

XANADU MINES

Foreign Investment Review Board Approves Zijin Investment in Xanadu

22 August 2022

Xanadu Mines Ltd (**ASX: XAM, TSX: XAM**) (**Xanadu** or the **Company**) is pleased to announce that Zijin Mining Group Co., Ltd. (**Zijin**) has advised Xanadu that on 11 August 2022, the Australian Foreign Investment Review Board (**FIRB**) issued a no objection notification for the acquisition of Xanadu shares by Zijin, through its wholly owned subsidiary Jinping (Singapore) Mining Pte. Ltd., sufficient to complete its investment in Xanadu, as announced on 19 April 2022.¹

This clears one of the three approvals required to progress the strategic partnership between Xanadu and Zijin, which will fund Xanadu to progress the Company's flagship Kharmagtai Copper-Gold Project (**Kharmagtai**) through its next phase of project evaluation and decision on future development. These approvals include:

- FIRB approval in Australia
- Regulatory approvals in Peoples' Republic of China (PRC)²
- Xanadu shareholder approval

The strategic partnership includes three phases of investment. The first phase (**Phase 1 Placement**) was completed on 27 April 2022, raising A\$5.56 million via a subscription by Zijin to 139 million fully paid ordinary shares in Xanadu at A\$0.04 per share to provide Zijin with a 9.9% shareholding in the Company.

The two subsequent phases (which remain subject to further negotiation, entry into formal documentation and the remaining approvals above) include a second placement of ordinary shares at A\$0.04 per share to increase Zijin's total shareholding in the Company to 19.99% (**Phase 2 Placement**) and the creation of

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

² Approvals may include Ministry of Commerce, National Development and Reform Commission, and State Administration of Foreign Exchange

a 50/50 Joint Venture in Khuiten Metals Pte. Ltd., the entity currently 100% owned by Xanadu that holds a 76.5% effective interest in Kharmagtai (**Phase 3 JV**), for a cash investment of US\$35 million.

Xanadu's Executive Chairman & Managing Director, Colin Moorhead, said, "FIRB approval is an important step in finalising our agreement with Zijin, confirming the Australian Government's approval of the transaction. This brings us one step closer to the funding we need to develop Kharmagtai to a decision to construct and continue to realise its potential."

About Xanadu Mines

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.

For further information, please contact:

Colin Moorhead
Executive Chairman & Managing Director
E: colin.moorhead@xanadumines.com

Spencer Cole
Chief Financial Officer & Chief Development Officer
E: spencer.cole@xanadumines.com

P: +61 2 8280 7497

W: www.xanadumines.com

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

All dollar amounts are in Australian dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in this Announcement, 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 Announcement or to reflect the occurrence of unanticipated events, other than required by the *Corporations Act 2001* (Cth) and the Listing Rules of the Australian Securities Exchange (**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 Announcement are qualified by the foregoing cautionary statements. Investors are cautioned that 'forward-looking statements' are not guarantee of future performance and accordingly investors are cautioned not to put undue reliance on 'forward-looking statements' due to the inherent uncertainty therein.

For further information please visit the Xanadu Mines' Website at www.xanadumines.com.