



Unlocking Mongolia's Copper-Gold Belts

AGM PRESENTATION | MAY 2016

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To be the most successful Cu-Au explorer in Asia

- To create shareholder value through conversion of our exploration projects in the South Gobi of Mongolia, into mineable deposits through discovery of high value copper, gold and gold resources;
- Build and maintain a portfolio of highly prospective copper-gold projects through acquisition or partnerships utilising our in depth knowledge of Mongolia;
- Strategy underpinned by commitment to safety, environment and community.

Corporate snapshot



Well positioned, junior copper-gold explorer

Capital structure

Share price (5 May 2016)	A\$0.24
Issued shares	445.3m
Market capitalisation	A\$106.9m
Cash (31 Mar 2016)	A\$4.7m
Debt ¹	A\$4.8m
Enterprise value	A\$107.0m
Undrawn debt	US\$1.5m

3.0m Jun 2016 options exercisable at A\$0.60-1.80

5.25m share rights (vesting prices A\$0.14-0.31)

35m Oyut Ulaan project JORC milestone options

1 - term loan due July 2017 (US\$2.7m) and Kharmagtai deferred consideration due April 2016 (US\$1.0m).

Relative share price performance



Major shareholders

Asia Capital & Advisors	26.6%
Noble Group	7.9%
Fastlane Australia	5.7%

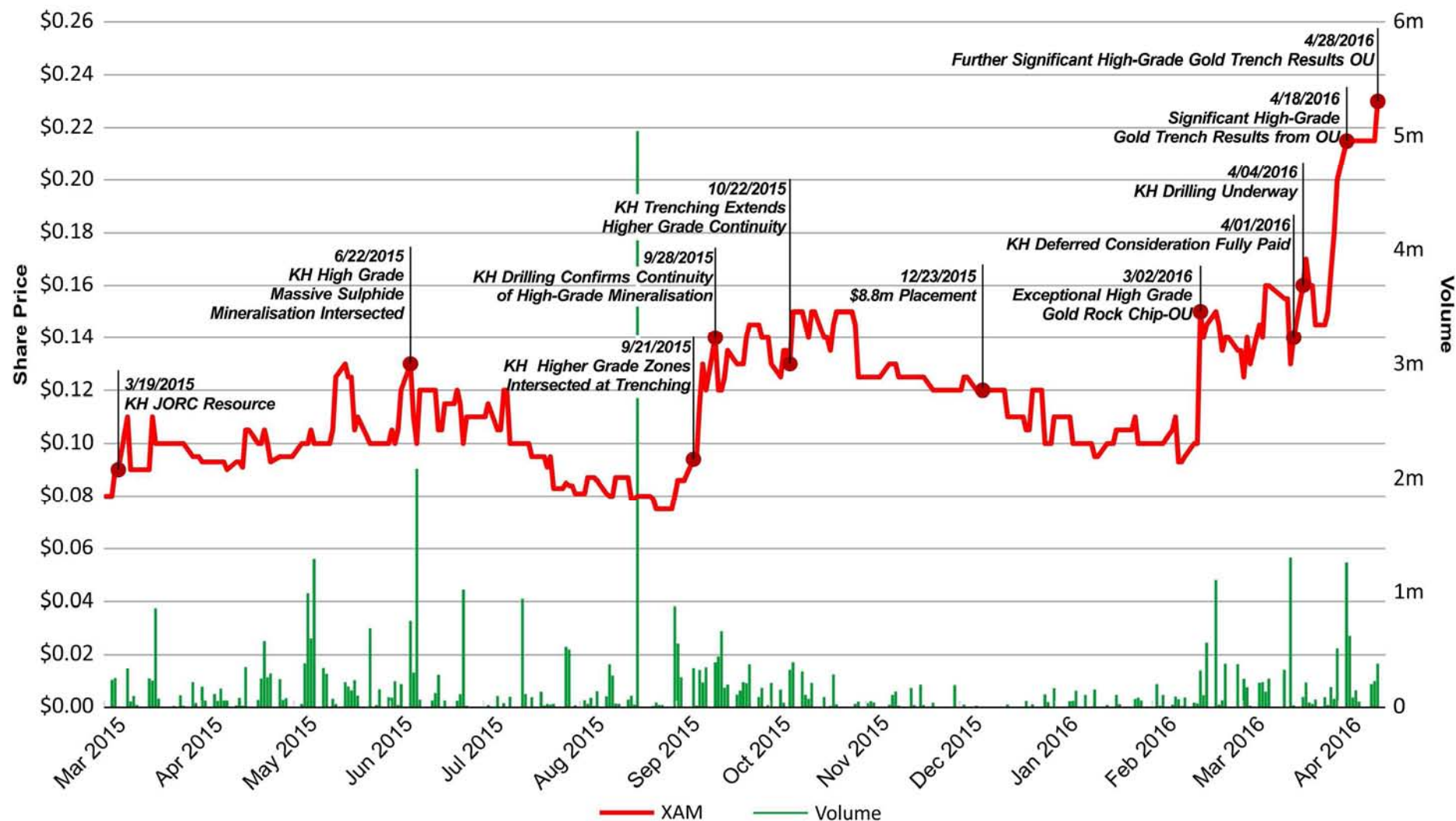


Xanadu Mines Limited (ASX:XAM)

Highlights over the past 12 months



Moving up the value curve



One of best performing explorers on the ASX



Best Cu-Au explorer - up ~109% YTD

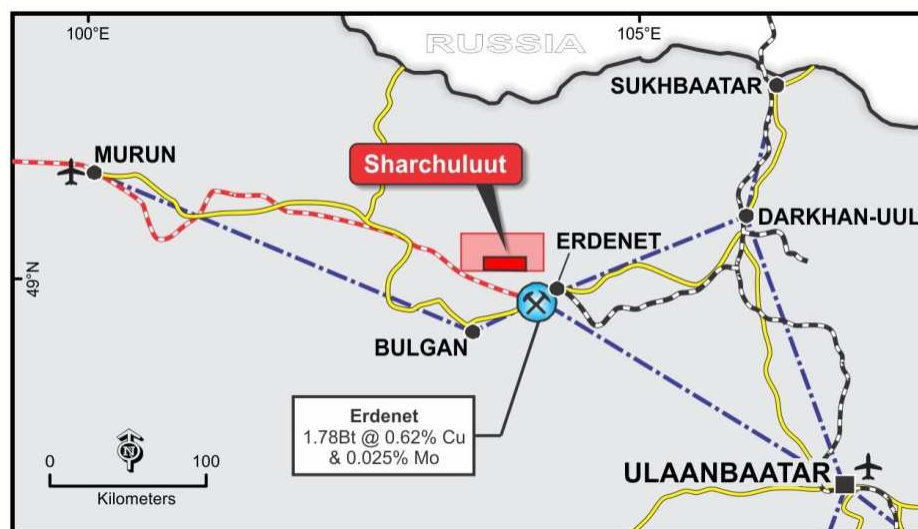
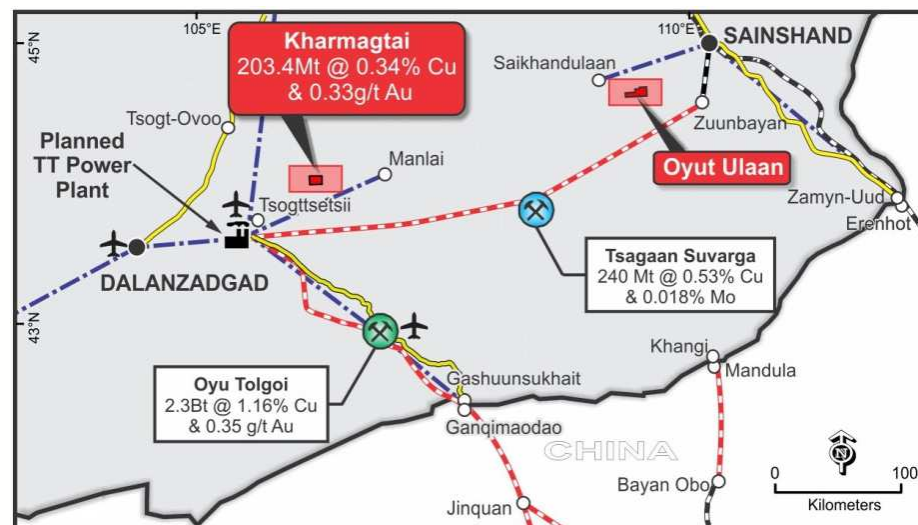
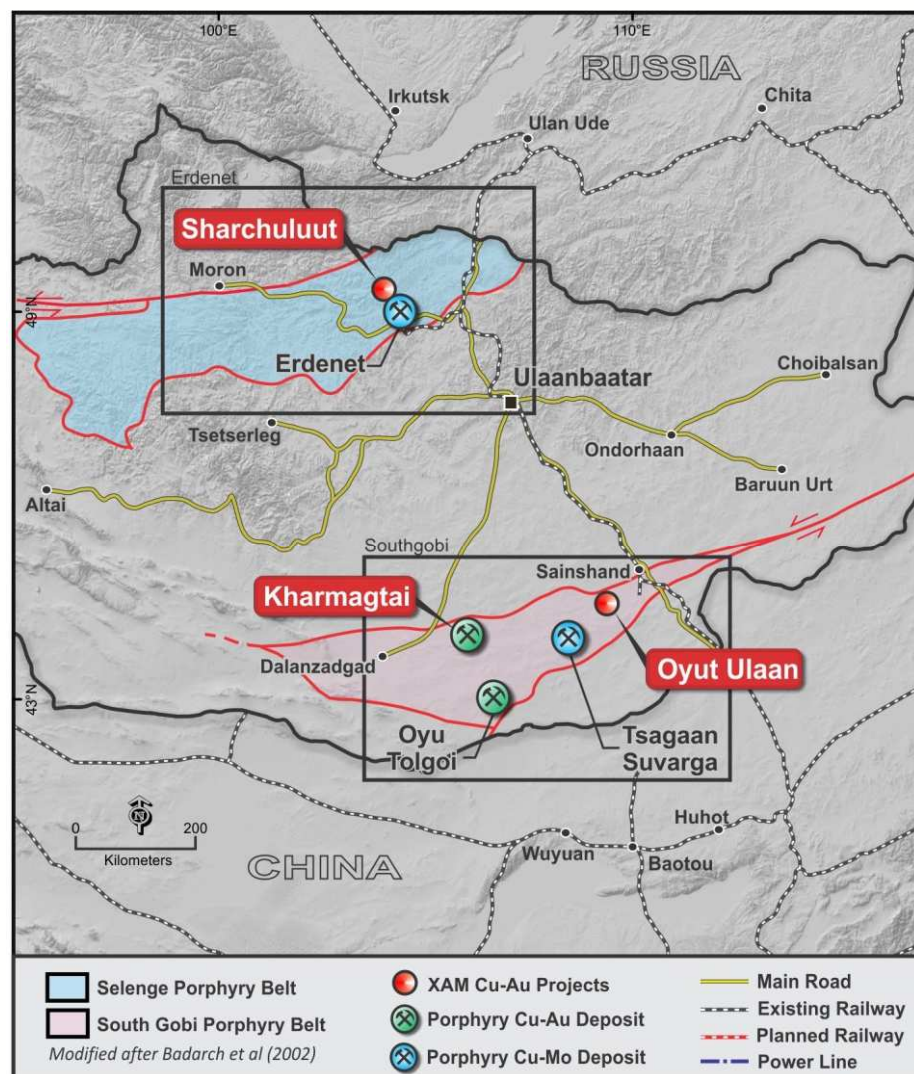
As at 29 April 2016

Code	Company Name	Close Price	YTD Δ	52 Week Range	Market Cap (A\$m)
AOH	Altona Mining	0.094	(15%)	<div><div></div></div>	50
AVI	Avalon Minerals	0.015	(25%)	<div><div></div></div>	6
AZS	Azure Minerals	0.042	40%	<div><div></div></div>	52
ENR	Encounter Resources	0.125	39%	<div><div></div></div>	19
ERM	Emmerson Resources	0.048	30%	<div><div></div></div>	18
GPR	Geopacific Resources	0.037	(10%)	<div><div></div></div>	30
HAV	Havilah Resources	0.49	109%	<div><div></div></div>	82
HCH	Hot Chili	0.085	(6%)	<div><div></div></div>	38
HMX	Hammer Metals	0.047	0%	<div><div></div></div>	6
IAU	Intrepid Mines	0.13	8%	<div><div></div></div>	45
KGL	KGL Resources	0.160	60%	<div><div></div></div>	28
MEP	Minotaur Exploration	0.065	8%	<div><div></div></div>	14
MNC	Metminco	0.003	0%	<div><div></div></div>	10
MOD	MOD Resources	0.037	517%	<div><div></div></div>	46
PEX	Peel Mining	0.15	(3%)	<div><div></div></div>	20
RDM	Red Metal	0.069	109%	<div><div></div></div>	12
RTG	RTG Mining	0.61	71%	<div><div></div></div>	81
RXM	Rex Minerals	0.067	18%	<div><div></div></div>	15
SRI	Sipa Resources	0.018	(42%)	<div><div></div></div>	13
SVY	Stavely Minerals	0.15	16%	<div><div></div></div>	9
THX	Thundelarra Resources	0.061	(5%)	<div><div></div></div>	20
TLM	Talisman Mining	0.42	(14%)	<div><div></div></div>	78
XAM	Xanadu Mines	0.23	109%	<div><div></div></div>	103

Source: Terra Studio

Mongolia's porphyry copper belts

Strategically positioned in world class neighborhoods



Changing landscape for exploration in Mongolia

**“It's the biggest and best new project we've got,
full-stop, across the group.”
Rio Tinto chief development officer on Oyu Tolgoi**



Kharmagtai porphyry Project



Panorama of Kharmagtai

Outcrop throughout the Kharmagtai district is sparse. Quaternary sand covers over most of the mineralisation.

Altan
Tolgoi

Tsagaan
Sudal

Zesen Uul

Kharmagtai copper gold project

- **Geophysical review/reprocessing**
Provides technically innovative, leading edge interpretation and data manipulation techniques.
- **Exploration drilling**
Green fields RC drilling (**40-45 drill holes for 6,000m**) - hunting buried porphyry centres.
- **Metallurgical test work**
Sighter test program (60kg sample) – crushing and flotation;
Fatal flaws test work on TBX mineralisation.
- **Gold mineralisation**
Regional reconnaissance mapping and geochemistry;
Several significant anomalies identified on margin of NE trending structures (possibility of oxide Au);
Relatively straight forward targets - reconnaissance geochemistry for oxide gold (1600 soil samples).
- **Continue communication program with stakeholders**

Kharmagtai porphyry Cu-Au project



Growing gold-rich copper resource base

- 203Mt containing 1,500Mlb Cu & 2.2Moz Au*;
- Higher grade core of 56 Mt at 0.47 % Cu and 0.59 g/t Au (0.85% Cu equivalent);
- Large porphyry style deposit with multiple near-surface, gold-rich zones;
- Mineralisation outcrops at surface and remains open at depth;
- Resource only a small portion what appears to be a large mineral system.

**ASX announcement dated 19 March 2015 "Kharmagtai Maiden JORC Resource."
Table 1 information dated 29 April 2016 continues to apply.*

Kharmagtai Copper- Gold project

3D view looking south west at the deposits

Kharmagtai Copper-Gold Project

3D view looking south-west at the Altan Tolgoi
Tsagaan Sudal & Zesen Uul deposits showing
2015 resource & constraining pit shells

Tsagaan Sudal

Altan Tolgoi

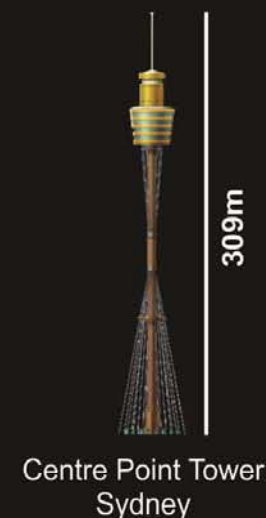
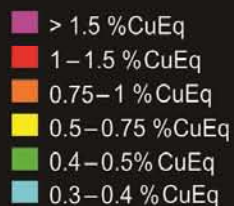
Zesen Uul

Conceptual open pit

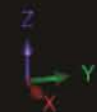
Shallow high-grade
stockwork
($>1\%$ CuEq)

Shallow high-grade
stockwork
($>1\%$ CuEq)

High-grade core
tourmaline breccia
($>1\%$ CuEq)



Approximately 1.8km



*ASX announcement dated 19 March 2015 "Kharmagtai Maiden JORC Resource."
Table 1 information dated 29 April 2016 continues to apply.

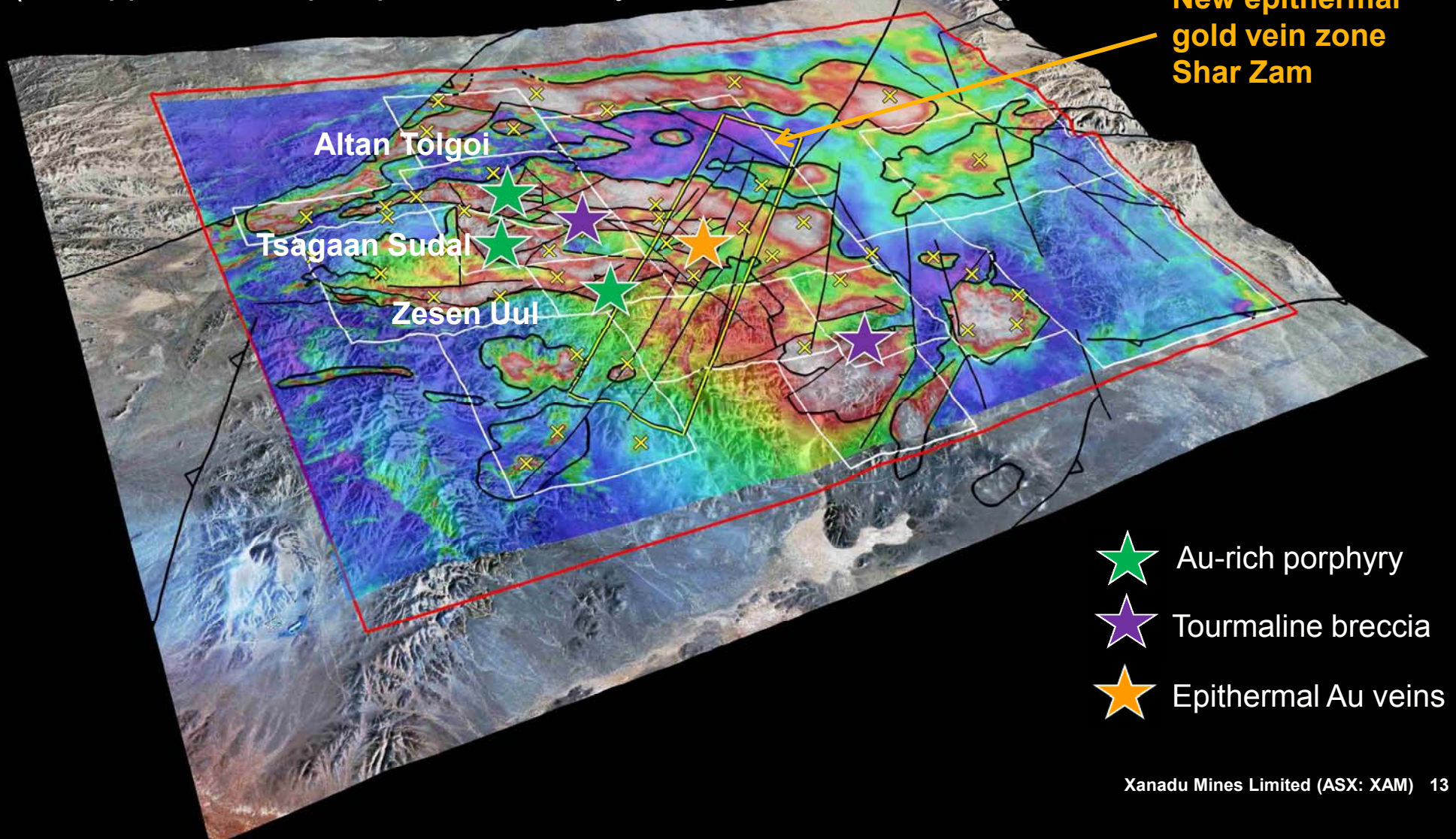
Targeting new discoveries

Exploration drilling underway at Kharmagtai

Exploration targeting a fourth shallow gold-porphyry centre

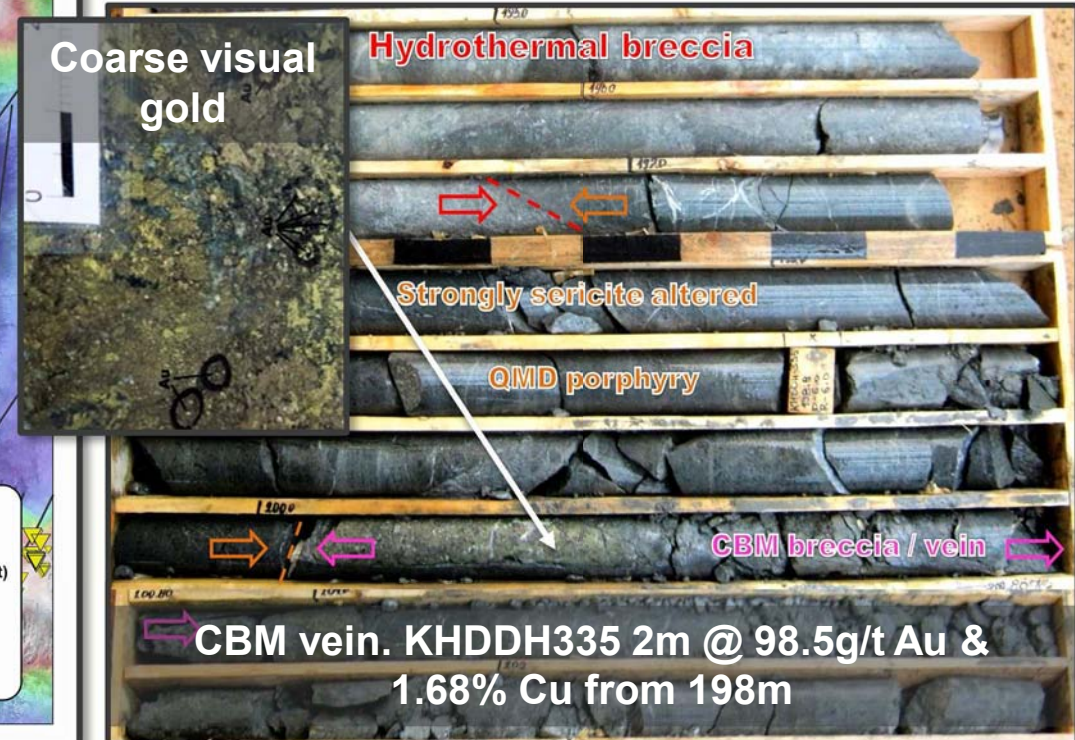
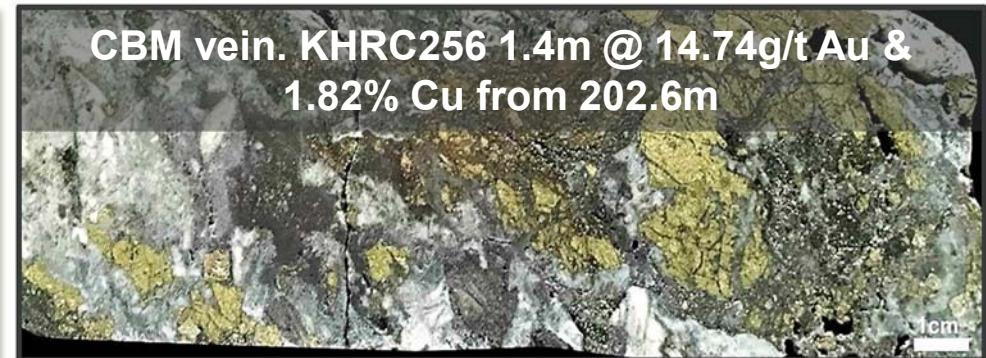
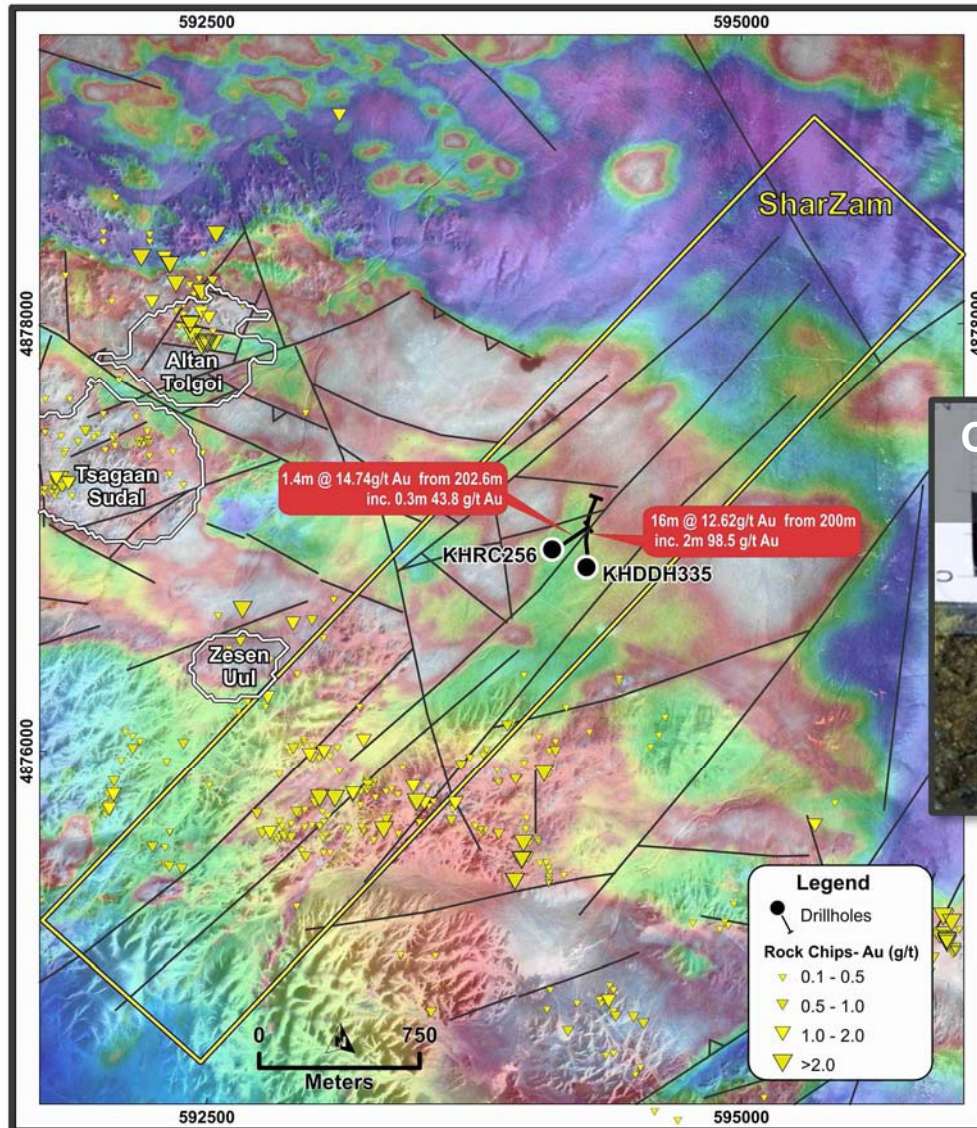
(To support a ~5Mtpa operation for 10 years @ 0.6 to 1% CuEq)

**New epithermal
gold vein zone
Shar Zam**



Kharmagtai exploration target

Significant high-grade gold mineralisation at Shar Zam



Oyut Ulaan porphyry district

Large & underexplored porphyry district

- A significant, gold-rich porphyry copper district with numerous, mineralised porphyry centres;
- Potential for large resource close to infrastructure;
- Exceptional high grade surface gold discovered.



Oyut Ulaan porphyry district

Multiple co-genetic porphyry copper-gold centres



Stockwork Target

- Quartz-chalcopyrite-bornite stockwork;
- Structurally-controlled monzonite porphyry dykes;
- Strong albite-biotite-magnetite (potassic) alteration;
- Historical drilling:
18m @ 0.87% Cu & 0.40 g/t Au (from 64 m);
22m @ 0.59% Cu & 0.14 Au (from 156 m).

Stockwork Target

- Quartz-chalcopyrite-bornite stockwork;
- Structurally-controlled monzonite porphyry dykes;
- Strong albite-biotite-magnetite (potassic) alteration;
- Recent drilling -
ODDH003 intercepted 132.0 metres @ 1.07% CuEq. from surface
ODDH005 intercepted 170.5 metres @ 0.76% CuEq. from surface
ODDH006 intercepted 48.5 metres @ 1.70% CuEq. from 29.50 metres

New epithermal gold vein zone

Stockwork Zone

Bavuu Zone

Temee Target

- Anomalous geochemistry
- Sparse stockwork
- Buried geophysical anomaly

Breccia Pipe Target

- Tourmaline Breccia Pipe
- High-grade Cu mineralisation
- Historical drilling includes :
66m @ 0.86% Cu (from 26m)
32 m @ 0.29% Cu (from 118m)

★ Au-rich porphyry

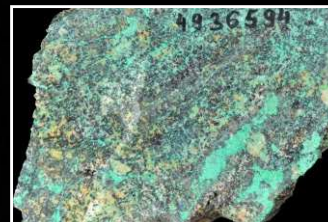
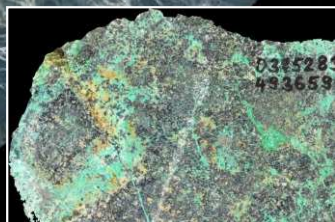
★ Tourmaline breccia

★ Base metal magnetite skarns

★ Epithermal Au veins

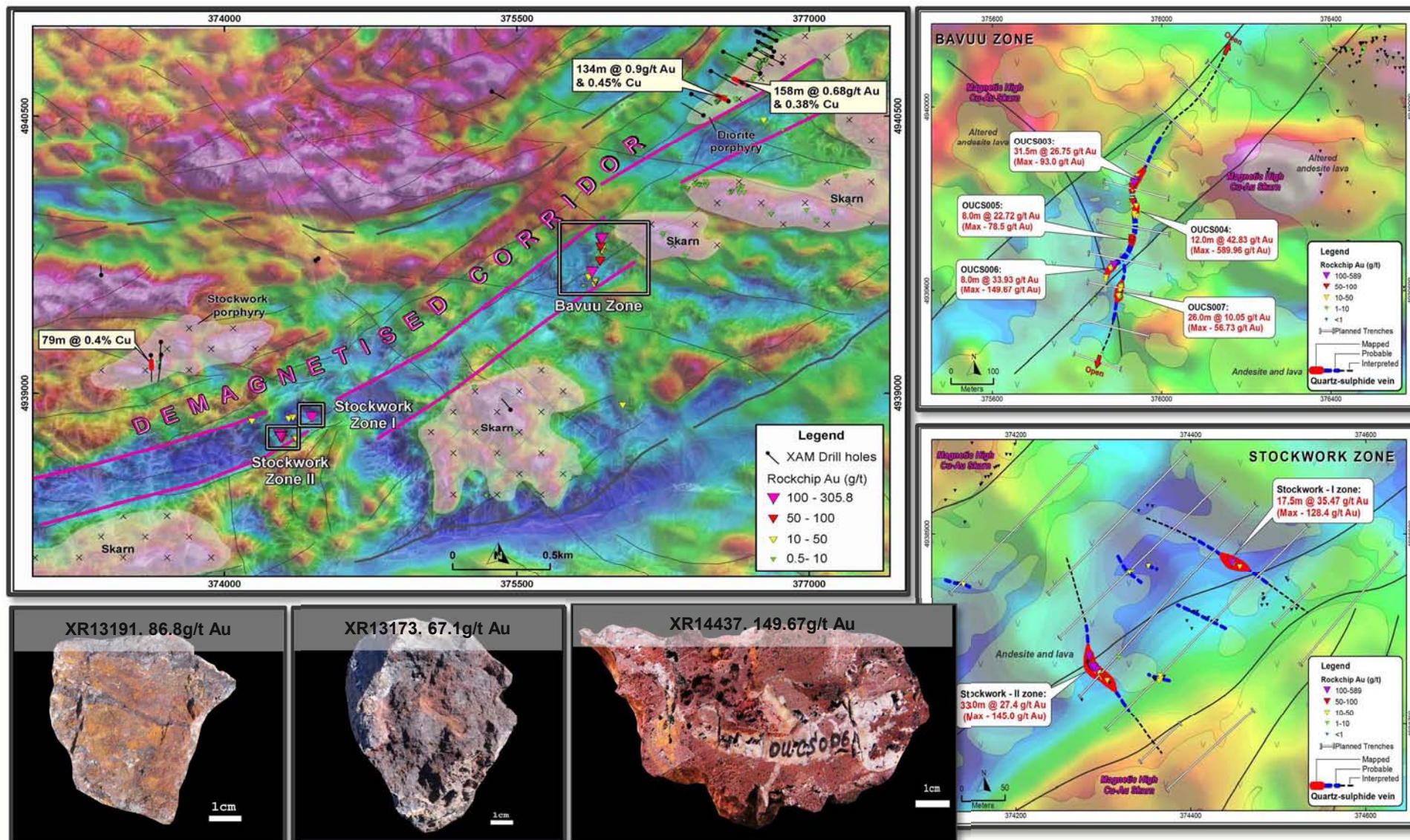


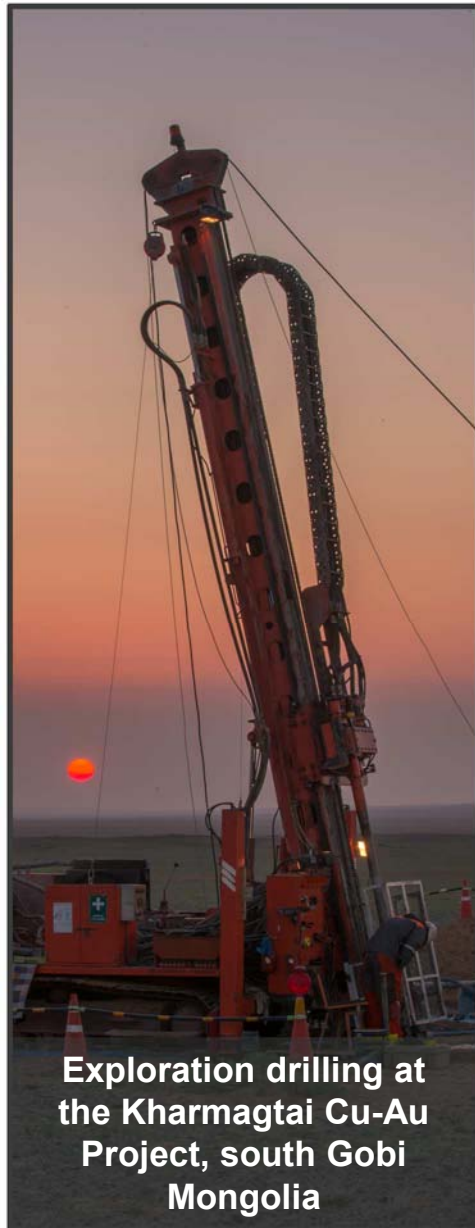
1 km



Trenches uncover bonanza gold grades

Significant, shallow high-grade gold discovered



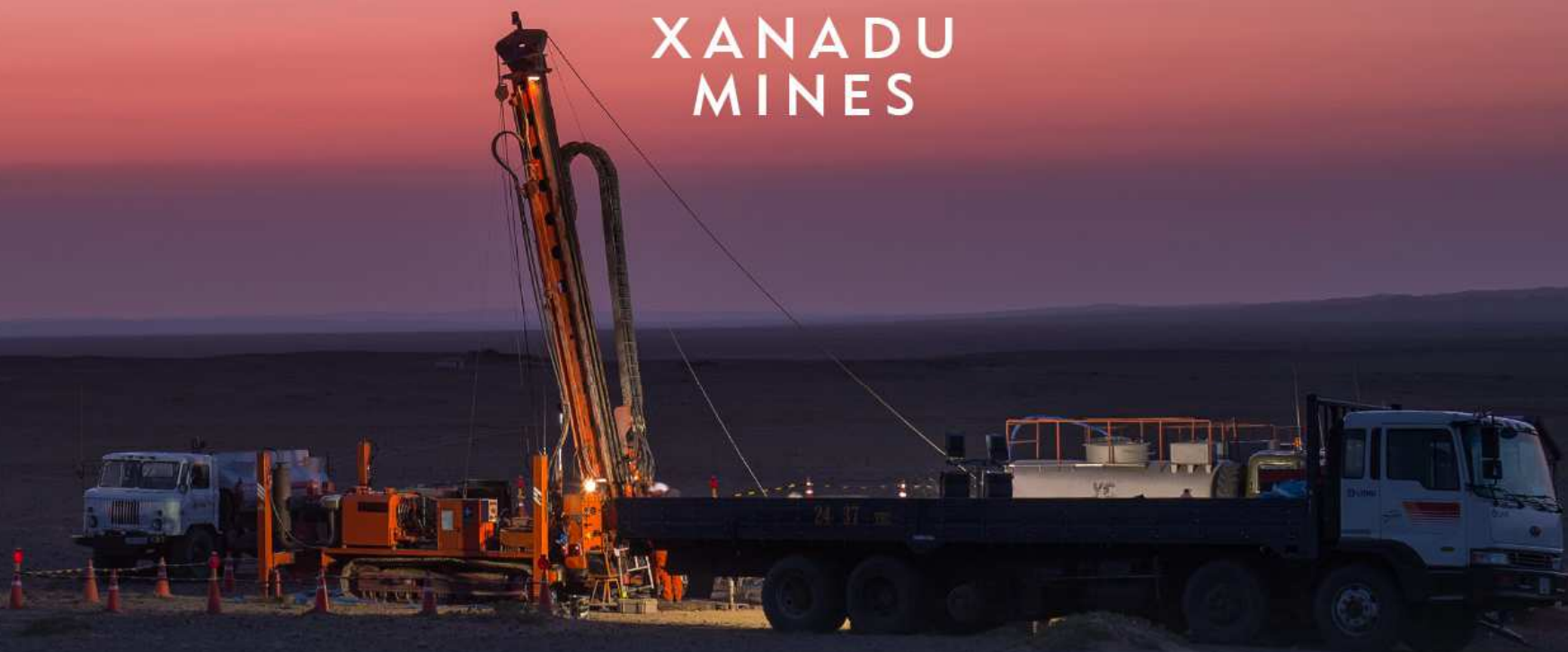


Oyut Ulaan copper gold project

- New gold discovery
Investigate options for small, low-cost gold development
- Reconnaissance mapping and geochemistry
Systematic low-cost exploration
Geochemical grade sampling & channel sampling
- Geophysical review/reprocessing
Focus on identifying the engine room to this large system
- Continue communication program with stakeholders
- Investigate small low-cost gold development.



**XANADU
MINES**



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Kharmagtai resource estimate statement



Mineral Resource Estimates - Project Resource

- JORC 2012 categorised Mineral Resources for the Kharmagtai Copper Gold Project have been classified as indicated and inferred confidence categories on a spatial, areal and zone basis and are listed in the table below.
- A cut-off 0.3% CuEq within a Whittle Pit Shell and 0.5% CuEq below a Whittle Pit Shell.

Deposit	Mining Method	Cut-Off CuEq(%)	Resource Category	Material (Mt)	Grade			Metal	
					Cu(%)	Au(g/t)	CuEq(%)	Cu(Mlb)	Au(Koz)
All	OC	0.3	Indicated	23	0.41	0.55	0.76	203	401
			Inferred	107	0.27	0.24	0.42	641	833
			Subtotal	129	0.30	0.30	0.48	844	1,234
	UG	0.5	Indicated	24	0.43	0.47	0.73	225	359
			Inferred	51	0.42	0.36	0.64	463	591
			Subtotal	74	0.42	0.40	0.67	688	950
	Combined		Indicated	46	0.42	0.51	0.74	428	759
			Inferred	157	0.32	0.28	0.49	1,104	1,424
			Total	203	0.34	0.33	0.55	1,533	2,184

See ASX announcement dated 19 March 2015 “Kharmagtai Maiden JORC Resource” for full details of resource estimation methodology and attributions. Note: All figures may not sum exactly due to rounding.

Kharmagtai resource estimate statement



Mineral Resource Estimates - Higher grade resource

- JORC 2012 categorised Mineral Resources for the Kharmagtai Copper Gold Project have been classified as indicated and inferred confidence categories on a spatial, areal and zone basis and are listed in the table below.
- A cut-off 0.6% CuEq within a Whittle Pit Shell and 0.6% CuEq below a Whittle Pit Shell.

Deposit	Mining Method	Cut-Off CuEq(%)	Resource Category	Material (Mt)	Grade			Metal	
					Cu(%)	Au(g/t)	CuEq(%)	Cu(Mlb)	Au(Koz)
All	OC	0.6	Indicated	9	0.52	0.87	1.08	102	248
			Inferred	1	0.38	0.82	0.92	11	34
			Subtotal	10	0.50	0.86	1.06	113	282
	UG	0.6	Indicated	20	0.46	0.57	0.83	203	368
			Inferred	26	0.46	0.50	0.78	263	418
			Subtotal	46	0.46	0.53	0.80	465	786
	Combined		Indicated	29	0.48	0.66	0.91	305	616
			Inferred	27	0.46	0.52	0.79	274	452
			Total	56	0.47	0.59	0.85	578	1,068

See ASX announcement dated 19 March 2015 “Kharmagtai Maiden JORC Resource” for full details of resource estimation methodology and attributions. Note: All figures may not sum exactly due to rounding.

Competent person statement

Kharmagtai Mineral Resource estimate: The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

The information in this presentation that relates to Mineral Resources is based on information compiled by Mr. Andrew J. Vigar, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Vigar is employed by Mining Associates Limited Hong Kong. Mr. Vigar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Competent Person" as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Vigar consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Exploration Results: The information in this presentation 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, which is incorporated in the database that was provided to Mining Associates for undertaking the Resource estimate. Dr. Stewart is an employee of Xanadu and is a Member of the Australasian Institute of Geoscientists. Dr. Stewart 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". Dr. Stewart consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Copper equivalence: When used is calculated using the following formula: $CuEq = Cu(\%) + Au (g/t) \times 0.6378$, based on a copper price of \$2.60/lb, and a gold price of \$1300/oz, with assumed recoveries of 90% for copper and 70.85% for gold.

For the purpose of ASX Listing Rules 5.7.1, Xanadu refers to its Table 1 disclosure dated 29 April 2016 which continues to apply as at the date of this presentation.