

24 June 2019

Non-renounceable Rights Issue Updated Investor Presentation

Xanadu Mines Ltd (**ASX:XAM, TSX:XAM**) (**Xanadu**) advises that it has updated Slide 22 *Developer Positioning* in the Investor Presentation for the pro-rata non-renounceable rights issue to eligible shareholders that was lodged on Tuesday, 18 June 2018.

This slide now includes the composition of inferred, indicated, measured resources, the stage of the various companies and the relevant dates as to when the enterprise value was calculated.



XANADU MINES

ASX: XAM | TSX: XAM



INVESTOR PRESENTATION
EQUITY OFFERING

IMPORTANT INFORMATION AND DISCLAIMERS



Purpose of this Presentation: This investor presentation (Presentation) is dated 18 June 2019 and has been prepared by Xanadu Mines Ltd (Xanadu) in connection with the issue of the Offer Document (Offer Document) for a non-renounceable rights issue to its existing shareholders (Offer).

Not an offer: This Presentation is not an Offer Document, disclosure document or offering document under Australian law or under any other law. It is for informational purposes only. This document does not constitute, and should not be construed as, an offer to issue or sell, or a solicitation of an offer or invitation to subscribe for, buy or sell, securities in Xanadu. Applications for shares under the Offer can only be made in accordance with, and using an application form enclosed with, the Offer Document dated 18 June 2019. Recipients should read the Offer Document carefully and in its entirety before making a decision to invest. In particular, recipients should read and consider the risks outlined in the Offer Document (noting that the key risks are summarised on page 30 of this Presentation). A copy of Offer Document may be viewed online at www.xanadumines.com.

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Forward-looking statements: Certain statements in the presentation are or may be "forward-looking statements" and represent the Company's intentions, projections, expectations or beliefs concerning, among other things, future operating and exploration results or the Company's future performance. These forward looking statements speak, and the presentation generally speaks, only at the date hereof. The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks and uncertainties, and are necessarily based on assumptions, which may cause the Company's actual performance and results in future periods to differ materially from any express or implied estimates or projections. It is recognised that it is common practice for a company to comment on and discuss its exploration in terms of target size and type. All statements contained in this presentation by the Company which refer to the potential quantity and grade of the target is accompanied by a detailed explanation of the basis for the statement. The potential quantity and grade for the target is conceptual in nature and, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource. This Presentation is for information purposes only, is a summary only and is not intended to form the basis of any investment decision by a prospective investor, but simply to provide an overview to allow prospective investors to decide whether to carry out their own independent investigations and seek their own advice before making a decision whether to invest in Xanadu. No liability is accepted by Xanadu or any of its officers as to the accuracy, completeness or reasonableness of the information provided in this Presentation, including any forward-looking statements. It should be read in conjunction with the Offer Document, Xanadu's most recent financial report and Xanadu's other periodic and continuous disclosure information lodged with the Australian Securities Exchange, which is available at www.asx.com.au. The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated) and to the maximum extent permitted by law, Xanadu has no obligation to update the information contained in this Presentation.

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Competent Person Statement: The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code 2012”) sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Information contained in this Announcement has been presented in accordance with the JORC Code 2012.

The information in this Presentation that relates to Mineral Resources is based on information compiled by Dmitry Pertel who is responsible for the Mineral Resource Estimate. Mr Pertel is a full-time employee of CSA Global and is a Member of the Australian 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 “Qualified Person” as defined in the CIM Guidelines and National Instrument 43-101. Mr Pertel has previously consented to the publication of this information in the form and context in which it appears under previous announcements identified by the Company in this Presentation and the Company is not aware of any new information or data that materially affects this information and all material assumptions and technical parameters underpinning the estimates in the previous market announcements continue to apply and have not materially changed.

The information in this Presentation that relates to the Scoping Study is based, and fairly reflects, information compiled by Gordon Zurowski, P.Eng is a registered Professional Engineer in Ontario, Canada. Mr Zurowski is employed by CSA Global, independent resource industry consultants. Mr Zurowski has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Zurowski has previously consented to the publication of this information in the form and context in which it appears under previous announcements identified by the Company in this Presentation and the Company is not aware of any new information or data that materially affects this information and all material assumptions and technical parameters underpinning the estimates in the previous market announcements continue to apply and have not materially changed.

The information in this Presentation that relates to exploration results is based on information compiled by Dr Andrew Stewart who is responsible for the exploration data, comments on exploration target sizes, QA/QC and geological interpretation and information. 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 has previously consented to the publication of this information in the form and context in which it appears under previous announcements identified by the Company in this Presentation and the Company is not aware of any new information or data that materially affects this information and all material assumptions and technical parameters underpinning the estimates in the previous market announcements continue to apply and have not materially changed.

TERMS AND KEY DATES OF THE OFFER



- This Offer is for the non-renounceable rights issue of approximately 64,804,413 New Shares at an Issue Price of \$0.052 per New Share, on the basis of 1 New Share for every 10 Shares held by Eligible Shareholders as at the Record Date.
- The Offer is to be made to Eligible Shareholders only, being shareholders of the Company at the Record Date who are based in either Australia, New Zealand or Singapore.
- The Offer is partially underwritten by Patersons Securities Limited up to an amount of \$1,750,000. The underwriting is conditional upon the Underwriter obtaining firm commitments from key shareholders CAAF Ltd, Asia Capital and Advisors Pte Ltd and Noble Resources International Pte Ltd as described in the Offer Document.
- The Issue Price of \$0.052 per New Share represents an 18.7% discount to the 5 day Volume Weighted Average Price immediately preceding the announcement of the Offer.
- Official quotation of the New Shares to be issued under the Rights Issue is expected to occur on or about 16 July 2019.

Key dates for investors

Record Date for determining entitlements under the Issue	7.00pm Sydney time on 21 June 2019
Offer opens	25 June 2019
Offer expected to close	5.00pm Sydney time on 8 July 2019
Anticipated date for issue of New Shares	15 July 2019
Deferred settlement trading end	15 July 2019
Commencement of trading of New Shares on ASX	16 July 2019

Use of funds

Proposed use of funds (A\$ millions)	Underwritten Amount	Full Subscription
Exploration Kharmagtai	\$ 1.46	\$ 2.90
Exploration Red Mountain	\$ 0.30	\$ 0.30
Estimated cost of the Issue	\$ 0.19	\$ 0.30
Working Capital	\$ 0.90	\$ 0.97
Total	\$ 2.85	\$ 4.47
Less existing funds	\$ 1.10	\$ 1.10
Total	\$ 1.75	\$ 3.37

- An exploration program has been designed to advance the significant shallow oxide and free-leachable gold potential of the Kharmagtai project.
- Working capital for general and administrative expenses.

Company Snapshot

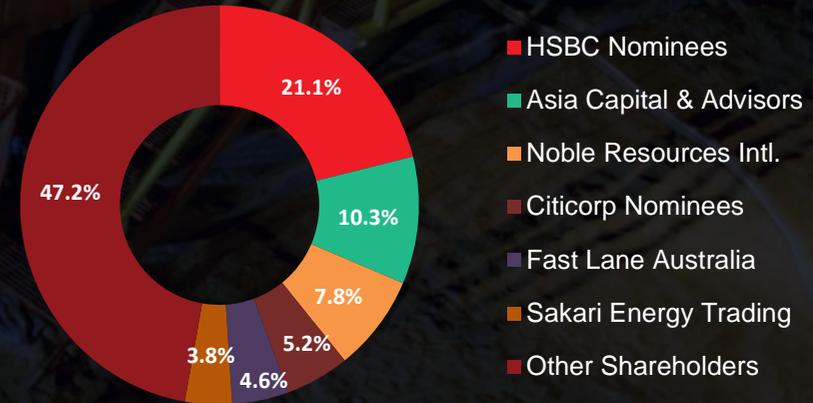


Director

Position

Darryl Clark	Executive Chairman
Andrew Stewart	CEO
Ganbayar Lkhagvasuren	Executive Director
Hannah Badenach	Non-Executive Director
Michele Muscillo	Non-Executive Director

Capital Structure	Units	Undiluted	Fully Diluted
Share Price <small>(14-Jun-19)</small>	# M	0.061	0.061
Shares on Issue ¹	AUD/sh	648.1	677.5
Market Capitalisation	AUD M	39.5	41.3
Cash <small>(31-Mar-19)</small>	AUD M	3.1	3.1
Debt <small>(31-Mar-19)</small>	AUD M	-	-
Enterprise Value	AUD M	36.4	-



Research Coverage | Patersons | Bell Potter



LARGE DISTRICT- SCALE PORPHYRY Cu-Au PROJECT

Under explored district hosting a globally significant copper-gold discovery



FAST-GROWING COPPER & GOLD RESOURCE BASE

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



SHALLOW GOLD COMPLEMENT EXISTING RESOURCES

Early stage gravity and bottle roll results on composite samples from Golden Eagle are outstanding



ESTABLISHED INFRASTRUCTURE WITH POWER & WATER

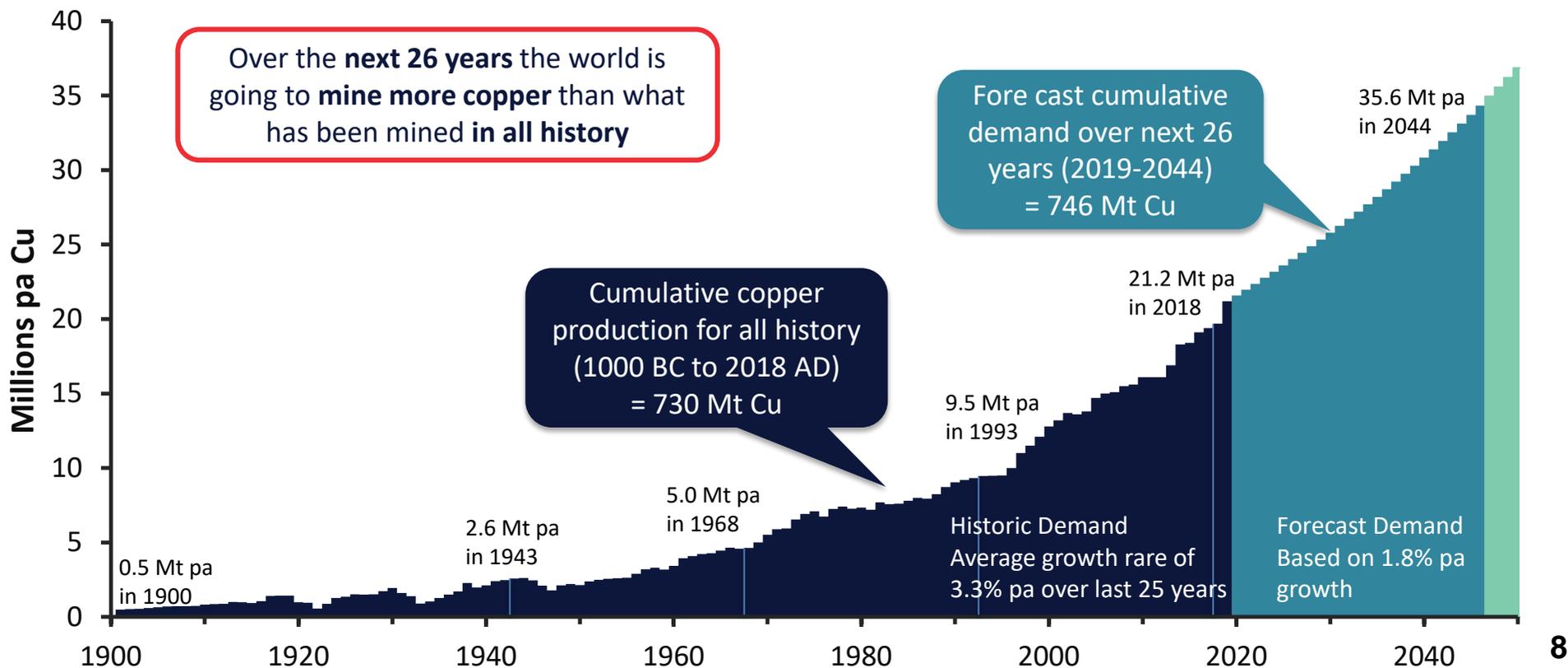
Neighboring significant deposits in production, including Rio Tinto's Oyu Tolgoi

*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



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

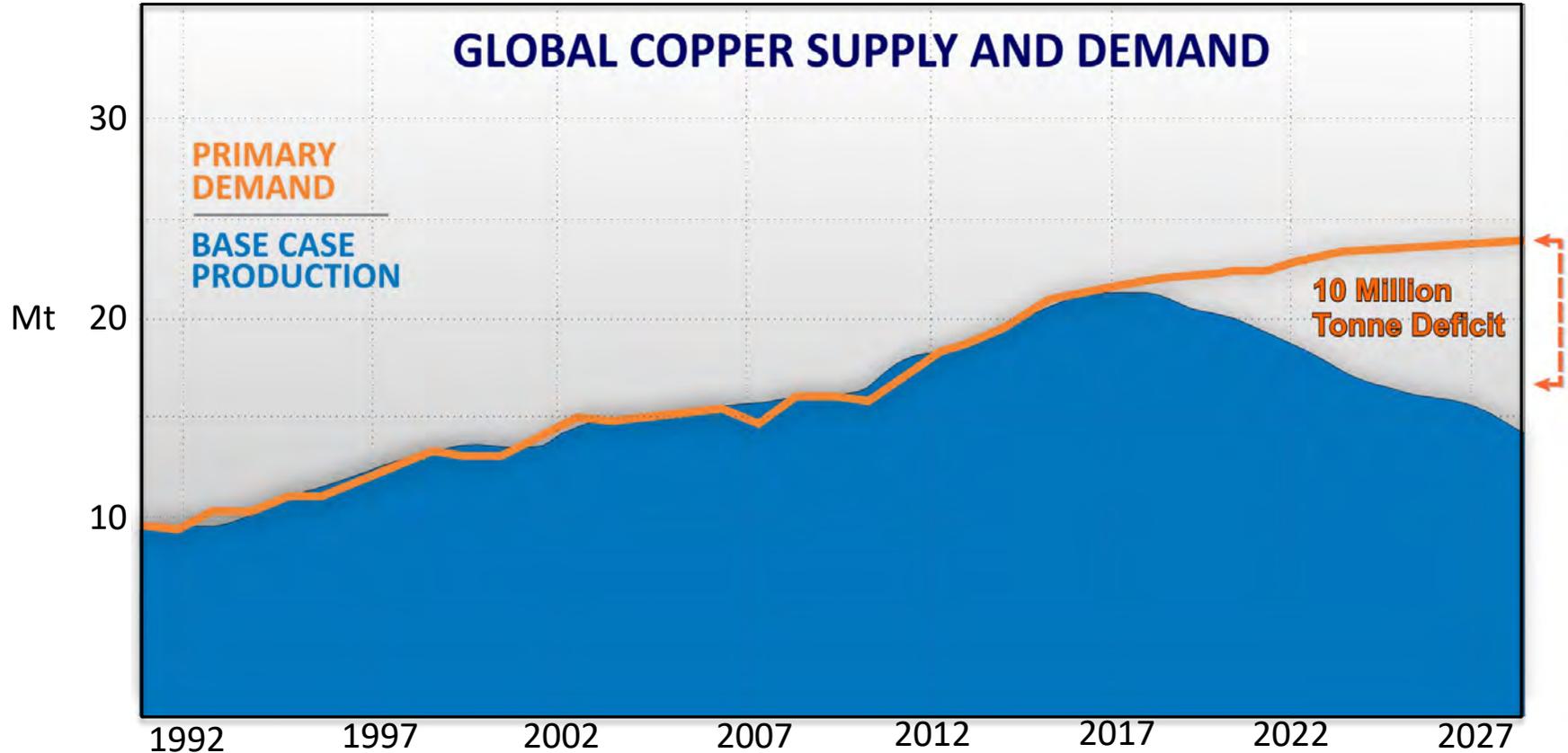
1. China accelerating infrastructure development
2. India rising

New Technological mega-trends

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

Copper is not being discovered fast enough

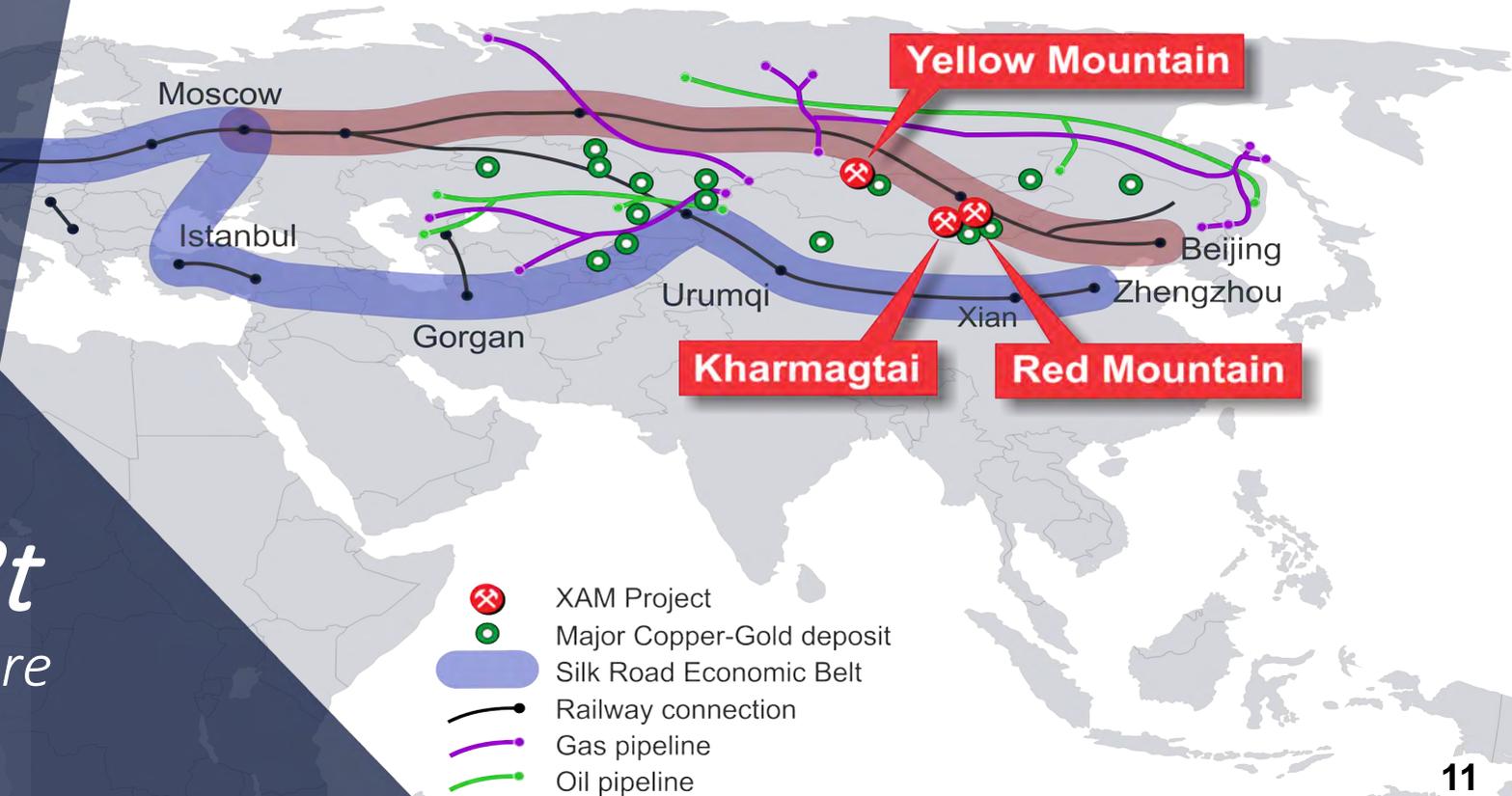
THE LOOMING COPPER SUPPLY CRUNCH



BELT & ROAD TO UNLEASH MONGOLIA'S COPPER POTENTIAL

62%
of the
world's
population

\$US1.3t
infrastructure
will inspire
investment



COUNTRY INVESTMENT ATTRACTIVENESS FOR MINING COMPANIES

Economic Overview (2018)

Economy	Units	Value
GDP Growth (2018A)	%	6.9
GDP Growth (2019F)	%	6.7
GDP per capita Growth	%	4.9
Population	#M	3.2
Inflation	%	6.8
Unemployment	%	6.3
Trade Balance	USD B	1.1
Credit Rating	Score	Outlook
S&P	B	Stable
Moody's	B3	Stable
Fitch	B	Stable

Mongolian Mining Industry

Mining license permissions

- ❖ Mining: 30 years plus 20 years extension 2 times
- ❖ Exploration: 12 years (extendable by 3, 3 years)

Government royalties

- ❖ Gold 5-10%
- ❖ Copper 5-35%

Corporate income tax

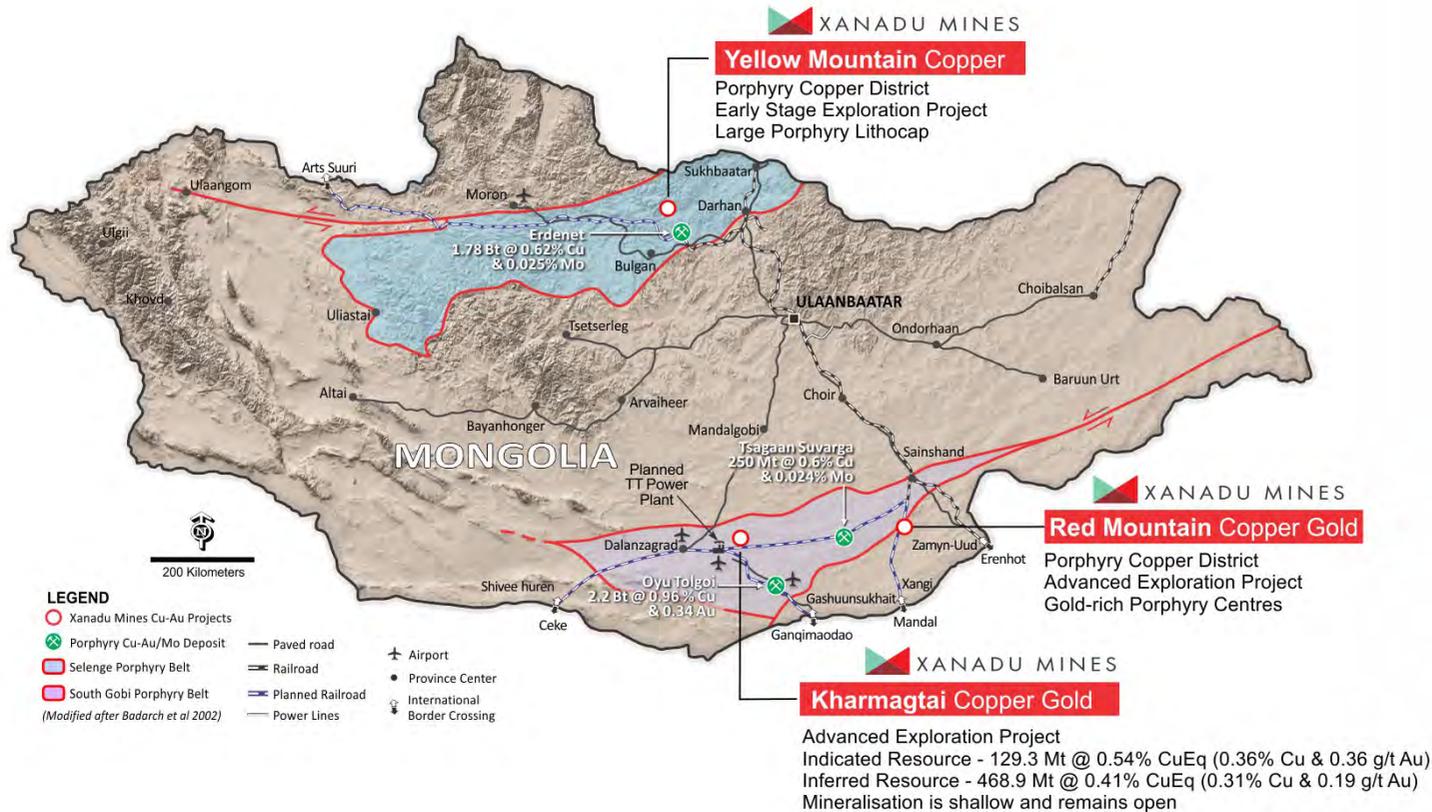
- ❖ 10% for under USD 1.15M
- ❖ 25% for exceeding amount of USD 1.15M

Country Investment Attractiveness for Mining Companies (2017)



Copper mining in Mongolia

SUSTAINABLE AND LONG-TERM MINING INDUSTRY



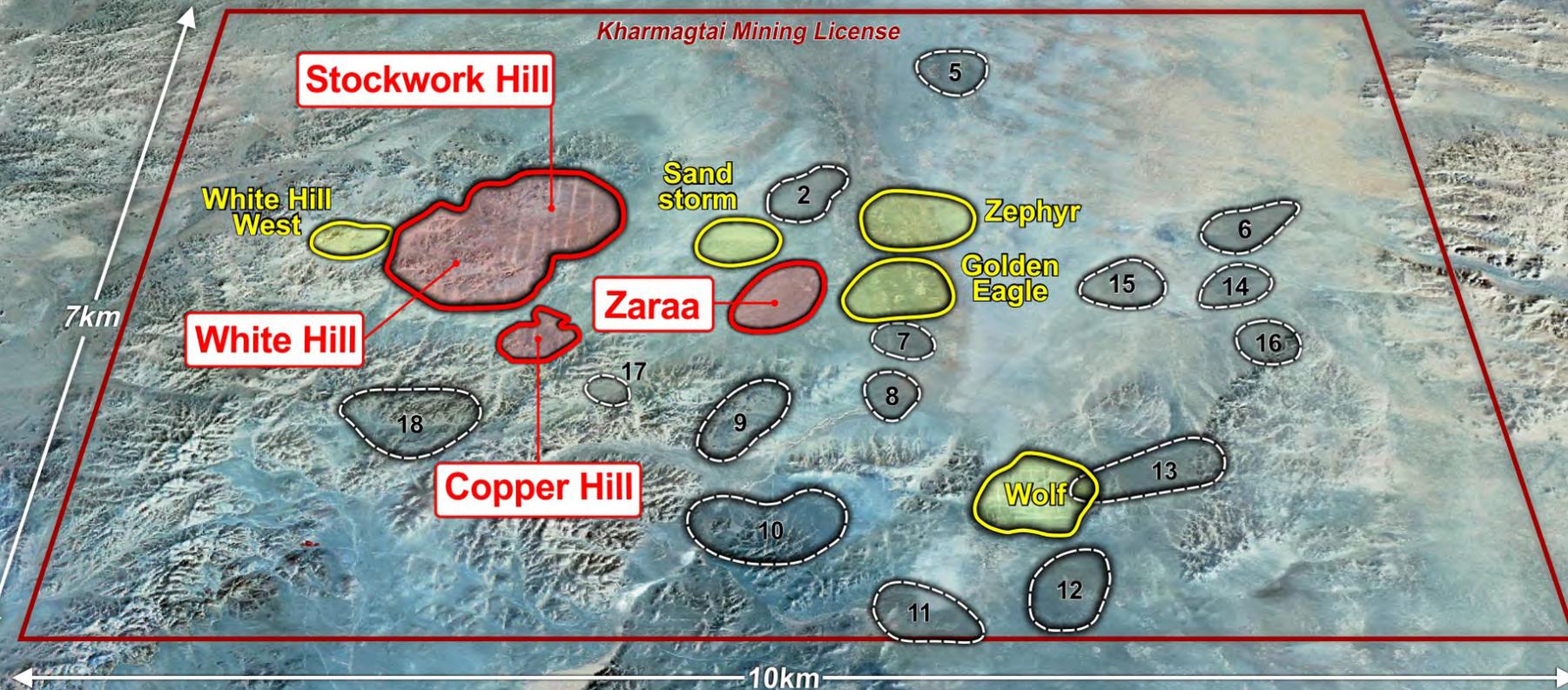
Mongolia Highlights

- 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

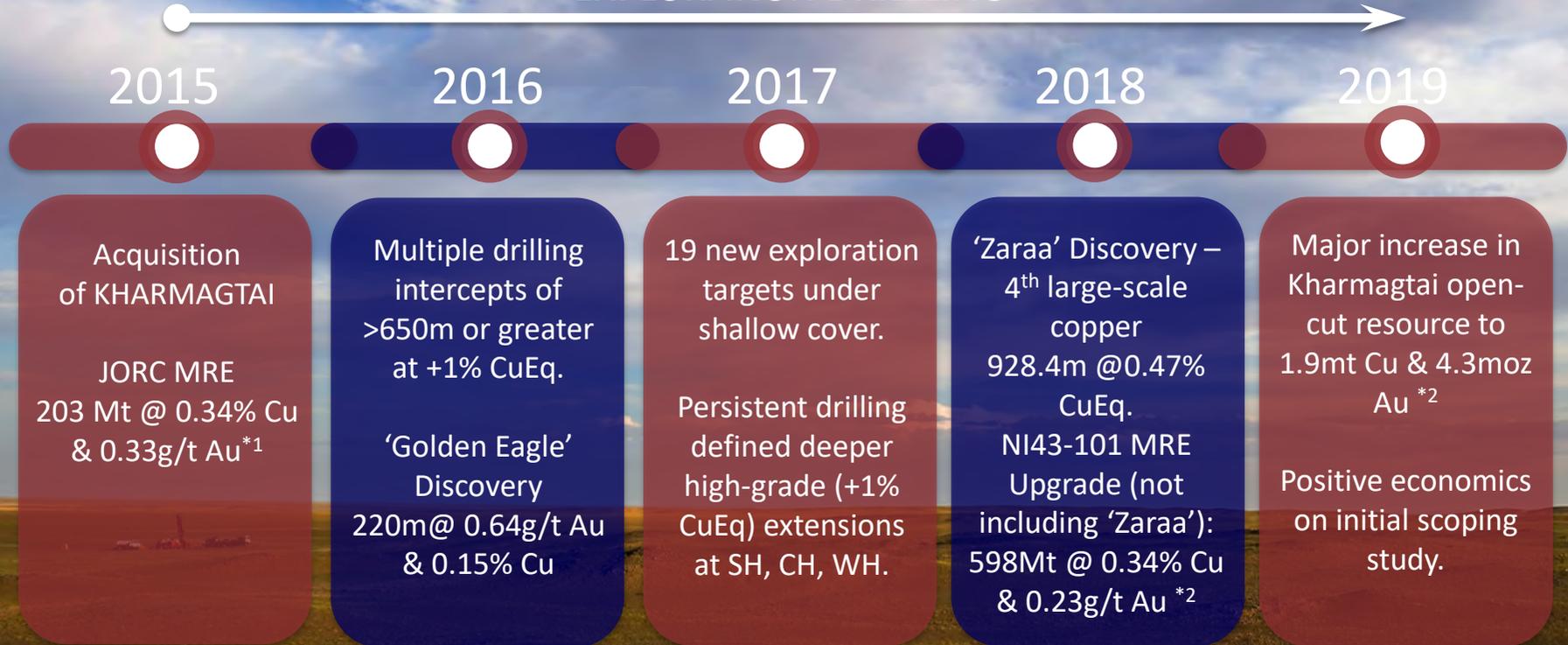
Kharmagtai Porphyry Cu-Au District

CLUSTER OF OUTCROPPING PORPHYRY DEPOSITS



Kharmagtai Copper District history

EXPLORATION DRILLING

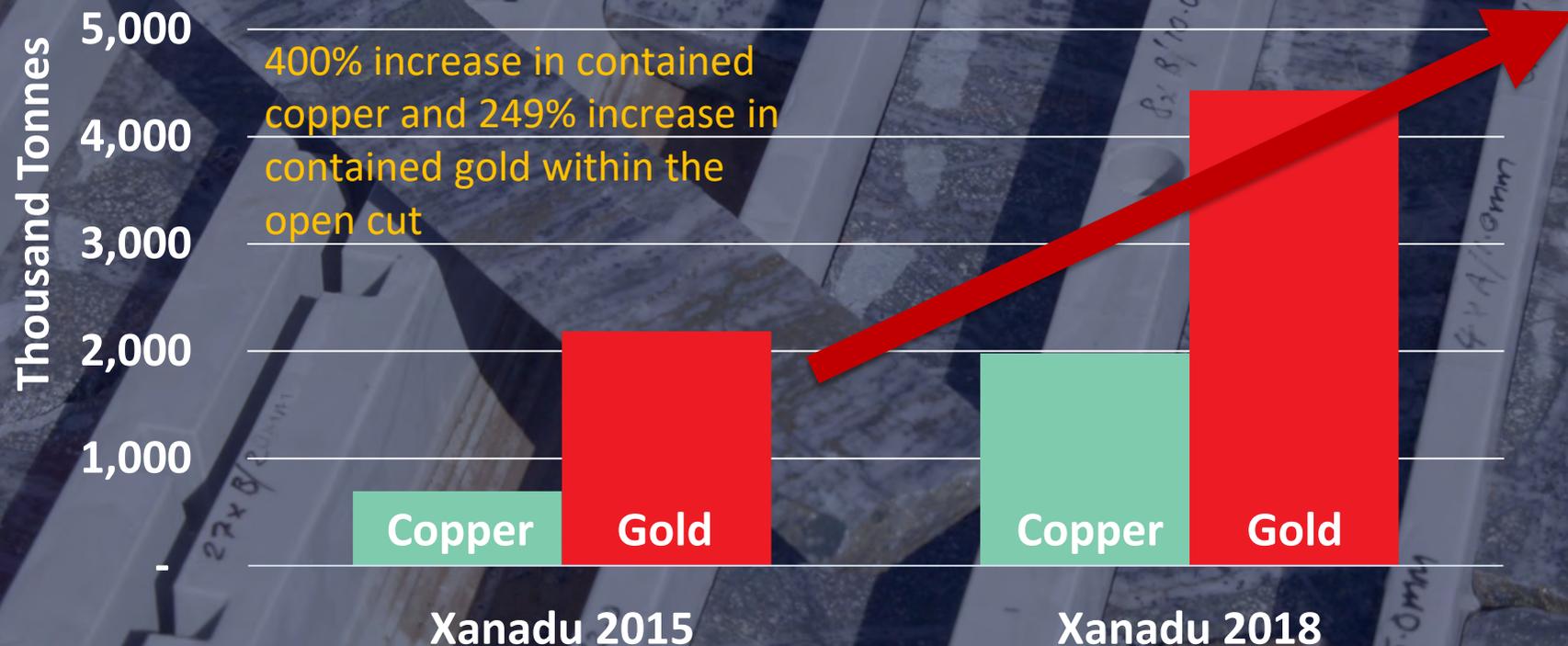


*1 - The resource figure includes both indicated (46Mt) and inferred (157Mt) resource categories - See announcement dated 19 March 2015 for more detail

*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 Porphyry Cu-Au District

RAPID RESOURCE GROWTH & LOW DISCOVERY COST



*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 - 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*

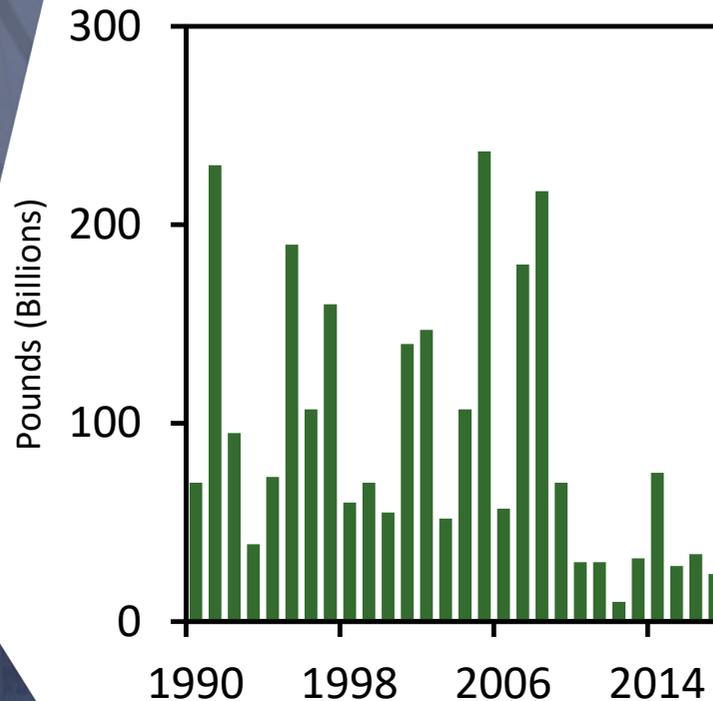
**2 - The resource figure above (54Mt) includes both indicated (33Mt) and Inferred (21Mt) resource categories. Both at the same 0.6eCu cut-off grade -See press release of October 31, 2018*

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

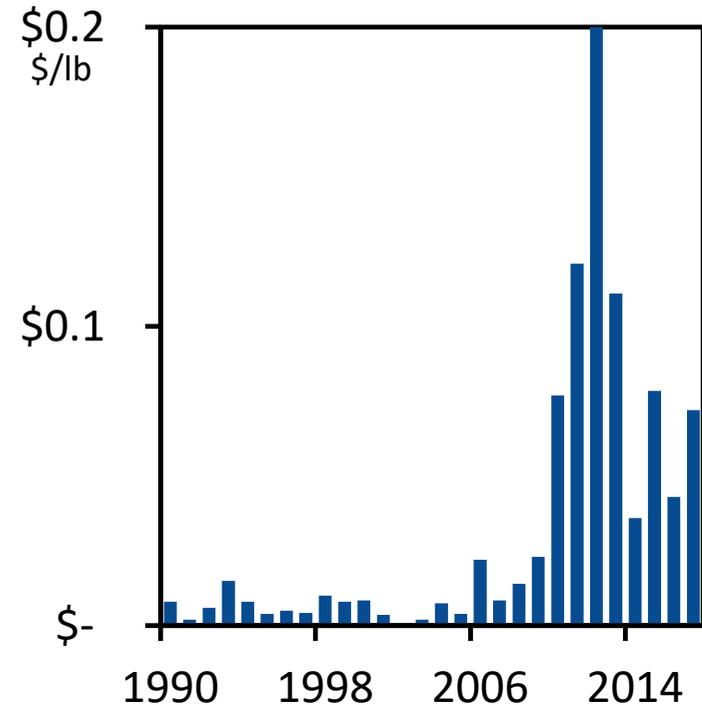
Where are all the copper discoveries?

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



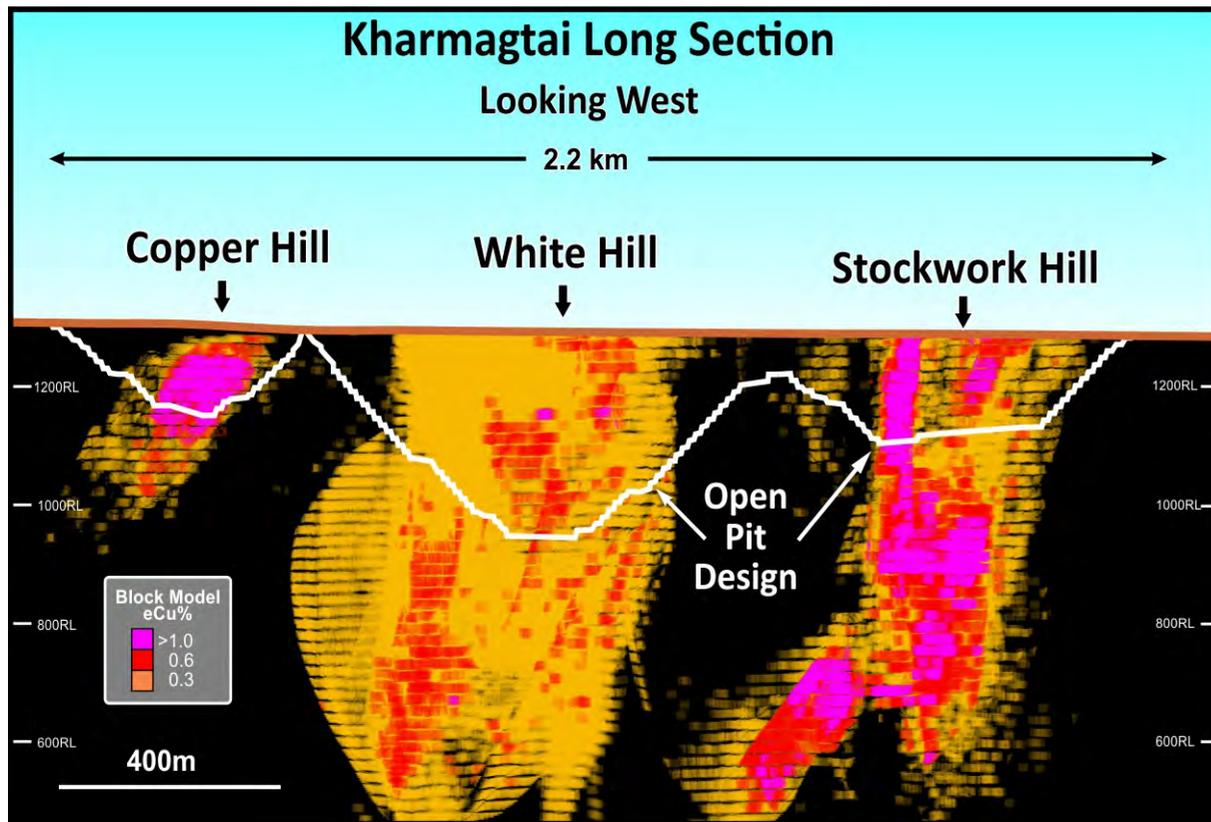
Numerous
opportunities for
further upside

5



Clear & compelling
path to further
value
creation

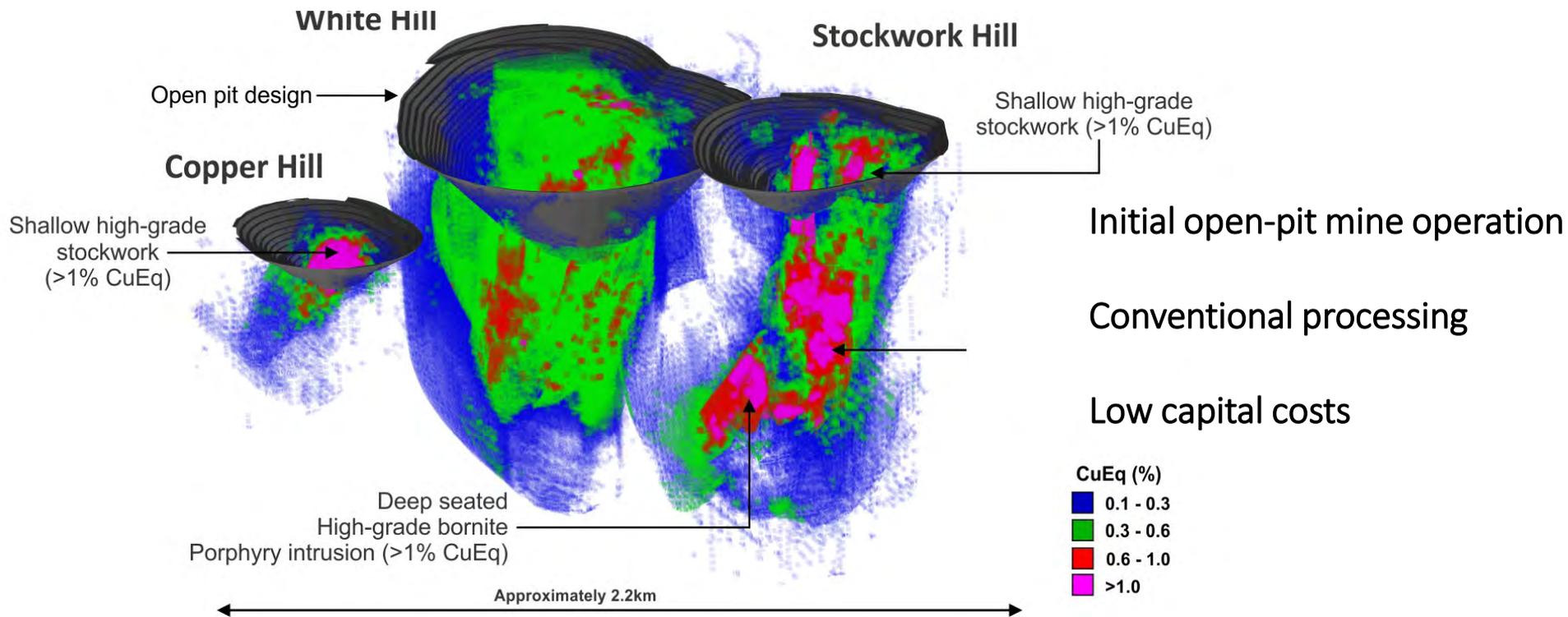
SHALLOW OPEN-PITABLE HIGH GRADE MINERALISATION



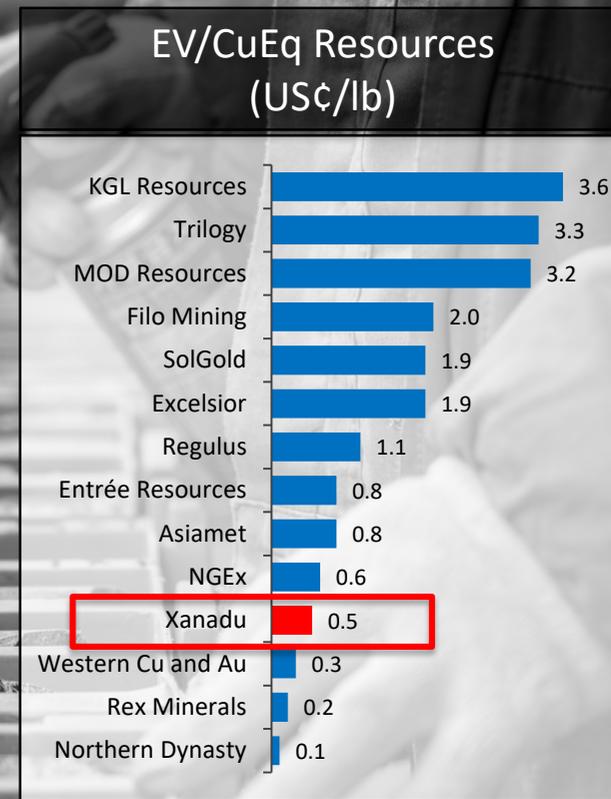
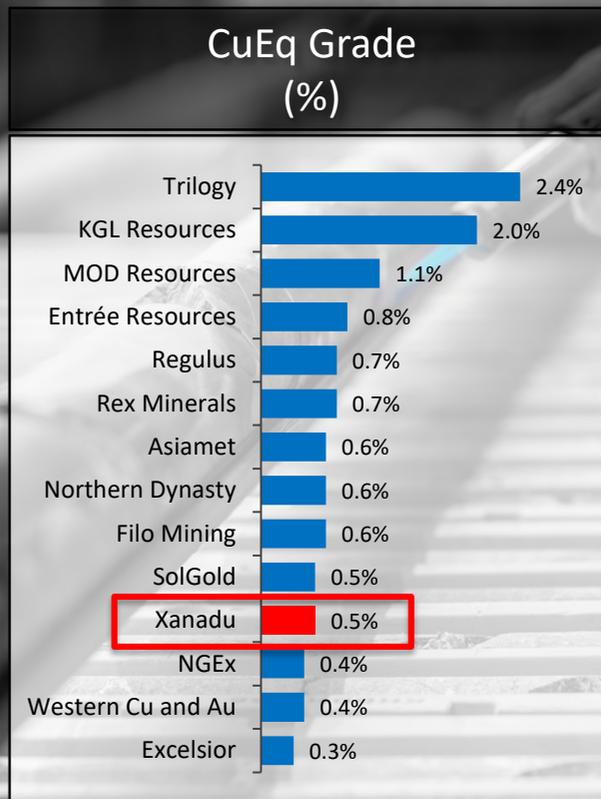
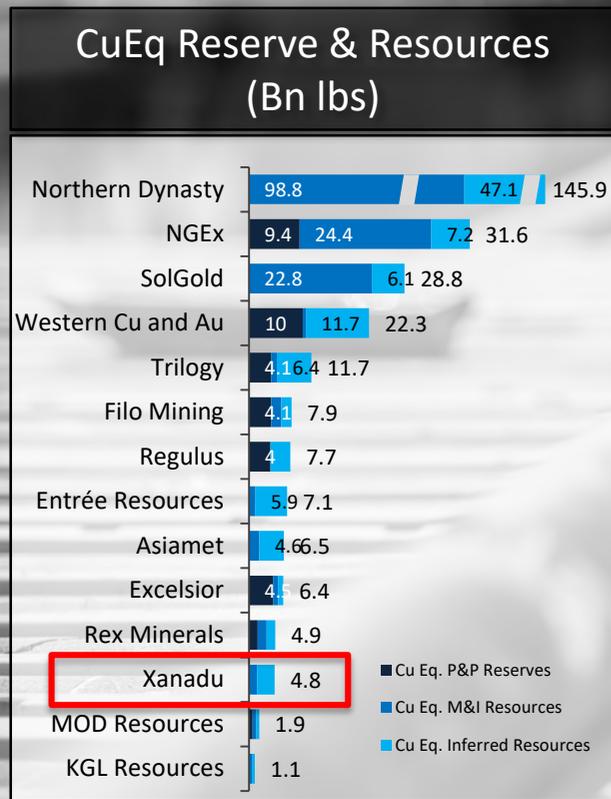
- Scoping Study indicates the potential to develop a low-strip ratio open pit mining operation in an accelerated time frame
- Rapid payback of the life-of-mine infrastructure for future open pit and underground mining operations

A lot further to go at Kharmagtai

KHARMAGTAI IS A LEADING DEVELOPMENT ASSET GLOBALLY



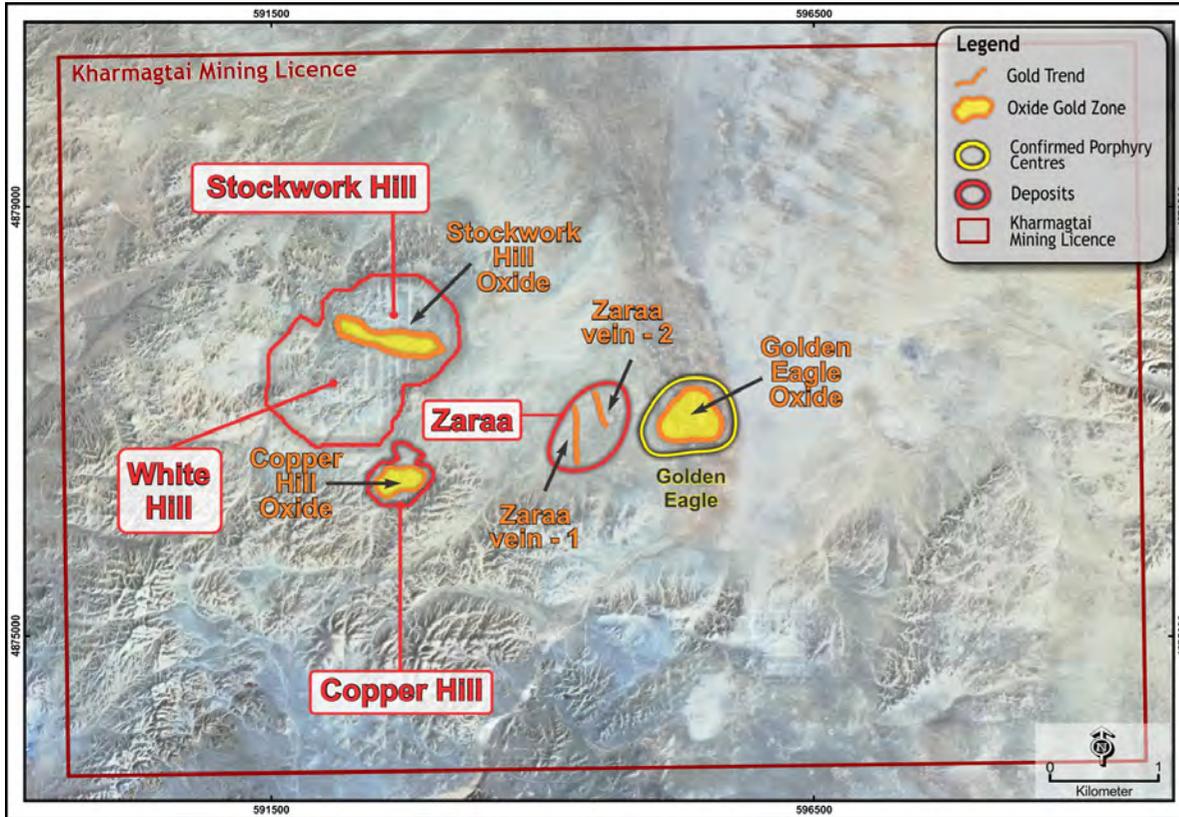
Developer Positioning



Source: Company disclosure

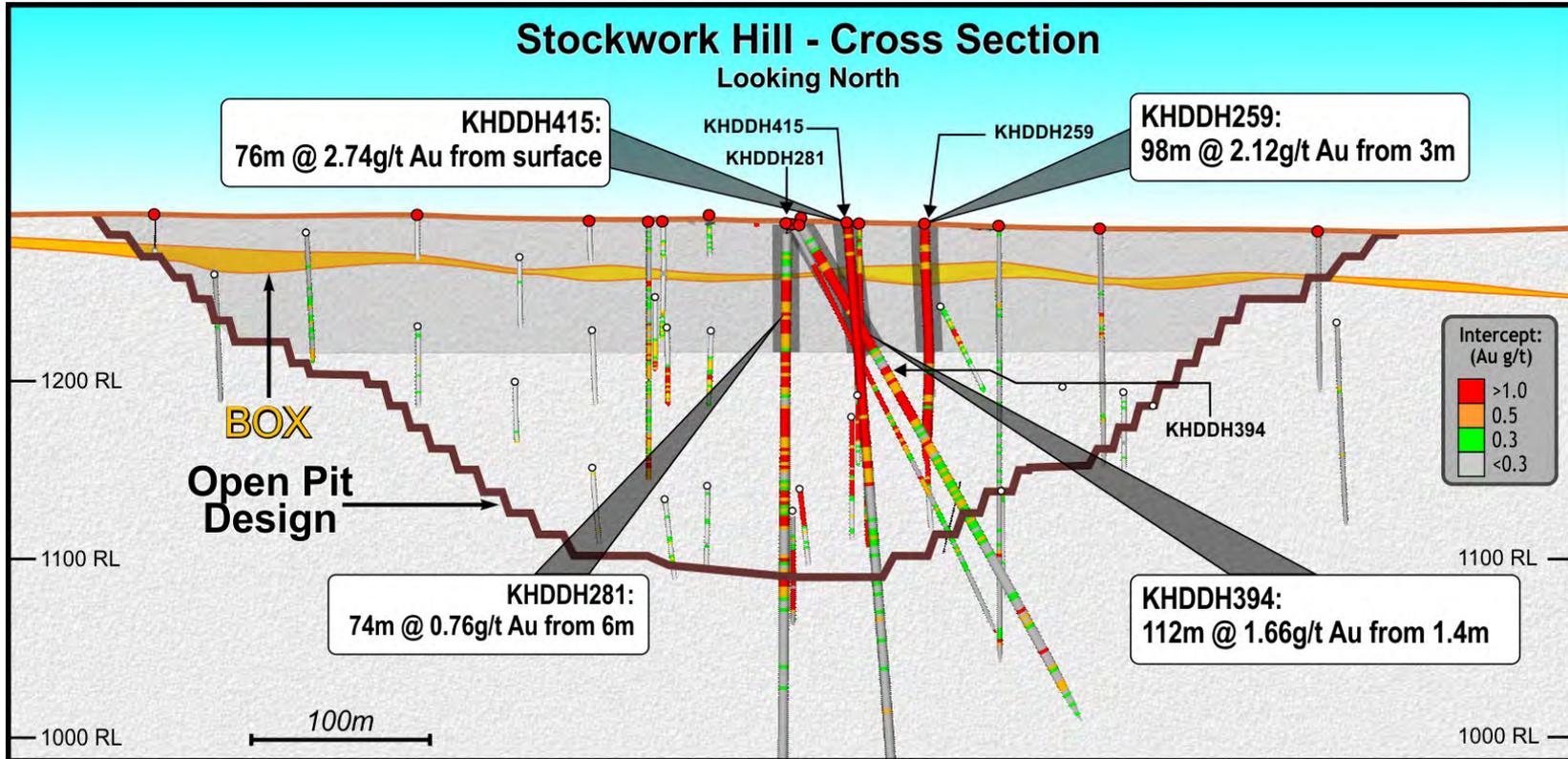
Notes: CuEq figures based on long-term consensus metal prices. Reserves and resources and attributable basis. M&I resources inclusive of P&P reserves. Enterprises value based on most recent financial adjusted for subsequent events and based on closing share price on June 19, 2019. Strike through areas on graphs indicate scale adjustment.

SHALLOW OXIDE GOLD COMPLEMENT EXISTING RESOURCES



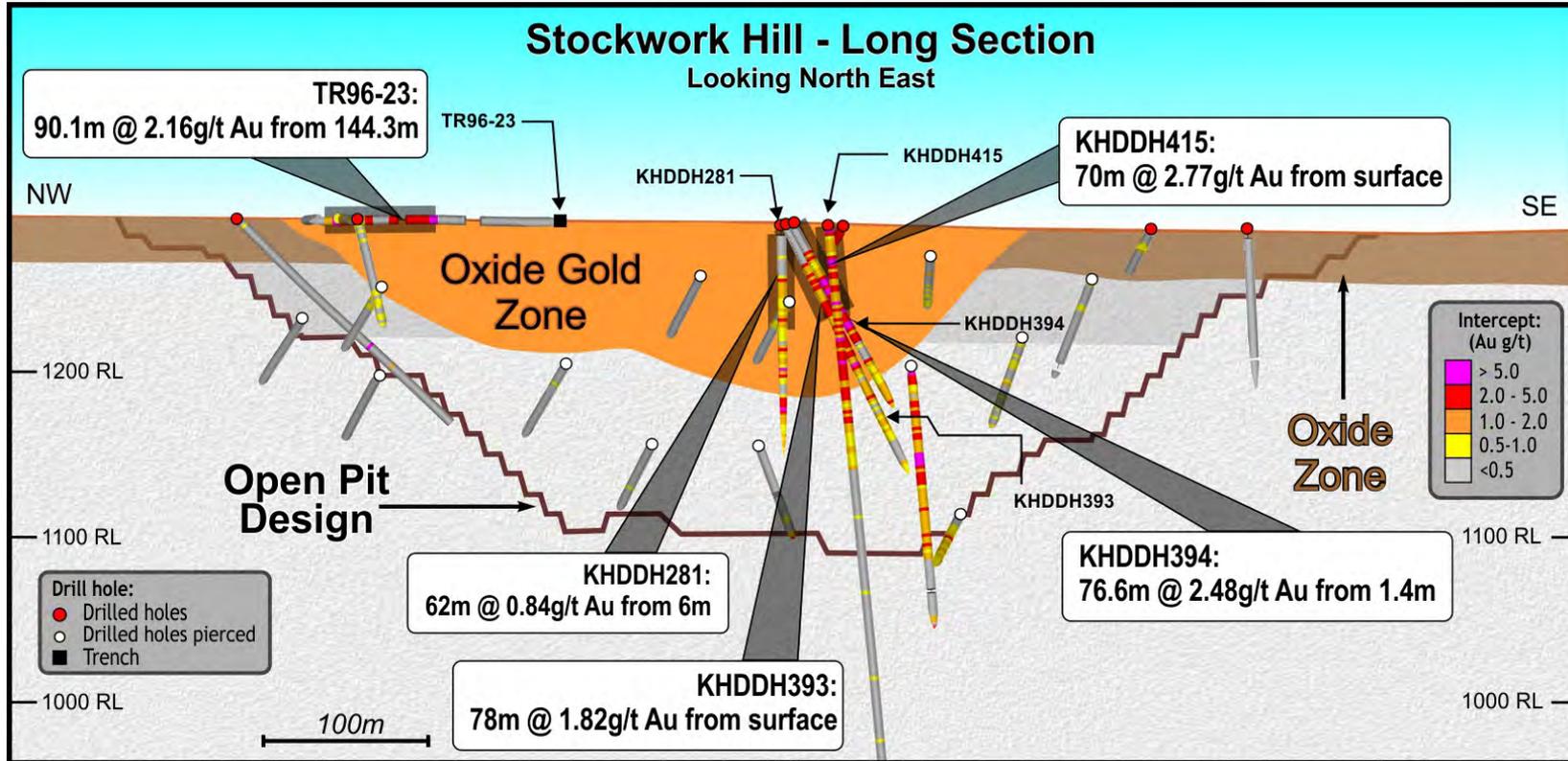
- The Exploration Target confirms the presence of a substantial oxide gold system
- Early stage gravity and bottle roll results on composite samples from Golden Eagle are outstanding
- Oxide gold may provide additional and or alternative options for the development of the project

SHALLOW OXIDE GOLD COMPLEMENT EXISTING RESOURCES



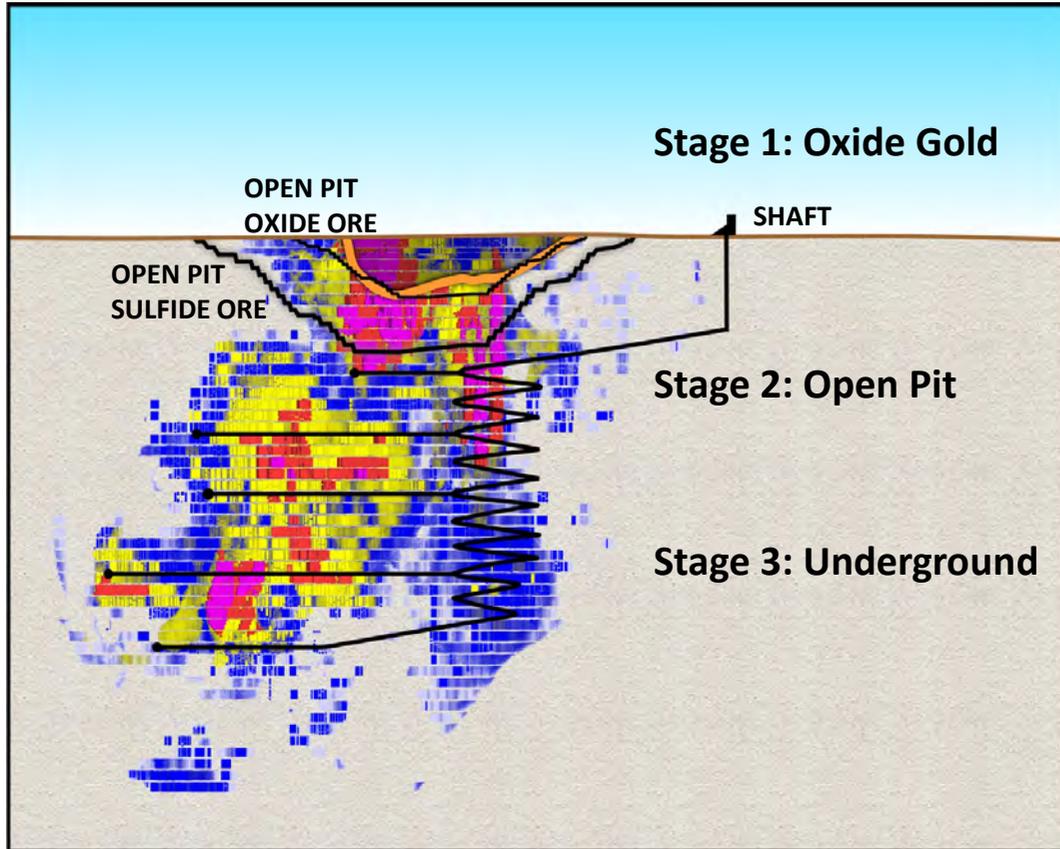
*ASX announcement dated 20 March 2019 "Excellent oxide gold recoveries at Kharmagtai complement existing copper-gold resources." Table 1 information dated 20 March 2019 continues to apply.

SHALLOW OXIDE GOLD COMPLEMENT EXISTING RESOURCES



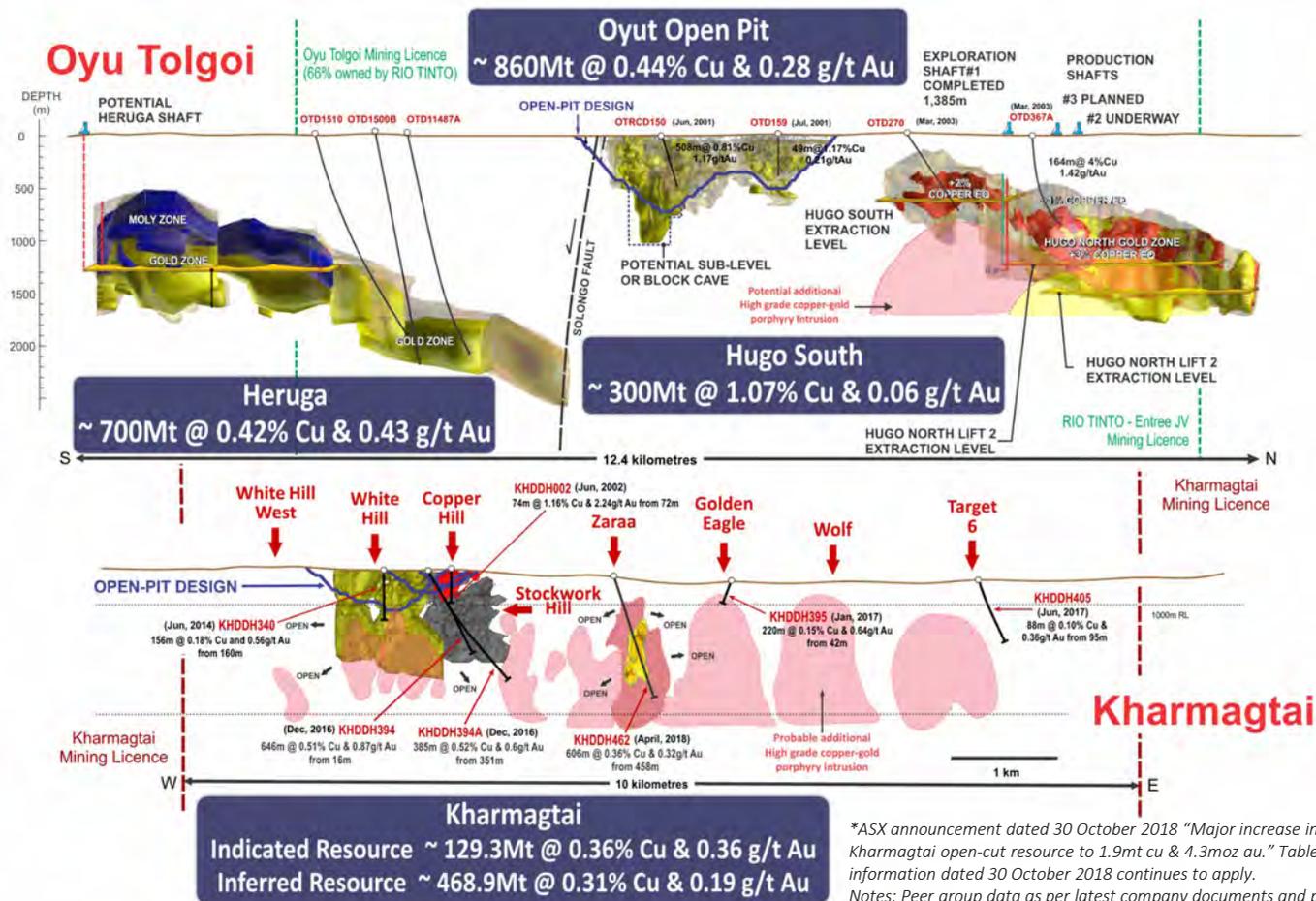
*ASX announcement dated 20 March 2019 "Excellent oxide gold recoveries at Kharmagtai complement existing copper-gold resources." Table 1 information dated 20 March 2019 continues to apply.

Value proposition: Oxide gold mine



- An exploration program has been designed to advance the shallow oxide and free-leachable gold potential of the Kharmagtai project.
- Cheap, low risk exploration at the oxide gold locales
- Excellent recoveries
- Mineralisation from surface that is uniform and likely low strip/capex etc.

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

Contact

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M: + 976 9999 9211

E: Andrew.stewart@xanadumines.com



XANADU MINES

www.xanadumines.com



KEY RISKS



Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated.

If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser. The following sets out a summary of some of the key risks relevant to the Company and its operations. When considering an investment in the Company, you should read the full outline of risks contained in section 4 of the Offer Document.

The accuracy of the Company's mineral resource estimates for the Kharmagtai Project is based on a number of assumptions: The Company's mineral resource estimates for the Kharmagtai Project are based on a number of assumptions. There can be no assurance that the mineral resource estimates will be recovered in the quantities, qualities or yields as contained in its announcements made to the ASX. Copper and gold mineral resource estimates are inherently prone to variability. The accuracy of these estimates may be affected by many factors, including the quality of the results of drilling and sampling of the copper and/or gold deposits and analysis of samples and the procedures adopted and experience of the person(s) making the estimates. There are risks associated with such estimates, including that minerals mined may be of a different or inferior quality, volume, overburden strip ratio or stripping cost from the resource estimates. Such estimates may also be revised following further exploration or analysis.

The Company is subject to liquidity and financing risks: The primary source of funds available to the Company is from equity financing. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis, to support its exploration plans, and to ensure that it will have sufficient liquidity to meet its liabilities when due. To the extent the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity or debt transactions. The Company does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available to the Company or its direct and indirect subsidiaries on acceptable terms, or at all, for further exploration or development of its properties or to fulfill its obligations under any applicable agreements. Failure to obtain such additional funding could result in the delay or indefinite postponement of the exploration and development of the Company's properties.

Access / landowner risks: Although the Company acquires the rights to some or all of the minerals in the ground subject to the mineral tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore it may be unable to carry out planned mining activities.

The Company's activities are subject to operational risks, hazards and unexpected disruptions: The Company's activities are subject to a number of operational risks and hazards, some of which are beyond its control, and could delay the future production and delivery of copper or gold, increase the Company's cost of mining or result in accidents at its mine. These risks and hazards include unexpected maintenance or technical problems, periodic interruptions due to inclement or hazardous weather conditions, natural disasters such as earthquakes, industrial accidents, power, water or fuel supply interruptions or the increase in the price of such supplies, critical equipment failure, malfunction and breakdowns of information management systems, fires, and unusual or unexpected variations in mineralization, geological or mining conditions. These risks and hazards may result in personal injury, damage to or destruction of properties or production facilities, environmental damage, business interruption, possible legal liability, damage to the Company's business reputation and corporate image and, in severe cases, fatalities. Such accidents may have a material adverse effect on the Company's reputation, business, prospects, financial condition and results of operations.

KEY RISKS (cont.)



The Company's insurance may not be adequate to cover losses or liabilities that may arise: The Company's business is subject to a number of risks and hazards (as further described in this prospectus). The Company does not currently maintain insurance to protect against the potential risks associated with its activities, including any future mining operations.

The mining industry is intensely competitive: The Company's business is the acquisition, exploration, development, and exploitation of mineral properties. The mining industry is intensely competitive and the Company competes with other companies that have far greater financial resources, more significant investments in capital equipment and mining infrastructure for the ongoing acquisition, exploration, development and exploitation of mineral interests, as well as for the recruitment and retention of qualified employees. The Company is subject to fluctuation of metal prices: Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any minerals discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including, among other things, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, metals are affected by various factors, including, among other things, political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals contained in a deposit will be such that the Company's properties can be mined at a profit. The Company is particularly exposed to the risk of movement in the price of copper and gold.

Foreign currency fluctuations could affect expenses and any future earnings: The Company is exposed to foreign exchange fluctuations with respect to A\$, US\$, MNT C\$. The Company's financial results are reported in A\$. Salaries for certain local employees in Mongolia may be paid in MNT. The Company's operations are in Mongolia and some of its payment commitments and exploration expenditures under the various agreements governing its rights are denominated in MNT and US\$. As a result, the Company's financial position and results are impacted by the exchange rate fluctuations among A\$, US\$, MNT and C\$. Such fluctuations may materially affect the Company's financial position and results.

The Company's business depends substantially on the continuing efforts of its executive officers and its mining contractors and the ability of the Company to attract and retain qualified technical personnel: The Company's business depends substantially on the continued services of its executive officers and, to a significant extent, on the Company's ability to attract, train and retain qualified technical personnel, particularly those with expertise in copper and gold mining. There can be no assurance that the Company will be able to attract or retain qualified technical personnel. If the Company loses any of its executive officers or key employees, the Company's business may be severely disrupted, the Company's financial condition and results of operations may be materially and adversely affected.

The Company's mining operations are exposed to environmental risks: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. There is no assurance that approvals, including environmental approvals, will be obtained without inordinate delay or at all. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Investors may have difficulty in enforcing their legal rights as against the Company, the subsidiaries of the Company and certain of the officers and directors of the Company, as they are located outside of Australia: The subsidiaries of the Company, which conduct the operations of the Company and hold its assets, are organized under the laws of foreign jurisdictions and certain of the Company's directors, management personnel and advisors are located in foreign jurisdictions. Accordingly, investors may have difficulty in effecting service of process within Australia and collecting from or enforcing against the Company or its directors, officers and advisors, any judgments obtained by the Australian courts or Australian securities regulatory authorities and predicated on the civil liability provisions of Australian securities legislation or otherwise. Similarly, in the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Australia.

KEY RISKS (cont.)



The Company is subject to general legal and political risk in Mongolia: The Company's exploration and mining activities are located in Mongolia. Accordingly, the exploration and mining activities may be affected in varying degrees by:

- political and social instability;
- changes in government;
- application and enforcement of government policy and regulations such as foreign investment laws, tax laws, business laws, environmental laws and mining laws
- changes in government policy and regulations such as foreign investment laws, tax laws, business laws, environmental laws and mining laws, including in relation to expropriation or nationalization of property, which may affecting the Company's business activities in that country.

Government policy may change to discourage foreign investment, nationalization of the mining industry may occur and other government limitations, restrictions or requirements may be implemented. There can be no assurance that the Company's assets will not be subject to nationalization, requisition, expropriation or confiscation, whether legitimate or not, by any authority or body. The political, social and economic environment in Mongolia presents a number of serious risks, including, among other things: uncertain legal enforcement; invalidation, confiscation, expropriation or rescission of governmental orders, permits, licences, agreements and property rights; the effects of local political, labour and economic developments, instability and unrest; corruption, requests for improper payments or other corrupt practices; and significant or abrupt changes in the applicable regulatory or legal climate. The Mongolian legal system exhibits several of the qualitative characteristics typically found in a developing country and many of its laws are still evolving. There may be ambiguities, inconsistencies and anomalies in the agreements, licences and title documents through which the Company holds its mineral projects, or the underlying legislation upon which those mineral projects are based, and existing or new laws may either be misunderstood or not enforced and may be applied in an inconsistent, arbitrary and unfair manner. Furthermore, legal remedies may be uncertain, delayed or unavailable. There can be no assurance that Mongolian laws protecting foreign investments will not be amended or abolished or that existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks described above.

The Company is subject to foreign exchange risks relating to its foreign subsidiaries: Where future funding is required, there may be exchange controls limiting such funding or adverse tax consequences associated with such funding. Exchange controls may prevent the Company from transferring abroad dividends that the Company receives from its foreign subsidiaries or impose taxes on the expatriation of the proceeds from the Company's foreign subsidiaries.

The Company is subject to certain risks as an emerging market issuer: The Company's foreign operations involve substantial costs and are subject to certain risks because the mining industries in Mongolia are less developed than in Australia. As a result, the Company's exploration and operating activities may take longer to complete and may be more expensive than similar operations in Australia.

Mineral resource exploration and development is a speculative business: Resource exploration and development is a speculative business and involves a high degree of risk. Any combination of factors may result in the Company not receiving an adequate return on invested capital. The majority of exploration projects do not result in the discovery of commercially mineable deposits.

FOREIGN JURISDICTION INFORMATION



New Zealand

The New Shares under the Offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

The Offer Document and this Presentation have not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). The Offer Document and this Presentation are not an investment statement or prospectus under New Zealand law and are not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain

Singapore

The Offer Document and this Presentation and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, the Offer Document and this Presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

The Offer Document and this Presentation have been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.