

RIU Presentation

9 May 2023

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

RIU Sydney Resources Round-up Presentation

Please find attached for release to the market, Xanadu Mines Ltd's Presentation to the *RIU Sydney Resources Round-up*, being held 9 -11 May 2023.

-ENDS-

For further information, please contact:

Colin Moorhead
Executive Chairman & Managing Director
P: +61 2 8280 7497
E: colin.moorhead@xanadumines.com
W: www.xanadumines.com

Spencer Cole
Chief Financial Officer
P: +61 2 8280 7497
E: spencer.cole@xanadumines.com

For information on Xanadu visit: www.xanadumines.com.

This Announcement was authorised for release by Xanadu's Executive Chairman and Managing Director.

XANADU MINES

Discovering and Defining World Class Mineral Deposits in Mongolia

RIU Sydney Resources Round-Up
Conference Presentation

9-11 May 2023



Cautionary Statements

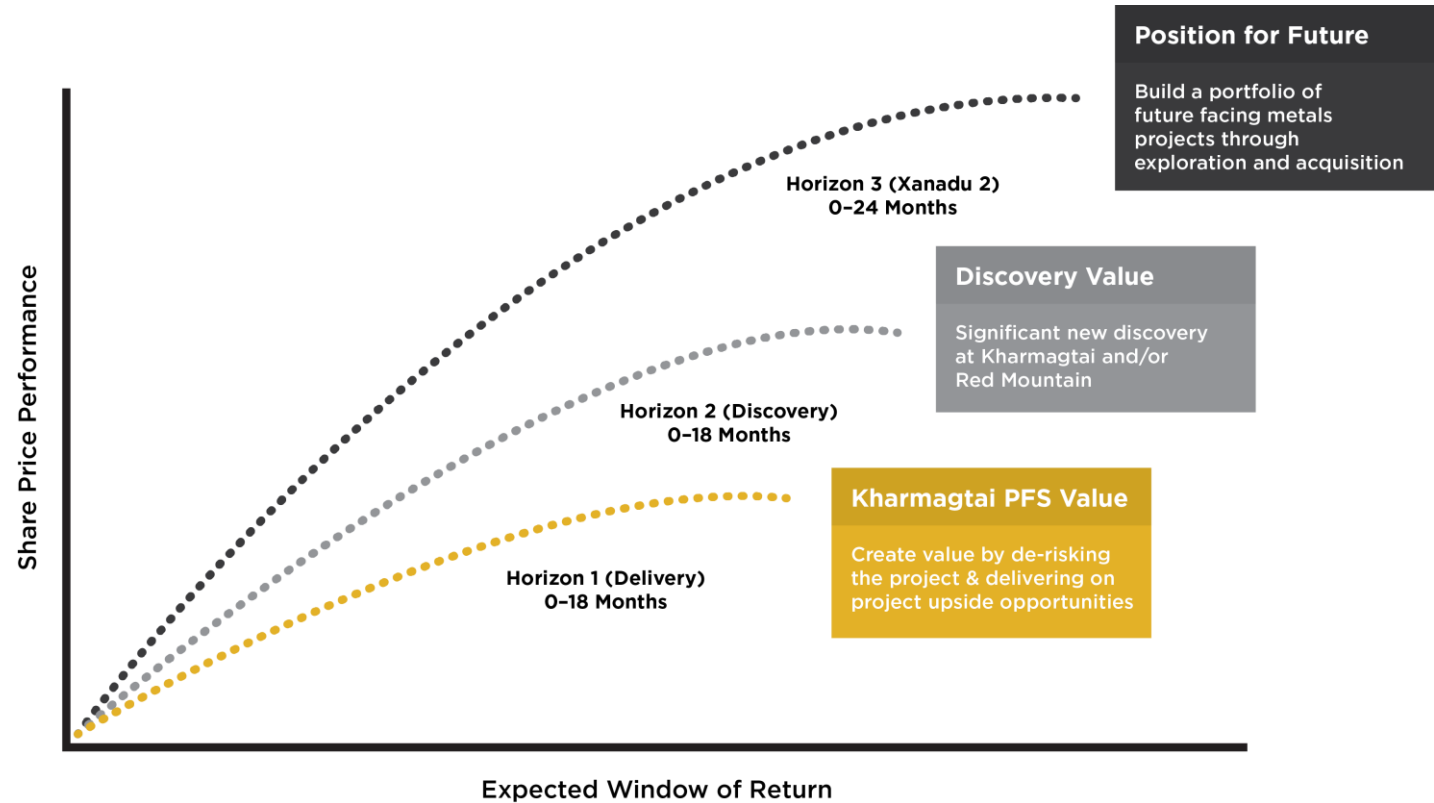
The Study has been undertaken to assess viability of developing the Kharmagtai Copper-Gold Project by constructing an open cut mine and processing facility to produce copper concentrate for export. It is a preliminary technical and economic Study of the potential viability of the Kharmagtai Project. 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 document. 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 project. If it does, this could materially reduce Xanadu 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, 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 this 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 this Study. For full details of the Mineral Resource Estimate, please refer to Xanadu 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 release. 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 this Study is US dollars.

Forward Looking Statements

Certain statements contained in this 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 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 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 this Study. To achieve the range of Kharmagtai Copper-Gold 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 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 Copper-Gold Project and these financial institutions and corporations have expressed an interest in being involved in funding of the Project. This ASX 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 this ASX Study.

Creating Value from Discovery Driven Growth in Mongolia

Copper/Gold Focus & Positioning for Battery Minerals Future



Creating Value Across 3 Horizons

Horizon 1 - Kharmagtai Project De-Risking Ahead of Financial Investment Decision

- The Next Large-Scale Mongolian Copper Development
- First quartile copper industry costs for first 5 years at ~US\$1/lb copper¹
- Funded for PFS Completion including 30,000m infill & expansion drilling programme, with US\$35M cash in the bank
- Xanadu's Partner Zijin provides balance sheet, construction experience and operating capability

Horizon 2 - World Class Discovery

- Aggressive 24,000m discovery exploration programme underway at Kharmagtai²
- Future exploration planned at highly Prospective Red Mountain Project

Horizon 3 - Organic Growth

- Positioned to build a portfolio of future facing commodities (copper, nickel, and lithium) in Mongolia

1,638M

Shares on issue

\$0.04

Share Price (3/05/2023)

\$65.5M

Market Capitalisation

A\$6.2M XAM + US\$34M Khuiten

Xanadu Cash Balance plus Khuiten Metals JV Cash reported @ 31/03/2022

62% Top 20 Shareholders

INSTITUTIONAL SHAREHOLDERS

Zijin 19%
ACA 14%
Others 14%

BOARD & MANAGEMENT

9.2% on a fully diluted basis³
(48m shares & 112m performance options)

Proven Board & Management Team

Board



Colin Moorhead

Executive Chairman & Managing Director



Ganbayar Lkhagvasuren

Country Manager & Executive Director



Michele Muscillo

Non-executive Director



Tony Pearson

Non-executive Director



Shaoyang Shen

Non-executive Director
(Nominated by Zijin)

Management



Munkhsaikhan Dambiinyam

Chief Operating Officer



Andrew Stewart

Vice President Exploration



Mat Brown

Chief Geologist



Spencer Cole

Chief Development Officer
Chief Financial Officer



Guodong Yu

Deputy General Manager,
Kharmagtai Project
(On secondment from Zijin)

Our Board and management team are highly experienced with a track record of discovering & developing successful porphyry copper-gold mines.

- ✓ Mongolia Expertise
- ✓ Deep Exploration Skills
- ✓ Experienced Developers of Porphyry Deposits
- ✓ Significant Commercial and Deal Making Capability

Supporting Mongolia to Develop Mining in South Gobi Region

Sustainability is Our Everyday

Act in a
Transparent
and Ethical
Manner

Create Value
and Develop, Maintain
Strong Relationships
with all Stakeholders

Ensure Safe and
Healthy Operations

Minimise Current and
Future Environment
Footprint

3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



6 CLEAN WATER
AND SANITATION



8 DECENT WORK AND
ECONOMIC GROWTH



11 SUSTAINABLE CITIES
AND COMMUNITIES



13 CLIMATE
ACTION



15 LIFE
ON LAND



16 PEACE, JUSTICE AND
STRONG INSTITUTIONS



Mongolia is our Competitive Advantage

Proven & emerging mining jurisdiction with excellent infrastructure

Scale of Deposits – Multiple globally significant discoveries, still underexplored

Location – On China's doorstep, the key global copper consumer, with lots of land and a sparse population

Infrastructure – Next door to Rio's Oyu Tolgoi, with established grid power, roads, rail and water

Mining Culture – Mining represents 21% of GDP, 85% of exports, and there are >40,000 Mongolian mining professionals in the workforce

Stable and Democratic – With a 30 year history of democratic elections and 98% literacy rate

Local Knowledge - Deep knowledge of the geography and demonstrated ability to operate in Mongolia



Majors Investing in Mining's Last Frontier

Mongolian Exposure Initiated or Increased by International Miners

BHP re-entered Mongolia in Jan 2023 via its Xplor Accelerator Program. Xplor investing to accelerate exploration discovery growth for Asian Battery Minerals, who owns 3 critical minerals projects in Mongolia¹

Rio Tinto bought remainder of Oyu Tolgoi Copper Gold Project, via acquisition of remaining 49% interest in Turquoise Hill Resources for \$3.3 billion in **Dec 2022**²

Zijin Mining made inaugural investment in Mongolia, via its Strategic Partnership with Xanadu Mines in **Mar 2023**³

¹ <https://www.bhp.com/news/articles/2023/01/bhp-xplor-selects-seven-companies-to-help-accelerate-copper-and-nickel-exploration>, <https://asianbatteryminerals.com.au/projects/>

² <https://www.riotinto.com/en/news/releases/2022/rio-tinto-acquisition-of-turquoise-hill-receives-shareholder-support>

³ ASX/TSX Announcement 13 March 2023– Zijin & Xanadu Transaction Completed

The BHP logo is displayed in a bold, orange, sans-serif font.The Rio Tinto logo is displayed in a red, serif font.

Strategic partnership with Zijin Mining Group

XANADU MINES

Zijin Aiming to be World Top 3 Copper & Gold Producer

Quality Discoveries Brought to Production

- Ownership in 3 of Top 10 newly discovered copper project over past 20 years, which are now successful operating mines:
 - #1 Kamo-a-Kakula Cu (DRC)
 - #4 Timok Cu Au (Serbia)
 - #6 Julong Cu (Tibet)
- Majority of other discoveries yet to achieve producer status

Expanding Major Assts

- Accelerating multi phased mine expansions at Kamo-a-Kakula & Julong
- Developing large-scale underground at Timok Lower Zone

Continuing Growth Investment

- Increase Mineral Resources investment in China & neighbouring countries
- Focus on developing & acquiring scalable mining projects to deliver significant future impact





Large Resource

1.1Bt containing 3Mt Cu & 8Moz Au incl. >100Mt higher-grade zone¹

- Resource still open at depth & along strike
- New high-grade bornite intercepts extended mineralisation post 2021 Resource model²



High Quality Project

PEA / Scoping Study³ delivers US\$630M NPV; 4-yr payback & 20% IRR

- 30-yr mine life; producing 50ktpa copper & 110kozpa gold
- First quartile AISC for first 5 years



Well Funded

US\$35M completes PFS & enables continued Discovery Exploration

- Strategic partnership with Zijin Mining Group⁴

1 ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1 Billion Tonnes

2 ASX/TSX Announcement 1 December 2021 – Further Extensions to High Grade Zones at Stockwork Hill

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

4 ASX/TSX Announcement 13 March 2023 – Zijin & Xanadu Transaction Completed & Kharmagtai PFS underway

Kharmagtai

Our Flagship Project



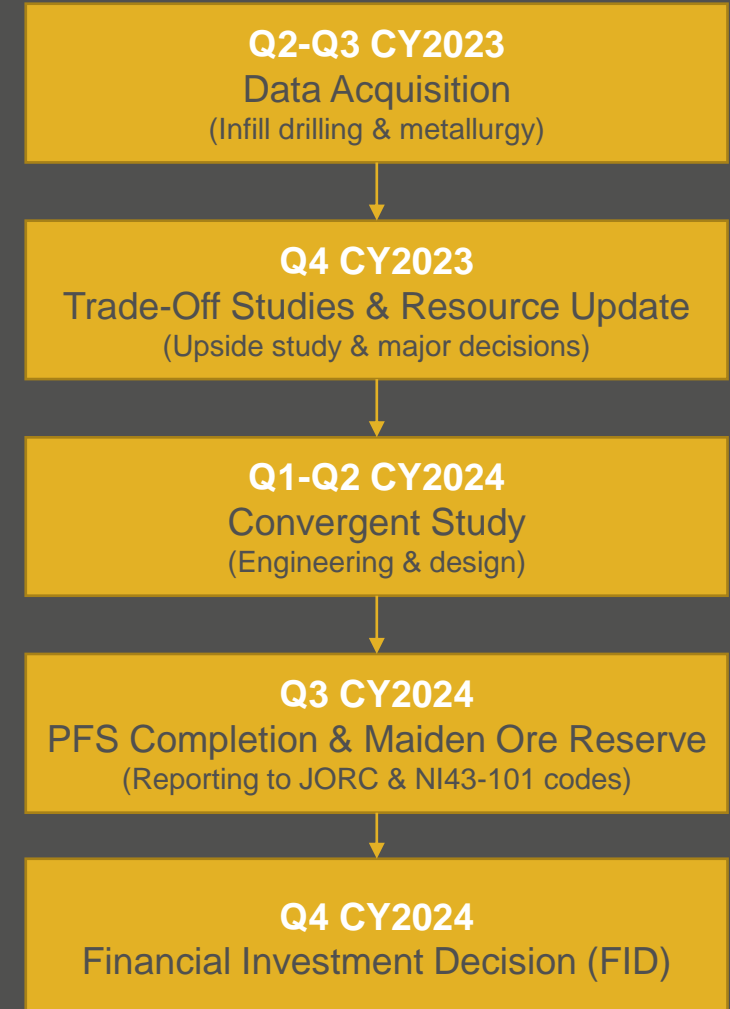
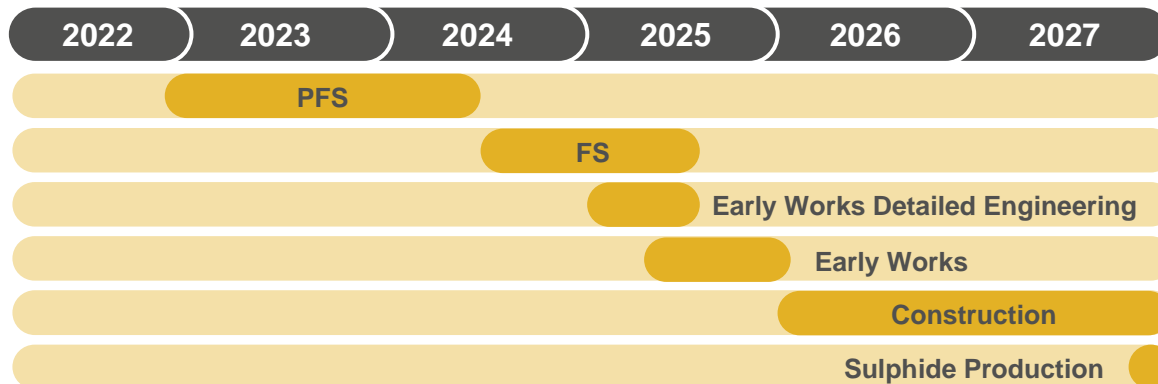
Horizon 1 - Kharmagtai Copper-Gold Project

De-Risk & Progress Project Towards Commercial Production

Kharmagtai Pre-Feasibility Study

- Funded by Khuiten JV with Zijin¹
- Uplift Value via metallurgy, processing and mining technology upside studies
- Select single go-forward design
- Deliver upgraded Mineral Resource and Maiden Ore Reserve
- Progress de-risking of regulatory and social license to operate
- Enable Decision to Mine in 2024

On track to achieve production in Q4 CY2027

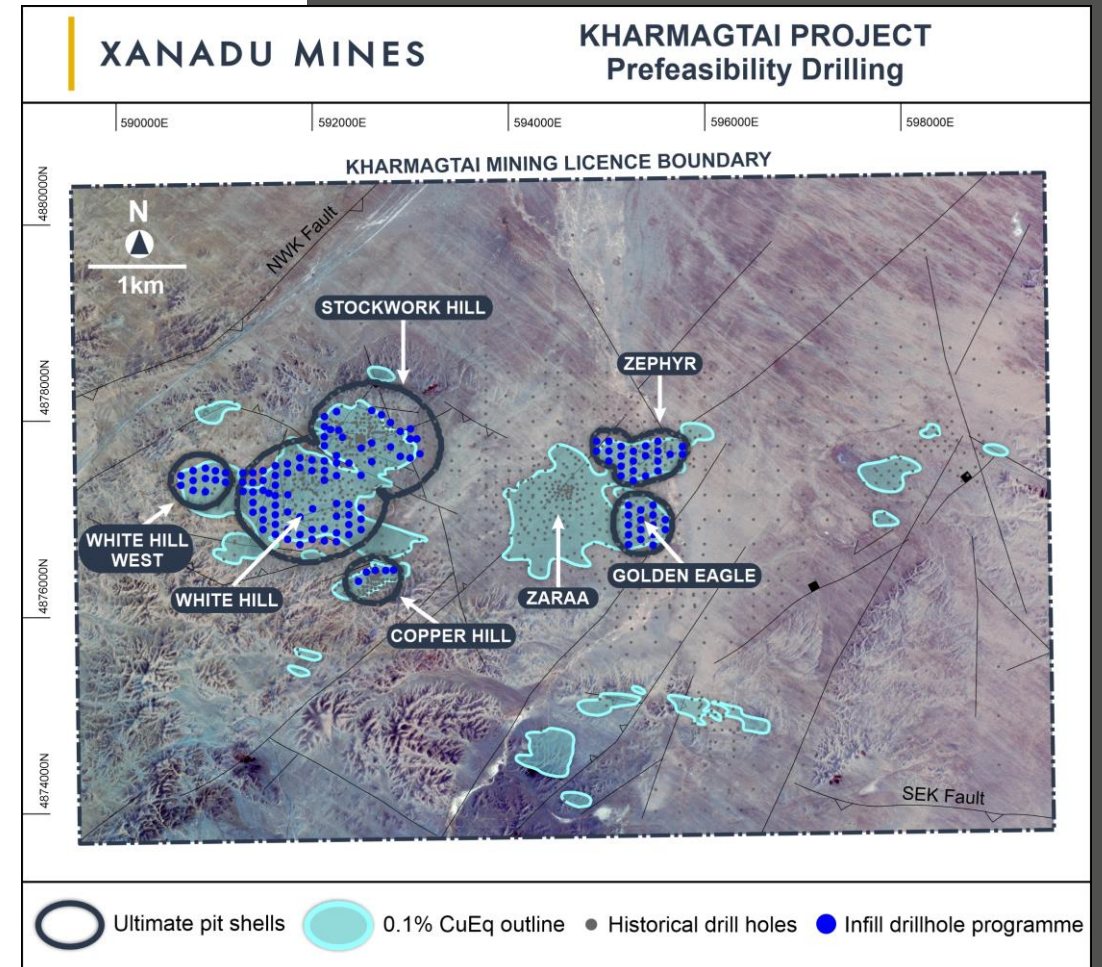


¹ JV cash funds both Xanadu's and Zijin's portion of each activity. There is no further cash required until decision to construct at the end of 2024.

Significant Resource Upside

Kharmagtai infill and delineation drilling off to a flying start

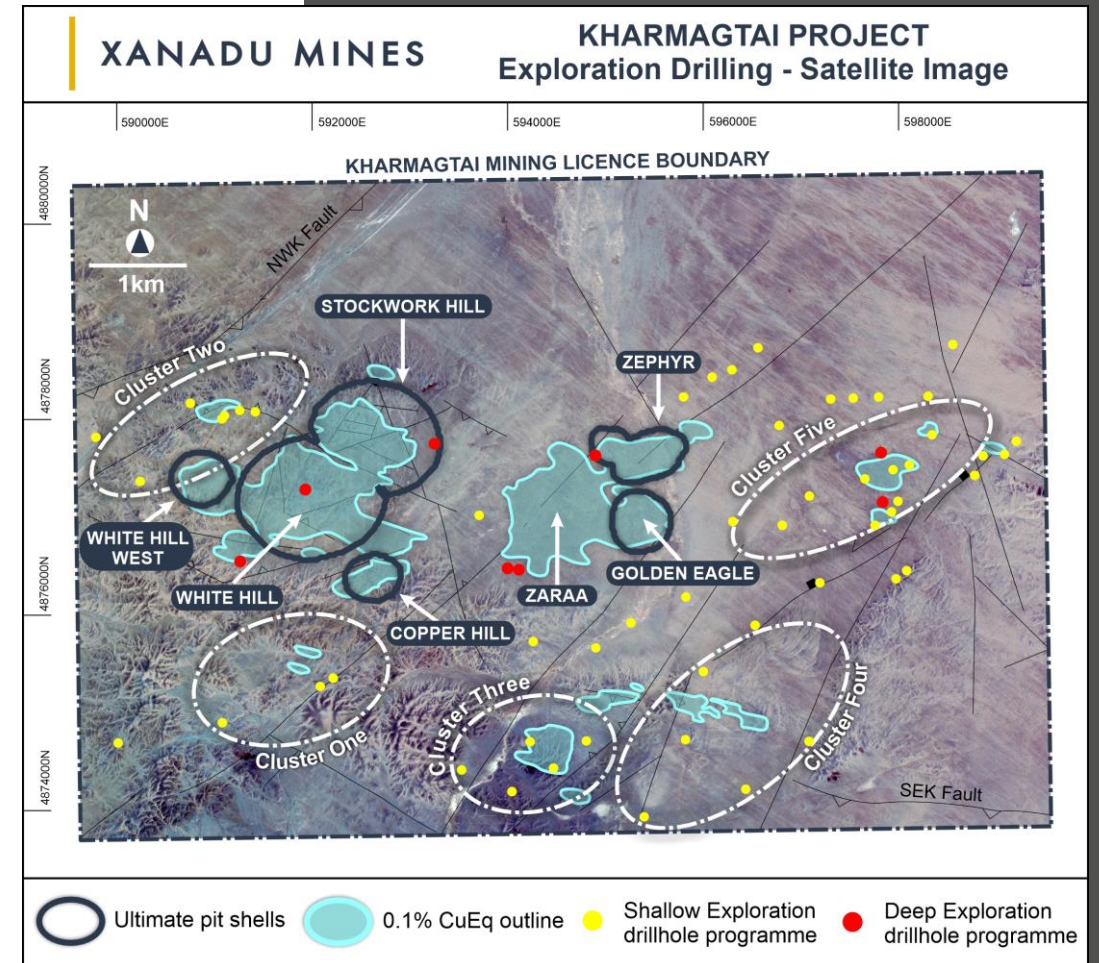
- Drilling designed to upgrade, improve and grow the large Kharmagtai open-pit resource, supporting delivery of our PFS and a Maiden Ore Reserve
- 30,000-metre infill & expansion diamond drill programme to support the Pre-Feasibility Study (PFS) is well-underway¹
- Drilling targets shallow open pit Mineral Resource areas for upgrade to Indicated Resource classification and to extend strike length
- Upgraded Mineral Resource Estimate is due for completion in Q4 CY23
- Detailed PFS geometallurgical, geotechnical, open-pit mining and infrastructure studies have commenced



Drilling for New Discoveries at Kharmagtai

Aggressive growth & discovery drill programme underway

- Five unexplored porphyry cluster identified within the Kharmagtai district
- Existing geochemical, geological and geophysical data point to the resources at Kharmagtai (+1Bt) being the shallow surface expression of a much larger porphyry system¹
- 24,000-metre discovery exploration programme is underway at the Kharmagtai copper-gold project²
- One diamond drill rigs targeting:³
 - Shallow high-grade open pitable resources
 - Large-scale high-grade potential beneath the existing resources

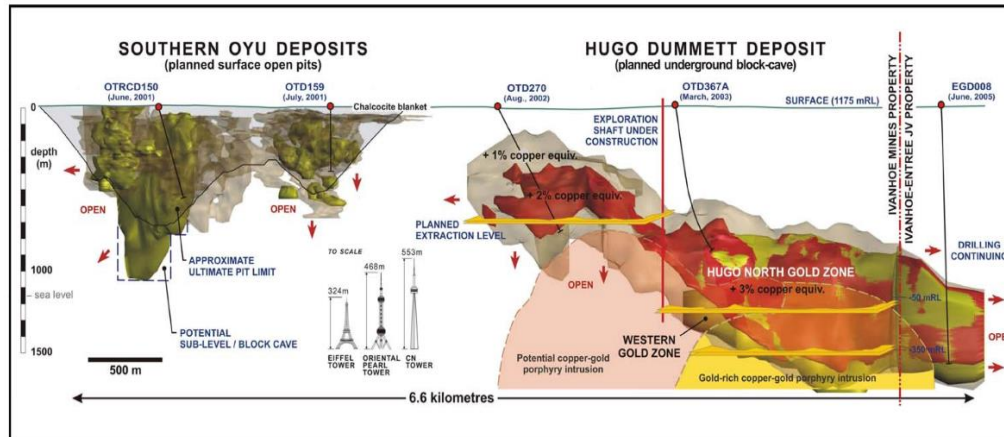


Exploration Upside Remains - Example

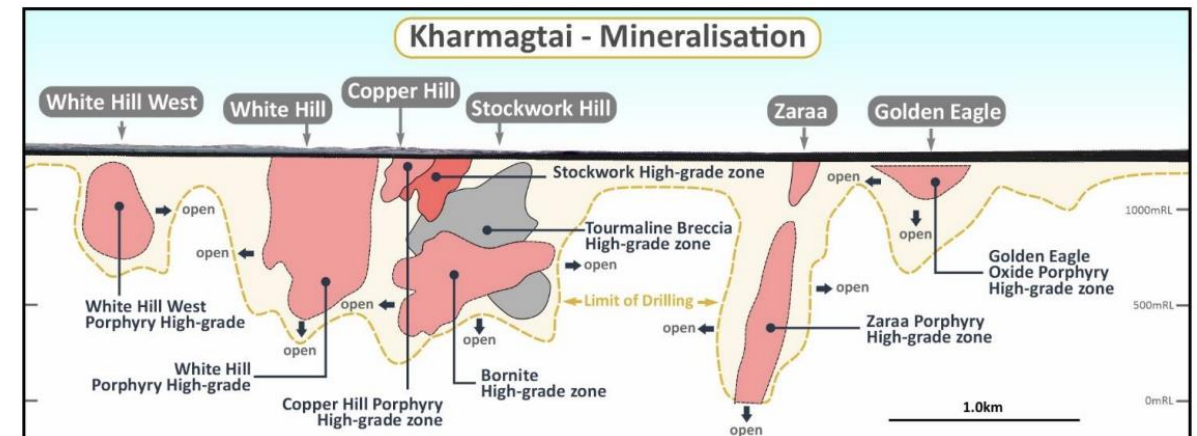
Higher-grade depth limit untested; targeting a “Hugo North” analogue

Kharmagtai vs Hugo North

Factor	Hugo North (HN) ¹	Kharmagtai (KH)	KH vs HN Scorecard
Mineralisation	Stockwork with bornite rich core, zoning to chalcopyrite & pyrite	Stockwork Hill has bornite rich core, zoning to chalcopyrite & pyrite	✓
Cu & Au Grades	Starts below 900m and increases to the north.	Starts at surface and increases with depth	✓
Au : Cu Ratio ²	<ul style="list-style-type: none"> Up to 1:10 in south Up to 1:1 in north Best Au grades associated with bornite 	<ul style="list-style-type: none"> Up to 2:1 at surface Up to 5:1 at depth Higher Au grades (avg 3:1) in bornite zone 	✓
Depth	Starts at 800 – 900m	Limited drilling below 800m	✗



Hugo North Mineralisation³ – Starting Depth ~800m



Kharmagtai Mineralisation – Limits of Drilling ~800m

¹ https://www.researchgate.net/publication/276086472_The_Giant_Oyu_Tolgoi_Porphyry_Copper-Gold_Deposit_Discovery_History_and_Exploration_Implications_South_Gobi

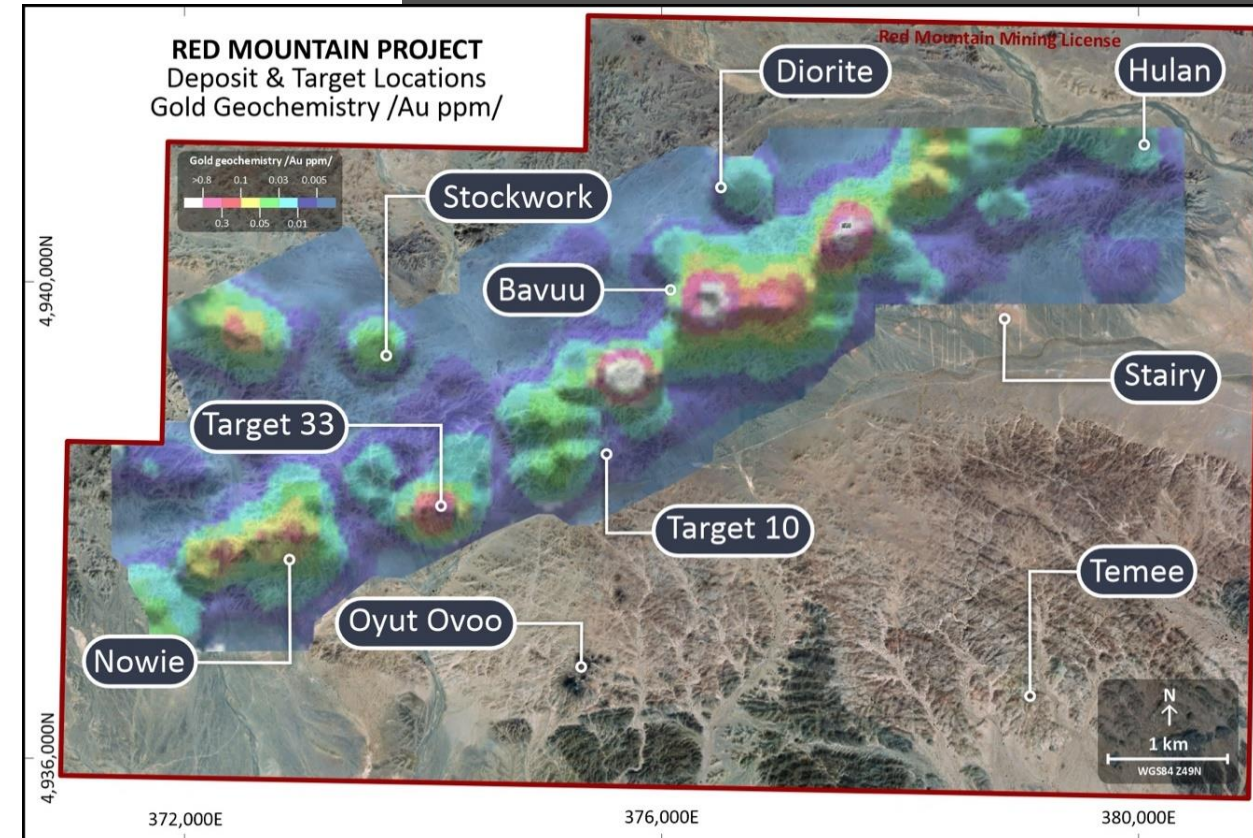
² shown as Au (g/t) : Cu (%)

³ http://www.cmi-capital.com/Doc_Server/SEEGF_Docs/Kirwin/1-OT%20Discovery%20%203SEG-Europe-10%20Sep%202006.pdf

Red Mountain Exploration

Large under explored Porphyry copper-gold district

- Granted Mining Licence
- Multiple co-genetic porphyry gold and copper centres, mineralised tourmaline breccia pipes, gold and copper base metal magnetite skarns and epithermal gold veins
- Shallow, high-grade gold & copper-gold mineralisation
 - 4 mineralised Cu-Au systems
 - 2 epithermal Au-Ag systems
- New target generation completed
- Exploration in 2023 targeting smaller scale, high-grade deposits enabling lower capex development



Position & Explore for 'Future Facing' Elephant Deposits

Leverage Competitive Advantage with Expanded Battery Materials Remit

- Incubate portfolio of high quality projects through exploration, development and acquisition
- Future facing commodities: **copper, nickel & lithium**
- South Gobi largely underexplored for battery minerals
- Using modern exploration techniques, we expect high potential for major discoveries
- Our broader exploration pursuit will enable us to leverage our South Gobi expertise, to discover and define the next major battery mineral deposits





World Class

Globally significant scale, low strip open-pit project in proven and growing mining jurisdiction of Mongolia. 1.1Bt containing 3Mt Cu & 8Moz Au Resource, incl. >100Mt higher-grade zone¹



De-risked Project + Significant Exploration Upside

Strategic partnership with Zijin
US\$35M completes PFS & enables continued discovery exploration²



ESG is Our Everyday

Sustainability is core to our business. Strong social license to operate, ESG integrated into business practices and supportive shareholders



Growth + Exploration is Our DNA

A formidable track record of discovery and deep Mongolian experience. Ongoing discovery exploration at Kharmagtai retains significant upside potential, and actively expanding portfolio with projects aimed at future facing battery minerals





Contact

Keep up to date with us



ASX:**XAM** | TSX:**XAM**

Colin Moorhead
Executive Chairman
and Managing Director

P: +61 2 8280 7497
E: colin.moorhead@xanadumines.com

Spencer Cole
CFO and Chief
Development Officer

P: +61 2 8280 7497
E: spencer.cole@xanadumines.com

An aerial photograph of a mining site. The terrain is dark brown and appears to be a large open-pit mine. In the center, there are several large white cylindrical structures, likely storage tanks or processing units, arranged in a grid. To the left, there are various pieces of heavy machinery, including what looks like a large excavator and several trucks. The overall scene is industrial and shows the scale of the mining operation.

XANADU MINES

Appendix

Kharmagtai Copper Resource Globally Significant

2021 Resource added 61,500m to the 2018 resource model

- Larger: Scale increase 0.6Mt to 1.1Mt, plus doubled higher-grade zones (>0.8% CuEq)
- Better Defined: Indicated classification increase from 22% to 41%
- Higher Value: Doubled gold by-product from 4Moz to 8Moz
- Still Has Upside: Strong growth potential at depth and along strike

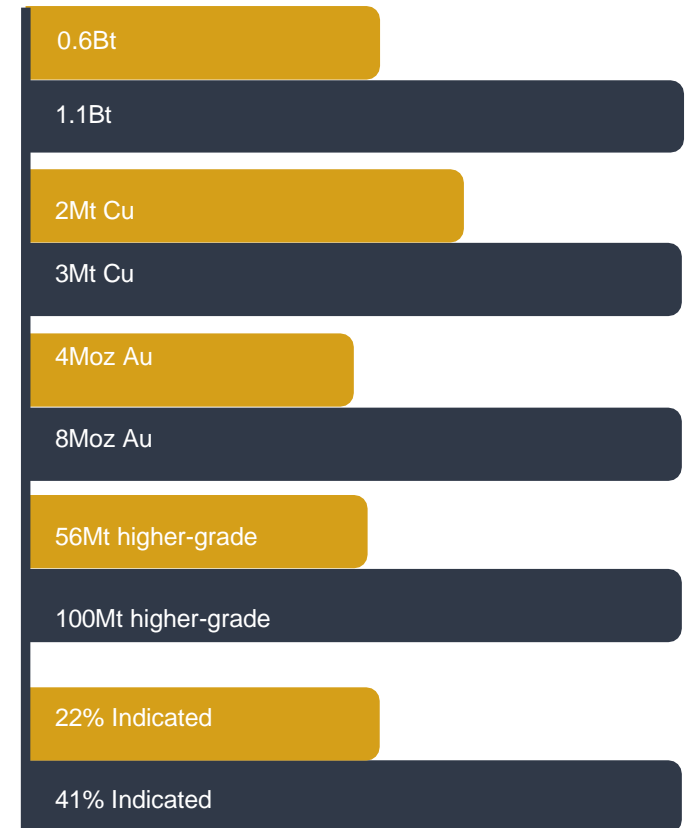
Resource	Cutoff (% CuEq)	Classification	Tonnes (Mt)	Grades			Contained Metal			
				CuEq (%)	Cu (%)	Au (g/t)	CuEq (Mlbs)	CuEq (kt)	Cu (kt)	Au (koz)
2021 ¹	0.2(OC) 0.3(UG)	Indicated	455	0.4	0.3	0.2	4,078	1,850	1,250	3,700
		Inferred	664	0.3	0.2	0.2	5,140	2,330	1,680	4,100
2018 ²	0.3(OC) 0.5(UG)	Indicated	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 18 December 2018 – Technical Report to support Kharmagtai Mineral Resource

² ASX/TSX Announcement 28 February 2022 – Kharmagtai Technical Report

³ ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1 Billion Tonnes

⁴ ASX/TSX Announcement 1 December 2021 – Further Extensions to High Grade Zones at Stockwork Hill



2018 Mineral Resource¹

2021 Mineral Resource^{2,3}

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.

Benchmark Data

ASX Copper Developers

Project	Resource					Cut-off Grade	Resource Date
	Cu Mt	Au Moz	Ag Moz	Co kt	Mo kt	% Cu	
Kharmagtai Porphyry	3.01	8.00				0.23	Dec-21 ¹
Costa Fuego Porphyry	3.36	2.92	12.52		80.80	0.21	Mar-22
Caravel Porphyry	2.84				38.00	0.10	Nov-21
Hillside IOCG	1.90	1.53				0.2	Dec-22

Project	Strip Ratio	Ore Processing Throughput	Copper Production			LOM	LOM Production					Reported Level of Study	Report Date
			First 5 Years	Steady State	Annualised								
			Mtpa	ktpa	ktpa		ktpa	yrs	Cu Mt	Au Moz	Ag Moz		
Kharmagtai Porphyry	1.1	25.0	40		50	30	1.50	3.30				Scoping / PEA	Apr-22 ² , Jun-22
Costa Fuego Porphyry	1.5	20.0			100	20	2.00	1.00				Mar Qtr 2023 / VRIC Corporate Presentation	Apr-23, Jan-23
Caravel Porphyry	1.3	30.0	71	65	66	25	1.66				22.50	PFS Processing Update / PFS	Apr-23, Jul-22
Hillside IOCG	6.9	8.0		42	45	33	1.49	1.27				DFS / Ore Reserve	Dec-22, Jul-21

Mineral Resource used in benchmarking includes Inferred, Indicated and Measured classifications. Contained metal Resource and cut-off grades are inline with Company Disclosure.

Project characteristics including development stage, first production date, life of mine (LOM), strip ratio, ore processing throughput and metals production over various time horizons (LOM, first 5 years, steady state and annualised), as reported by each company.

¹ ASX/TSX Announcement 8 December 2021 –Kharmagtai Resource Grows to 1.1 Billion Tonnes

² ASX/TSX Announcement 6 April 2022 –Scoping Study –Kharmagtai Copper-Gold Project

Attractive “Go Forward” Options Fortify JV

Unlocking a Funded Production Pathway

- Xanadu now has **right to exercise a Put Option** (up to 6 months post PFS completion), paving funded pathway to Kharmagtai production, and/or asset sale. Available Options for Xanadu after PFS
 - A. Sole Fund:** 50% share financed through a combination of equity & debt
 - B. Partial Asset Sale & Loan Carry:** Sell 25% share for US\$25M, remaining 25% loan carried with Zijin (see *slide 25*)
 - C. Full Asset Sale:** Sell 50% share to Zijin for US\$50M
- With these Options, Xanadu is in a strong position to unlock greatest value
 - Providing strategic protection for Xanadu shareholders
 - Options are resilient to market conditions

Debt Funded Pathway to Production

Option B: Sell 25% share in Kharmagtai for US\$25M to Zijin

Loan Carried for remaining 25% share of project construction:

- Project financed via direct loan with Zijin
- Interest priced variably at 6-Month Tenor Secured Overnight Financing Rate (SOFR) + 5% pa. Under current SOFR¹, project finance interest priced at 9.43%²
- Once **commercial production** achieved for Xanadu's 25% interest in Kharmagtai production & cashflow, the loan is immediately repaid from **90% of XAM share** of operating dividends

Scenario Delivers **Mutually Beneficial** Shareholder Outcome:

- ✓ **NO further equity raisings** to achieve Kharmagtai production
- ✓ **Attractively priced** project debt in the face of unpredictable market conditions & expectation for higher interest rate environment
- ✓ Special **majority JV approval** for critical business matters

¹ <https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>

² Interest priced variably at 4.42% 6-month tenor SOFR (as at 3 May 2023) + 5%pa