

1 May 2019

Ms. Charlotte Hope  
Adviser, Listing Compliance  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

By email only: [Charlotte.Hope@asx.com.au](mailto:Charlotte.Hope@asx.com.au)

Dear Charlotte

**Xanadu Mines Ltd (ASX Code: XAM TSX Code: XAM)  
Updated ASX Announcement**

Further to Xanadu Mines Ltd's lodgement yesterday of the Annual General Meeting slide deck, attached is an updated slide deck providing details on slides 5 and 7, details of the classification of the Mineral Resource Estimates disclosed therein as Inferred or Indicated.

Yours sincerely



**Phil Mackey**  
Company Secretary



# XANADU MINES

AGM APRIL 30, 2019

ASX: XAM | TSX: XAM



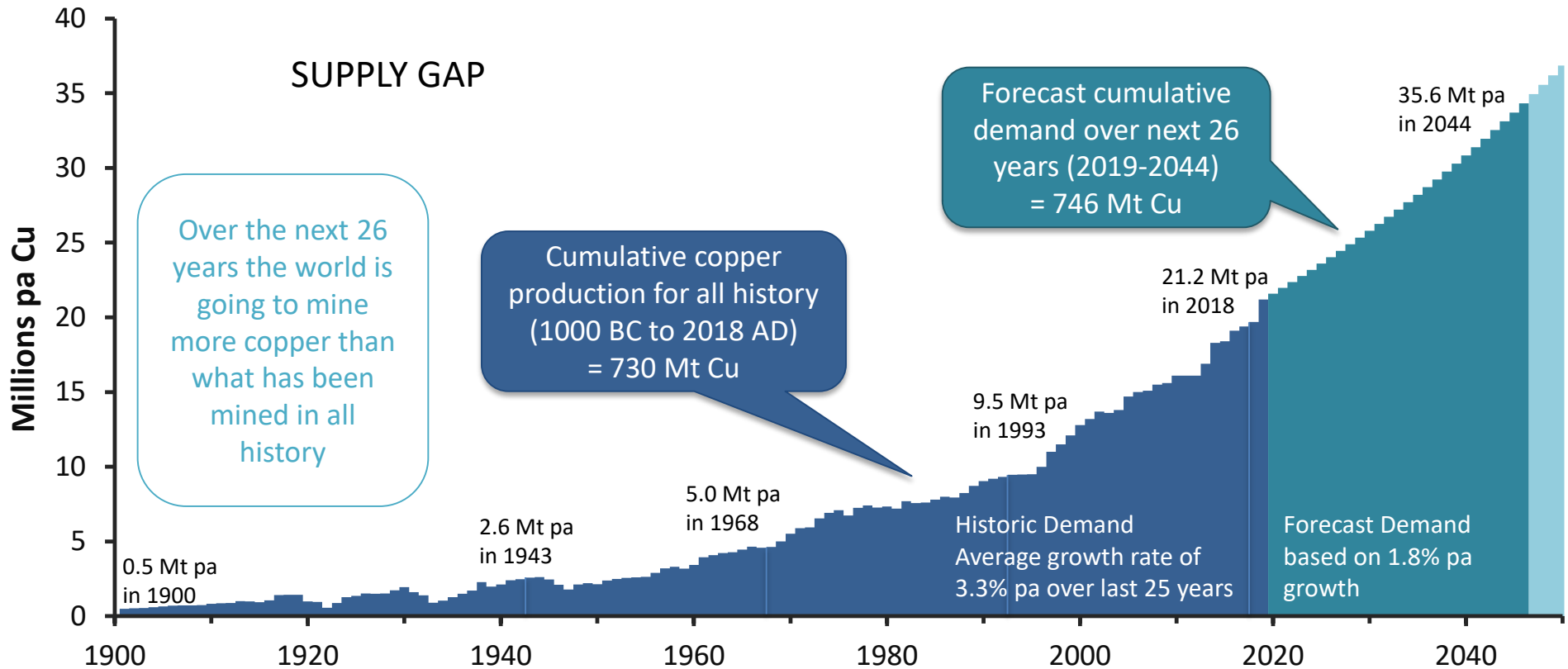
**KHARMAGTAI – A MAJOR NEW COPPER-GOLD  
DISCOVERY**

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# Demand for copper doubles every 20-30 years



## PRIMARY COPPER PRODUCTION FOR WORLD: 1900-2050



Sources: Historical data from USGS and Office of the Chief Economist Sep 2018

# Long-term copper fundamentals very strong

## TEN REASONS TO LIKE COPPER



### LOOMING COPPER SUPPLY CRUNCH

1. Grade decline & resource depletion
2. Lack of exploration success
3. Project delivery / shortage of quality assets
4. Above ground risks
5. Environmental constraints



### GROWING DEMAND FOR NEW COPPER SUPPLY

#### Traditional Market Drivers

1. China accelerating infrastructure development
2. India rising

#### New Technological mega-trends

3. Electrification of energy demand
4. Electrification of transport
5. Wind & solar

# Corporate overview



**648m**

SHARES ON  
ISSUE

**A\$65m**

MARKET CAP  
0.10c

**A\$3.1m**

CASH  
(MAR 2019)

**A\$62m**

ENTERPRISE  
VALUE

**70%**

TOP 20 SHAREHOLDERS

Institutional  
Investors  
52%

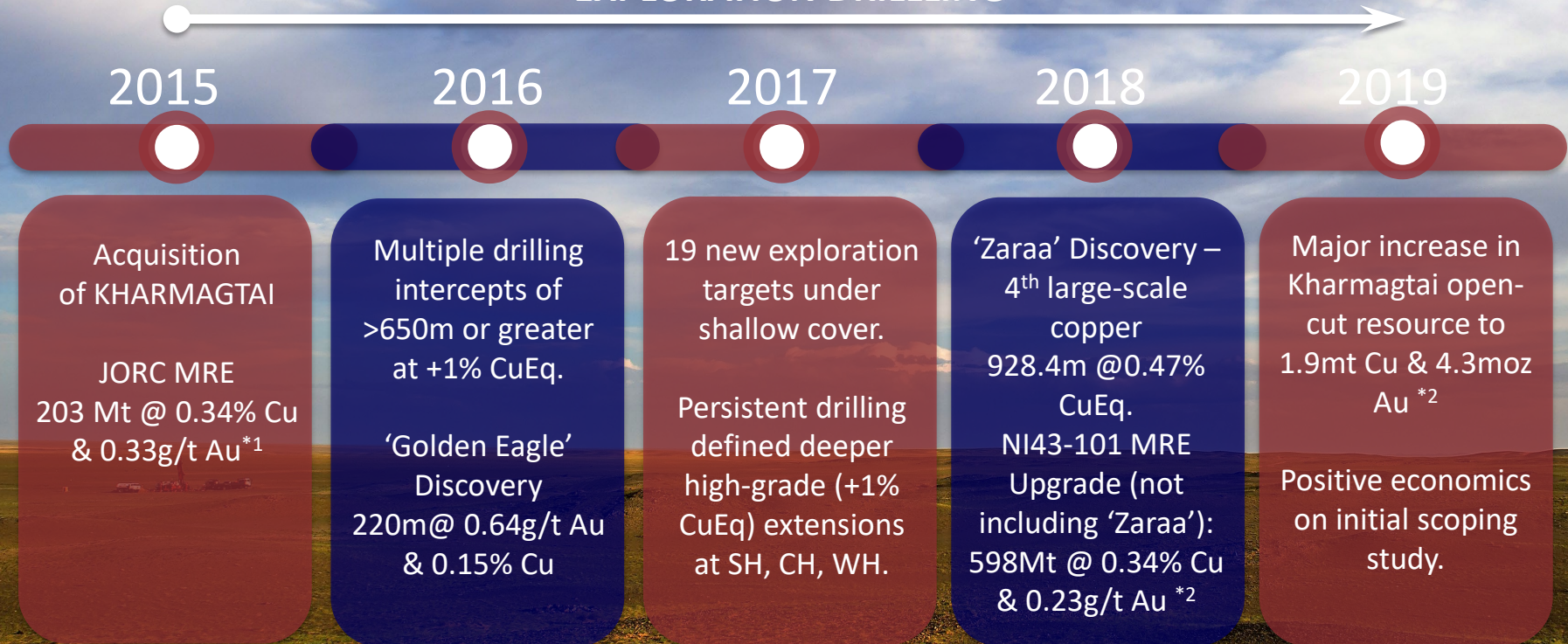
Domestic  
6%

Strong  
Foundation  
& Blue Chip  
Investors

Retail  
42%

# Kharmagtai Copper District history

## EXPLORATION DRILLING



\*1 - The resource figure includes both indicated (46Mt) and inferred (157Mt) resource categories - See announcement dated 29 March 2015 for more detail

\*2 - The resource figure includes both indicated (129.3Mt) and inferred (468.9Mt) resource categories. - See announcement dated October 31, 2018 for more detail

# Xanadu's sustainability approach



- Community
- Social engagement
- Environment

# Kharmagtai - A major new copper-gold project

## 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)<sup>\*1</sup>



### HIGH GRADE CORE

Shallow open-pit high grade mineralisation

54Mt @ 0.86% CuEq for 317kt Cu & 1.13 Moz Au<sup>\*2</sup>

*\*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.*

*\*1 - 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*

*\*2 - The resource figure above (54Mt) includes both indicated (33Mt) and Inferred (21Mt) resource categories. Both at the same 0.6eCu cut-off grade -See press release of October 31, 2018*

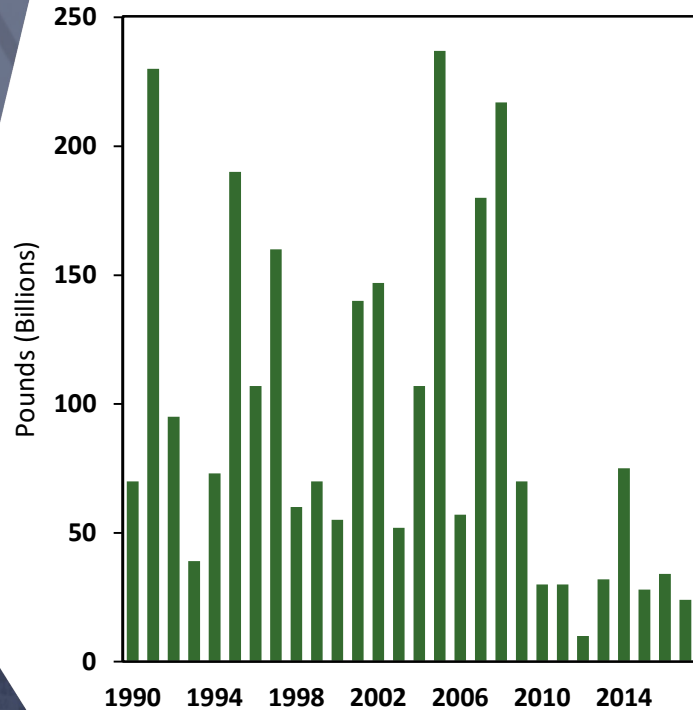


*Globally  
discovery  
costs have  
jumped to  
more than  
\$0.07 per  
pound*

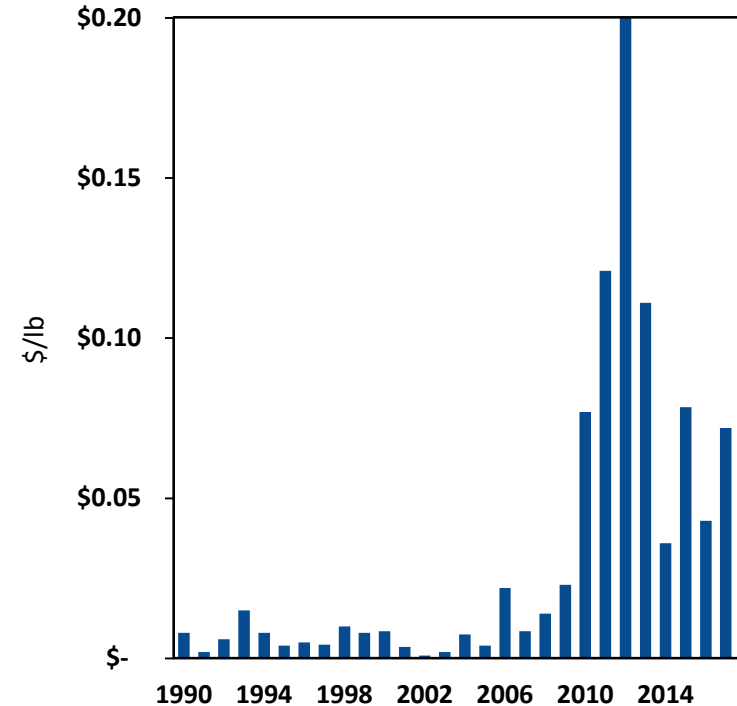
# Where are all the copper discoveries?

## COST TO DISCOVER A NEW POUND OF COPPER

Annual Copper Discoveries



Copper Exploration Cost per Pound Discovered



## KHARMAGTAI OPEN PIT SCOPING STUDY COMPLETED

1



Distinguished  
world class open  
pit project



Strong economics  
at 10-year  
average Cu & Au  
prices

2



Potential to develop  
a low cost open pit  
mining  
operation

3

4



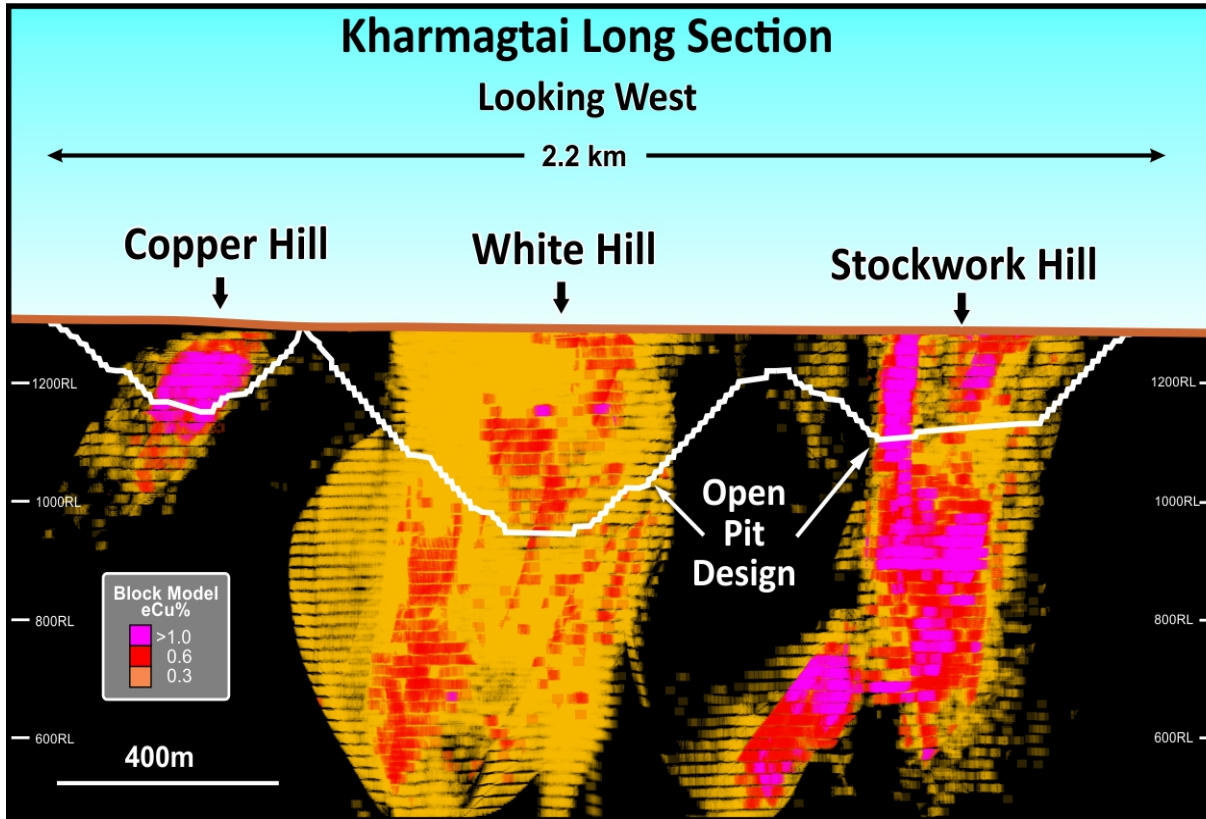
Numerous  
opportunities for  
further upside

5



Clear & compelling  
path to further  
value  
creation

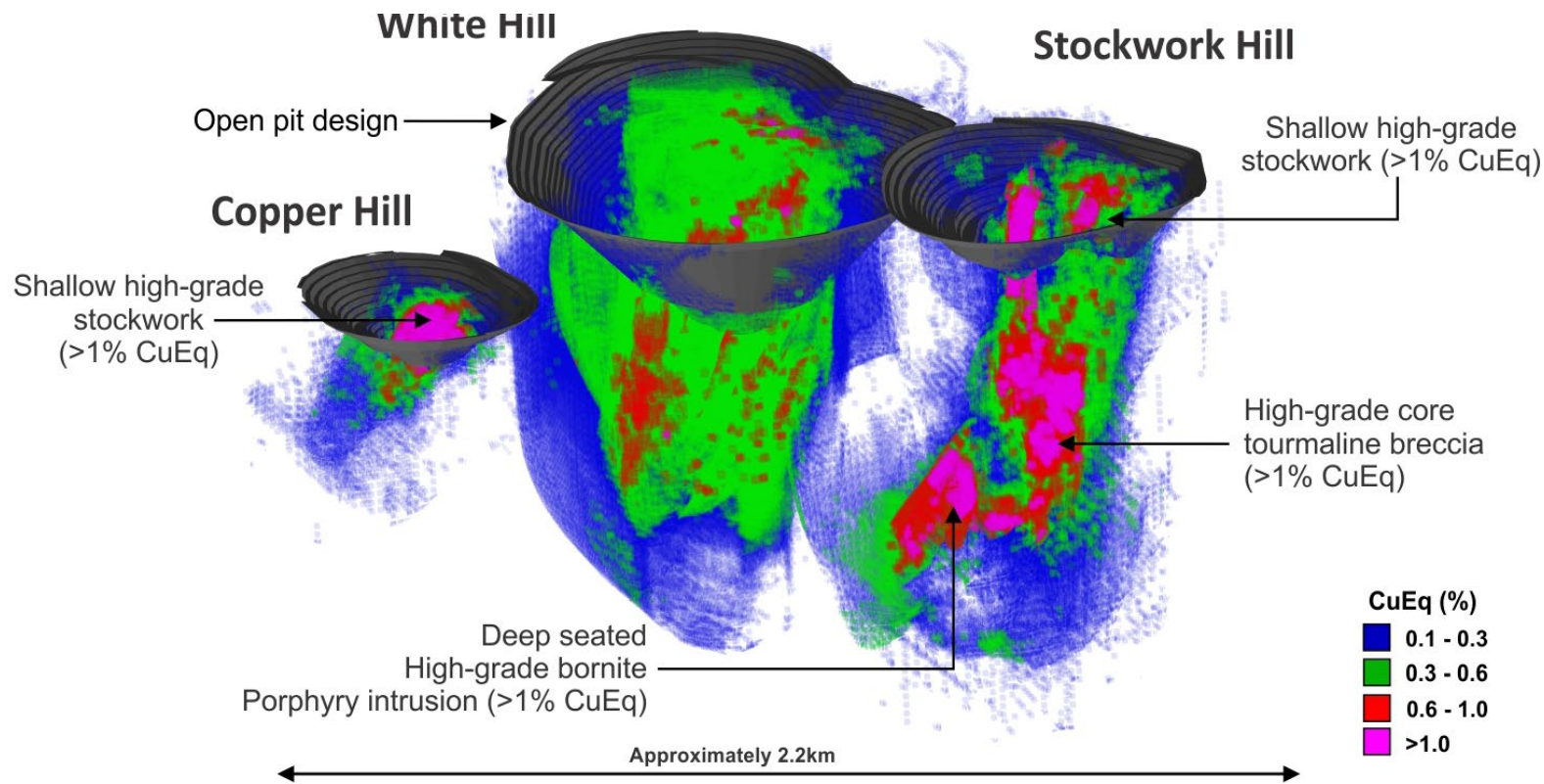
## SHALLOW OPEN-PITABLE HIGH GRADE MINERALISATION



- Scoping Study indicates the potential to develop a low-strip ratio open pit mining operation in an accelerated time frame
- Rapid payback of the life-of-mine infrastructure for future open pit and underground mining operations

# A lot further to go at Kharmagtai

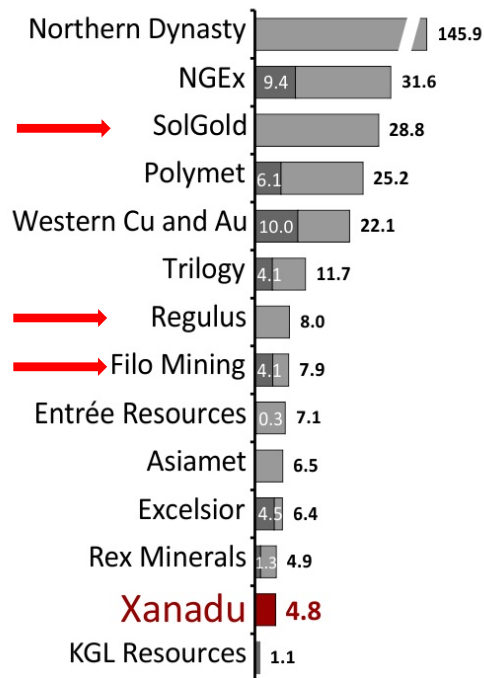
## KHARMAGTAI IS A LEADING DEVELOPMENT ASSETS GLOBALLY



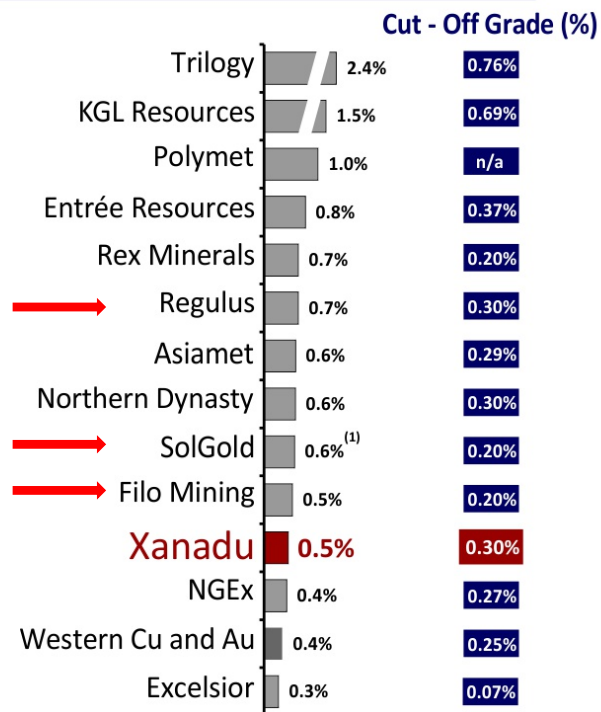
\*ASX announcement dated 11 April 2019 "Kharmagtai open pit scoping study completed." Table 1 information dated 11 April 2019 continues to apply.

# Copper developer positioning

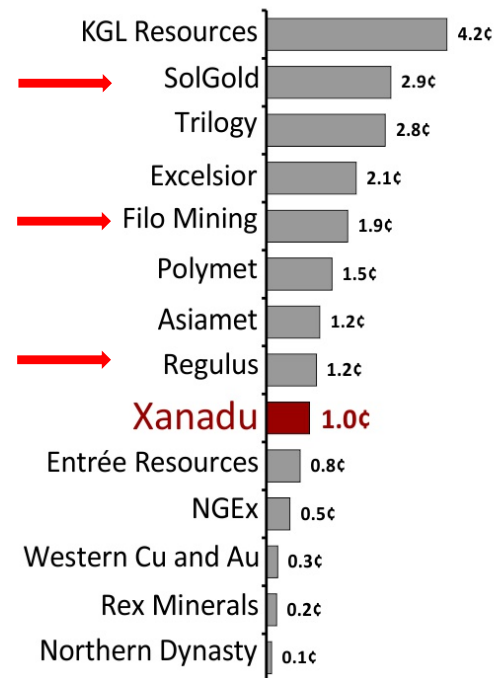
## Cu Eq. Reserves & Resources (Bn lbs)



## Cu Eq. Grade (%) / Cut - Off Grade



## EV / Cu Eq. Resources (US¢/lb)



Source: Company disclosure.

Note: Cu Eq. figures based on long-term consensus metal prices. KGL Resources based on Cu cut-off grade. MOD Resources, Asiamet and Filo Mining cut-off grades based on copper deposits.

(1) Excludes inferred resources. Global resource grade is 0.5% Cu Eq.

# Levers to unlock maximum value at Kharmagtai



## EXTERNAL FACTORS

Build understanding of Mongolia as an investment destination

Geopolitical risk continues to be mitigated by further foreign investment

Improving copper & gold price outlook



## REALISE FULL VALUE FOR CURRENT COPPER RESOURCES PRIOR TO DIVESTMENT

Positioned as a globally significant source of copper that will help bridge the looming supply gap

Attract cornerstone investor

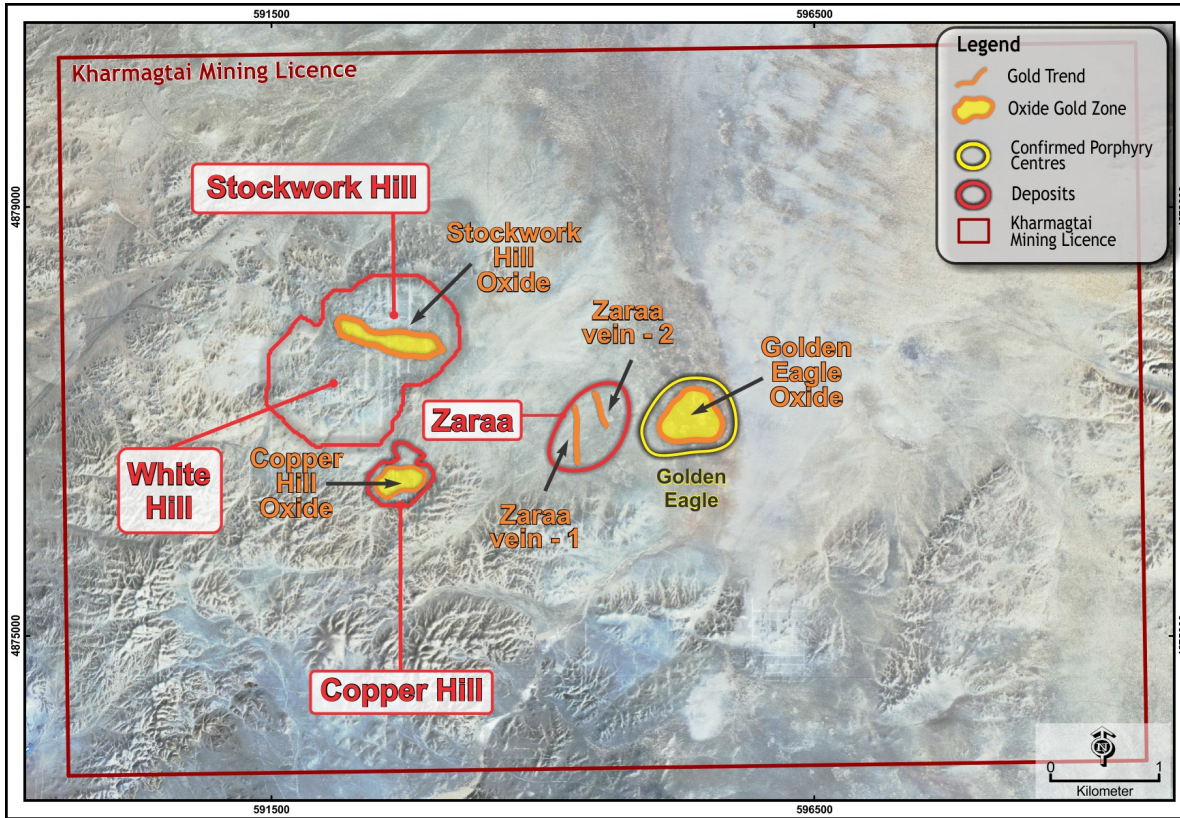


## ADVANCE NEAR SURFACE GOLD RESOURCE

The Exploration Target confirms the presence of a substantial oxide gold system

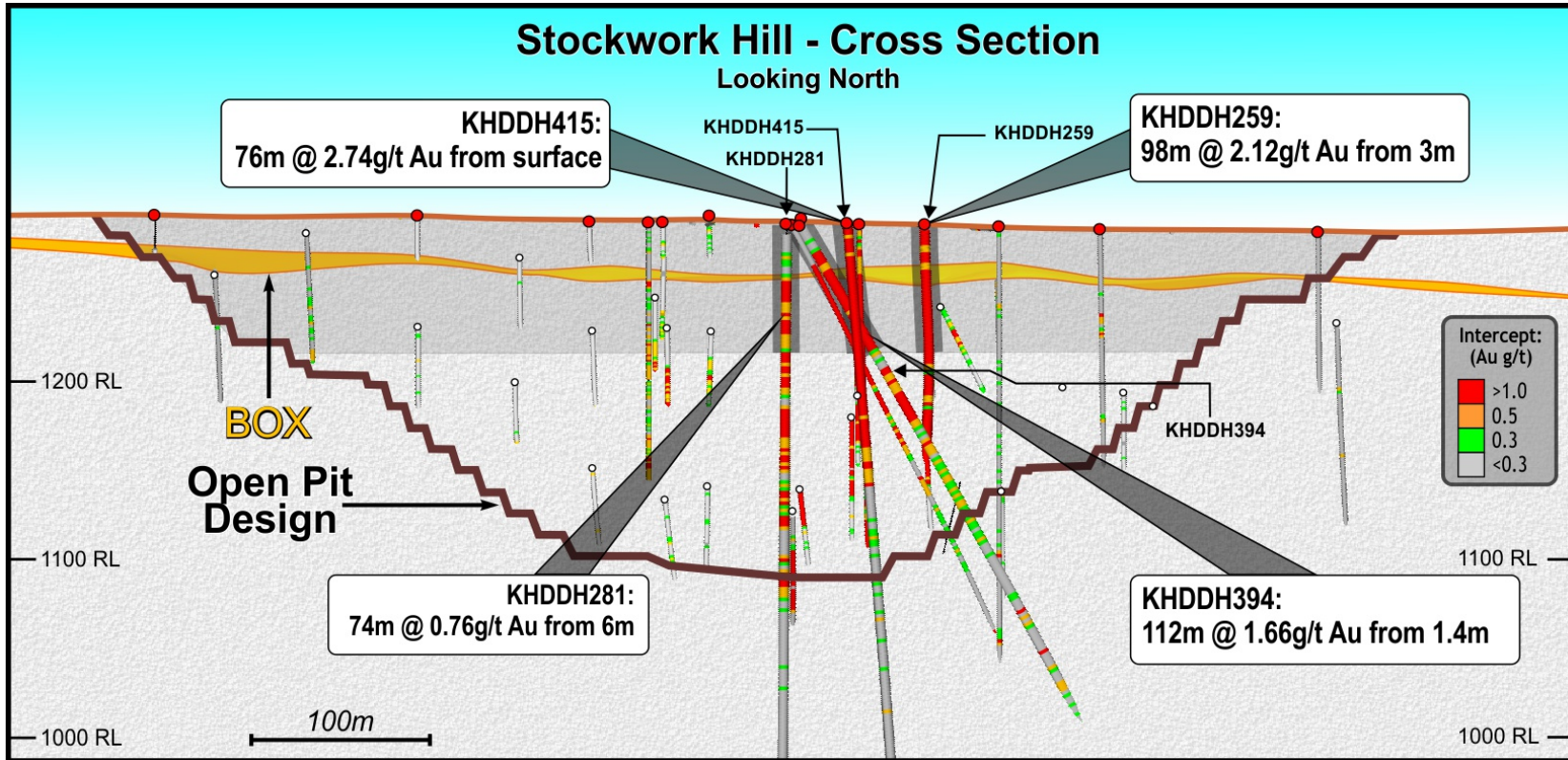
Define near surface gold resource

## SHALLOW OXIDE GOLD COMPLEMENT EXISTING RESOURCES



- The Exploration Target confirms the presence of a substantial oxide gold system
- Early stage gravity and bottle roll results on composite samples from Golden Eagle are outstanding
- Oxide gold may provide additional and or alternative options for the development of the project

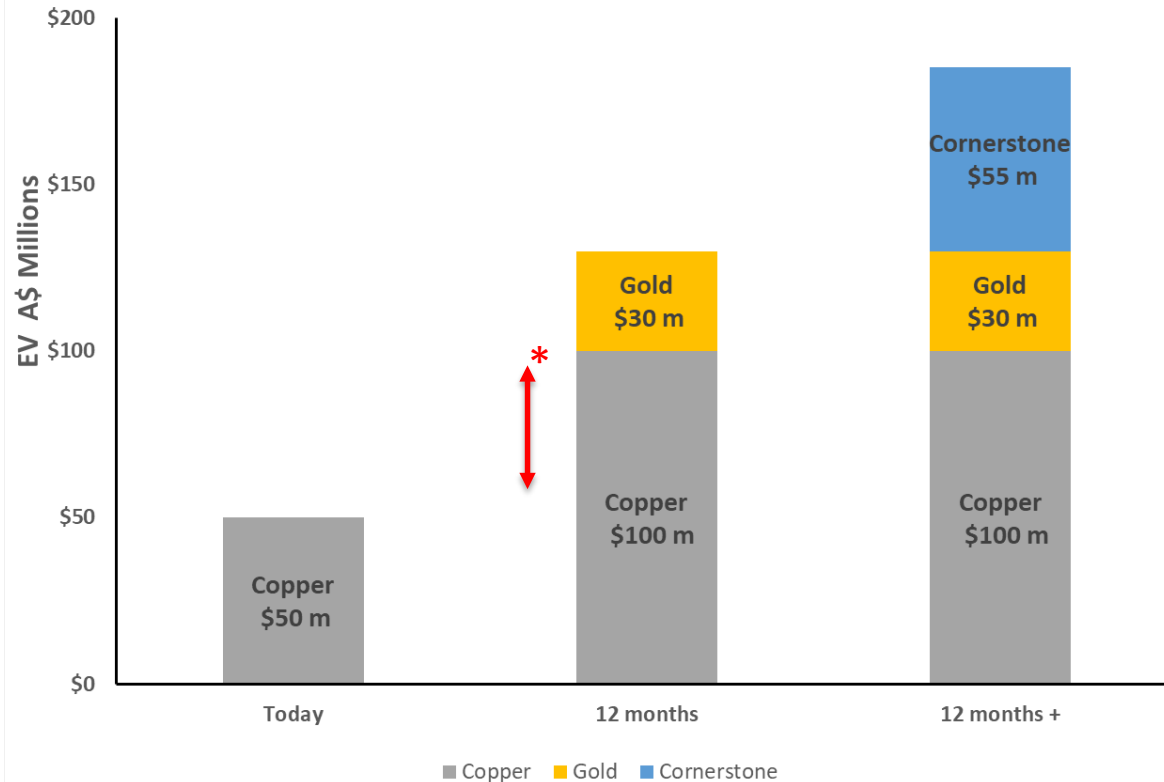
## SHALLOW OXIDE GOLD COMPLEMENT EXISTING RESOURCES



\*ASX announcement dated 20 March 2019 "Excellent oxide gold recoveries at Kharmagtai complement existing copper-gold resources." Table 1 information dated 20 March 2019 continues to apply.



# Potential re-rate of share price - multiples



Xanadu has significant share price upside by:

- realising full value for current copper resources\*
- defining near surface gold resource
- attracting a strategic cornerstone investor

# Contact

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**Andrew Stewart**

Managing Director & Chief Executive Officer

Xanadu Mines Ltd

T: + 61 2 8280 7497

M: + 976 9999 9211

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



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[www.xanadumines.com](http://www.xanadumines.com)



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