

# Form 604

## Corporations Act 2001 Section 671B

### Notice of change of interests of substantial holder

To: Company Name/Scheme Xanadu Mines Limited (**Xanadu**)  
ACN/ARSN ACN 114 249 026

#### 1. Details of substantial holder (1)

Name This notice is given by Zijin Mining Group Co., Ltd (**Zijin**) (a company incorporated in the People's Republic of China) on its own behalf, and on behalf of:

- I. Zijin (Singapore) International Mining Pte Ltd (**Zijin Singapore**), Zijin Overseas Development (Hainan) Co., Ltd (**Zijin Overseas**) and Zijin International Holdings Co Ltd (**Zijin International**);
- II. Jinping (Singapore) Mining Pte. Ltd. 038986 (**Jinping**);
- III. **Zijin Subsidiaries** (set out in **Annexure A**); and
- IV. Minxi Xinghang State-owned Assets Investment Co., Ltd. (**Minxi**) which holds approximately 23.11% of the shares in Zijin

ACNIARSN (if applicable) NA

There was a change in the interests of the  
substantial holder on 10/03/23  
The previous notice was given to the company on 29/04/22  
The previous notice was dated 27/04/22

#### 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares ( <b>Shares</b> )	139,000,000	9.84% (on the basis that the Company had 1,412,260,215 Shares on issue)	318,116,132	19.42% (on the basis that the Company has 1,637,824,191 Shares on issue)

#### 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme, are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
10/03/23	Jinping	Purchase	AUD \$0.04 per share equalling AUD \$7,164,645.28 in total	179,116,132 Shares	179,116,132
10/03/23	Zijin Singapore	Purchase	AUD \$0.04 per share equalling AUD \$7,164,645.28 in total	179,116,132 Shares	179,116,132
10/03/23	Zijin Overseas, Zijin International and Zijin ( <b>Zijin Parent Companies</b> )	Purchase	AUD \$0.04 per share equalling AUD \$7,164,645.28 in total	179,116,132 Shares	179,116,132
10/03/23	Zijin Subsidiaries	Purchase	AUD \$0.04 per share equalling AUD \$7,164,645.28 in total	179,116,132 Shares	179,116,132

10/03/23	Minxi	Purchase	Nil	179,116,132 Shares	179,116,132
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#### 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Jinping	Jinping	Jinping	Jinping is the registered holder of the relevant Shares and has a relevant interest in those Shares under section 608(1)(a) of the <i>Corporations Act 2001</i> (Cth) ( <b>Corporations Act</b> ), which were acquired pursuant to a Share Subscription Agreement, between Xanadu, Jinping and Zijin, set out in <b>Annexure B</b> .	318,116,132 Shares	318,116,132
Zijin Singapore	Jinping	Jinping	Zijin Singapore has the same relevant interests as Jinping under section 608(3)(b) of the <i>Corporations Act</i> by virtue of being the sole shareholder of Jinping and thus controlling Jinping.	318,116,132 Shares	318,116,132
Zijin Parent Companies	Jinping	Jinping	The Zijin Parent Companies have the same relevant interests as Jinping under section 608(3)(b) of the <i>Corporations Act</i> by virtue of Jinping being controlled by the Zijin Parent Companies.	318,116,132 Shares	318,116,132
Zijin Subsidiaries	Jinping	Jinping	The Zijin Subsidiaries are deemed to have the same relevant interests as Jinping under section 608(3)(a) of the <i>Corporations Act</i> by virtue of them each being controlled bodies corporate of Zijin and each Zijin Subsidiary therefore having voting power of more than 20% in Jinping.	318,116,132 Shares	318,116,132
Minxi	Jinping	Jinping	Minxi has the same relevant interest as Zijin under section 608(3)(a) of the <i>Corporations Act</i> by virtue of having voting power of more than 20% in Zijin.	318,116,132 Shares	318,116,132

**5. Changes in association**

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

**6. Addresses**

The addresses of the persons named in this form are as follows:

Name	Address
Zijin and Zijin Subsidiaries	No. 1 Zijin Road, Shanghang County, Longyan City, Fujian Province, PRC
Zijin International	Room 2901,29/F, Tower B(Building 2),Int'l Health Resort Center, Sanya Bayroad Int'l Passenger Port Area, Hainan, China
Zijin Overseas	Room 2901,29/F, Tower B(Building 2),Int'l Health Resort Center, Sanya Bayroad Int'l Passenger Port Area, Hainan, China
Zijin Singapore	6 Temasek Boulevard, #41-02/03 Suntec Tower Four, Singapore (038986)
Jinping	6 Temasek Boulevard, #41-02/03 Suntec Tower Four, Singapore (038986)
Minxi	Sixth Floor, Tingjiang Building, Beihuan 2nd Road, Linjiang Town, Shanghang County, Longyan City, Fujian Province

**Signature**

print name

capacity

Shaoyang Shen

Deputy President

sign here

date 10 /03/ 2023


**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

**Annexure A**

This is **annexure A** of four pages (including this page) referred to in Form 604 "Notice of change of interests of substantial holder" lodged by Zijin Mining Group Co., Ltd.

**Signed by Zijin Mining Group Co., Ltd**

print name

capacity

Shaoyang Shen

Deputy President

sign here

date 10 /03/ 2023



<b>Zijin Subsidiaries</b>
Zijinshan Gold and Copper Mine
Heilongjiang Duobaoshan Copper Industry Inc.
Xinjiang Habahe Ashele Copper Co., Ltd.
Xinjiang Jinbao Mining Co., Ltd.
Xinjiang Zijin Zinc Co., Ltd.
Tibet Julong Copper Co., Ltd.
Urad Rear Banner Zijin Mining Co., Ltd.
Hunchun Zijin Mining Co., Ltd.
Guizhou Zijin Mining Co., Ltd.
Shanxi Zijin Mining Co., Ltd.
Luoyang Kunyu Mining Co., Ltd.
Longnan Zijin Mining Co., Ltd.
Wenshan Malipo Zijin Tungsten Group Co., Ltd.
Neimenggu Golden China Minerals Inc.
Luoning Huatai Mining Development Co., Ltd.
Yuanyang Huaxi Gold Co., Ltd.
Wuping Zijin Mining Co., Ltd.
Qinghai West Copper Co., Ltd.
Shanxi Yilian Gold Mine Co., Ltd.
Heilongjiang Tongshan Mining Co., Ltd.
Fuyun Jinshan Mining Co., Ltd.
Xinyi Zijin Mining Co., Ltd.
Sanming Hongguo Mining Development Co., Ltd.
Zijin Mining South Investment Qinglong Energy Co., Ltd.
Shangri-La Huaxi Mining Co., Ltd.
Yunnan Huaxi Mineral Resources Co., Ltd.
Longsheng Dexin Mining Co., Ltd.
Ankang Jinfeng Mining Co., Ltd.
Henan Jinda Mining Co., Ltd.
Guizhou Xinhengji Mining Co., Ltd.
Liancheng Zijin Mining Co., Ltd.
Fujian Makeng Mining Co., Ltd.
Wancheng Commercial Dongshengmiao Co., Ltd.
Tibet Yulong Copper Co., Ltd.
Beijing Larkworld Environmental Technology Incorporated Company
Songpan Zijin Industrial and Commercial Co., Ltd.
Tibet Tianyuan Mining Exploration Co., Ltd.
Zijin Mining Group Southwest Co., Ltd.
Zijin Copper Co., Ltd.
Zijin Mining Group Gold Smelting Co., Ltd.
Fujian Zijin Copper Co., Ltd.
Jilin Zijin Copper Co., Ltd.
Bayannur Zijin Non-ferrous Metals Co., Ltd.
Heilongjiang Zijin Copper Co., Ltd.
Xinjiang Zijin Non-ferrous Metals Co., Ltd.
Luoning Zijin Gold Refinery Co., Ltd.
Luoyang Zijin Yinhui Gold Refinery Co., Ltd.
Xinjiang Altay Jinhao Iron Co., Ltd.
Zijin Mining Group Gold Jewelry Co., Ltd.
Xiamen Cross-Strait Gold Jewelry Industrial Park Co., Ltd.
Zijin Jinhang E-Commerce Co., Ltd. (Shenzhen)
Fujian Zijin Precious Metals Materials Co., Ltd.
Shanghang Zijin Jiabo Electronics New Material Technology Co., Ltd.
Fujian Jinshan High-abrasive Material Co., Ltd.
Fujian Zijin Mineral Processing Chemicals Co., Ltd.
Wengfu Zijin Chemical Co., Ltd.

<b>Zijin Subsidiaries</b>
Fujian Evergreen New Energy Technology Co., Ltd.
Fujian Haixia Technology Co., Ltd.
Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd.
Zijin Mining Group Qinghai Co., Ltd.
Fujian Shanghang Jinshan Hydropower Co., Ltd.
Fujian Shanghang Zijin Hydropower Co., Ltd.
Fujian Shanghang Ting River Hydropower Co., Ltd.
Zijin Hydropower Plant
Fujian Wuping Zijin Hydropower Co., Ltd.
Zijin Mining Group South Investment Co., Ltd.
Shanghang Zijin Railway Co., Ltd.
Yongding Zijin Longhu Ecological Industry Development Co., Ltd.
Joint Venture Zeravshan Limited Liability Company
Altynken Limited Liability Company
Longxing Limited Liability Company
Barrick (Niugini) Limited
Norton Gold Fields Pty Ltd
Kamoa Holding Limited
La Compagnie Minière de Musonoie Global Société par Actions Simplifiée
La Carrière Du Lualaba Société par Actions Simplifiée
Bisha Mining Share Company
Nkwe Platinum Limited
Serbia Zijin Copper Doo Bor
Serbia Zijin Mining Doo Bor
Continental Gold Limited Sucursal Colombia
AGM Inc.
Zijin Mining and Metallurgy Research Institute
Xiamen Zijin Mining and Metallurgy Technology Co., Ltd.
Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd.
Zijin (Xiamen) Engineering Co., Ltd.
State Key Laboratory of Comprehensive Utilization of Low-grade Refractory Gold Ores
Fujian Kingkop Co., Ltd
Zijin Mining Construction Co., Ltd.
Fujian Zijin Commercial Services Co., Ltd.
Fujian Zijin Engineering Technology Co., Ltd.
Beijing Anchuang Management Consulting Co., Ltd.
Zijin Mining Logistics Co., Ltd.
Xinjiang Gold International Logistics Co., Ltd.
Xinjiang Jinjie International Logistics Co., Ltd.
Fujian Zijin Shun'an Logistics Co., Ltd.
Fujian Zijin Trade Co., Ltd.
Shanghang Zijin Metallic Resources Co., Ltd.
Zijin Mining Group (Xiamen) Metallic Materials Co., Ltd.
Zijin International Trading Co., Ltd.
Zijin Mining Group Finance Co., Ltd.
Zijin Mining Group Capital Investment Co., Ltd.
Shenzhen Zijin Global Metals Exchange Co., Ltd.
Zisen (Xiamen) Supply Chain Management Co., Ltd.
Zijin Mining Group (Xiamen) Investment Co., Ltd.
Gold Mountains (H.K.) International Mining Co., Ltd.
Gold Mountains Asset Management Ltd.
Rio Blanco Copper S.A.
Zijin Environmental Technology Co., Ltd.
Fujian Zijin New Energy Co., Ltd.
Institute of Geology and Mineral Exploration
Liancheng Jiuxin Mining Co., Ltd.
Ankang Zijin Mining Co., Ltd.

<b>Zijin Subsidiaries</b>
Shanghang Jinshan Mining Co., Ltd.
Sichuan Ganzi Zijin Mining Co., Ltd.
Huanmin Mining Co., Ltd.
Sichuan Jinkang Mining Co., Ltd.
Zijin International Mining Co., Ltd.
Zijin Mining Group Northwest Co., Ltd.
Fujian Zijin Hotel Property Management Co., Ltd.
Zijin Mining Group (Xiamen) Investment Co., Ltd. (Airport Hotel)
Xiamen Zijin Travel Service Co., Ltd.

**Annexure B****Share Subscription Agreement**

This is **annexure B** of 39 pages (including this page) referred to in form 604 "Notice of change of interests of substantial holder" lodged by Zijin Mining Group Co., Ltd.

**Signed by Zijin Mining Group Co., Ltd**

print name

capacity

Shaoyang Shen

Deputy President

sign here

date 10/03/2023



I, Shaoyang Shen, endorse that the Share Subscription Agreement Annexed to this ASIC Form 604 is a true copy of the Share Subscription Agreement entered into between Xanadu Mines Ltd, Jinping (Singapore) Mining Pte. Ltd. and Zijin Mining Group Co. Ltd on 21 December 2022.



# Phase 2 Share Subscription Agreement

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Xanadu Mines Ltd (ACN 114 249 026) (**Company**)

Jinping (Singapore) Mining Pte. Ltd. (**Subscriber**)

Zijin Mining Group Co. Ltd (**Guarantor**)

3443-0512-0285v6Contact - Michele Muscillo, Partner, [m.muscillo@hopgoodganim.com.au](mailto:m.muscillo@hopgoodganim.com.au)

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# Table of Contents



1.	Reference Schedule, definitions and interpretation .....	1
1.1	Reference Schedule .....	1
1.2	Definitions .....	3
1.3	Interpretation .....	8
1.4	Business Days .....	9
1.5	Parties .....	9
2.	Conditions Precedent .....	9
2.1	Conditions precedent .....	9
2.2	Waiver of Conditions Precedent .....	10
2.3	Conditions Date .....	10
2.4	Reasonable endeavours to satisfy Conditions Precedent .....	10
3.	Subscription .....	10
4.	Completion .....	11
4.1	Completion Date .....	11
4.2	Place for Completion .....	11
4.3	Subscriber's Obligations on Completion .....	11
4.4	Company's Obligations on Completion .....	11
4.5	Simultaneous actions at Completion .....	11
4.6	Company's obligations following Completion .....	11
4.7	Subscriber bound by Constitution .....	12
5.	Board representation .....	12
6.	Guarantee .....	13
7.	Other obligations and warranties of the parties .....	13
7.1	Interim obligations .....	13
7.2	Warranties and representations by Company .....	13
7.3	Representations and Warranties by Subscriber .....	14
8.	Notices .....	14
8.1	Form .....	14
8.2	Manner .....	14
8.3	Time .....	15
8.4	Initial details .....	15
8.5	Changes .....	15
9.	Governing law and jurisdiction .....	15
9.1	Governing law .....	15
9.2	Jurisdiction .....	15
10.	Confidentiality and Announcements .....	16
10.1	Public announcements .....	16
10.2	Public announcements required by law .....	16
11.	Miscellaneous .....	16
11.1	Exercise rights .....	16
11.2	Merger .....	16
11.3	Moratorium legislation .....	16
11.4	No assignment .....	16
11.5	Remedies cumulative .....	17
11.6	Severability .....	17
11.7	Further assurance .....	17
11.8	Costs .....	17
11.9	Time .....	17
11.10	Variation .....	17
11.11	Waiver .....	17
11.12	Counterparts .....	17
11.13	Whole agreement .....	18
	Schedule 1 – Form of public announcement .....	19
	Schedule 2 - Company warranties .....	20

# Share Subscription Agreement



Date 21 DECEMBER 2022

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## Parties

Xanadu Mines Ltd (ACN 114 249 026) of Level 12, 680 George Street, Sydney, NSW 2000  
(**Company**)

Jinping (Singapore) Mining Pte. Ltd. of 6 Temasek Boulevard, #41-02/03 Suntec Tower Four,  
Singapore (038986) (**Subscriber**)

Zijin Mining Group Co. Ltd of 38/F, Tower B, AVIC-Zijin Plaza, 1811 Huandao East Road, Xiamen,  
Fujian, China (**Guarantor**)

## Background

- A. The Subscriber has previously subscribed for approximately 9.9% of the issued capital of the Company under the first phase of a strategic relationship between the parties (**Phase 1 Placement**).
- B. Contemporaneously with the entry into the agreement in respect of the Phase 1 Placement, a term sheet and Exclusivity Deed were entered into detailing a potential further placement (**Phase 2 Placement**) and joint venture arrangement in Khuiten Metals Pte. Ltd. (**Phase 3 JV**).
- C. The Subscriber wishes to be issued the Subscription Shares so that it holds in aggregate the Agreed Proportion of the share capital of the Company immediately following Completion of the Phase 2 Placement.
- D. The Company has agreed to issue the Subscription Shares to the Subscriber on the provisions of this agreement and, in consideration of the Subscriber entering into this agreement.

## It is agreed

### 1. Reference Schedule, definitions and interpretation

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#### 1.1 Reference Schedule

Where a term used in this agreement appears in bold type in the Reference Schedule, that term has the meaning shown opposite it in the Reference Schedule.

<b>Company's Address Details</b> <i>(see clause 8.4)</i>	Address:	Level 12, 680 George Street, Sydney NSW 2000
	Electronic Mail:	spencer.cole@xanadumines.com
	Attention:	Spencer Cole

# Share Subscription Agreement



<b>Subscriber's Address Details</b> <i>(see clause 8.4)</i>	Address: 6 Temasek Boulevard, #41-02/03 Suntec Tower Four, Singapore (038986) Electronic Mail: wang.chao@zijinmining.com Attention: Chao Wang
<b>Guarantor's Address Details</b> <i>(see clause 8.4)</i>	Address: 38/F, Tower B, AVIC-Zijin Plaza, 1811 Huandao East Road, Xiamen, Fujian, China Electronic Mail: shaoyang.shen@zijinmining.com Attention: Shaoyang Shen
<b>Agreed Proportion</b>	Approximately 19.99% in aggregate (being the total aggregate shareholding of the Subscriber in the capital of the Company immediately following Completion)
<b>Conditions Date</b>	The date that is 4 months after the date of this agreement
<b>Completion Date</b>	The date that is 10 Business Days after the last of the Conditions Precedents in clauses 2.1(a), 2.1(b), 2.1(c), 2.1(d) and 2.1(e) (if applicable) have been satisfied
<b>Subscription Consideration</b>	A\$7,164,645.28
<b>Subscription Price</b>	A\$0.04 for each Subscription Share
<b>Subscription Shares</b>	179,116,132 fully paid ordinary shares in the capital of the Company

## 1.2 Definitions

Undefined terms which are capitalised in this agreement shall take their meaning from the Phase 1 Share Subscription Agreement.

In this agreement:

**Action** means any:

- (a) action, dispute, claim, demand, investigation, inquiry, prosecution, litigation, proceeding, arbitration, mediation, conciliation or dispute resolution procedure whether by third party or Government Body; or
- (b) circumstance required to be notified to an insurer.

**ADI** has the meaning given in section 5 of the *Banking Act 1959* (Cth).

**ASX** means ASX Limited or the market operated by it, as the context requires.

**ASX Listing Rules** means the listing rules of ASX as waived or modified in respect of the Company.

**ASIC** means the Australian Securities and Investments Commission.

**Authorised Officer** of a party which is a corporation means:

- (a) an employee of the party whose title contains either of the words Director or Manager;
- (b) a person performing the function of any of them;
- (c) a solicitor acting on behalf of the party; or
- (d) a person appointed by the party to act as an Authorised Officer for the purposes of this agreement and notified to the others.

**Bank** means an ADI that is permitted under section 66 of the *Banking Act 1959* (Cth) to call itself a bank.

**Bank Cheque** means a cheque drawn by an ADI on itself.

**Board** means the board of directors of the Company from time to time.

**Business** means any business carried on by the Company and its Subsidiaries at the date of this agreement.

**Business Day** means:

- (a) if determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Brisbane, China and Singapore.

**Claim** means, in relation to a person, any action, allegation, claim, demand, judgment, liability, proceeding, remedy, right of action or right of set-off made against the person concerned however it arises whether:



- (a) it is present, unascertained, immediate, future or contingent;
- (b) it is based in contract, tort, statute or otherwise; or
- (c) it involves a third party or a party to this agreement.

**Cleansing Notice** means a notice in relation to the Subscription Shares in accordance with section 708A(5)(e) of the Corporations Act which complies with section 708A(6) of the Corporations Act.

**Completion** means completion of the issue and allotment of the Subscription Shares in accordance with clause 4.

**Conditions Precedent** has the meaning given in clause 2.1.

**Constitution** means the constitution from time to time of the Company.

**Control** has the meaning given in section 50AA of the Corporations Act.

**Controller** has the meaning given to it in section 9 of the Corporations Act.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Data Room** means the data room established by the Company and hosted by Ansarada, entitled "Project Sumo".

**Directors** means the directors of the Company from time to time.

**Dispose** means to sell, assign, transfer, convey, exchange, create a Security Interest over or otherwise dispose of a legal or beneficial interest and **Disposal** shall be construed accordingly.

**Encumbrance** means in relation to any property:

- (a) a Security Interest over the property;
- (b) a writ of execution or monetary claim affecting the property;
- (c) an estate, interest, claim or arrangement affecting the property;
- (d) a contract of sale or option to purchase or acquire the property; or
- (e) an agreement to grant, create, allow or register any of these,

whether the Encumbrance is registered or unregistered, statutory, legal or equitable.

**Equity Securities** has the meaning given to it in the ASX Listing Rules.

**External Administrator** means an administrator, Controller, trustee, provisional liquidator, liquidator or any other person holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

**FATA** means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

**Fairly Disclosed** means fairly disclosed to the Subscriber in writing or electronically in the Data Room at least two Business Days prior to the date of this agreement, to the extent that a reasonable and sophisticated buyer such as the Subscriber has sufficient detail so as to



enable the Subscriber to identify the nature and scope of the relevant matter, event or circumstance. For the avoidance of any doubt, a matter will be deemed to have been fairly disclosed to the Subscriber where the matter was fairly disclosed to the Guarantor.

**Government Body** means:

- (a) any person, body or other thing exercising an executive, legislative, judicial or other governmental function of any country or political subdivision of any country;
- (b) any public authority constituted by or under a law of any country or political subdivision of any country; and
- (c) any person deriving a power directly or indirectly from any other Government Body.

**Immediately Available Funds** means:

- (a) cash;
- (b) Bank Cheque; or
- (c) electronic transfers of cleared funds.

**Insolvency Event** means:

- (a) in relation to any corporation:
  - (1) its Liquidation;
  - (2) an External Administrator is appointed in respect of the corporation or any of its property;
  - (3) the corporation ceases or threatens to cease to carry on its business;
  - (4) the corporation being deemed to be, or stating that it is, unable to pay its debts when they fall due;
  - (5) any other ground for Liquidation or the appointment of an External Administrator occurs in relation to the corporation;
  - (6) the corporation resolves to enter into Liquidation; or
  - (7) an application being made which is not dismissed or withdrawn within ten Business Days for an order, resolution being passed or proposed, a meeting being convened or any other action being taken to cause or consider anything described in paragraphs (1) to (6) (inclusive) above;
- (b) in relation to an individual, that person becoming an insolvent under administration as defined in section 9 of the Corporations Act; and
- (c) in relation to any person, anything analogous to or having a similar effect to anything described above in this definition under the law of any relevant jurisdiction.

**Judgment** includes any unsatisfied judgment, order, arbitral award or decision of any court, tribunal or arbitrator, or unsatisfied settlement of proceedings in any court, tribunal or arbitration.



**Khuiten Share Subscription Agreement** means the document named “Khuiten Share Subscription Agreement” between the Company, the Subscriber, the Guarantor and Khuiten Metals Pte Ltd with respect to the Subscriber subscribing for US\$35,000,000 shares in Khuiten Metals Pte Ltd;

**Law** includes any law or legal requirement, including at common law, in equity, under any statute (including specifically the Corporations Act), regulation or by-law and any authorisation, decision, directive, guidance or guideline of a Government Body.

**Liquidation** means:

- (a) a winding up or liquidation (whether voluntary or involuntary), provisional liquidation, dissolution, bankruptcy or other analogous proceeding; or
- (b) an arrangement, assignment, composition or moratorium with or for the benefit of creditors or any class or group of creditors (including an administration or arrangement under part 5.3A of the Corporations Act).

**Listing Rules** means the Listing Rules of ASX.

**Material Adverse Change** means a matter, event or circumstance that occurs, is announced or becomes known to the Subscriber or the Company (whether or not it becomes public) after the date of this agreement where that matter, event or circumstance has, has had, or could reasonably be expected to have, individually or when aggregated with all such matters, events or circumstances:

- (a) a material adverse effect on the Business or the assets, liabilities, financial or trading position, profitability or prospects of the Company taken as a whole and for this purpose the effect must be demonstrable, sustained and diminish the value or prospects of the Company in a material way;

other than those matters, events or occurrences:

- (b) that are, or arise as a direct result or consequence of the announcement and/or implementation of the transactions contemplated in this agreement;
- (c) that are, or arise from:
  - (1) general changes in economic, political, business, industry or market conditions;
  - (2) currency exchange rates, securities markets and commodity prices; or
  - (3) changes in law, regulation or policy of any Government Body which affects the Company's operations or the Business;
- (d) affecting the industry in which the Company operates generally;
- (e) occurring directly or indirectly as a result of any act of God such as lightning, storm, flood, earthquake, cyclone, tidal wave or landslide;
- (f) which are Fairly Disclosed, or actually known by the Subscriber or the Guarantor on or before the date of this agreement (including as a result of disclosures made to ASX or TSX and in documents lodged with ASIC);
- (g) any change in accounting policy required by law or government policy; or
- (h) any change occurring with the written consent of the Subscriber,





unless those matters, events or circumstances described in (b), (c), (d) or (e) of this definition have a material adverse effect on the Company or Business which is disproportionate when compared to other companies and businesses which operate in the same industry as the Company.

**Obligation** means any commitment, covenant, duty, obligation or undertaking whether arising by operation of law, in equity or by statute and whether expressed or implied.

**Phase 1 Share Subscription Agreement** means the share subscription agreement between the Company, the Subscriber and the Guarantor dated 19 April 2022.

**PPS Act** means the *Personal Property Securities Act 2009* (Cth).

**PRC** means the People's Republic of China.

**Reference Schedule** means the schedule in clause 1.1.

**Related Body Corporate** has the meaning given to it in the Corporations Act.

**Related Entities** means, in respect of any person, a second person that:

- (a) Controls directly or indirectly the first person;
- (b) is under the Control directly or indirectly of the first person;
- (c) is under the Control directly or indirectly of a third person that also Controls the first person (whether alone or with another person or persons); or
- (d) is under the common Control directly or indirectly of the first person and another person or persons,

and, if the first person is the Subscriber, includes:

- (e) any trust, managed investment scheme, limited liability company, body corporate, account or investment portfolio or other fund or entity (**Fund Vehicle**) established and Controlled by the first person or any Related Entity of the first person; and
- (f) any Fund Vehicle for which the first person or Related Entity acts as sponsor, investment adviser or manager or with respect to which the first person or its Related Entity exercises discretionary control or otherwise has ability to direct or control investment decisions, vote on behalf of or take any other action on behalf of, including where such rights are contractual by nature;

**Securities** has the meaning given in the Corporations Act.

**Security Interest** means:

- (a) an interest in or right:
  - (1) reserved over property (including any retention of title to property or any right to set off or withhold payment of any deposit or other money);
  - (2) created or otherwise arising over property under a mortgage, charge, bill of sale (as defined in any relevant statute), lien, pledge, trust or right; or
  - (3) by way of security for the payment of a debt or other monetary Obligation or the performance of or compliance with any other Obligation;



- (b) any instrument or transaction which reserves, constitutes or evidences the interests and rights referred to in paragraph (a); and
- (c) any other interest which constitutes a security interest as that term is defined in the PPS Act.

**Shareholders** means the holders of Shares or any of them as the case requires.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Subsidiary** has the meaning given to it in part 1.2, division 6 of the Corporations Act.

**Third Party** means a person other than the Subscriber or any of its Related Entities.

**Treasurer** means the Treasurer of the Commonwealth of Australia.

**TSX** means the Toronto Stock Exchange.

**Voting Power** has the meaning given to that term in section 610 of the Corporations Act.

## 1.3 Interpretation

- (a) Unless the contrary intention appears, a reference in this agreement to:
  - (1) this agreement or another document includes any variation or replacement of it despite any change in the identity of the parties;
  - (2) one gender includes the others;
  - (3) the singular includes the plural and the plural includes the singular;
  - (4) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;
  - (5) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this agreement and a reference to this agreement includes any schedule or attachment;
  - (6) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
  - (7) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
  - (8) money is to Australian dollars, unless otherwise stated; and
  - (9) a time is a reference to Brisbane time unless otherwise specified.
- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

- (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this agreement.
- (e) A provision of this agreement must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this agreement or the inclusion of the provision in this agreement.

## 1.4 Business Days

- (a) If anything under this agreement must be done on a day that is not a Business Day, it must be done instead on the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5.00pm on that day or it will be considered to have been done on the following day.

## 1.5 Parties

- (a) If a party consists of more than one person, this agreement binds each of them separately and any two or more of them jointly.
- (b) An agreement, Obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, Obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

## 2. Conditions Precedent

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### 2.1 Conditions precedent

Completion occurring is conditional on:

- (a) **(Xanadu Shareholder approval)** the Shareholders of the Company approving the issue of the Subscription Shares to the Subscriber for the purposes of ASX Listing Rule 7.1 and for all other purposes;
- (b) **(PRC Regulatory Condition)** the Subscriber receiving all approvals, consents, registrations, filings, and authorisations required in connection with the transactions contemplated by this agreement from, at national level (if required) and at a provincial level:
  - (1) the Ministry of Commerce of the PRC;
  - (2) the National Development and Reform Commission of the PRC; and
  - (3) the State Administration of Foreign Exchange of the PRC,(each a **PRC Regulator**);  
  
unless a PRC Regulator has confirmed in writing that no approval, consent, registration, filing or authorisation is required in connection with the transactions contemplated by this agreement;
- (c) **(Khuiten Share Subscription Agreement)** the Company, the Subscriber, the Guarantor and Khuiten Metals Pte Ltd entering into the Khuiten Share Subscription Agreement;



- (d) **(Xanadu Shareholder approval under Khuiten Share Subscription Agreement)** Xanadu obtaining shareholder approval under the Khuiten Share Subscription Agreement if required by ASX;
- (e) **(All regulatory approvals)** the Subscriber and the Company receiving all regulatory approvals, including from the ASX and any relevant Government Body, as are required in respect of the transactions contemplated by this agreement, and there being no prohibition imposed by any relevant Government Body in respect of the same;
- (f) **(No breach of warranties by Company)** there being no breach of any warranties by the Company as set out under clause 7.2 and Schedule 2; and
- (g) **(No Material Adverse Change)** there being no Material Adverse Change in respect of the Company or the Business,

**(Conditions Precedent).**

## 2.2 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 2.1(a), 2.1(b) and 2.1(e) cannot be waived.
- (b) The Conditions Precedent in clauses 2.1(c) and 2.1(d) are:
  - (1) for the benefit of the Subscriber and the Company; and
  - (2) may only be waived by agreement in writing between the Subscriber and the Company.
- (c) The Conditions Precedent in clauses 2.1(f) and 2.1(g) are:
  - (1) for the benefit of the Subscriber alone; and
  - (2) may only be waived by the Subscriber giving notice in writing to the Company.

## 2.3 Conditions Date

If the Conditions Precedent are not satisfied by the Conditions Date, or a Condition Precedent has otherwise become incapable of being satisfied in accordance with its terms, then either party may terminate this agreement by writing in notice to the other.

## 2.4 Reasonable endeavours to satisfy Conditions Precedent

- (a) Each of the Company and the Subscriber must use their reasonable endeavours to ensure that each Condition Precedent is satisfied as soon as possible and in any event prior to the Conditions Date.
- (b) The parties must immediately inform one another of the occurrence of any facts or circumstances which may result in any of the Conditions Precedent in this clause not being satisfied in accordance with its terms and provide all reasonable information regarding those facts and circumstances.

## 3. Subscription

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Subject to the provisions of this agreement, the Company agrees to issue to the Subscriber and the Subscriber agrees to subscribe for and pay for, the Subscription Shares.

## **4. Completion**

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### **4.1 Completion Date**

Completion of this agreement must take place at 2.00 pm (Brisbane time) on the Completion Date (or such other time as agreed to by the parties).

### **4.2 Place for Completion**

Completion must take place at the offices of the Company, or at such other place as the Company may nominate to the Subscriber by written notice.

### **4.3 Subscriber's Obligations on Completion**

On or before the Completion Date the Subscriber must:

- (a) pay the Subscription Consideration to the Company in Immediately Available Funds; and
- (b) deliver to the Company:
  - (1) all documents required to be delivered under this agreement and not previously delivered; and
  - (2) such other documents as are reasonably requested by the Company in order to effectively carry out the transactions contemplated by this agreement.

### **4.4 Company's Obligations on Completion**

On the Completion Date, the Company must:

- (a) subject to the receipt of the Subscription Consideration in accordance with clause 4.3(a), issue the Subscription Shares to the Subscriber free from all Encumbrances;
- (b) register the Subscriber as the holder of the Subscription Shares and provide the Subscriber with reasonable evidence of such registration; and
- (c) deliver to the Subscriber the written approval of all Directors to the appointment of the Subscriber Director (as defined below) pursuant to clause 41.2 of the Constitution.

### **4.5 Simultaneous actions at Completion**

The obligations of the parties at Completion are interdependent and all actions will be taken to have been performed simultaneously. If one party defaults in an Obligation, then Completion may not take place and each party must take all steps necessary to reverse any step taken to Completion (such as returning monies or documentation exchanged between them).

### **4.6 Company's obligations following Completion**

As soon as practicable following Completion occurring, the Company must:

- (a) apply for quotation for the Subscription Shares on the ASX and final listing approval of the TSX and do all things reasonably necessary to ensure that the Subscription Shares are quoted as soon as practicable on such terms and conditions as are usual for quotation of securities;



- (b) provide ASX with a Cleansing Notice or, where the Company is unable to issue a Cleansing Notice, within 60 days of Completion lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Subscription Shares does not require disclosure to investors;
- (c) take all steps to procure the delivery to the Subscriber of a holding statement evidencing that the Subscription Shares have been issued and allotted to the Subscriber with effect from Completion.

#### 4.7 Subscriber bound by Constitution

The Subscriber agrees to be bound by the Constitution immediately on issue of the Subscription Shares to it.

### 5. Board representation

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- (a) Subject to clause 5(e), from Completion and continuing for so long as the Subscriber holds Voting Power of not less than 10% in the Company, the Subscriber will have the right to nominate a director to the Board (**Subscriber Director**).
- (b) The Company must:
  - (1) subject to clause 5(b)(2) below, take all steps necessary to cause the Subscriber Director to be appointed to the Board on Completion occurring (including passing a Board resolution appointing that person as a director of the Company conditional only upon Completion occurring); and
  - (2) if the Company has not received a signed consent to act as a director of the Company from the Subscriber Director prior to Completion, the Company must take all steps necessary to cause the Subscriber Director to be appointed to the Board immediately upon receipt of that consent.
- (c) The Obligation on the Company in clause 5(b) is subject to the Board (acting reasonably) concluding that the Subscriber Director is not acceptable to the Company or otherwise is not of good character or repute or has inappropriate experience to be a director of a public company in Australia in which case the Company must inform the Subscriber of this fact and ask for an alternative person to act as Subscriber Director.
- (d) If at any time a Subscriber Director resigns, is removed or not re-elected and the requirements of clause 5(a) remain fulfilled, the Subscriber may nominate a replacement Subscriber Director and this clause 5 shall continue to apply.
- (e) For the avoidance of doubt, the Subscriber will not lose its right to nominate a Subscriber Director if the Subscriber's Voting Power in the Company falls below 10% in aggregate as a result of the Company issuing further shares:
  - (1) otherwise than in accordance with, or permitted by, the Participation Right under clause 4 of the Phase 1 Share Subscription Agreement; or
  - (2) pursuant to a Primary Offer which, as a result of the Primary Offer completing prior to the completion of the issue of shares to the Subscriber pursuant to an accepted Secondary Offer, has the effect of causing the Subscriber's Voting Power to fall below 10% for such period of time until the issue of the Secondary Offer shares to the Subscriber is completed.



## 6. Guarantee

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The Guarantor hereby unconditionally and irrevocably guarantees in favour of the Company, as principal and not as surety, the due and punctual performance (and, where applicable, payment) by the Subscriber (and its successors and permitted assigns) of each of its Obligations and Liabilities under this agreement, as the same may be amended, changed, replaced, settled, compromised or otherwise modified from time to time, and irrespective of any bankruptcy, insolvency, dissolution, winding-up, termination of the existence of or other matter whatsoever in respect of the Subscriber or any successor or permitted assignee, including payment of all other fees and expenses for which the Subscriber is responsible under the terms of this agreement. The Guarantor hereby agrees that the Company shall not have to proceed first against the Subscriber in respect of any such matter before exercising its rights under this guarantee against the Guarantor and agrees to be liable for all guaranteed Obligations as if it were the principal obligor of such Obligations. The Guarantor acknowledges that the Company is acting in reliance on the Guarantor incurring obligations and giving rights under this guarantee. The Guarantor benefits from the guarantee given under this agreement and has entered this agreement for valuable consideration.

## 7. Other obligations and warranties of the parties

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### 7.1 Interim obligations

From the date of this agreement until the Completion Date, the Company must:

- (a) conduct its Business in the ordinary course and substantially in the same manner as conducted at the date of this agreement;
- (b) not declare or pay any dividend or make any distribution, directly or indirectly of its capital;
- (c) not, directly or indirectly, redeem any of its share capital;
- (d) not amend its Constitution other than as provided for in this agreement; and
- (e) maintain its books in the usual, regular and ordinary manner, on a basis consistent with prior practices.

### 7.2 Warranties and representations by Company

- (a) The Company represents and warrants to the Subscriber that, other than as Fairly Disclosed to the Subscriber, each warranty in Schedule 2 is correct and not misleading in any material respect on the date of this agreement and on the date of Completion (unless stated to only apply as at a particular date).
- (b) Where any representation or warranty is qualified by reference to the Company's awareness, knowledge, information, belief (or similar), the Company's awareness, knowledge, information, belief (or similar) is deemed to include matters within the actual knowledge of each Director and each member of the Company's senior management.

## 7.3 Representations and Warranties by Subscriber

The Subscriber represents and warrants to the Company that each of the following warranties is correct and not misleading on the date of this agreement and on the date of Completion (unless stated to only apply as at a particular date):

- (a) the Subscriber is validly incorporated, organised and subsisting in accordance with the laws of its country of incorporation;
- (b) the Subscriber has the power to enter into and perform this document and has obtained all necessary consents and authorisations to enable it to do so;
- (c) that subject to the satisfaction of the Conditions Precedent, the Subscriber has obtained all consents necessary to enable it to subscribe for the Subscription Shares;
- (d) this document constitutes valid and binding Obligations upon the Subscriber enforceable in accordance with its terms by appropriate legal remedy;
- (e) this document does not conflict with or result in a breach of any Obligation (including any statutory, contractual or fiduciary Obligation) or constitute or result in any default under any provision of the Subscriber's constitution (or equivalent constituent documents);
- (f) the Subscriber is not insolvent;
- (g) the Subscriber is a "Sophisticated Investor" (within the meaning of section 708(8) of the Corporations Act) or a "Professional Investor" (within the meaning of section 708(11) of the Corporations Act); and
- (h) the Subscriber has received a written notice under the FATA from the Treasurer (or the Treasurer's delegate) stating that, or to the effect that, the Australian Commonwealth Government does not object to the acquisition of the Subscription Shares by the Subscriber.

## 8. Notices

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### 8.1 Form

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 8.4 or to any other address as the recipient may have notified the sender; and
- (c) be signed by the party or by an Authorised Officer of the sender.

### 8.2 Manner

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;
- (b) left at the party's current address for service;





- (c) sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail; or
- (d) sent by electronic mail to the party's electronic mail address.

## 8.3 Time

If a notice is sent or delivered in the manner provided in clause 8.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
  - (1) in Australia to an Australian address, the fourth Business Day after posting; or
  - (2) in any other case, on the tenth Business Day after posting; or
- (c) electronic mail, when the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5.00pm on a Business Day it must be treated as received on the next Business Day in that place.

## 8.4 Initial details

The addresses and numbers for service are initially:

- (a) for the Company, those set out in the Company's Address Details;
- (b) for the Subscriber, those set out in the Subscriber's Address Details; and
- (c) for the Guarantor, those set out in the Guarantor's Address Details.

## 8.5 Changes

A party may from time to time change its address or numbers for service by notice to each other party.

## 9. Governing law and jurisdiction

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### 9.1 Governing law

This agreement is governed by and construed in accordance with the laws of Victoria.

### 9.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Victoria and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this agreement; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph 9.2(a).

## **10. Confidentiality and Announcements**

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### **10.1 Public announcements**

- (a) The parties agree that immediately after signing this document, or at such other time as the parties may agree having regard to any trading halt in connection with the transaction contemplated by this agreement, the Company must issue a public announcement to the ASX in the form set out in Schedule 1 and a copy of this document may be annexed by the Subscriber to an ASIC Form 604.
- (b) Subject to clause 10.1(a) and 10.2, any other announcement or disclosure of information relating to the subject matter of this agreement requires the prior written consent of both parties (not to be unreasonably withheld).

### **10.2 Public announcements required by law**

A party may disclose information relating to this agreement if required to do so by law or a regulation of a stock exchange (including, without limitation, its continuous disclosure obligations under the exchange rules for the ASX and the TSX) or any Government Body.

## **11. Miscellaneous**

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### **11.1 Exercise rights**

A single or partial exercise or waiver by a party of any right under or relating to this agreement will not prevent any other exercise of that right or the exercise of any other right.

### **11.2 Merger**

If the liability of a party to pay money under this agreement becomes merged in any deed, judgment, order or other thing, the party liable must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under this agreement and that fixed by or payable under that deed, judgment, order or other thing.

### **11.3 Moratorium legislation**

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this agreement is excluded to the extent permitted by law.

### **11.4 No assignment**

- (a) A party must not assign, transfer or novate all or any part of its rights or Obligations under or relating to this agreement or grant, declare, create or dispose of any right or interest in it, without the prior written consent of each other party.
- (b) Notwithstanding clause 11.4(a), the Subscriber may, at any time, assign, novate or otherwise transfer the benefit of all or any of the Subscribers' obligations and/or any benefit and/or remedy arising under or out of this agreement or any of the agreements which are referred to herein to one of its Related Bodies Corporate and Related Entities, provided that such assignment, novation or transfer does not affect the validity or continuation of the guarantee provided in clause 6.



## 11.5 Remedies cumulative

The rights and remedies under this agreement are cumulative and not exclusive of any rights or remedies provided by law.

## 11.6 Severability

If a provision of this agreement is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this agreement or is contrary to public policy.

## 11.7 Further assurance

Each party must promptly at its own cost do all things (including executing and delivering all documents) necessary or desirable to give full effect to this agreement and the transactions contemplated by it.

## 11.8 Costs

Each party is responsible for all its own costs incurred in the negotiation and performance of this agreement including legal costs.

## 11.9 Time

- (a) Time is of the essence of this agreement.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this agreement.
- (c) An agreement to vary a time requirement must be in writing.

## 11.10 Variation

An amendment or variation to this agreement is not effective unless it is in writing and signed by the parties.

## 11.11 Waiver

- (a) A party's waiver of a right under or relating to this agreement, whether prospectively or retrospectively, is not effective unless it is in writing and signed by that party.
- (b) No other act, omission or delay by a party will constitute a waiver of a right.

## 11.12 Counterparts

This agreement may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this agreement may deliver it to, or exchange it with, another party by emailing a pdf (portable document format) copy of, the executed counterpart to that other party.



## 11.13 Whole agreement

This agreement:

- (a) is the entire agreement and understanding between the parties relating to the subject matter of this agreement; and
- (b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.



## Schedule 1 – Form of public announcement

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## Investment Deal Signed with Zijin; Pathway to Kharmagtai Production

20 December 2022

Xanadu Mines Ltd (**ASX: XAM, TSX:XAM**) (**Xanadu** or the **Company**) is pleased to announce the execution of formal documentation for Phases 2 and 3 of the transaction with Zijin Mining Group Co., Limited (**Zijin**)<sup>1</sup>. This entails Zijin subscribing for additional shares in Xanadu to increase its corporate shareholding to 19.99% and the formation of a 50:50 Kharmagtai Joint Venture (**Kharmagtai JV**) through Xanadu's 100% owned subsidiary Khuiten Metals Pte. Ltd. (**Khuiten**), which holds a 76.5% effective interest in the Kharmagtai copper-gold project (**Kharmagtai**).

The significant cash investment by Zijin provides funding for the Pre-Feasibility Study for Kharmagtai (**Kharmagtai PFS**) which will commence in early 2023 and take the project to a potential Final Investment Decision (**FID**) as early as 2024. These funds will also drive Xanadu's exploration growth program, which will target high-grade mineralisation at depth, higher-grade deposit extensions, and new discoveries within the 66.5 square kilometre tenement.

## Highlights

- Key documents executed include a Subscription Agreement for the placement in Xanadu (**Phase 2 Placement**) together with a Subscription Agreement and Joint Venture Shareholders' Agreement with respect to Khuiten (**Phase 3 JV**), creating a binding partnership with Zijin, the fifth largest global copper mining company<sup>2</sup>.
- Completion of the Phase 2 Placement will raise approx. A\$7.2 million for Xanadu (before costs) and increase Zijin's shareholding in Xanadu to 19.99% with the issue of approx. 179.1 million shares at A \$0.04 per share. The funds raised in the Phase 2 Placement will be used for (a) the exploration of Xanadu's highly prospective Red Mountain project, (b) new project generation in southern Mongolia; and (c) corporate regulatory and administrative costs.
- Under the Phase 3 JV, Zijin will invest US\$35 million into the Kharmagtai project in return for the formation of a 50:50 joint venture through Xanadu's 100% owned subsidiary Khuiten. The US\$35 million will be used to complete the Kharmagtai PFS, continue exploration and support associated expenditure on the project's development.
- Upon delivery of the Kharmagtai PFS, Xanadu will have certain rights to partially or fully selldown its project interest in Kharmagtai to Zijin. These rights (structured as put options) provide flexibility for Xanadu to manage its exposure to future funding requirements of the project as well as provide optionality to potentially realise value for shareholders after the economics of the project development are better defined.

<sup>1</sup> ASX/TSX Announcement 19 April 2022 - Strategic Partnership with Zijin Mining and Placement

<sup>2</sup> Kitco - <https://www.kitco.com/news/2022-09-26/Top-10-largest-copper-mining-companies-in-Q2-2022-report.html>

- In line with prior communications of the Strategic Partnership<sup>3</sup>:
  - Xanadu will remain operator of Kharmagtai until the earlier of delivery of the Kharmagtai PFS or 18 months from completion of the Phase 3 transaction, with Zijin as operator thereafter.
  - Agreements remain subject to certain People's Republic of China regulatory approvals, and Xanadu Shareholder approval at its upcoming Extraordinary General Meeting (EGM) scheduled to be held in February 2023 and other conditions typical for transactions of this nature.

**Executive Chairman & Managing Director, Colin Moorhead, said,** *"We are pleased to have finalised these agreements, achieving a mutually beneficial, long term partnership with Zijin, an experienced international developer and top 5 operator of large scale, open-pit copper-gold projects. Once completed, Xanadu will be in a very strong financial position, fully funded to take Kharmagtai to a decision to construct and capitalised to accelerate exploration programs across its highly prospective Kharmagtai and Red Mountain tenements. The deal structure enables us to deliver value for our shareholders in the future, irrespective of the prevailing market conditions."*

*"We're looking forward to unlocking the full potential of both the world-class Kharmagtai project and our exciting Red Mountain advanced exploration project, during a period when we believe prices will be well supported given the global aggressive shift to electrification to achieve decarbonisation goals."*

## Strategic Partnership

Under the Strategic Partnership<sup>3</sup>, Zijin is investing at both the Xanadu corporate level and Kharmagtai project level through a series of transactions:

- **Phase 1 Placement** already completed; Zijin acquired a 9.84% interest in Xanadu, with the issue of 139 million shares at A\$0.04/share.
- **Phase 2 Placement** will increase Zijin's shareholding in Xanadu to 19.99%, with the issue of approx. 179.1 million shares at A\$0.04/share (an approx. 43% premium relative to Xanadu's share price at 19 December 2022).
- **Phase 3 JV (or Kharmagtai JV)** will result in the parties establishing a 50:50 incorporated joint venture in Khuiten, the entity currently wholly owned by Xanadu which holds a 76.5% effective interest in the Kharmagtai project, in return for Zijin injecting US\$35M into Khuiten to support the Kharmagtai PFS and associated expenditure on the project's next phase.

Zijin's total investment in the Strategic Partnership with Xanadu is estimated at approx. A\$64 million<sup>4</sup>, of which approx. A\$12.8 million will be invested in Xanadu shares and approx. A\$51.5 million (US\$35 million) directly into Kharmagtai.

Zijin has already received approval from the Australian Foreign Investment Review Board (FIRB) in respect of the investment<sup>5</sup>. Remaining approvals include People's Republic of China (PRC) regulatory approval and Xanadu shareholder approval, which are expected in Q1 2023.

<sup>3</sup> ASX/TSX Announcement 19 April 2022 - Strategic Partnership with Zijin Mining and Placement

<sup>4</sup> Completed A\$5.6M for Phase 1; Remaining A\$7.2M for Phase 2 and US\$35M for Phase 3; using 0.68 USD / AUD exchange rate

<sup>5</sup> ASX/TSX Announcement 22 August 2022 – Foreign Investment Review Board Approves Zijin Investment in Xanadu

## Phase 2 - Placement

The Phase 2 Placement will involve Zijin subscribing for an additional tranche of ordinary shares in Xanadu to increase its total shareholding in Xanadu to approximately 19.99% with the issue of approx. 179.1 million shares at an issue price of A\$0.04 per share for a total investment of approx. A\$7.2M. This represents an approx. 43% premium to Xanadu's share price of A\$0.028 per share as of 19 December 2022. This will give Zijin the right to appoint one Director to the Board of Xanadu Mines Ltd (subject to Zijin maintaining at least a 10% interest in Xanadu (other than a result of the dilution of Zijin by Xanadu). An existing Participation Right will also continue in circumstances where the issue of shares to a third party requires shareholder approval.

Key features of the Phase 2 Placement are described in the **Appendix** to this announcement.

Funds from the Phase 2 Placement will be used as follows:

- Exploration of Xanadu's highly prospective Red Mountain project
- New project generation in southern Mongolia
- Corporate regulatory and administrative costs.

## Phase 3 - Kharmagtai JV

The third and final stage of the partnership will involve Zijin and Xanadu establishing a 50:50 incorporated joint venture in Khuiten, the entity currently wholly owned by Xanadu, and which effectively owns 76.5% of the Kharmagtai project, along with 13.5% minority holder Ganbayar Lkhagvasuren (an Executive Director at Xanadu), and 10.0% minority holder QGX Ltd.

Zijin will subscribe for shares equal to 50% of Khuiten by way of share placement for a cash payment of US\$35 million to Khuiten, with Xanadu remaining the operator of the Kharmagtai JV until the earlier of delivery of the Kharmagtai PFS or 18 months from commencement of the Kharmagtai JV. Thereafter, driving towards the point of a construction decision, Zijin will then become the operator of the Kharmagtai JV and take leadership of the development and operational phase for the mine.

At that point, subject to satisfaction of certain conditions, Xanadu will also have certain rights to partially or fully sell down its project interests in the Kharmagtai project to Zijin. These rights (structured as put options as described below) provide flexibility for Xanadu to manage its exposure to the future funding requirements of the development, as well as provide optionality to potentially realise value for shareholders after the economics of the project development are better defined.

The Joint Venture Agreement is typical for transactions of this nature, with key features described in the **Appendix** to this announcement.

### Put Options

After completion of the Kharmagtai PFS, Xanadu will have three choices available to it, enabling the Company to take an action which generates greatest value to its shareholders at the time:

1. Fund its share of the project construction; or
2. Sell 25% of the Kharmagtai JV to Zijin for US\$25 million in cash, together with an obligation for Zijin to fund 100% of Xanadu's share of expenditure under a loan carry (bearing interest at the 6-month Secured Overnight Financing Rate (**SOFR**) + 5% p.a.). This loan would cover all of Xanadu's share of construction costs, to be repaid out of operating dividends and other payments or distributions post construction; or
3. Sell Xanadu's remaining 50% of the Kharmagtai JV to Zijin for US\$50 million in cash.



For Xanadu to be entitled to be able to exercise either of the put options, the Kharmagtai PFS delivered by the Company must support an Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code, 2012**) compliant Ore Reserve or National Instrument 43-101 (**NI 43-101**) compliant Mineral Reserve with a life of mine for the Kharmagtai Project of at least 20 years (using economic input parameters consistent with the Scoping Study conducted by the Company dated 6 April 2022<sup>6</sup> and the NI43-101 Preliminary Economic Assessment Technical Report prepared by the Company dated 20 June 2022<sup>7</sup>), with an internal rate of return of at least 20% and a payback period of less than 6 years. Xanadu will also have to receive all required shareholder approvals pre-exercise of the put option.

## Use of Funds

Funds received from the Phase 3 JV subscription will enable completion of the Kharmagtai PFS and continued exploration and development activities, including:

- PFS studies leading towards the FID and decision to construct;
- Infill drilling (approximately 30,000 metres) to support a JORC Code, 2012 compliant Ore Reserve and to support geotechnical, geometallurgical and sterilisation studies under the PFS;
- Metallurgical test work and studies to reduce risk and explore upside opportunities identified in the Kharmagtai Scoping Study;
- Mongolian permitting and regulatory approvals;
- Exploration drilling program targeting higher-grade mineralisation at depth, higher-grade deposit extensions, and new discovery on the Kharmagtai tenement; and
- Associated project development activities.

## Advisors

Xanadu is being advised by Jefferies Australia Pty Ltd (**Jefferies**) as its financial adviser and HopgoodGanim Lawyers as its legal adviser for this series of transactions.

## About Zijin Mining Group

Zijin is a multinational mining group dedicated to exploration and development of gold, copper, zinc and other mineral resources globally, as well as associated refining, processing, trading and other businesses. Its operations include projects and operations in 14 provinces in the People's Republic of China (**PRC**) as well as 13 overseas countries across Europe, Central Asia, Africa, Oceania and South America. It is one of the largest Chinese mining companies distinguished by its significant domestic and international copper and gold resource, reserves and production.

<sup>6</sup> ASX/TSX Announcement 6 April 2022 - Scoping Study - Kharmagtai Copper-Gold Project

<sup>7</sup> ASX/TSX Announcement 20 June 2022 - NI 43-101 Preliminary Economic Assessment Technical Report

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### Zijin's Mining Operations in China



### Zijin's Global Mining Operations



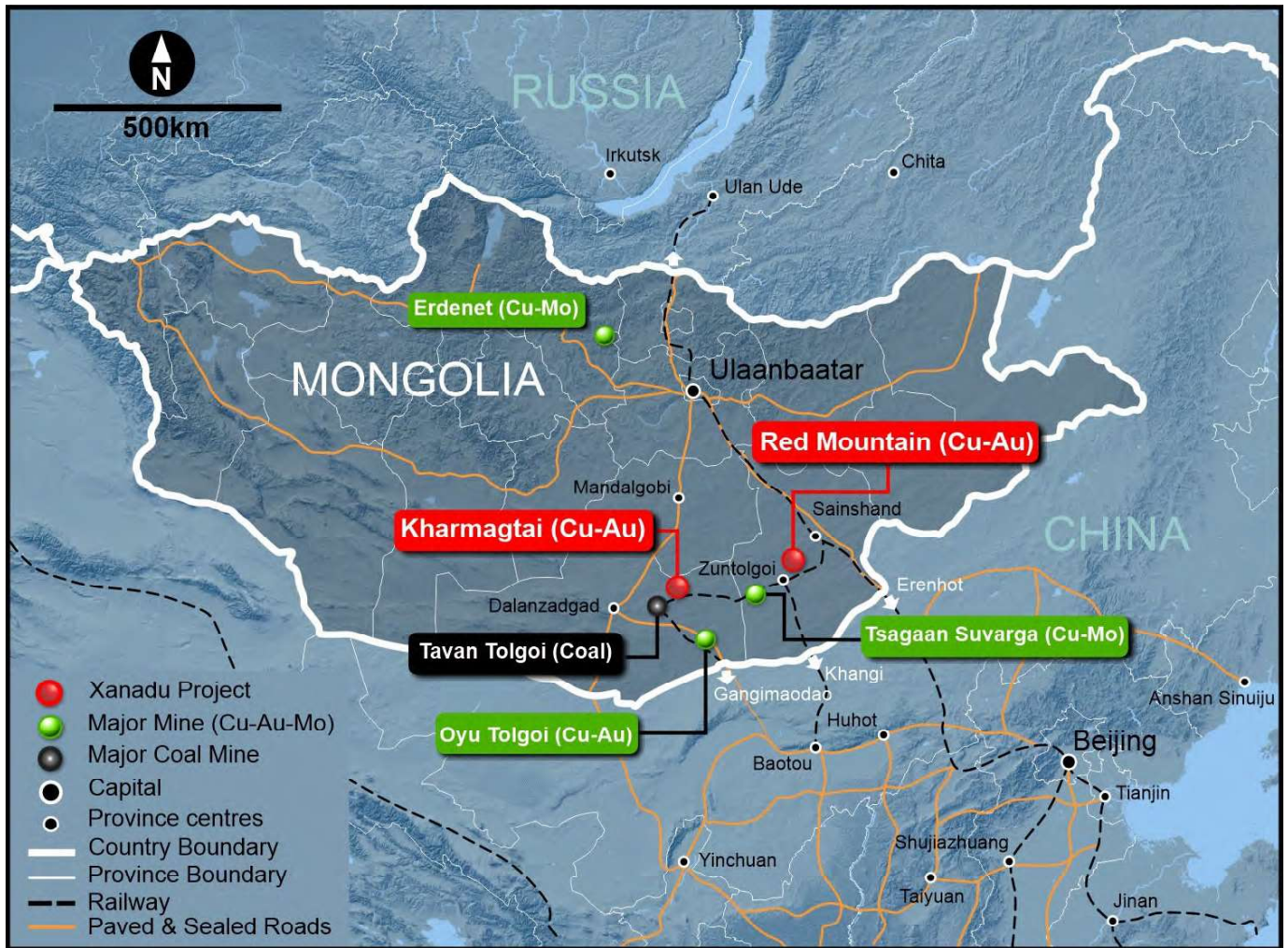
## About the Kharmagtai Copper-Gold Project

Kharmagtai is Xanadu's flagship project, located in the South Gobi region of Mongolia and has a Mineral Resource Estimate<sup>8</sup> of 1.1 billion tonnes, containing 3 million tonnes of copper and 8 million ounces of gold. Xanadu recently released its Kharmagtai Scoping Study<sup>9</sup>, using a conventional and low risk open pit mine and sulphide process plant, which demonstrated a US\$630 million net present value (**NPV**), 20% investment rate of return (**IRR**) project, with a 4-year payback, operating as a first quartile costs producer for its first five years of operation. Multiple upside opportunities were reported for evaluation during future studies, and gating to pre-feasibility stage was approved by the Board pending funding.

The next step of development at Kharmagtai will complete the Kharmagtai PFS, including delivery of a JORC Code, 2012 Compliant Ore Reserve and all Mongolian permitting and regulatory approvals to commence construction. This is anticipated to require 18 months and cost US\$20 million to complete.

<sup>8</sup> ASX/TSX Announcement - 8 December 2021 - Kharmagtai Resource Grows to 1.1 billion Tonnes.

<sup>9</sup> ASX/TSX Announcement 6 April 2022 - Scoping Study Kharmagtai Copper-Gold Project



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Spencer Cole  
Chief Financial Officer & Chief Development Officer  
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This Announcement was authorised for release by Xanadu's Board of Directors.

All dollar amounts are in Australian dollars unless otherwise indicated.

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## Appendix – Key Features of Agreements

### Phase 2 Placement

Completion of the Phase 2 Placement is subject to the following conditions:

- a) Xanadu shareholder approval under ASX Listing Rule 7.1 and for all other purposes (and any other regulatory approvals as required);
- b) Zijin obtaining PRC regulatory approvals as required (noting that FIRB approval has already been obtained);
- c) no breaches of warranties by Xanadu prior to completion;
- d) no material adverse change in respect of Xanadu and its business prior to completion; and
- e) the parties entering into the subscription agreement for the Phase 3 JV and the Company obtaining any shareholder approval required by ASX under that agreement.

These conditions must be satisfied on or before 4 months from execution of the subscription agreement for the Phase 2 Placement and the Phase 2 Placement will complete 10 Business Days after all approvals have been obtained.

On completion of the Phase 2 Placement, Zijin is to be provided the following rights:

- (a) a right to appoint one director to the Board of Xanadu. The nominee must be reasonably acceptable to the Board in terms of being of good character or repute and holding appropriate experience to be a director of a listed public company; and
- (b) continuation of the Limited and Conditional Participation Right granted to Zijin under the Phase 1 Placement and summarised in the ASX/TSX Announcement dated 19 April 2022 (**Participation Right**). After completion of the Phase 2 Placement, Zijin will be notified on a strictly confidential basis of Xanadu's intention to undertake any issue of shares to a third party which requires shareholder approval, and Zijin will have a 5 business day period in which to indicate whether it wishes to participate in that capital raising on the basis of, and subject to shareholder approval (and subject to receipt of any relevant FIRB, PRC or other required regulatory approvals). This Participation Right is subject to compliance with ASX Listing Rules and ceases where Zijin's interest falls below 5% and remains below that threshold for more than 20 consecutive days on which the ASX is open for trading.

The right for Zijin to nominate a director to the Board will continue for as long as Zijin retains not less than a 10% interest in Xanadu or where its interest falls below 10% because of either:

- (a) an issue of shares by Xanadu other than in accordance with the Participation Right; or
- (b) an issue of shares by Xanadu to a third party pending a further issue of shares to Zijin as a result of exercising its Participation Right.

### Phase 3 Kharmagtai JV

Completion of the Phase 3 JV is subject to the following conditions:

- (a) the parties entering into the subscription agreement for the Phase 2 Placement and the Company obtaining shareholder approval under that agreement (and any other regulatory approvals as required);
- (b) Zijin obtaining PRC regulatory approvals as required;

- (c) the issuance to the Company of shares in Khuiten in full and final satisfaction of the aggregate total of all shareholder loans made by the Company to Khuiten. These loans represent all exploration related expenditure at Kharmagtai subsequent to project acquisition in 2013 (being a current amount of approximately A\$59.7 million) (**Xanadu Loan Conversion**);
- (d) no breaches of warranties by Xanadu or Khuiten prior to completion; and
- (e) no material adverse change in respect of Xanadu, Khuiten or their businesses prior to completion.

These conditions must be satisfied on or before the same date as for the Phase 2 Placement, being 4 months from execution of the subscription agreement for the Phase 3 JV and the Phase 3 JV will complete 10 Business Days after all approvals have been obtained and Xanadu has completed the Xanadu Loan. This is expected to occur on or shortly after completion of the Phase 2 Placement.

Xanadu and Zijin have entered into a Joint Venture Shareholders' Agreement typical for transactions of this nature, the key features of which include:

- commencement from the date of completion of the subscription agreement for the Phase 3 JV;
- the primary objective for Xanadu to use reasonable endeavours to deliver the Kharmagtai PFS within 18 months from commencement of the joint venture;
- funding to be paid from the payment made by Zijin to subscribe for its 50% interest and thereafter to be borne by shareholders in their respective proportions. Where a party fails to meet its funding obligations, the other party will be entitled to meet that shortfall in return for the issue of additional shares (resulting in the dilution of the defaulting shareholder);
- agreement on an initial development plan and budget for the first 18 months from commencement of the Joint Venture Agreement (which is expected to take the joint venture through to delivery of the Kharmagtai PFS). After that, approval of annual budgets and development plans will require special majority approval of the board of Khuiten;
- appointment of Xanadu in the role of the operator of the joint venture from commencement of the joint venture until the earlier of delivery of the Kharmagtai PFS or 18 months from the commencement of the joint venture, after which Zijin will assume the role of operator;
- the initial appointment of two directors from each of Xanadu and Zijin to the board of Khuiten (one for each 25% interest held);
- a right for Xanadu to appoint the initial chairperson of the Khuiten board through until the earlier of delivery of the Kharmagtai PFS or 18 months from the commencement of the joint venture. Xanadu's Executive Chairman and Managing Director, Colin Moorhead, will be the initial appointee as chairperson. Zijin will have the right to appoint the chairperson after the lapse of that initial period;
- a right for Xanadu to appoint the initial General Manager for Khuiten through until the earlier of delivery of the Kharmagtai PFS or 18 months from the commencement of the joint venture, with the Deputy General Manager to be appointed by Zijin. After that initial period has lapsed, these rights will reverse (provided that Xanadu must retain at least a 25% interest to preserve its right to appoint the Deputy General Manager);
- equal voting rights from commencement for Xanadu and Zijin at Khuiten board meetings subject to any changes in shareholdings (voting rights based upon respective proportionate shareholdings), with the chairperson not having a casting vote;
- identified critical business matters, including certain expenditure or transactions with a value above US\$1,000,000, increasing to US\$10,000,000 after the earlier of delivery of the Kharmagtai PFS or 18 months from the commencement of the joint venture, will require a special majority approval by the board of Khuiten (being greater than 67% of votes which may be cast);
- deadlocks at a board or shareholder meeting for Khuiten, the following process will be instigated:
  - the conduct of a further meeting as soon as possible to consider the same resolution;

- where there is a continuing deadlock, negotiations must be conducted between the senior representatives of Xanadu and Zijin to resolve the dispute;
  - where the deadlock continues and relates to technical or accounting matters, then the dispute is to be referred to an appropriately qualified independent expert as appointed by the board; and
  - if a deadlock is unable to be resolved, the board will be taken to have determined that no action is to be taken on that resolution;
- the grant of the two put options to Xanadu to require Zijin to acquire from Xanadu either a further 25% interest in Khuiten (**25% Option**) or the whole of Xanadu's 50% interest in Khuiten (**50% Option**). The key terms relating to the exercise of these options are:
  - purchase price payable by Zijin is US\$25,000,000 for the 25% Option and US\$50,000,000 for the 50% Option;
  - the right to exercise either put option only arises if Xanadu delivers the Kharmagtai PFS. This PFS:
    - must constitute a comprehensive prefeasibility study of the viability of the Kharmagtai Project including:
      - a comparison of options and selecting a single path forward for mining method, processing and infrastructure;
      - a financial analysis based on reasonable assumptions of technical, engineering, operating, economic factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve under the JORC Code, 2012 or NI 43-101;
    - must support a JORC Code, 2012 compliant Ore Reserve or NI43-101 compliant Mineral Reserve:
      - with a life of mine of at least 20 years (using economic input parameters consistent with the Scoping Study dated 6 April 2022 and the NI43-101 Preliminary Economic Assessment Technical Report dated 20 June 2022);
      - with an internal rate of return of at least 20%; and
      - a payback period of less than 6 years .
  - once the Kharmagtai PFS is delivered, Xanadu will have a 6 month period to exercise either option, including first obtaining any shareholder, ASX, TSX or other regulatory approvals which may be necessary as a precondition to Xanadu being able to exercise the relevant option;
  - completion will take place two months after the exercise of an option by Xanadu; and
  - Xanadu will only be able to exercise either one of these options (i.e., the 50% Option will lapse if the 25% Option is exercised);
- if Xanadu exercises the 25% Option, it will remain liable for its respective proportion of the funding for the progression of the joint venture until commencement of commercial production at the Kharmagtai Project. This would be funded by way of a loan from Zijin (**Funding Loan**) on the following key terms:
  - interest will be payable on the Funding Loan at SOFR (based on a 6 month term) + 5% per annum);
  - the Funding Loan will rank in priority to distributions to shareholders;
  - 90% of all the amounts of dividends and distributions due to Xanadu will be directed to Zijin and applied as repayment of the Funding Loan (interest before principal);
  - repayment of the Funding Loan due 10 years from the date of the commencement of the commercial production of the Kharmagtai Project or upon earlier termination of the joint venture or earlier default by the Company; and
  - interest will be capitalised monthly and payable on the Repayment Date.
- pre-emptive rights for the issue of additional shares in Khuiten, such that new shares will be first offered to all shareholders in their respective proportions. Additional shares which have not been accepted by

a shareholder will then be offered to the other shareholders. Any additional shares which have still not been accepted can then be offered to third parties (at no lower issue price);

- pre-emptive rights for the acquisition of shares held in Khuiten proposed to be disposed of by a shareholder to a third party. Notice and details of the proposed sale must be provided to the other shareholders and be open for acceptance, in their respective proportions, for 20 business days. Offers not initially accepted by a shareholder must be offered to other shareholders. Remaining unsold shares can be sold to a third party within 3 months after this process on terms no more advantageous than those offered to the shareholders; and
- drag along and tag along rights apply to a proposed sale of shares held in Khuiten by either a single shareholder holding at least 51% or multiple shareholders holding at least 75% in aggregate – on terms the same as (drag right) or no less favourable than (tag rights) the terms on which the seller proposes to sell its shares to a proposed purchaser.

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## Schedule 2 - Company warranties

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### 1 Incorporation, power and authority

- a. The Company is a company duly incorporated under the provisions of the Corporations Act.
- b. The Company has full power and authority to enter into this agreement, consummate the transactions contemplated by this agreement and perform its Obligations under this agreement (subject only to the satisfaction of the Conditions Precedent).
- c. This agreement does not conflict with or result in a breach of any Obligation (including any statutory, contractual or fiduciary Obligation) or constitute or result in any default under any provision of the Constitution.

### 2 Solvency

The Company is not insolvent.

### 3 Subscription Shares and share capital

- a. Once issued, the Subscription Shares will:
  - i. rank equally in all respects with existing issued fully paid ordinary shares in the Company;
  - ii. be fully paid; and
  - iii. be free from all Encumbrances.
- b. There is no restriction on the allotment and issue of the Subscription Shares (subject only to the satisfaction of the Conditions Precedent).
- c. Shares in the Company are listed on the official list of the ASX and the Company has not been removed or threatened to be removed from the official list.
- d. At the date of this agreement, the Company has on issue the following Equity Securities:
  - i. 1,412,260,215 Shares;
  - ii. 46,950,000 XAMAAA Options expiring 31 December 2023; and
  - iii. 6,000,000 Director Options expiring 21 January 2031.
- e. Other than the obligations of the Company to issue shares on the exercise of any options or performance rights specified under warranty 3d) of this Schedule 2, a proposal to issue 79,470,000 options to directors and senior managers of the Company under a long term incentive program (as disclosed to the Subscriber and the Guarantor) or as has otherwise been announced to the ASX, the Company is not under any obligation to issue Equity Securities to any person (whether subject to conditions or not).

## 4 Corporate group

The Company owns the following shares in the following companies giving it the specified interest in those companies free of all Encumbrances and other third party rights or interest:

Name of entity	Country of incorporation	Specified interest
Khuiiten Metals Pte Ltd	Singapore	100%
Xanadu Mines Singapore Pte Ltd	Singapore	100%
Xanadu Exploration Mongolia LLC	Mongolia	100%
Xanadu Metals Mongolia LLC	Mongolia	100%
Mongol Metals LLC	Mongolia	85%
Vantage LLC	Mongolia	100%
Oyut Ulaan LLC	Mongolia	76.5%^
Xanadu Copper LLC	Mongolia	100%

^The Company holds 100% of Khuiiten Metals Pte Ltd which holds 85% of Mongol Metals LLC which in turn holds 90% of Oyut Ulaan LLC.

## 5 Disclosure and information

- The Company has at all times been, and continues to be, in all material respects in compliance with the ASX Listing Rules, including without limitation ASX Listing Rule 3.1.
- The Company is not withholding any information from disclosure pursuant to the exceptions listed in ASX Listing Rule 3.1A.
- As at the date of this agreement, the Company is able to issue a Cleansing Notice and, upon issue of that Cleansing Notice, section 708A(1) will apply with respect to an offer for the re sale of any of the Subscription Shares.
- No information provided by or on behalf of the Company to the Subscriber or to ASX is false or misleading (whether by omission or misstatement) in any material respect.

## 6 No litigation

There is no current or to the best of the Company's knowledge threatened, material Action nor pending materially adverse Judgment in respect of the Company or any Related Entity or any of their assets.

## 7 Compliance with Law and contracts

- The Company and each Related Entity has at all times materially complied with and continues to comply with all Laws relevant to it and its assets.
- The Company and each Related Entity is not in material breach of any material contract to which it is a party.



## 8 Major assets

- a. The Company or its Related Entities holds in good standing, valid and enforceable, free and clear from any liens or charges or administrative challenges and no royalty is currently payable in respect of any of the following assets:

Project	License Number	License Name	% Interest held by the Company	Grant Date	Statutory Expiry Date
Kharmagtai Copper-Gold Project	MV-017387	Khamagtai	76.5%^	2013-09-27	2043-09-27
Red Mountain Copper-Gold Project	MV-017129	Oyut Ulaan	100%	2012-09-12	2042-09-12

^The Company holds 100% of Khuitten Metals Pte Ltd which holds 85% of Mongol Metals LLC which in turn holds 90% of Oyut Ulaan LLC (which holds the Khamagtai License).

and no party has any right (whether subject to conditions or not) to:

- i. acquire or require the Company or any of its Related Entities to dispose of any of them;
  - ii. terminate or vary any material agreement with the Company or any of its Related Entities relevant to any of them; or
  - iii. accelerate or adversely modify the performance of any obligations of the Company or any of its Related Entities in a material respect under any material agreements, contracts or other legal arrangements relevant to any of them.
- b. The Company and each of its Related Entities hold all required environmental and other licenses, authorisations and permits required for the performance of their current exploration activities.

# Share Subscription Agreement



## Signing page

**Executed** by Xanadu Mines Ltd

A handwritten signature in dark ink, appearing to read 'Colin S.'.

Director

COLIN MOORHEAD

Print full name of Director

A handwritten signature in dark ink, appearing to read 'Philip Mackey'.

Director/Secretary

PHILIP MACKEY

Print full name of Director/Secretary

**Executed** by Jinping (Singapore) Mining Pte.  
Ltd.

Director

Print full name of Director

Director

Print full name of Director

**Executed** by Zijin Mining Group Co. Ltd

Authorised Representative

Print full name of Authorised Representative

# Share Subscription Agreement



## Signing page

**Executed** by Xanadu Mines Ltd

Director

Director/Secretary

Print full name of Director

Print full name of Director/Secretary

**Executed** by Jinping (Singapore) Mining Pte. Ltd.

Director

Director

WANG CHAO

Print full name of Director

Guo Long

Print full name of Director

**Executed** by Zijin Mining Group Co. Ltd

Authorised Representative

Print full name of Authorised Representative

# Share Subscription Agreement



**Signing page**

**Executed** by Xanadu Mines Ltd

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Print full name of Director

\_\_\_\_\_  
Print full name of Director/Secretary

**Executed** by Jinping (Singapore) Mining Pte. Ltd.

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Print full name of Director

\_\_\_\_\_  
Print full name of Director

**Executed** by Zijin Mining Group Co. Ltd

\_\_\_\_\_  
Authorised Representative

**Shaoyang Shen,  
Deputy President**

\_\_\_\_\_  
Print full name of Authorised Representative