

Corporate Presentation

2 February 2022

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

BY ELECTRONIC LODGEMENT

December 2021 Quarterly Review Investor Webinar Presentation

Please find attached for release to the market, Xanadu Mining Ltd's *December 2021 Quarterly Review Investor Webinar Presentation* today.

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About Xanadu Mines Ltd:

Xanadu is an ASX and TSX listed Exploration company operating in Mongolia. We give investors exposure to globally significant, large scale copper-gold discoveries and low-cost inventory growth. 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

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

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**December 2021
Quarterly Review
Investor Webinar**

ASX: XAM | TSX: XAM

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Drilling Results and JORC: The information in this report relates to the exploration results previously reported in ASX Announcements which are available on the Xanadu website at <https://www.xanadumines.com/site/investor-centre/asx-announcements>. Xanadu is not aware of any new information or data that materially affects the information included in the ASX Announcements referenced in the attached slides, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

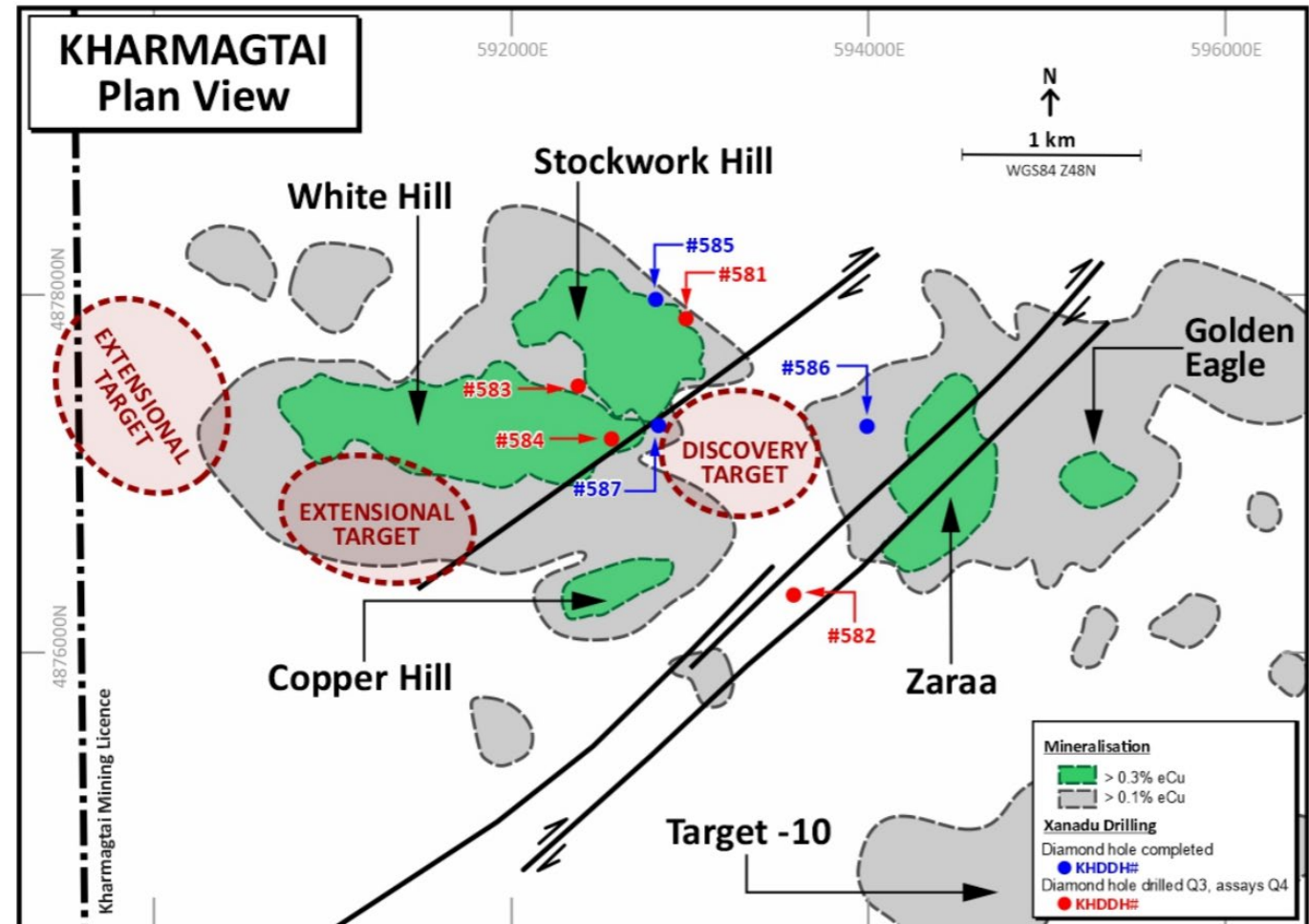
Currency: All currencies in this presentation are in Australian dollars unless otherwise stated.

Competent Persons: Please refer to the Appendix of this presentation for Competent Person's Statement.

December 2021 Quarter – Key Highlights

Key Dec qtr activities for Kharmagtai included:

- ▶ Mineral Resource Estimate (MRE) upgrade to 3Mt Cu & 8Moz Au
- ▶ Further extensions of high-grade bornite & tourmaline breccia zones at Stockwork Hill outside of MRE
- ▶ Drill testing of large-scale porphyry targets between White Hill & Zaraa
- ▶ Completion of 3 new diamond drill holes (4,108m) using 2 rigs & assay results for 4 diamond drill holes completed during prior quarter
- ▶ Commenced new Mining Concept Study with new MRE
- ▶ Released first Sustainability Report
- ▶ Consolidated 100% ownership of Red Mountain



Kharmagtai – a Resource that keeps growing

Our flagship Tier 1 project, in a world class copper district

Upgrade to 1.1Bt MRE, containing 3Mt Cu & 8Moz Au, representing >50% & >80% in contained Cu & Au^{1,2}

Includes higher grade material of 100Mt @ 0.8% CuEq at 0.55% CuEq cut off¹

2021 MRE Resource includes 214km drilling, with 70km drilling completed since 2018

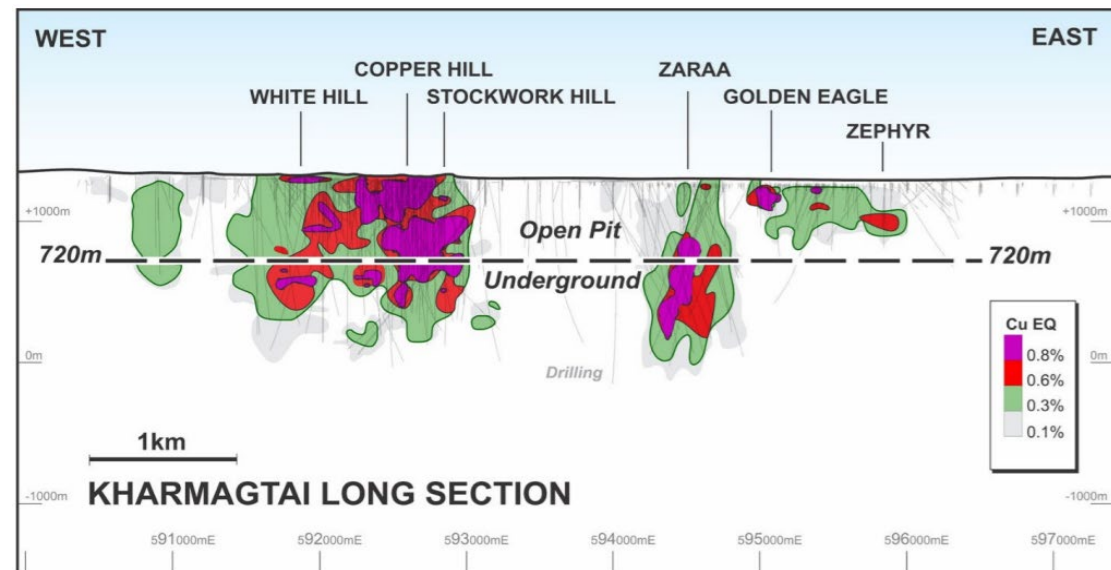
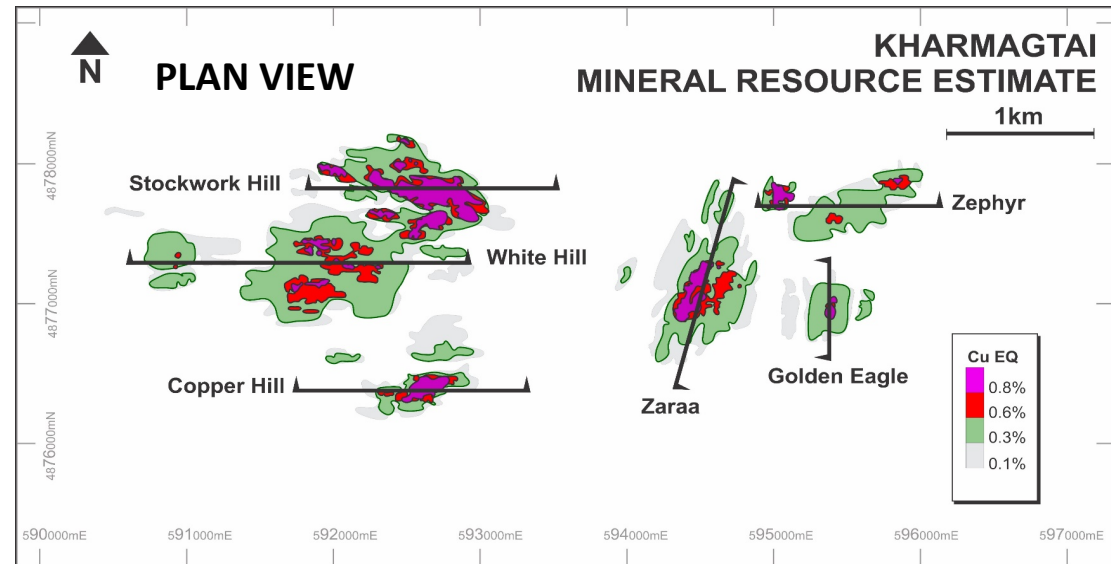
Scoping study underway targeting completion in 2022. Gating to PFS contingent on scoping study economics

Mineralisation outcrops; minimal strip required

Strong Cu & Au recoveries from significant metallurgical test work to date. Investigating further refinement opportunities

High Au:Cu ratio enables significant gold credits

1st quartile AISC potential on both gold & copper basis



¹ ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1Bt containing 3Mt Cu and 8Moz Au
² Global Resource is 42% Indicated and 58% Inferred by tonnes, see Appendix 1 – Kharmagtai Resource

Globally significant porphyry district – untapped exploration potential

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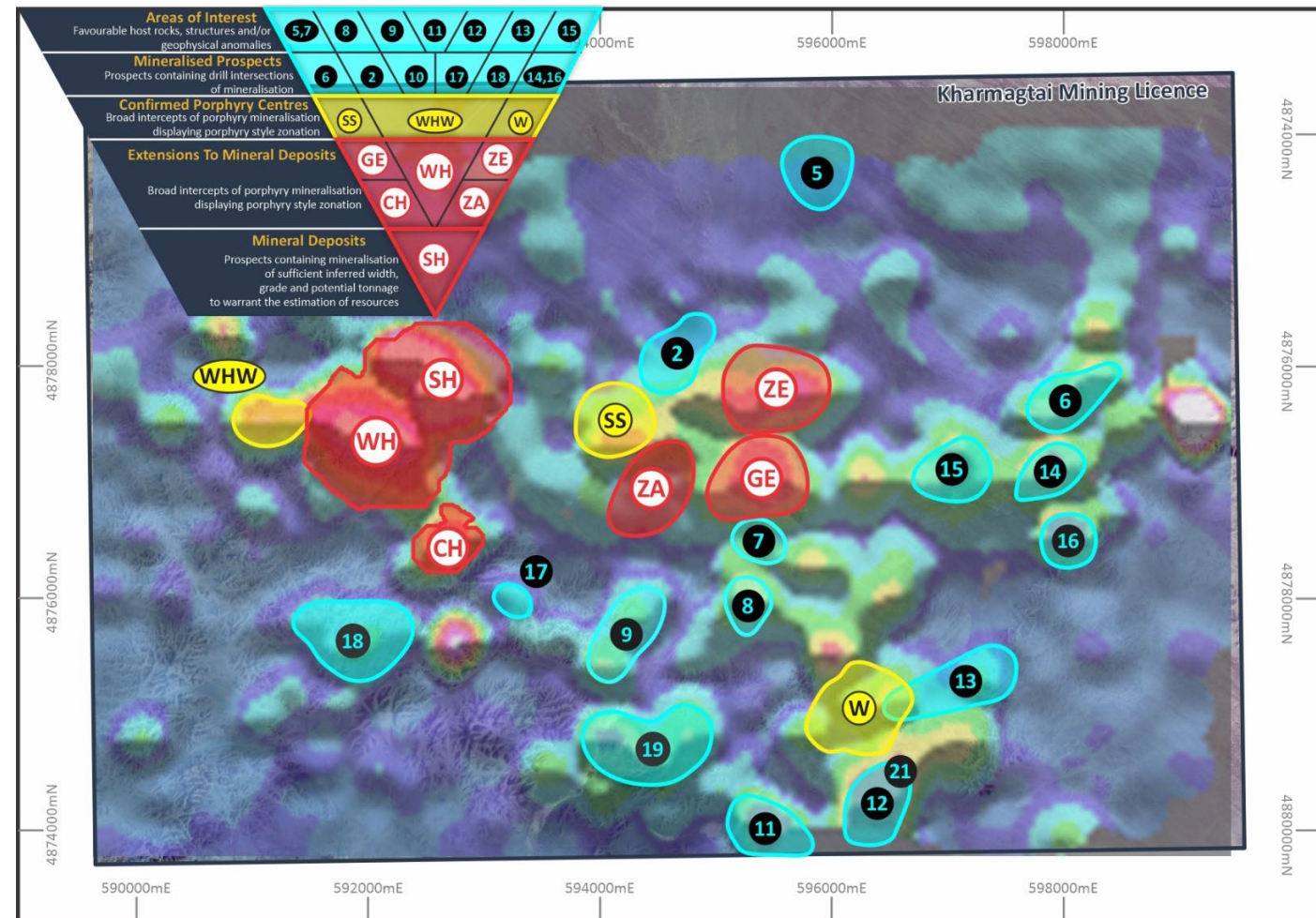
New systems continue to be unlocked through discovery drilling

Strike extended 5km for recent Zaraa, Zephyr & Golden Eagle discoveries in 2021 MRE

Exploration to continue in parallel with the Scoping Study, including discovery drilling across several identified targets

Significant upside potential

- ▶ Limited drilling below 400m is untapped opportunity
- ▶ Potential for linking existing porphyry deposits at depth
- ▶ Increasing grade at depth
- ▶ Highly prospective for new shallow discoveries
- ▶ >20 targets to be drilled over next 12 months



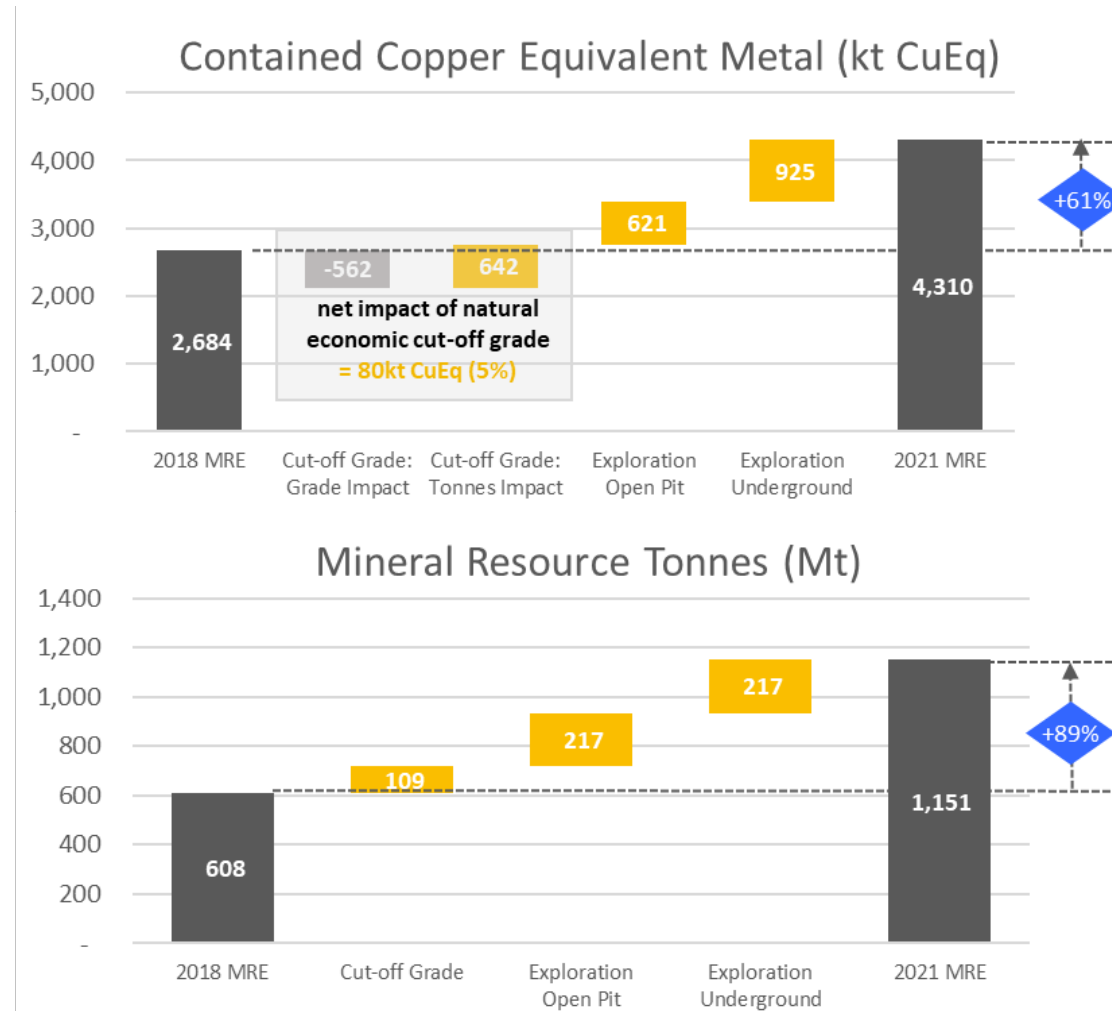
Comparison 2021 Resource vs 2018 Resource

Resource	Cutoff (% CuEq)	Classification	Tonnes (Mt)	Grades			Contained Metal			
				CuEq (%)	Cu (%)	Au (g/t)	CuEq (Mlbs)	CuEq (kt)	Cu (kt)	Au (koz)
2021	0.2 (OC)	Indicated	487	0.4	0.3	0.2	4,375	1,980	1,330	3,900
	0.3 (UG)	Inferred	664	0.3	0.2	0.2	5,140	2,330	1,680	4,100
2018	0.3 (OC)	Indicated	129	0.5	0.4	0.4	1,570	710	480	1,500
	0.5 (UG)	Inferred	469	0.4	0.3	0.2	4,350	1,970	1,500	2,930

2021 MRE vs 2018 MRE – key drivers (summary)

Waterfall charts for MRE upgrade^{1,2}

- More robust geological model:
 - ✓ 2021 MRE modelling tightly constrained to high grade
 - ✓ Exploration focused on grade over tonnes
 - ✓ Higher grade core (0.8% CuEq) nearly **DOUBLED** from 54Mt to 100Mt



Increase in contained CuEq metal driven by **NEW exploration**:

- ✓ underground MRE (+57%)
- ✓ open pit MRE (+38%)

80% of the increase in Resource ore tonnes driven by **NEW exploration**

¹ ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1Bt containing 3Mt Cu and 8Moz Au
² ASX/TSX Announcement 18 December 2021 – Technical Report to Support Kharmagtai Mineral Resource Upgrade

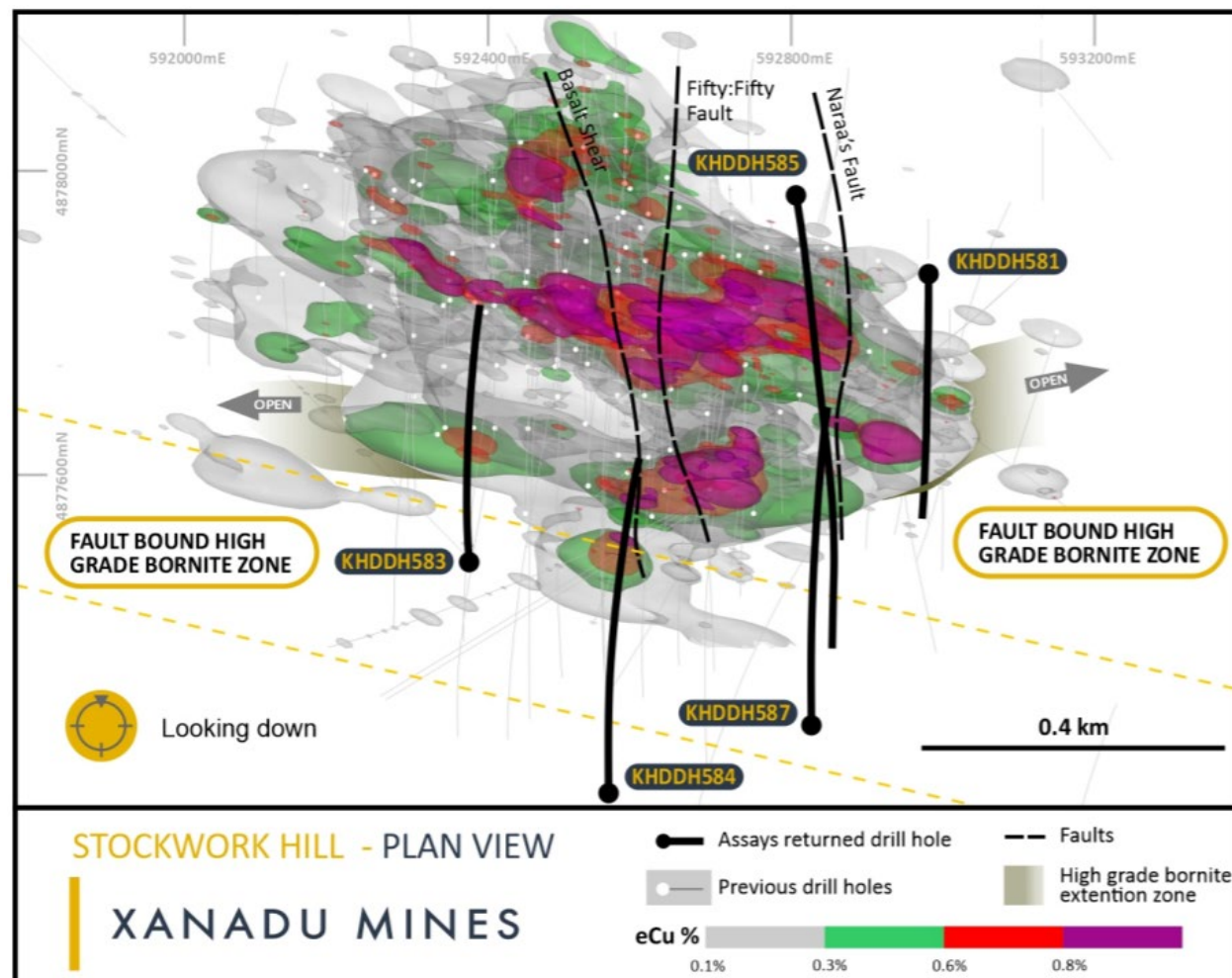
Successful extensional results outside of existing MRE

KHDDH584

- 229.5m grading 0.57% CuEq from 747.5m
- Wide zones of mineralisation intercepted, grading up to 0.71% Cu & 1.26g/t Au
- Extended higher-grade bornite zone by 80m up-dip & 30m down-dip at Stockwork Hill, representing **increased tonnage of higher-grade material exceeding MRE grade**

KHDDH585

- 309m grading 0.80% CuEq from 250m
- Wide zones of mineralisation, grading up to 1.87% Cu and 0.61g/t Au
- Extended high-grade tourmaline breccia zone at Stockwork Hill to the north & south, **materially exceeding MRE grade**



Focused on ESG & social licence to operate

Inaugural Sustainability Report Released



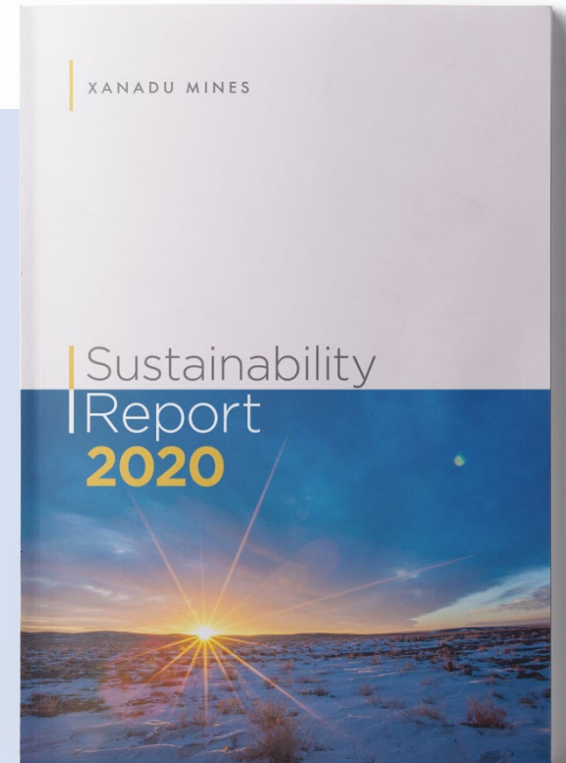
SOCIAL & COMMUNITY

- 100% Mongolian in country team, including Xanadu's Chief Operating Officer & Country Manager
- University sponsorships & internships for Mongolian students
- Equipment & supply donations to hospitals, schools & families
- Free medical check-ups for local community
- Successfully navigating COVID-19 largely uninterrupted, whilst ensuring safety of our workforce, including vaccines provided to all in country employees



ENVIRONMENT

- Operations utilise non-potable water
- Potable water well monitoring & maintenance for community
- Camp upgraded to optimise energy consumption & sewerage handling
- Studies aim for modern, low energy intensity mine, including:
 - Mobile fleet electrification
 - Maximising beneficiation early in production cycle to minimise material movements
 - Conveyor haulage for material movements to surface
 - Green power – using grid power contracts that incorporates Mongolian renewables
 - Rail Haulage for concentrate



Big step forward for Mongolia's mining industry

Restoring investment confidence; recent resolution of Oyu Tolgoi dispute¹

- ▶ **Attractive investment destination** – Department of Foreign Trade initiatives focused on improving investor perception & securing future foreign investment growth²
- ▶ **Independent mining sector policy think tank for Mongolia** – Australia, Canada & other developed mining jurisdictions contributing³
- ▶ **Mining code transition** – reviews underway, with outcome expected to be competitive with other successful mining jurisdictions
- ▶ **Government equity stakes not the norm** – multiple publicly listed companies own Mongolian producing mines, outright



¹ <https://www.montsame.mn/en/read/285550> and <https://www.mining.com/rio-tinto-to-write-off-2-3bn-oyu-tolgoi-loan-to-mongolia/>

² https://www.unescap.org/sites/default/files/Mongolia_11.pdf

³ <https://www.irim.mn/1021>

Upcoming Exploration & Development Activities

