

Chairman's Address & Presentation Slides – 2025 AGM

22 May 2025

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Chairman's Address and Presentation Slides 2025 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 11:00am AEST today.

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

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CHAIRMAN'S ADDRESS

Slide 7 – Update from the Chairman and Managing Director

As I reflect on the recent takeover bid offer announced by the Singapore group Bastion Mining, it's important to recognise this offer has not come overnight. It is built on the successes and hard work of the entire Xanadu team over the last 5 Years.

I joined the Company as Chairman in 2019, when it was at a low point with a share price languishing around 2 ½ cents. We controlled the lease over a world class deposit at Kharmagtai, but momentum for the project had stalled and the market had lost confidence.

With a refreshed Board and strategy, we recapitalised the company with a goal to answer three important questions for the Kharmagtai project and the market.

- How big is it?
- Is it economic?
- Will it ever be built and how will you fund it?

We answered those questions between 2021-2022, with a more evenly drilled and complete Resource, an international standard Scoping Study or PEA, and finally we negotiated a strategic partnership with Zijin Mining Group, which gave credibility for the project to be funded and built.

Success breeds more work, and 2023-2024 was exceptionally busy. With the injection of US\$35M funding by Zijin into the Joint Venture, we embarked in a major exploration, data acquisition and studies program at Kharmagtai, with over 80,000 metres drilled

This culminated in a high-quality Pre-Feasibility Study and a maiden ore reserve, peer reviewed by internationally recognised experts and delivered to both ASX/JORC and TSX/NI43-101 standards. The PFS put the value and scale of this project into a truly high standard of confidence.

That brings us to today, with a deal announced that will, assuming the bid conditions are satisfied or waived, lead to a shareholder liquidity that rewards our long supportive shareholders.

Life as a junior explorer and developer is about taking risks, and this one is paying off. The hard work, knowledge and experience of the team over the last 5 years has demonstrated that a properly run junior company with a quality asset can deliver for its shareholders.

On behalf of the Board, I would like to personally thank our shareholders for their support, our employees for their efforts over the past 12 months, the many professionals who've helped us along this journey.

Slide 8 –Mongolia is our Competitive Advantage

As always, at Xanadu we don't miss a chance to talk about Mongolia and are big supporters of the country as a mining jurisdiction.

Mongolia isn't as well-known as other mining provinces, it is emerging as one of the last truly underexplored frontiers, only recently open to modern exploration. Even so the discovery track record for large scale projects is strong, with Rio's Oyu Tolgoi mine, Kharmagtai coming in its footsteps, and others to follow.

Mongolia:

- Is on the doorstep of China, the world's largest consumer of metals.
- Has a highly educated workforce and is stable and democratic.
- Has relatively low ESG barriers in the South Gobi, not due to low standards, but due to low population and a mining culture.
- Has a government that is investing in mining infrastructure in the South Gobi, including rail, road, power and water investments in the region.

And finally, we at Xanadu have local expertise and networks. We've operated effectively and to an international standard in Mongolia since 2005.

Slide 9 - Kharmagtai - a Flagship Asset at PFS Stage

Kharmagtai is our flagship asset, a copper-gold project in the South Gobi region of Mongolia, about 120km away from Rio Tinto's Oyu Tolgoi mine. It has a long-dated license, and we expect it to be Mongolia's next big copper mine.

The Kharmagtai Pre-Feasibility Study was completed and published last October, showing a large-scale project with economics that work on scale, byproduct credits and low strip ratio, with a relatively quick payback linked to higher grade target zones within the resource.

The study was completed with funding and technical support from our JV Partner Zijin Mining Group, and we're very pleased with the outcome

Slide 10 – Significant Resource and Reserve

Kharmagtai is a very large porphyry system, at the kind of scale that global mining majors are looking for. Mineralisation is porphyry stockwork and tourmaline breccia, with copper to gold ratios in starting at 1% Cu to 1g/t Au in stockwork increasing to a 1% to 3g/t ratio in deeper bornite zones.

The Resource includes 2.2Bt of ore, containing 4.7Mt of Cu and 11Moz of Au. It remains open at depth and along strike and like many big porphyry systems it is only going to grow.

The open pit resource is constrained by the PFS mining shapes and marginal cut-off grades. However, you'll see from these images that there is a fair amount of grade outside of the pits. That material sits in an underground Resources that we believe will continue to grow, and longer term it will likely be a block cave.

The Maiden Ore Reserve was developed as part of our PFS. It excludes the final high-value cutback of White Hill, because that has to mine through some inferred material, and that will be addressed in the FS Resource drilling. As a large, diffuse porphyry system the outcome of that drilling is relatively high confidence

Slide 11 – PFS Highlights

The Kharmagtai PFS has been reported to both ASX and TSX standards and demonstrates a significant Cu-Au project, producing 75ktpa of copper and 165kozpa of gold over 29 years.

Economics include 21% IRR, 4-year payback, and \$930M NPV on \$890M initial investment. C1 costs are in first quartile for its first 9-years and second quartile over the life of mine.

The technical design is a conventional truck & shovel open pit with a sulphide flotation plant, which is augmented by gravity and CIL to increase gold recovery.

Similar to what I was saying about the Maiden Ore Reserve, the NI43-101 had to exclude that final White Hill cutback, so it has different economics than the PFS reported to ASX, but nonetheless the NI43-101 includes a lot of good technical detail about the project.

The next step for Kharmagtai will be a Bankable Feasibility Study and Mongolian approvals, followed by FID and construction, with Zijin as operator through these stages.

Slide 12 – Kharmagtai Joint Venture

The next step for Xanadu is all about value for our shareholders.

Kharmagtai is managed by a JV with Zijin, structured around named operatorship under shared control. Worth noting:

- The JV Board is 50-50 with equal voting.
- Xanadu was operator during the PFS.
- Zijin is now operator for the FS and Construction stages.

Under this structure, Xanadu needs to fund its 50% share, and prior to today's announcement, we put a lot of work into the different options to do this. Those included:

- Put options, whereby Zijin will fund half our share of the project through to commercial productions.
- Financing that we've put in place to hold onto our 50% share through the Feasibility Study through to FID, so that we can negotiate a future deal with a more de-risked and correspondingly more valuable project.

- And importantly, consistent with our announcement early this week, we have been talking to third parties about corporate change of control transactions which will, if successful, reward our shareholders and bring in a new party to enable funding to progress the project.

Slide 13 – Copper Focused Exploration Portfolio

Outside our flagship Kharmagtai project, we have two high quality copper focussed exploration projects in Mongolia.

Red Mountain

- Is located in the South Gobi and is also a former Ivanhoe project.
- Has multiple styles of mineralisation, including narrow porphyry expression that is reminiscent of North Parkes in New South Wales, Australia.
- Our Chairman likes to say Red Mountain would float a new company on its own if it were located in Australia.
- It is generally higher grade and lower volume when compared to Kharmagtai.
- During 2024 we completed a gold focused exploration program, with planning underway for spring 2025 drilling now.

Sant Tolgoi

- Is located in Western Mongolia
- Is a magmatic copper-nickel system
- Is an earn-in with a Mongolian partner, whereby we can earn up to 80%
- In 2024 we completed geochemistry, geophysics and mapping
- This generated four high priority targets that we plan to drill in 2025.

Both have strong exploration potential and outside of Kharmagtai will be the core of Xanadu's continuing operations

Slide 14 – Corporate Transaction with Bastion

I will refer you to the announcement dated 19 May which described a corporate transaction with a company called Bastion Mining Pte. Ltd., which is held by a consortium led by Boroo. This is an off market takeover process at 8 cents per share and subject to minimum acceptance to achieve 50.1% of the shares and control of Xanadu. The Xanadu Takeover Board Committee considers this an attractive premium over our share price and has unanimously recommended shareholders accept the offer, in the absence of a superior proposal and subject to a fair & reasonable Independent Expert's Report.

As part of this deal, Bastion will undertake a share subscription under Xanadu's listing rule 7.1 capacity of 15% at 6 cents per share, to raise 17.2 million dollars, which will fund the company through the bid period. There is a 7 day hold period on that placement, completing Monday 26 May, and Xanadu has committed to withdraw the put option resolution after that date, which means the 4 June Extraordinary General Meeting will likely either be held with no resolutions or withdrawn completely. We expect to publish bidder's and target's statements and open the bid period early next week, at which point shareholders will be able to accept into the bid should they so choose.

Slide 15 – Transaction Rationale

We see this as a very good bid for all stakeholders, including Mongolia and our shareholders. It is an attractive premium of over 50% and delivers cash value efficiently and directly to our shareholders. It resolves the question of future Kharmagtai project funding and risks of dilution. And finally, Takeover Board Committee recommends that shareholders accept the Bastion offer in the absence of a superior proposal and subject to the Independent Expert concluding in the Independent Expert's Report that the offer is fair and reasonable to Xanadu shareholders.

Slide 16 – Who is Bastion Mining

Bastion Mining Pte. Ltd. is a consortium comprising Boroo Pte. Ltd. (**Boroo**) and Xanadu Director Ganbayar Lkhagvasuren who is not a director and has a non-controlling interest.

Boroo is a private, Singapore company that is emerging as a mid-tier copper-gold metals producer, investing in major gold and copper projects internationally. They own the Lagunas Norte gold mine in Peru, the Boroo gold mine in Mongolia, and they have a controlling stake in Steppe Gold which has the ATO mine and the Uudam Khundii project in Mongolia.

With its strong Mongolian expertise, we see Boroo as a natural partner for the Kharmagtai project and for the JV with Zijin Mining Group.

Slide 17 - Put Option Withdrawal

As we've communicated all along, Xanadu was working hard to provide multiple viable options to take the project forward including a corporate transaction, exercise of put options, or self-funding, in that order of preference. With the announcement of the Bastion offer, we are moving towards Plan A, and subject to completion of their A\$17.2M share subscription agreement, we will be withdrawing the put option resolution from our 4 June EGM.

Slide 18 – Deal Timetable

Following our announcement on Monday, 19 May, there is a 7 day hold period on Bastion's share subscription, which will result in Bastion holding 13% of Xanadu. After this hold period, early next week we will issue those shares and dispatch bidder's and target's statements, opening the bid period.

From that point Xanadu shareholders will be able to accept into the bid should they so choose, with an indicative closing date of 2 July 2025. This is a relatively fast timetable to completion, and we expect in the absence of a superior offer, subject to the Independent Expert concluding that the offer is fair and reasonable, and satisfaction of the bid conditions, that this bid will be successful.

Slide 19 – Completes the Development Journey

It has been a long journey for Xanadu to get Kharmagtai to this point.

Looking back, before my time at the Company, Kharmagtai was a former Ivanhoe discovery that Xanadu acquired in 2014. After acquisition, Xanadu established a Mineral Resource based largely on that old drilling, and by 2017 market speculation drove a peak in the company's market cap.

However, Kharmagtai is a big porphyry deposit, and a few good drill holes aren't enough. Kharmagtai needed a lot more work to transform from a good story into something with real potential to become a mine. After multiple equity placements and significant drilling, the resource was still not fully defined, the story had not changed, and by 2019 the market lost its speculative excitement. The share price crashed into the valley of death.

This is when I joined. I've said this before - you can only go forward along the Lassonde Curve, never backwards. Xanadu was in the valley of death, and our only path forward was to do the hard work, using real data to prove up the project via studies that demonstrate what it could be. That is a very different skill set that exploration, and I'm proud to say we pulled together a truly high quality team through our networks and made this happen.

This is what enabled the deal with Zijin, which funded the PFS, and created the public deal environment that we find ourselves in today. I would like to thank our longstanding shareholders for sticking with us to this point, and I look forward to completing this transaction and rewarding you all.

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Mongolia's Next Major Copper Mine

Annual General Meeting

22 May 2025 | ASX:XAM TSX:XAM



KHARMAGTAI



Opening of the Meeting

Colin Moorhead

Executive Chairman & Managing Director



Opening of Meeting

XANADU MINES



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



Executive Director &
Country Manager
Ganbayar Lkhagvasuren



Non-Executive Director
Michele Muscillo



Non-Executive Director
Tony Pearson



Non-Executive Director
Shaoyang Shen

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Update from the Executive Chairman & Managing Director



ASX:XAM | TSX:XAM

Disclaimer

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Cautionary Statements

This Presentation includes information extracted from the Company's ASX announcement dated 14 October 2024 titled Kharmagtai Pre-Feasibility Study and 14 October 2024 titled Kharmagtai Resource & Reserve. For the production targets and forecast financial information for the Project comprise Indicated Mineral Resources (approximately 73%) and Inferred Mineral Resources (approximately 27%). The Company has concluded that it has reasonable grounds for disclosing a production target which includes the foregoing amount of Inferred Mineral Resources, including on the basis that the Inferred material has been scheduled such that less than 11% of the ore mined in the first 8 years is in the Inferred category, with the remainder mined through the life of mine. The Inferred Mineral Resource does not have a material effect on the technical and economic viability of the Kharmagtai Project. Accordingly, Xanadu has concluded that it is satisfied that the financial viability of the development case modelled in the PFS is not dependent on the inclusion of Inferred Mineral Resources early in the production schedule given an estimated payment period (from commencement of production) of less than 4 years. 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. Further drilling is planned with the aim of converting Inferred Mineral Resources to Indicated Mineral Resources as well as continued exploration where the deposits are open at depth and along strike. The views expressed in this Presentation contain information that has been derived from third party sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

Mineral Resource Reporting Requirements

As an Australian company with securities quoted on the Australian Securities Exchange (ASX), the Company is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX Listing Rules that the reporting of mineral resources in Australia is in accordance with the JORC Code and that the Company's mineral resource estimates comply with the JORC Code. The requirements of the JORC Code differ in certain material respect from the disclosure requirements or other countries. The terms used in this announcement are as defined in the JORC Code. The definitions of these terms may differ from the definitions of such terms for the purposes of the disclosure requirements in other countries.

Forward Looking Statements

Certain statements contained in this presentation, 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 presentation 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 presentation. To achieve the range of outcomes indicated in the Pre-Feasibility Study, funding of in the order of an approximately US\$400 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 Kharmagtai, and these financial institutions and corporations have expressed an interest in being involved in funding of the Project. The Kharmagtai Pre-Feasibility Study, and Resource and Reserve statements were 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.

2019-2020

Xanadu Stalled at 2.5cps

- Refreshed Board and Management
- Refreshed Strategy

2021-2022

Answered Three Questions Holding Back Kharmagtai

1. How big is it? - Delivered a broader and more complete Mineral Resource
2. Is it economic? – Delivered a professional, high quality Scoping Study / PEA
3. How will you fund it? – Negotiated a strategic partnership with Zijin, finalised JV in March 2023

2023-2024

Delivered the Kharmagtai PFS

- PFS demonstrated strong economics on a large scale, long-life, low-cost project
- Handed over operatorship to Zijin to take the project forward to FID and construction
- Completed Red Mountain drilling program and Sant Tolgoi first stage surface exploration

2024-2025

Shareholder Liquidity Event Priced at 8cps

- Back-up funding strategies remain in place

Emerging mining jurisdiction with an extensive infrastructure network

Prospectivity

The right rocks with some globally significant discoveries, yet remains largely underexplored

Develop-ability

Sparse population and wide-open spaces with excellent infrastructure (especially in South Gobi)

Mining Culture

Stable democracy with high education and training standards with mining representing 25% of GDP and 90% of exports

Location

On China's doorstep (#1 global copper consumer) with excellent infrastructure existing and planned

Local Expertise

Xanadu has deep knowledge, understanding and experience of the geology and demonstrated ability to operate to high ESG standards in Mongolia

KHARMAGTAI

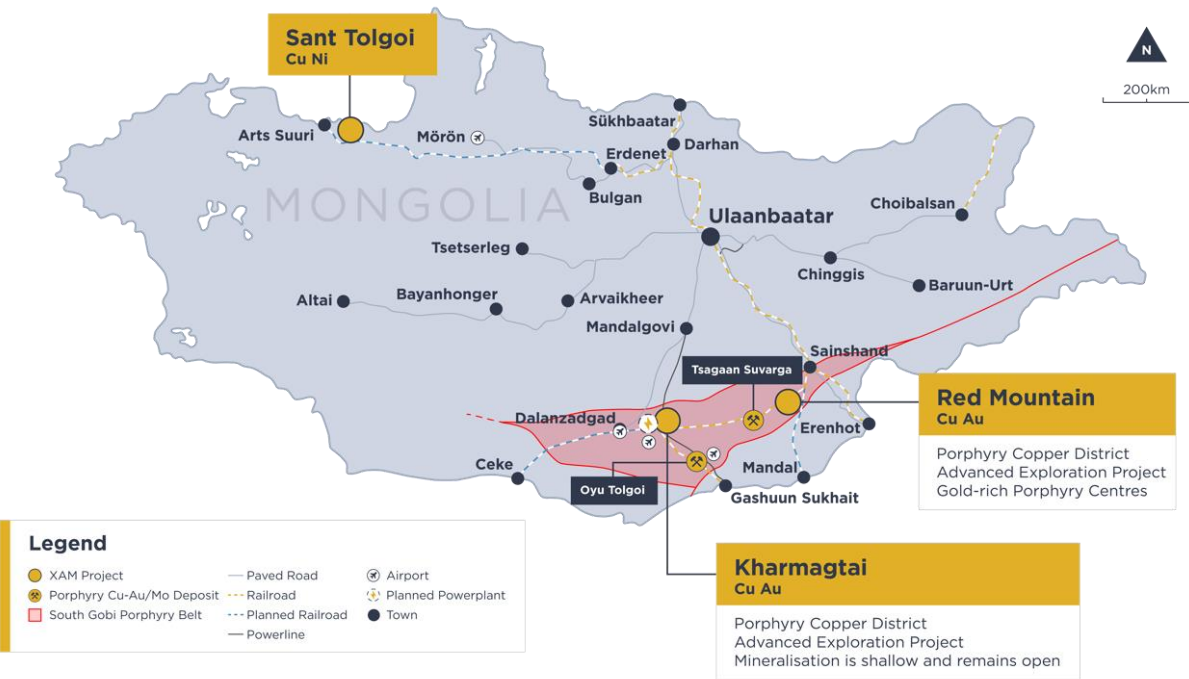
Advancing towards **extraction** through Material Liquidity Event or Feasibility Funding. PFS and Maiden Ore Reserve published in October 2024.

RED MOUNTAIN

Near surface, high-grade gold & copper exploration akin to Northparkes porphyry (Australia).

SANT TOLGOI

District-scale magmatic copper-nickel sulphide prospectivity. First pass exploration recently completed.



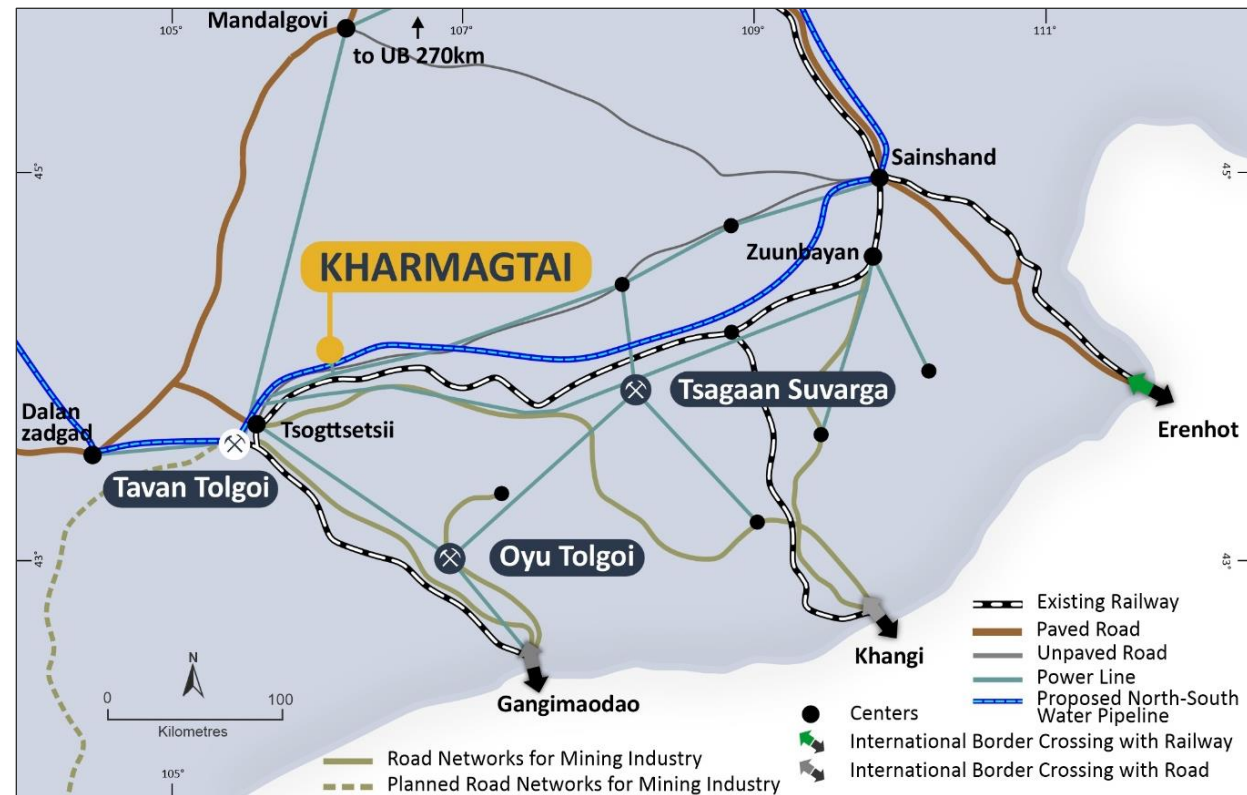
Kharmagtai - a Flagship Asset at PFS Stage

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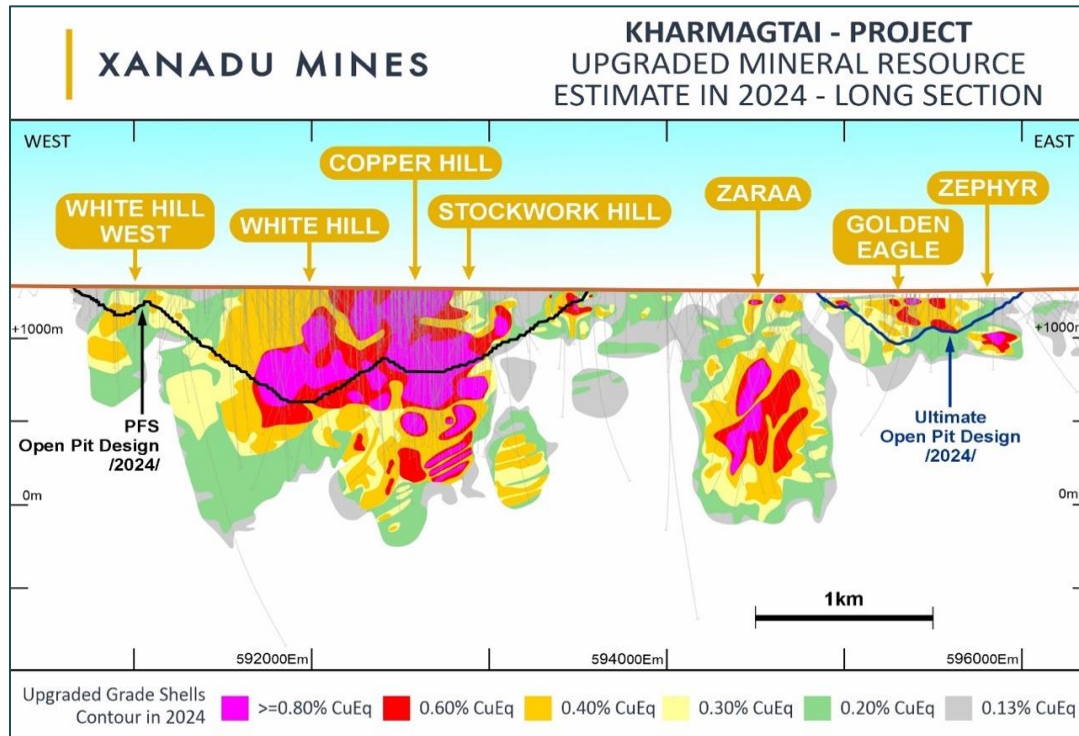


Large Scale Copper-Gold Porphyry System

- Located in the South Gobi Desert of Mongolia
 - 120km north-west of Rio Tinto's Oyu Tolgoi mine (moving to 500ktpa copper production)
 - Near supporting infrastructure, water resources, a skilled workforce and end markets
- Granted mining licence with 30-year tenure with an option to extend another 40 years
- Significant 2.2 billion tonne Mineral Resource
- PFS and Maiden Ore Reserve Completed October 2014



Strong potential for growth at depth and along strike



Mineral Resource Estimate

Mineral Resource Classification	Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Insitu Copper (kt)	Insitu Gold (koz)
Indicated	1,300	0.22	0.17	2,900	7,100
Inferred	900	0.21	0.13	1,900	4,000
Total	2,200	0.21	0.15	4,700	11,000

Ore Reserve

Ore Reserve Classification	Dry Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Insitu Copper ('000 t)	Insitu Gold ('000 oz)
Proved	0	0	0	0	0
Probable	730	0.21	0.17	1,600	4,000

ASX/TSX Announcement 14 October 2024 - Kharmagtai Resource & Reserve
 ASX/TSX Announcement 14 October 2024 - Kharmagtai Pre-Feasibility Study
 See Appendix for copper equivalent calculations and assumptions
 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.

PFS Highlights

Maximises value from a **globally significant** project

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Large Scale Production Profile

Average annual production of 75kt copper and 165koz gold over a 29-year LOM

Strong Investment Returns

Post-Tax NPV of US\$930M
Post-Tax IRR of 21%
Payback Period of 4 years
Pre-Production Capex US\$890M

Funding De-risked

Zijin JV affords Xanadu multiple paths to realise value from its 38.25% stake in Kharmagtai

Low-Cost Operation

First quartile C1 cash cost of \$0.70/lb copper for Stage 1

Simple, Proven Approach

Open pit, low strip ratio mine. Conventional sulphide flotation plant, augmented by gravity and CIL to increase gold recovery

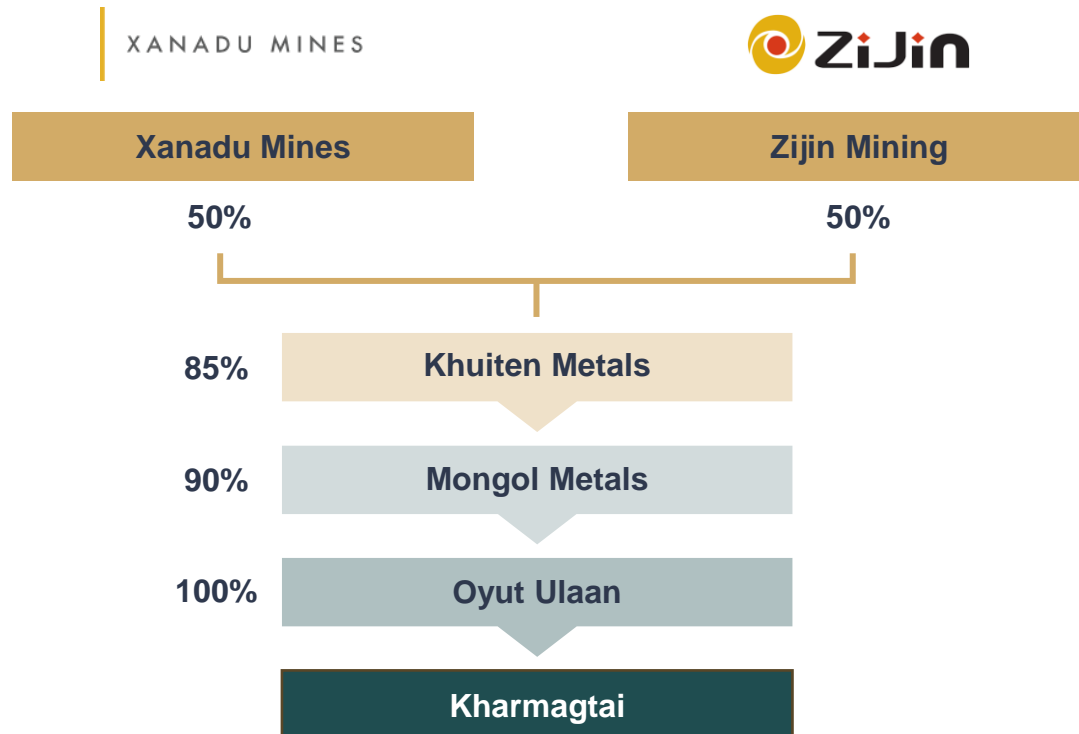
Next Steps

Mongolian Feasibility Study & DEIA on track, BFS to commence in early CY25. Construction targeted during CY26 subject to FID & approvals



Optionality to progress Kharmagtai

Partnership Structure



Zijin is one of the largest metals mining company in the world and is targeting production of over 1.5Mt of copper by 2028, a 50% increase from 2023 production levels

Progress to Date (2022-2024)

1. **April 2022:** Placement to raise ~A\$5.6 million and providing Zijin with a 9.9% shareholding in Xanadu
2. **March 2023:** Placement to raise ~A\$7.2 million and providing Zijin with a 19.4% shareholding in Xanadu
3. **March 2023:** Creation of a 50/50 JV, Khuiten Metals, that holds a 76.5% effective interest in Kharmagtai. Zijin has invested US\$35.0 million in the JV to fund the Kharmagtai PFS and exploration until September 2024
4. **October 2024:** Delivered PFS, transitioned operatorship to Zijin, commenced planning for Feasibility Study

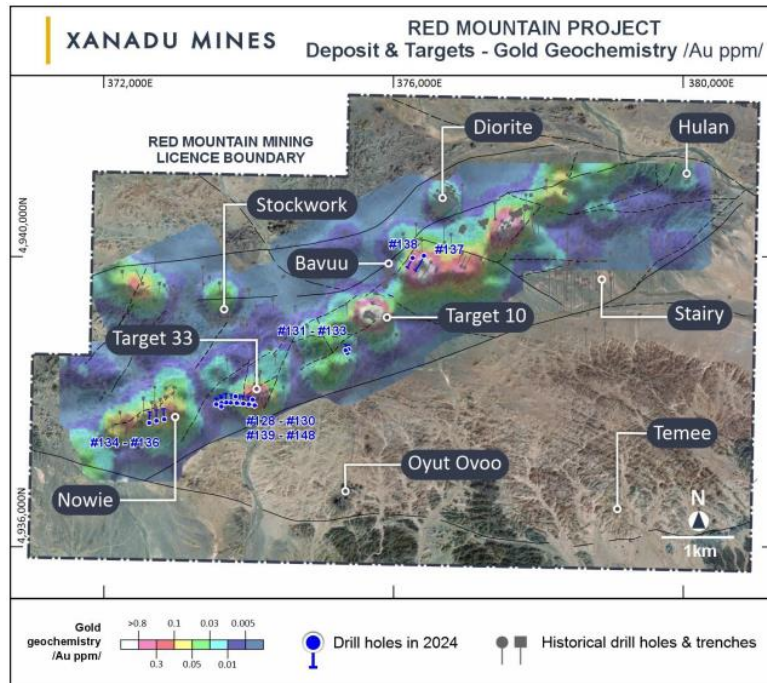
Next Steps (2025 forward)

1. **Feasibility Study and Approvals:** Expected cost to FID approximately US\$50-60M. Budget planning underway with Zijin.
2. **Construction and Commissioning** Expected cost to commercial operations approximately US\$850-900M.

Highly prospective projects in Mongolia

Red Mountain (Cu-Au) – South Gobi Region

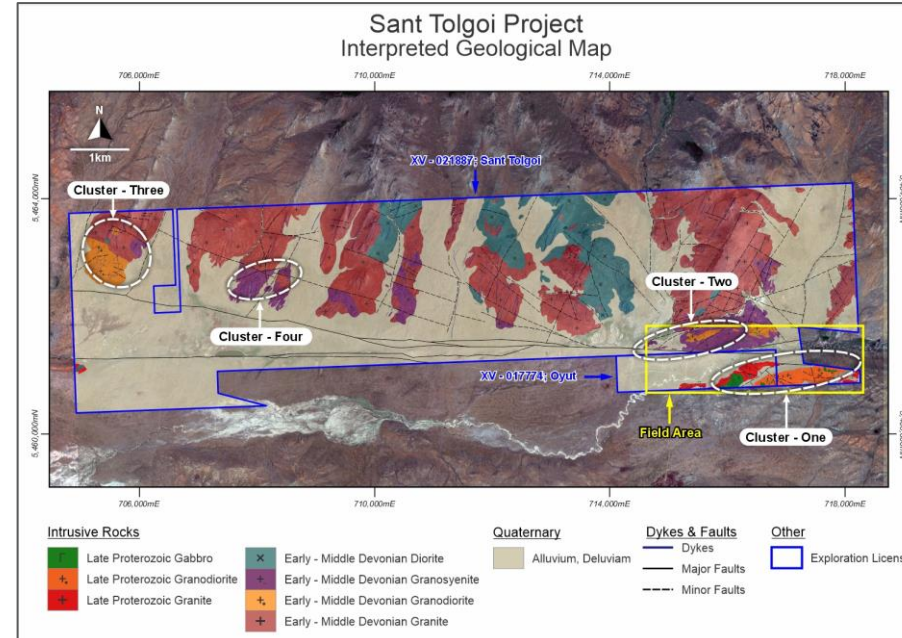
- 100%-owned, 57km² license featuring near-surface gold and copper-gold targets, akin to the Northparkes porphyry deposit
- 4,800m diamond drill program completed in 2024, encountering significant shallow mineralisation across four prospects
- Next stage exploration plan in development
- In discussions with potential JV partners to fund next stage



ASX/TSX Announcement 21 June 2024 – Near Surface Copper & Gold Results at Red Mountain

Sant Tolgoi (Cu-Ni) – Western Mongolia

- Earning into 80% of two exploration licenses, targeting magmatic intrusion-related copper-nickel systems in the Khangai Fault System
- Reconnaissance rock-chip sample results up to 2.1% Cu from multiple gossan outcrops
- 2024 field operations identified 4 high priority copper drill targets, based on detailed mapping, geophysics and geochemistry
- 2025 drill program in planning stage, with potential delay to address newly imposed environmental restrictions



ASX/TSX Announcement 22 January 2024 – Xanadu enters new Copper Nickel Sulphide exploration project.
ASX/TSX Announcement 10 September 2024 – Copper-Nickel Exploration Advancing at Sant Tolgoi project
ASX/TSX Announcement 20 November 2024 – Sant Tolgoi Exploration Update

Overview – Transaction with Bastion Mining

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All cash acquisition of Xanadu for **\$0.08 per share** by Singapore based Bastion Mining via **Off Market Takeover** with a 50.1% minimum acceptance condition, implying a total equity value for Xanadu of A\$160 million, excluding the proposed share issue to Bastion

Xanadu Takeover Board Committee⁽²⁾ unanimously recommends shareholders accept the offer, subject to:

- Independent Expert Report (IER) confirming the transaction is fair and reasonable; and
- In absence of a superior proposal

In light of the proposed change of control transaction, the Takeover Board Committee has committed to withdraw Resolution 1 – 25% Put Option at the Company's Extraordinary General Meeting, scheduled on 4 June 2025⁽⁴⁾

To assist Xanadu in meeting its corporate and joint venture funding obligations during the offer period, Bastion and Xanadu have entered into a share subscription agreement

Xanadu Takeover Board Committee Directors and its 2nd largest shareholder CAAF Ltd (which holds 11.85%) intend to accept the offer⁽³⁾

Transaction consideration represents a **57% premium to last close** and **62% premium** to Xanadu's 10-day volume weighted average price (VWAP)

Transaction subject to a 50.1% minimum acceptance condition and limited other conditions⁽¹⁾

(1) Full details of the Bid Implementation Agreement are included in ASX/TSX Announcement 19 May 2025 – Recommended A\$0.08 Per Share Cash Offer
(2) The Takeover Board Committee comprises all Xanadu Directors other than Ganbayar Lkhagvasuren and Zijin's representative, Shaoyang Shen
(3) Subject to the Independent Expert concluding the offer fair and reasonable and in the absence of a superior proposal
(4) The Put Option Resolution will be withdrawn following successful completion of the equity funding arrangements under the share subscription agreement

Transaction Rationale

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Attractive and significant premium to Xanadu's historical trading price



Delivers certain value while minimising inherent liquidity and compulsory acquisition risks



Avoidance of future funding and associated dilution risk



Takeover Board Committee are supportive and intend to vote in favour⁽¹⁾



There is currently no competing proposal⁽²⁾

- (1) Subject to the Independent Expert concluding (and continuing to conclude) that the offer is fair and reasonable and in the absence of a superior proposal
- (2) On 7 April 2025, Xanadu announced that it had entered into exclusivity arrangements with its major shareholder, Zijin Mining Group Co. Ltd (**Zijin**). The exclusivity arrangements were agreed following receipt of a non-binding indicative offer presented to Xanadu by Zijin (**Zijin NBIO**). Following a period of exclusivity, Xanadu announced on 5 May 2025 that it had been unable to finalise the terms of a control transaction with Zijin in relation to the Zijin NBIO.

About Bastion Mining

- Bastion Mining Pte. Ltd. is a consortium comprising Boroo Pte. Ltd. (**Boroo**) and Xanadu Director Ganbayar Lkhagvasuren
- Boroo is a private, Singapore-incorporated entity which invests in major gold projects internationally
- Boroo's flagship asset is the producing Lagunas Norte Gold Mine in Peru, which Boroo purchased from Barrick Gold in 2021
- Through its control stake in Steppe Gold Ltd., Boroo has interests in the Boroo, Ulaanbulag and ATO gold mines in Mongolia
- As a responsible emerging mining company, Boroo is focused on becoming a global mid-tier metals producer

Boroo's Portfolio

Steppe Gold mines & projects (~55.9%)(1)

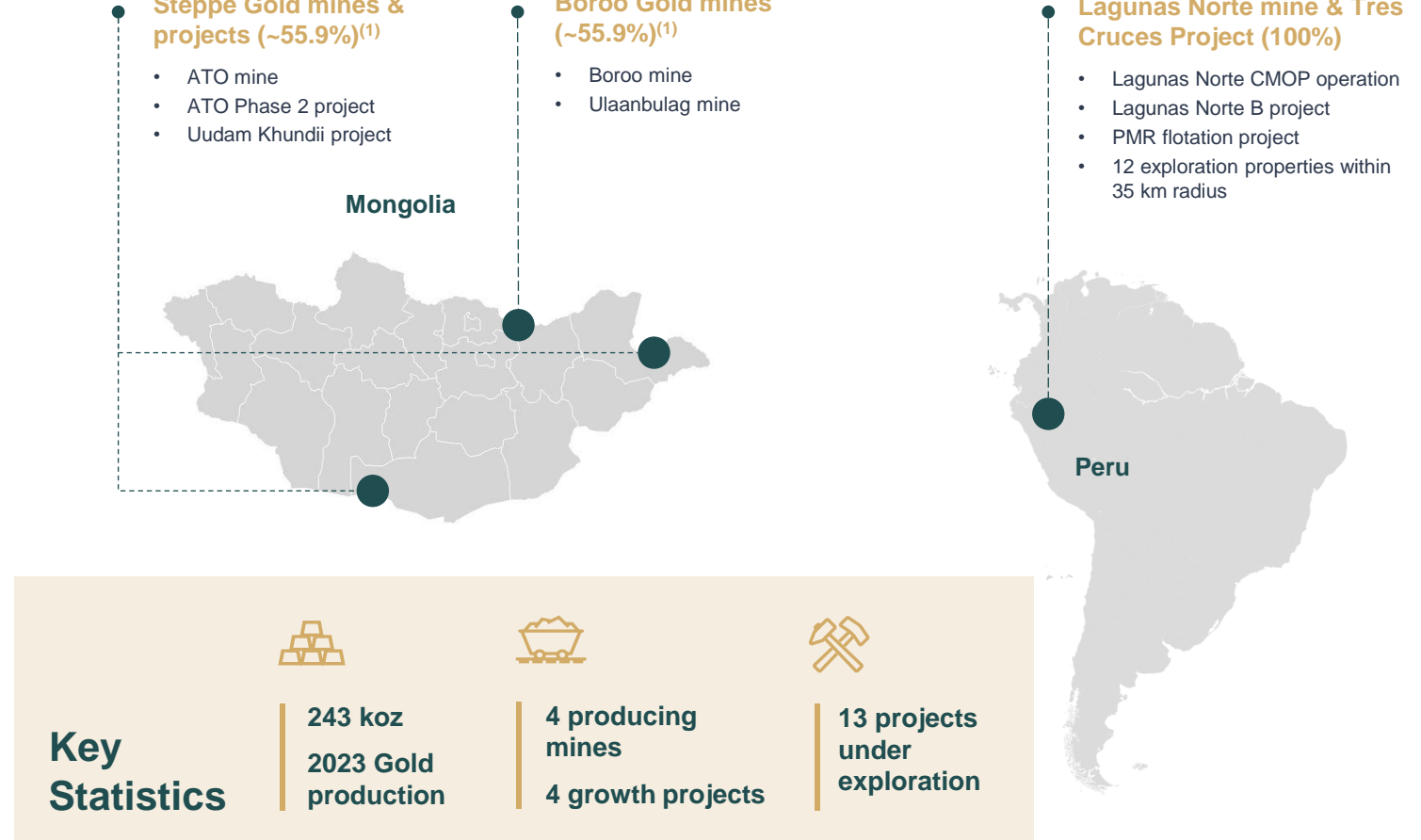
- ATO mine
- ATO Phase 2 project
- Uudam Khundii project

Boroo Gold mines (~55.9%)(1)

- Boroo mine
- Ulaanbulag mine

Lagunas Norte mine & Tres Cruces Project (100%)

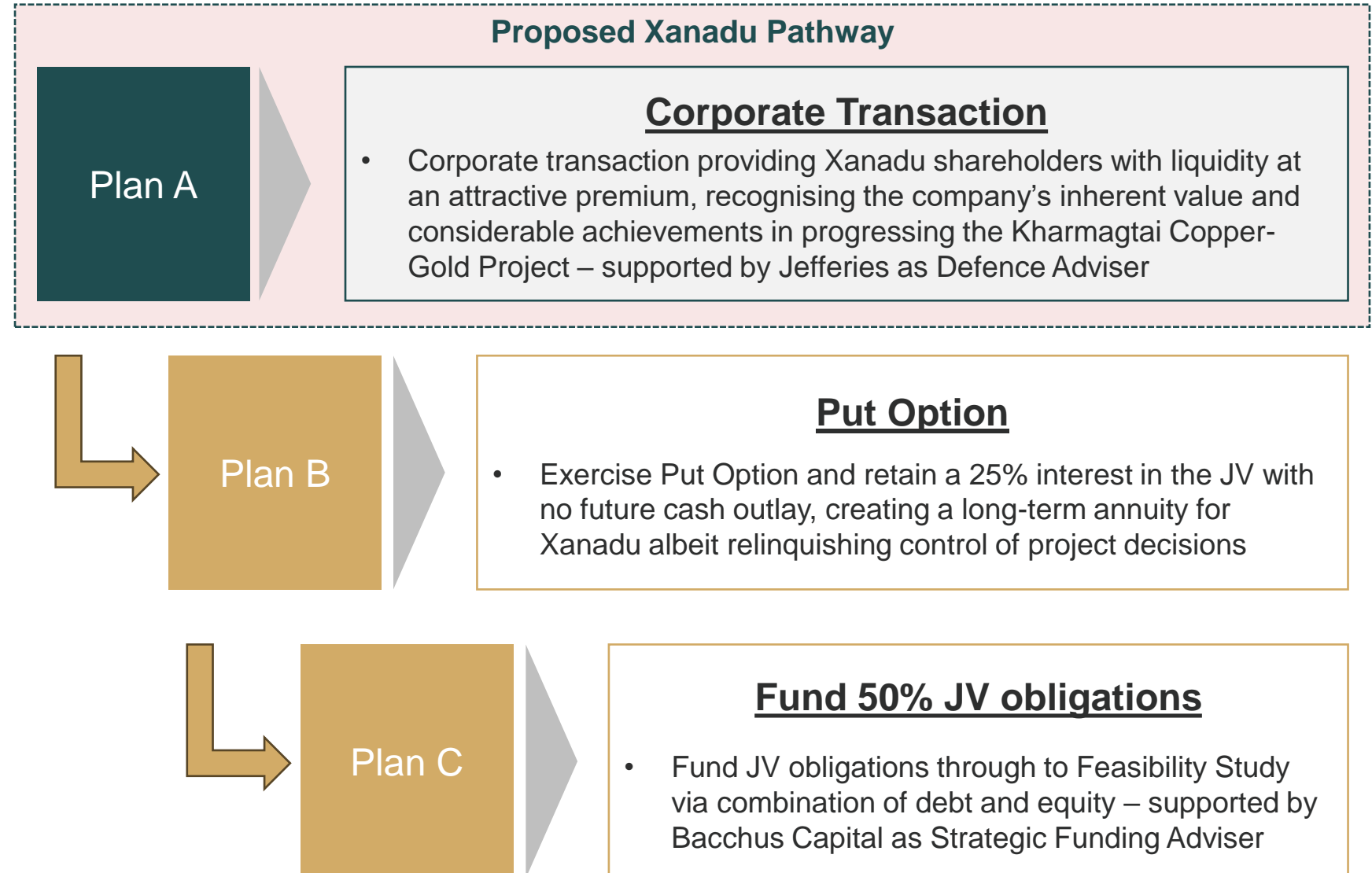
- Lagunas Norte CMOP operation
- Lagunas Norte B project
- PMR flotation project
- 12 exploration properties within 35 km radius



(1) Boroo effectively owns ~55.9% of its mines located in Mongolia through Steppe Gold Ltd. The transaction with Steppe Gold Ltd closed on August 1, 2024

The proposed acquisition of Xanadu by Bastion is aligned with the Company's 'Plan A' strategy of generating returns for shareholders and also providing a liquidity event

- Xanadu Takeover Board Committee considers the Offer superior to the Put Option and unanimously recommends that shareholders accept the offer subject to IER confirming the transaction is fair and reasonable and in the absence of a superior proposal
- In light of the proposed change of control transaction, Resolution 1 to approve the exercise of the 25% Put Option at the Company's Extraordinary General Meeting, scheduled on 4 June 2025, will be withdrawn following settlement under the Subscription Agreement



Subscription Agreement and Timetable

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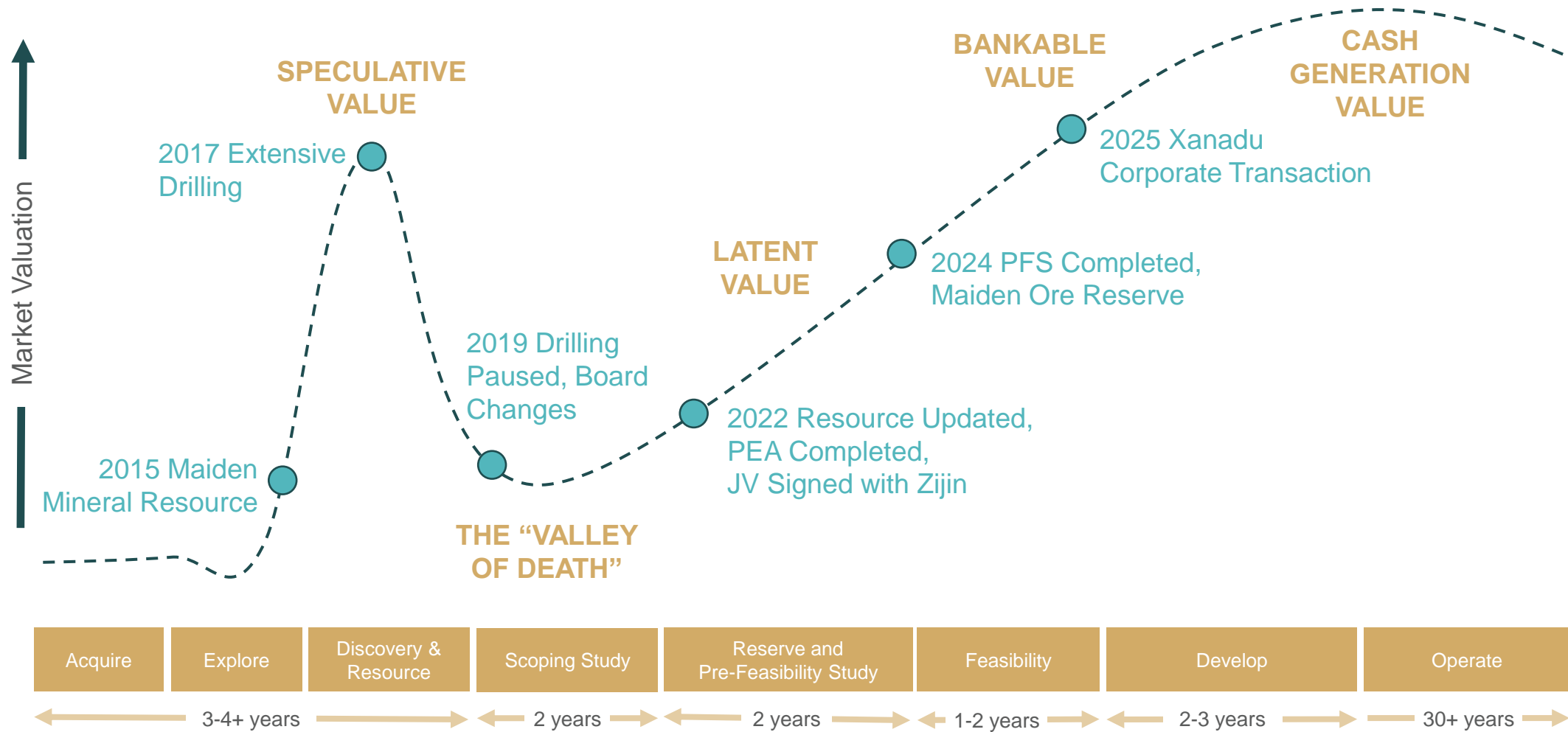
Subscription Agreement Summary	
Subscriber	Bastion Mining Pte. Ltd.
Shares Issued	286.8 million shares
Subscription Price	\$0.06 per share
Funds Raised	\$17.2 million
Settlement	Expected to occur 26 May 2025
Conditions	Bastion may elect to terminate in certain circumstance where a competing proposal is received

Indicative Timeline ⁽¹⁾	
19 May 2025	Announcement of Offer
26 May 2025	Issue of Subscription Shares
28 May 2025	Dispatch of Bidder's Statement and Target's Statement
28 May 2025	Offers opens
2 July 2025	Closing date of Offer (unless extended)

(1) The above dates are indicative only and may change without notice, subject to the requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules

Completing Kharmagtai's Development Journey

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Resolutions



Notice of Meeting distributed on 22 April 2025

Taken as Read

Financial Report for the calendar year ended 31 December 2024

Questions on Financial Report:

- Spencer Cole, Xanadu CDO & CFO
- Siobhan Hughes, Ernst & Young Audit Partner

are available to answer questions related to the 2024 year-end.

The Resolution will be determined by a poll

- Cast vote using the BLUE voting cards

The Resolution will be discussed, and questions may be asked at that time

The chair will cast all usable open proxies in favor of the Resolution.

General questions can be posed after the formal business is concluded.

Re-election of Director – Michele Muscillo

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

Re-election of Director

Proxy Votes received prior to the meeting

For	Against	Open	Abstain
762,136,610	422,760,733	390,850	4,513,064
64.29 %	35.67 %	0.4 %	

Remuneration Report

“That the Company’s Remuneration Report for the financial year ended 31 December 2024 as set out in the Directors’ Report, is adopted.”

Remuneration Report

Proxy Votes received prior to the meeting

For	Against	Open	Abstain
925,728,228	122,558,992	390,850	10,949,452
88.27 %	11.69 %	0.04 %	

General Questions



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Meeting Close

Colin Moorhead
Executive Chair & Managing Director

Spencer Cole
Chief Development Officer & CFO

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



KHARMAGTAI

Appendix



Competent Persons Statements

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The information in this Study 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. He 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 Qualified Person as defined in the CIM Guidelines and National Instrument 43-101 and as a Competent Person under JORC Code 2012. 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.

The information in this Study that relates to **Ore Reserves** is based on information compiled by Mr Colin McVie and Mr Simon Grimbeek, who are responsible for the Ore Reserve. Both Mr McVie and Mr Grimbeek are full time Managers and Mining Engineers employed by Mining Plus and are both Fellows of the Australasian Institute of Mining and Metallurgy. They both have 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 and as a Competent Person under JORC Code 2012. Mr McVie and Mr Grimbeek consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this Study that relates to open pit **geotechnical analysis** for the project has been reviewed by Dr John Player, BEng (Mining) (Hons) MEngSc (Mining Geomechanics) PhD MAusIMM(CP) RPEQ (Geotech). Dr Player is not an employee of the Company but is Director and Principal Engineer with MineGeoTech. Dr Player is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy; has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as the Qualified Person as defined in the CIM Guidelines and National Instrument 43-101 and as a Competent Person under JORC Code 2012. Dr Player consents to the inclusion in this report of the contained technical information in the form and context as it appears.

The information in this Study 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 Qualified Person as defined in the CIM Guidelines and National Instrument 43-101 and as a Competent Person under JORC Code 2012. 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.

The information in this Study that relates to **processing, metallurgy and metallurgical testwork** has been reviewed by Graham Brock, BSc (Eng), ARSM. Mr Brock is not an employee of the Company but is employed as a contract consultant. Mr Brock is a Fellow of the Australasian Institute of Mining and Metallurgy; he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as the Qualified Person as defined in the CIM Guidelines and National Instrument 43-101 and as a Competent Person under JORC Code 2012. Mr Brock consents to the inclusion in this report of the contained technical information in the form and context as it appears.

The information in this Study that relates to **marketing and concentrate logistics** was reviewed by Albert de Sousa, MAusIMM, BA, Graduate Diploma International Business. Mr de Sousa is not an employee of the Company but is employed as a contract consultant. Mr de Sousa is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience the style of mineralisation, type of deposit, and concentrate production and logistics, and to related activities undertaken, to qualify as the Qualified Person as defined in the CIM Guidelines and National Instrument 43-101 and as a Competent Person under JORC Code 2012. Mr de Sousa consents to the inclusion in this report of the contained technical and commercial information in the form and context as it appears.

The technical and scientific information contained in this document related to **Kharmagtai PFS** was reviewed by Julien Lawrence, MEngSc (PM), FAusIMM, B Eng Mining (Hons). Mr Lawrence is not an employee of the Company but is employed as a contract consultant. Mr Lawrence is a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience the style of mineralisation and type of deposit, and to the activities undertaken, to qualify as the Qualified Person as defined in the CIM Guidelines and National Instrument 43-101 and as a Competent Person under JORC Code 2012. Mr Lawrence consents to the inclusion in this report of the contained technical information in the form and context as it appears.

The copper equivalent (**CuEq, eCu**) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage with a metallurgical recovery factor applied.

Copper equivalent grade values were calculated using the formula: $CuEq = Cu + Au * 0.60049 * 0.86667$.

Where Cu - copper grade (%); Au - gold grade (g/t); 0.60049 - conversion factor (gold to copper); 0.86667 - relative recovery of gold to copper (86.67%).

The copper equivalent formula was based on the following parameters (prices are in USD): Copper price 3.4 \$/lb; Gold price 1400 \$/oz; Copper recovery 90%; Gold recovery 78%; Relative recovery of gold to copper = $78\% / 90\% = 86.67\%$.

It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

Designated Foreign Issuer (TSX)

Xanadu Mines Ltd is listed on the Australian Securities Exchange and Toronto Stock Exchange. It is a “designated foreign issuer” as defined in National Instrument 71-102–Continuous Disclosure and Other Exemptions Relating to Foreign Issuers and is subject to the regulatory requirements of the Australian Securities & Investments Commission and the Australian Securities Exchange.