gold centres undercover in the large underexplored Kharmagtai porphyry district, has proved to be highly successful with the discovery of the blind Zaraa porphyry copper-gold centre. New drilling at Zaraa supports the discovery of a fourth large-scale porphyry centre located approximately 2km east-southeast of the currently defined resources including Stockwork Hill, White Hill and Copper Hill (Figure 2).

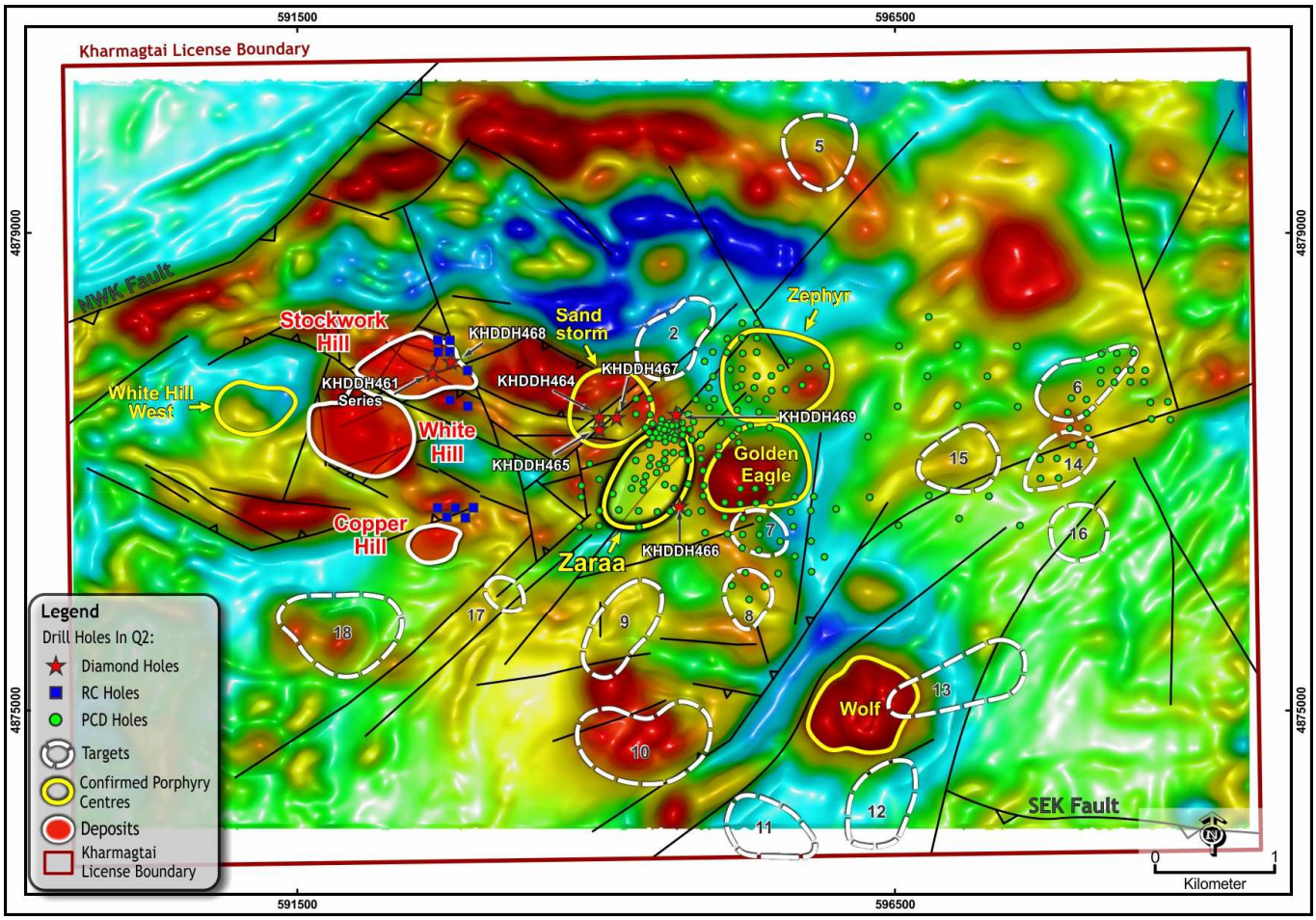


FIGURE 2: The Kharmagtai District showing ground magnetic data and location of the Kharmagtai Deposits (Stockwork Hill, White Hill, Copper Hill), porphyry centres, targets, location of Zaraa and current drilling.

Drilling has achieved a high hit rate to date with virtually every widely spaced drill hole at Zaraa encountering broad intervals (up to 920m) of near continuous strong porphyry copper-gold mineralisation (Figures 3 and 4). Much of this success can be attributed to the integrated use of geological and geochemical exploration, drilling information and advanced geophysical modelling which continues to provide an evolving insight into the geometry of copper and gold mineralisation and the potential source of intrusions. These new drilling results provide significant advances in our understanding of the Kharmagtai project and continues to indicate potential for a large-scale mineralised porphyry system alongside the established Mineral Resource and is transforming the Company's view of the growth potential of Kharmagtai.

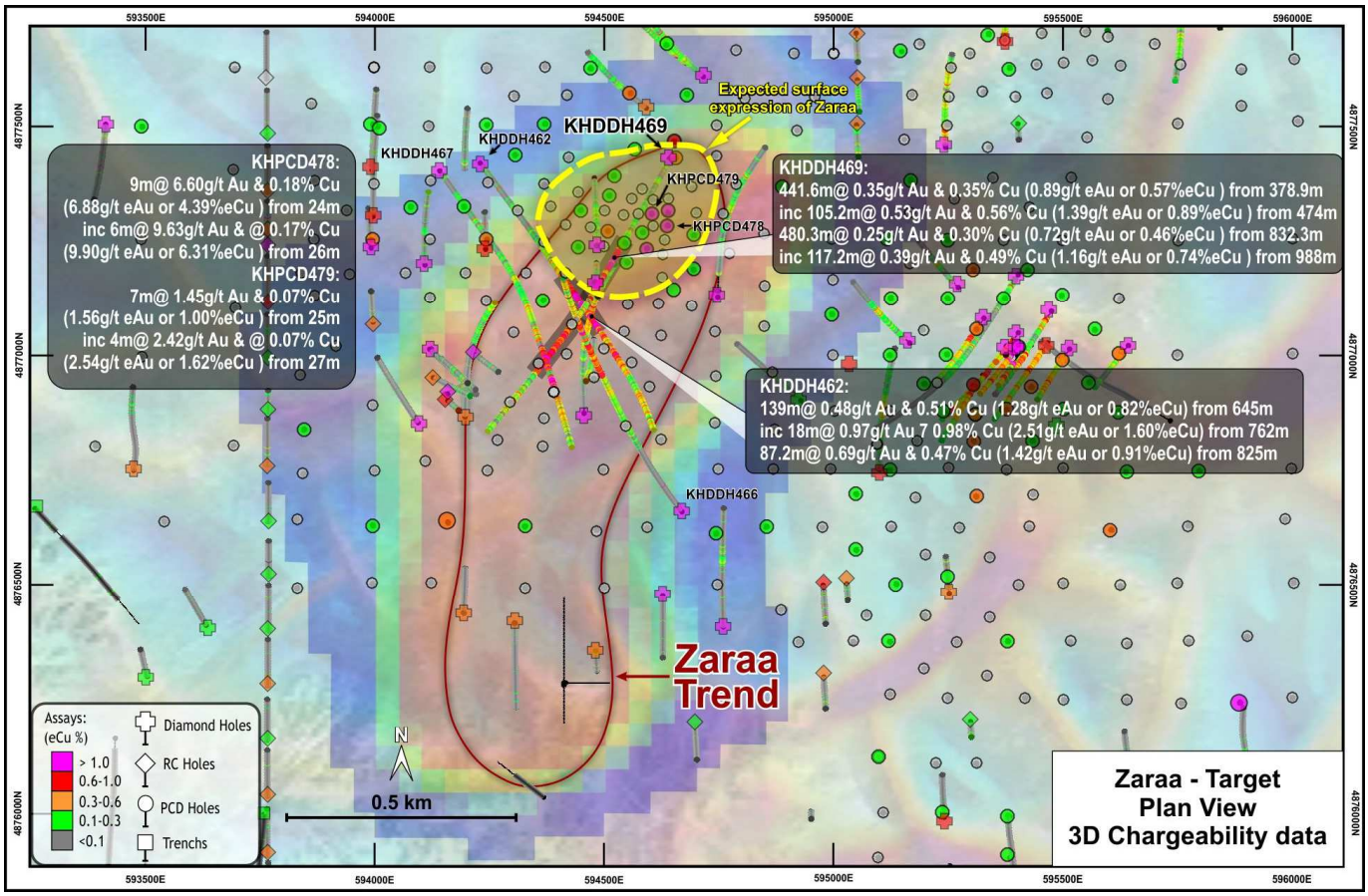


FIGURE 3: Plan view of the Zaraa discovery with 3D Induced polarisation.

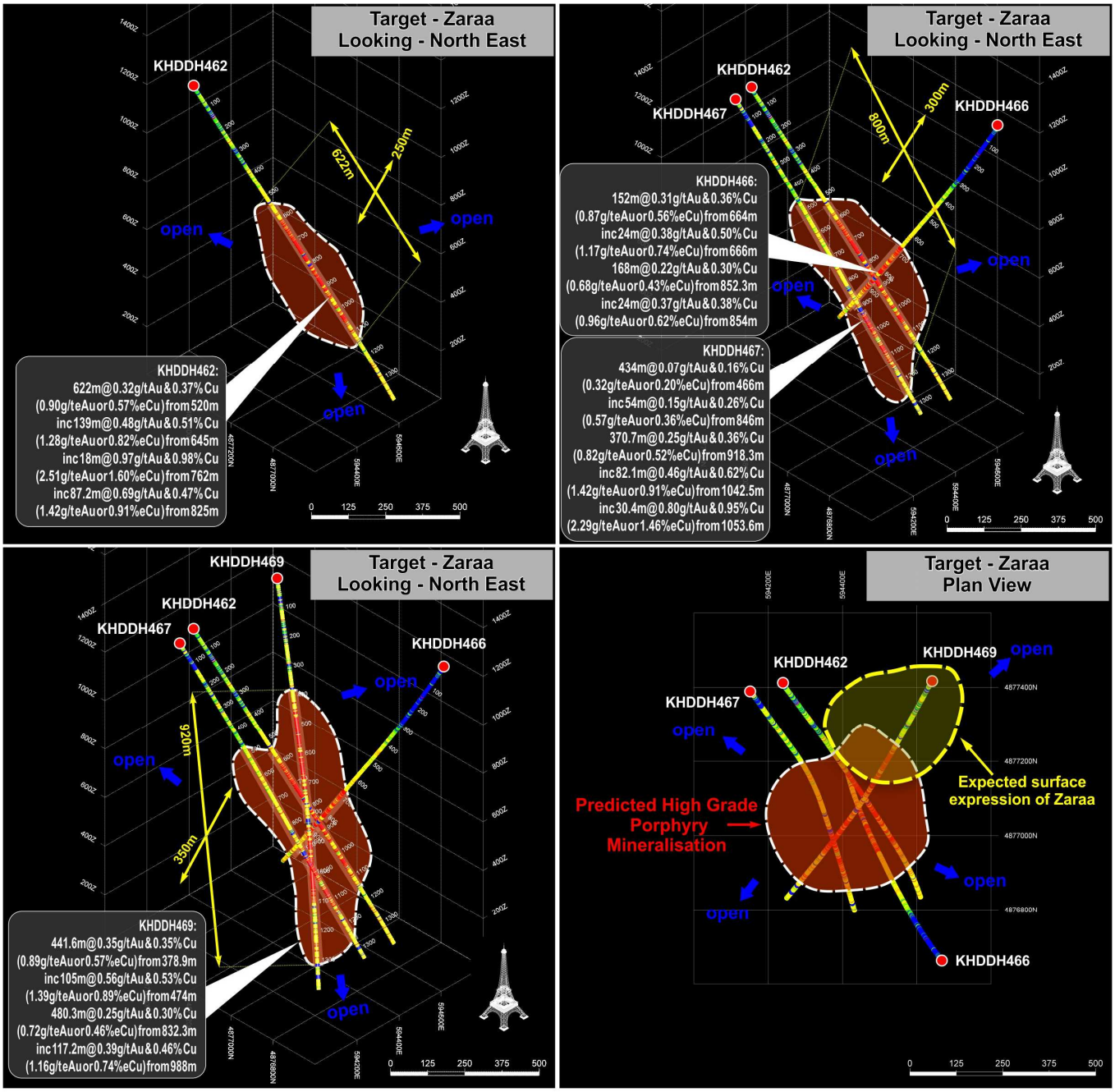


FIGURE 4: Zaraa porphyry growth after only four drill holes, with footprint and expected location of surface expression.

Diamond drill hole **KHDDH462** targeting a buried porphyry system encountered some 928m of porphyry style mineralisation (Figures 3 to 5).

KHDDH462 – 928.4m @ 0.30% Cu and 0.27g/t Au (0.47% eCu) from 458m;

including 613.9m @ 0.37% Cu and 0.33g/t Au (0.58% eCu) from 557m;

including 240m @ 0.42% Cu and 0.36g/t Au (0.64% eCu) from 557m;

including *108m @ 0.47% Cu and 0.42g/t Au (0.73% eCu) from 645m;*

and *69m @ 0.51% Cu and 0.45g/t Au (0.79% eCu) from 825m.*

This intercept is open at depth as drill hole KHDDH462 was terminated within +0.26% eCu mineralisation. The drill hole was terminated because geological data from the hole including vein densities, alteration and chalcopyrite percentages suggested drilling was very slowly passing out of the system and a decision was made to explore the nearer surface and along strike extensions before progressing to any significant depths.

Two additional drill holes were completed at Zaraa, expanding mineralisation towards the southwest (Figure 3).

KHDDH466 was collared approximately one kilometre southeast of discovery drill hole KHDDH462 and drilled toward the northwest (Figure 3). KHDDH466 entered mineralisation at 340 metres down hole (290m vertically from surface) at least 200 metres shallower than it was anticipated and drilled approximately 750 metres of moderate to strong porphyry mineralisation (Figures 4 and 6). Significant assays returned:

750m @ 0.22% Cu and 0.18g/t Au (0.33% eCu or 0.52g/t eAu) from 340m

including 152m @ 0.36% Cu and 0.31g/t Au (0.56% eCu or 0.87g/t eAu) from 664m

including 24m @ 0.50% Cu and 0.38g/t Au (0.74% eCu or 1.17g/t eAu) from 666m and 168m @ 0.30% Cu and 0.22g/t Au (0.43% eCu or 0.68g/t eAu) from 852m.

KHDDH467 was collared as a 100 metre step out to the west from the discovery hole (Figure 3). KHDDH467 entered mineralisation at 460 metres down hole (420m vertically from surface) (Figures 4 and 7). KHDDH467 has extended Zaraa 280 metres towards the southwest. Significant assays returned:

370.7m @ 0.36% Cu and 0.25g/t Au (0.52% eCu or 0.82g/t eAu) from 918.3m

including 82m @ 0.62% Cu and 0.46g/t Au (0.91% eCu or 1.42g/t eAu) from 1042m

including 30.4m @ 0.95% Cu and 0.80g/t Au (1.46% eCu or 2.29g/t eAu) from 1053.6m.

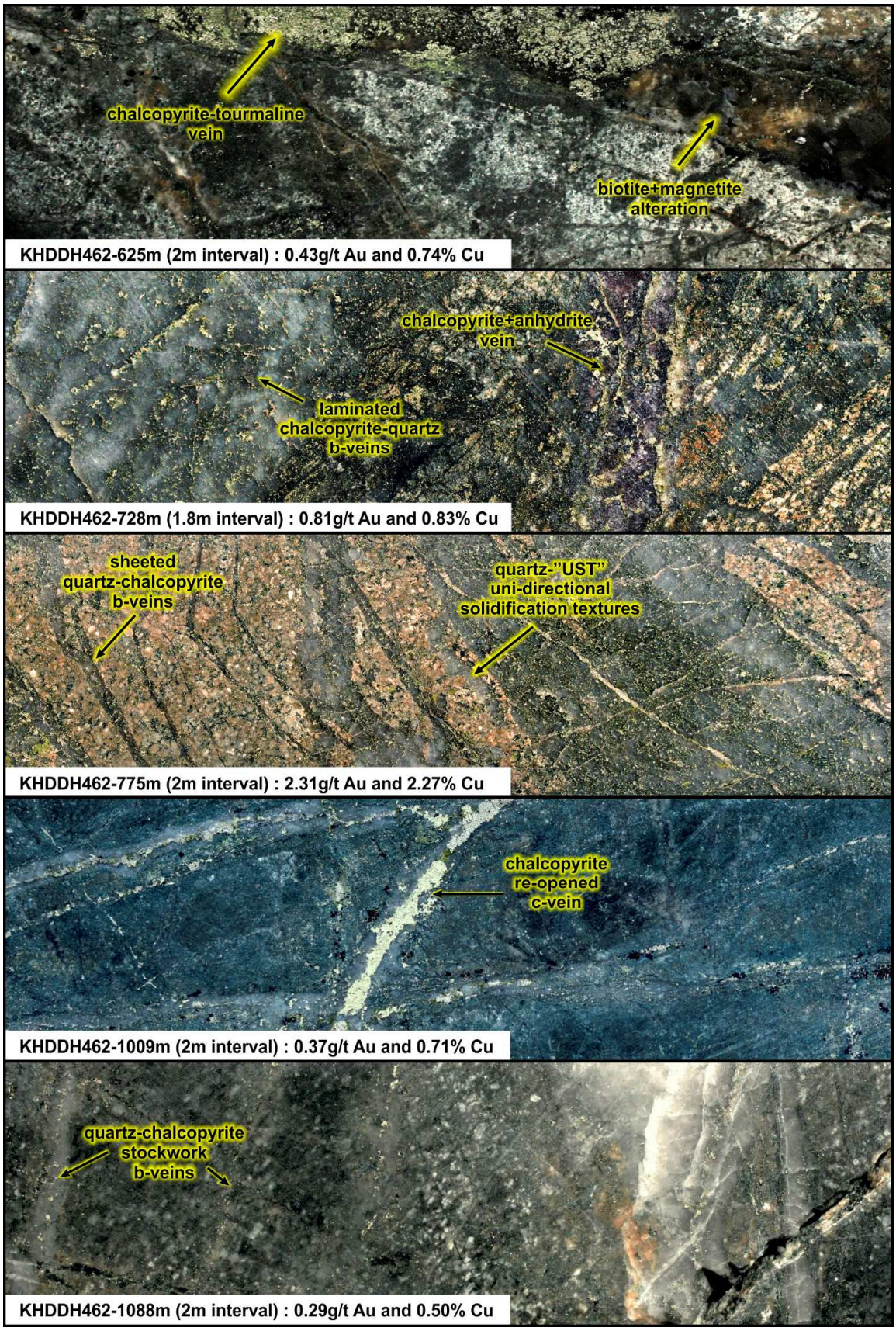


FIGURE 5: Mineralised slab images from KHDDH462. Halved HQ core, the height of each image is 6.35cm.

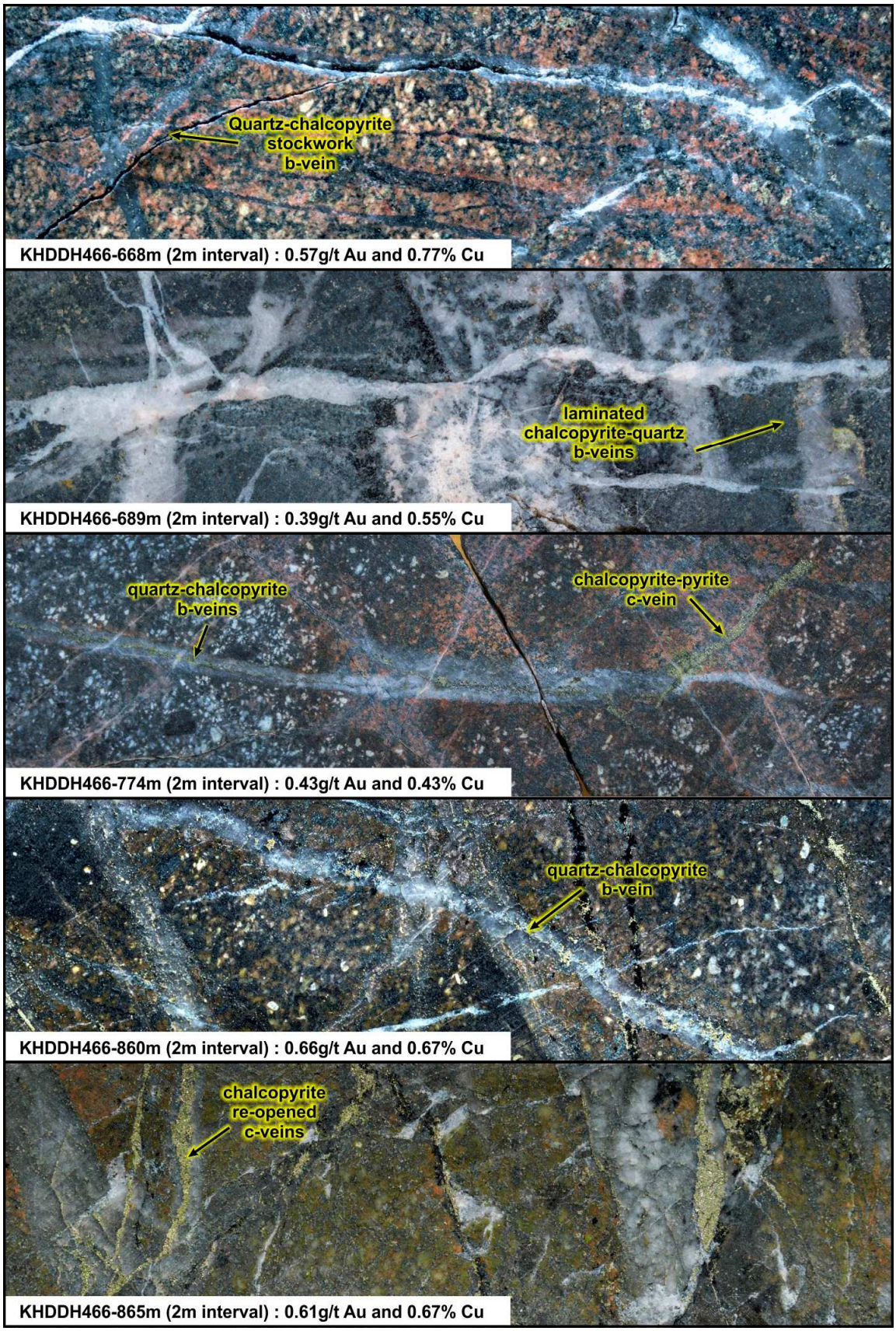


FIGURE 6: Mineralised slab images from KHDDH466. Halved NQ core, the height of each image is 4.7cm.

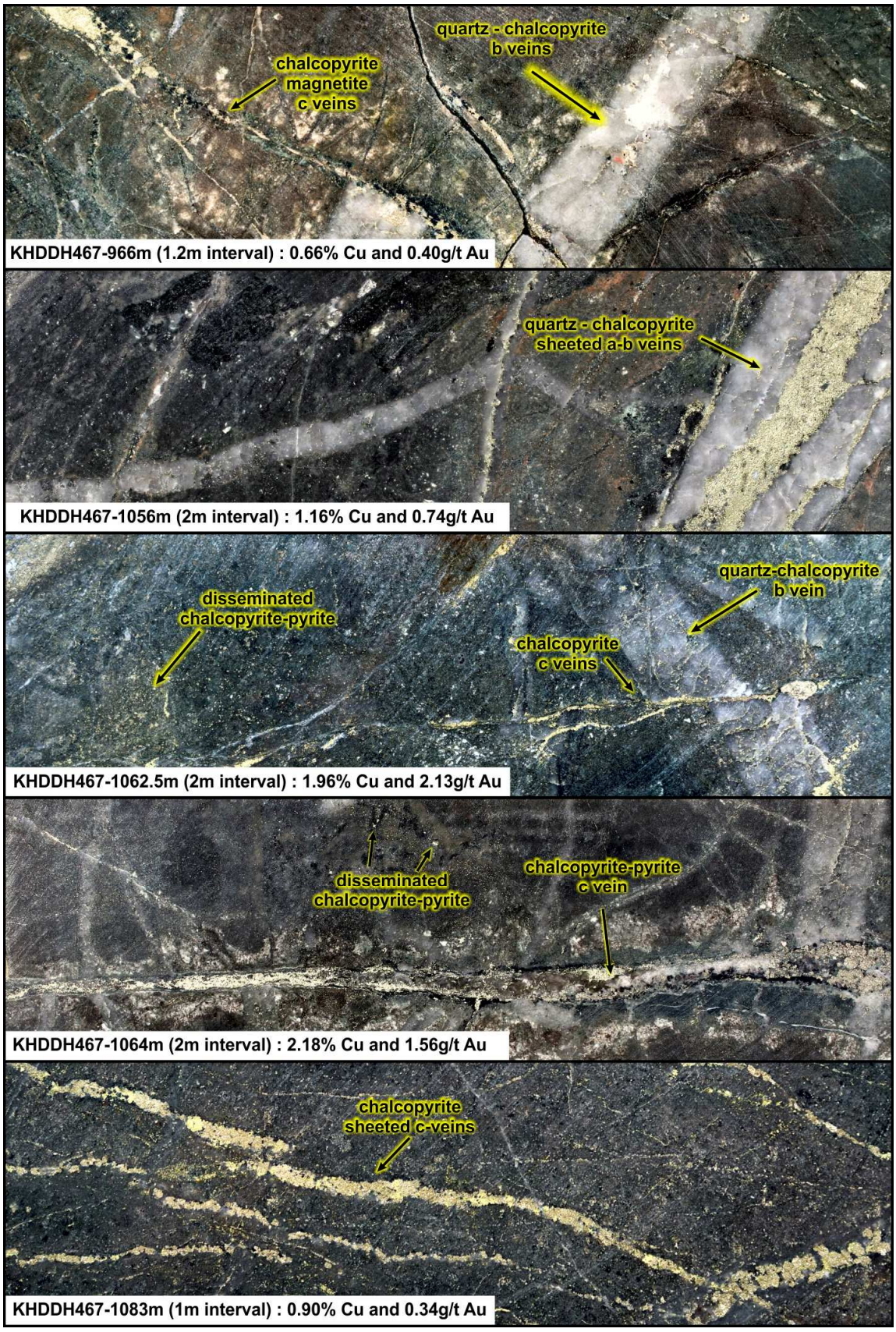


FIGURE 7: Mineralised slab images from KHDDH467. Halved HQ core, the height of each image is 6.35cm.

KHDDH469 entered consistent and strong mineralisation at a depth of 330m vertically from surface. Drill hole KHDDH469 is one more step towards defining the size, shape and grade of Zaraa. With additional shallow drilling Xanadu believes it can bring this new discovery into open pit range.

KHDDH469 returned a near continuous >920m intercept of copper and gold porphyry mineralisation, broken only by a narrow band (11.8m downhole) of lower grade material.

KHDDH469 returned 441.6m @ 0.35% Cu and 0.35g/t Au (0.57% eCu or 0.89g/t eAu) from 378.9m

including 333.4m @ 0.42% Cu and 0.41g/t Au (0.68% eCu or 1.06g/t eAu) from 414m

including 105.2m @ 0.53% Cu and 0.56g/t Au (0.89% eCu or 1.39g/t eAu) from 474m

including 92.7m @ 0.52% Cu and 0.48g/t Au (0.82% eCu or 1.29g/t eAu) from 594m

and 480.3m @ 0.30% Cu and 0.25g/t Au (0.46%eCu or 0.72g/t eAu) from 832.3m

including 273.3m @ 0.40% Cu and 0.32g/t Au (0.60% eCu or 0.95g/t eAu) from 840m

including 117.2m @ 0.49% Cu and 0.39g/t Au (0.74% eCu or 1.16g/t eAu) from 988m.

KHDDH469 has expanded the Zaraa system 220m to the northeast, 170m to the southwest and brought Zaraa 200m closer to surface. These intercepts are open at depth and the drilling to date has yet to define the edges to the Zaraa system.

Xanadu's geologists believe the high-grade core of Zaraa is still undiscovered and vectoring towards the high-grade core will be further evaluated as part of the ongoing targeted drilling.

Bringing Zaraa discovery to surface

Top of bedrock drilling has been very successful in delineating the near-surface expression of the Zaraa porphyry, which comprises a gold-rich cap. The surface expression was found from a significant geochemical anomaly which was identified from previous top of bedrock drilling. Two holes drilled at the predicted surface expression returned very high-grade results from shallow depths below the sand cover (Figure 3):

- KHPCD478 intersected 9m @ 6.60 g/t Au and 0.18% Cu (6.88 g/t eAu or 4.39% eCu) from 24m

  including 6m @ 9.63 g/t Au and 0.17% Cu (9.90 g/t eAu or 6.31% eCu) from 26m and
- KHPCD479 intersected 7m @ 1.45g/t Au and 0.07% Cu (1.56 g/t eAu or 1.00% eCu) from 25m

  including 4m @ 2.42 g/t Au and 0.07% Cu (2.54 g/t eAu or 1.62% eCu) from 27m.

The objective at Zaraa is to first define a large scale open pit resource, then step deeper towards the higher-grade underground potential.

Stockwork Hill Extensions

Three diamond drill holes were drilled into the Stockwork Hill deposit during the quarter and extended the new high-grade Southern Lobe Target towards Stockwork Hill and White Hill (Figure 8). Xanadu's interpretation of the data suggests that these deposits coalesce into a much larger deposit at depth (Figure 9).

- KHDDH468 was drilled on the eastern end of the Southern Lobe Target and returned 364.8m @ 0.28% Cu and 0.26g/t Au (0.45% eCu or 0.71g/t eAu) from 124.5m.

- KHDDH461 was drilled on the western margin of the Southern Lobe Target and returned **276m @ 0.35% Cu and 0.39g/t Au (0.60% eCu or 0.94g/t eAu)** from 192m

  including **150m @ 0.48% Cu and 0.56g/t Au (0.84% eCu or 1.32g/t eAu)** from 290m

  and 294.9m @ 0.22% Cu and 0.24g/t Au (0.37% eCu or 0.58g/t eAu) from 693.1m.

- KHDDH461A was drilled as a wedge hole off KHDDH461 and returned 309.6m @ 0.31% Cu and 0.41g/t Au (0.57% eCu or 0.89g/t eAu) from 414.4m

  including **158m @ 0.35% Cu and 0.42g/t Au (0.61% eCu or 0.96g/t eAu)** from 508m.

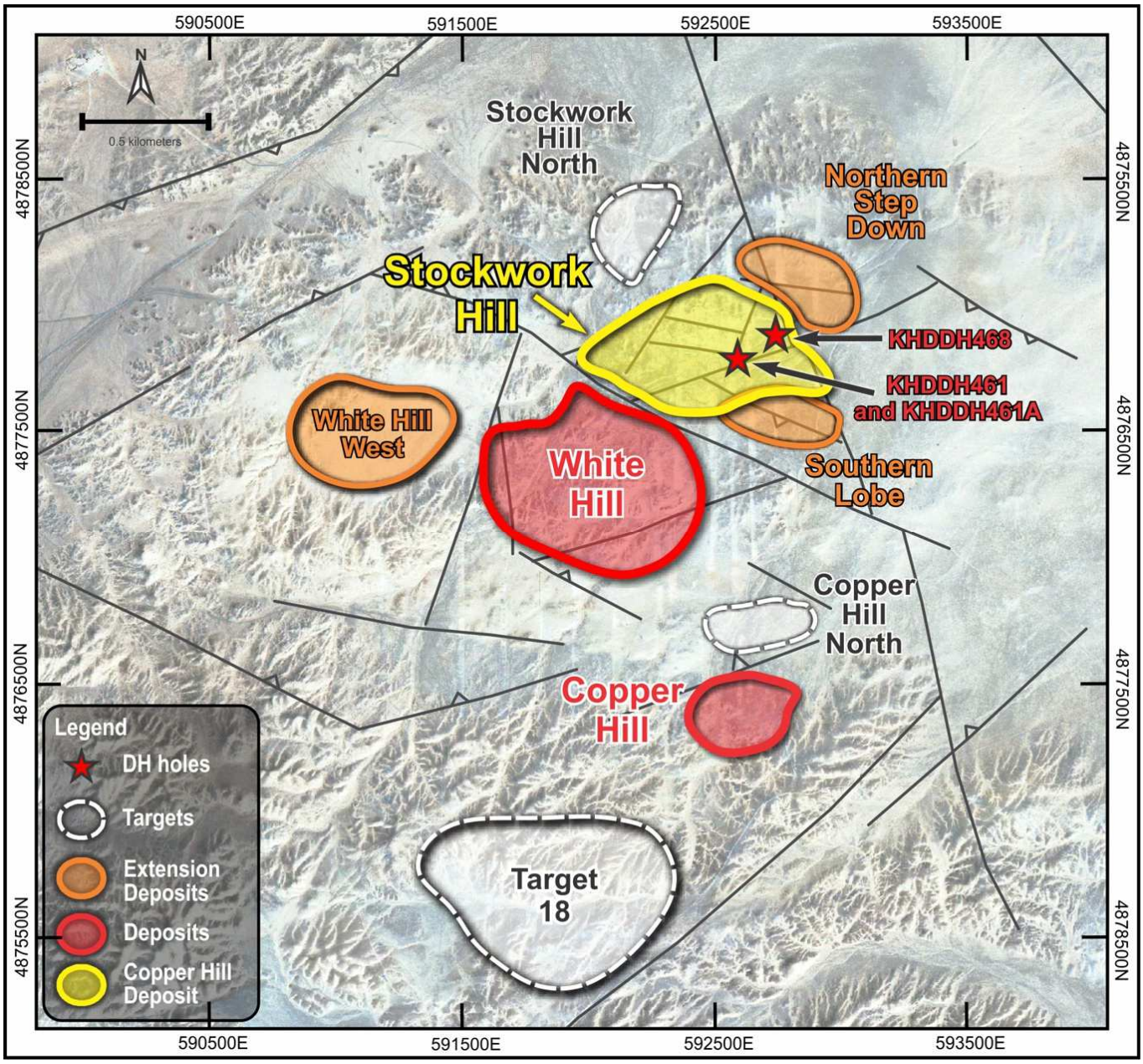
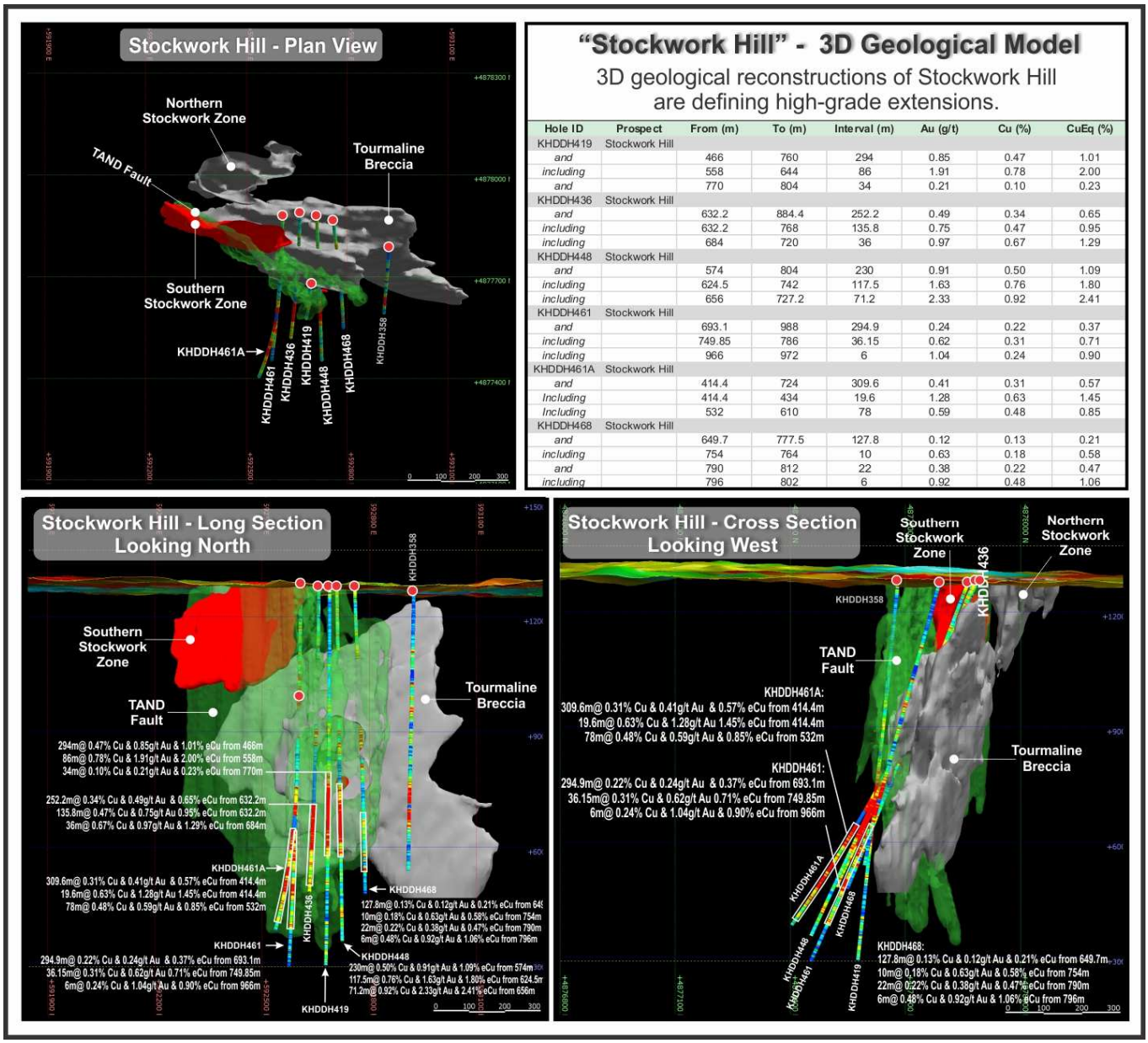


FIGURE 8: Stockwork Hill drilling during the quarter – there is potential for Stockwork Hill and White Hill deposits to join extensional Southern Lobe and Northern Step Down at depth forming a vast porphyry over 1km in strike.



Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)
KHDDH419	Stockwork Hill						
and		466	760	294	0.85	0.47	1.01
including		558	644	86	1.91	0.78	2.00
and		770	804	34	0.21	0.10	0.23
KHDDH436	Stockwork Hill						
and		632.2	884.4	252.2	0.49	0.34	0.65
including		632.2	768	135.8	0.75	0.47	0.95
including		684	720	36	0.97	0.67	1.29
KHDDH448	Stockwork Hill						
and		574	804	230	0.91	0.50	1.09
including		624.5	742	117.5	1.63	0.76	1.80
including		656	727.2	71.2	2.33	0.92	2.41
KHDDH461	Stockwork Hill						
and		693.1	988	294.9	0.24	0.22	0.37
including		749.85	786	36.15	0.62	0.31	0.71
including		966	972	6	1.04	0.24	0.90
KHDDH461A	Stockwork Hill						
and		414.4	724	309.6	0.41	0.31	0.57
Including		414.4	434	19.6	1.28	0.63	1.45
Including		532	610	78	0.59	0.48	0.85
KHDDH468	Stockwork Hill						
and		649.7	777.5	127.8	0.12	0.13	0.21
including		754	764	10	0.63	0.18	0.58
and		790	812	22	0.38	0.22	0.47
including		796	802	6	0.92	0.48	1.06

FIGURE 9: 3D views of the geological model for Stockwork Hill showing increasing high-grade downdip and potential for significant extensions.

Further drilling in the Southern Lobe target is planned in the coming period once the upgraded resource estimate for the Kharmagtai Project has been completed.

RED MOUNTAIN COPPER-GOLD PROJECT

The Red Mountain copper-gold project is located within the South Gobi porphyry copper province of Mongolia, approximately 420km south-southwest of Ulaanbaatar (Figure 1).

Red Mountain is geologically located in a large and underexplored porphyry district (covering approximately 40km²) and contains multiple mineralisation styles, including (Figure 10):

- Multiple co-genetic porphyry copper-gold centres

- Mineralised tourmaline breccia pipes
- Copper-gold + base metal magnetite skarns and
- Epithermal gold veins.

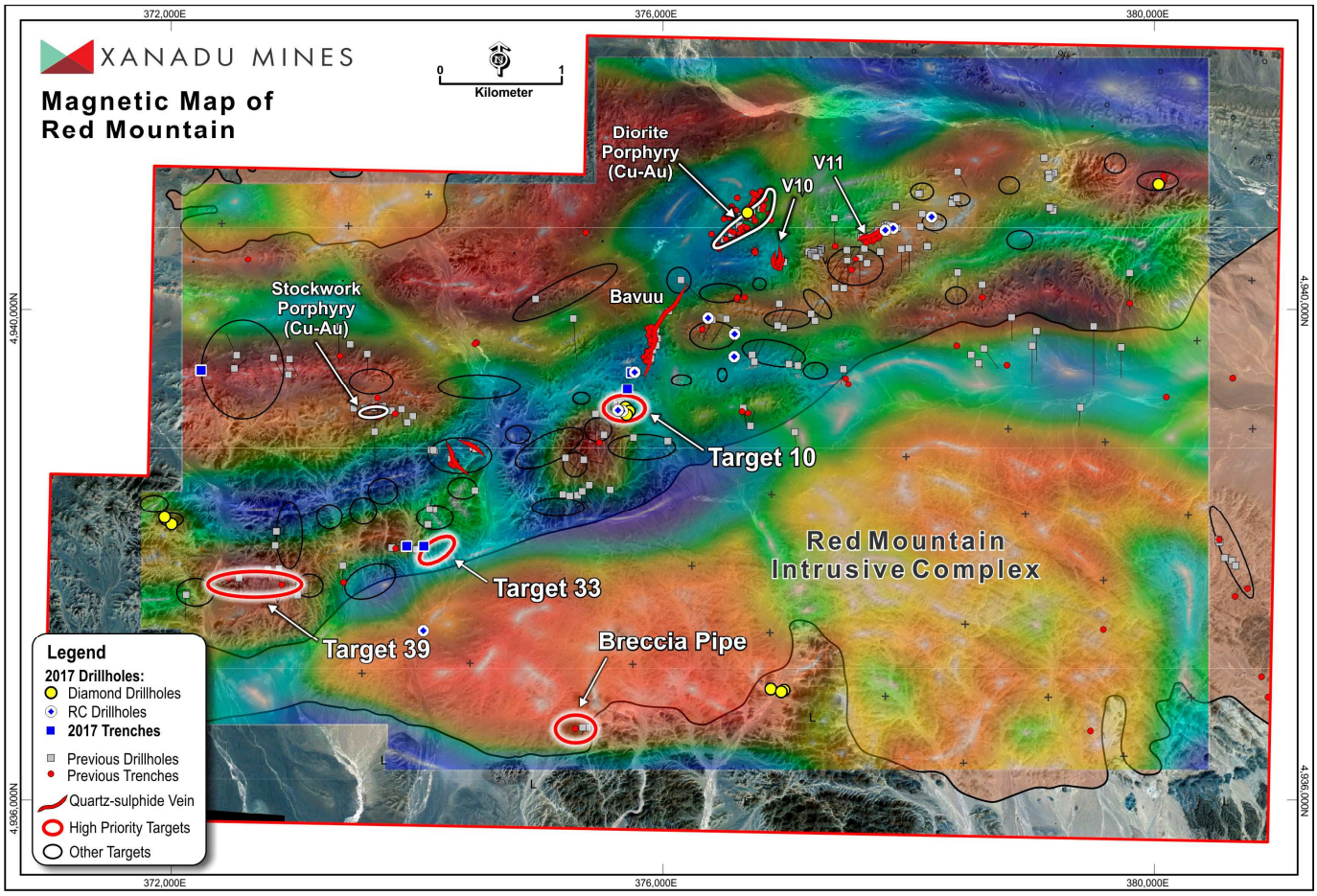


FIGURE 10: Red Mountain license showing location of previously drilled holes and location of known porphyry deposits and targets.

Red Mountain is situated approximately 100km northeast of the Cu-Mo porphyry of Tsagaan Survarga, which contains 1.3Mt of copper, in which the European Bank for Research and Development (EBRD) has invested US$745 million.

Red Mountain has immense potential to contain multiple metalliferous deposits of various styles, which means it is a true district scale opportunity. No field work was conducted at Red Mountain during the quarter, however, Xanadu plans to conduct an exploration program in the coming period with field work (geological mapping) already commenced.

CORPORATE ACTIVITIES

Xanadu successfully completed a placement to domestic and international institutional and sophisticated investors raising approximately A$10 million. The Placement was heavily oversubscribed, reflecting the strong interest from a variety of existing and new investors driven by Xanadu's recent exploration success at its flagship Kharmagtai copper-gold project in Mongolia's South Gobi Region.

Proceeds from the Placement will be used to complete resource drilling at the Kharmagtai Project and complete an economic assessment, continuing exploration at Kharmagtai and Red Mountain projects, and general working capital.

The Placement comprised the issue of approximately 58.9 million new fully paid ordinary shares ("New Shares") at A$0.17 per New Share to raise A$10.0 million. Participants in the Placement will also receive 1 free attaching unlisted option for every 2 shares subscribed with a strike price of A$0.25 and a two (2) year term ("Options"). The Company will issue approximately 29.4 million unlisted options. The New Shares and Options will be issued pursuant to Xanadu's 15% placement capacity in accordance with ASX Listing Rule 7.1. New Shares will rank equally with the Company's existing fully paid ordinary shares. The Placement was conducted at an issue price of A$0.17 per New Share, representing a 15% discount to the last close of A$0.20 per share.

Share Capital

As at 30 June 2018, the Company had 648,044,131 fully paid shares, 20,000,000 performance rights, 29,411,759 unlisted options and 35,000,000 options issued pursuant to the restructure of the Red Mountain acquisition terms.

Financial Position

As at 30 June 2018, the Company had A$10.9 million cash.

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

Dr Andrew Stewart
Managing Director & CEO
T: +976 7013 0211
M: +976 9999 9211
Andrew.stewart@xanadumines.com

Luke Forrestal
Media & Capital Partners
M: +61 411 479 144
luke.forrestal@mcpartners.com.au

COMPETENT PERSON STATEMENT

The information in this announcement 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. Dr Stewart, who is an employee of Xanadu and is a Member of the Australasian Institute of Geoscientists, 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" and the National Instrument 43-101. Dr Stewart consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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.

COPPER EQUIVALENT CALCULATIONS

The copper equivalent (CuEq) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. Grades have not been adjusted for metallurgical or refining recoveries and the copper equivalent grades are of an exploration nature only and intended for summarising grade. The copper equivalent calculation is intended as an indicative value only. The following copper equivalent conversion factors and long-term price assumptions have been adopted: Copper Equivalent Formula (CuEq) = Cu% + (Au (ppm) x 0.6378). Based on a copper price of $2.60/lb and a gold price of $1,300/oz.

Table 1: Kharmagtai drill hole details from the second quarter

Hole ID	Prospect	East	North	RL	Azimuth (°)	Inc (°)	Depth (m)
KHDDH461	Stockwork Hill	592608	4877882	1286	180	-68	1085.5
KHDDH461A	Stockwork Hill	592604	4877768	1011	180	-68	730.7
KHDDH462	Zaraa	594233	4877416	1273	145	-60	1386.4
KHDDH463	Stockwork Hill	592148	4878201	1288	0	-60	477.7
KHDDH464	Sandstorm	593999	4877400	1277	0	-60	366.3
KHDDH465	Sandstorm	594000	4877300	1277	0	-60	453.8
KHDDH466	Zaraa	594671	4876658	1274	325	-60	1090.0
KHDDH467	Zaraa	594145	4877399	1274	145	-60	1335.8
KHDDH468	Stockwork Hill	592759	4877867	1284	178	-68	866.9
KHDDH469	Zaraa	594644	4877425	1268	208	-62	1399.5
KHPCD407	Basin	594641	4877308	1267	0	-90	82.0
KHPCD469	Zaraa	594695	4877362	1269	0	-90	32.0
KHPCD470	Zaraa	594698	4877260	1270	0	-90	79.8
KHPCD471	Zaraa	594587	4877266	1271	0	-90	32.1
KHPCD472	Zaraa	594585	4877361	1270	0	-90	30.0
KHPCD473	Zaraa	594658	4877427	1268	0	-90	26.0
KHPCD474	Zaraa	594745	4877432	1268	0	-90	25.0
KHPCD475	Zaraa	594790	4877369	1268	0	-90	30.0

Hole ID	Prospect	East	North	RL	Azimuth (°)	Inc (°)	Depth (m)
KHPCD476	Zaraa	594760	4877307	1269	0	-90	32.0
KHPCD477	Zaraa	594851	4877262	1268	0	-90	32.4
KHPCD478	Zaraa	594641	4877281	1270	0	-90	78.0
KHPCD479	Zaraa	594606	4877306	1270	0	-90	32.0
KHPCD480	Zaraa	594642	4877339	1270	0	-90	30.3
KHPCD481	Zaraa	594703	4877309	1270	0	-90	30.5
KHPCD482	Zaraa	594852	4877149	1270	0	-90	36.6
KHPCD483	Zaraa	594852	4877061	1270	0	-90	37.0
KHPCD484	Zaraa	594744	4877049	1271	0	-90	36.0
KHPCD485	Zaraa	594693	4877105	1271	0	-90	33.0
KHPCD486	Zaraa	594698	4877184	1271	0	-90	36.0
KHPCD487	Zaraa	594553	4877201	1271	0	-90	81.2
KHPCD488	Zaraa	594554	4877109	1272	0	-90	29.0
KHPCD489	Zaraa	594511	4877269	1271	0	-90	30.0
KHPCD490	Zaraa	594447	4877235	1272	0	-90	81.0
KHPCD491	Zaraa	594524	4877389	1270	0	-90	30.0
KHPCD492	Zaraa	594425	4877428	1271	0	-90	28.0
KHPCD493	Zaraa	594309	4877433	1272	0	-90	29.0
KHPCD494	Zaraa	594309	4877562	1272	0	-90	32.0
KHPCD495	Zaraa	594423	4877562	1270	0	-90	30.5
KHPCD496	Zaraa	594655	4877463	1269	0	-90	26.0
KHPCD497	Zaraa	594809	4877556	1266	0	-90	21.0
KHPCD498	Zaraa	594917	4877653	1265	0	-90	36.0
KHPCD499	Zaraa	594922	4877487	1266	0	-90	26.5
KHPCD500	Zaraa	595020	4877362	1266	0	-90	31.0
KHPCD501	Zaraa	594630	4877218	1271	0	-90	33.0
KHPCD502	Zaraa	594621	4877111	1272	0	-90	30.0
KHPCD503	Zaraa	594775	4877219	1270	0	-90	35.0
KHPCD504	Zaraa	594300	4876894	1277	0	-90	27.0
KHPCD505	Zaraa	594369	4876799	1277	0	-90	27.0
KHPCD506	Zaraa	594626	4876814	1274	0	-90	41.0
KHPCD507	Zaraa	594744	4876849	1272	0	-90	39.5
KHPCD508	Zaraa	594874	4876836	1272	0	-90	32.0
KHPCD509	Zaraa	594871	4876750	1273	0	-90	30.0
KHPCD510	Zaraa	594856	4876625	1273	0	-90	24.5
KHPCD511	Zaraa	594746	4876610	1275	0	-90	23.0
KHPCD512	Zaraa	594596	4876623	1276	0	-90	24.0
KHPCD513	Zaraa	594487	4876618	1278	0	-90	20.0
KHPCD514	Zaraa	594332	4876491	1281	0	-90	21.0
KHPCD515	Zaraa	594331	4876625	1279	0	-90	24.0
KHPCD516	Zaraa	594163	4876634	1281	0	-90	23.0

Hole ID	Prospect	East	North	RL	Azimuth (°)	Inc (°)	Depth (m)
KHPCD517	Zaraa	594114	4876767	1281	0	-90	27.0
KHPCD518	Zaraa	594000	4876628	1283	0	-90	20.0
KHPCD519	Zaraa	594000	4876888	1281	0	-90	25.2
KHPCD520	Zaraa	593920	4877018	1281	0	-90	21.0
KHPCD521	Zaraa	593851	4876836	1284	0	-90	23.0
KHPCD522	Zaraa	593849	4876740	1284	0	-90	20.0
KHPCD523	Zaraa	593835	4876491	1287	0	-90	27.0
KHPCD524	Zaraa	593999	4876500	1285	0	-90	18.0
KHPCD525	Zaraa	595118	4877251	1267	0	-90	36.5
KHPCD526	Zaraa	595000	4877164	1268	0	-90	38.0
KHPCD527	Zaraa	594998	4877087	1269	0	-90	39.0
KHPCD528	Zaraa	594869	4876962	1271	0	-90	35.0
KHPCD529	Zaraa	595182	4876811	1270	0	-90	38.0
KHPCD530	Zaraa	595306	4876811	1269	0	-90	41.0
KHPCD531	Zaraa	595434	4876812	1269	0	-90	41.0
KHPCD532	Zaraa	595435	4876695	1270	0	-90	36.8
KHPCD533	Zaraa	595311	4876691	1270	0	-90	33.0
KHPCD534	Zaraa	595181	4876688	1271	0	-90	35.0
KHPCD535	Zaraa	595051	4876696	1272	0	-90	36.0
KHPCD536	Zaraa	595051	4876574	1273	0	-90	33.0
KHPCD537	Zaraa	595201	4876563	1271	0	-90	30.0
KHPCD538	Zaraa	595341	4876559	1271	0	-90	29.0
KHPCD539	Zaraa	595341	4876427	1272	0	-90	33.0
KHPCD540	Zaraa	595200	4876430	1272	0	-90	29.0
KHPCD541	Zaraa	595073	4876432	1274	0	-90	25.0
KHPCD542	Zaraa	594887	4876443	1276	0	-90	21.0
KHPCD543	Zaraa	595198	4876315	1273	0	-90	29.0
KHPCD544	Zaraa	595335	4876299	1273	0	-90	33.0
KHPCD545	Zaraa	595516	4876373	1271	0	-90	36.0
KHPCD546	Zaraa	595639	4876246	1271	0	-90	33.0
KHPCD547	Zaraa	595498	4876102	1273	0	-90	26.0
KHPCD548	Zaraa	595224	4876109	1274	0	-90	19.0
KHPCD549	Zaraa	595109	4876002	1275	0	-90	29.0
KHPCD550	Zaraa	595255	4875886	1274	0	-90	18.0
KHPCD551	Zaraa	595383	4875994	1274	0	-90	26.0
KHPCD552	Zaraa	595777	4876118	1276	0	-90	36.0
KHPCD553	Zaraa	595885	4876241	1277	0	-90	40.0
KHPCD554	Zaraa	595773	4876373	1273	0	-90	41.0
KHPCD555	Zaraa	595625	4876496	1270	0	-90	41.0
KHPCD556	Zaraa	595605	4876618	1270	0	-90	40.0
KHPCD557	Zaraa	595637	4876743	1269	0	-90	40.0

Hole ID	Prospect	East	North	RL	Azimuth (°)	Inc (°)	Depth (m)
KHPCD558	Zaraa	595796	4876746	1269	0	-90	48.0
KHPCD559	Zaraa	595772	4876627	1270	0	-90	45.0
KHPCD560	Zaraa	595983	4876641	1274	0	-90	47.0
KHPCD561	Zaraa	596265	4876739	1273	0	-90	58.0
KHPCD562	Zaraa	596760	4876752	1270	0	-90	36.0
KHPCD563	Zaraa	597263	4876748	1266	0	-90	33.5
KHPCD564	Zaraa	597521	4876504	1272	0	-90	19.0
KHPCD565	Zaraa	597014	4876561	1270	0	-90	37.4
KHPCD566	Zaraa	596504	4876506	1275	0	-90	36.0
KHPCD567	Zaraa	596249	4877245	1271	0	90	54.0
KHPCD568	Zaraa	596498	4877498	1269	0	90	48.0
KHPCD569	Zaraa	596998	4877505	1264	0	90	51.0
KHPCD570	Zaraa	596747	4877749	1266	0	90	56.2
KHPCD571	Zaraa	596510	4878000	1267	0	90	63.0
KHPCD572	Zaraa	594609	4877280	1270	0	-90	30.0
KHPCD573	Zaraa	594577	4877304	1245	0	-90	28.0
KHPCD574	Zaraa	594608	4877337	1269	0	-90	30.0
KHPCD575	Zaraa	594514	4877346	1265	0	-90	29.0
KHPCD576	Zaraa	594562	4877339	1246	0	-90	29.0
KHPCD577	Zaraa	594504	4877314	1262	0	-90	29.4
KHPCD578	Zaraa	594545	4877304	1245	0	-90	28.0
KHPCD579	Zaraa	594634	4877249	1269	0	-90	31.0
KHPCD580	Zaraa	594596	4877231	1272	0	-90	30.0
KHPCD581	Zaraa	594548	4877243	1269	0	-90	31.5
KHPCD582	Zaraa	594502	4877235	1266	0	-90	29.0
KHPCD583	Zaraa	594473	4877277	1260	0	-90	30.0
KHPCD584	Zaraa	594418	4877281	1263	0	-90	24.0
KHPCD585	Zaraa	594387	4877321	1268	0	-90	26.6
KHPCD586	Zaraa	594447	4877353	1263	0	-90	27.0
KHPCD587	Zaraa	594419	4877179	1271	0	-90	27.0
KHPCD588	Zaraa	594432	4877066	1279	0	-90	29.4
KHPCD589	Zaraa	594563	4876982	1259	0	-90	33.0
KHPCD590	Zaraa	594546	4877049	1260	0	-90	30.0
KHPCD591	Zaraa	594306	4877046	1263	0	-90	24.0
KHPCD592	Zaraa	594480	4876946	1260	0	-90	31.0
KHPCD593	Zaraa	594389	4876917	1261	0	-90	30.0
KHPCD594	Zaraa	594421	4877001	1261	0	-90	33.0
KHPCD595	Zaraa	594502	4877014	1260	0	-90	30.0
KHPCD596	Zaraa	594271	4876814	1276	0	-90	30.0
KHPCD597	Zaraa	594371	4876860	1266	0	-90	31.0
KHPCD598	Zaraa	594550	4876844	1259	0	-90	32.0

Hole ID	Prospect	East	North	RL	Azimuth (°)	Inc (°)	Depth (m)
KHPCD599	Zaraa	597249	4877749	1261	0	-90	60.0
KHPCD600	Zaraa	597504	4877495	1260	0	-90	50.0
KHPCD601	Zaraa	597497	4878000	1261	0	-90	69.0
KHPCD602	Zaraa	596998	4878008	1265	0	-90	67.4
KHPCD603	Zaraa	596757	4878244	1265	0	-90	69.0
KHPCD604	Zephyr	595198	4878192	1257	0	-90	44.0
KHPCD605	Zephyr	595321	4878191	1256	0	-90	48.0
KHPCD606	Zephyr	595193	4878068	1246	0	-90	45.0
KHPCD607	Zephyr	595319	4878069	1252	0	-90	49.0
KHPCD608	Zephyr	595318	4877950	1246	0	-90	46.2
KHPCD609	Zephyr	595202	4877940	1250	0	-90	46.0
KHPCD610	Zephyr	595072	4878062	1254	0	-90	48.0
KHPCD611	Zephyr	595069	4877949	1256	0	-90	46.0
KHPCD612	Zephyr	594950	4877951	1252	0	-90	55.0
KHPCD613	Zephyr	594953	4877747	1255	0	-90	41.0
KHPCD614	Zephyr	594882	4877874	1253	0	-90	47.0
KHPCD615	Zephyr	595196	4877810	1252	0	-90	38.0
KHPCD616	Zephyr	595096	4877807	1257	0	-90	45.0
KHPCD617	Zephyr	595190	4877675	1257	0	-90	54.0
KHPCD618	Zephyr	594962	4877559	1257	0	-90	33.0
KHPCD619	Zephyr	595318	4877751	1257	0	-90	32.7
KHPCD620	Zephyr	595298	4877653	1264	0	-90	32.3
KHPCD621	Zephyr	595400	4877559	1254	0	-90	33.0
KHPCD622	Zephyr	595443	4877630	1251	0	-90	35.5
KHPCD623	Zephyr	595442	4877752	1247	0	-90	37.0
KHPCD624	Zephyr	595563	4877639	1251	0	-90	44.0
KHPCD625	Zephyr	595700	4877675	1255	0	-90	45.0
KHPCD626	Zephyr	595519	4877819	1250	0	-90	41.0
KHPCD627	Zephyr	595755	4877813	1257	0	-90	51.0
KHPCD628	Zephyr	595902	4877835	1264	0	-90	51.0
KHPCD629	Zephyr	595599	4877878	1244	0	-90	51.0
KHPCD630	Zephyr	595251	4877558	1259	0	-90	59.0
KHPCD631	Zephyr	595150	4877658	1258	0	-90	48.0
KHPCD632	Zephyr	595155	4877467	1256	0	-90	36.0
KHPCD633	Zephyr	595168	4877307	1250	0	-90	38.0
KHPCD634	Zephyr	595264	4877337	1261	0	-90	48.0
KHPCD635	Zephyr	595168	4877197	1259	0	-90	38.0
KHPCD636	Zephyr	595426	4877320	1250	0	-90	39.0
KHPCD637	Zephyr	595339	4877451	1252	0	-90	36.0
KHPCD638	Target 6	597689	4877057	1219	0	-90	33.0
KHPCD639	Target 6	597831	4877064	1217	0	-90	51.0

Hole ID	Prospect	East	North	RL	Azimuth (°)	Inc (°)	Depth (m)
KHPCD640	Target 6	597694	4876895	1218	0	-90	33.0
KHPCD641	Target 6	597845	4876899	1216	0	-90	44.0
KHPCD642	Target 6	597964	4877174	1216	0	-90	56.0
KHPCD643	Target 6	598114	4877178	1214	0	-90	57.0
KHPCD644	Target 6	597940	4877314	1217	0	-90	57.0
KHPCD645	Target 6	598091	4877315	1215	0	-90	71.0
KHPCD646	Target 6	597922	4877446	1258	0	-90	51.0
KHPCD647	Target 6	598080	4877441	1216	0	-90	48.0
KHPCD648	Target 6	597952	4877567	1218	0	-90	64.0
KHPCD649	Target 6	598078	4877555	1216	0	-90	49.0
KHPCD650	Target 6	598197	4877692	1215	0	-90	48.6
KHPCD651	Target 6	598311	4877698	1214	0	-90	63.0
KHPCD652	Target 6	598445	4877701	1212	0	-90	60.0
KHPCD653	Target 6	598560	4877701	1211	0	-90	60.0
KHPCD654	Target 6	598199	4877800	1216	0	-90	56.9
KHPCD655	Target 6	598337	4877799	1214	0	-90	57.5
KHPCD656	Target 6	598452	4877800	1212	0	-90	63.0
KHPCD657	Target 6	598571	4877799	1211	0	-90	55.0
KHPCD658	Target 6	598202	4877936	1216	0	-90	66.0
KHPCD659	Target 6	598334	4877942	1215	0	-90	63.0
KHPCD660	Target 6	598472	4877943	1213	0	-90	60.0
KHPCD661	Target 6	598622	4877393	1208	0	-90	48.0
KHPCD662	Target 6	598615	4877531	1209	0	-90	52.0
KHPCD663	Target 6	598760	4877536	1207	0	-90	36.0
KHPCD664	Target 6	598782	4877388	1206	0	-90	24.0
KHRC314	Copper Hill	592797	4876649	1300	315	-60	301.0
KHRC315	Copper Hill	592879	4876569	1302	315	-60	301.0
KHRC316	Copper Hill	592725	4876573	1301	315	-60	261.0
KHRC317	Copper Hill	592647	4876651	1299	315	-60	301.0
KHRC318	Copper Hill	592948	4876653	1300	315	-60	301.0
KHRC319	Stockwork Hill	592652	4877952	1286	0	-60	301.0
KHRC320	Stockwork Hill	592748	4877953	1283	0	-60	301.0
KHRC321	Stockwork Hill	592650	4878050	1287	0	-60	301.0
KHRC322	Stockwork Hill	592750	4878050	1285	0	-60	301.0
KHRC323	Stockwork Hill	592750	4877550	1290	0	-60	301.0
KHRC324	Stockwork Hill	592899	4877499	1287	0	-60	301.0
KHRC325	Stockwork Hill	592898	4877797	1282	0	-60	301.0

Table 2: Kharmagtai significant drill results from the second quarter

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)	AuEq (g/t)
KHDDH461	Stockwork Hill	3.4	174	170.6	0.12	0.13	0.21	0.33
including		3.4	40	36.6	0.20	0.19	0.32	0.50
including		126	136	10	0.18	0.32	0.43	0.68
including		152	158	6	0.10	0.20	0.27	0.42
and		192	468	276	0.39	0.35	0.60	0.94
including		220	228	8	0.30	0.41	0.60	0.94
including		254	278	24	0.44	0.47	0.74	1.17
including		256	274	18	0.50	0.53	0.84	1.32
including		288	440	152	0.56	0.48	0.84	1.31
including		290	440	150	0.56	0.48	0.84	1.32
including		306	318	12	0.76	0.45	0.94	1.47
including		342	362	20	0.79	0.55	1.06	1.66
including		381.6	402	20.4	0.72	0.83	1.29	2.02
including		422	438	16	0.44	0.61	0.88	1.38
and		504	510	6	0.08	0.07	0.12	0.19
and		540	556	16	0.02	0.11	0.13	0.20
and		601	666.5	65.5	0.07	0.13	0.18	0.28
including		654	662	8	0.11	0.23	0.30	0.47
and		693.1	988	294.9	0.24	0.22	0.37	0.58
including		702	816.5	114.5	0.34	0.26	0.48	0.75
including		702	708	6	0.13	0.59	0.68	1.07
including		730	736	6	0.41	0.43	0.70	1.09
including		749.85	786	36.15	0.62	0.31	0.71	1.11
including		838	902	64	0.26	0.32	0.49	0.76
including		852	884	32	0.40	0.39	0.64	1.01
including		964	978	14	0.59	0.18	0.56	0.87
including		966	972	6	1.04	0.24	0.90	1.41
and		1051	1059	8	0.05	0.07	0.10	0.16
KHDDH461A	Stockwork Hill	3.7	164	160.3	0.33	0.27	0.48	0.75
Including		3.7	102	98.3	0.43	0.32	0.60	0.94
Including		114.8	144	29.2	0.28	0.30	0.48	0.76
Including		3.6	96	92.4	0.45	0.33	0.62	0.97
Including		114.8	128	13.2	0.28	0.31	0.49	0.77
and		180	188.3	8.3	0.05	0.06	0.09	0.14
and		206	235.2	29.2	0.04	0.07	0.09	0.14
and		248.3	264.8	16.5	0.05	0.11	0.14	0.22
and		284	374.2	90.2	0.26	0.38	0.55	0.86
Including		286	324	38	0.11	0.33	0.40	0.63
Including		334	374.2	40.2	0.47	0.48	0.78	1.22

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)	AuEq (g/t)
Including		337.4	374.2	36.8	0.50	0.50	0.81	1.28
Including		339	354	15	0.57	0.61	0.97	1.53
and		414.4	724	309.6	0.41	0.31	0.57	0.89
Including		414.4	488	73.6	0.73	0.42	0.88	1.38
Including		414.4	450	35.6	0.89	0.53	1.10	1.72
Including		414.4	434	19.6	1.28	0.63	1.45	2.28
Including		464	478.8	14.8	1.03	0.41	1.07	1.67
Including		508	666	158	0.42	0.35	0.61	0.96
Including		532	610	78	0.59	0.48	0.85	1.33
Including		532	550	18	1.29	0.74	1.56	2.44
KHDDH462	Zaraa	44	91	47	0.06	0.06	0.09	0.15
and		127	149	22	0.16	0.04	0.15	0.23
including		143	149	6	0.44	0.06	0.34	0.53
and		203	225	22	0.05	0.06	0.10	0.15
and		235	285	50	0.06	0.12	0.16	0.25
and		366	446	80	0.07	0.11	0.15	0.24
and		458	1386.4	928.4	0.25	0.30	0.47	0.73
including		520	1142	622	0.32	0.37	0.57	0.90
including		528.1	538.5	10.4	0.32	0.22	0.42	0.67
including		645	784	139	0.48	0.51	0.82	1.28
including		713	749	36	0.62	0.58	0.98	1.53
including		762	780	18	0.97	0.98	1.60	2.51
including		825	912.2	87.2	0.69	0.47	0.91	1.42
including		860	880	20	0.58	0.54	0.91	1.43
including		934	949.1	15.1	0.27	0.48	0.65	1.02
including		1007	1054	47	0.31	0.45	0.65	1.01
including		1214	1328	114	0.15	0.22	0.32	0.50
including		1344	1372	28	0.16	0.23	0.33	0.51
KHDDH463	Stockwork Hill	36	50	14	0.18	0.04	0.16	0.25
and		174	180	6	0.22	0.00	0.15	0.23
and		194	206	12	0.52	0.01	0.34	0.54
KHDDH464	Sandstorm	21	40	19	0.13	0.02	0.10	0.15
and		126	147.5	21.5	0.19	0.03	0.15	0.24
and		158	178	20	0.12	0.01	0.09	0.14
and		214	238	24	0.14	0.02	0.11	0.18
and		248	256	8	0.24	0.03	0.18	0.28
KHDDH465	Sandstorm	26	40	14	0.17	0.07	0.19	0.29
and		214	226	12	0.11	0.01	0.09	0.14
and		288	312.5	24.5	0.17	0.04	0.15	0.24
and		414	422	8	0.10	0.01	0.07	0.11

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)	AuEq (g/t)
KHDDH466	Zaraa	340	1090	750	0.18	0.22	0.33	0.52
including		438	460	22	0.15	0.24	0.34	0.53
including		584	626	42	0.15	0.20	0.29	0.46
including		664	816	152	0.31	0.36	0.56	0.87
including		666	690	24	0.38	0.50	0.74	1.17
including		700	726	26	0.27	0.35	0.52	0.81
including		740	746	6	0.43	0.41	0.68	1.07
including		772	784	12	0.37	0.39	0.62	0.98
including		794	814	20	0.40	0.42	0.67	1.05
including		828	840	12	0.31	0.30	0.49	0.77
including		852.3	1020.3	168	0.22	0.30	0.43	0.68
including		854	878	24	0.37	0.38	0.62	0.96
including		887.4	903	15.6	0.38	0.38	0.61	0.96
including		1052	1086	34	0.23	0.21	0.36	0.56
KHDDH467	Zaraa	45	54	9	0.25	0.01	0.17	0.27
and		126.2	178	51.8	0.06	0.10	0.14	0.22
and		202	236	34	0.07	0.06	0.10	0.16
and		244	261.3	17.3	0.03	0.07	0.09	0.15
and		273	298	25	0.12	0.13	0.21	0.33
including		273.8	286	12.2	0.19	0.16	0.28	0.44
and		310	335.1	25.1	0.04	0.12	0.14	0.23
and		347	372.8	25.8	0.13	0.19	0.27	0.43
and		386	400	14	0.04	0.10	0.12	0.19
and		425	445	20	0.03	0.07	0.09	0.15
and		466	900	434	0.07	0.16	0.20	0.32
including		610	620	10	0.10	0.28	0.34	0.53
including		738.1	772	33.9	0.09	0.25	0.31	0.49
including		824	836	12	0.04	0.14	0.16	0.25
including		846	900	54	0.15	0.26	0.36	0.57
and		918.3	1289	370.7	0.25	0.36	0.52	0.82
including		918.3	1026.8	108.5	0.27	0.44	0.61	0.96
including		944	1025	81	0.30	0.48	0.67	1.05
including		1042.5	1124.6	82.1	0.46	0.62	0.91	1.42
including		1042.5	1102	59.5	0.54	0.68	1.02	1.60
including		1053.6	1084	30.4	0.80	0.95	1.46	2.29
including		1114	1124	10	0.30	0.58	0.78	1.22
including		1133.7	1172	38.3	0.14	0.26	0.35	0.54
including		1184	1260.6	76.6	0.17	0.22	0.32	0.51
and		1300	1335.8	35.8	0.06	0.15	0.19	0.30
KHDDH468	Stockwork Hill	2.6	58	55.4	0.13	0.19	0.27	0.42

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)	AuEq (g/t)
including		4	30	26	0.15	0.25	0.34	0.54
and		72	112	40	0.08	0.08	0.13	0.21
and		124.5	489.3	364.8	0.26	0.28	0.45	0.71
including		134.1	139.4	5.3	0.33	0.29	0.50	0.79
including		171	464	293	0.30	0.32	0.51	0.80
including		200.5	208.3	7.8	0.66	0.16	0.58	0.91
including		247.2	257.3	10.1	0.47	0.56	0.86	1.35
including		292	322	30	0.17	0.44	0.55	0.86
including		348	442	94	0.44	0.39	0.67	1.05
including		392	402	10	0.53	0.25	0.59	0.93
including		414	442	28	0.48	0.47	0.77	1.21
including		458	464	6	0.57	0.48	0.85	1.33
and		500	558	58	0.17	0.14	0.25	0.40
including		501.4	514	12.6	0.55	0.30	0.66	1.03
including		544	551.5	7.5	0.09	0.14	0.19	0.30
and		612.3	640	27.7	0.07	0.06	0.10	0.16
and		649.7	777.5	127.8	0.12	0.13	0.21	0.32
including		660	674	14	0.14	0.25	0.34	0.53
including		692	698	6	0.15	0.19	0.29	0.45
including		754	774	20	0.38	0.13	0.38	0.59
including		754	764	10	0.63	0.18	0.58	0.92
and		790	812	22	0.38	0.22	0.47	0.73
including		790	806	16	0.50	0.27	0.59	0.92
including		796	802	6	0.92	0.48	1.06	1.67
and		826	832	6	0.03	0.06	0.08	0.13
KHDDH469	Zaraa	22	59.5	37.5	0.17	0.03	0.14	0.22
and		100	152	52	0.24	0.11	0.26	0.40
including		140	146	6	0.51	0.15	0.47	0.73
and		194	292	98	0.09	0.09	0.15	0.23
and		318	368	50	0.10	0.11	0.17	0.27
and		378.9	820.5	441.6	0.35	0.35	0.57	0.89
including		414	747.4	333.4	0.41	0.42	0.68	1.06
including		456	462	6	0.44	0.37	0.65	1.02
including		474	579.2	105.2	0.56	0.53	0.89	1.39
including		508	569	61	0.63	0.59	0.99	1.55
including		594	686.7	92.7	0.48	0.52	0.82	1.29
including		603.7	610.9	7.2	0.45	0.63	0.92	1.44
including		620	632	12	0.55	0.55	0.91	1.42
including		648	668	20	0.66	0.65	1.07	1.68
including		712	722	10	0.46	0.41	0.70	1.10

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)	AuEq (g/t)
including		758	766	8	0.12	0.15	0.22	0.35
including		774	820.5	46.5	0.19	0.19	0.31	0.49
and		832.3	1312.6	480.3	0.25	0.30	0.46	0.72
including		840	1113.3	273.3	0.32	0.40	0.60	0.95
including		878	884	6	0.35	0.37	0.59	0.92
including		898	926.2	28.2	0.36	0.43	0.66	1.03
including		938	945	7	0.30	0.45	0.64	1.00
including		968	974	6	0.36	0.55	0.78	1.22
including		988	1105.2	117.2	0.39	0.49	0.74	1.16
including		1022	1032	10	0.58	0.81	1.19	1.86
including		1209	1222.8	13.8	0.16	0.29	0.39	0.61
including		1239	1270	31	0.21	0.27	0.41	0.64
including		1290	1300	10	0.19	0.25	0.37	0.58
and		1321.8	1349.5	27.7	0.08	0.13	0.17	0.27
and		1363.3	1399.5	36.2	0.07	0.15	0.20	0.31
KHPCD407	Basin	27	46	19	0.38	0.07	0.31	0.48
including		29	35	6	0.76	0.09	0.57	0.89
and		64	82	18	0.20	0.03	0.16	0.25
including		76	82	6	0.36	0.04	0.27	0.42
KHPCD478	Zaraa	24	33	9	6.60	0.18	4.39	6.88
including		26	33	7	8.33	0.21	5.52	8.66
including		26	32	6	9.63	0.17	6.31	9.90
KHPCD479	Zaraa	25	32	7	1.45	0.07	1.00	1.56
including		27	31	4	2.42	0.07	1.62	2.54
KHPCD487	Zaraa	31.2	42	10.8	0.05	0.08	0.11	0.18
KHPCD489	Zaraa	25	29	4	0.28	0.03	0.21	0.33
KHPCD490	Zaraa	47	61	14	0.08	0.05	0.10	0.16
KHPCD491	Zaraa	21	27	6	0.11	0.02	0.09	0.15
KHPCD496	Zaraa	19	26	7	0.29	0.15	0.34	0.53
KHPCD515	Zaraa	19	23	4	0.15	0.07	0.17	0.26
KHPCD516	Zaraa	18	23	5	0.41	0.16	0.42	0.66
KHPCD518	Zaraa	11	20	9	0.20	0.11	0.24	0.38
KHPCD525	Zaraa	27.5	36.5	9	0.17	0.05	0.16	0.25
KHPCD527	Zaraa	32	36	4	0.15	0.03	0.12	0.19
KHPCD530	Zaraa	34	41	7	0.19	0.08	0.20	0.31
KHPCD531	Zaraa	34	41	7	0.10	0.08	0.14	0.22
KHPCD533	Zaraa	24	33	9	0.13	0.05	0.13	0.20
KHPCD536	Zaraa	24	28	4	0.11	0.05	0.12	0.18
KHPCD552	Zaraa	29	35	6	0.31	0.00	0.20	0.32
KHPCD553	Zaraa	35	40	5	1.30	0.01	0.84	1.32

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)	AuEq (g/t)
KHPCD580	Zaraa	21	27	6	0.63	0.07	0.47	0.73
KHPCD582	Zaraa	24	28	4	0.29	0.05	0.23	0.37
KHPCD587	Zaraa	18	27	9	0.12	0.03	0.11	0.18
KHPCD594	Zaraa	26	30	4	0.22	0.03	0.17	0.26
KHPCD595	Zaraa	23	29	6	0.14	0.03	0.12	0.19
KHPCD615	Zephyr	31	37	6	0.27	0.02	0.19	0.30
KHPCD623	Zephyr	28	37	9	0.19	0.19	0.31	0.48
including		30	37	7	0.15	0.16	0.26	0.40
KHPCD625	Zephyr	36	42	6	0.04	0.11	0.13	0.21
KHPCD627	Zephyr	42	51	9	0.04	0.19	0.22	0.34
KHPCD630	Zephyr	52	59	7	0.40	0.26	0.52	0.82
including		54	59	5	0.53	0.32	0.66	1.04
KHPCD633	Zephyr	31	38	7	0.06	0.22	0.26	0.40
KHPCD639	Target 6	42	48	6	0.15	0.05	0.14	0.23
KHPCD646	Target 6	42	51	9	0.18	0.06	0.17	0.27
KHPCD655	Target 6	54	57.5	3.5	0.30	0.00	0.19	0.30
KHPCD656	Target 6	56	62	6	0.29	0.04	0.22	0.35
KHPCD661	Target 6	39	48	9	0.04	0.08	0.10	0.16
KHPCD664	Target 6	21	24	3	0.07	0.07	0.11	0.17
KHRC314	Copper Hill	4	301	297	0.05	0.16	0.19	0.30
including		22	30	8	0.16	0.18	0.28	0.44
including		102	118	16	0.07	0.27	0.31	0.49
including		160	194	34	0.07	0.26	0.31	0.48
KHRC315	Copper Hill	152	164	12	0.19	0.09	0.22	0.34
and		188	248	60	0.07	0.20	0.24	0.38
including		198	222	24	0.08	0.32	0.38	0.59
and		280	301	21	0.04	0.12	0.15	0.23
KHRC316	Copper Hill	7	15	8	0.07	0.06	0.10	0.16
and		41	61	20	0.07	0.21	0.25	0.40
including		41	49	8	0.09	0.32	0.38	0.59
and		75	143	68	0.04	0.13	0.15	0.23
and		173	191	18	0.03	0.09	0.11	0.18
and		207	235	28	0.03	0.09	0.11	0.17
and		247	261	14	0.03	0.11	0.13	0.20
KHRC317	Copper Hill	18	301	283	0.05	0.13	0.17	0.26
including		32	46	14	0.15	0.26	0.36	0.57
including		122	136	14	0.09	0.28	0.34	0.53
including		216	224	8	0.07	0.24	0.29	0.46
KHRC318	Copper Hill	120	144	24	0.04	0.08	0.11	0.17
including		156	216	60	0.03	0.10	0.12	0.19

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)	AuEq (g/t)
including		240	276	36	0.04	0.09	0.12	0.19
KHRC319	Stockwork Hill	2	100	98	0.11	0.14	0.21	0.33
including		2	8	6	0.41	0.26	0.53	0.82
and		110	146	36	0.04	0.07	0.09	0.15
and		192	266	74	0.05	0.11	0.14	0.22
and		290	298	8	0.04	0.06	0.08	0.13
KHRC320	Stockwork Hill	60	70	10	0.04	0.06	0.08	0.13
and		98	106	8	0.02	0.07	0.08	0.13
KHRC321	Stockwork Hill	4	22	18	0.10	0.11	0.17	0.27
and		36	66	30	0.06	0.08	0.12	0.19
and		76	88	12	0.03	0.06	0.08	0.13
and		198	208	10	0.22	0.06	0.19	0.30
and		258	272	14	0.38	0.02	0.26	0.40
including		266	272	6	0.67	0.02	0.45	0.70
KHRC322	Stockwork Hill	9	25	16	0.14	0.11	0.19	0.30
KHRC323	Stockwork Hill	264	300	36	0.06	0.11	0.14	0.23
KHRC324	Stockwork Hill	154	180	26	0.08	0.06	0.11	0.18
and		192	200	8	0.06	0.07	0.11	0.17
and		212	226	14	0.06	0.08	0.11	0.18
and		238	252	14	0.05	0.07	0.10	0.16
KHRC325	Stockwork Hill	39	47	8	0.04	0.09	0.11	0.18
and		83	89	6	0.02	0.08	0.09	0.15
and		103	175	72	0.11	0.24	0.32	0.50
including		127	165	38	0.15	0.36	0.46	0.71
including		153	161	8	0.12	0.77	0.85	1.33
and		187	193	6	0.07	0.12	0.16	0.26
and		205	219	14	0.12	0.04	0.11	0.18

Table 3: Tenements held as at 30 June 2018

Set out below is the relevant information on Xanadu's mining tenements as required under ASX Listing Rule 5.3.3.

Tenement No.	Tenement Name	Location	Change in % Interest	% Interest as at 30 June
MV17387A1	Kharmagtai	Umnugovi Province	-	76.5%[1]
MV017129	Red Mountain	Dornogovi Province	-	90%
13670x	Yellow Mountain	Bulgan Province	-	100%

[1]Kharmagtai project has been funded through Xanadu's interest in Mongol Metals LLC by a combination of equity and shareholder advances converted to equity periodically. Xanadu's interest in Mongol Metals LLC is equivalent to 85% as at 30 June 2018 (an effective 76.5% interest in the Kharmagtai project).

APPENDIX 1: KHARMAGTAI TABLE 1 (JORC 2012)

Set out below is Section 1 and Section 2 of Table 1 under the JORC Code, 2012 Edition for the Kharmagtai project. Data provided by Xanadu. This Table 1 updates the JORC Table 1 disclosure dated 24 January 2018.

1.1 JORC TABLE 1 - SECTION 1 - SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code (Section 1) Explanation	Commentary
Sampling techniques	• Nature and quality of sampling and assaying. • Measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report.	• The resource estimate is based on drill samples only. • Representative 2 metre samples were taken from ½ NQ or HQ diamond core and chip channel samples from trenches. • Only assay result results from recognised, independent assay laboratories were used in Resource calculation after QAQC was verified.
Drilling techniques	• Drill type and details.	• DDH drilling has been the primary drilling method.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• DDH core recoveries have been very good, averaging between 97% and 99% for all of the deposits. In localised areas of faulting and/or fracturing the recoveries decrease; however this is a very small percentage of the overall mineralised zones. • Recovery measurements were collected during all DDH programs. The methodology used for measuring recovery is standard industry practice. • Analysis of recovery results vs. grade indicates no significant trends. Indicating bias of grades due to diminished recovery and / or wetness of samples.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Drill and trench samples are logged for lithology, mineralisation and alteration and geotechnical aspects using a standardised logging system, including the recording of visually estimated volume percentages of major minerals. • Drill core was photographed after being logged by a geologist. • The entire interval drilled and trenched has been logged by a geologist.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximiserepresentivity of samples. • Measures taken to ensure that the	• DDH Core is cut in half with a diamond saw, following the line marked by the geologist. The rock saw is regularly flushed with fresh water. • Sample intervals are a constant 2m interval down-hole in length. • Trench chip channel samples taken close to the base of the trench wall (about 10cm above the floor). Samples are about 3kg. • Trench Sample collected with a plastic sheet or tray. • Routine sample preparation and analyses of

Criteria	JORC Code (Section 1) Explanation	Commentary
	sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	DDH samples were carried out by SGS Mongolia LLC (SGS Mongolia), who operates an independent sample preparation and analytical laboratory in Ulaanbaatar. • All samples were prepared to meet standard quality control procedures as follows: Crushed to 90% passing 3.54 mm, split to 1kg, pulverised to 90% - 95% passing 200 mesh (75 microns) and split to 150g. • Certified reference materials (CRMs), blanks and pulp duplicate were randomly inserted to manage the quality of data. • Sample sizes are well in excess of standard industry requirements.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• All samples were routinely assayed by SGS Mongolia for gold, copper, silver, lead, zinc, arsenic and molybdenum. • Au is determined using a 30g fire assay fusion, cupelled to obtain a bead, and digested with Aqua Regia, followed by an atomic absorption spectroscopy (AAS) finish, with a lower detection (LDL) of 0.01 ppm. • Cu, Ag, Pb, Zn, As and Mo were routinely determined using a three-acid-digestion of a 0.3g sub-sample followed by an AAS finish (AAS21R). Samples are digested with nitric, hydrochloric and perchloric acids to dryness before leaching with hydrochloric acid to dissolve soluble salts and made to 15ml volume with distilled water. The LDL for copper using this technique was 2ppm. Where copper is over-range (>1% Cu), it is analysed by a second analytical technique (AAS22S), which has a higher upper detection limit (UDL) of 5% copper. • Quality assurance was provided by introduction of known certified standards, blanks and duplicate samples on a routine basis. • Assay results outside the optimal range for methods were re-analysed by appropriate methods. • Ore Research Pty Ltd certified copper and gold standards have been implemented as a part of QAQC procedures, as well as coarse and pulp blanks, and certified matrix matched copper-gold standards. • QAQC monitoring is an active and ongoing processes on batch by batch basis by which unacceptable results are re-assayed as soon as practicable.

Criteria	JORC Code (Section 1) Explanation	Commentary
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• All assay data QAQC is checked prior to loading into the Geobank data base. • The data is managed XAM geologists. • The data base and geological interpretation is collectively managed by XAM.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Diamond drill holes and trenches have been surveyed with a differential global positioning system (DGPS) to within 10cm accuracy. • All diamond drill holes have been down hole surveyed to collect the azimuth and inclination at specific depths. Two principal types of survey method have been used over the duration of the drilling programs including Eastman Kodak and Flexit. • UTM WGS84 48N grid. • The DTM is based on 1m contours with an accuracy of ±0.01m.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Drilling and trenching has been completed on nominal north-south sections, commencing at 120m spacing and then closing to 40m for resource estimation. • Vertical spacing of intercepts on the mineralised zones similarly commences at 100m spacing and then closing to 50m for resource estimation. • Drilling has predominantly occurred with angled holes approximately 70° to 60° inclination below the horizontal and either drilling to north or south, depending on the dip of the target mineralised zone. • Holes have been drilled to 1,000m vertical depth • The data spacing and distribution is sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and has been taken into account in 3D space when determining the classifications to be applied.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drilling and trenching has been predominantly completed on north-south section lines along the strike of the known mineralised zones and from either the north or the south depending on the dip. • Limited trenching has been completed along strike (subparallel) orientations to mineralisation - no conclusion regarding width and grade can be drawn from this data; • Vertical to South dipping ore bodies were predominantly drilled to the north. • Scissor drilling, (drilling from both north and

Criteria	JORC Code (Section 1) Explanation	Commentary
		south), as well as vertical drilling, has been used in key mineralised zones to achieve unbiased sampling of possible structures and mineralised zones.
Sample security	• The measures taken to ensure sample security.	• Samples are dispatched from site through via company employees and secure company vehicles to the Laboratories. • Samples are signed for at the Laboratory with confirmation of receipt emailed through. • Samples are then stored at the lab and returned to a locked storage site.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data	• Internal audits of sampling techniques and data management on a regular basis, to ensure industry best practice is employed at all times. • External review and audit have been conducted by the following groups: o 2012 – AMC Consultants Pty Ltd. was engaged to conduct an Independent Technical Report which reviewed drilling and sampling procedures. It was concluded that sampling and data record was appropriate for use in resource estimation including that required by the NI 43-101 standards. o 2013 - Mining Associates Ltd. was engaged to conduct an Independent Technical Report to review drilling, sampling techniques, QAQC and previous resource estimates. Methods were found to conform to international best practice.

1.2 JORC TABLE 1 - SECTION 2 - REPORTING OF EXPLORATION RESULTS

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code (Section 2) Explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The Project comprises 1 Mining Licence (MV 17387A). • 100% owned by Oyut Ulaan LLC. • Xanadu and its joint venture partner, Mongol Metals can earn a 90% interest in the Kharmagtai porphyry copper-gold project. The remaining 10% is owned by Quincunx Ltd, which in turn is owned by an incorporated joint venture between Kerry Holdings Ltd. and MCS Holding LLC. • The Mongolian Minerals Law (2006) and Mongolian Land Law (2002) govern exploration, mining and land use rights for the project.

Criteria	JORC Code (Section 2) Explanation	Commentary
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Previous exploration was conducted by Quincunx Ltd, Ivanhoe Mines Ltd and Turquoise Hill Resources Ltd including extensive drilling, surface geochemistry, geophysics, mapping and mineral resource estimation to NI 43-101 standards.
Geology	• Deposit type, geological setting and style of mineralisation.	• The mineralisation is characterised as porphyry copper-gold type. • Porphyry copper-gold deposits are formed from magmatic hydrothermal fluids typically associated with felsic intrusive stocks that have deposited metals as sulphides both within the intrusive and the intruded host rocks. Quartz stockwork veining is typically associated with sulphides occurring both within the quartz veinlets and disseminated thought out the wall rock. Porphyry deposits are typically large tonnage deposits ranging from low to high grade and are generally mined by large scale open pit or underground bulk mining methods. The deposits at Kharmagtai are atypical in that they are associated with intermediate intrusions of diorite to quartz diorite composition, however the deposits are in terms of contained gold significant, and similar gold-rich porphyry deposits.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: – easting and northing of the drill hole collar. – elevation or RL Reduced Level – elevation above sea level in metres) of the drill hole collar . – dip and azimuth of the hole – down hole length and interception depth – hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Diamond drill holes are the principal source of geological and grade data for the Project. • See figures in main report.
Data Aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation	• A nominal cut-off of 0.1% Cu is used with a maximum of 6m internal dilution for identification of potentially significant intercepts for reporting purposes. • Most of the reported intercepts are shown in sufficient detail, including maxima and subintervals, to allow the reader to make an assessment of the balance of high and low grades in the intercept.

Criteria	JORC Code (Section 2) Explanation	Commentary
	should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Informing Samples have been composited to two metre lengths honouring the geological domains and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit). • Metal equivalents used the following formula: CuEq = Cu% x(Aug/t x 0.6378) Formula is based on a $2.60/lb copper price and a $1,300/oz gold price. A gold recovery factor of 78.72% was used.
Relationship between mineralisation on widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Mineralised structures are variable in orientation, and therefore drill orientations have been adjusted from place to place in order to allow intersection angles as close as possible to true widths. • Exploration results have been reported as an interval with 'from' and 'to' stated in tables of significant economic intercepts. Tables clearly indicate that true widths will generally be narrower than those reported. • Limited trenching has been completed along strike (subparallel) orientations to mineralisation - no conclusion regarding width and grade can be drawn from this data; • Resource estimation, as reported later, was done in 3D space.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• See figures in main report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Resources have been reported at a range of cut-off grades, above a minimum suitable for open pit mining, and above a minimum suitable for underground mining.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Extensive work in this area has been done, and is reported separately.

Criteria	JORC Code (Section 2) Explanation	Commentary
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• The mineralisation is open at depth and along strike. • Current estimates are restricted to those expected to be reasonable for open pit mining. Limited drilling below this depth (-300m rl) shows widths and grades potentially suitable for underground extraction. • Exploration on going.

1.3 JORC TABLE 1 – SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code (Section 3) Explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• The database is a Geobank data base system. • Data is logged directly into an Excel spread sheet logging system with drop down field lists. • Validation checks are written into the importing program ensures all data is of high quality. • Digital assay data is obtained from the Laboratory, QAQC checked and imported • Geobank exported to Access, and connected directly to the GemcomSurpac Software. • Data was validated prior to resource estimation by the reporting of basic statistics for each of the grade fields, including examination of maximum values, and visual checks of drill traces and grades on sections and plans.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Andrew Vigar of Mining Associates visited site from 24 and 25 October 2014. • The site visit included a field review of the exploration area, an inspection of core, sample cutting and logging procedures and discussions of geology and mineralisation with exploration geologists.
Geological interpretation	• Confidence in (or conversely, the uncertainty of the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Mineralisation resulted in the formation of comprises quartz-chalcopyrite-pyrite-magnetite stockwork veins and minor breccias. • The principle ore minerals of economic interest are chalcopyrite, bornite and gold, which occur primarily as infill within these veins. Gold is intergrown with chalcopyrite and bornite. • The ore mineralised zones at Stockwork Hill, White Hill and Copper Hill are associated with a core of quartz veins that were intensely developed in and the quartz

Criteria	JORC Code (Section 3) Explanation	Commentary
		diorite intrusive stocks and/or dykes rocks. These vein arrays can be described as stockwork, but the veins have strong developed preferred orientations. • Sulphidemineralisation is zoned from a bornite-rich core that zone outwards to chalcopyrite-rich and then outer pyritic haloes, with gold closely associated with bornite. • Drilling indicates that the supergene profile has been oxidised to depths up to 60 metres below the surface. The oxide zone comprises fracture controlled copper and iron oxides; however there is no obvious depletion or enrichment of gold in the oxide zone.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• Stockwork Hill comprises two main mineralised zones, northern and southern stockwork zones (AT-N and AT-S) which are approximately 100 metres apart and hosted in diorite and quartz diorite porphyries. The AT-S is at least 550 metres long, 600 metres deep and contains strong quartz-chalcopyrite-pyrite stockwork veining and associated high grade copper-gold mineralisation. The stockwork zone widens eastward from a 20 to 70 metres wide high-grade zone in the western and central sections to a 200 metres wide medium-grade zone in the eastern most sections. Mineralisation remains open at depth and along strike to the east. • The AT-N consists of a broad halo of quartz that is 250 metres long, 150 metres wide long and at least 350 metres deep. • TS consists of a broad halo of quartz veins that is 850 metres long, 550 metres wide long and at least 500 metres deep, and forms a pipe like geometry. • ZU forms a sub vertical body of stockwork approximately 350 × 100 metres by at least 200 metres and plunges to the southeast.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production	• The estimate Estimation Performed using Ordinary Kriging. • Variograms are reasonable along strike. • Minimum & Maximum Informing samples is 5 and 20 (1st pass), Second pass is 3 and 20. • Copper and Gold Interpreted separately on NS sections and estimated as separate domains. • Halo mineralisation defined as 0.12% Cu and 0.12g/t Au Grade.

Criteria	JORC Code (Section 3) Explanation	Commentary
	records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• The mineralised domains were manually digitised on cross sections defining mineralisation. Three dimensional grade shells (wireframes) for each of the metals to be estimated were created from the sectional interpretation. Construction of the grade shells took into account prominent lithological and structural features. For copper, grade shells were constructed for each deposit at a cut-off of 0.12% and 0.3% Cu. For gold, wireframes were constructed at a threshold of 0.12g/t and 0.3 g/t. These grade shells took into account known gross geological controls in addition to broadly adhering to the above mentioned thresholds. • Cut off grades applied are copper-equivalent (CuEq) cut off values of 0.3% for appropriate for a large bulk mining open pit and 0.5% for bulk block caving underground. • A set of plans and cross-sections that displayed colour-coded drill holes were plotted and inspected to ensure the proper assignment of domains to drill holes. • The faulting interpreted to have had considerable movement, for this reason, the fault surface were used to define two separate structural domains for grade estimation. • Six metre down-hole composites were chosen for statistical analysis and grade estimation of Cu and Au. Compositing was carried out downhole within the defined mineralisation halos. Composite files for individual domains were created by selecting those samples within domain wireframes, using a fix length and 50% minimum composite length. • A total of 4,428 measurements for specific gravity are recorded in the database, all of which were determined by the water immersion method. The average density of all samples is 2.74 t/m3. In detail there are some differences in density between different rock types, but since the model does not include geological domains a single pass ID2 interpolation was applied. • Primary grade interpolation for the two metals was by ordinary kriging of capped 6m composites. A two-pass search approach was used, whereby a cell failing to receive a grade estimate in a previous pass would be resubmitted in a subsequent and larger search pass.

Criteria	JORC Code (Section 3) Explanation	Commentary
		• The Mineral Resource estimate meets the requirements of JORC 2012 and has been reported considering geological characteristics, grade and quantity, prospects for eventual economic extraction and location and extents. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories using relevant copper-equivalent cut-off values; CuEq = Cu% x(Aug/t x 0.6378) Formula is based on a $2.60/lb copper price and a $1,300/oz gold price. A gold recovery factor of 78.72% was used.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• All tonnages are reported on a dry basis.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• Cut off grades applied are copper-equivalent (CuEq) cut off values of 0.3% for possible open pit and 0.5% for underground.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• No mining factors have been applied to the in situ grade estimates for mining dilution or loss as a result of the grade control or mining process. • The deposit is amenable to large scale bulk mining. • The Mineral resource is reported above an optimised pit shell. (Lerch Grossman algorithm), mineralisation below the pit shell is reported at a higher cut-off to reflect the increased costs associated with block cave underground mining
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• No metallurgical factors have been applied to the in situ grade estimates.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of	• An environmental baseline study was completed in 2003 by Eco Trade Co. Ltd. of Mongolia in cooperation with Sustainability

Criteria	JORC Code (Section 3) Explanation	Commentary
	the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	Pty Ltd of Australia. The baseline study report was produced to meet the requirements for screening under the Mongolian Environmental Impact Assessment (EIA) Procedures administered by the Mongolian Ministry for Nature and Environment (MNE).
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• A total of 4,428 measurements for specific gravity are recorded in the database, all of which were determined by the water immersion method. • The average density of all samples is approximately 2.74 t/m3. In detail there are some differences in density between different rock types, but since the model does not include geological domains a single estimation pass (ID2) was applied to a density attribute. • There is no material impact on global tonnages, but it should be noted that density is a function of both lithology and alteration (where intense magnetite/sulphide is present).
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• The mineral resource classification protocols, for drilling and sampling, sample preparation and analysis, geological logging, database construction, interpolation, and estimation parameters are described in the Main Report have been used to classify the 2015 resource. • The Mineral Resource statement relates to global estimates of in situ tonnes and grade • The Mineral Resource estimate has been classified in accordance with the JORC Code, 2012 Edition using a qualitative approach. The classifications reflect the competent person's view of the Kharmagtai Copper Gold Project.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• XAM's internal review and audit of the Mineral Resource Estimate consisted of data analysis and geological interpretation of individual cross-sections, comparing drill-hole data with the resource estimate block model. • Good correlation of geological and grade boundaries were observed • 2013 - Mining Associates Ltd. was engaged

Criteria	JORC Code (Section 3) Explanation	Commentary
		to conduct an Independent Technical Report to review drilling, sampling techniques, QAQC and previous resource estimates. Methods were found to conform to international best practice.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• An approach to the resource classification was used which combined both confidence in geological continuity (domain wireframes) and statistical analysis. The level of accuracy and risk is therefore reflected in the allocation of the measured, indicated and inferred resource categories. • Resource categories were constrained by geological understanding, data density and quality, and estimation parameters. It is expected that further work will extend this considerably. • Resources estimates have been made on a global basis and relates to in situ grades. • Confidence in the Indicated resource is sufficient to allow application of Modifying Factors within a technical and economic study. The confidence in Inferred Mineral Resources is not sufficient to allow the results of the application of technical and economic parameters. • The deposits are not currently being mined. • There is surface evidence of historic artisanal workings. • No production data is available.

1.4 JORC TABLE 1 – SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

Ore Reserves are not reported so this is not applicable to this report.