

Chairman's Address & Presentation Slides - 2022 AGM

17 May 2022

ASX Markets Announcement Office
Australian Securities Exchange
Central Park, 152-158 St Georges Terrace
Perth WA 6000

BY ELECTRONIC LODGEMENT

Chairman's Address and Presentation Slides 2022 Annual General Meeting

Please find attached for release to the market, the *Chairman's Address and Presentation Slides* to be presented to Xanadu Mines Ltd's (ASX:XAM) Annual General Meeting commencing at 1:00pm AEST today.

-ENDS-

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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 a globally significant 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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CHAIRMAN'S ADDRESS

SLIDE 4: UPDATE FROM THE CHAIRMAN AND MANAGING DIRECTOR

I will now provide a brief update on the Company's activities.

As Chair, I would like to start with a few comments, and then we will go through a short update on the Company's activities.

2021 and 2022 to date have seen the world start to emerge from the global pandemic and we've seen growing geopolitical instability. Notwithstanding these issues, decarbonisation of the global economy continues at a pace. We are still in one of the strongest copper markets on record, and in a world that is looking for new copper projects.

With this backdrop, I'm proud to say Xanadu has continued to operate safely and without disruption.

At Kharmagtai, during 2021 Xanadu delivered on our three-part strategy for Kharmagtai. First, was to define a resource that contains more than 1 billion tonnes of ore, including at least 100 million tonnes at better than 0.8% copper equivalent grade. Second, was to deliver a scoping study targeting better than 20% IRR, based on that new Resource, and gate the project to PFS stage. Third, was to find a funding solution for Kharmagtai. Our strategic partner Zijin Mining helps resolve that key question, namely how a company the size of Xanadu can fund and progress a project the size of Kharmagtai.

To deliver these objectives at Kharmagtai, in April 2021, Xanadu raised approximately \$10 million in capital. This was used for exploration drilling, which delivered some of the best copper-gold intercepts reported globally in 2021, as well as resource geology and scoping study development.

Xanadu's strategy remains to discover and define globally significant porphyry copper deposits in Mongolia. During 2021, at our second project Red Mountain, exploration delivered high grade, shallow bornite intercepts, in a program funded by our JV with JOGMEC. This indicated the potential for higher grade, low volume deposits. Later in the year, we were able to consolidate 100% ownership through the acquisition of our minority shareholder, and we saw the exit of our earn-in partner JOGMEC. This left us with a significant exploration dataset and full control to plan our 2022 program. Red Mountain is clearly a prospective porphyry district with largely untested porphyry related epithermal and skarn gold and copper targets that we plan to explore in upcoming financial year.

Following delivery of our 2021 objectives, Xanadu updated our Board and Management Structure to better enable us to take Kharmagtai forward without losing our exploration DNA.

This saw me step in as Executive Chairman & Managing Director, allowing Andy to retain his focus on exploration and our next big discovery, and I've asked Spencer Cole, who brings major projects experience from working with me at Newcrest, to put together the project development team that progresses Kharmagtai through its pre-feasibility study.

To be clear, Andy deserves the credit for getting Kharmagtai to this transformational stage, poised to move forward to a decision to mine and to realise its full potential. We're now going to support Andy to follow the same discovery and definition path at our other exploration projects.

Considering the copper market, as an exploration company, Xanadu operates projects that will deliver copper years down the track, not into today's market. As a result, we look at the copper market fundamentals in years rather than days. Our forward view is unchanged - there are not enough big, new advanced copper projects in development to meet forecast global demand, and that will lead to long term strength in the copper market.

We understand that Xanadu's share price does not reflect the fundamental value in our projects, and day to day movements are not something we seek to influence. As Board and Management, it is our responsibility to deliver long term value through exploration and development of our projects. On behalf of our shareholders, we will continue to drive these forward and up the value curve.

SLIDE 5: DISCLAIMER SLIDE

These disclaimers are important. They are published along with these slides, and I will leave them to you to read in your own time.

SLIDE 6: KHARMAGTAI POSITIONED FOR DEVELOPMENT

I mentioned the objectives delivered in 2021. These set us up to move the Kharmagtai project forward to Pre-Feasibility stage in the second half of 2022.

A Scoping Study defines what you can do, and a PFS defines what you should and will do. Now in PFS stage, we will deliver a Maiden Ore Reserve and Decision to mine in 2023. In parallel, we will continue exploring for new discovery at both Kharmagtai and Red Mountain.

SLIDE 7: FUNDED VIA ZIJIN STRATEGIC PARTNERSHIP

Most of the questions I am asked by investors and shareholders these days are about our strategic partnership with Zijin, so let's dive straight in.

The structure of the deal is in 3 phases. The first and second phases which allow for Zijin to move to a shareholding of 19.9% of Xanadu were agreed at a 38% premium to market. The key third phase is a US\$35M investment to form a 50-50 JV in Khuiten Metals, giving both Xanadu and Zijin each a 38.25% asset level share of the project.

It's important to understand the charts to the right. After execution, Zijin and Xanadu will have equal share of the entity that controls Kharmagtai, with Xanadu as operator. Khuiten Metals holds 76.5% of Kharmagtai in this structure and will remain in control of Kharmagtai under a 50-50 JV.

Zijin's future 20% shareholding of Xanadu will give it a vote in resolutions that we put to our shareholders, but it is not additive to the JV with regards to control of the project.

The first phase was executed last month to give Zijin a 9.9% holding. This provided working capital for Xanadu while we finalise the details in the JV agreement and seek regulatory and shareholder approvals.

SLIDE 8: ZIJIN DEAL TRANSFORMS XANADU

To clarify what this deal means, the transaction implies a value of Kharmagtai, on a 100% basis, of around US\$100M. When you think of this in terms of value in the scoping study, that is 15% of the mid-case NPV for a project at PFS stage. As we drive Kharmagtai further up the development path towards an operating mine, the project value will increase and capture a larger percentage of the operating NPV.

To contrast this with our share price, it shows what we all know, that Xanadu shares are undervalued. At our share price, it implies an enterprise value post transaction of only US\$4M.

As I mentioned in the previous slide, Xanadu remains operator of the JV and has effective control. A change of control would require an offer from Zijin including a control premium that the Board is willing to recommend and that shareholders must approve.

In the meantime, we will be funded to complete the PFS at Kharmagtai, and to continue exploration at both Kharmagtai and Red Mountain.

SLIDE 9: WHO IS ZIJIN MINING GROUP?

Zijin is a serious global mining major. I know many of you remember them from the acquisition of Norton Gold, and that company is in their rear-view mirror. Zijin now operates in 14 different countries and 5 continents, and they are a global top 10 copper producer.

They have a US\$51B market cap, listed in Hong Kong and Shanghai, and bring both the balance sheet and technical capability to take Kharmagtai to production. Further, they own smelters across the southern border of Mongolia, erasing any question about viability of concentrate logistics from the project.

SLIDE 10: MONGOLIA-CHINA GROWING STRATEGIC PARTNERSHIP

Mongolia and China have historically had some differences, going back to the days of Genghis Khan, but this is a pragmatic world where they need each other. After the Beijing Olympics, the two leaders met and announced a renewed bilateral relationship.

We saw this in our engagement with potential corporate partners, where this announcement was an effective green light to investment, and Chinese companies who were previously just kicking the tyres got very serious very quickly.

Zijin aims to acquire high quality, large projects and position themselves to fill the growing copper supply gap, and Kharmagtai was a good fit for that strategy.

SLIDE 11: CONTINUED UPGRADES TO KHARMAGTAI RESOURCE

Looking quickly at our accomplishments in 2021/22, underlying everything is a high-quality Mineral Resource Estimate. Versus our 2018 Resource, not only did we nearly double the total Resource, but we also increased the size of the higher-grade core, brought the indicated component from 22% to 41%, and more tightly defined domains, allowing a larger and better targeted mine design.

SLIDE 12: RESOURCE MOVES KHARMAGTAI UP THE GLOBAL RANKS

This upgraded resource moves Kharmagtai further up the global ranks, clearly one of the largest undeveloped copper resources in the world.

Importantly, we can see a ratio of Enterprise Value to Mineral Resource Estimate of 5.9 US\$/t, well below the market valuations applied to comparable projects in other jurisdictions.

SLIDE 13: CLEAR DEVELOPMENT PATHWAY

The second key accomplishment I mentioned was the Scoping Study. This was a very conservative, low risk, conventional open pit mine and flotation plant which delivered a strong payback and still has plenty of upside. It follows a well-trodden permitting pathway which benefits from the supporting ESG environment in Mongolia.

We are proud of this study, and we worked carefully with ASX to make sure we publish as much information about this study as possible into the public domain.

We now know one path that will deliver a high value project at Kharmagtai. Our job in PFS will be to fully investigate the upside potential and determine the final path to construction.

SLIDE 14: TWO-STAGE OPERATION, LOW QUARTILE COST PRODUCER

During the first 5 years of production, noting the project has a 4-year payback, Kharmagtai will operate well within the first quartile of industry costs. For the life of mine, the project operates near the mid-point, although through PFS we expect to lower that through use of technology such as in pit crush and convey, coarse ore sorting and flotation, and potential cash flow from processing the top 20-30 metres of weathered material over the main orebody.

SLIDE 15: ROBUST CASH FLOWS

As you can see in the cash flow chart to the left, our current plan to fund the expansion from 15Mtpa to 30Mtpa after capital is paid back and from operating cash flow. Once the higher-grade zones are mined, these projects maintain margins with scale.

The sensitivity chart to the right highlights that the Kharmagtai project remains cash positive and viable in a wide range of scenarios.

SLIDE 16: POSITIONING AS THE CADIA HILL OF MONGOLIA

To help put the study in perspective, we have compared the first 5 years at Kharmagtai with the same period at Cadia Hill. Cadia Valley is a recognised, Tier 1 asset, and we believe Cadia Hill is a good analogue for Kharmagtai. On many measures, Kharmagtai stats will be better than those same first years at Cadia Hill.

SLIDE 17: EXPLORATION WILL CONTINUE

I want to close this presentation by reiterating that Xanadu is an exploration company. We do have people with experience developing and operating large porphyry deposits, but our DNA remains exploration, and we are not going to stop doing that while Kharmagtai is progressed.

At Kharmagtai, exploration will be funded through the 50-50 JV with Zijin in Khuiten Metals. At our 100% owned Red Mountain, we will use funds from the 19.99% placement at a premium with Zijin, to progress our exploration program. Further, we continue to look for new copper-gold exploration ground in the South Gobi Desert.

SLIDE 18: FINAL COMMENTS

Xanadu has delivered on our promises, and we look forward to taking our projects forward in the coming year.

I will now commence the primary business of the meeting.



XANADU MINES

Funded & Accelerating Copper-Gold Projects

Annual General Meeting
17 May 2022

ASX:XAM | TSX:XAM





Opening of Meeting

- Quorum of 3 shareholders present
- I formally declare open, this Annual General Meeting of the shareholders of Xanadu Mines Ltd

Director Introductions

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Executive Chairman &
Managing Director
Colin Moorhead



Non-Executive Director
Michele Muscillo



Non-Executive Director
Tony Pearson



Executive Director &
Country Manager
Ganbayar Lkhagvasuren

Update from the Chairman & Managing Director



Cautionary Statements

A Scoping Study (Study) for Xanadu Mines Ltd's (Xanadu, or the Company) flagship Kharmagtai Copper-Gold Project (Kharmagtai Project) was released to the Australian Securities Exchange (ASX) on 6 April 2022. The Study has been undertaken to assess viability of developing the Kharmagtai Project by constructing an open cut mine and processing facility to produce copper concentrate for export. It is a preliminary technical and economic Study of the potential viability of the Kharmagtai Project. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further exploration and evaluation work and appropriate studies are required before Xanadu will be in a position to estimate any ore reserves or to provide any assurance of an economic development case. The Study is based on the material assumptions in this presentation. These include assumptions about the availability of funding. While Xanadu considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved. To achieve the range of outcomes indicated in the Study, funding of in the order of US\$700 million will likely be required. Investors should note that there is no certainty that Xanadu will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Xanadu's existing shares. It is also possible that Xanadu could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the Kharmagtai Project. If it does, this could materially reduce Xanadu's proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Study. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The Study is based on the December 2021 Mineral Resource Estimate, which is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Study will be realised. The Study has been completed to a level of accuracy of +/-35% in line with industry standard accuracy for this stage of development. The Company has reasonable grounds for disclosing a Production Target, given that in the first seven years of production, 100% of the mill feed is scheduled from the Indicated Resource category, which exceeds the economic payback period for the project by 3 years. Approximately 55% of the Life of Mine Production Target is in the Indicated Mineral Resource category, and 45% is in the Inferred Mineral Resource category. There is a lower level of geological confidence associated with Inferred Mineral Resources, and while the Company considers all the material assumptions in the Study to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated will be achieved. The Mineral Resources underpinning the production target in the Study have been prepared by a Competent Person in accordance with the requirements of Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012). The Competent Person's Statement is found in the Geology and Resources section of the Study. For full details of the Mineral Resource Estimate, please refer to Xanadu's ASX/TSX Announcement dated 25 February 2022. Xanadu confirms that it is not aware of any new information or data that materially affects the information included in that Announcement. All material assumptions and technical parameters underpinning the estimates in that Announcement continue to apply and have not materially changed. Note that unless otherwise stated, all currency in the Study is US dollars.

Forward Looking Statements

Certain statements contained in the Study, including information as to the future financial or operating performance of Xanadu and its projects may also include statements which are 'forward-looking statements' that may include, amongst other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These 'forward-looking statements' are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Xanadu, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Xanadu disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether as a result of new information, future events, circumstances or results or otherwise after the date of this Study or to reflect the occurrence of unanticipated events, other than required by the *Corporations Act 2001* (Cth) and the Listing Rules of the ASX and Toronto Stock Exchange (TSX). The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements. All 'forward-looking statements' made in this Study are qualified by the foregoing cautionary statements. Investors are cautioned that 'forward-looking statements' are not a guarantee of future performance and accordingly, investors are cautioned not to put undue reliance on 'forward-looking statements' due to the inherent uncertainty therein. Xanadu has concluded that it has a reasonable basis for providing these forward-looking statements and the forecast financial information included in the Study. To achieve the range of Kharmagtai Project outcomes indicated in the 2022 Study, funding of in the order of an approximately US\$700 million will likely be required by the Company. Based on current market conditions and the results of studies undertaken, there are reasonable grounds to believe the Kharmagtai Project can be financed via a combination of equity and debt, as has been done for numerous comparable projects in Mongolia and other jurisdictions in Asia in recent years. Debt may be secured from several sources including Australian banks, international banks, the high yield bond market, resource credit funds, and in conjunction with product sales of offtake agreements. It is also possible the Company may pursue alternative funding options, including undertaking a corporate transaction, seeking a joint venture partner or partial asset sale. There is, however, no certainty that Xanadu will be able to source funding as and when required. Whilst no formal funding discussions have concluded, the Company has engaged with several potential financiers of the Kharmagtai Project and these financial institutions and corporations have expressed an interest in being involved in funding of the Kharmagtai Project. The Study has been prepared in compliance with the current JORC Code, 2012 and the ASX Listing Rules. All material assumptions, including sufficient progression of all JORC modifying factors, on which the production target and forecast financial information are based, have been included in the Study.

Kharmagtai Positioned for Development

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Funding to accelerate Kharmagtai to FID and explore our projects

Moving forward into 2022:

- Kharmagtai PFS starts in 2022; **Maiden Ore Reserve** and **Decision to Mine** in 2023
- Explore Kharmagtai **high-grade extension & new discovery**
- Explore Red Mountain following up recent **shallow, high-grade bornite** intercepts
- **7 rigs** parked up, and drilling teams ready to get started

Objectives delivered in 2021:

1. **Resource** expanded to 1.1Bt containing 3Mt Cu & 8Moz Au, including >100Mt higher-grade core.
2. **Scoping Study**¹ delivers 30-year life; US\$630M NPV; 4-year payback and 20% IRR, producing **30-50ktpa Cu** and **100-115kozpa Au**.
3. **Funded** via strategic partnership with Zijin Mining Group² delivering US\$43M (A\$58M³).

Kharmagtai Project Camp



¹ ASX/TSX Announcement 6 April 2022 – Scoping Study – Kharmagtai Copper-Gold Project; includes appropriate economic ranges

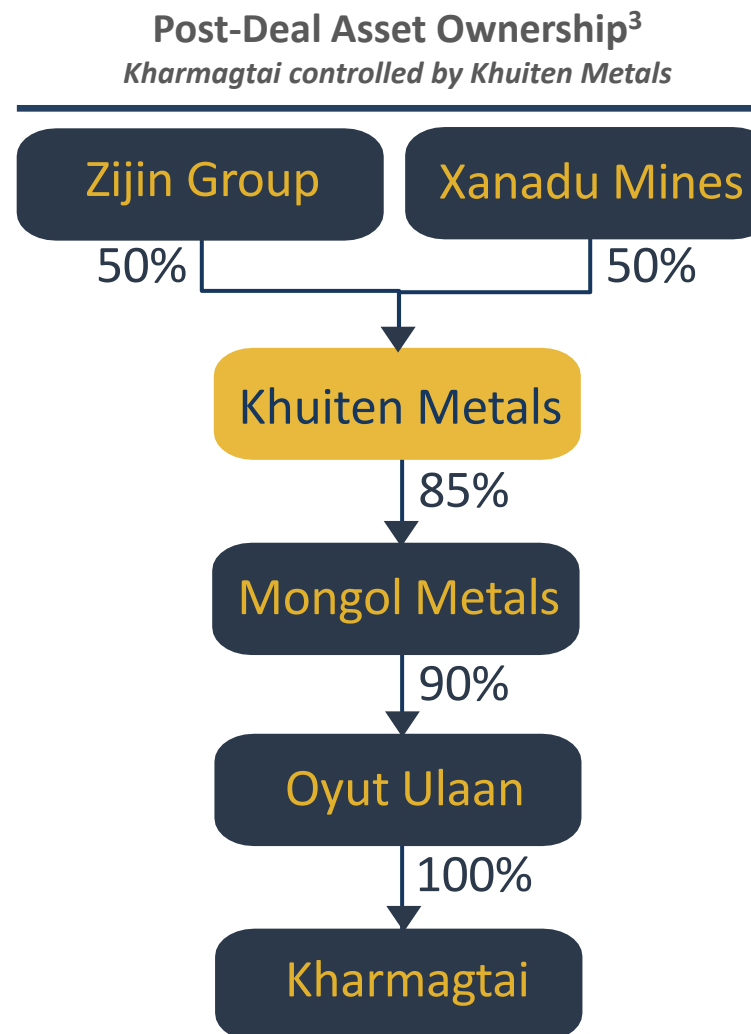
² ASX/TSX Announcement 19 April 2022 – Strategic Partnership with Zijin Mining

³ Conversion based on AUD:USD = 0.7387 as at 19 Apr 2022 close (transaction announcement date)

Funded via Zijin Strategic Partnership

Three phases of investment¹ totalling US\$43M² (A\$58M²)

- Phase 1 (completed) **A\$5.6M cash** at a 38% premium for a 9.9% minority stake in Xanadu
- Phase 2 **A\$5.7M cash** to increase to 19.99% stake in XAM
- Phase 3 **US\$35M cash** into Khuiten Metals, forming a **50-50 JV** in Kharmagtai controlling entity.
 - US\$20M ringfenced to fully fund PFS
 - US\$15M to fund continued exploration at Kharmagtai
- Phase 2-3 subject to regulatory and shareholder approvals



Post-Deal XAM Shareholders Top 20 hold 58%

23%	Top 20 (ex Zijin & ACA)
20%	Zijin
15%	ACA
6%	Management & Board
36%	Other Holders

¹ ASX/TSX Announcement 19 April 2022 – Strategic Partnership with Zijin Mining

² Currency conversion based on AUD:USD = 0.7387 as at 19 Apr 2022 close (transaction announcement date)

³ Effective ownership of Kharmagtai by each of Xanadu and Zijin is 38.25% (= 50% * 85% * 90%)

Zijin Deal Transforms Xanadu

Kharmagtai funded & Xanadu retains control

- Transaction implies 100% value of Kharmagtai is **US\$92M** (**A\$124M¹** or A\$29/t CuEq MRE)
- Current XAM share price implies a **Post-Transaction Enterprise Value of A\$4M²**
- Xanadu **retains control** of Kharmagtai
 - Khuiten Metals controls Kharmagtai
 - 50-50 JV in Khuiten Metals
 - Xanadu remains operator of JV
- Change of control in XAM requires a post-deal offer from Zijin, subject to XAM **shareholder approval**
- Kharmagtai **funded** through Pre-Feasibility (12-18 months); supported by **solid discovery exploration** budget
- Xanadu well-funded to **explore** 100% owned Red Mountain

Before Zijin Transaction

A\$37M

Market Cap at 31/3/22,
A\$0.29/Share

76.5%

XAM ownership of
Kharmagtai³

A\$1M

Cash Balance
as at 31/3/22

A\$36M

Enterprise Value
at 31/3/2022

After Zijin Transaction

A\$124M (US\$92M)

Implied 100% value of
Kharmagtai¹

38.25%

XAM ownership of
Kharmagtai³

A\$58M

Cash Injected^{4,5,6}

¹ US\$35M / 38.25% effective ownership = US\$92M

² XAM Transaction Enterprise Value = Market Cap (12 May 2022 A\$41M) – Cash (Current \$7M + Phase 2 \$6M + 50% of Phase 3 A\$24M)

³ 50-50 JV in Khuiten Metals which holds 76.5% of Kharmagtai = 38.25%

⁴ Cash Injected = (Zijin A\$11M placement) + (Khuiten Metals JV investment of US\$35M for Kharmagtai development)

⁵ Conversion based on AUD:USD = 0.7387 as at 19 Apr 2022 close (transaction announcement date)

⁶ ASX/TSX Announcement 19 April 2022 – Strategic Partnership with Zijin Mining

Who is Zijin Mining Group?

A global copper & gold mining major

- Zijin brings the **capability** and **balance sheet** to build a large-scale copper-gold mine like Kharmagtai
- **US\$51 billion** market capitalization, listed on Hong Kong and Shanghai exchanges
- **Global Top 10 copper producer**, 2021 mining production 584kt copper, 1.68 Moz gold and 396kt zinc
- Vertically integrated with **mining, smelting and refining** assets
- Operating assets across **14 countries** and **5 continents**
- **Experienced Joint Venture partner**, examples are Kamoakakula copper-mine (Ivanhoe) and Porgera gold-silver mine (Barrick)

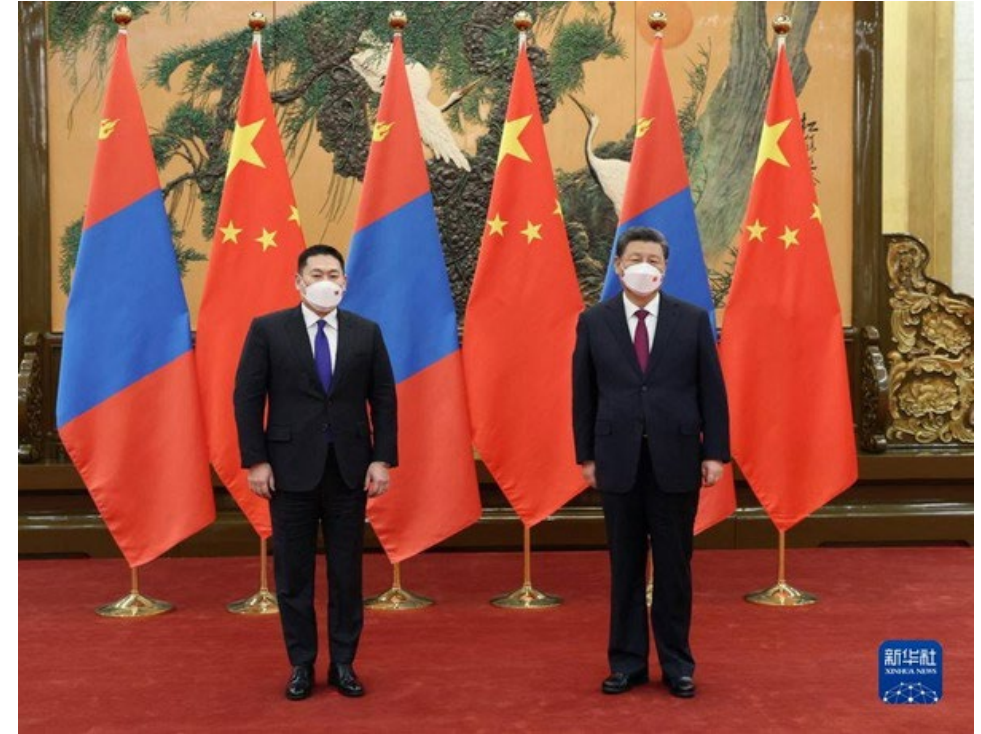


Mongolia-China Growing Strategic Partnership

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Zijin transaction echoes strengthening relationship

- Recent heads of state engagement confirms alignment of Mongolia **New Revival Policy** with **China Belt and Road** Initiative and Five-Year Plan ¹
- Mongolia sees this bilateral relationship as the model for its other global relationships
- Zijin strategic partnership with Xanadu demonstrates this growing inter-country engagement
- Xanadu transaction aligns with the Zijin 2022 Strategy², targeting
 - Large projects with best-in-class resources delivering sustainable growth
 - Responsible, green, high-tech mining
 - Good upside potential and strong synergies
 - Merger and acquisition to accelerate growth



¹ Ministry of Foreign Affairs of the People's Republic of China 6 February 2022 – Xi Jinping Meets with Mongolia Primer Minister Luvsannamsrai Oyun-Erdene; www.fmprc.gov.cn/mfa_eng/zxxx_662805/202202/t20220207_10639712.html

² Source: Zijinmining.com

Continued Upgrades to Kharmagtai Resource

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Doubled higher-grade zones with strong potential for continued growth

2018 Mineral Resource¹

0.6 Bt
2Mt Cu
4Moz Au
56Mt higher-grade core

41%
Indicated

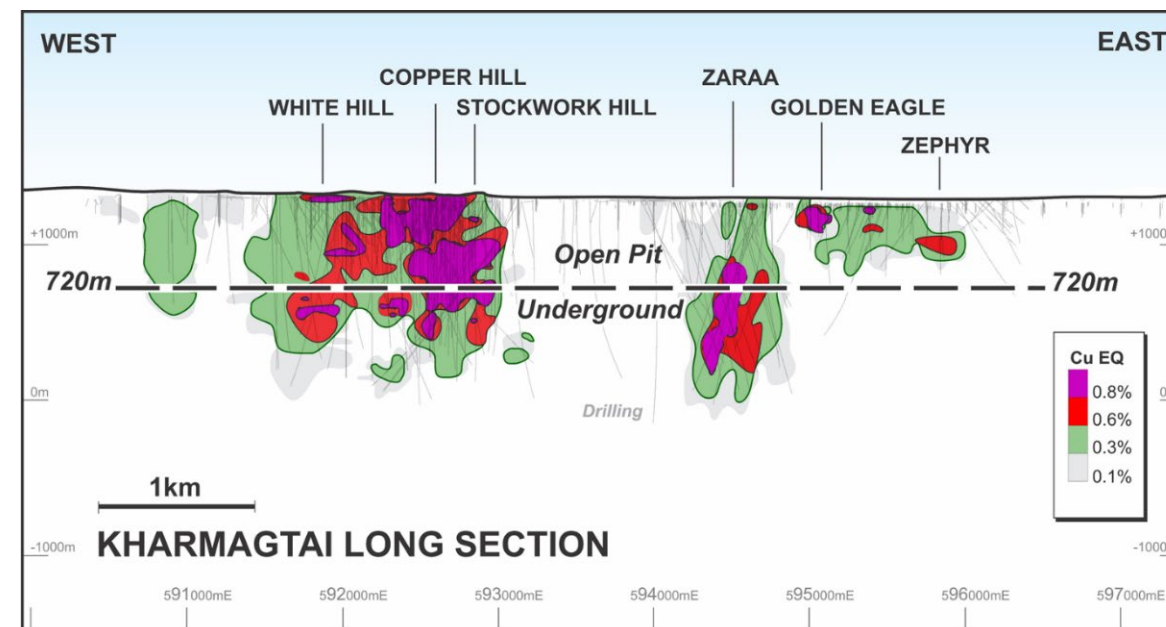
61,500 Meters Drilling Since 2018



2021 Mineral Resource²

1.1 Bt
3Mt Cu
8Moz Au
100Mt higher-grade core

22%
Indicated



2022-2023 Drilling

- Approximately 30,000 metres of infill drilling targeted during Pre-Feasibility
- Invigorated exploration and expansion drill program being planned, with rigs ready to go

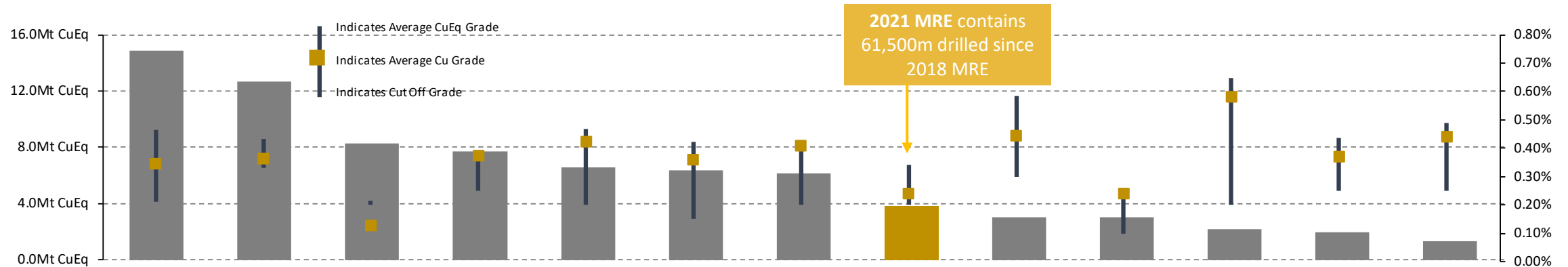
¹ ASX/TSX Announcement 18 December 2018 – Technical Report to support Kharmagtai Mineral Resource

² ASX/TSX Announcement 28 February 2022 – Kharmagtai Technical Report and ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1 Billion Tonnes

Resource Moves Kharmagtai Up the Global Ranks

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One of the largest undeveloped Cu-Au resources controlled by a junior



Project Name	Cascabel	Los Helados	Casino	Vizcachitas	Altar	Canariaco Norte	Warintza	Kharmagtai	Antakori	NorthMet	Hillside	Cortadera	Productora
Location	Ecuador	Chile	Canada	Chile	Argentina	Peru	Ecuador	Mongolia	Peru	USA	Australia	Chile	Chile
Stage	PFS	PEA	PEA	PEA	PEA	PEA	PEA	PEA	PEA	PEA	FS	PFS	PFS
Resource (Mt CuEq)	14.9Mt CuEq	12.7Mt CuEq	8.2Mt CuEq	7.7Mt CuEq	6.6Mt CuEq	6.4Mt CuEq	6.1Mt CuEq	3.8Mt CuEq	3.02Mt CuEq	3.0Mt CuEq	2.2Mt CuEq	2.0Mt CuEq	1.3Mt CuEq
Operator	SolGold	NGEx Minerals	Western Copper	Los Andes Copper	Aldebaran Res.	Candente Copper	Solaris Resources Inc	Xanadu Mines	Regulus Resources	PolyMet Mining	Rex Minerals	Hot Chilli	Hot Chilli
Exchange Listing	LSE & TSX	TSX-V	TSX	TSX-V	TSX-V	TSX	TSX-V	ASX & TSX	TSX-V	TSX	ASX	ASX	ASX
EV (US\$m)	869.1	336.3	224.9	301.6	51.1	31.4	938.1	22.6	79.0	275.2	45.3	73.9	73.9
EV / Resource (US\$/Mt CuEq)	58.3	26.6	27.3	39.0	7.7	4.9	153.1	5.9	26.1	91.3	20.7	37.5	55.0
Project CAPEX (US\$m)	2,746	4,301	3,250	1,880	2,000	1,348	NA	1,310	NA	1,204	410	725	725
Key Shareholder(s)	BHP Group, Newcrest	Lundin Family	Rio Tinto Canada, FMR LLC, Dale Corman	Turnbrook Corporation, Resource Capital Fund	Route One Investment Corp	Fortescue	Richard Warke, Equinox Gold	Zijin, ACA	Route One Investment Corp	Glencore	Ellerston Capital, United Super	CDS & Co, Glencore, KAS & Blue Spec Group	CDS & Co, Glencore, KAS & Blue Spec Group
Average CuEq Grade (%)	0.46%	0.43%	0.21%	0.37%	0.47%	0.42%	0.42%	0.34%	0.58%	0.26%	0.65%	0.44%	0.49%
Cut-off Grade (%)	0.21%	0.33%	0.20%	0.25%	0.20%	0.15%	0.20%	0.20%	0.30%	0.10%	0.20%	0.25%	0.25%
Average Cu Grade (%)	0.35%	0.36%	0.13%	0.37%	0.42%	0.36%	0.41%	0.24%	0.44%	0.24%	0.58%	0.37%	0.44%

Clear Development Pathway

Gated to Pre-Feasibility following robust Scoping Study¹

Project Timeline

An indicative summary of key expected milestones is summarised as follows



Short time to production
achieved by late 2027

Clear permitting pathway, mapped out by experienced Mongolia development team

Scoping Study Results

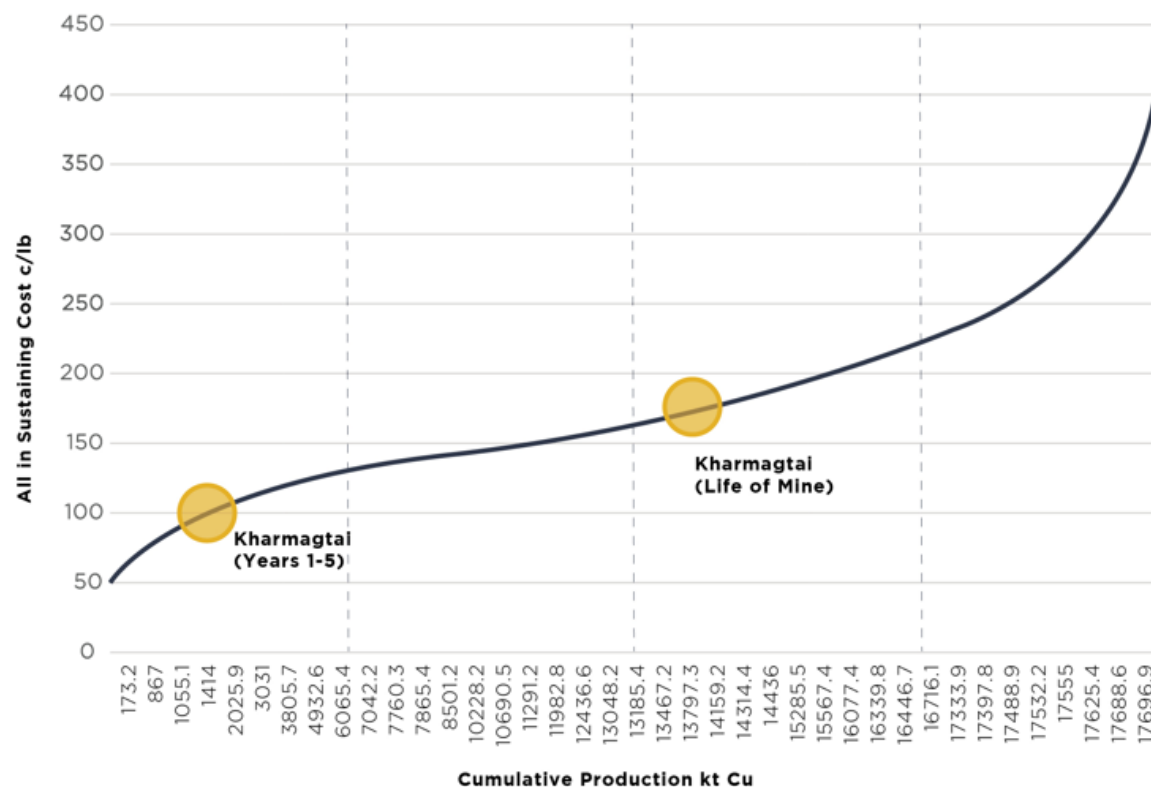


¹ ASX/TSX Announcement 6 April 2022 – Scoping Study Kharmagtai Copper-Gold Project

Two Stage Operation, Low Quartile Cost Producer

Low quartile production enabled by gold by-product credits

Xanadu Position on the Cost Curve

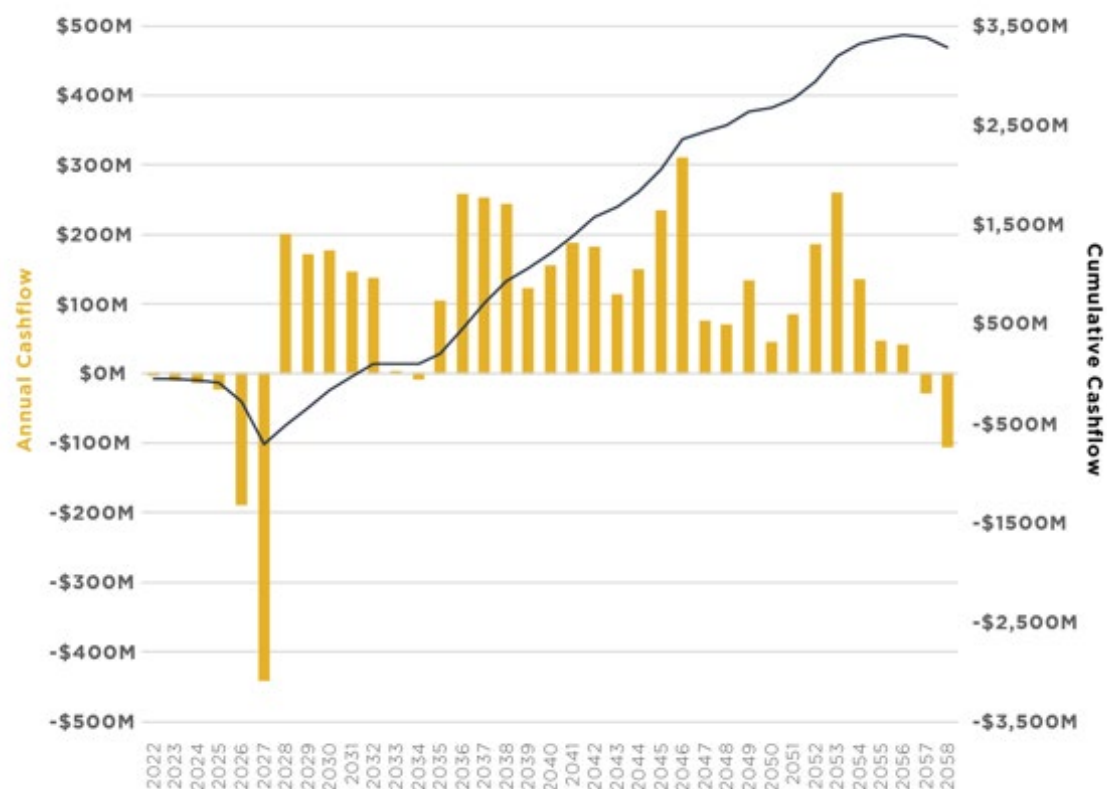


Area	Measure	Unit	Stage 1 Initial	Stage 2 Expansion	LOM
Production	Period	Years	5	25	30
	Ore process rate	Mtpa	15	30	15-30
	Feed from Indicated Resource	%	100%	50%	55%
	Ore processed	Mt	70	690	760
	Average copper grade	%	0.29	0.21	0.21
	Average gold grade	g/t	0.30	0.16	0.18
	Copper produced	Mt	0.2	1.3	1.5
	Gold produced	Moz	0.5	2.8	3.3
Capital	Project Capital	US\$M	690	620	1,310
	Sustaining Capital	US\$M	40	530	570
Operating Cost	All In Sustaining Costs	US\$/lb	1.02	1.99	1.87
Economic Assumptions	Copper Price	US\$/lb	4.00	4.00	4.00
	Gold Price	US\$/oz	1,700	1,700	1,700
Financials (after tax)	Net Present Value (NPV) @ 8%	US\$M			630
	Internal Rate of Return (IRR)	% (real)			20
	Capital Payback	Years	4	1	4
	Free Cash Flow (after tax)	US\$M (real)	155	3,260	3,420

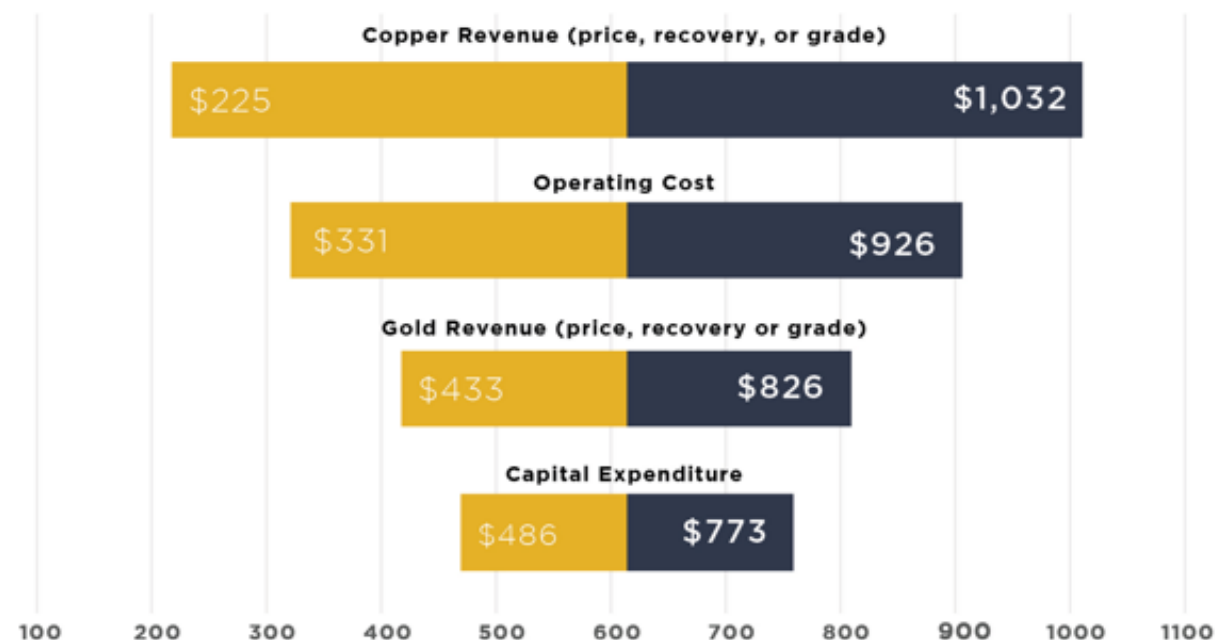
Robust Cash Flows

Positive cash flow across wide range of scenarios

Annual Cashflow (US\$M)



- Phase 1 cash flows fund the Phase 2 expansion
- Strong earnings across +/- 20% sensitivity analysis range



Positioning as the Cadia Hill of Mongolia

Kharmagtai stacks up well on stripping ratio, scale and copper grade

First 5yrs of production³:

		Kharmagtai (KH) Scoping Study	Cadia Hill (CH) Actuals
Material Mined	Mt	210	298
Ore Mined ¹	Mt	110	79
Ore Processed	Mt	70	79
Strip Ratio		0.9	2.8
Ore Processing rate	Mtpa	15	16
Avg Milled Grade:			
Copper	%	0.29	0.19
Gold	g/t	0.30	0.77
Avg Metal Recovery:			
Copper	%	90	81
Gold	%	78	74
Metal Produced:			
Avg Copper	ktpa	37	24
Avg Gold	kozpa	110	288
Copper	Mt	0.20	0.12
Gold	Moz	0.50	1.44



Cadia Hill



Kharmagtai

¹ Cadia Hill ore mined not reported, assumed ore mined = ore processed

² Kharmagtai All In Sustaining Cost vs Oyu Tolgoi C1 Cost, as reported.

³ Sources: Kharmagtai Copper-Gold project Scoping Study; Cadia Valley Operations Technical Report, 2 Mar 2012

Exploration Will Continue

Two active projects, seeking a third

Kharmagtai (76.5%)¹

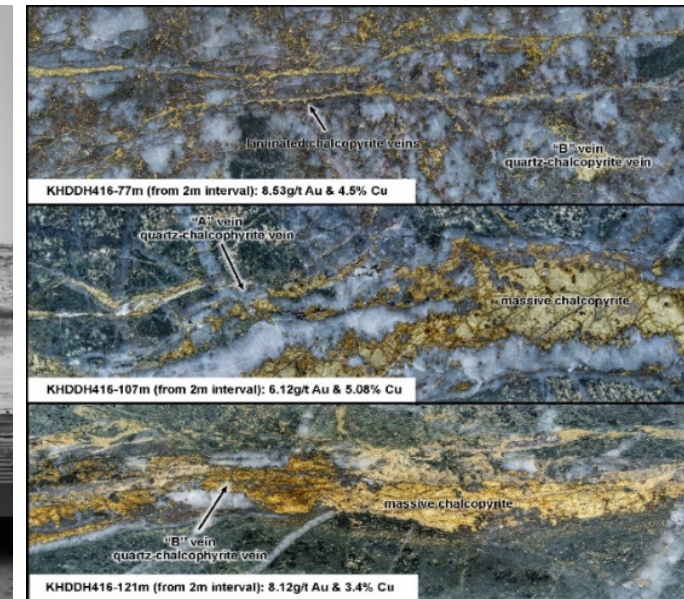
- Porphyry copper-gold
- Open in all directions and across the lease
- Bornite zones expanding at depth
- >20 high priority discovery targets identified for testing

Red Mountain (100%)

- Drill testing near surface copper-silver skarns and epithermal mineralisation
- Follow-up higher grade bornite and massive bornite intersected in 2021²
- Large-scale porphyry system potential at depth remains

New Project Generation

- Seeking a third project in the South Gobi
- On ground investigation completed to identify potential new projects



¹ Will become 38.25% upon completion of 50-50 Joint Venture with Zijin Mining Group

² ASX/TSX Announcement 28 September 2021 – New High-Grade Bornite Intersections at Red Mountain

Final Comments

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Meeting Formalities

- Notice of Meeting distributed on 22 April 2022
- Taken as Read

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Xanadu Mines Ltd

ABN 92 114 249 026

Annual General Meeting
Tuesday, 17 May 2022

- Financial Report for the year ended 31 December 2021
- Siobhan Hughes from Ernst & Young is available to answer questions related to the 2021 year-end audit

- Re-election of Director - Mr Michele Muscillo

“That Mr. Michele Muscillo, who retires in accordance Rule 39.1(c) of the Company’s Constitution and being eligible for election, be re-elected as a Director of the Company.”

Resolution 1

- Election of Director - Mr. Michele Muscillo
- Proxy Votes received prior to Meeting

For	Against	Open	Abstain
533,332,005	36,837,460	129,150	1,760,000

- Remuneration Report

“That the Company’s Remuneration Report for the financial year ended 31 December 2021, as set out in the Directors’ Report, is adopted.”

Resolution 2

- Remuneration Report
- Proxy Votes received prior to Meeting

For	Against	Open	Abstain
463,423,335	21,717,307	129,150	52,422,456

- Ratification of Prior Issue of Shares - 1 March 2022

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue on 1 March 2022 of a total of 1,473,606 fully paid ordinary shares in Xanadu Mines Ltd (**Shares**) issued at a deemed price of 2.8875 cents per Share (**New Shares**), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice, is ratified.”*

Resolution 3

- Ratification of Prior Issue of Shares - 1 March 2022
- Proxy Votes received prior to Meeting

For	Against	Open	Abstain
516,335,245	1,323,214	129,150	52,797,400

- Grant of Options to Mr Colin Moorhead

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 6,000,000 options to subscribe for Shares with a zero-exercise price to Mr Colin Moorhead, being Executive Chairman and Managing Director of the Company (or his nominee) on the terms described in the Explanatory Memorandum accompanying this Notice, is approved.”

Resolution 4

- Issue of Options to Mr Colin Moorhead
- Proxy Votes received prior to Meeting

For	Against	Open	Abstain
489,608,555	22,973,510	129,150	52,787,400



General Questions



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Meeting Close

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Executive Chairman and Managing Director
P: +61 2 8280 7497
E: colin.moorhead@xanadumines.com

Spencer Cole
CFO and Chief Development Officer
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APPENDIX

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Competent Person's 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.

Mineral Resources: The information in this announcement that relates to Mineral Resources is based on information compiled by Mr. Robert Spiers who is responsible for the Mineral Resource estimate. Mr Spiers is a full-time Principal Geologist employed by Spiers Geological Consultants (SGC) and is a Member of the Australian Institute of Geoscientists with 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 Spiers consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Exploration Results: The information in this announcement 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 consents to the inclusion in the report of the matters based on this information in the form and context in which it appears

Copper equivalent benchmarking

Global Project	Resource Date	Resource Mt				Au g/t			Cu %			Au Moz			Cu Mt			CuEq	
		Meas	Ind	Inf	Total	Meas	Ind	Inf	Meas	Ind	Inf	Meas	Ind	Inf	Meas	Ind	Inf	%	Mt
Altar	22/03/21	638	580	190	1,409	0.11	0.07	0.07	0.43%	0.41%	0.42%	2.2	1.4	0.4	2.8	2.4	0.8	0.47%	6.6
AntaKori	31/01/19	0	250	267	517	0.00	0.29	0.26	0.00%	0.48%	0.41%	0.0	2.3	2.2	0.0	1.2	1.1	0.58%	3.0
Canariaco Norte	15/03/22	423	671	411	1,505	0.07	0.05	0.04	0.48%	0.39%	0.32%	0.9	1.1	0.5	2.0	2.6	1.3	0.42%	6.4
Cascabel	20/04/22	1,192	1,470	544	3,206	0.39	0.14	0.11	0.48%	0.28%	0.24%	14.9	6.7	1.9	5.7	4.1	1.3	0.46%	14.9
Casino	3/07/20	183	2,208	1,461	3,852	0.41	0.17	0.14	0.25%	0.14%	0.10%	2.4	12.0	6.5	0.5	3.0	1.4	0.21%	8.2
Cortadera	19/02/16	0	183	267	450	0.00	0.15	0.12	0.00%	0.40%	0.35%	0.0	0.9	1.0	0.0	0.7	0.9	0.44%	2.0
Hillside	May 2015	72	151	114	337	0.16	0.13	0.10	0.55%	0.59%	0.60%	0.4	0.6	0.4	0.4	0.9	0.7	0.65%	2.2
Kharmagtai	28/02/22	0	455	664	1,119	0.00	0.20	0.20	0.00%	0.30%	0.20%	0.0	2.9	4.2	0.0	1.4	1.3	0.34%	3.8
Warintza	18/04/22	0	579	887	1,466	0.00	0.03	0.01	0.59%	0.47%	0.37%	0.0	0.6	0.3	0.0	2.7	3.3	0.42%	6.1
Los Helados	26/04/19	0	2,099	827	2,926	0.00	0.15	0.10	0.00%	0.38%	0.32%	0.0	10.1	2.6	0.0	8.0	2.6	0.43%	12.7
NorthMet	26/03/18	237	412	509	1,158	0.04	0.03	0.04	0.27%	0.23%	0.24%	0.3	0.4	0.6	0.6	0.9	1.2	0.26%	3.0
Productora	19/02/16	0	208	67	275	0.00	0.10	0.08	0.00%	0.46%	0.38%	0.0	0.7	0.2	0.0	1.0	0.3	0.49%	1.3
Vizcachitas	10/05/19	254	1,030	789	2,073	0.00	0.00	0.00	0.44%	0.39%	0.34%	0.0	0.0	0.0	1.1	4.0	2.7	0.37%	7.7

Mineral Resource used in benchmarking include Inferred, Indicated, and Measured classifications. Resource tonnes and grades are as reported by each company.

Copper equivalent grades were calculated by Xanadu Mines using the formula:

$$\text{CuEq} = \text{Cu} + \text{Au} * 0.60049 * 0.86667$$

Where :

- Cu = copper grade (%)
- Au = gold grade (grams per tonne (g/t))
- 0.60049 = conversion factor (Au to Cu); and
- 0.86667 = relative recovery of Au to Cu (86.67%)

These equivalent formulas were based on the following parameters (prices in USD):

- Cu price = 3.4 \$/lb
- Au price = 1,400 \$/oz
- Cu recovery = 90%
- Au recovery = 78%; and
- Relative recovery of Au to Cu = 78%/90% = 86.67%

Metals prices, Au-Cu conversion factor, and Au-Cu relative recovery factors are as defined in the 2021 Xanadu Mineral Resource Upgrade¹

Kharmagtai Resource 2021 vs 2018

Larger, more tightly domained, and significantly more gold

Resource	Cutoff (% CuEq)	Classification	Tonnes (Mt)	Grades ¹			Contained Metal			
				CuEq (%)	Cu (%)	Au (g/t)	CuEq (Mlbs)	CuEq (kt)	Cu (kt)	Au (koz)
2021 ¹	0.2(OC) 0.3(UG)	Indicated	455	0.4	0.3	0.2	4,078	1,850	1,250	3,700
		Inferred	664	0.3	0.2	0.2	5,140	2,330	1,680	4,100
2018 ²	0.3(OC) 0.5(UG)	Indicated	131	0.5	0.4	0.4	1,570	710	480	1,500
		Inferred	477	0.4	0.3	0.2	4,350	1,970	1,500	2,930

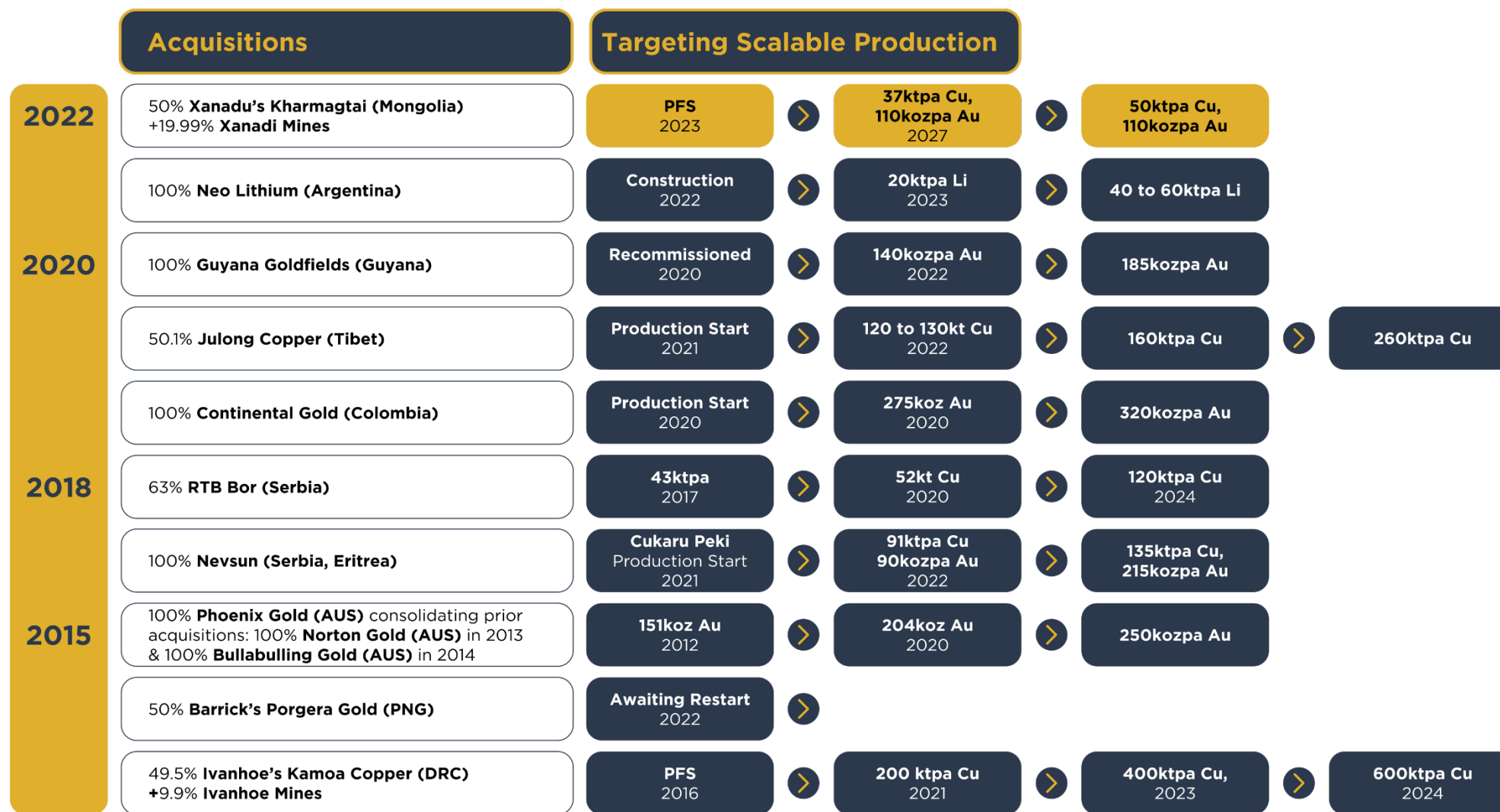
¹ ASX/TSX Announcement 28 February 2022 – Kharmagtai Technical Report, ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1Bt containing 3Mt Cu and 8Moz Au

² ASX/TSX Announcement 18 December 2021 – Technical Report to Support Kharmagtai Mineral Resource Upgrade

Zijin strategy = acquire and scale-up

Aligns well with Kharmagtai 2-stage design

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Multiple Upside Opportunities

Leverage technology and continue exploration

Oxide Processing

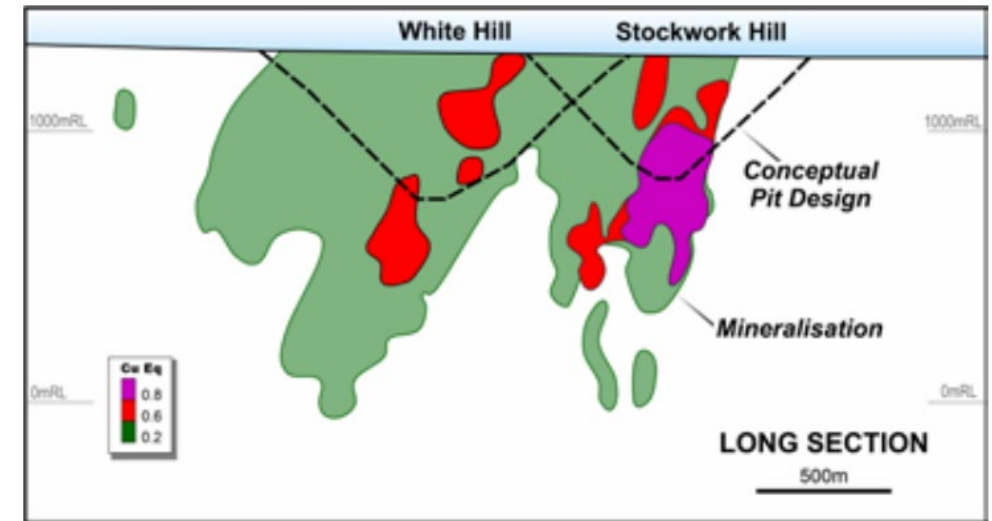
- Scoping Study was based on mining and processing sulphide resource
- 20-30m of outcropping oxide mineralisation above the sulphide resource
- Oxide could be processed to generate early cash flow and offset stripping cost

Technology

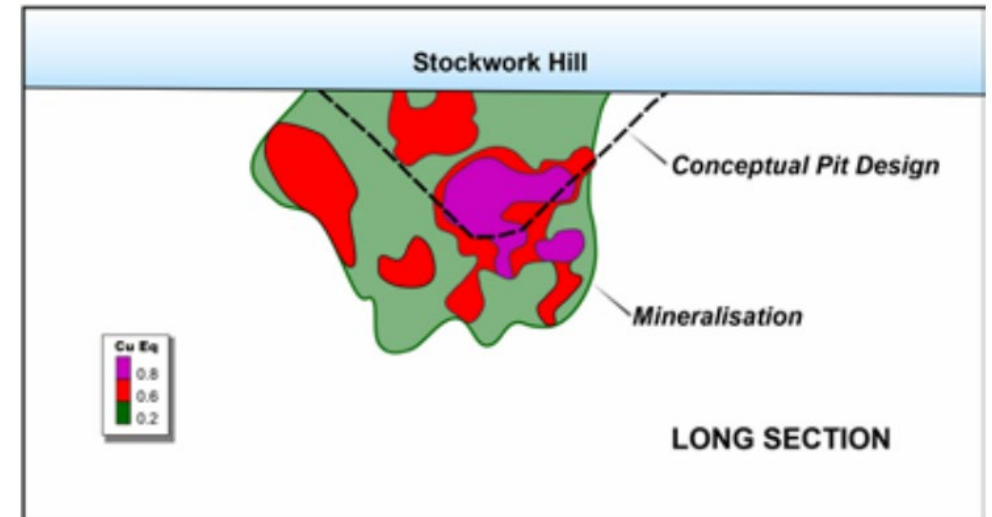
- Scoping Study based on low risk, conventional technology
- Potential beneficiation, coarse particle separation, and ore sorting to optimise mill feed grade & recovery and reduce milling cost
- Potential to use in pit crush and convey to optimize & deepen pits and electrified mining equipment to reduce haulage cost

Exploration Upside

- Kharmagtai Resource remains open in all directions
- Higher-grade bornite mineralisation continues at depth below current pit, as confirmed by deeper drilling at Stockwork Hill
- Several near surface targets across the tenement warrant follow-up drill testing



Kharmagtai Resource within Open Pit in Long Section



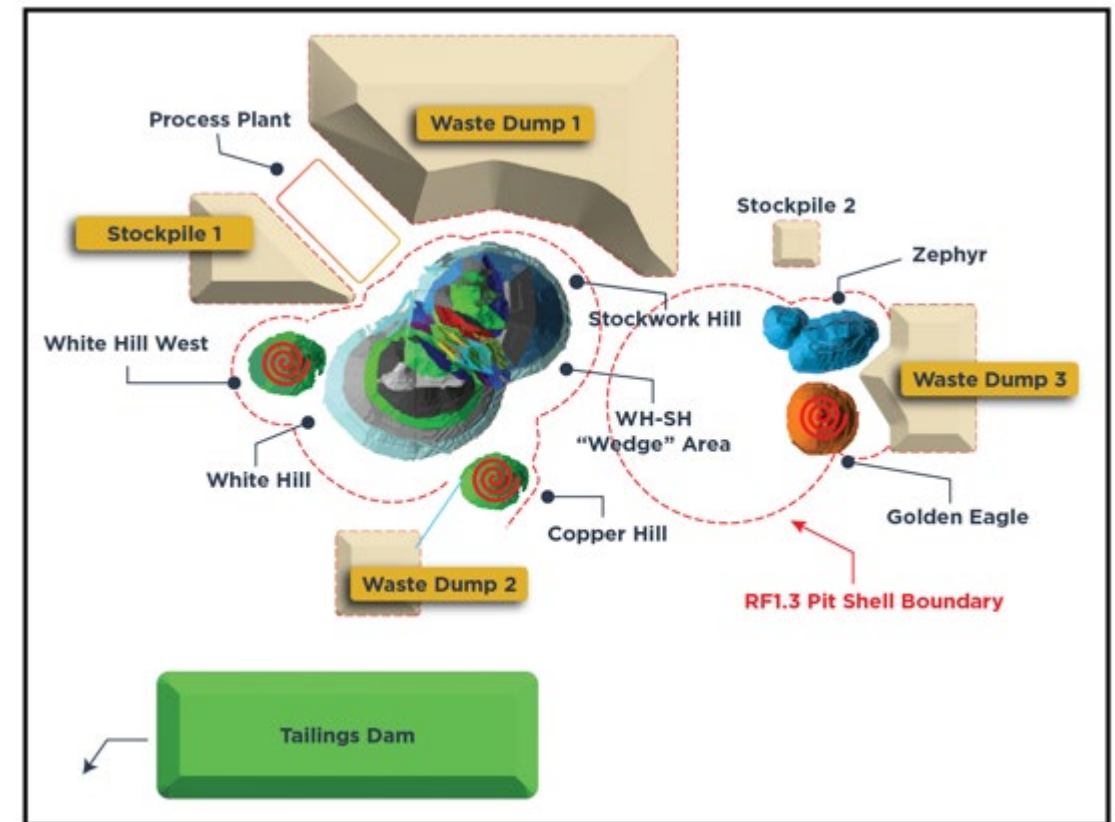
Stockwork Hill Long Section Showing current resource, proposed open pit and high-grade blocks below pit outline which are open along strike and at depth.

Simple Site Layout

Plans ahead for future growth

- Low complexity, minimising haul distance
- Tailings dam offsite to south using land features
- Stand off maintained for potential future pit expansion leveraging in pit crush and convey
- To be finalised in PFS

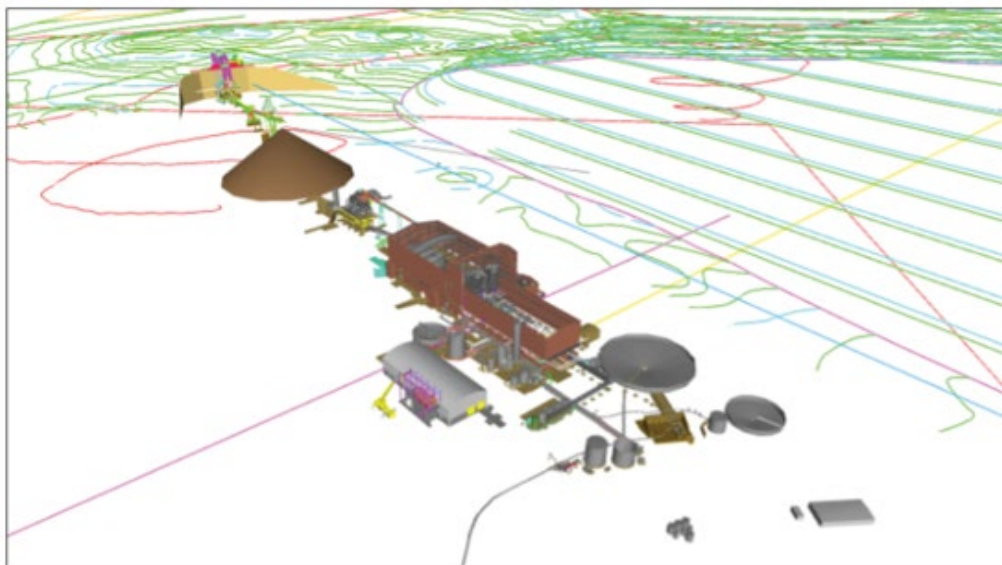
Project Layout



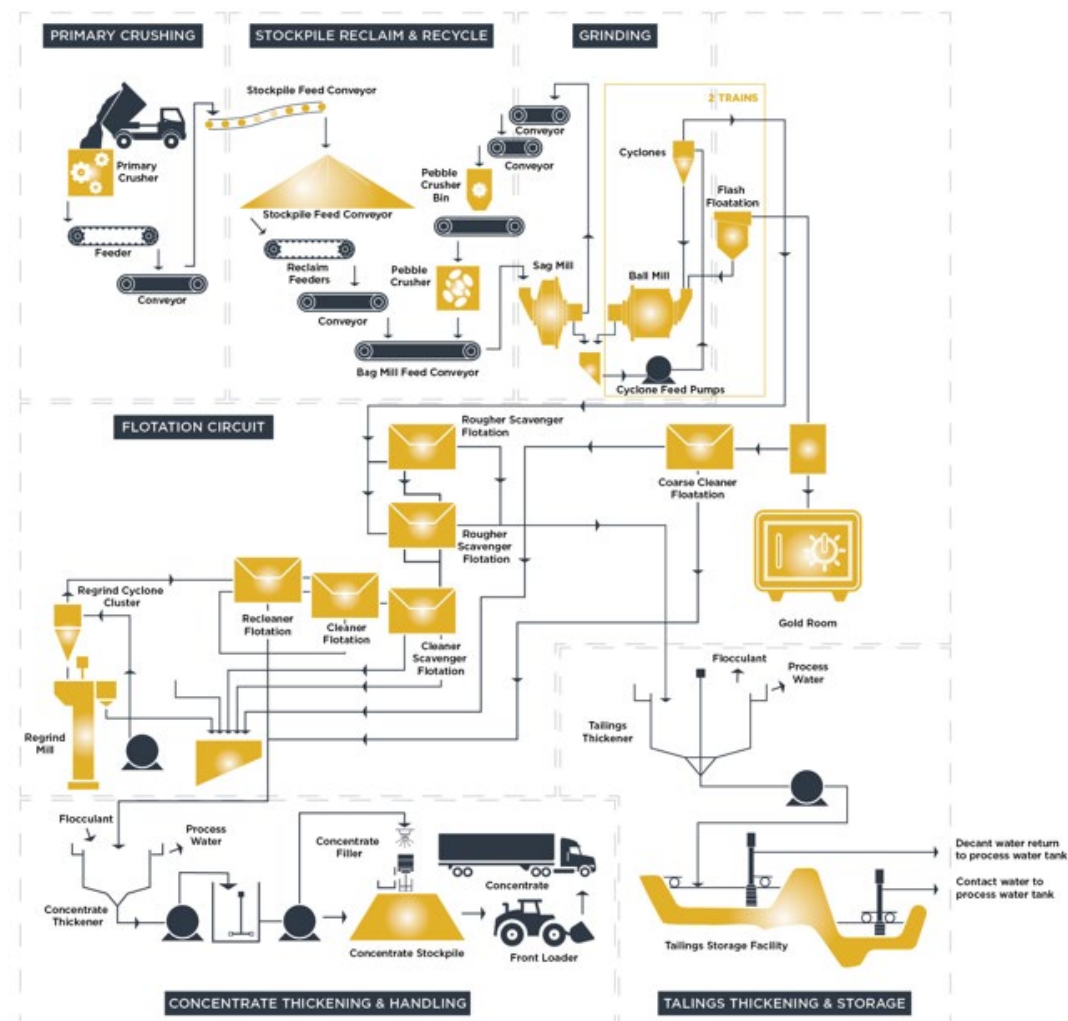
Sulphide Flotation Process Plant

Conventional, low risk process flow and plant design

Process Plant Layout



Process Flow Diagram



Favourable ESG Environment

Mongolia is an established and growing mining-driven economy

- ▶ **Pro-mining jurisdiction** - in 2020, mining accounted for 23% of Mongolia's GDP & 70% of export revenues¹
- ▶ **Significant mining region** - tops Investment Monitor's 2021 Mining Vulnerability Index¹, followed by Zambia & Australia
- ▶ **Stable democratic system** – 30-yr history of democratic elections
- ▶ **Social License to Operate** – enables shorter lead times to production
- ▶ **Excellent infrastructure** - leverage rail, power and water for low-capex intensity development
- ▶ **Ideal location** – flat ground, sparse population, proximate to customers

On the doorstep of the world's biggest consumer

>60% of Mongolia's external trade comes from China

China accounts for ~53% refined copper consumption globally in 2020

China consumption of refined copper up 17% yoy to 3.2Mt in Q1 2021



¹<https://investmentmonitor.ai/business-activities/extractive-industries/mongolia-and-australia-among-countries-that-will-suffer-the-most-in-a-mining-downturn>

²Turquoise Hill Resources Ltd. Oyu Tolgoi 2020 Technical Report <https://mrdata.usgs.gov/sir20105090z/show-sir20105090z.php?id=456>

³ ASX/TSX Announcement 31 October 2018 – Major Increase in Kharmagtai Open-Cut Resource to 1.9Mt Cu & 4.3Moz Au

Xanadu Focused on ESG & Social Licence to Operate

Sustainability Report available on Xanadu website¹



- 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



- 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

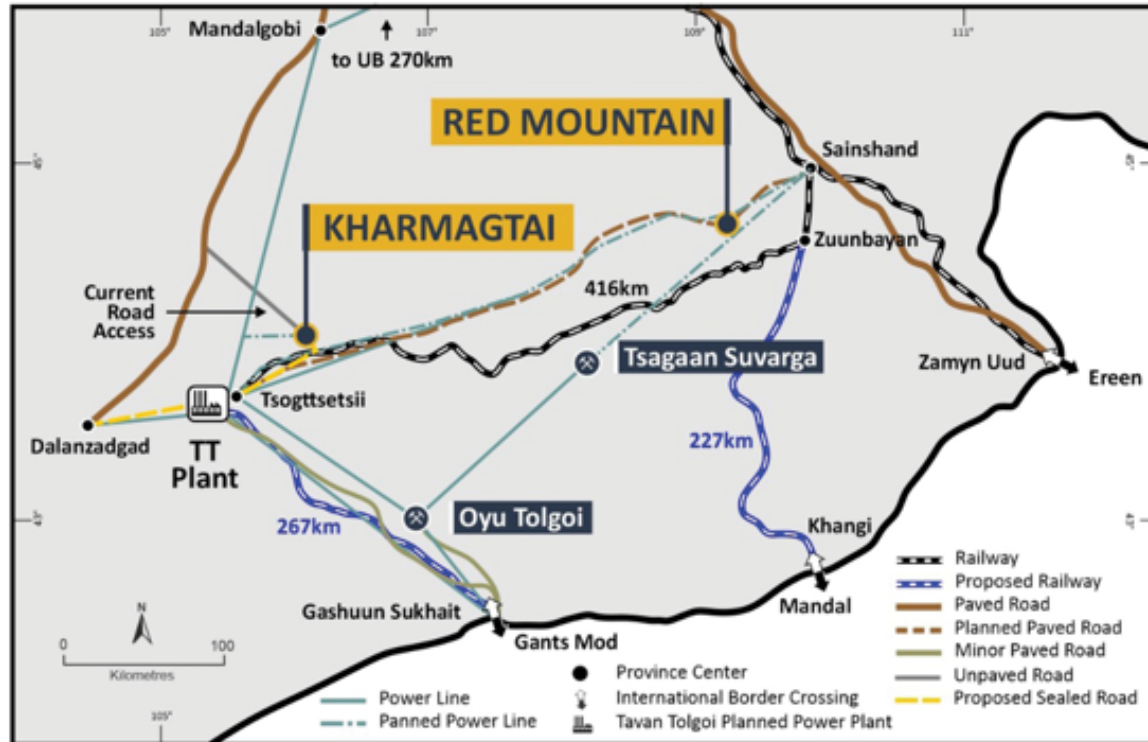


¹ ASX/TSX Announcement 1 November 2021 – Sustainability Report 2020

New Regional Infrastructure

Mongolia investing to develop mining in the South Gobi

South Gobi Regional Infrastructure



Rail and Road Infrastructure

- New rail line commissioned between Sainshand and Tsogttsetsii linking to trans-Mongolia railway
- New sealed road follows rail line
- Further rail planned south to China from Zuunbayan and Tsogttsetsii

Power Infrastructure

- New Tavan Tolgoi power plant being constructed
- Additional power lines linking region to Tavan Tolgoi



Train using South Gobi railway

Kharmagtai – Our Flagship Project

A significant resource in a world class copper district

Granted mining licence with 30 yrs tenure & option to extend another 40 yrs

Mineral Resource Estimate

- 1.1Bt MRE, containing 3Mt Cu & 8Moz Au^{1,2}, including higher grade zone 100Mt @ 0.8% CuEq¹

Scoping Study

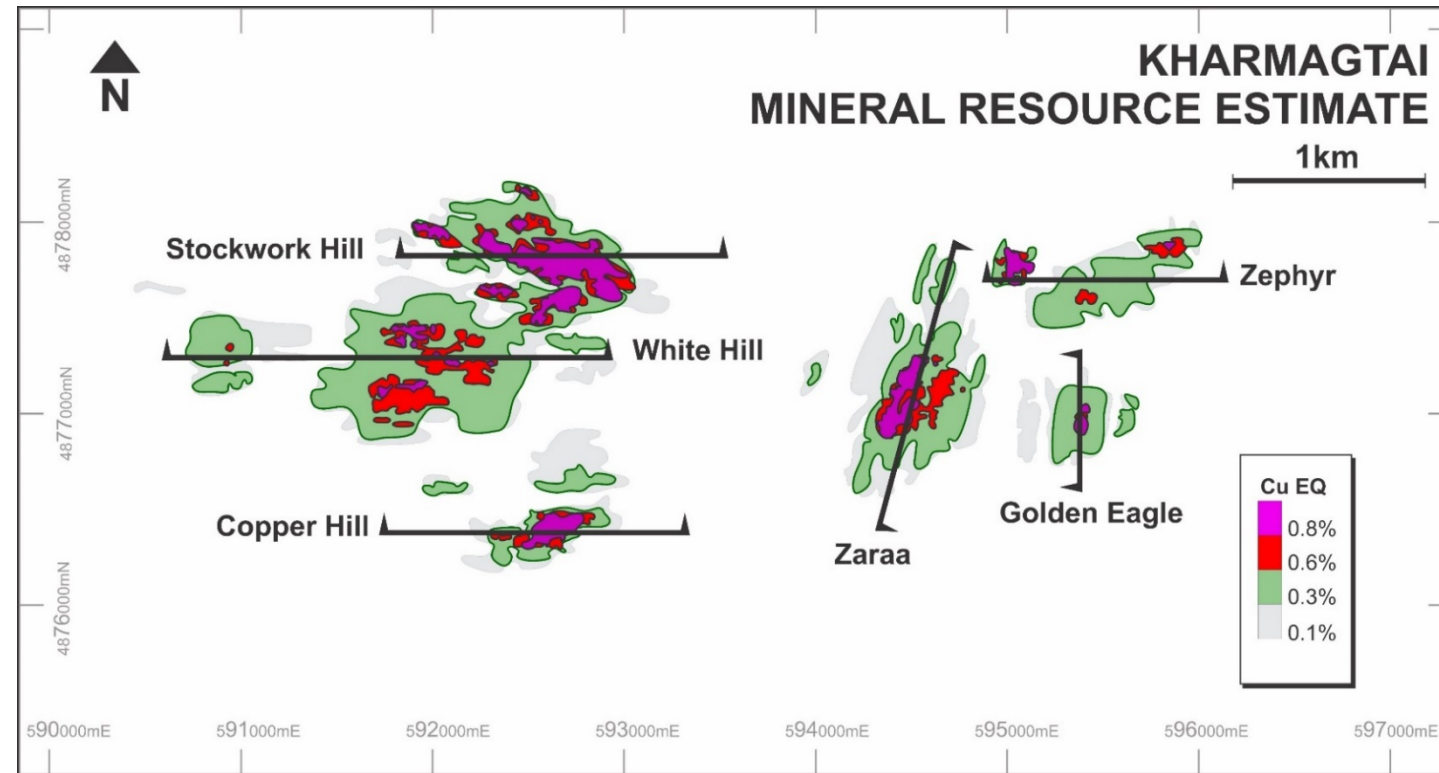
- 30-year life; producing 30-50ktpa Cu and 100-115kozpa Au; 0.9:1 strip ratio
- 20% IRR (16-25%); US\$630M NPV (405-850); and 4-year payback (4-7)

Pre-Feasibility Study

- Fully funded by Zijin strategic partnership

Future Exploration Potential

- Limited drilling below 400m is untapped opportunity
- Potential to link porphyry deposits at depth



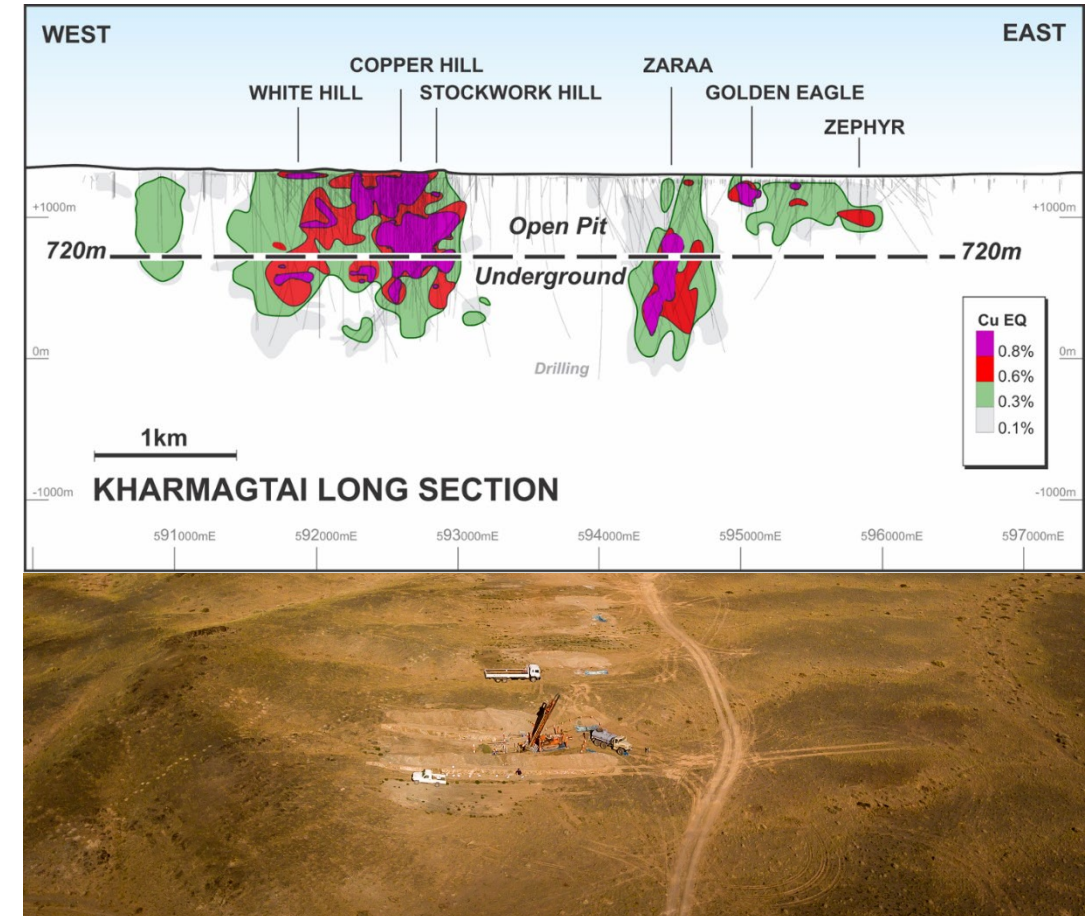
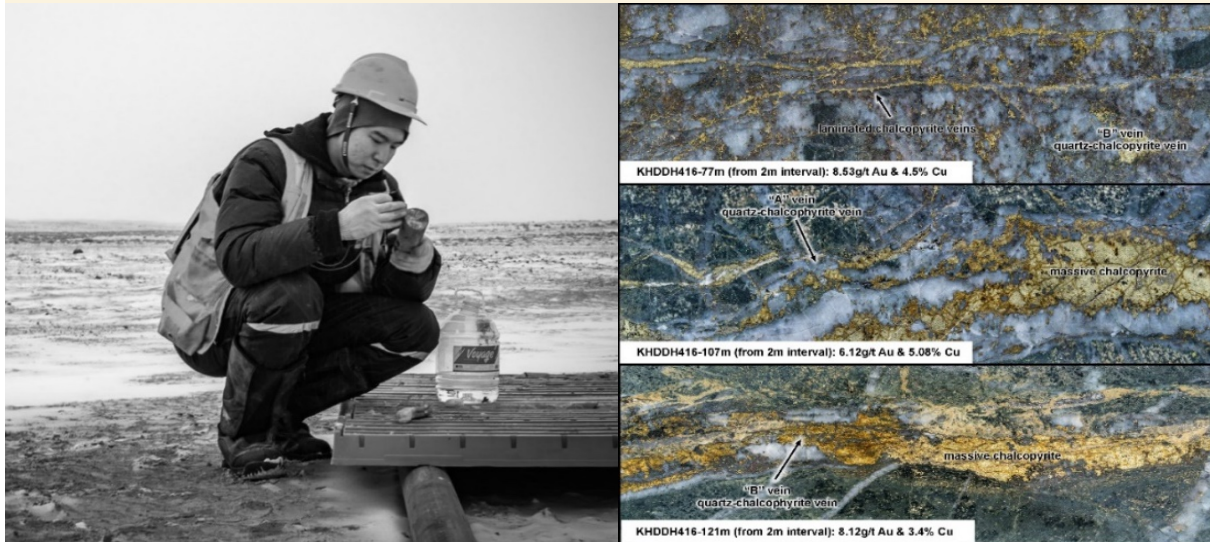
¹ ASX/TSX Announcement 28 February 2022 – Kharmagtai Technical Report, ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1Bt containing 3Mt Cu and 8Moz Au

² Global Resource is 42% Indicated and 58% Inferred by tonnes, see Appendix 1 – Kharmagtai Resource

Continued Exploration Targets High-Grade Growth

Strong Growth Upside Beneath Current Bornite Zones

- Mineralised intrusive indicates still in shallow levels of system
- Deposits open in all directions, with significant upside at depth¹
- Bornite zones starting to be uncovered
- Stockwork Hill – significant expansion upside along edges with high grade blocks still open
- Zephyr – along strike potential with highest-grade blocks positioned at either end still open



¹ ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1Bt containing 3Mt Cu and 8Moz Au

Prospective for New Discovery

New systems continue to be unlocked

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EXPLORATION SCORECARD

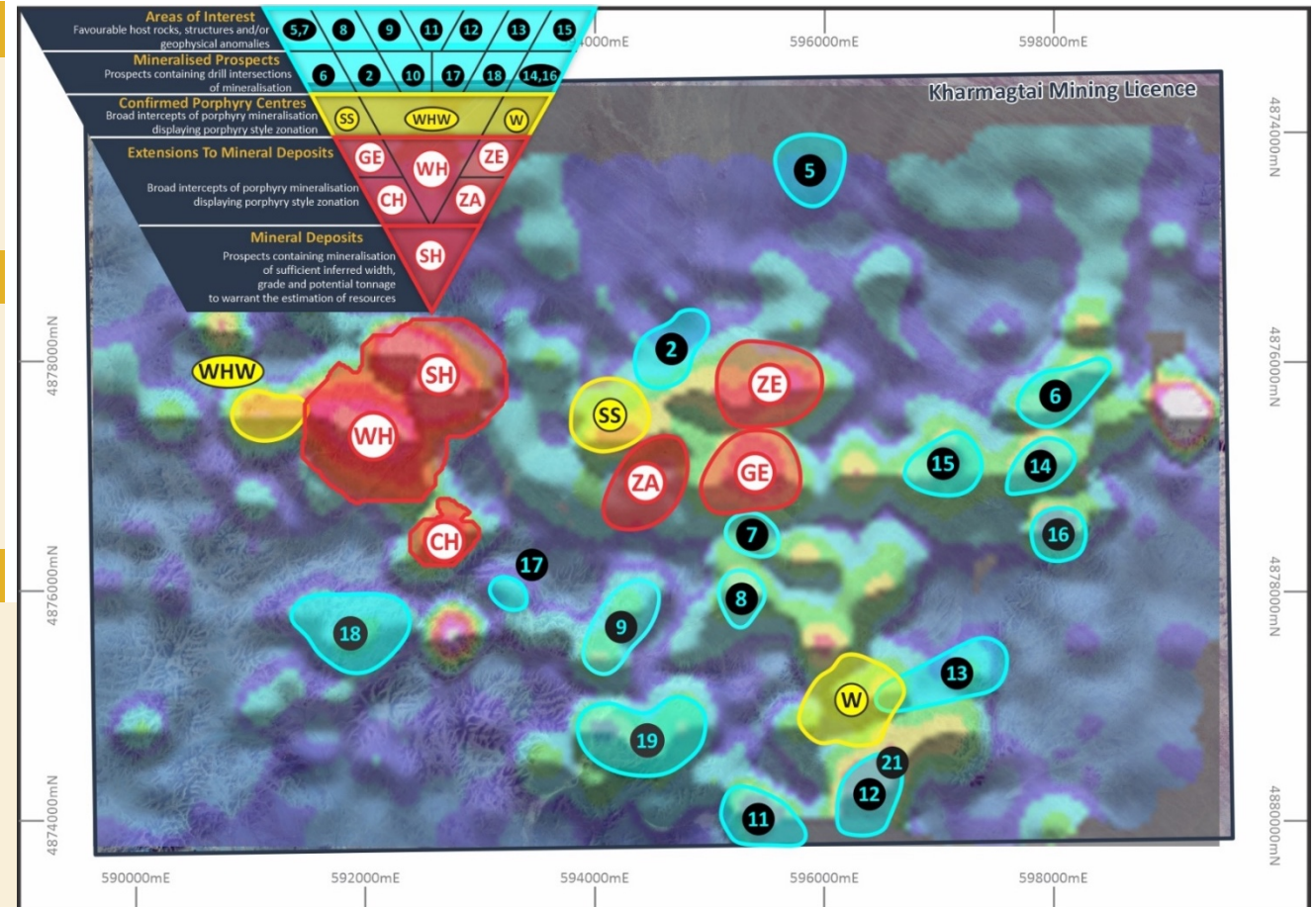
- 5 subsurface discoveries out of 10 prospects drilled
- <\$0.01/lb CuEq discovery cost vs ~\$0.07/lb industry avg¹

DISTRICT CONTINUES TO OPEN UP

- Multiple copper-gold porphyry intrusions
- Mineralised structures linked to faulting
- Increasing grade at depth

PORPHYRY DEPOSITS ARE MADE NOT FOUND

- Continued exploration for new systems & new high grade
- Link existing systems at depth
- Highly prospective for new discovery
- Several priority targets drilled in 2021
- >20 targets to be drilled over next 12 months

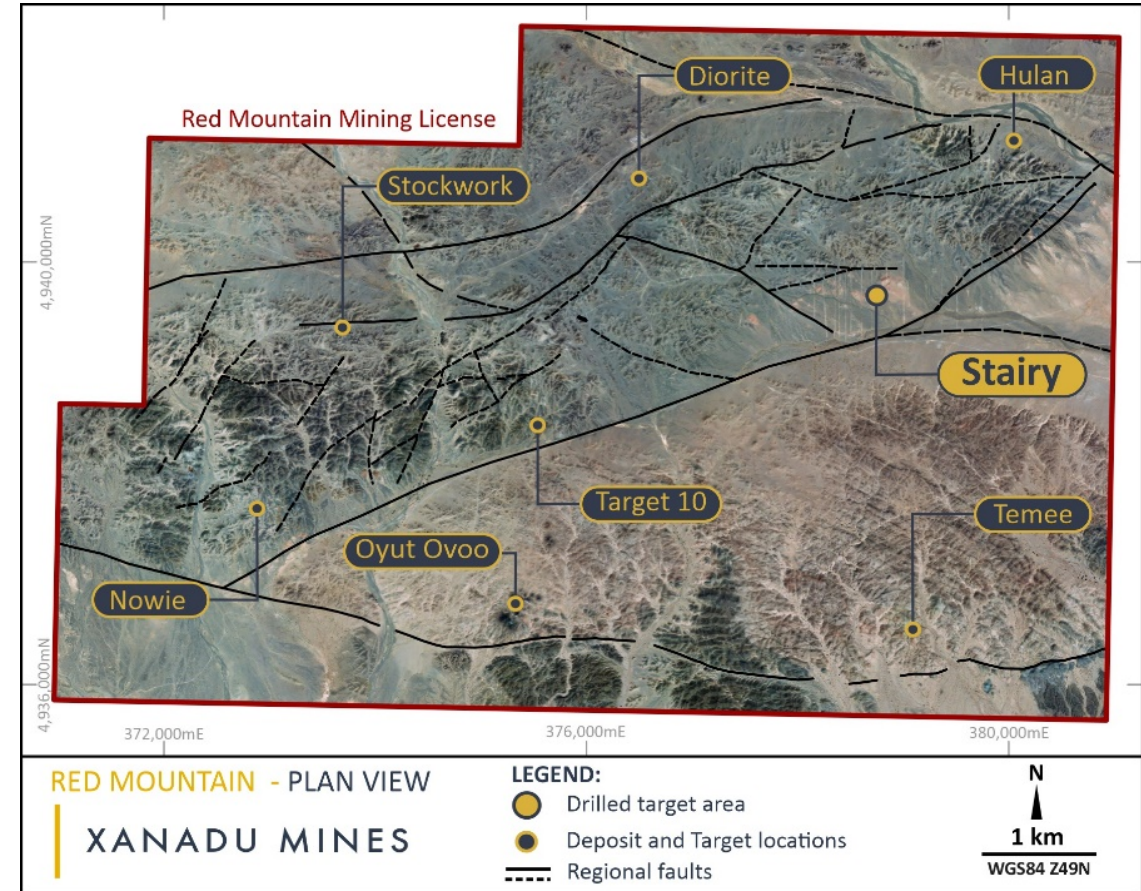


¹ Minexconsulting <https://minexconsulting.com/recent-trends-in-copper-exploration-are-we-finding-enough-2/>

Red Mountain – Highly Prospective

Early stage & already delivering exciting results

- ▶ Advanced exploration with multiple known targets:
 - Outcropping sulphides at surface, up to 184m width
 - 4 mineralised Cu-Au systems
 - 2 epithermal Au-Ag systems
 - High-grade diamond drill assays, up to 16% CU
- ▶ Located 265km east of Kharmagtai
- ▶ Already has a 30-year extendable mining license
- ▶ Consolidated to 100% ownership in 2021¹
- ▶ Updated exploration strategy to commence in 2022



¹ ASX/TSX Announcement 27 October 2021 – Xanadu Consolidates 100% Ownership of Red Mountain