



XANADU MINES

ASX: XAM | TSX: XAM



proactiveinvestors
AUSTRALIA



KHARMAGTAI – A MAJOR NEW COPPER-GOLD
DISCOVERY

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.

About Xanadu



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 (Q2 2019)

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

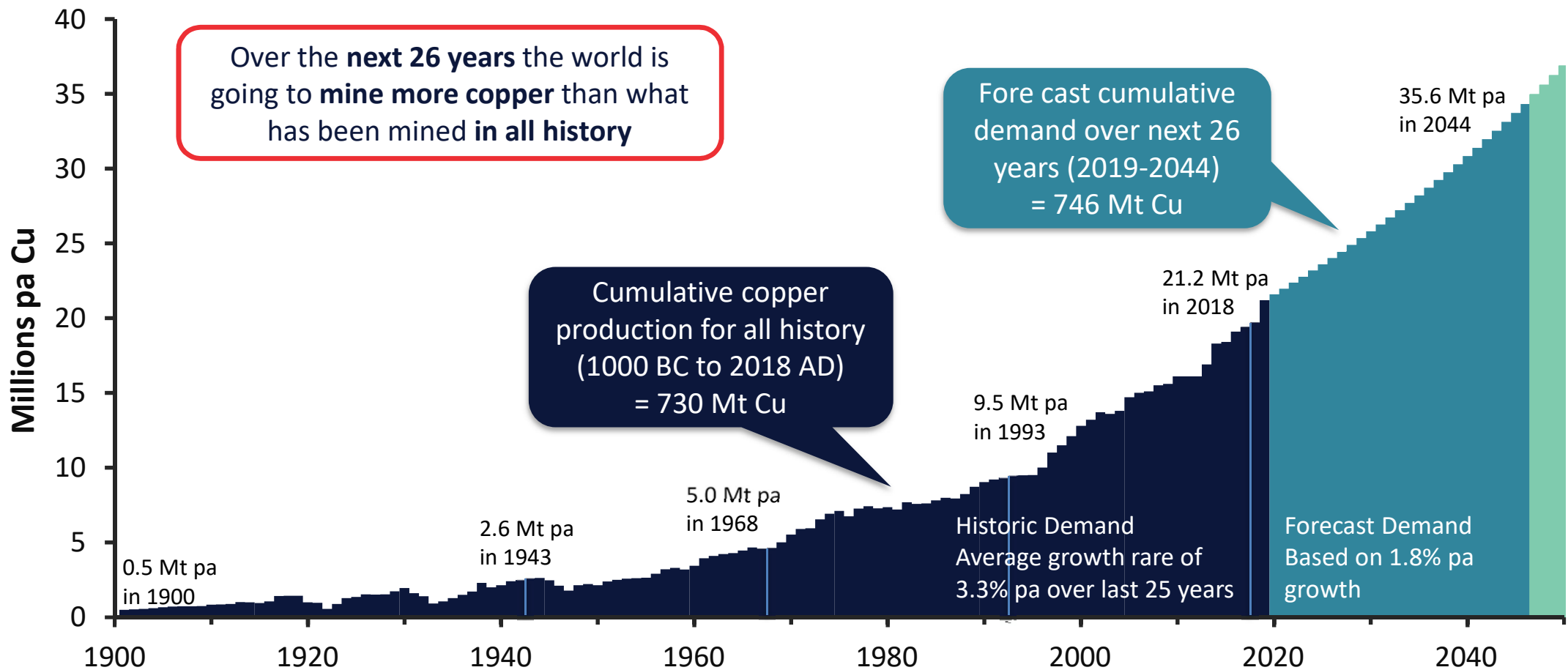
*ASX announcement dated 30 October 2018 "Major increase in Kharmagtai open-cut resource to 1.9mt cu & 4.3moz au." Table 1 information dated 30 October 2018 continues to apply.

* 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

Demand for copper doubles every 20-30 years



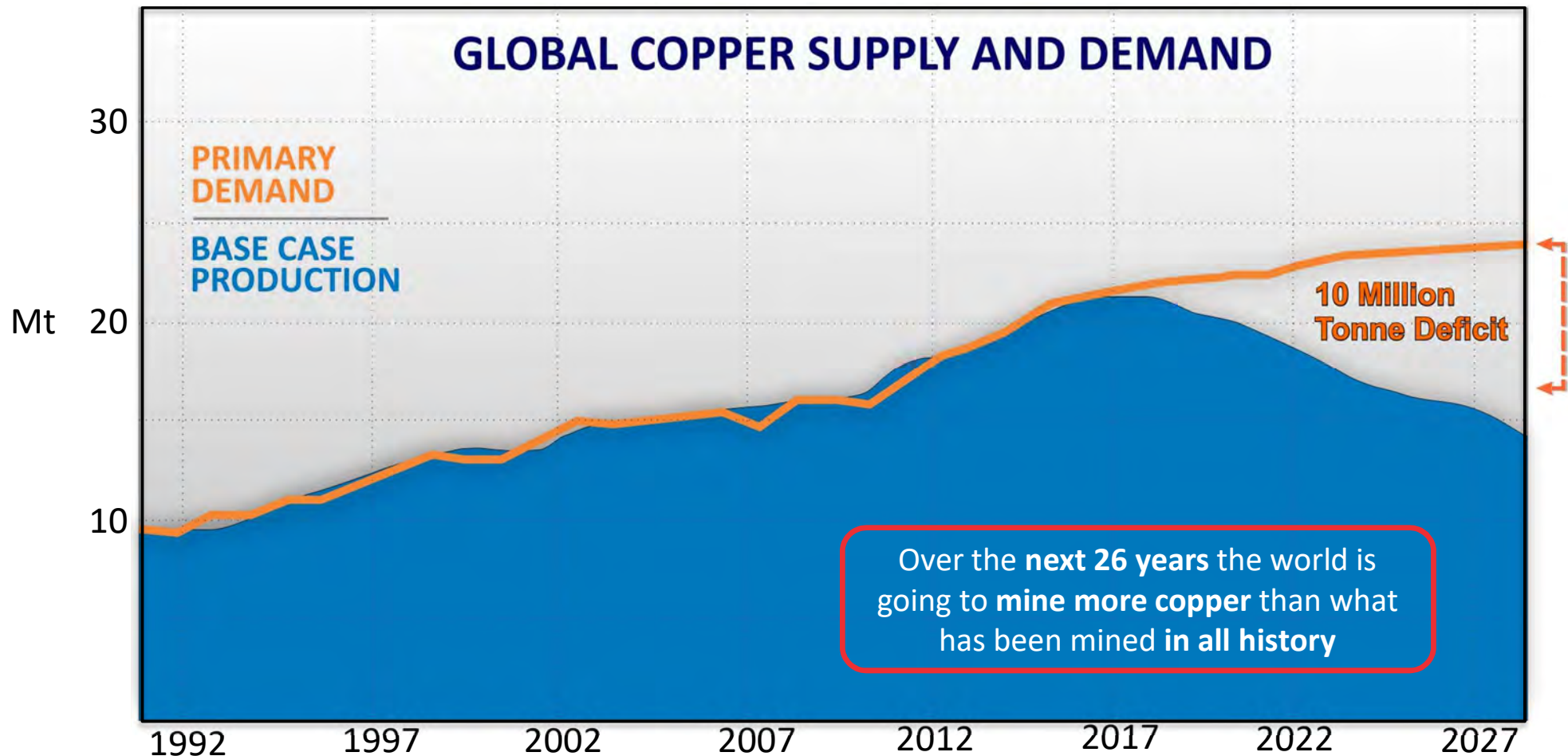
PRIMARY COPPER PRODUCTION FOR WORLD: 1900-2050



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

Copper is not being discovered fast enough

THE LOOMING COPPER SUPPLY CRUNCH



Source: Wood Mackenzie Q4 2016, Copper Outlook – December 2016

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

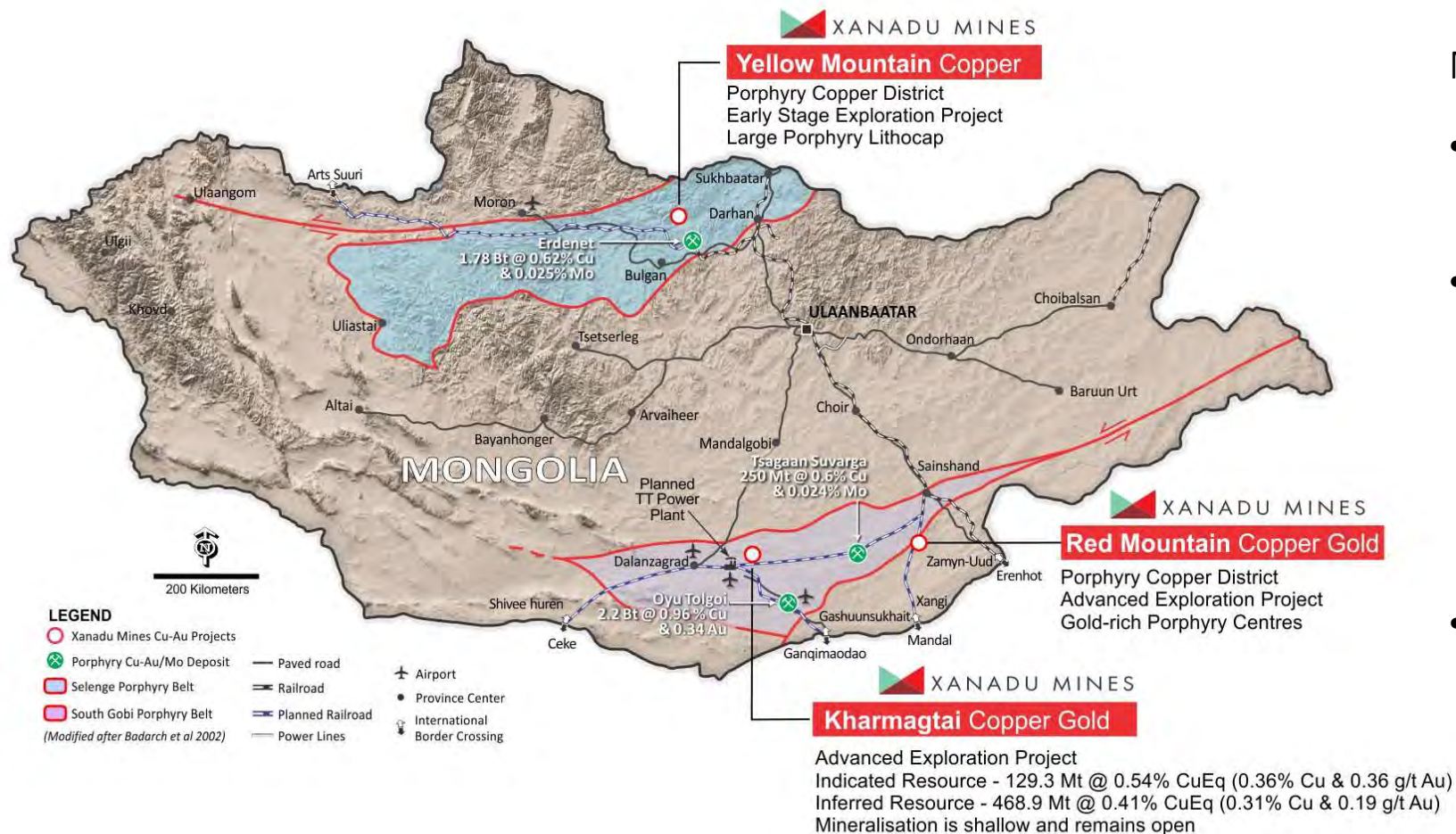
1. China accelerating infrastructure development
2. India rising

New Technological mega-trends

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

Copper mining in Mongolia

SUSTAINABLE AND LONG-TERM MINING INDUSTRY



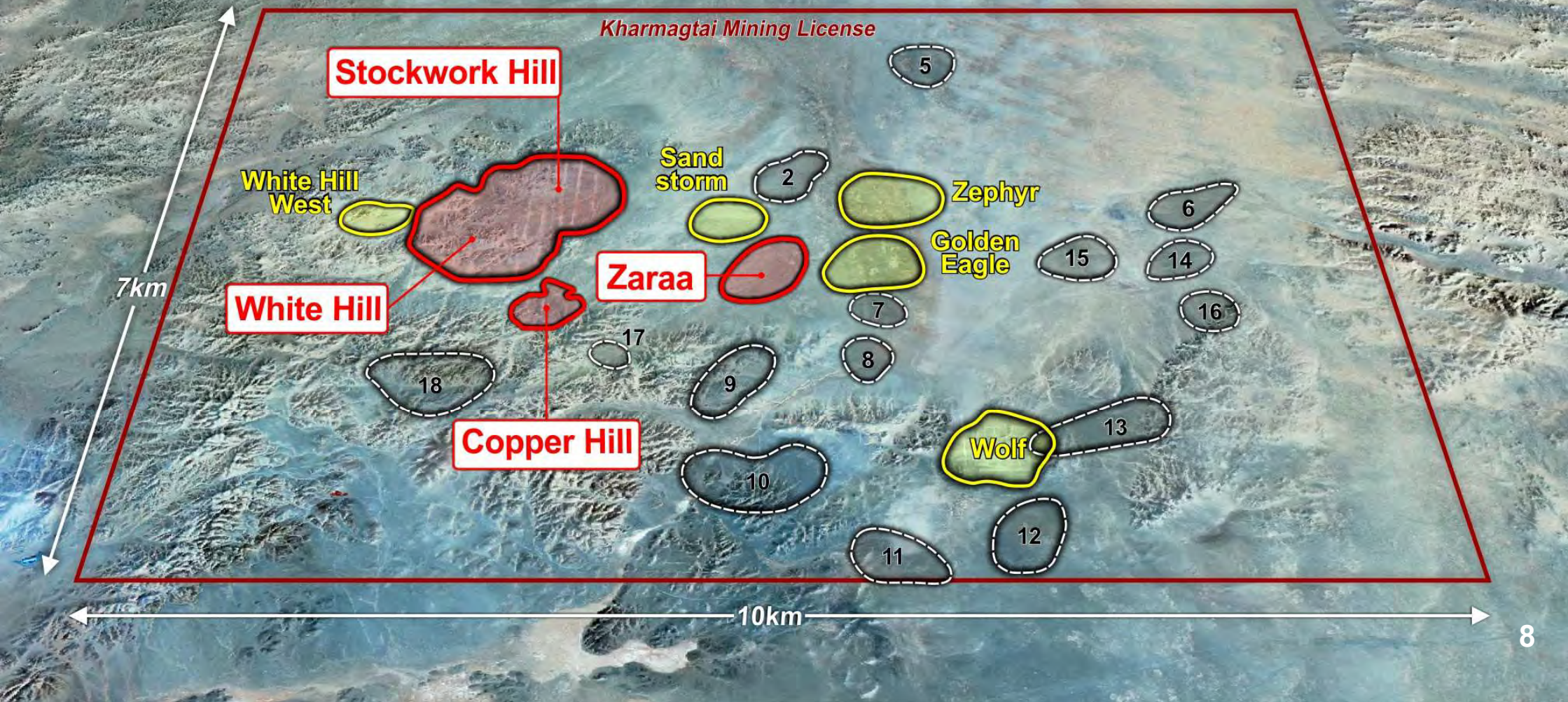
Mongolia Highlights

- Democratically-elected government
- GDP has grown 10%+ p.a for the last decade while foreign direct investment grew at almost 15% p.a
- Abundant natural resource wealth

* 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

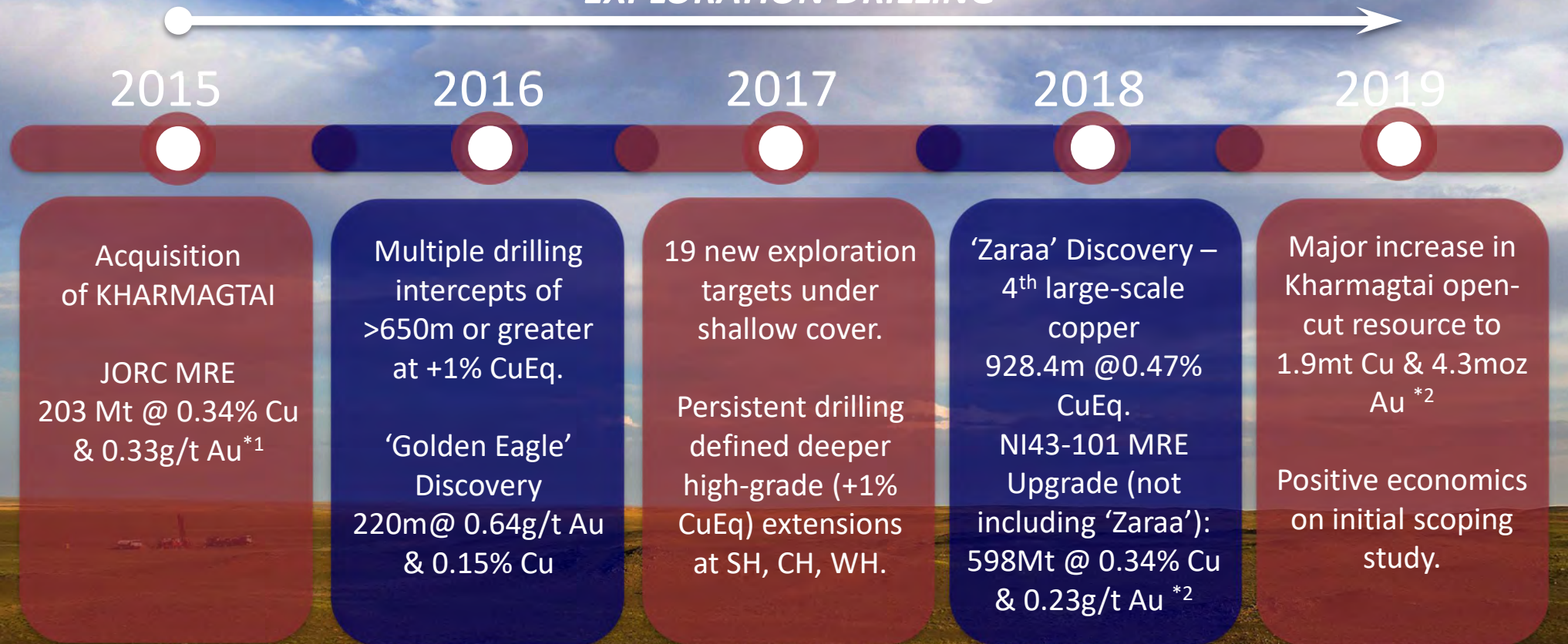
CLUSTER OF OUTCROPPING PORPHYRY DEPOSITS



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

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)^{*1}



HIGH GRADE CORE

Shallow open-pit high grade mineralisation

54Mt @ 0.86% CuEq for 317kt Cu & 1.13 Moz Au^{*2}

*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.

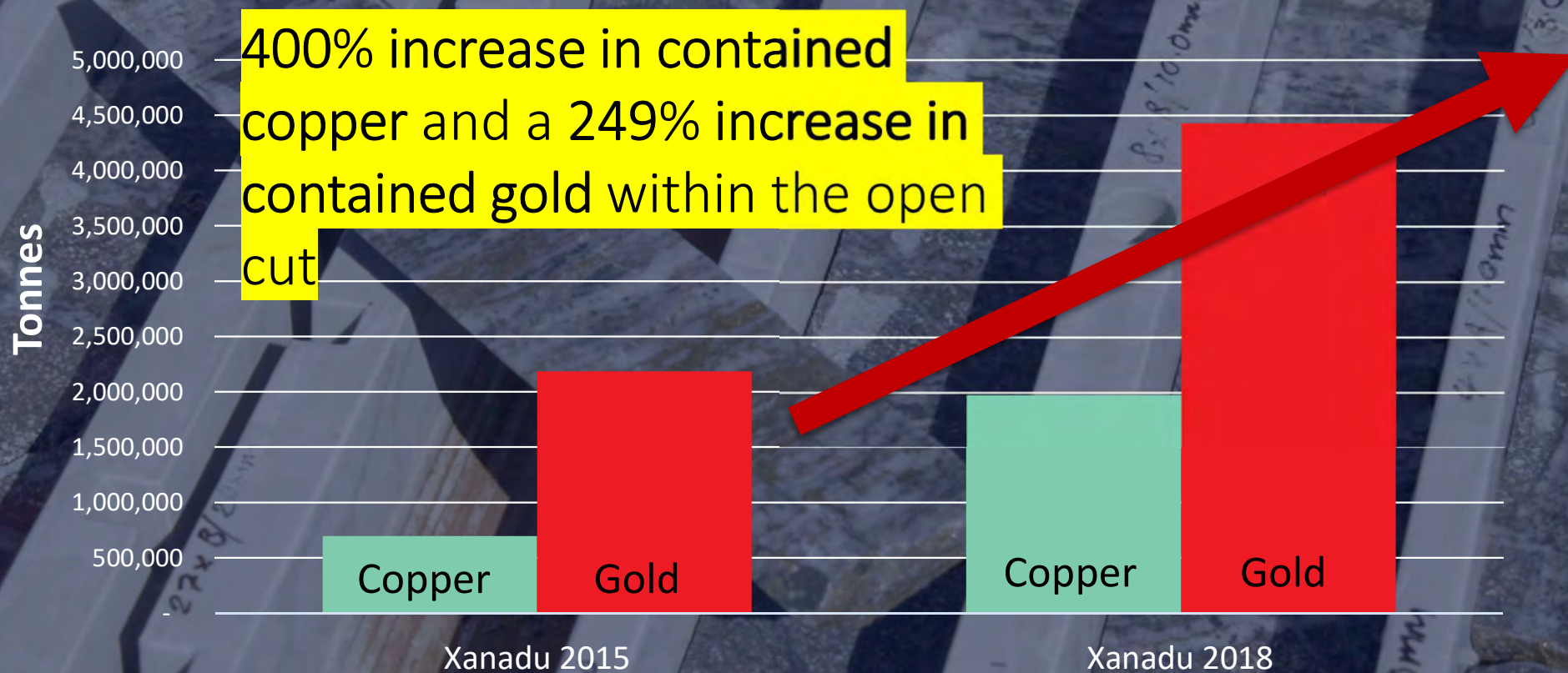
*1 - The resource figure above (598Mt) includes both indicated (129.3Mt) and inferred (468.9Mt) resource categories. Both at the same 0.3eCu cut-off grade. -See press release of October 31, 2018

*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

Kharmagtai Porphyry Cu-Au District



RAPID RESOURCE GROWTH & LOW DISCOVERY COST



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*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

Kharmagtai Copper District

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

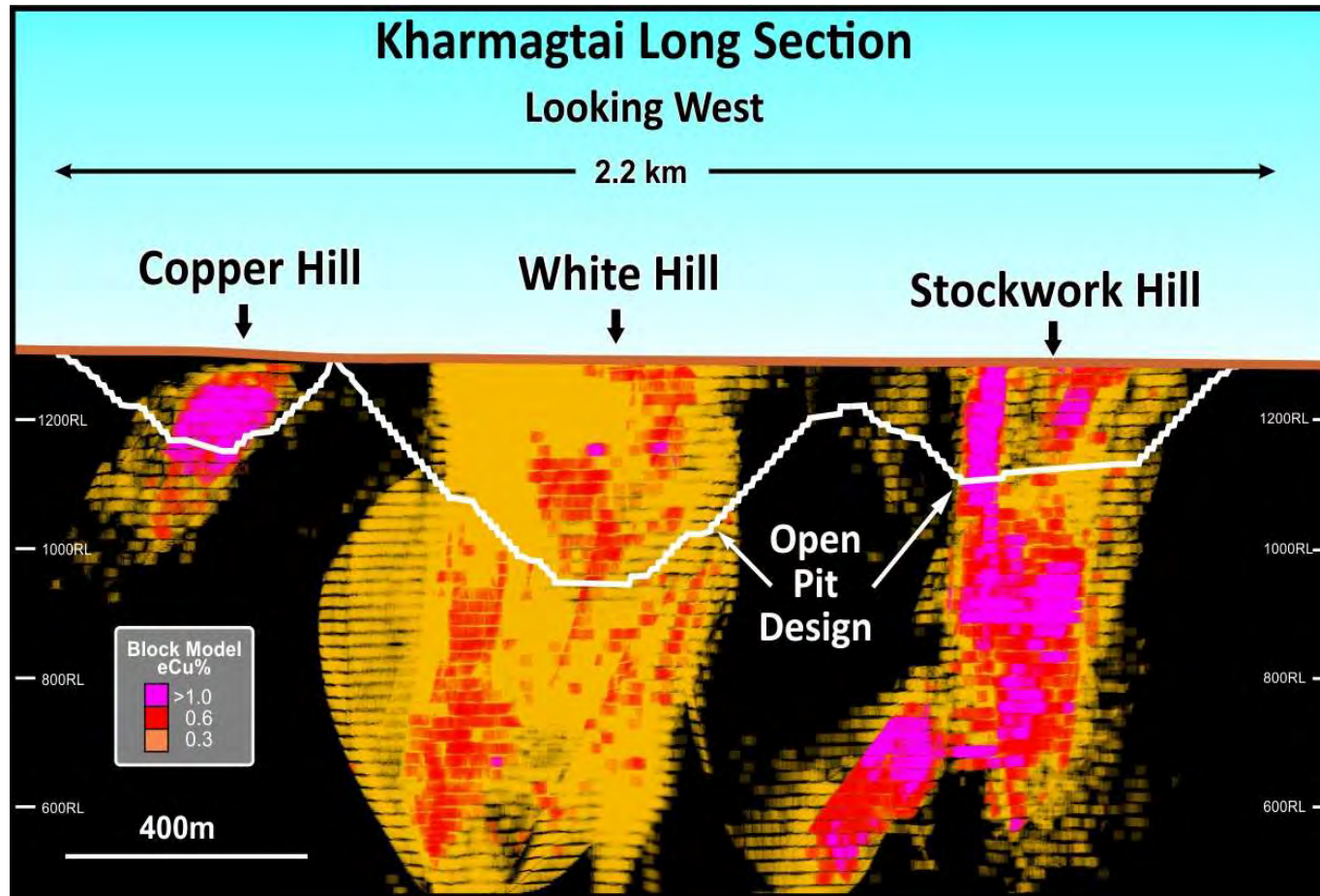


Clear & compelling
path to further
value
creation

Kharmagtai Copper District



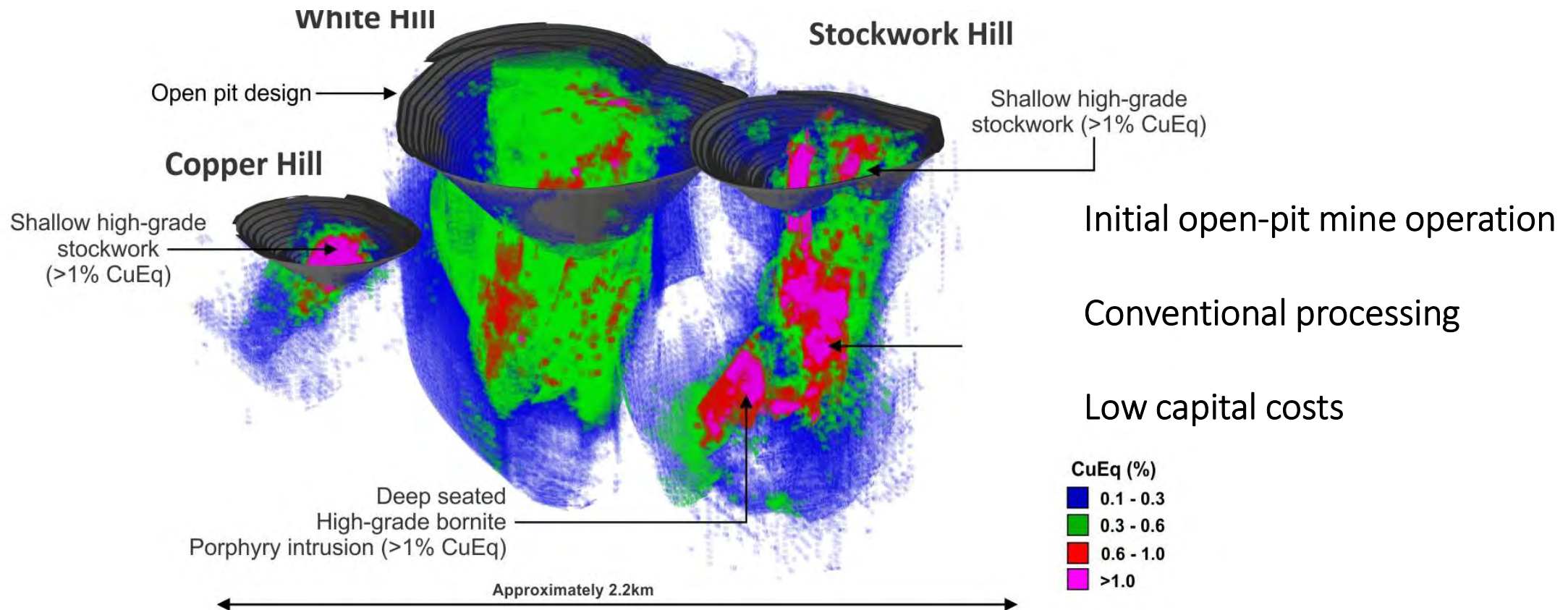
SHALLOW OPEN-PITABLE HIGH GRADE MINERALISATION



- 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

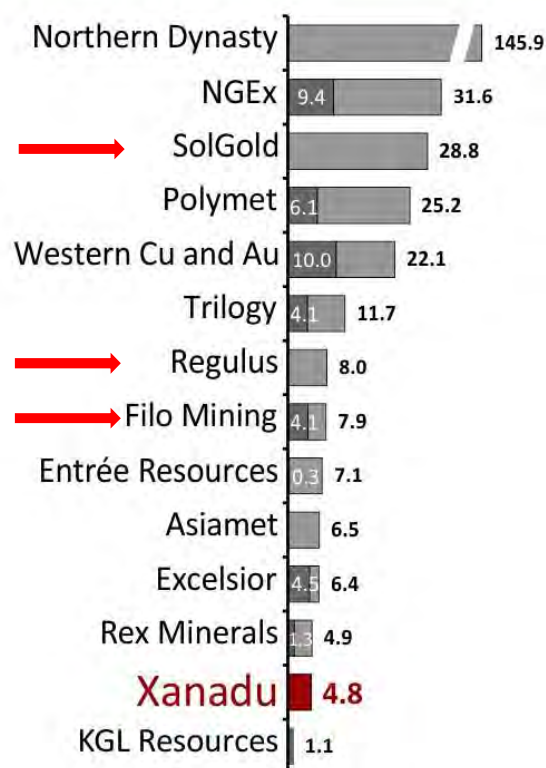
A lot further to go at Kharmagtai

KHARMAGTAI IS A LEADING DEVELOPMENT ASSETS GLOBALLY

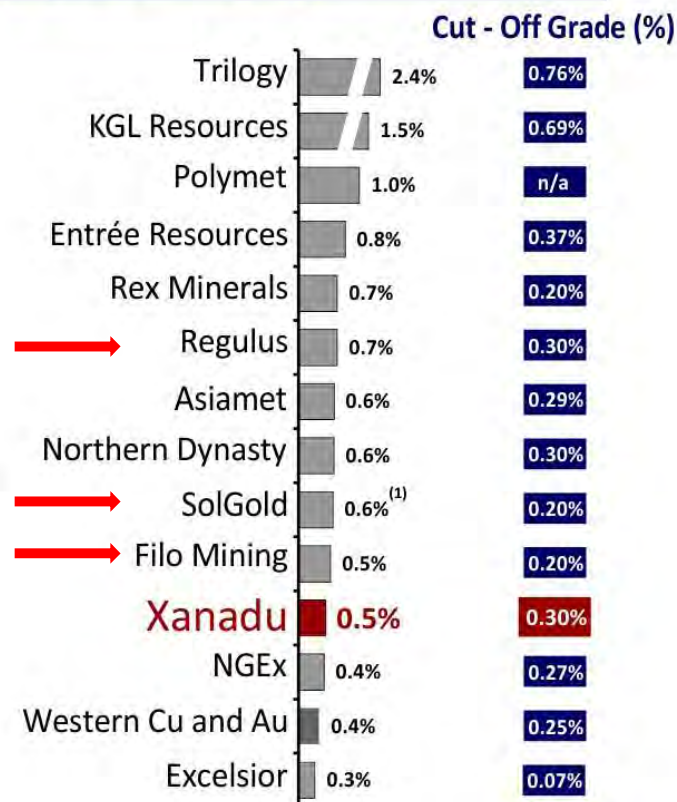


Copper developer positioning

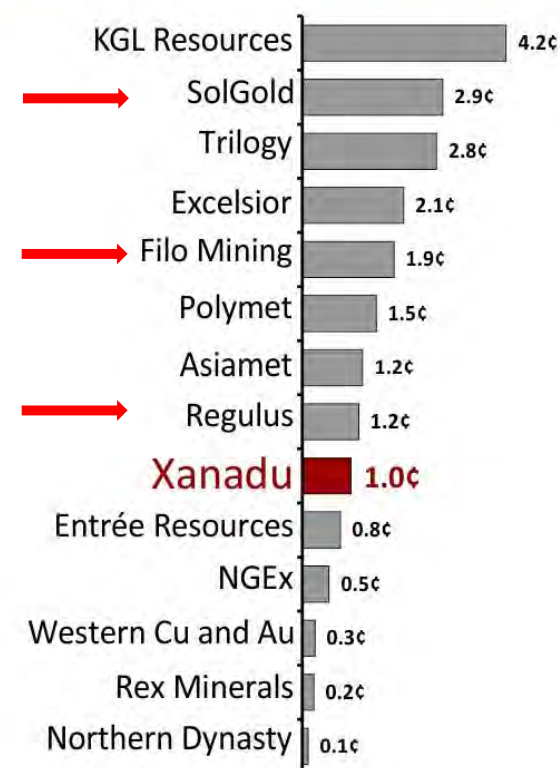
Cu Eq. Reserves & Resources (Bn lbs)



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.

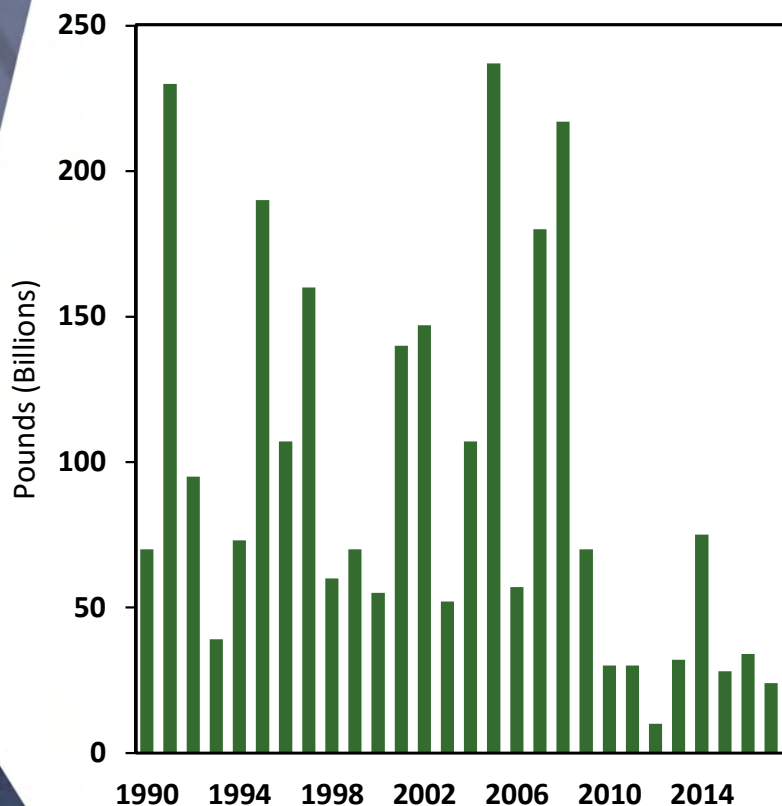
(1) Excludes inferred resources. Global resource grade is 0.5% Cu Eq.

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

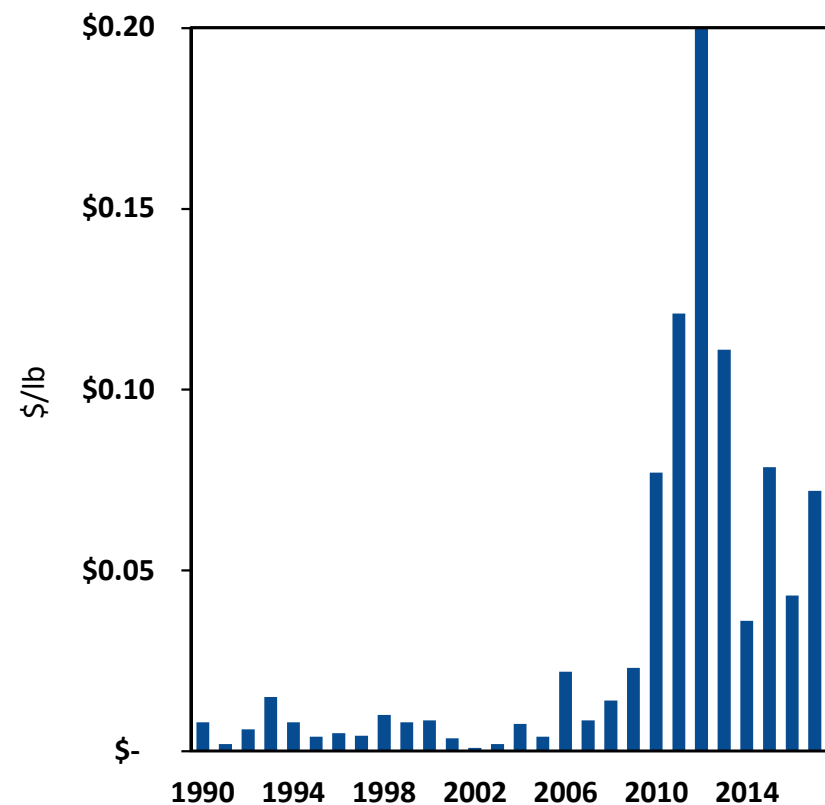
Where are all the copper discoveries?

COST TO DISCOVER A NEW POUND OF COPPER

Annual Copper Discoveries



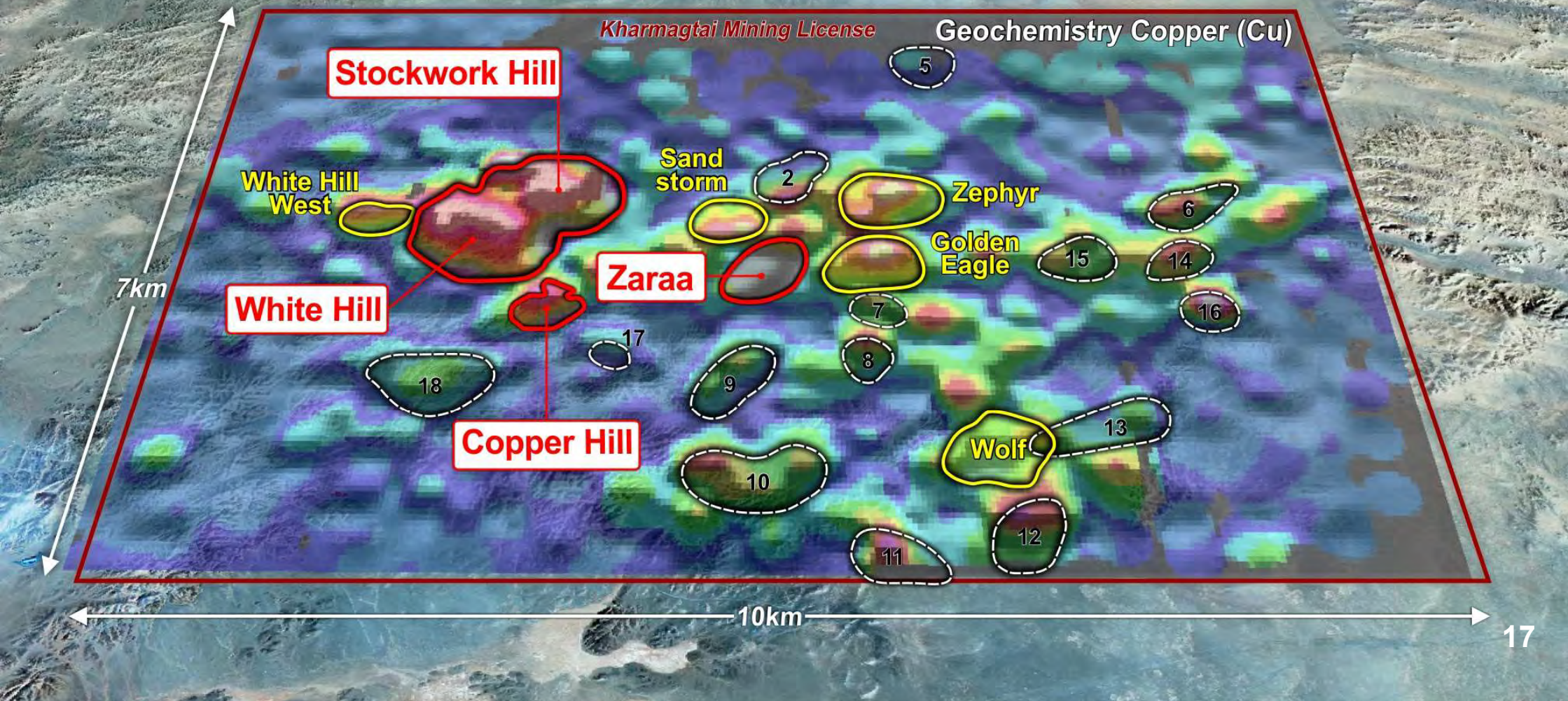
Copper Exploration Cost per Pound Discovered



Source: S&P Global Marketing Intelligence

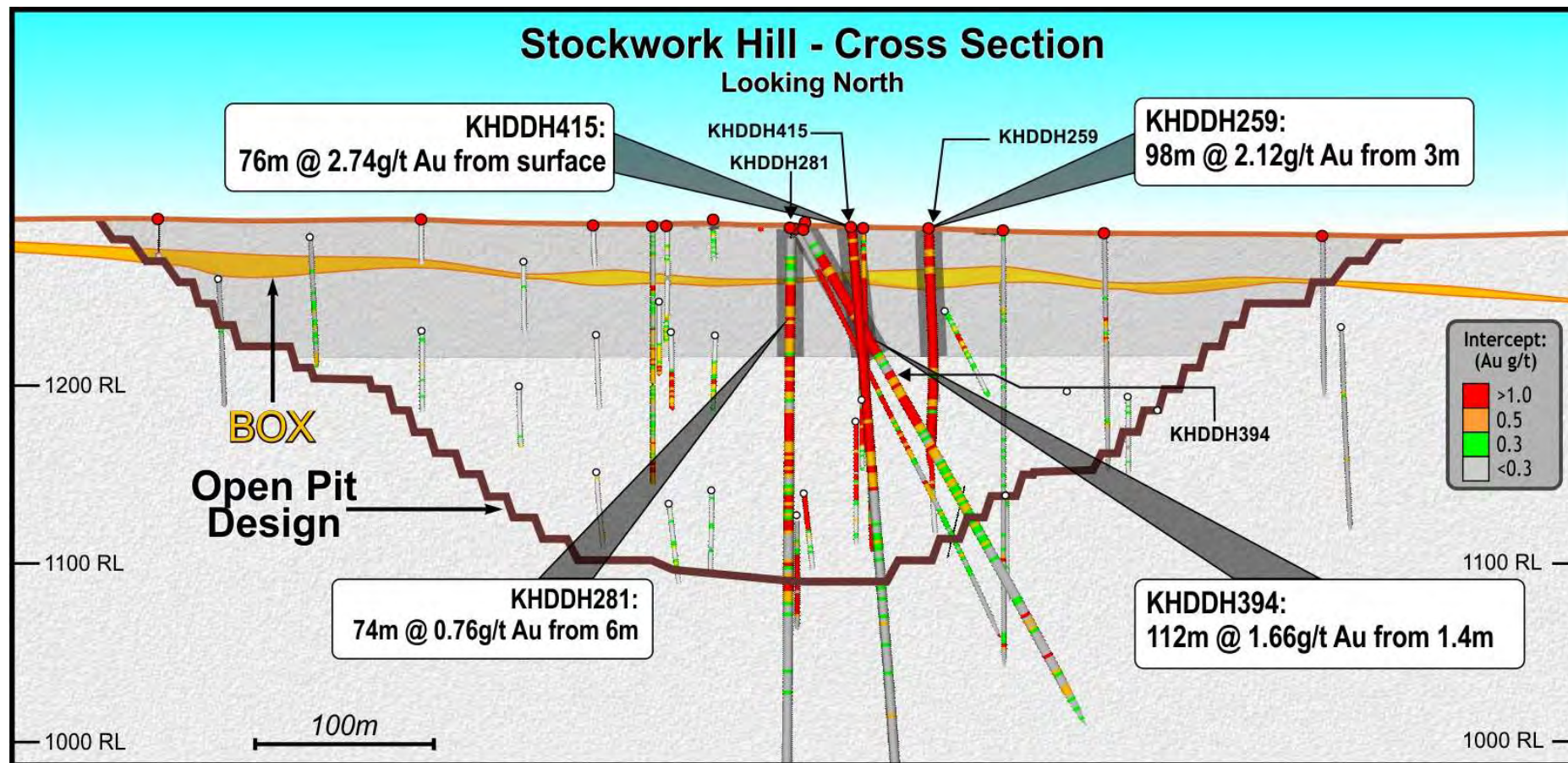
Kharmagtai Porphyry Cu-Au District

SIGNIFICANT BROWNFIELD EXPLORATION POTENTIAL



Kharmagtai Copper District

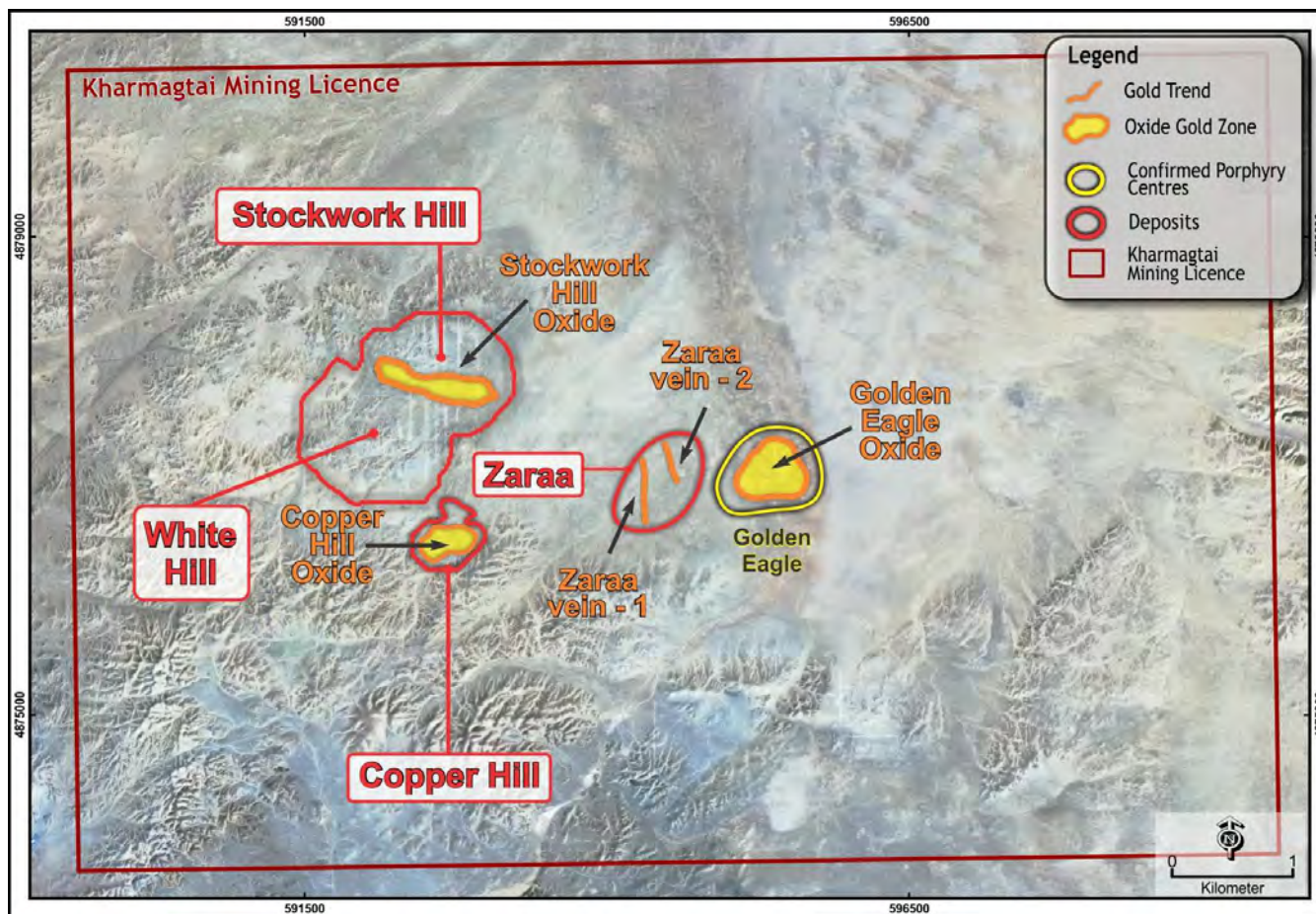
SHALLOW OXIDE GOLD COMPLEMENT EXISTING RESOURCES



*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.

Kharmagtai Copper District

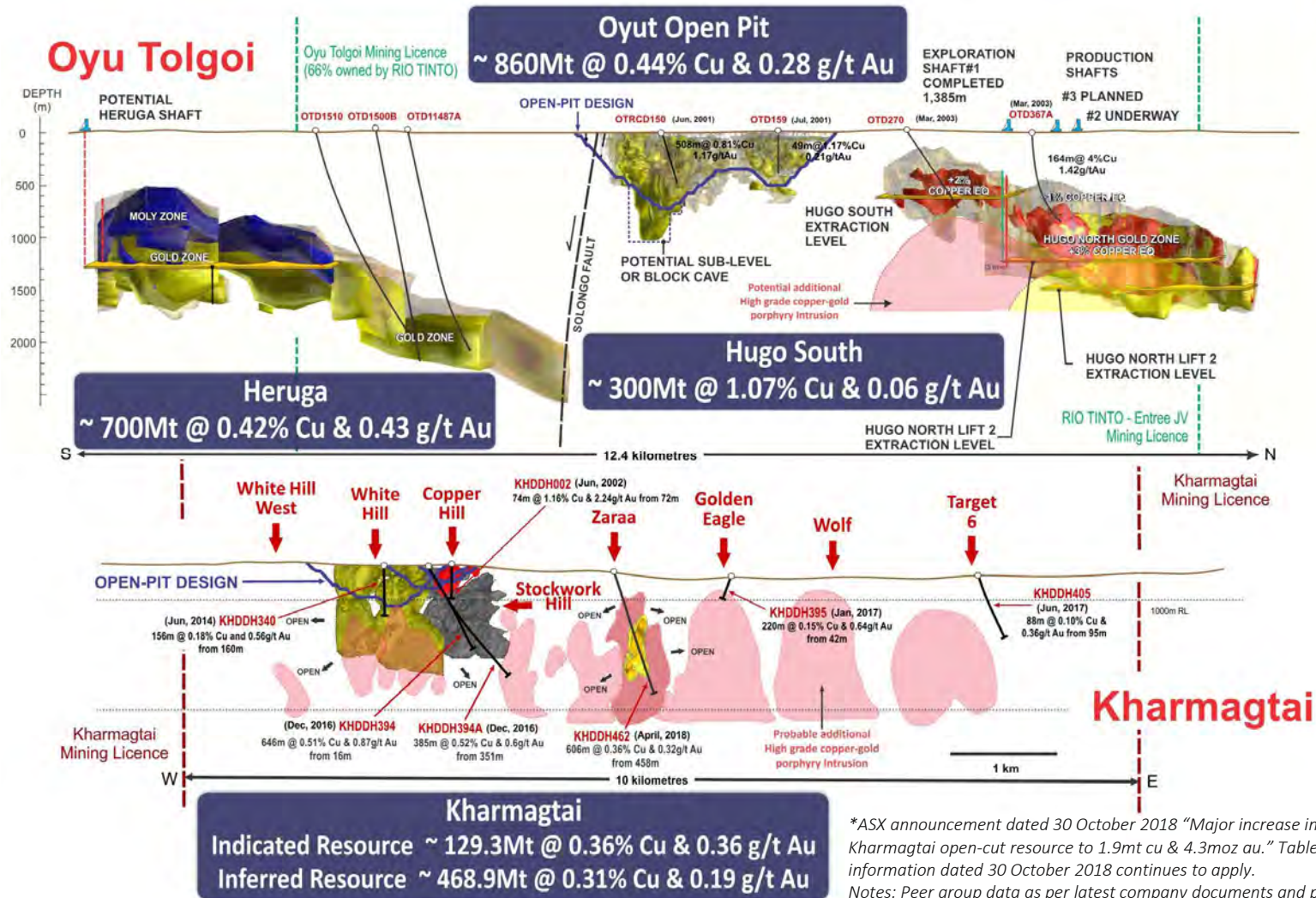
SHALLOW OXIDE GOLD COMPLEMENT EXISTING RESOURCES



- 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

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.

Architecture of south Gobi porphyry systems



*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.
Notes: Peer group data as per latest company documents and public files

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

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.

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