



XANADU MINES

ASX: XAM | TSX: XAM

Ханатауны
Хүдэр

KHARMAGTAI - A MAJOR COPPER-GOLD
EXPLORATION & DEVELOPMENT PROJECT

Disclaimer



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

Investment Highlights

MAJOR EXPLORATION AND DEVELOPMENT PROJECT



Globally-significant
copper & gold
discovery



Clear development
pathway



Established
portfolio of
advanced projects



Experienced board
& proven
management team



2018 Explorer of the Year Award



Xanadu Mines in the past year

EXCEPTIONAL EXPLORATION SUCCESS



MAJOR RESOURCE UPGRADE

598Mt* containing 1.9Mt Cu & 4.3Moz Au



SHALLOW HIGH-GRADE CORE

54Mt @ 0.86% eCu supports accelerated PEA (Q4 2018)



NEW ZARAA PORPHYRY DISCOVERY

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



HIGH-GRADE EXTENSIONS AT STOCKWORK HILL

294m @ 0.47% Cu & 0.85g/t Au (1.01% eCu) from 466m



To create value through conversion of our exploration projects into mineable deposits through discovery of high value Cu-Au resources

* The resource figure above (598Mt) includes both indicated (129.3Mt) and inferred (468.9Mt) resource categories. Both at the same 0.3eCu cut-off grade see press release of October 31, 2018.

Corporate Snapshot



648.0m

SHARES ON
ISSUE

A\$84.2m

MARKET CAP
0.13c

A\$7.8m

CASH
(SEP 2018)

A\$76.4m

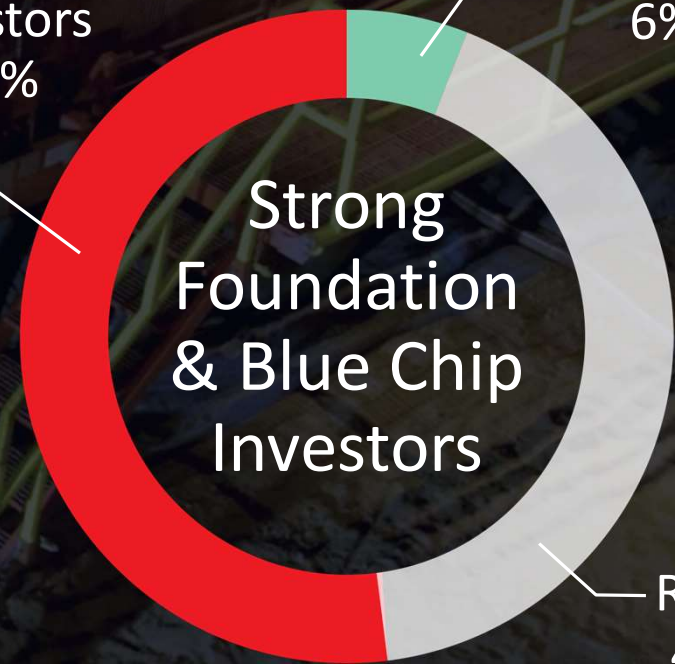
ENTERPRISE
VALUE

71.4%

TOP 20 SHAREHOLDERS

Institutional
Investors
52%

Domestic
6%



Strong
Foundation
& Blue Chip
Investors

Board & Senior Management



Proven in country
Management &
Exploration Team



Experienced board
of Directors



Andrew Stewart
Managing Director
& Chief Executive
Officer



**Ganbayar
Lkhagvasuren**
Executive
Director



**Munkhsaikhan
Dambiinyam**
Chief Financial
Officer



Mat Brown
Chief Geologist



Kevin Tomlinson
Non-Executive Chairman



**Hannah
Badenach**
Non-Executive
Director



Darryl Clark
Non-Executive
Director



**Marcus
Engelbrecht**
Non-Executive
Director



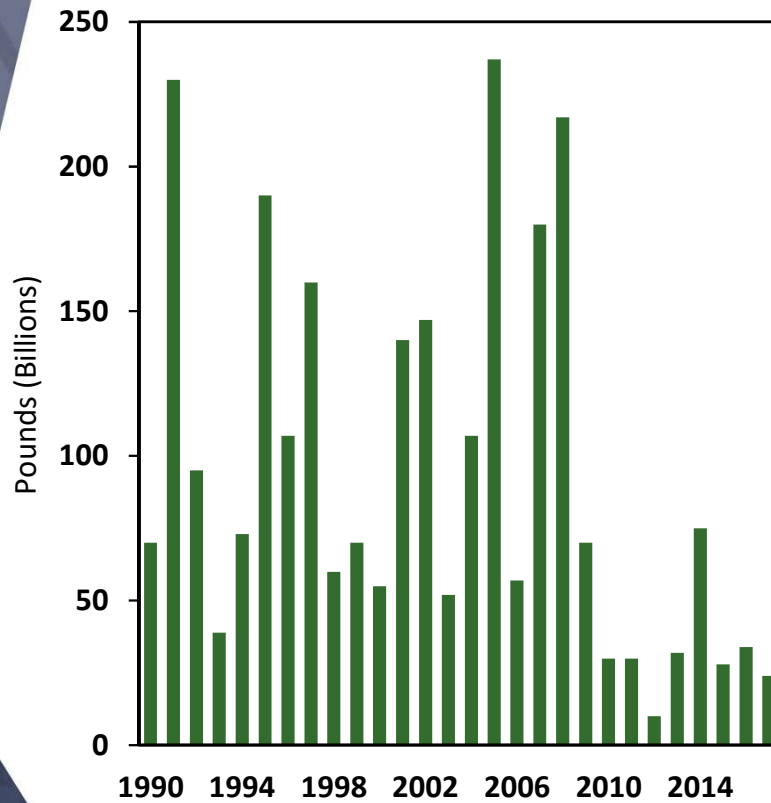
**Michele
Muscillo**
Non-Executive
Director

Costs have jumped to more than \$0.07 per pound of copper discovered

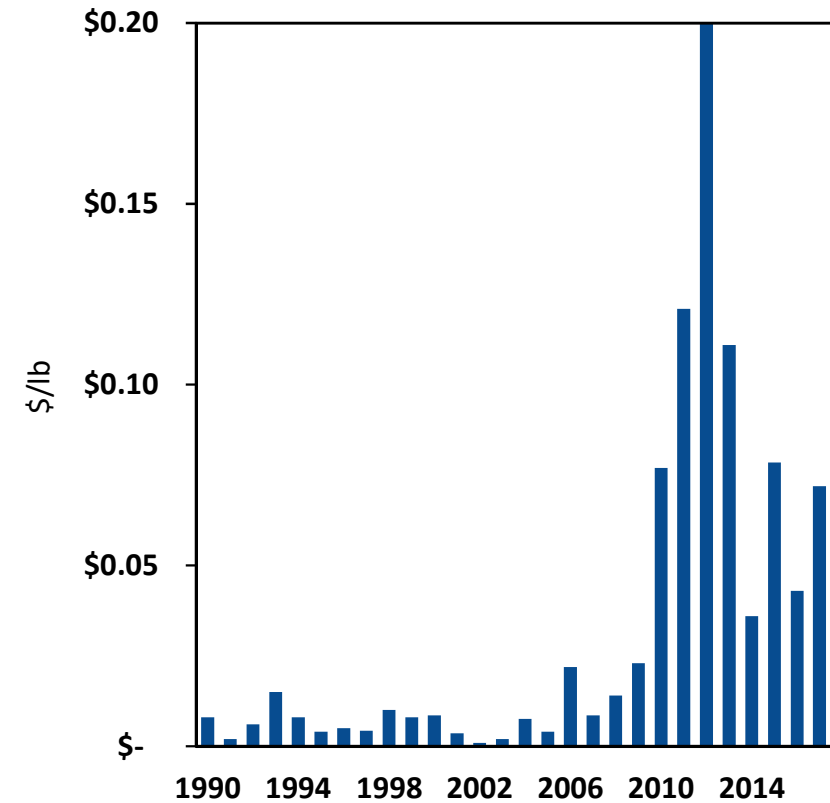
What are the Copper Signals Flashing?

COST TO DISCOVER A NEW COPPER RESERVE POUND

Annual Copper Discoveries



Copper Exploration Cost per Pound Discovered



Source: S&P Global Marketing Intelligence

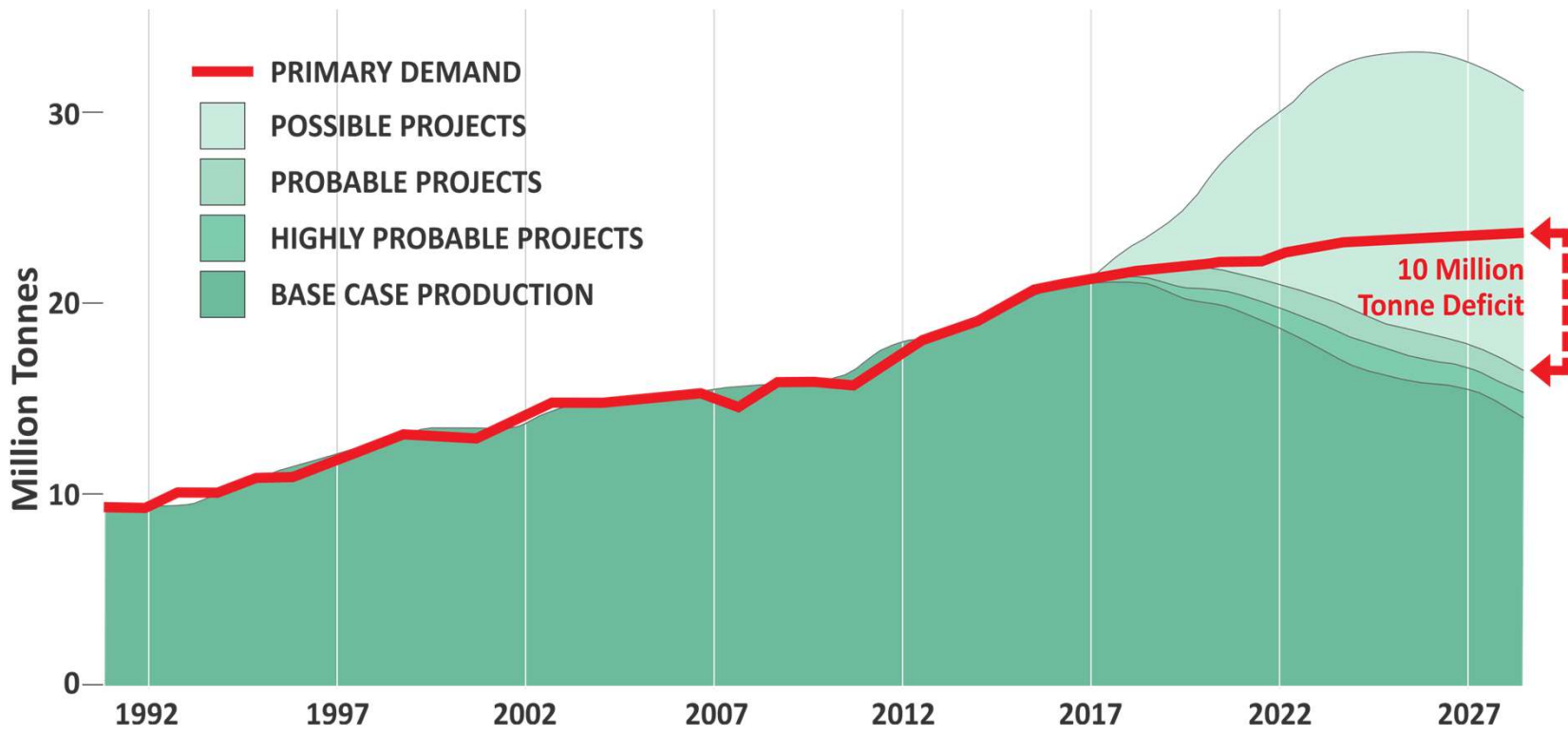
Long-term copper fundamentals strong

THE LOOMING COPPER SUPPLY CRUNCH

Global copper supply & demand



Lack of new copper projects to trigger supply gap of over 15Mt by 2035



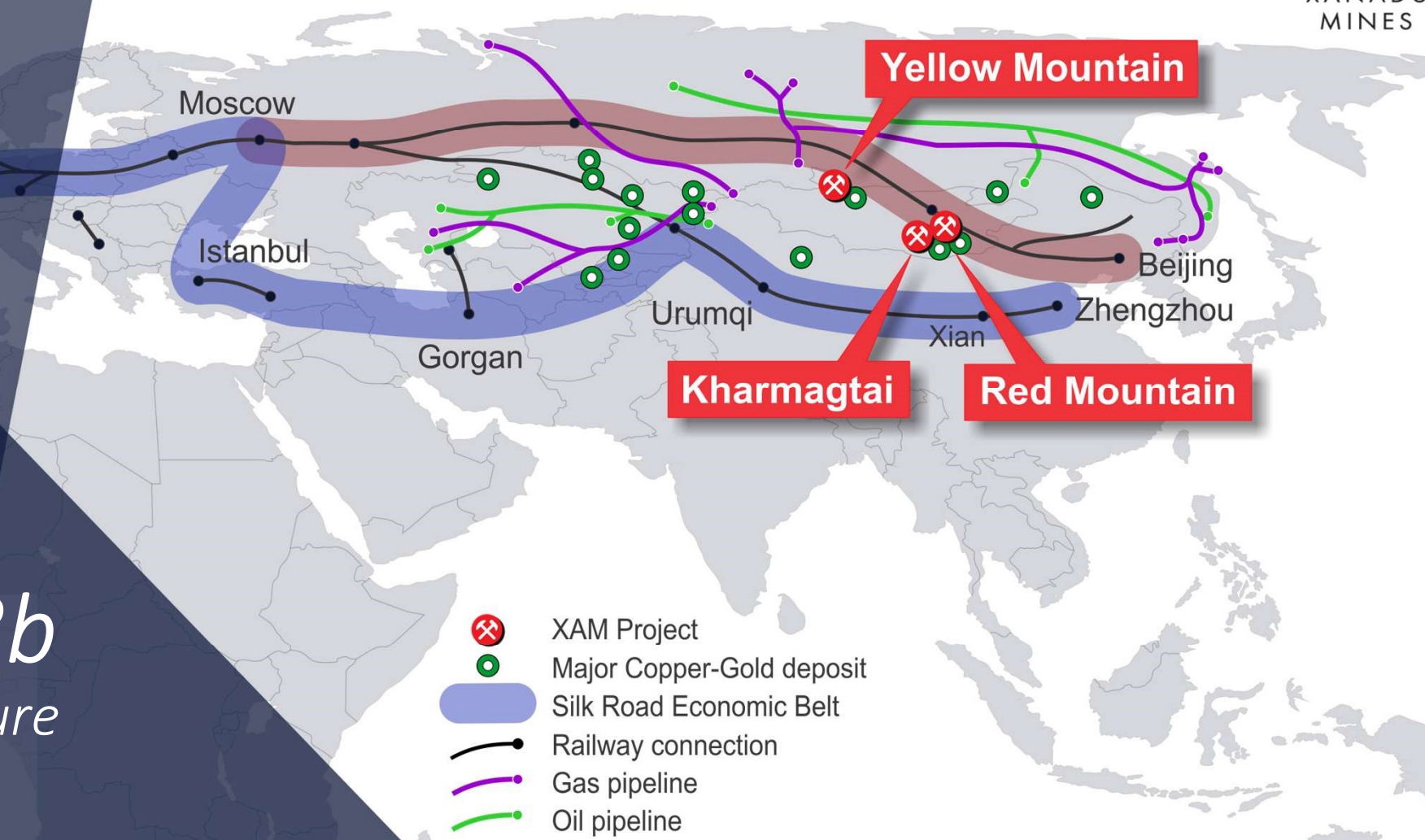
Source: Wood Mackenzie's Q4 2016, Copper Outlook - December 2016

Along the New Silk Road



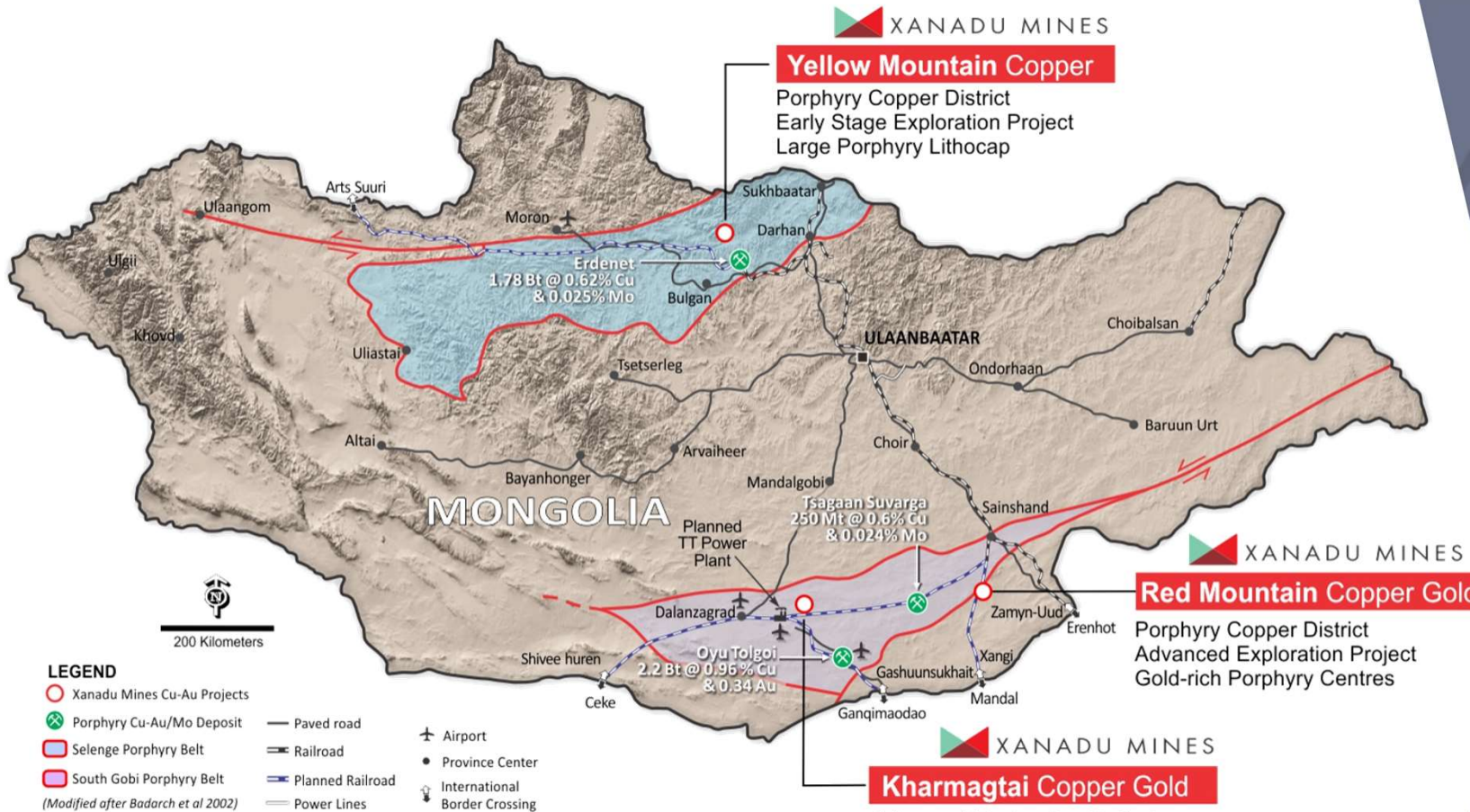
62%
of the
world's
population

\$US1.3b
infrastructure
will inspire
investment



Copper mining in Mongolia

SUSTAINABLE AND LONG-TERM MINING INDUSTRY

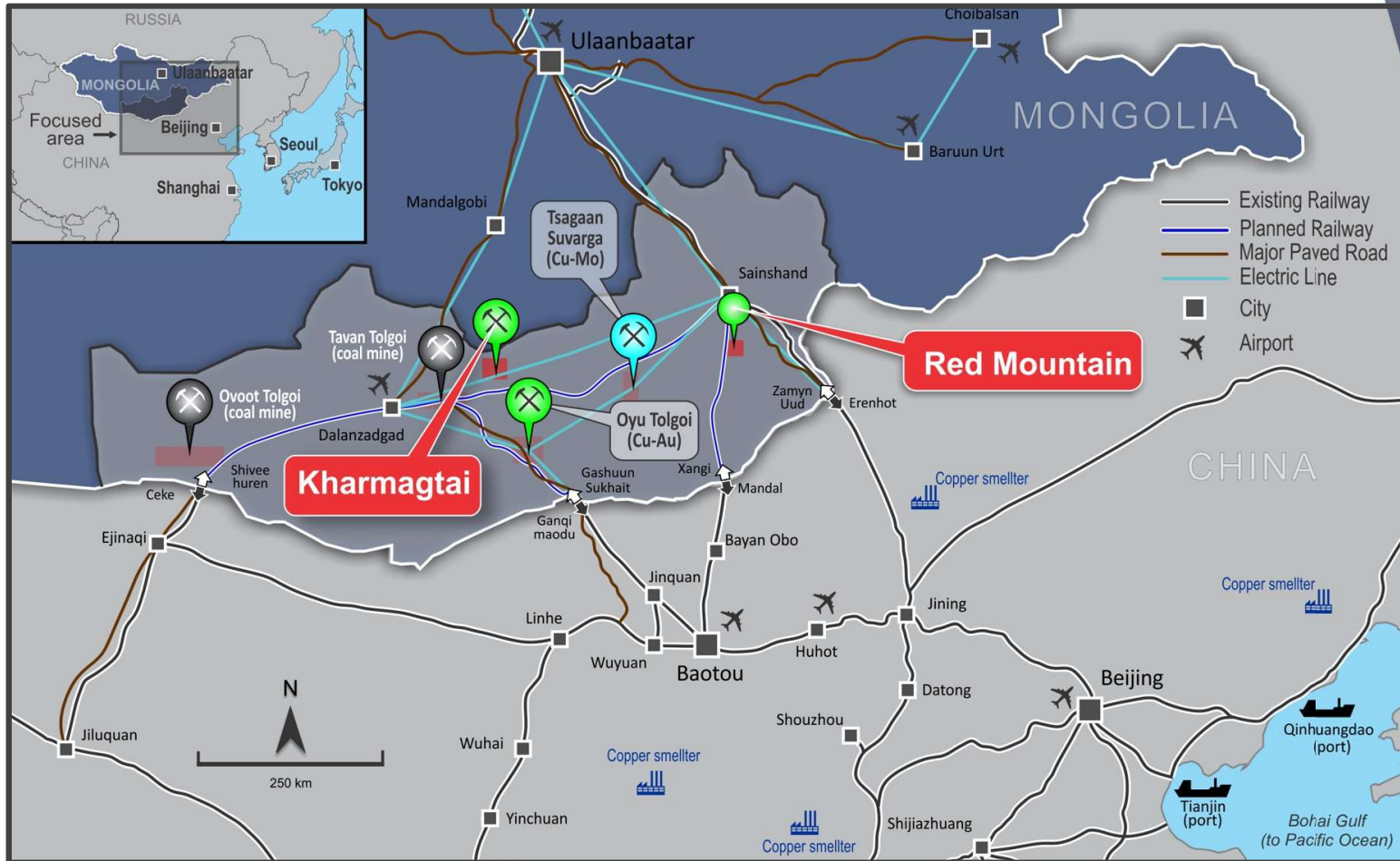


One Belt, One Road' could help unleash Mongolia's copper potential

* The resource figure above (598Mt) includes both indicated (129.3Mt) and inferred (468.9Mt) resource categories. Both at the same 0.3eCu cut-off grade. See press release of October 31, 2018

Established Copper Province at China's doorstep

RAPIDLY EXPANDING INFRASTRUCTURE



Kharmagtai is at the heart of an emerging resource region

An established Copper belt with power & water

Kharmagtai Porphyry Cu-Au District



LARGE DISTRICT- SCALE PORPHYRY Cu-Au PROJECT

Under explored district hosting a globally significant copper-gold discovery



SHALLOW OPEN- PITABLE HIGH GRADE MINERALISATION

Shallow high-grade core defined 54Mt @ 0.86% CuEq to support PEA (Q4 2018)



FAST-GROWING COPPER & GOLD RESOURCE BASE

Major increase in Kharmagtai open-cut resource to 1.9Mt Cu & 4.3Moz Au



ESTABLISHED INFRASTRUCTURE WITH POWER & WATER

Neighboring significant deposits in production, including Rio Tinto's Oyu Tolgoi

Kharmagtai Porphyry Cu-Au District



HISTORY OF THE KHARMAGTAI DISTRICT

2015

XANADU MINES

Acquisition

2018

Zaraa Discovery

4th Porphyry
Centre

TODAY

MRE 598Mt
containing 1.9Mt
Cu & 4.3 Moz Au

2001-2014

IVANHOE MINES

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

2016

Stockwork Hill

East Discovery

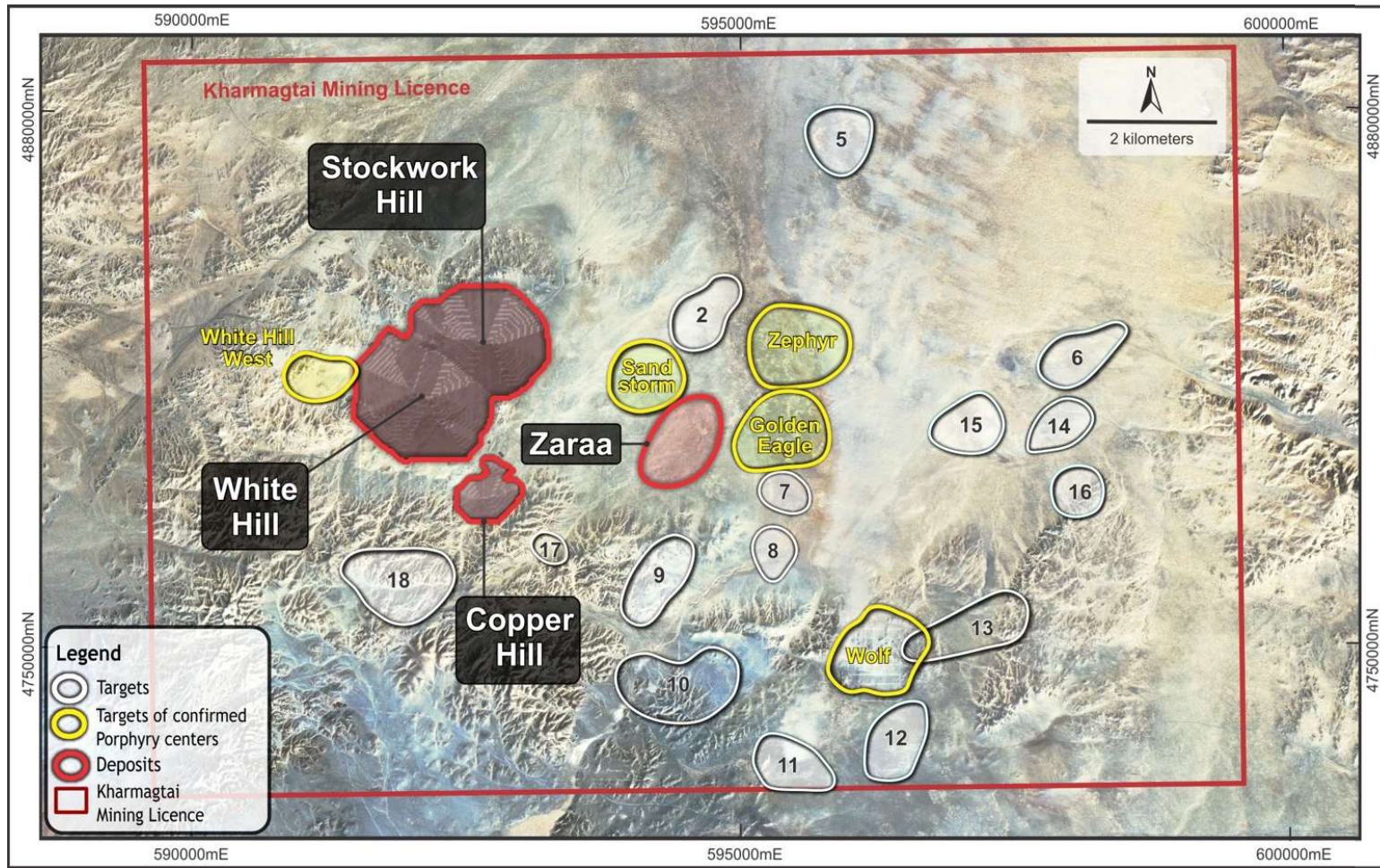
Drilling intercepts
>650m or greater at
+1% CuEq

Start the
commercialisation
process

* The resource figure above (598Mt) includes both indicated (129.3Mt) and inferred (468.9Mt) resource categories. Both at the same 0.3eCu cut-off grade. See press release of October 31, 2018

Kharmagtai Porphyry Cu-Au District

CLUSTER OF OUTCROPPING PORPHYRY DEPOSITS

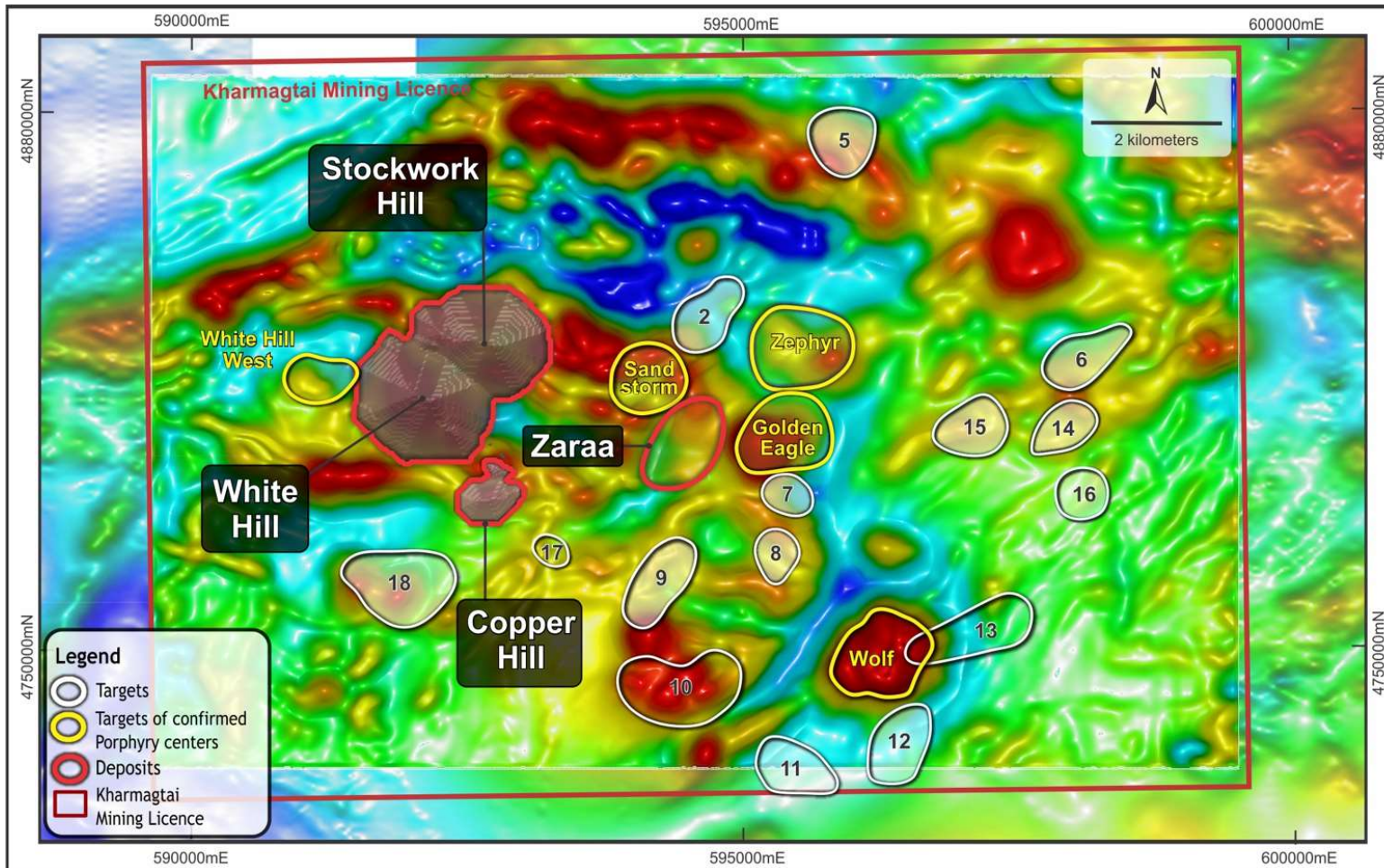


Outcrop throughout the district is sparse

Quaternary sand covers most of the mineralised complex

Kharmagtai Porphyry Cu-Au District

LARGE COMPOSITE DIORITE INTRUSIVE COMPLEX



New drilling continues to expand mineralisation

Kharmagtai porphyry system much larger at depth than previously interpreted

Resource Estimate Continues to Grow



ONE OF ASIA'S LARGEST UNDEVELOPED COPPER DEPOSITS



OPEN PIT RESOURCE

Major increase in Kharmagtai Open-Cut MRE to 598Mt containing 1.9Mt copper and 4.3Moz gold (2.6 Mt copper equivalent metal)

400% increase in contained Cu



HIGH GRADE CORE

Scoping Study on shallow, higher grade 'starter project'

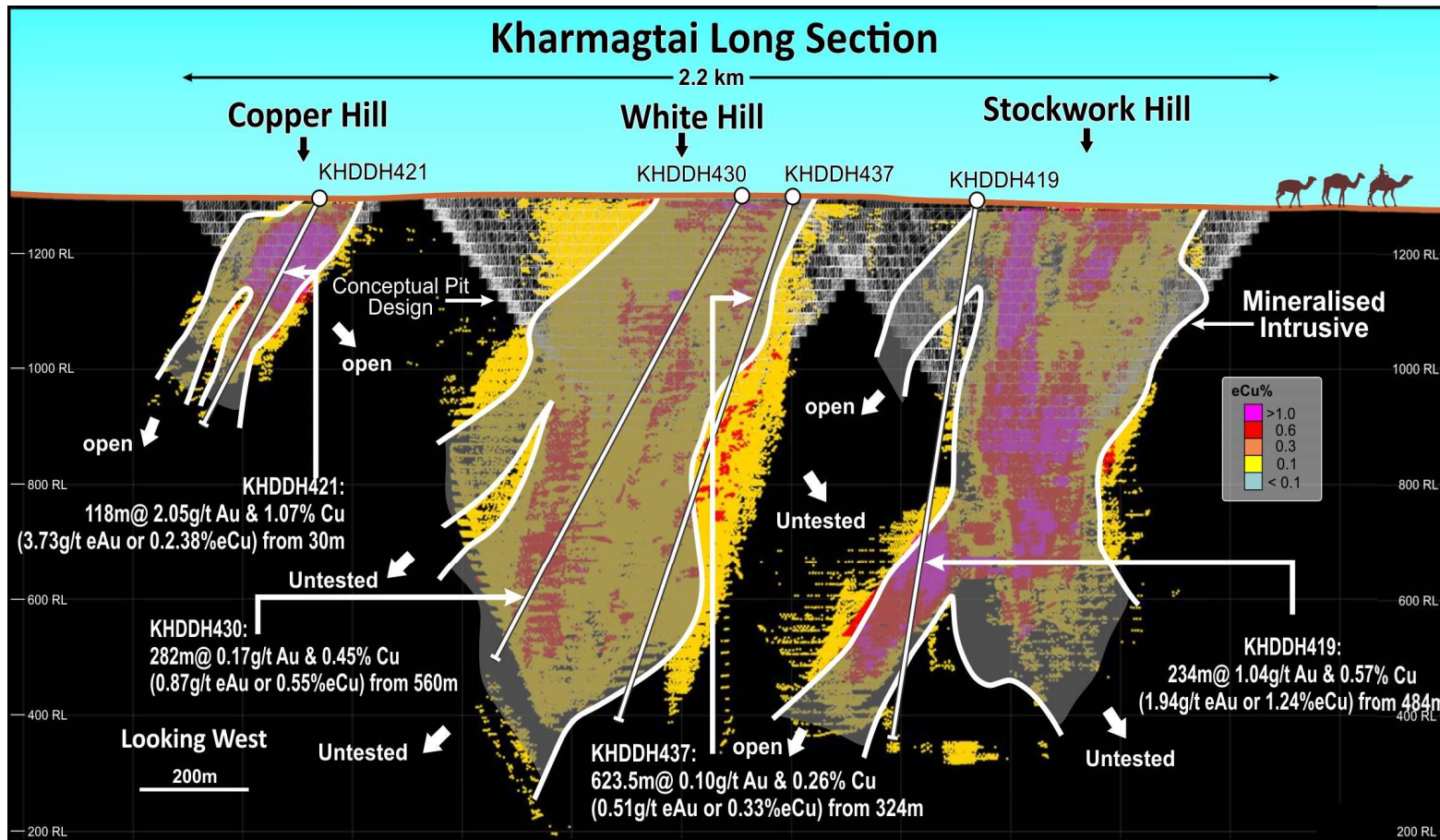
54Mt @ 0.86% CuEq for 317kt Cu & 1.13 Moz Au

*ASX announcement dated 30 October 2018 "Major increase in Kharmagtai open-cut resource to 1.9mt cu & 4.3moz au." Table 1 information dated 30 October 2018 continues to apply.

* The resource figure above (598Mt) includes both indicated (129.3Mt) and inferred (468.9Mt) resource categories. Both at the same 0.3eCu cut-off grade. -See press release of October 31, 2018

Kharmagtai Porphyry Cu-Au District

MAJOR INCREASE IN KHARMAGTAI RESOURCE



Interim resource upgrade represents a 400% increase in contained Cu and a 249% increase in contained Au within the open cut

*ASX announcement dated 30 October 2018 "Major increase in Kharmagtai open-cut resource to 1.9mt cu & 4.3moz au." Table 1 information dated 30 October 2018 continues to apply.

Kharmagtai Porphyry Cu-Au District

CLEAN CONCENTRATE - HIGH DEMAND BY GLOBAL SMELTERS

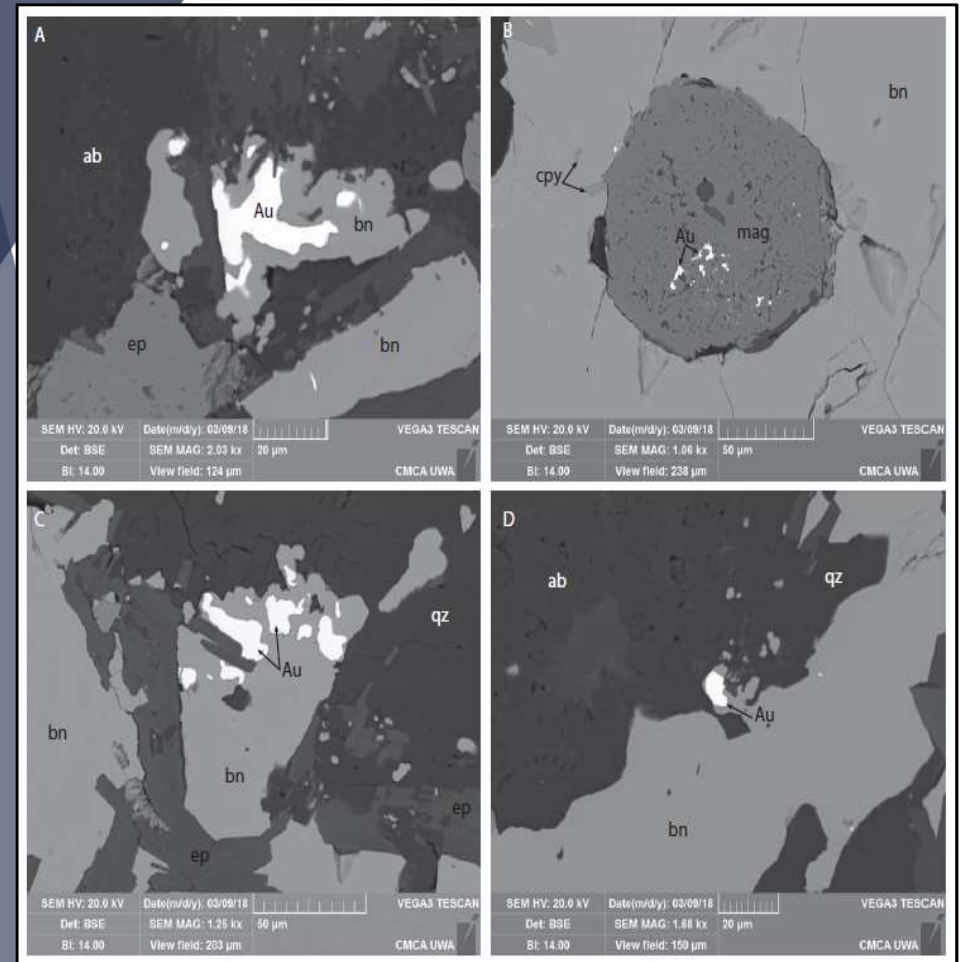
HIGH COPPER RECOVERIES - UP TO 95.3%

NO DETECTABLE DELETERIOUS ELEMENTS

EXCELLENT GOLD DEPARTMENT

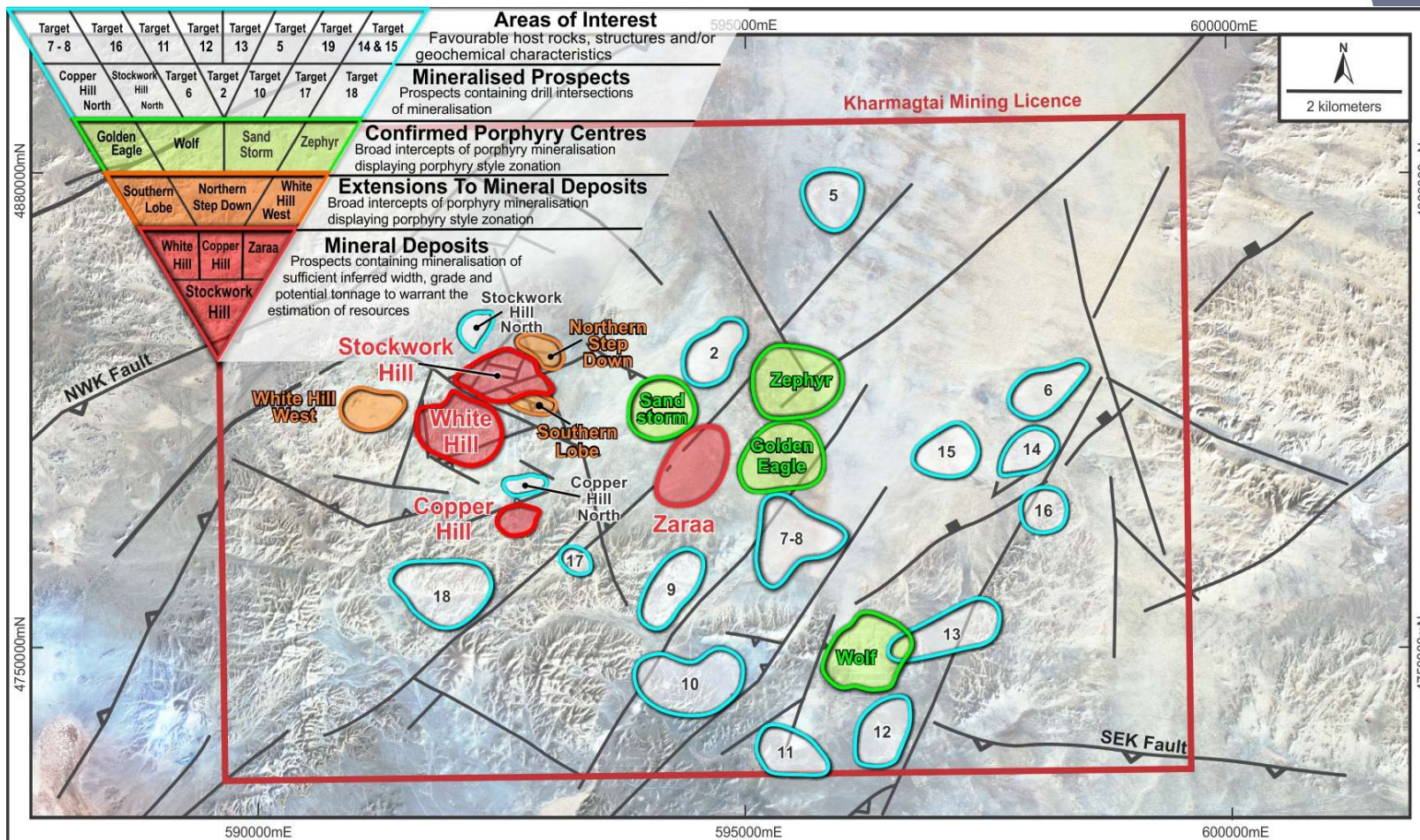
GOLD OCCUR AS NATIVE GOLD GRAINS

METALLURGICAL TEST WORK ONGOING



Kharmagtai Porphyry Cu-Au District

Significant brownfield exploration potential

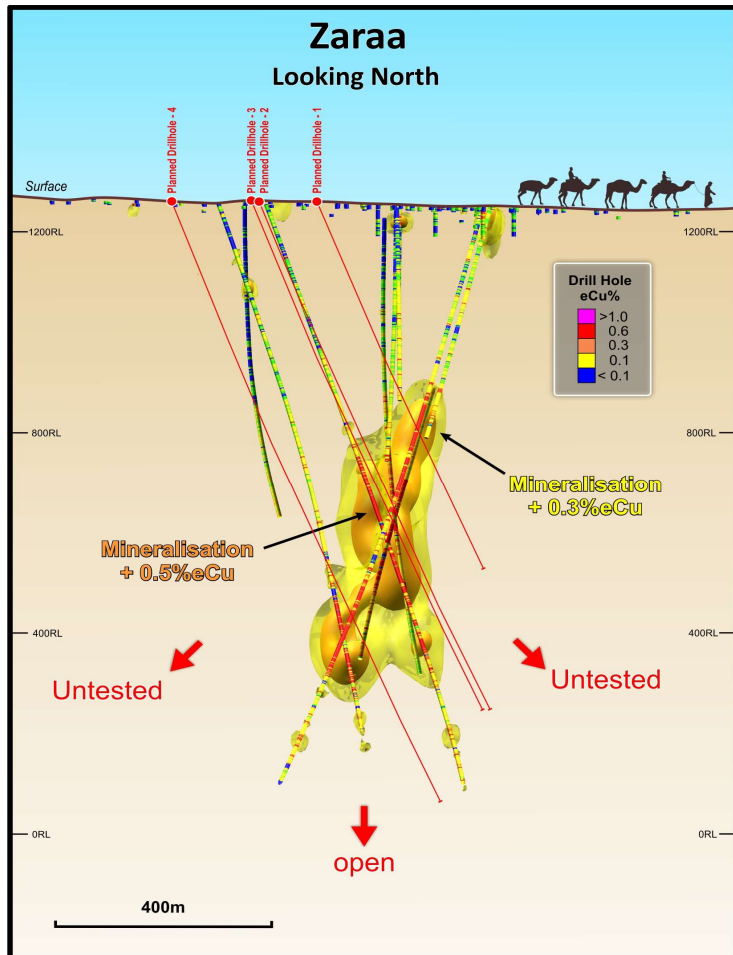


High conversion rate of target to discovery

Blueprint for additional exploration successes

Kharmagtai Porphyry Cu-Au District

ZARAA DISCOVERY TRANSFORMING KHARMAGTAI



NEW PORPHYRY CENTRE DISCOVERY
estimate underway (Q1 2019)

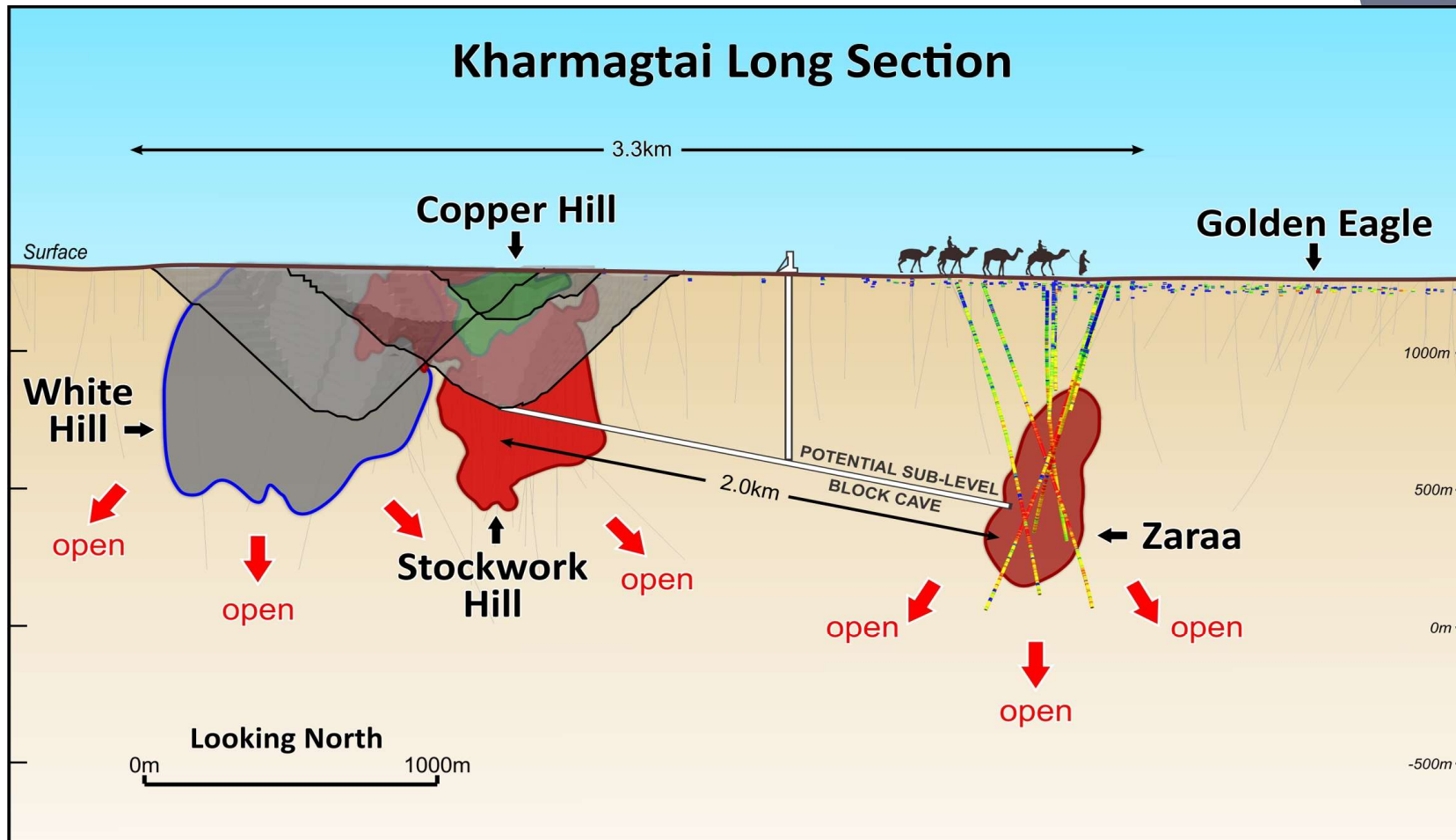
DRILLING AT ZARAA SUPPORTS HIGH-
GRADE POTENTIAL

SHALLOW EXPRESSION OF ZARAA DEFINED

CONTRIBUTE NEW GLOBAL MINERAL
RESOURCE estimate underway (Q1 2019)

Kharmagtai Porphyry Cu-Au District

POTENTIAL DEVELOPMENT SCENARIO



Discovery of a new porphyry centre at Kharmagtai will have the greatest impact on the project economics

Kharmagtai Porphyry Cu-Au District

POTENTIAL TO HOST A SIGNIFICANT DISCOVERY

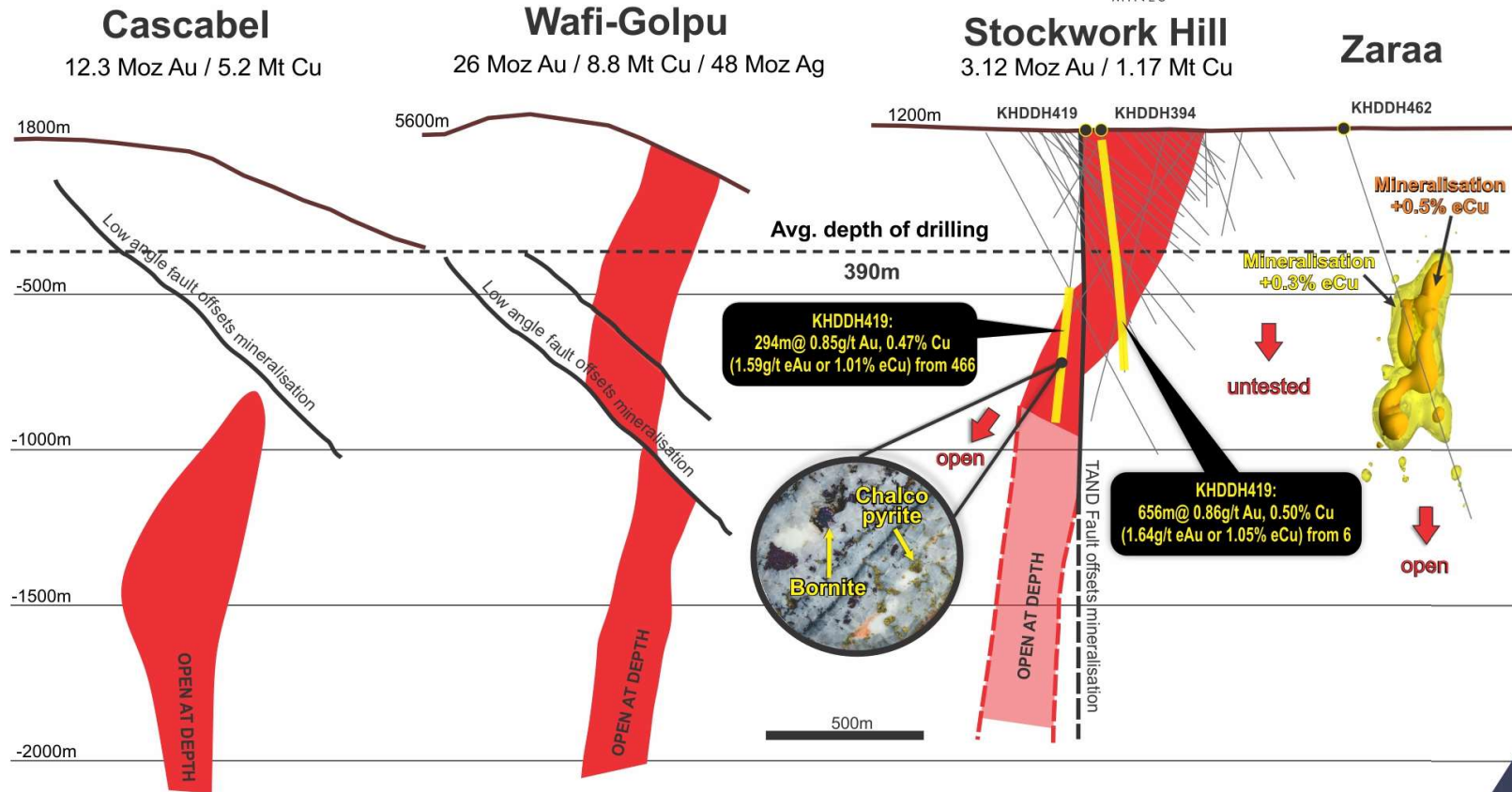


A new major exploration & development project

SolGold Market Cap: AUD \$1,010.38M

NEWCREST MINING LIMITED Market Cap: AUD\$14,827.23M

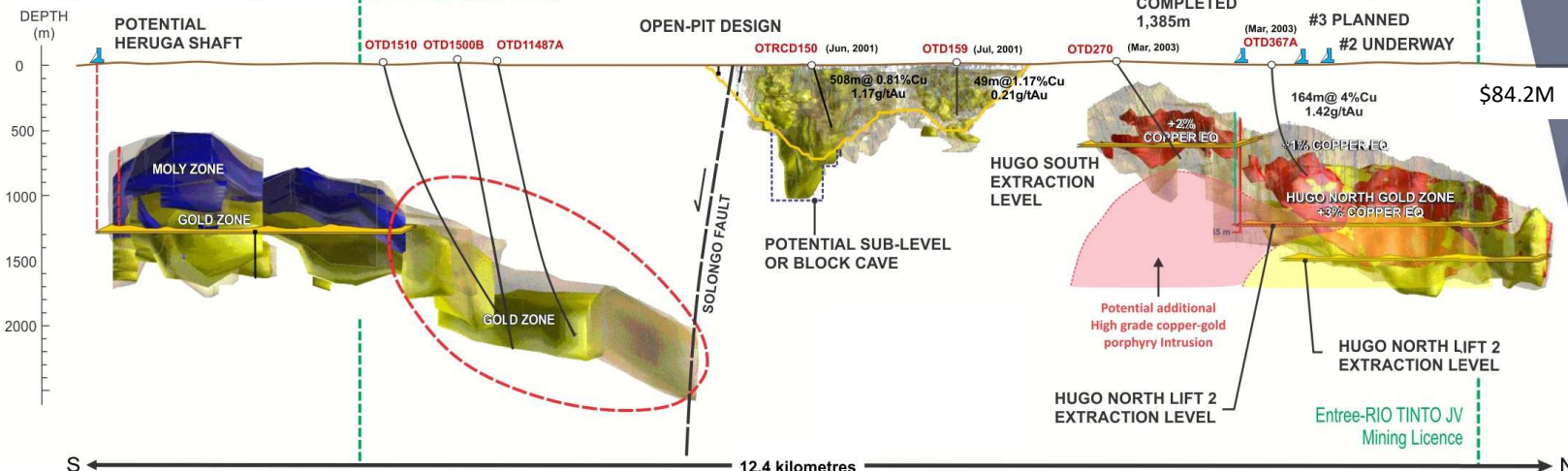
XANADU MINES Market Cap: AUD \$84.2M



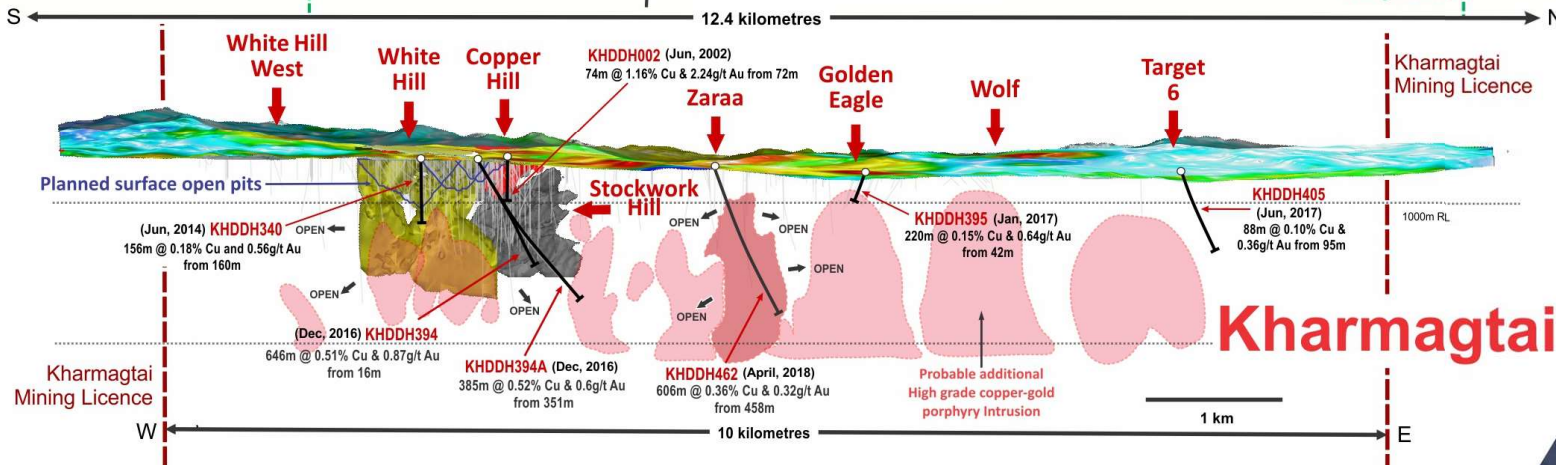
Architecture of south Gobi porphyry systems

Oyu Tolgoi

Oyu Tolgoi Mining Licence
(66% owned by RIO TINTO)



Drilling confirms a huge system & growing



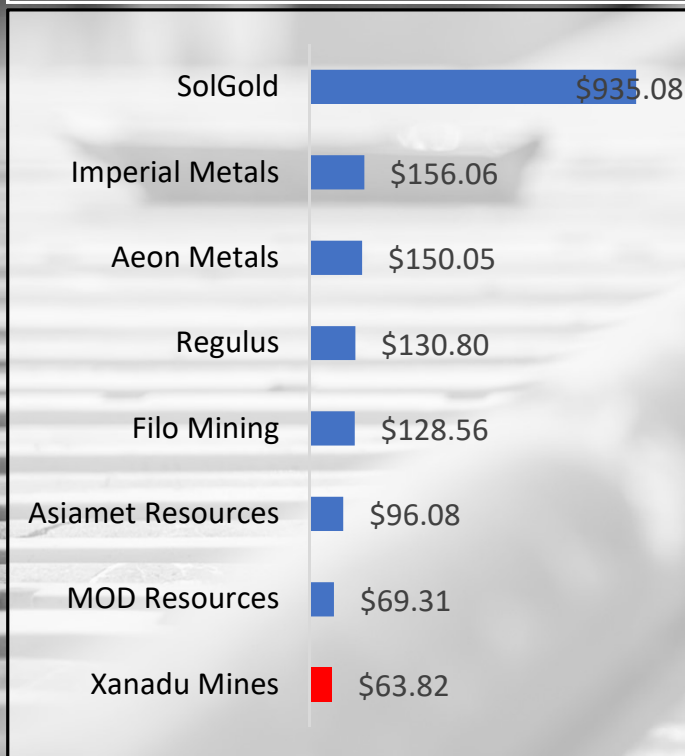
*ASX announcement dated 30 October 2018 "Major increase in Kharmagtai open-cut resource to 1.9mt cu & 4.3moz au." Table 1 information dated 30 October 2018 continues to apply.

Value Upside

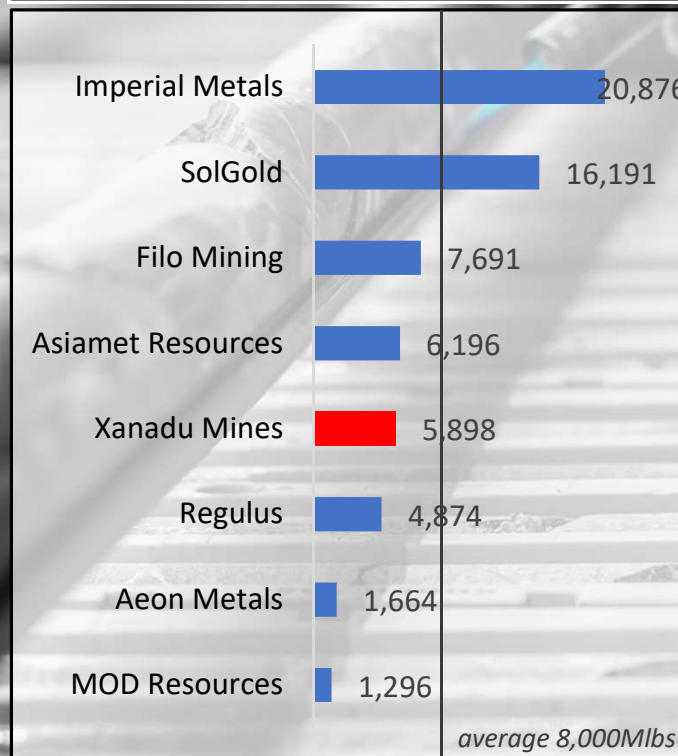
RESOURCE SHOULD HELP POSITION XANADU



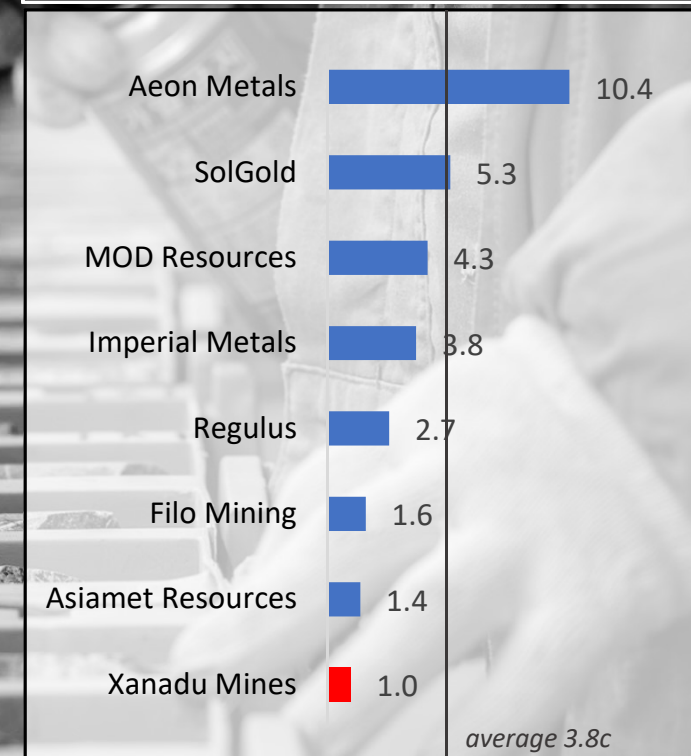
Market Capitalisation (US\$mil)



CuEq Resources (Mt)



EV/Cu Eq Resources (USc/lb)



The Investment Case

BROWNFIELDS EXPLORATION STRATEGY AND PLAN



FAST TRACK DEVELOPMENT OF KHARMAGTAI DEPOSIT

Scoping Study on shallow,
higher grade 'starter project'
(due Q4, 2018)

Shallow higher-grade core has a
current resource of 54Mt @
0.86% CuEq at a 0.6% CuEq cut
off



ACCELERATED RESOURCE DRILLING AT ZARAA

A global Resource update
incorporating results from
Xanadu's fourth porphyry
discovery at Kharmagtai,
Zaraa, and other successful
drilling will be incorporated as
drilling progresses



SYSTEMATIC DISTRICT EXPLORATION

High conversion rate of
target to discovery

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

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