

## 2021 Annual General Meeting

17 June 2021

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

### BY ELECTRONIC LODGEMENT

#### 2021 Annual General Meeting Chairman's Address and CEO's Presentation

Please see attached for release to the market, the Chairman's Address and the CEO's Presentation to be provided to the Annual General Meeting of Xanadu Mines Ltd's members, being held as Hybrid Meeting today, Thursday, 17 June 2021 at 12:00pm Sydney Time.

- ENDS -

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

**CHAIRMAN'S ADDRESS**

Before turning the Meeting over to Andy, to give us a short update on the Company's activities, I'd like to make a few comments.

2020 and 2021 to date have been filled with significant events for Xanadu and for the world. COVID19 has disrupted the global economy and changed the way we work, and at the same time, we are in one of the strongest copper markets on record.

I have been proud to see Xanadu continue to operate safely and effectively executing our strategy on the ground in The South Gobi through this period, in large part due to the exceptional leadership shown by our Country Manager Ganbayar and our Chief Operating Officer Munkhsaikhan and the conservative way the Government of Mongolia managed the pandemic.

Xanadu's strategy remains to discover and define globally significant porphyry copper deposits in Mongolia. At Kharmagati we have delivered low-cost discovery and copper inventory growth by progressing projects from exploration towards Pre-Feasibility.

For exploration in the Kharmagtai District, we've shared clear aspirational targets aimed at defining Kharmagtai as a true Tier 1 copper-gold district. These objectives are to define a resource that contains more than 1 billion tonnes of ore at better than 0.5% copper equivalent grade, including at least 100 million tonnes at better than 0.8% copper equivalent grade. Like later stage projects at Oyu Tolgoi and Cadia Valley, we believe that this will position Kharmagtai with a compelling business case for future development.

To deliver these objectives, during the second half of 2020, Xanadu raised approximately \$12 million in capital and took the courageous decision to execute some very technical drilling at Kharmagtai. This did not always create exciting news flow, but it eventually enabled the team to deliver the deep, high-grade intercepts we reported in February and March this year.

Those intercepts show us that our targets at Kharmagtai are starting to be within reach, and following a \$10 million capital raising in early 2021, we're now executing the follow up drill program that targets the higher-grade core of this porphyry copper system.

Andy will talk to you about exploration results at Red Mountain, our second porphyry district and joint venture with JOGMEC. We've reported some exciting drilling results there in recent months, and we will follow those up in 2021.

While the world is experiencing an unprecedented copper market, Xanadu is an exploration company, which means our projects will deliver copper years down the track, not into today's market. As such we look forward in years rather than days, and what we see is that the fundamentals of the copper market remain sound. There are not enough big, new advanced copper projects in the pipeline to meet forecast global demand, and Xanadu's projects are ideally positioned next door to the world's largest copper consumer.

I recognise the Xanadu share price has not moved a lot in the past 12 months, with a relatively low trading liquidity emphasising the impact of what would otherwise be medium to small trades. Like you we believe the fundamental value is not yet reflected in our share price, and as Board and Management, it is our responsibility to address this the best way we know how, with the drill bit.

Xanadu is well positioned to do this at both our Kharmagtai and Red Mountain Districts. The 2021 exploration programs will be pivotal for both, and I look forward to being part of this journey.

On behalf of the Board, I would like to thank our shareholders for your continued support. I will now hand over to Andy.

**CEO'S PRESENTATION**

Thank you, Colin and good afternoon, everyone.

**SLIDE 8: South Gobi Copper Portfolio**

Xanadu has a focused portfolio within one of the world's premier copper belts, with the Red Mountain District to the East and Kharmagtai District to the West, both along the same rail line and infrastructure corridor, and close to multiple major mining operations.

I will speak briefly about both districts.

**SLIDE 9: Kharmagtai Copper-Gold District**

Kharmagtai has already been demonstrated as a major copper-gold district, and as Colin said previously, we've set clear objectives for both scale and high-grade blocks to demonstrate Kharmagtai is the kind of globally significant district that mining majors are searching for to meet the coming gap in global demand.

We've designed a 23,000-metre drill program in 2021, built around a 3-pronged strategy.

The first component is the High-Grade Definition Program, to define scale and tenor of gold-rich, bornite zones underneath current Stockwork Hill, White Hill and Copper Hill resources

The second is the Discovery Drilling Program, drilling of priority targets to identify new discoveries within the Kharmagtai District; and

The third is the Resource Upgrade Program, targeting a resource upgrade beneath the current resource and including large-scale mineralisation at Zaraa

Once the drilling program is completed, Resource modelling will commence in Q4 of CY2021.

**SLIDE 10: Kharmagtai New Bornite Zone Discovery**

The drilling program beneath the existing resource focuses directly on delivering the high-grade objective of >100Mt at 0.8% CuEq.

Drilling will focus on deeper, gold-rich, high-grade zones under Stockwork Hill, White Hill and Copper Hill, as you can see in the purple mineralisation on these figures. This drilling is key to achieving our high-grade objectives.

Results to date beneath the existing Stockwork Hill resource indicate a zone of mineralisation at >1% CuEq, which is relatively long and narrow, shaped similar to a flattened cigar laying that pinches and swells at an angle.

Assay results from recent drill hole KHDDH565 more than doubled the potential length of this mineralisation.

Partial results have been returned for drill holes KHDDH567 and KHDDH568, which are scissor holes following up KHDDH565.

KHDDH567 was drilled targeting the extensions of the high-grade bornite zone. Assays for the 780m have been returned with results for the remaining 256m due within two weeks. These results show:

86.7m at 0.36% Cu and 0.49g/t Au (0.61% eCu) from 660.3m

Including 54m @ 0.42% Cu and 0.66g/t Au (0.75% eCu) from 667m

Including 6m @ 0.56% Cu and 0.98g/t Au (1.06% eCu) from 669m

KHDDH568 was drilled targeting the extensions of the high-grade bornite zone and across KHDDH567. Complete assays have been returned KHDDH568 intersecting:

46.4m at 0.32% Cu and 0.55g/t Au (0.6% eCu) from 693.7m.

These holes show that the bornite zone appears to form in two compartments split by a fault (50:50 fault). Both drill holes intersected the bornite zone adjacent to the 50:50 fault and show that the bornite zone thins next to the fault.

Current drilling at Stockwork Hill is underway with KHDDH571, targeting the western compartment of the bornite zone, where previous drill holes suggest the bornite zone thickens again. In plan view, the bornite zone appears to be offset by the 50:50 fault and the western compartment steps to the north.

**SLIDE 11: Kharmagtai Scale is Expanding**

The Exploration Program is currently underway with three active diamond drills - KHDDH569, KHDDH570 and KHDDH571.

Deeper extension of mineralisation under White Hill is being tested by drill hole KHDDH569. KHDDH569 is currently at 860m and in high-grade mineralisation (from visual estimates). This is significant and will add a large volume of mineralisation to the White Hill deposit. Additionally, no significant high-grade mineralisation has been drilled at White Hill previously and the current drilling suggests there is potential for blocks of high-grade within the larger White Hill deposit.

At Zaraa, drill hole KHDDH570 is expanding the mineralisation there, pushing mineralisation over 100m to the east. KHDDH570 is currently at 850m and as encountered over 500m of moderate grade mineralisation (from visuals).

Current drill hole KHDDH571 aims to test the western extension of the gold-rich, bornite zone under Stockwork Hill. KHDDH571 is currently at 660m and mineralisation is expected imminently.

Discoveries to date show that Kharmagtai is a district that hosts a complex system of copper-gold porphyries intrusions. As a result, Kharmagtai cannot be treated as a single deposit, and it remains prospective for new discovery across its 70 square kilometre license area.

Xanadu has identified several priority targets for new discovery to be drilled during the CY2021 program. Following completion of current drill holes at Stockwork Hill and Zaraa, Xanadu's intention is for one drill rig to be focused on discovery drilling.

**SLIDE 12: Red Mountain Porphyry Cu-Au District**

The Red Mountain porphyry district is our second project and a joint venture with Japan Oil and Gas and Metals National Corporation or JOGMEC.

The district covers approximately 57 square kilometres in a frontier terrane with significant mineral endowment. It comprises a cluster of outcropping mineralising porphyry intrusions which display features typically found in the shallower parts of porphyry systems where narrow dykes and patchy mineralisation branch out above a mineralised stock.

This underexplored. porphyry district has a granted 30-year mining licence and includes multiple porphyry copper-gold centres, mineralised tourmaline breccia pipes copper-gold/base metal skarns and high-grade epithermal gold veins.

**SLIDE 13: Red Mountain Drilling**

Drilling at Red Mountain in early 2021 demonstrated some very-high grade, narrow vein and shallow porphyry mineralisation. This includes 16m @ 4.09% Cu from 54m, with 4m @ 15.89% Cu from 55m.

Objectives are now turning to step-out drilling to define this zone and search for a thicker high grade shoot.

**SLIDE 14: Red Mountain EM Survey**

The massive sulphide lenses that occur at Stairy are likely to be visible to Moving Loop Electromagnetics (MLEM). We've commenced a detailed MLEM survey at Stairy, designed to map the structures that contain the most significant accumulations of massive sulphide.

The survey is split into two areas, a northern area and a southern area. Data from the northern area has been received and preliminary results can be seen in the Figure. These preliminary results show moderate EM responses in the late time channels for known lenses of massive sulphide, but more importantly show numerous stronger responses in along strike from known lenses in areas untested by trenching or drilling.

This data will focus the planned trenching scheduled to start in a weeks' time. Drilling will commence in mid-July on completion of trenching. Approximately 2,400m of diamond drilling is planned for Stairy.

**SLIDE 15: Compelling Investment Opportunity**

To summarise, Xanadu is an Exploration Company that discovers and defines world class porphyry copper-gold deposits in Mongolia, where we have significant experience, and where we believe there is immense potential for major discovery.

We have a clear strategy, a strong leadership team, and a portfolio of high potential projects. Perhaps most importantly, we control and are developing what an emerging world class copper-gold project at Kharmagtai.

I appreciate the opportunity to share this with our shareholders and look forward to sharing more results over 2021. I will now hand back to Colin.

# XANADU MINES



## Annual General Meeting

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Hybrid Meeting

Thursday, 17 June 2021



# Welcome

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# Opening of Meeting





# Director Introductions



Non-Executive Chairman  
Colin Moorhead



Non-Executive Director  
Michele Muscillo



Non-Executive Director  
Tony Pearson



Executive Director & CEO  
Andrew Stewart



Executive Director &  
Country Manager  
Ganbayar Lkhagvasuren

# Meeting Agenda

- Chairman's Address
- CEO's Presentation
- Formal Business - 5 Resolutions

# Chairman's Address

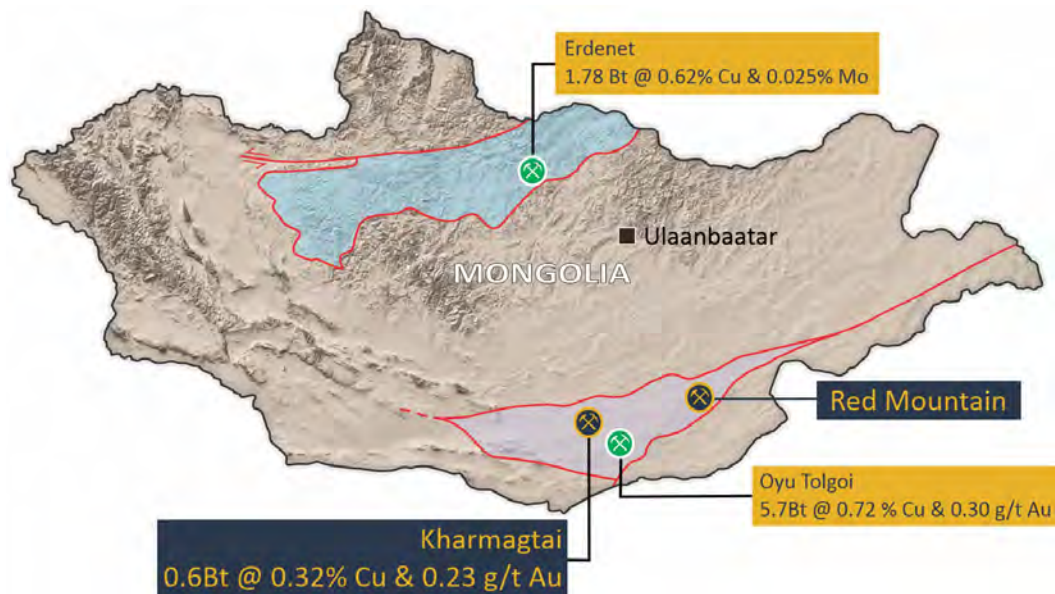


# CEO's Address



# South Gobi Copper Portfolio

Two copper districts in a premier copper belt



## High discovery potential

- Two strategic landholdings
- Projects close to multiple major mining operations
- Established infrastructure
- Low capital intensive development anticipated

## Red Mountain Cu-Au district (90%)

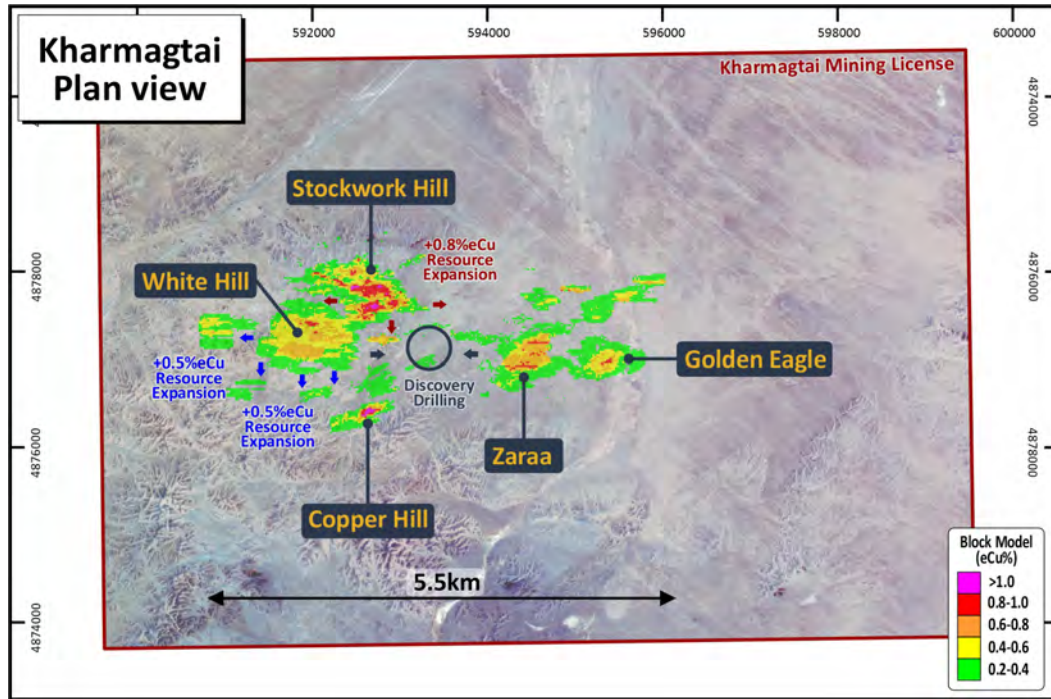
- Joint Venture with JOGMEC
- Focused on discovery of large copper-gold porphyry deposit
- Shallow high-grade massive sulphide copper mineralisation

## Kharmagtai Cu-Au district (~76%)

- Emerging tier 1 project
- Significant & growing MRE 1.9Mt copper and 4.3Moz gold \*
- New zone of high-grade mineralisation beneath Stockwork Hill

# Kharmagtai Copper-Gold District

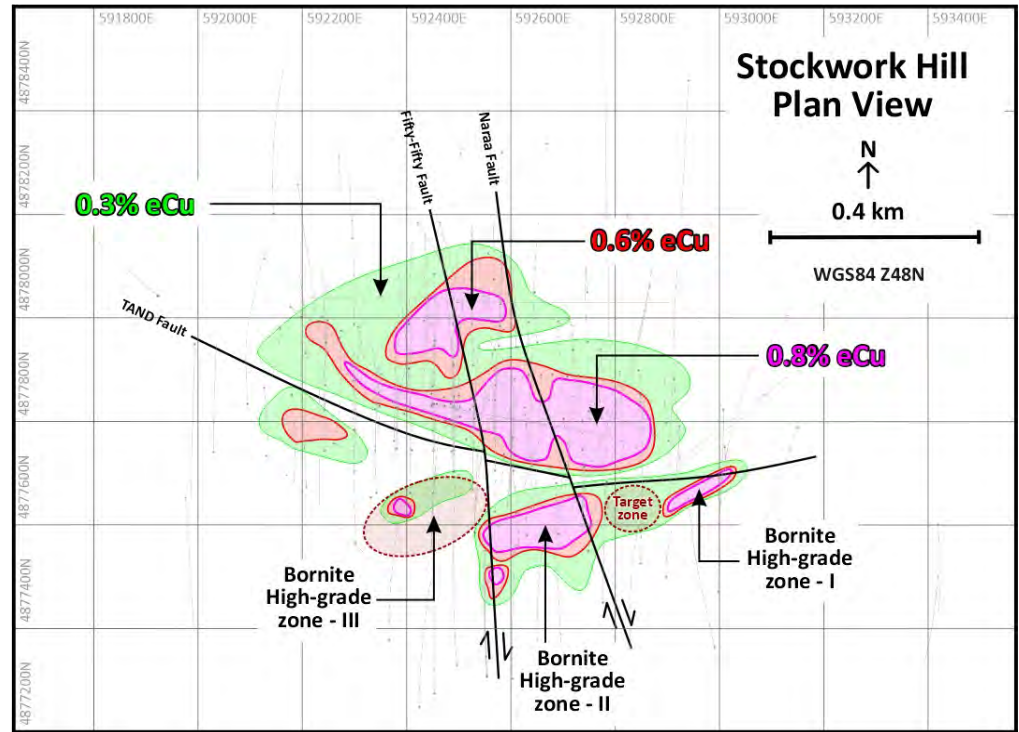
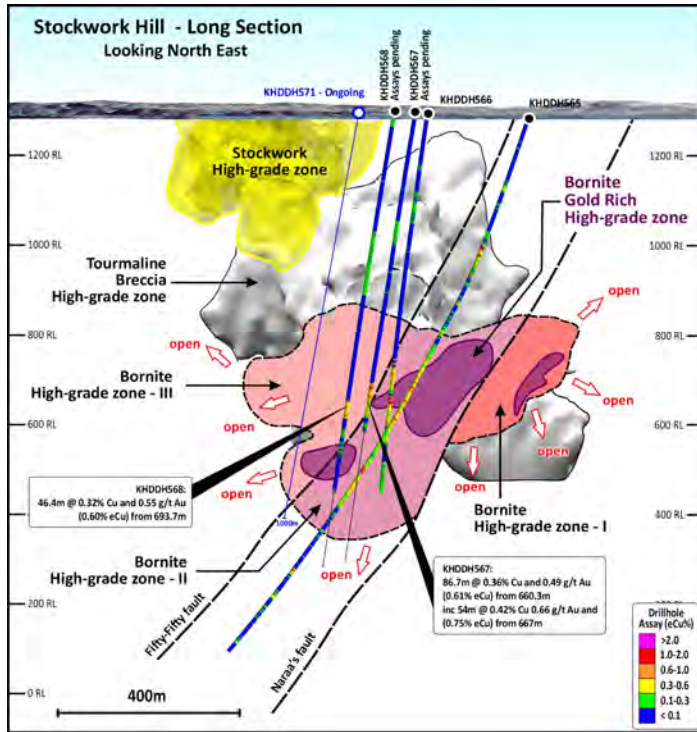
Major system with aggressive exploration program underway



- Advanced exploration project with > 200km drilled
- To date mineralisation identified over a large Area
- ~4.8km East –West
- ~2m North-South
- Outcropping at Surface to >1000m depth
- New discoveries since last resource Zaraa (900m long x 500m wide x 800m high)
- Aiming to expand the higher-grade resource and unlock the next stage of development in this district

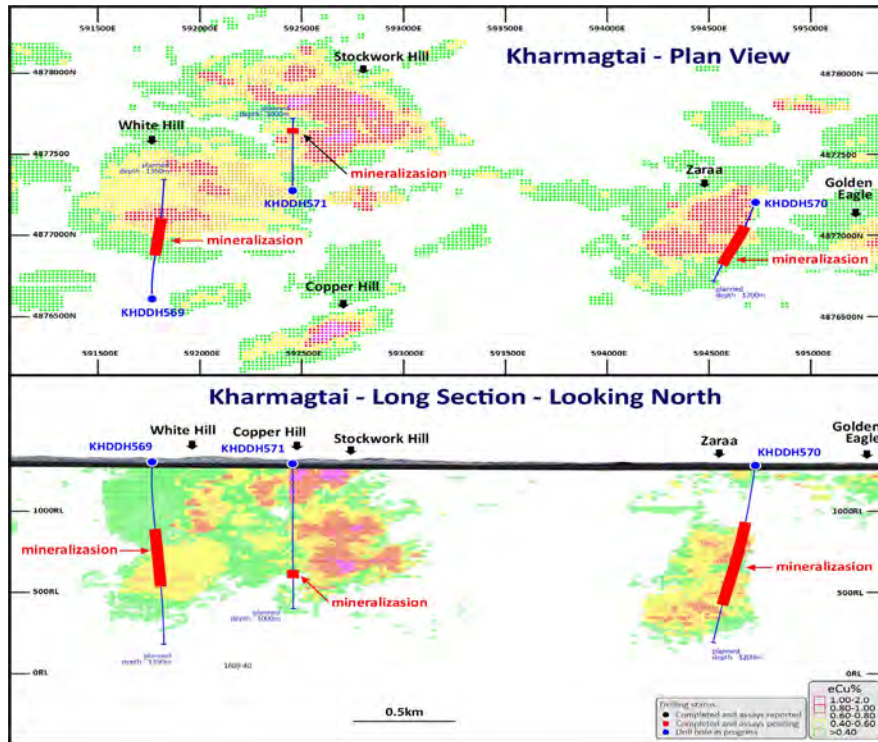
# Kharmagtai - New Bornite Zone Discovery

The drilling beneath the existing resource focuses directly on delivering the high-grade



# Kharmagtai Scale is Expanding

Continues to grow in every direction



- Expansion Drilling targeting resource extensions
- Multiple step out targets – open in all directions
- Multiple Follow-up targets – Existing untested extensions
- The recent Zaraa & Golden Eagle discovery extends strike to over 5km
- Zaraa discovery to be included in next resource upgrade and deposit remains open in all directions



# Red Mountain Porphyry Cu-Au District

Shallow, high-grade gold-rich porphyry mineralisation

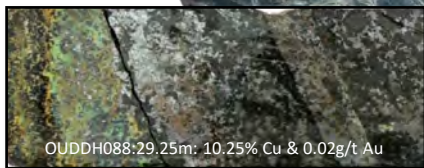


## Stockwork Target

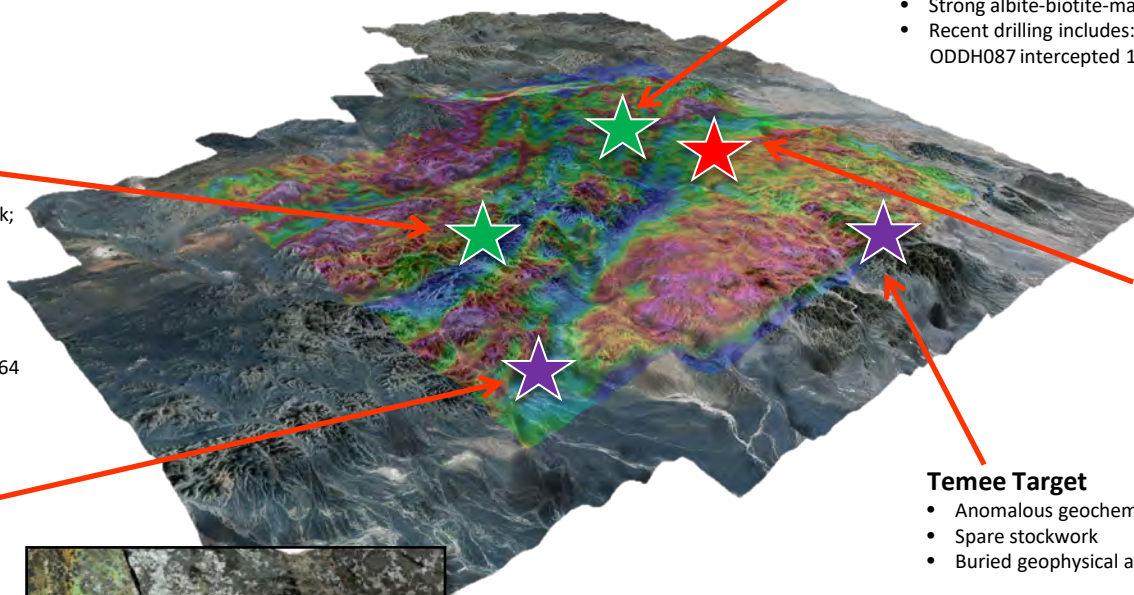
- Quartz-chalcopyrite-bornite stockwork;
- Structurally-controlled monzonite porphyry dykes;
- Strong albite-biotite-magnetite (potassic) alteration;
- Historical drilling:  
18m @ 0.87% Cu & 0.40 g/t Au (from 64 m);  
22m @ 0.59% Cu & 0.14 Au (from 156 m).

## Breccia Pipe Target

- Tourmaline Breccia Pipe
- High-grade Cu mineralisation
- New Drilling includes:  
66m @ 1.8% Cu (from 20.4m)  
Inc. 2m @ 10.25% Cu (from 28m)

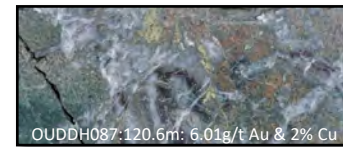


OUDDH088:29,25m: 10.25% Cu & 0.02g/t Au



## Diorite Hill Target

- Quartz-chalcopyrite-bornite stockwork;
- Structurally-controlled monzonite porphyry dykes;
- Strong albite-biotite-magnetite (potassic) alteration;
- Recent drilling includes:  
ODDH087 intercepted 184.0m @ 1.06% CuEq. from surface



OUDDH087:120.6m: 6.01g/t Au & 2% Cu

## Stair Target

- 1.5km by 1km zone of sheeted mineralised structures hosted within the Stair Intrusive
- Massive sulphide copper lodes

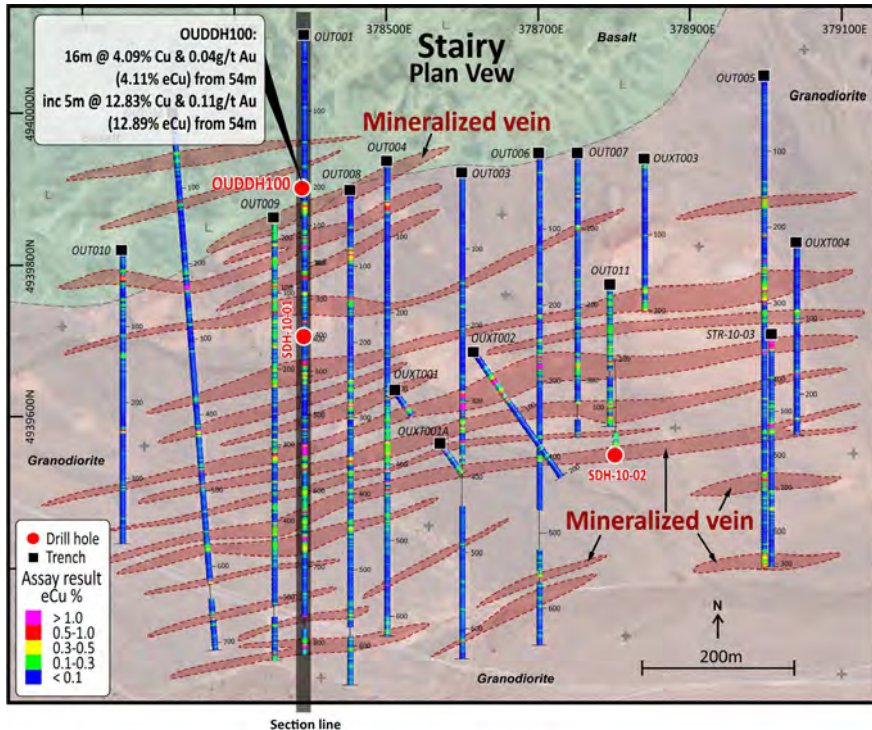
## Teme Target

- Anomalous geochemistry
- Spare stockwork
- Buried geophysical anomaly



# Red Mountain Drilling

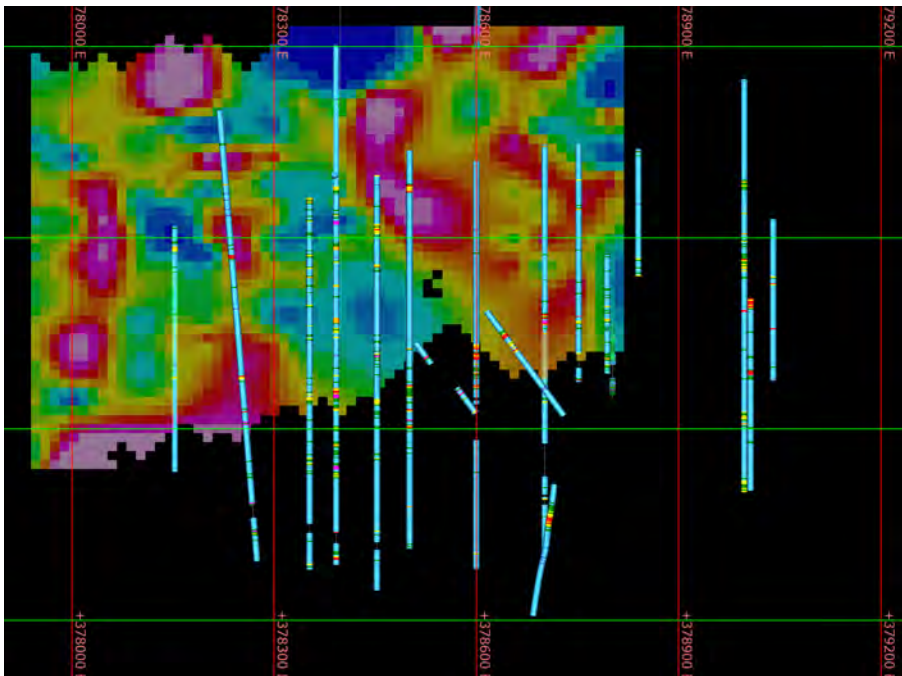
Strong drilling results raise status of Stairy target



- Stairy prospect consists of a 1.5km x 1km zone of sheeted mineralised structures
- New drilling confirmed the presence of thick, high-grade mineralisation at shallow depths with OUDDH100\* returning **16m @ 4.09% Cu from 54m**, including **4m @ 15.89% Cu from 55m**
- Multiple targets – existing untested extensions
- Objective quickly turned to “step-out” drilling to evaluate our interpretation that a thicker high-grade shoot might be present

# Red Mountain EM Survey

Mapping structures to target more shallow high grade zones



- Detailed MLEM survey has commenced at Stairy
- Designed to map the structures that contain the most significant accumulations of massive sulphide
- This data will focus the planned trenching scheduled to start in a weeks time. Drilling will commence in mid-July on completion of trenching. Approximately 2,400m of diamond drilling is planned for Stairy

# Compelling Investment Opportunity

One of the few juniors who control a globally significant copper-gold deposit



EXPLORATION  
IN MONGOLIA



EXPERIENCED  
TEAM



WORLD CLASS  
PORTFOLIO



EMERGING  
TIER 1 PROJECT

DELIVERING

LOW COST  
DISCOVERY



INVENTORY  
GROWTH



EARLY STAGE  
DEVELOPMENT

