



QUARTERLY ACTIVITIES REPORT

for the three months ended 31 March 2025
(figures are unaudited and in A\$ except where stated)

30 April 2025

March 2025 Quarter Highlights

During the Quarter ending 31 March 2025 (**March Quarter**), **Xanadu Mines Ltd (Xanadu or the Company)** continued to progress its strategy to maximise value from its flagship Kharmagtai Copper and Gold Project (**Kharmagtai**), which is now operated by Zijin Mining Group Co. Ltd (**Zijin**), and planning for next stage exploration at its Red Mountain and Sant Tolgoi projects.

Kharmagtai

- Delivery in the December 2024 quarter of the Pre-Feasibility Study (**PFS**)¹ and Maiden Ore Reserve² triggered two key events under the joint venture agreement (**JVA**) with Zijin, namely transition of JV Operatorship to Zijin, and the vesting of two 6-month options at Xanadu's sole discretion.
- The transition of operatorship to Zijin was completed during the December 2024 quarter, with the joint venture now planning the next stage through to a Final Investment Decision (**FID**).
- Xanadu is now focused on reviewing all strategic options³ for Kharmagtai including the direct funding of its share, exercise of put options, and alternate corporate transactions.
- Subsequent to the quarter, Xanadu entered into a period of exclusivity with Zijin, who agreed to extend the Put Option Exercise Period⁴ to allow the parties to continue discussions in respect of a range of potential corporate transactions.

Corporate

- Completed placement of 26,515,543 fully paid ordinary shares to Jinping (Singapore) Mining Pte Ltd, a wholly owned indirect subsidiary of Zijin, at an issue price of A\$0.055 per share⁵.
- Subsequent to the quarter, Xanadu held an Extraordinary General Meeting (EGM) on 11 April 2025 in which shareholders approved a resolution ratifying prior issue of shares.⁶

¹ ASX/TSX Announcement 14 Oct 2024 – Pre-Feasibility Study Kharmagtai Copper-Gold Project

² ASX/TSX Announcement 14 Oct 2024 – Kharmagtai Maiden Ore Reserve, Updated Mineral Resource

³ ASX/TSX Announcement 21 Jan 2025 - Xanadu's Near-Term Outlook

⁴ ASX/TSX Announcement 7 Apr 2025 – EGM Update & Exclusivity Arrangements with Zijin

⁵ ASX/TSX Announcement 8 Jan 2025 – Completion of Placement to Zijin Mining

⁶ ASX/TSX Announcement 11 Apr 2025 – Results of Extraordinary General Meeting

- Xanadu is well-funded, with A\$3.73 million in cash on 31 March 2025.

Executive Chairman & Managing Director, Colin Moorhead, said:

"It was with mixed emotions we handed over operatorship of Kharmagtai to our JV partner last quarter, however it has been pleasing to see Zijin push forward as the incoming operator with preparations for the next phase of the project, which aims to further derisk Kharmagtai ahead of a final investment decision. Key items include but are not limited to, completion of a bankable feasibility study (BFS) including confirmation of power and water supplies, and negotiation of an Investment Agreement with The Government of Mongolia. Once these things are in place, I am confident Mongolia's next significant copper mine will be well on the way to becoming a reality.

As a relatively small company, with a stake in a big project such as Kharmagtai, located in a wonderful yet complex jurisdiction, we are very proud of what Xanadu has achieved to date. However, the journey is not over, and we are working hard to develop options to deliver the best value for our shareholders., I am looking forward to being able to update the market following our current discussions under exclusivity with Zijin."

Kharmagtai Funding

The 6-month Put Option Exercise Period⁷ with Zijin commenced in October 2024 to determine the best way to take the Kharmagtai Project forward. Once plans and budgets are approved, Xanadu will need to fund its 50% share of the Kharmagtai Joint Venture, the next stage of which will include but not be limited to completion of a Bankable Feasibility Study (**BFS**).

Xanadu has used this 6-month period to actively progress multiple strategic options for consideration by the Board, which include:

- Project Funding: Securing funding for its 50% interest in the project until the next major decision point in the project (FID), via a process being managed by its funding adviser Bacchus Capital.
- Project Sale: A selldown of the project (either at Xanadu or project level) to a Zijin or a third party.
- Put Options: Exercising one of the two put options under the originally negotiated JV Agreement with Zijin, or alternative negotiated transaction.

The project funding process led by Bacchus Capital progressed well during the March 2025 quarter, with several groups in the data room conducting funding due diligence. Discussions with parties are actively ongoing with a view to provide clarity on funding for the BFS in the coming months.

With the PFS delivered, the two put options became available at Xanadu's sole discretion, including:

- Option 1 – sell Xanadu's 50% share in the KHJV (38.25% effective interest in Kharmagtai) to Zijin for USD \$50M cash (approximately AUD \$80M at current exchange rates).

⁷ ASX/TSX Announcement 21 Jan 2025 - Xanadu's Near-Term Outlook

- Option 2 – sell half of Xanadu's share in the KHJV (25% or 19.125% effective interest in Kharmagtai) for USD \$25M to Zijin and be loan carried by Zijin at 6-month SOFR + 5% whilst retaining 19.125% of the project, repaid from 90% of Xanadu share of future project dividends.

The Company recommended Option 2 as materially superior to Option 1 (which was originally intended as a fall-back liquidity event should unforeseen circumstances arise) and commissioned an Independent Expert Report to confirm this would be a fair and reasonable outcome for shareholders. This was published in a Notice of Extraordinary General Meeting (EGM)⁸ which included a resolution to approve the exercise of Option 2.

Subsequent to the Quarter, Xanadu reported that this EGM resolution would be withdrawn until further notice, and would not be considered at the EGM⁹, as the Company had then entered into a Deed of Variation pursuant to which the parties have agreed to extend the term of the Put Option Exercise Period by at least 30 days following the expiry of a new exclusivity agreement entered into between the parties. The exclusivity period included standard 'no shop', 'no talk' and 'no due diligence' restrictions and a notification right, each subject to customary exceptions. This was agreed to allow the parties to continue discussions in respect of a range of potential corporate transactions.

The Xanadu Board includes a committee of non-conflicted directors (Independent Board Committee) led by the Company's Executive Chairman and Managing Director, Colin Moorhead in relation these matters. The Independent Board Committee considered the put option extension and exclusivity period with Zijin to be a prudent step, providing additional time to explore these other potential transactions with Zijin, while at the same time not losing the ability to exercise either of the available put options (subject to shareholder approval).

Xanadu intends to keep the market informed of any material developments relating to this matter in accordance with continuous disclosure requirements. Until then, there is no need for Xanadu shareholders to take any action. Shareholders are cautioned that there is no guarantee that any transaction will eventuate with Zijin or any party.

Operations

During the quarter, Xanadu's operations team focused on completing the transition of operatorship to Zijin at the Kharmagtai Copper-Gold Project and planning for the next stage, summer exploration programs at the Red Mountain Copper-Gold and Sant Tolgoi Copper-Nickel projects. At Kharmagtai technical reviews and forward planning for both exploration and BFS period activities continued during the quarter.

⁸ ASX/TSX Announcement 12 Mar 2025 – Notice of Extraordinary General Meeting

⁹ ASX/TSX Announcement 7 Apr 2025 – EGM Update – Exclusivity Arrangements with Zijin



Figure 1: Location of Xanadu Projects in Mongolia

Kharmagtai Project

The Kharmagtai PFS was delivered on 14 October 2025 describing a large scale, conventional bulk copper-gold project with 29-year life, producing 75kt Cu and 165koz Au per year at 21% IRR and an NPV of US\$890 million¹⁰.

Following delivery of the PFS in October 2024, Zijin became the operator of the 50-50 Joint Venture, with Xanadu assisting to transition technical, commercial and operational aspects as required. Key points to note in this regard are as follows:

- Zijin appointed a very senior company executive, as the incoming Chairman of Khuiten Joint Venture (KHJV), and a site visit was undertaken in October 2024.
- A General Manager was appointed from within Zijin to manage the project from Ulaanbaatar.
- During the cold winter months field activity has been minimal, with efforts focussed on preparing detailed scopes of work for various aspects of the next phase of the project. Xanadu expects the key areas of focus leading to an investment decision will include:
 - Completion of a bankable feasibility study (BFS) as well as ongoing investigation of additional upside opportunities such as oxide leach and the value to be obtained from monetising the silver content of the offtake.
 - A water exploration program required to secure remaining water requirements for the planned production;

¹⁰ ASX/TSX Announcement 14 Oct 2024 – Pre-Feasibility Study Kharmagtai Copper-Gold Project

- Completion of all permits and approvals including a negotiated investment agreement with the Government of Mongolia; and
- Continued exploration to test for extensions and repetitions of mineralisation, particularly at depth where the system remains open and potentially strengthening.

Xanadu is now working collaboratively with Zijin as operator of the joint venture to agree and approve current and future work plans and budgets. Final decisions going forward are pending the outcome of current discussions under exclusivity between Xanadu and Zijin, regarding a range of potential corporate transactions.

The Company notes and welcomes the Mongolian Parliament's recent approval of an Investment Agreement with French Uranium Company Orano which signals a more commercial and pragmatic approach from the government with respect to mining investments in Mongolia.

Red Mountain Copper-Gold Project

Red Mountain activity during the March 2025 quarter included planning for the 2025 field program, following up positive results from 2024 exploration¹¹, and discussions with potential JV partners to fund the next stage of exploration.

Sant Tolgoi Copper-Nickel Project

Sant Tolgoi activity during the March 2025 quarter included planning for the 2025 field program to follow up results from 2024 exploration¹², with a potential delayed start to address newly imposed environmental conditions.

Approximately US\$600 thousand of additional exploration must be spent by December 2026 to complete Xanadu's first stage earn-in to 51% of the project¹³.

June 2025 Quarter Planned Activities

Key activities planned during the quarter ending 30 June 2025 (**June Quarter**) include:

- Completion of discussions with Zijin under exclusivity
- Finalisation of Kharmagtai BFS funding
- Commencement of the Bankable Feasibility Study at Kharmagtai
- Further progression of Mongolian reporting, environmental and permitting requirements
- Summer exploration at Kharmagtai, Red Mountain and Sant Tolgoi
- Xanadu Annual General Meeting¹⁴

¹¹ ASX/TSX Announcement 21 Jun 2024 – Near Surface Copper & Gold Results at Red Mountain

¹² ASX/TSX Announcement 20 Nov 2024 – High Priority Copper Drill Targets Defined at Sant Tolgoi

¹³ ASX/TSX Announcement 22 Jan 2024 – Xanadu Enters Into New Copper Nickel Sulphide Exploration Project

¹⁴ ASX/TSX Announcement 22 Apr 2025 – Notice of Annual General Meeting

Results of Operations

	Quarter Ended				
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2025	2024	2024	2024	2024
	\$'000	\$'000	\$'000	\$'000	\$'000
JV: Gross Exploration Expenditure ^a					
Kharmagtai	-	-	-	4,209	2,883
Drill metres ^{b,c}	-	-	-	601	3,283
Gross Exploration Expenditure					
Red Mountain	30	42	97	929	317
Drill metres ^{b,c}	-	-	-	3,726	1,220
Sant Tolgoi	97	331	181	-	-
Drill metres	-	-	-	-	-
Exploration expenditures capitalised ^d	127	373	278	929	317
Corporate general and administration ^e	1,020	2,104	1,175	1,466	1,148
Less JV Operator Overhead recovery ^f	(-)	(-)	(933)	(1,036)	(825)
Net Corporate general and administration	1,020	2,104	242	430	323

a. Includes all forms of exploration such as diamond drilling, trenching, hydrology drilling, geophysics, assays and related costs.

b. Reflects invoiced metres paid during the quarter under drilling contract. Physical metres drilled during the quarter may vary due to invoice timing.

c. Excludes metres related to horizontal trenching, hydrological drilling, and shallow geotechnical investigation.

d. Excludes Kharmagtai (Khuiten JV) Gross exploration expenditure no longer consolidated in the Company's results.

e. Includes tranche 1 of success fee of AUD\$753k paid to Jeffries in April 2023 and following tranche 2 AUD\$750 accrued Dec 2023, paid April 2024 in relation to completion of Khuiten JV with Zijin.

f. As operator of Khuiten JV, the operator overheads are recoverable in accordance with the Shareholders Joint Venture Agreement

a.

Financial and Corporate

Capital Structure

On 31 March 2025, the Company had 1,912,197,656 fully paid ordinary shares and 92,184,000 options over ordinary shares on issue and approximately A\$3.73 million in cash.

Equity Placement^{15 16 17 18}

On 8 January 2025, Xanadu completed the placement of 26,515,543 fully paid ordinary shares to Jinping (Singapore) Mining Pte Ltd, a wholly owned indirect subsidiary of Zijin Mining Group Co Ltd (Zijin), at an issue price of A\$0.055 per share. Details of the proposed placement to Zijin were announced to ASX on 14 November 2024 and 5 November 2024. Completion follows the satisfaction of all Conditions Precedent under the Share Subscription Agreement with Zijin, including shareholder approval on 20 December 2024.

¹⁵ ASX/TSX Announcement 5 Nov 2024 - \$5.5 million Placement

¹⁶ ASX/TSX Announcement 14 Nov 2024 – Funding Expanded to \$7.5 million

¹⁷ ASX/TSX Announcement 20 Dec 2024 – Results of Extraordinary General Meeting

¹⁸ ASX/TSX Announcement 8 Jan 2025 – Completion of Placement to Zijin Mining

ASX Announcements

This March 2025 Quarterly Activities Report contains information reported in accordance with the 2012 Edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012)* in the following announcements.

- 22 Jan 2024 – Xanadu Enters Into New Copper Nickel Sulphide Exploration Project
- 21 Jun 2024 – Near Surface Copper & Gold Results at Red Mountain
- 14 Oct 2024 – Pre-Feasibility Study Kharmagtai Copper-Gold Project
- 14 Oct 2024 – Kharmagtai Maiden Ore Reserve, Updated Mineral Resource
- 5 Nov 2024 - \$5.5 million Placement
- 14 Nov 2024 – Funding Expanded to \$7.5 million
- 20 Nov 2024 – High Priority Copper Drill Targets Defined at Sant Tolgoi
- 20 Dec 2024 – Results of Extraordinary General Meeting
- 8 Jan 2025 – Completion of Placement to Zijin Mining
- 21 Jan 2025 - Xanadu's Near-Term Outlook
- 12 Mar 2025 – Notice of Extraordinary General Meeting
- 7 Apr 2025 – EGM Update & Exclusivity Arrangements with Zijin
- 11 Apr 2025 – Results of Extraordinary General Meeting
- 22 Apr 2025 – Notice of Annual General Meeting

About Xanadu Mines

Xanadu is an ASX and TSX listed Exploration company operating in Mongolia. We give investors exposure to globally significant, large-scale copper-gold discoveries and low-cost inventory growth. Xanadu maintains a portfolio of exploration projects and remains one of the few junior explorers on the ASX or TSX who jointly control a globally significant copper-gold deposit in our flagship Kharmagtai 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 Board of Directors.

Appendix 1: Statements and Disclaimers

Mineral Resources and Ore Reserves Reporting Requirements

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 and Ore Reserves

Mineral Resource Estimates for Kharmagtai were updated during the September 2024 Quarter – please refer to the relevant ASX/TSX Announcement for details¹⁹. A Maiden Ore Reserve Estimate was reported in the same Announcement.

Mining Activity

There were no mine production or development activities during the March 2025 Quarter.

List of Tenements

Xanadu held licenses for the following tenements during the March 2025 Quarter. No new farm-in or farm-out agreements were entered into during the quarter.

Project Name	Tenement Name	Beneficial Ownership Start of Quarter	Beneficial Ownership End of Quarter	Location
Sant Tolgoi	Sant Tolgoi	0%	0% ^{20, 21}	Mongolia, Zavkhan Province
Red Mountain	Red Mountain	100%	100%	Mongolia, Dornogobi province, Saikhandulaan soum
Kharmagtai	Kharmagtai	38.25% ²²	38.25%	Mongolia, Umnugobi province, Tsogttsetsii soum

Competent Person Statements

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. 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 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. Australasian Institute of Geoscientists 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 JORC Code, 2012 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.

¹⁹ ASX/TSX Announcement 14 Oct 2024 – Kharmagtai Maiden Ore Reserve, Updated Mineral Resource

²⁰ Currently earning into 51% equity in Sant Tolgoi project by spending US\$1M over 24 months commencing 22 January 2024

²¹ ASX/TSX Announcement 22 Jan 2024 – Xanadu Enters into New Magmatic Copper and Nickel Sulphide Project

²² 38.25% represents 50% of Khuiten Metals via the Khuiten JV with Zijin. Khuiten Metals controls Kharmagtai and holds 76.5% of the Kharmagtai mining lease.

Related Parties

As set out in section 6.1 of the attached Appendix 5B, *Mining exploration entity or oil and gas exploration entity quarterly cash flow report*, payments made to related parties and their associates was approx. \$471,000 in the March 2025 Quarter. The amounts relate to salary, superannuation and bonus payments to Directors; legal fees paid to HopgoodGanim Lawyers (a company associated with Xanadu Non-Executive Director Michele Muscillo) for legal services; rent paid to Xanadu Executive Director Ganbayar Lkhagvasuren in relation to Xanadu's Ulaanbaatar office; and rent fees paid to Colin Moorhead & Associates (a company associated with Xanadu's Executive Chairman and Managing Director, Colin Moorhead) in relation to a share of Xanadu's Melbourne office.

Copper Equivalent Calculations

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.

Forward Looking Statements

Certain statements contained in this Announcement, including information as to the future financial or operating performance of Xanadu and its projects may also include statements which are 'forward-looking statements' that may include, amongst other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These 'forward-looking statements' are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Xanadu, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Xanadu disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether a result of new information, future events, circumstances or results or otherwise after the date of this Announcement or to reflect the occurrence of unanticipated events, other than required by the *Corporations Act 2001* (Cth) and the Listing Rules of the Australian Securities Exchange (**ASX**) and Toronto Stock Exchange (**TSX**). The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All 'forward-looking statements' made in this Announcement are qualified by the foregoing cautionary statements. Investors are cautioned that 'forward-looking statements' are not guarantee of future performance and accordingly investors are cautioned not to put undue reliance on 'forward-looking statements' due to the inherent uncertainty therein.

For further information, please visit the Xanadu Mines web site www.xanadumines.com.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Xanadu Mines Ltd

ABN

92 114 249 026

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(848)	(848)
	(e) administration and corporate costs	(982)	(982)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	28	28
1.5	Interest and other costs of finance paid	(10)	(10)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,812)	(1,812)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(127)	(127)
	(e) investments – Khuiten JV Share Subscription	(1,689)	(1,689)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) Loans to Khuiten Metals Joint Venture	(251)	(251)
2.6	Net cash from / (used in) investing activities	(2,067)	(2,067)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,458	1,458
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(15)	(15)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,443	1,443

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,162	6,162
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,812)	(1,812)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,067)	(2,067)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,443	1,443
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	3,726	3,726

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,726	1,659
5.2	Call deposits	2,000	4,503
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,726	6,162

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	472
6.2	Aggregate amount of payments to related parties and their associates included in item 2	251
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) Motor vehicles leases Mongolia	237	237
7.4	Total financing facilities	237	237
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,812)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(127)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,939)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,726
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,726
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.92
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
	No, Xanadu does not expect to have the same level of expenditure. During the quarter Xanadu had larger than usual cash outflow due to 1) payments on behalf of the Kharmagtai Joint Venture of approximately A\$500K which will be repaid to Xanadu in subsequent quarters; 2) additional consulting, legal fees and advisers in preparation for the 11 April Extraordinary General Meeting; and 3) payment of 2024 annual staff bonuses.	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes, the company has the following steps in place to secure required funding:

- In April 2025, Xanadu agreed with Zijin to extend the "Put Option" timeframe into the June quarter, while the parties discussed a range of corporate transactions. In the absence of an alternative transaction, this will be put to a shareholder vote. If approved, Xanadu can at its sole discretion sell half of the Khuiten JV to Zijin for \$US25M cash plus a low-cost loan carry through to production at Kharmagtai for Xanadu's retained ownership.
- Our UK based advisors Bacchus Capital have established funding packages (Equity, Debt, and Hybrid Securities such as offtake) to meet Xanadu's obligations under the Khuiten JV for the Kharmagtai project. In the absence of executing the put option or alternate corporate transaction, these options are ready to be finalised
- The Company is in discussion with parties about the potential for a JV or other third-party project level equity funding arrangement to move Red Mountain forward.
- In the 11 April Extraordinary General Meeting, the Company refreshed its Listing Rule 7.1 capacity of 15% to raise funds via issue of new shares. This is a back-up and in the absence of a put option, corporate transaction, or funding package noted above, Xanadu has the ability to complete and a successful history of past equity placements. There is no plan or requirement to do an equity placement at this stage.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the company expects to continue its operations and meet its objectives on the basis that it has multiple pathways to fund its projects and corporate activities as noted in 8.8.2 above, and that cash requirements going forward will be lower than in Q1 CY2025.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.