

Extraordinary General Meeting

1 October 2020

ASX Markets Announcement Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

Extraordinary General Meeting Chairman's Address and CEO's Operational Update and Presentation Slides

Please find attached for release to the market, the Chairman's Address and the CEO's Operational Update and Presentation Slides to be presented to the Extraordinary General Meeting of Xanadu Mining Ltd's members, being held virtually online today, **Thursday, 1 October 2020 commencing at 10:00am (Sydney time)**.

-ENDS-

For further information, please contact:

Andrew Stewart
Chief Executive Officer

M: +61 409 819 922

E: Andrew.stewart@xanadumines.com

W: www.xanadumines.com

Spencer Cole

Chief Financial Officer

M: +61 434 047 987

E: spencer.cole@xanadumines.com

This Announcement was authorised for release by Xanadu's Board of Directors.

About Xanadu Mines Ltd:

Xanadu is an ASX and TSX listed Exploration company that discovers and defines globally significant porphyry copper-gold assets in Mongolia. We give investors exposure to large scale copper-gold discoveries and low cost inventory growth, and we create liquidity events for shareholders at peak value points in the mining life cycle. Xanadu maintains a portfolio of exploration projects and remains one of the few junior explorers on the ASX or TSX who control an emerging Tier 1 copper-gold deposit in our flagship Kharmagtai project. For information on Xanadu visit: www.xanadumines.com.

AUSTRALIA

c/o Company Matters Pty Limited
Level 12, 680 George Street
Sydney NSW 2000
T: +612 8280 7497

MONGOLIA

Suite 23, Building 9B
Olympic St, Sukhbaatar District
Ulaanbaatar, Mongolia
T: +967 7012 0211

Xanadu Mines Ltd ACN 114 249 026

www.xanadumines.com

Chairman's Address

It has been two months since I presented to our shareholders at the Xanadu Annual General Meeting, where we spoke about the potential of our assets, our refreshed strategy and the strength of our management team and the potential of our assets.

Since then, Xanadu has received strong market support, in particular from institutional investors who specialise in the resources sector. On the back of this, we successfully raised A\$12 million via an equity placement and have commenced the next exploration phase at Kharmagtai, whilst continuing our program at Red Mountain.

Progress on both projects has been pleasing and I will now pass the microphone to Andy to give you an update.

CEO's Operational Update

Good morning everyone. My name is Andrew Stewart, CEO of Xanadu Mines Ltd, and I will provide an update on exploration programs at our flagship Kharmagtai project and at the Red Mountain JOGMEC JV project.

Since our AGM in late July, the Company launched a significant and fully funded exploration programme at Kharmagtai, targeting extensions to mineralisation and additional copper-gold discoveries. To give you an idea of scale, this is one of the largest drill programs being undertaken by a junior ASX-listed copper exploration company this year, and it highlights our position as Mongolia's premier copper and gold exploration company.

For the past two months, we operated 3 drill rigs and completed approximately 4,000m of diamond drilling, on track to meet our 23,000m objective by the end of 2020, and we completed a CSAMT geophysical survey. The CSAMT survey is important because it highlights fault structures, which helps us better target drilling. Last week we added a 4th diamond drill rig to test new targets identified by this survey.

We now have 4 drill rigs operating at Kharmagtai, with 2 rigs stepping out from known higher grade zones and 2 rigs systematically testing undercover targets. We are pleased with the progress thus far and will publish updates as the data becomes available.

At Red Mountain, our joint venture with JOGMEC is progressing well. This is a highly prospective, porphyry copper-gold district with real potential for a new Tier-1 discovery. Our partnership with JOGMEC means the exploration project is fully funded, maximising the chances of success while minimising shareholder dilution.

Previous drilling at Red Mountain returned high-grade copper-gold intercepts from a broad range of mineralisation styles. To develop our understanding of this complex system and its mineral potential, we are deploying a suite of new geophysics methodologies, and I look forward to updating you as we progress.

Our operations, now fully funded, are on plan and driving to deliver the Xanadu Strategy to deliver substantial shareholder return through discovery, definition and growth of globally significant copper-gold porphyry deposits.

In a broader sense, to discover a world-class deposit, a company needs four simple things;

- (1) a good project in a well-endowed mineral belt;
- (2) a very good team of explorers;
- (3) to be well-funded; and
- (4) a well-designed strategy and the internal fortitude to execute it.

Xanadu has these ingredients, and we look forward to updating you regularly as we execute our strategy.

AUSTRALIA

c/o Company Matters Pty Limited
Level 12, 680 George Street
Sydney NSW 2000
T: +612 8280 7497

MONGOLIA

Suite 23, Building 9B
Olympic St, Sukhbaatar District
Ulaanbaatar, Mongolia
T: +967 7012 0211

Xanadu Mines Ltd ACN 114 249 026

www.xanadumines.com

XANADU MINES



Extraordinary General Meeting

Held Virtually

01 October 2020

Welcome



Director Introductions



Non-Executive Chairman
Colin Moorhead



Non-Executive Director
Michele Muscillo



Executive Director & CEO
Andrew Stewart



Executive Director &
Country Manager
Ganbayar Lkhagvasuren

Meeting Open



Meeting Agenda

- Chairman's Address
- Operations Update
- Formal Business - 2 Resolutions

Chairman's Address



Operations Update



Kharmagtai - Emerging World Class Deposit

Exploration program underway; open in all directions

Granted Mining License

- 30 years of tenure with option to extend for an additional 40 years

Rapid Resource Growth

- Resource growth potential well understood
- Increased 400% in contained Cu and 250% in contained Au over 4 years
- Significant additions targeted through 2020-2021 drill program

Low Discovery Costs

- ~1c per lb of copper at Xanadu (vs. global average ~4.5c per lb Cu)

Drilling Program Has Commenced

- Deposit open in all directions, with step out drilling in progress
- Drilling extensions to known high grade ore zones targeting higher-grade tourmaline breccia zones (> 0.8% CuEq)
- ~20 km of drilling anticipated in 2020



INTERIM MINERAL RESOURCE

0.6Bt containing
1.9Mt copper and 4.3Moz gold
(2.6Mt CuEq)



HIGHER GRADE ZONES IDENTIFIED

Includes shallow, high grade
mineralisation
54Mt @ 0.86% CuEq for 317kt Cu
& 1.13 Moz Au

CSAMT Survey at Kharmagtai

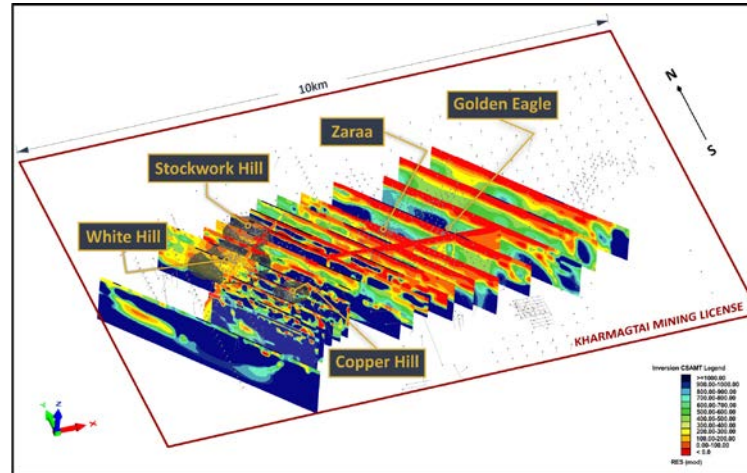
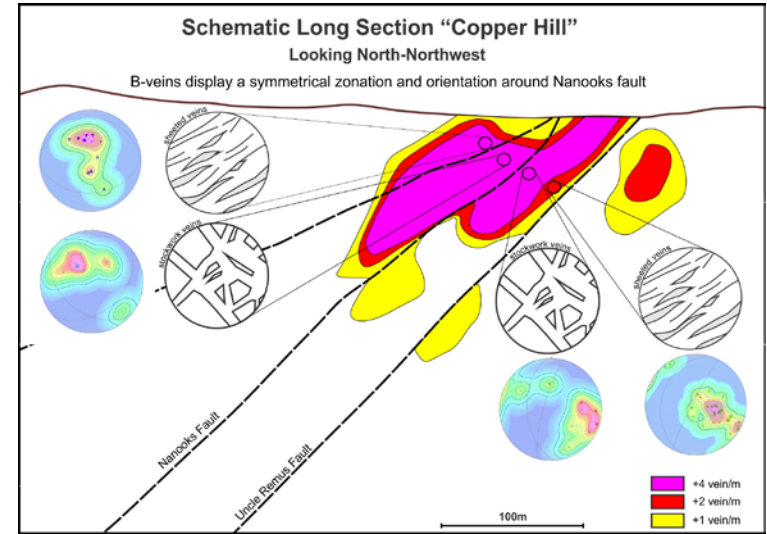
Controlled Source Audio Magneto-Tellurics (CSAMT) Survey

CSAMT Survey Objectives

- Image the key low angle structures across the lease
- Develop a 3D structural framework
- Define high-grade targets

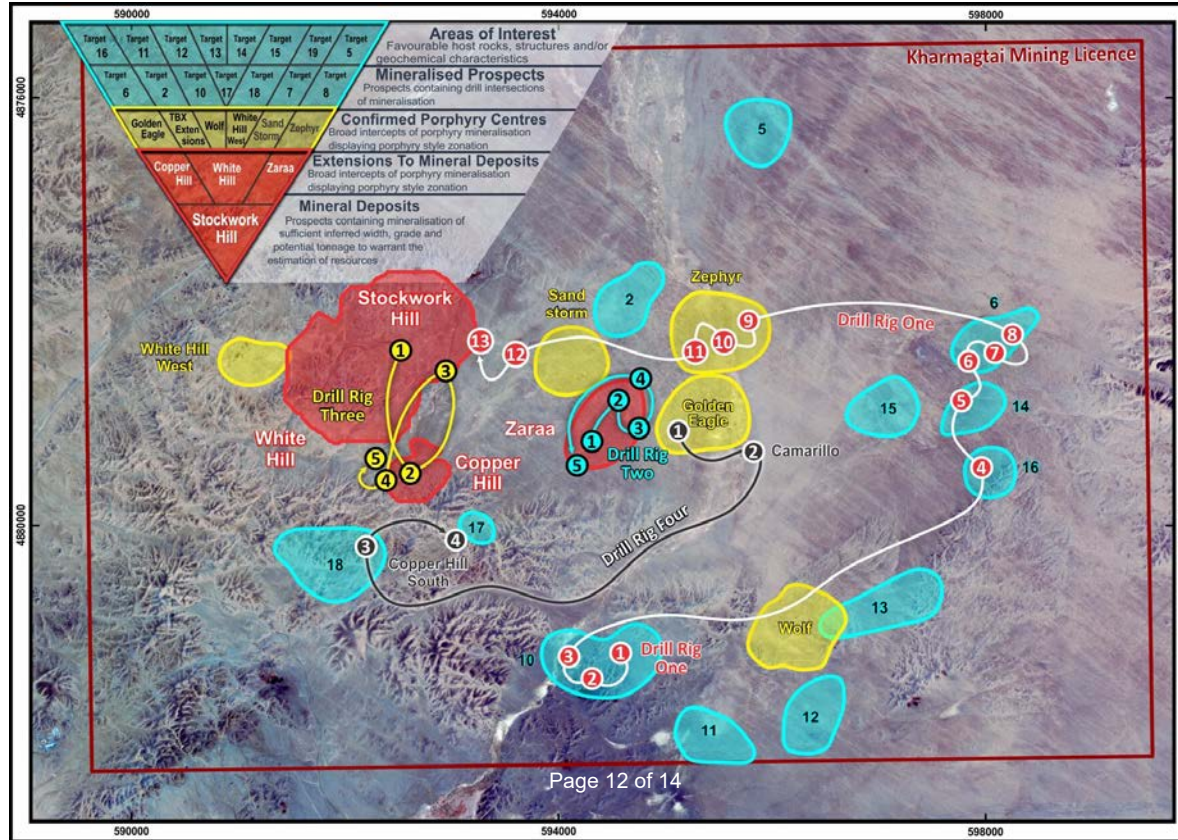
Assumptions

- Low angle structures are offsetting
- Low angel structures act as feeders to the higher grades (e.g. Copper Hill)



Updated Drilling Plan

Using a 4th diamond drill rig to test new targets identified through CSAMT



Red Mountain

Highly prospective for a major Cu-Au porphyry discovery

Granted Mining Licence

- 30 years of tenure with option to extend for an additional 40 years

JOGMEC JV to Sole Fund 4 Years of Exploration

- JOGMEC to earn a 51% interest in the project
- Expenditure up to US\$7.2m
- Xanadu manages the project

Targeting a Significant Cu-Au Discovery

- Similar potential as Kharmagtai to be a globally significant Cu-Au project
- Targeting higher grade, lower tonnage deposits vs Kharmagtai

Exploration Program is Underway

- Exploration program anticipates ~2km drilling in 2020



Discovering a World Class Deposit

Xanadu is positioned for success



EMERGING
TIER 1 PROJECT



EXPERIENCED
TEAM



FUNDING IN
PLACE



CLEAR STRATEGY
IN EXECUTION