

XANADU MINES

Kharmagtai Grid Connection Fully Commissioned

24 August 2023

Xanadu Mines Ltd (ASX: XAM, TSX: XAM) (Xanadu or the Company) and its joint venture partner Zijin Mining Group Co., Ltd. (Zijin) are pleased to announce that the Kharmagtai Copper-Gold Project (Kharmagtai) is now connected to the Mongolia Southern Electricity Distribution Network (SEDN). Additional site upgrades are also underway to prepare Kharmagtai for the transition into Construction stage.

Highlights

- **35kV line connected and commissioned to Mongolian SEDN, the same grid used by the large Oyu Tolgoi Copper and Gold Project.**
 - Meets electricity needs for Kharmagtai Pre-Feasibility Study (PFS) and Discovery Exploration.
 - Current solution is expandable to meet Construction stage electricity requirements.
 - Significantly reduces Kharmagtai Scope 1 emissions.
 - Separate power study underway to address future Operations demand.
- **Additional site upgrades underway to prepare Kharmagtai for Construction.**
 - Modern core processing facility.
 - Additional 30-person, modern accommodation.
 - Drinking water filtration.
 - Greenhouse commissioned, run by locals to feed employees and sell to surrounding community.
- **Small but tangible steps toward ESG objectives to be a leader in sustainable exploration and development and deliver a modern, contemporary, low impact and long-life copper-gold mine to the Mongolian economy.**

Xanadu's Executive Chairman & Managing Director, Colin Moorhead said, "These upgrades clearly demonstrate Kharmagtai moving from an exploration project into the near-term Construction stage. By connecting to the grid, we remain true to our project principles to minimise Scope 1 emissions and enabling us to become greener in line with grid improvements. Pleasingly this will enable us to meet electricity requirements for Construction

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as well as the current studies stage. The new, modern core processing facility will better enable us to meet the needs of an operating site as well as continued exploration consistent with a long-life, large-scale copper-gold project. Importantly, these programs including the greenhouse both improve the work environment on site and make small but tangible steps towards our ESG objective to a leader in sustainable exploration and development and to deliver a modern, contemporary, low impact and long-life copper-gold mine into the Mongolian economy.”

SEDN Grid Connection

The 35kV connection to the grid (**Figure 1**) was completed ahead of time and on budget, enabling the Kharmagtai project to convert to electric power from the grid and shift its diesel gensets into backup mode. This will significantly reduce diesel usage and therefore Scope 1 emissions on site. The connection provides sufficient power to meet current needs and is expandable with the same poles to meet future construction needs as Kharmagtai moves toward an operating mine.



Figure 1: 35kV connection to Mongolian SEDN grid.

Modern Core Processing Facility

The new Kharmagtai core processing facility currently under construction (**Figure 2**) will replace the current core shed which was over 20 years old, reaching the end of its useful life, and designed only for an early-stage exploration project. The new facility will use a modern design and flow sheet and include specific facilities for modern scanning equipment, offices, meeting room and technical review facilities, as well as traditional core cutting, logging and processing.



Figure 2: New Core Processing Facility under construction

Additional Upgrades

The Kharmagtai project is building additional, modern, 30 bed accommodation block (**Figure 3**) for expanded workforce on site as the project moves toward construction and eventual operation.



Figure 3: New Accommodation Block under construction.

Accompanying this is a greenhouse on site which employs locals to provide long term, locally sourced food for employees (**Figure 4**). A new water filtration system was also installed to reduce use of bottled water and creation of plastic waste (**Figure 5**).



Figure 4: New Kharmagtai Greenhouse



Figure 5: New Kharmagtai Water Filtration Systems

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 is operator of the globally significant Kharmagtai copper-gold project.



For further information on Xanadu, please visit: www.xanadumines.com or contact:

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