# New High-Grade Copper-Gold Zone Emerging at White Hill

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TORONTO, July 19, 2023 - Xanadu Mines Ltd. (ASX: XAM, TSX: XAM) (Xanadu, XAM or the Company) and its joint venture partner Zijin Mining Group Co. Ltd.. (Zijin) are pleased to provide an update on recent infill drilling at the Kharmagtai Project in Mongolia. Infill drilling has defined a new zone (core) of high-grade copper and gold mineralisation at the White Hill deposit and results continue to validate the total mineral resource model.

Highlights

- Approximately 27,000m of Phase One diamond drilling has been completed (out of 30,000m total) at both the Stockwork Hill and White Hill deposits, at Kharmagtai.
- Exceptional highlights from an additional fourteen drill holes demonstrate a new high-grade zone (core) is emerging at White Hill and extending below the currently optimised pit.
- Best drilling results include:
  - KHDDH638 - 544m @ 0.4% eCu (0.34% Cu & 0.12g/t Au) from 273.4m
    Including 63m @ 1.03% eCu (0.92% Cu & 0.23g/t Au) from 634m
    Including 28m @ 1.45% eCu (1.45% Cu & 0.32g/t Au) from 645m
  - KHDDH634 - 654m @ 0.34% eCu (0.28% Cu & 0.11g/t Au) from 172m
    Including 32m @ 0.61% eCu (0.48% Cu & 0.25g/t Au) from 512m
    And 58m @ 0.71% eCu (0.59% Cu & 0.23g/t Au) from 617m
    Including 8m @ 1.45% eCu (1.17% Cu & 0.50g/t Au) from 651m
- Newly identified high-grade (>1% eCu) core at White Hill demonstrates potential to enhance the 2021 Mineral Resource Estimate MRE (3Mt copper and 8Moz gold [1.98Mt CuEq Indicated, 2.33Mt eCu Inferred]).
- Kharmagtai JV is funding US$35M PFS completion and discovery exploration, aiming towards decision to mine in Q4 CY2024

Xanadu's Executive Chairman and Managing Director, Mr Colin Moorhead, said *"I'm particularly proud of our hardworking geology team making steady progress at Kharmagtai, better defining the White Hill deposit. Both drill holes KHDDH638 and KHDDH634 have effectively intercepted the top of a previously undefined high-grade core at White Hill. Both Stockwork Hill and Copper Hill deposits feature these higher-grade zones (core), and previous drilling at White Hill has suggested such a zone may be present there also. However, this is the first time we have observed significant intervals spanning greater than 50m of mineralisation at grades greater than 1% eCu at White Hill. We see this as a very positive result, with strong potential to impact PFS pit optimisation and very encouraging for higher grade mineralisation to be uncovered at depth."*

Figure 1: Kharmagtai copper-gold district showing currently defined mineral deposits and planned Phase One Resource infill drill holes.

Infill Drilling Intercepts High-Grade Core at White Hill

Approximately 27,000m of infill drilling has been completed, as part of the 30,000m Phase One infill drilling program. Assay results have been returned for fourteen additional drill holes, with results generally better than, or in line with, 2021 MRE grades (Figures 1 and 2; Appendix 1).

Several drill holes have encountered materially better grade relative to the White Hill MRE resource grade. Drill hole KHDDH638, located on the southern margin of the White Hill deposit, targeted a mineralised and resource controlling fault, intersecting a significantly higher-grade zone of copper and gold mineralisation that

is located below the current optimised pit design (Figures 2, 3 and 4).

| Hole ID | Deposit | From (m) | To (m) | Interval (m) | Au (g/t) | Cu (%) | eCu (%) | eAu (g/t) |
|---|---|---|---|---|---|---|---|---|
| KHDDH638 | White Hill | 203.8 | 208 | 4.2 | 0.02 | 0.11 | 0.12 | 0.24 |
| *and* | | 273.4 | 817.4 | 544 | 0.12 | 0.34 | 0.40 | 0.79 |
| *including* | | 360 | 364 | 4 | 0.12 | 0.28 | 0.34 | 0.67 |
| *including* | | 422 | 525 | 103 | 0.16 | 0.32 | 0.40 | 0.78 |
| *including* | | 541.1 | 588 | 46.9 | 0.12 | 0.27 | 0.33 | 0.65 |
| *including* | | 600 | 815 | 215 | 0.15 | 0.52 | 0.60 | 1.17 |
| *including* | | 634 | 697 | 63 | 0.23 | 0.92 | 1.03 | 2.02 |
| *including* | | 645 | 673 | 28 | 0.32 | 1.45 | 1.61 | 3.15 |
| *including* | | 711 | 723 | 12 | 0.19 | 0.44 | 0.54 | 1.05 |
| *including* | | 736.5 | 747.8 | 11.3 | 0.16 | 0.66 | 0.74 | 1.45 |

Drill hole KHDDH634 targeted definition and expansion of mineralisation at White Hill within the current Mineral Resource Estimate. It intersected the top of a new high-grade zone and returned the following interval along the edge and outside of the current open pit optimisation (Figure 2):

| Hole ID | Deposit | From (m) | To (m) | Interval (m) | Au (g/t) | Cu (%) | eCu (%) | eAu (g/t) |
|---|---|---|---|---|---|---|---|---|
| KHDDH634 | White Hill | 126 | 160 | 34 | 0.03 | 0.11 | 0.12 | 0.24 |
| *and* | | 172 | 826.5 | 654.5 | 0.11 | 0.28 | 0.34 | 0.67 |
| *including* | | 352 | 360.09 | 8.09 | 0.14 | 0.25 | 0.32 | 0.63 |
| *including* | | 392 | 410.32 | 18.32 | 0.14 | 0.27 | 0.34 | 0.67 |
| *including* | | 426 | 567.5 | 141.5 | 0.18 | 0.39 | 0.48 | 0.94 |
| *including* | | 494 | 502 | 8 | 0.29 | 0.63 | 0.78 | 1.53 |
| *including* | | 512 | 544 | 32 | 0.25 | 0.48 | 0.61 | 1.19 |
| *including* | | 556 | 567.5 | 11.5 | 0.19 | 0.54 | 0.63 | 1.24 |
| *including* | | 617 | 675 | 58 | 0.23 | 0.59 | 0.71 | 1.38 |
| *including* | | 651 | 659 | 8 | 0.50 | 1.17 | 1.43 | 2.79 |

Figure 2: Cross section 591800mE through the White Hill deposit.

Figure 3: Core photos from KHDDH638.

Figure 4: Core photos from KHDDH634.

About the Infill Drilling Program

Four diamond drill rigs are currently focussed on Kharmagtai infill drilling, with the objective to target areas with potential for future Mineral Resource to Ore Reserve conversion. Totalling ~30,000 metres, the infill drilling program is planned to specifically increase the Resource confidence category from Inferred to Indicated. As such, the planned drill holes aim to remove any mineralisation knowledge gaps around the edges of existing deposits.

Kharmagtai currently has an Inferred and Indicated Resource of 1.1Bt containing 3Mt Cu and 8Moz Au[1]. As part of the Kharmagtai PFS, the Resource will be upgraded to Indicated classification, enabling a maiden,

JORC compliant Ore Reserve to be reported. To achieve this, the infill drilling program is designed to upgrade and extend strike length of the shallow open pit Resource areas and selected deeper high-grade zones (Figure 1), including investigation of near-mine, higher-grade extensions.

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. Xanadu is the Operator of a 50-50 JV with Zijin Mining Group in Khuiten Metals Pte Ltd, which controls 76.5% of the 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: Drilling Results

*Note that true widths will generally be narrower than those reported. See disclosure in JORC explanatory statement attached.*

Table 1: Drill hole collar

| Hole ID | Prospect | East | North | RL | Azimuth (°) | Inc (°) | Depth (m) |
|---|---|---|---|---|---|---|---|
| KHDDH624 | White Hill | 591626 | 4877247 | 1306 | 0 | -60 | 423.6 |
| KHDDH626 | White Hill | 591626 | 4877149 | 1306 | 0 | -60 | 596.0 |
| KHDDH627 | White Hill | 591626 | 4877051 | 1308 | 0 | -60 | 672.8 |
| KHDDH628 | Stockwork Hill | 592250 | 4878102 | 1289 | 0 | -60 | 125.0 |
| KHDDH629 | Stockwork Hill | 592126 | 4877950 | 1291 | 0 | -60 | 125.0 |
| KHDDH631 | White Hill | 591626 | 4876953 | 1310 | 0 | -60 | 705.6 |
| KHDDH632 | White Hill | 592819 | 4877517 | 1274 | 160 | -60 | 350.0 |
| KHDDH633 | White Hill | 591751 | 4877477 | 1302 | 0 | -60 | 375.6 |
| KHDDH634 | White Hill | 591751 | 4876901 | 1310 | 0 | -60 | 826.5 |
| KHDDH637 | White Hill | 591751 | 4877255 | 1303 | 0 | -60 | 360.1 |
| KHDDH638 | White Hill | 591751 | 4876800 | 1313 | 0 | -60 | 817.4 |
| KHDDH639 | White Hill | 591751 | 4877080 | 1307 | 0 | -60 | 600.5 |
| KHDDH642 | White Hill | 591877 | 4877030 | 1307 | 0 | -60 | 625.0 |
| KHDDH644 | White Hill | 591876 | 4877532 | 1301 | 0 | -60 | 200.0 |
| KHDDH645 | White Hill | 591876 | 4876849 | 1310 | 0 | -60 | 715.6 |
| KHDDH647 | Stockwork Hill | 592432 | 4877696 | 1289 | 0 | -60 | 564.5 |
| KHDDH649 | Stockwork Hill | 592535 | 4877686 | 1287 | 0 | -60 | 560.0 |
| KHDDH650 | Stockwork Hill | 592533 | 4877777 | 1287 | 0 | -60 | 460.1 |
| KHDDH651 | White Hill | 592006 | 4877113 | 1304 | 180 | -60 | 415.0 |
| KHDDH652 | Stockwork Hill | 593000 | 4877670 | 1284 | 0 | -60 | 350.0 |
| KHDDH653 | Stockwork Hill | 593063 | 4877630 | 1284 | 0 | -60 | 275.0 |
| KHDDH654 | Stockwork Hill | 592854 | 4877599 | 1285 | 0 | -60 | 522.5 |
| KHDDH655 | Stockwork Hill | 592647 | 4877603 | 1288 | 0 | -60 | 735.0 |
| KHDDH656 | White Hill | 591876 | 4876747 | 1311 | 0 | -60 | 420.6 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| KHDDH657 | White Hill | 592000 | 4877501 | 1301 | 0 | -60 | 250.4 |
| KHDDH658 | White Hill | 592126 | 4877404 | 1303 | 0 | -60 | 550.0 |
| KHDDH659 | White Hill | 592001 | 4876900 | 1305 | 0 | -60 | 721.6 |
| KHDDH660 | Stockwork Hill | 592535 | 4877686 | 1287 | 357 | -60 | 576.6 |
| KHDDH661 | White Hill | 592001 | 4876800 | 1310 | 0 | -60 | 775.0 |
| KHDDH662 | White Hill | 592500 | 4877122 | 1300 | 90 | -60 | 250.0 |
| KHDDH663 | White Hill | 592126 | 4877501 | 1299 | 0 | -60 | 305.5 |
| KHDDH664 | White Hill | 592039 | 4876821 | 1307 | 170 | -70 | 350.0 |
| KHDDH665 | White Hill | 592126 | 4876908 | 1303 | 0 | -60 | 700.0 |
| KHDDH666 | White Hill | 592126 | 4876785 | 1307 | 0 | -60 | 473.6 |
| KHDDH667 | White Hill | 592250 | 4876867 | 1304 | 0 | -65 | 450.0 |
| KHDDH668 | White Hill | 591561 | 4877271 | 1309 | 270 | -60 | 225.0 |
| KHDDH669 | White Hill | 592250 | 4877166 | 1301 | 0 | -65 | 525.0 |
| KHDDH670 | White Hill | 592250 | 4877036 | 1301 | 0 | -65 | 625.0 |

Table 2: Significant drill results

| Hole ID | Prospect | From (m) | To (m) | Interval (m) | Au (g/t) | Cu (%) | CuEq (%) | AuEq (g/t) |
|---|---|---|---|---|---|---|---|---|
| KHDDH624 | White Hill | 0 | 397 | 397 | 0.10 | 0.18 | 0.24 | 0.46 |
| *including* | | 85 | 139.2 | 54.2 | 0.15 | 0.26 | 0.33 | 0.65 |
| *including* | | 149 | 166.7 | 17.7 | 0.17 | 0.24 | 0.32 | 0.63 |
| *including* | | 183 | 212.6 | 29.6 | 0.22 | 0.31 | 0.42 | 0.82 |
| *including* | | 229 | 238.1 | 9.1 | 0.14 | 0.27 | 0.35 | 0.68 |
| *including* | | 321.6 | 330 | 8.4 | 0.18 | 0.32 | 0.41 | 0.81 |
| *including* | | 340 | 362.7 | 22.7 | 0.20 | 0.30 | 0.40 | 0.79 |
| *and* | | 411 | 423.6 | 12.6 | 0.08 | 0.14 | 0.18 | 0.35 |
| KHDDH626 | White Hill | 3 | 596 | 593 | 0.14 | 0.25 | 0.32 | 0.63 |
| *including* | | 119 | 241 | 122 | 0.16 | 0.30 | 0.38 | 0.75 |
| *including* | | 256.9 | 400 | 143.1 | 0.17 | 0.28 | 0.37 | 0.72 |
| *including* | | 364 | 370 | 6 | 0.23 | 0.43 | 0.55 | 1.07 |
| *including* | | 412 | 501.98 | 89.98 | 0.16 | 0.25 | 0.33 | 0.64 |
| *including* | | 512 | 596 | 84 | 0.18 | 0.32 | 0.41 | 0.80 |
| KHDDH627 | White Hill | 13 | 672.8 | 659.8 | 0.11 | 0.21 | 0.26 | 0.52 |
| *including* | | 37 | 42.7 | 5.7 | 0.12 | 0.38 | 0.45 | 0.87 |
| *including* | | 65 | 71 | 6 | 0.06 | 0.25 | 0.28 | 0.54 |
| *including* | | 201 | 222 | 21 | 0.12 | 0.25 | 0.31 | 0.60 |
| *including* | | 232 | 294.6 | 62.6 | 0.23 | 0.43 | 0.55 | 1.07 |
| *including* | | 246 | 272 | 26 | 0.29 | 0.57 | 0.71 | 1.40 |
| *including* | | 331 | 337 | 6 | 0.16 | 0.26 | 0.34 | 0.67 |
| *including* | | 347 | 376 | 29 | 0.17 | 0.27 | 0.36 | 0.70 |
| *including* | | 426 | 464 | 38 | 0.15 | 0.26 | 0.34 | 0.66 |
| *including* | | 523 | 546 | 23 | 0.13 | 0.21 | 0.27 | 0.53 |
| *including* | | 577 | 599 | 22 | 0.12 | 0.23 | 0.29 | 0.58 |
| *including* | | 629 | 645.4 | 16.4 | 0.13 | 0.27 | 0.33 | 0.65 |
| *including* | | 663 | 667 | 4 | 0.16 | 0.30 | 0.38 | 0.73 |
| KHDDH628 | Stockwork Hill | 10 | 22 | 12 | 0.67 | 0.06 | 0.40 | 0.79 |
| *including* | | 10 | 18 | 8 | 0.93 | 0.07 | 0.55 | 1.07 |
| *and* | | 32 | 50 | 18 | 0.15 | 0.03 | 0.10 | 0.20 |
| KHDDH629 | Stockwork Hill | 3.3 | 125 | 121.7 | 0.07 | 0.14 | 0.17 | 0.34 |
| *including* | | 3.3 | 13 | 9.7 | 0.18 | 0.14 | 0.24 | 0.47 |
| *including* | | 49 | 53 | 4 | 0.16 | 0.44 | 0.51 | 1.01 |
| *including* | | 111 | 121 | 10 | 0.09 | 0.29 | 0.34 | 0.66 |

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|---|---|---|---|---|---|---|---|
| KHDDH631 White Hill | 97 | 705.6 | 608.6 | 0.09 | 0.20 | 0.24 | 0.48 |
| *including* | 270.9 | 281 | 10.1 | 0.15 | 0.38 | 0.46 | 0.90 |
| *including* | 339 | 407.5 | 68.5 | 0.13 | 0.28 | 0.35 | 0.68 |
| *including* | 357 | 361 | 4 | 0.22 | 0.66 | 0.77 | 1.51 |
| *including* | 432.4 | 516.4 | 84 | 0.14 | 0.26 | 0.33 | 0.64 |
| *including* | 527 | 544.6 | 17.6 | 0.12 | 0.28 | 0.34 | 0.66 |
| *including* | 554.8 | 575 | 20.2 | 0.12 | 0.24 | 0.30 | 0.59 |
| *including* | 609 | 613 | 4 | 0.19 | 0.36 | 0.45 | 0.88 |
| *including* | 639 | 655 | 16 | 0.13 | 0.30 | 0.36 | 0.71 |
| *including* | 669 | 673 | 4 | 0.11 | 0.26 | 0.32 | 0.62 |
| *including* | 685 | 705.6 | 20.6 | 0.12 | 0.31 | 0.37 | 0.72 |
| KHDDH632 White Hill | 255 | 259 | 4 | 0.06 | 0.27 | 0.30 | 0.58 |
| KHDDH633 White Hill | 0 | 271 | 271 | 0.08 | 0.16 | 0.20 | 0.39 |
| *including* | 4 | 15.4 | 11.4 | 0.26 | 0.38 | 0.51 | 1.00 |
| *including* | 4 | 13 | 9 | 0.25 | 0.37 | 0.50 | 0.98 |
| *including* | 35 | 68 | 33 | 0.11 | 0.24 | 0.29 | 0.57 |
| *including* | 88 | 98.5 | 10.5 | 0.07 | 0.24 | 0.27 | 0.54 |
| *and* | 283.3 | 321 | 37.7 | 0.03 | 0.09 | 0.11 | 0.21 |
| *and* | 333 | 375.6 | 42.6 | 0.04 | 0.09 | 0.11 | 0.21 |
| KHDDH634 White Hill | 126 | 160 | 34 | 0.03 | 0.11 | 0.12 | 0.24 |
| *and* | 172 | 826.5 | 654.5 | 0.11 | 0.28 | 0.34 | 0.67 |
| *including* | 352 | 360.09 | 8.09 | 0.14 | 0.25 | 0.32 | 0.63 |
| *including* | 392 | 410.32 | 18.32 | 0.14 | 0.27 | 0.34 | 0.67 |
| *including* | 426 | 567.5 | 141.5 | 0.18 | 0.39 | 0.48 | 0.94 |
| *including* | 494 | 502 | 8 | 0.29 | 0.63 | 0.78 | 1.53 |
| *including* | 512 | 544 | 32 | 0.25 | 0.48 | 0.61 | 1.19 |
| *including* | 556 | 567.5 | 11.5 | 0.19 | 0.54 | 0.63 | 1.24 |
| *including* | 617 | 675 | 58 | 0.23 | 0.59 | 0.71 | 1.38 |
| *including* | 651 | 659 | 8 | 0.50 | 1.17 | 1.43 | 2.79 |
| KHDDH637 White Hill | 2.7 | 360.1 | 357.4 | 0.13 | 0.24 | 0.31 | 0.61 |
| *including* | 25 | 31 | 6 | 0.20 | 0.31 | 0.41 | 0.80 |
| *including* | 42 | 186 | 144 | 0.15 | 0.30 | 0.38 | 0.74 |
| *including* | 123 | 129 | 6 | 0.33 | 0.46 | 0.63 | 1.23 |
| *including* | 222.6 | 359 | 136.4 | 0.14 | 0.25 | 0.32 | 0.62 |
| KHDDH638 White Hill | 203.8 | 208 | 4.2 | 0.02 | 0.11 | 0.12 | 0.24 |
| *and* | 273.4 | 817.4 | 544 | 0.12 | 0.34 | 0.40 | 0.79 |
| *including* | 360 | 364 | 4 | 0.12 | 0.28 | 0.34 | 0.67 |
| *including* | 422 | 525 | 103 | 0.16 | 0.32 | 0.40 | 0.78 |
| *including* | 541.1 | 588 | 46.9 | 0.12 | 0.27 | 0.33 | 0.65 |
| *including* | 600 | 815 | 215 | 0.15 | 0.52 | 0.60 | 1.17 |
| *including* | 634 | 697 | 63 | 0.23 | 0.92 | 1.03 | 2.02 |
| *including* | 645 | 673 | 28 | 0.32 | 1.45 | 1.61 | 3.15 |
| *including* | 711 | 723 | 12 | 0.19 | 0.44 | 0.54 | 1.05 |
| *including* | 736.5 | 747.8 | 11.3 | 0.16 | 0.66 | 0.74 | 1.45 |
| KHDDH639 White Hill | 8 | 600.5 | 592.5 | 0.09 | 0.20 | 0.25 | 0.49 |
| *including* | 30 | 36 | 6 | 0.12 | 0.33 | 0.39 | 0.77 |
| *including* | 48 | 58.4 | 10.4 | 0.16 | 0.33 | 0.41 | 0.81 |
| *including* | 72.4 | 94 | 21.6 | 0.15 | 0.21 | 0.29 | 0.56 |
| *including* | 168 | 177.4 | 9.4 | 0.11 | 0.24 | 0.30 | 0.58 |
| *including* | 195.7 | 304 | 108.3 | 0.13 | 0.29 | 0.36 | 0.71 |
| *including* | 314.4 | 354 | 39.6 | 0.10 | 0.23 | 0.29 | 0.56 |
| *including* | 480.7 | 487.2 | 6.5 | 0.13 | 0.25 | 0.32 | 0.62 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| *including* | 497 | 511 | 14 | 0.14 | 0.25 | 0.33 | 0.64 |
| *including* | 558 | 599 | 41 | 0.12 | 0.26 | 0.32 | 0.62 |
| KHDDH645 White Hill | 75 | 79 | 4 | 0.09 | 0.06 | 0.11 | 0.21 |
| *and* | 153.8 | 171 | 17.2 | 0.04 | 0.09 | 0.11 | 0.21 |
| *and* | 180.6 | 279 | 98.4 | 0.05 | 0.16 | 0.19 | 0.37 |
| *and* | 313 | 715.6 | 402.6 | 0.14 | 0.32 | 0.40 | 0.77 |
| *including* | 337 | 580 | 243 | 0.15 | 0.32 | 0.40 | 0.78 |
| *including* | 512 | 536 | 24 | 0.21 | 0.57 | 0.68 | 1.33 |
| *including* | 592 | 658 | 66 | 0.19 | 0.45 | 0.55 | 1.07 |
| *including* | 609 | 615.1 | 6.1 | 0.26 | 0.53 | 0.67 | 1.31 |
| *including* | 625 | 658 | 33 | 0.23 | 0.54 | 0.66 | 1.28 |
| *including* | 668.3 | 706 | 37.7 | 0.14 | 0.37 | 0.44 | 0.86 |
| *including* | 668.3 | 682 | 13.7 | 0.24 | 0.54 | 0.66 | 1.29 |
| *Assays pending* | | | | | | | |
| KHDDH647 Stockwork Hill | 5 | 21 | 16 | 0.18 | 0.05 | 0.15 | 0.28 |
| *and* | 94 | 104 | 10 | 0.11 | 0.07 | 0.13 | 0.25 |
| *and* | 142 | 164 | 22 | 0.08 | 0.07 | 0.11 | 0.22 |
| *and* | 174 | 211 | 37 | 0.18 | 0.15 | 0.24 | 0.46 |
| *including* | 184 | 211 | 27 | 0.20 | 0.16 | 0.26 | 0.52 |
| *and* | 258 | 367 | 109 | 0.12 | 0.25 | 0.31 | 0.61 |
| *including* | 258 | 278 | 20 | 0.23 | 0.43 | 0.55 | 1.07 |
| *including* | 258 | 274 | 16 | 0.24 | 0.47 | 0.59 | 1.16 |
| *including* | 290 | 304 | 14 | 0.12 | 0.21 | 0.28 | 0.54 |
| *including* | 317 | 332 | 15 | 0.12 | 0.33 | 0.39 | 0.76 |
| *including* | 349 | 363 | 14 | 0.15 | 0.25 | 0.33 | 0.65 |
| *and* | 381 | 389 | 8 | 0.04 | 0.20 | 0.22 | 0.44 |
| *and* | 403 | 409 | 6 | 0.07 | 0.16 | 0.20 | 0.38 |
| *and* | 423 | 435 | 12 | 0.09 | 0.12 | 0.17 | 0.33 |
| *and* | 467 | 560 | 93 | 0.23 | 0.12 | 0.23 | 0.46 |
| *including* | 471 | 485.7 | 14.7 | 0.19 | 0.18 | 0.28 | 0.55 |
| *including* | 534 | 546 | 12 | 1.04 | 0.17 | 0.70 | 1.38 |
| KHDDH649 Stockwork Hill | *Assays pending* | | | | | | |
| KHDDH650 Stockwork Hill | *Assays pending* | | | | | | |
| KHDDH651 White Hill | *Assays pending* | | | | | | |
| KHDDH652 Stockwork Hill | *Assays pending* | | | | | | |
| KHDDH653 Stockwork Hill | *Assays pending* | | | | | | |
| KHDDH654 Stockwork Hill | *Assays pending* | | | | | | |
| KHDDH655 Stockwork Hill | *Assays pending* | | | | | | |
| KHDDH656 White Hill | *Assays pending* | | | | | | |
| KHDDH657 White Hill | *Assays pending* | | | | | | |
| KHDDH658 White Hill | *Assays pending* | | | | | | |
| KHDDH659 White Hill | *Assays pending* | | | | | | |
| KHDDH660 Stockwork Hill | *Assays pending* | | | | | | |
| KHDDH661 White Hill | *Assays pending* | | | | | | |
| KHDDH662 White Hill | *Assays pending* | | | | | | |
| KHDDH663 White Hill | *Assays pending* | | | | | | |
| KHDDH664 White Hill | *Assays pending* | | | | | | |
| KHDDH665 White Hill | *Assays pending* | | | | | | |
| KHDDH666 White Hill | *Assays pending* | | | | | | |
| KHDDH667 White Hill | *Assays pending* | | | | | | |
| KHDDH668 White Hill | *Assays pending* | | | | | | |
| KHDDH669 White Hill | *Assays pending* | | | | | | |

KHDDH670 White Hill *Assays pending*

Appendix 2: Statements and Disclaimers

Competent Person Statement

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. Dr Stewart, who is an employee of Xanadu and is a Member of the Australasian Institute of Geoscientists, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as the Competent Person as defined in the 2012 Edition of the *Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves* 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.

Mineral Resources and Ore Reserves Reporting Requirements

The 2012 Edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (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.

The information in this Announcement relates to the exploration results previously reported in ASX Announcements which are available on the Xanadu website at:

https://www.xanadumines.com/site/investor-centre/asx-announcements

The Company is not aware of any new, material information or data that is not included in those market announcements.

Copper Equivalent Calculations

The copper equivalent (CuEq) 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 (CuEq) 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%.

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 as 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' Website at www.xanadumines.com.

Appendix 2: Kharmagtai Table 1 (JORC 2012)

Set out below is Section 1 and Section 2 of Table 1 under the JORC Code, 2012 Edition for the Kharmagtai project. Data provided by Xanadu. This Table 1 updates the JORC Table 1 disclosure dated 8 December 2021.

JORC TABLE 1 - SECTION 1 - SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections).

| Criteria | Commentary |
|---|---|
| *Sampling techniques* | ● Representative ½ core samples were split from PQ, HQ & N<br>● The orientation of the cut line is controlled using the core ori<br>● Sample intervals are defined and subsequently checked by<br>● Reverse Circulation (RC) chip samples are ¼ splits from one<br>● RC samples are uniform 2m samples formed from the comb |
| *Drilling techniques* | ● The Mineral Resource Estimation has been based upon dia<br>● All drill core drilled by Xanadu has been oriented using the " |

| | |
|---|---|
| *Drill sample recovery* | ● Diamond drill core recoveries were assessed using the stan<br>● Diamond core recoveries average 97% through mineralisati<br>● Overall, core quality is good, with minimal core loss. Where<br>● RC recoveries are measured using whole weight of each 1m<br>● Analysis of recovery results vs grade shows no significant tr |
| *Logging* | ● All drill core is geologically logged by well-trained geologists<br>● Logging of lithology, alteration and mineralogy is intrinsically<br>● Drill core is also systematically logged for both geotechnical<br>● Both wet and dry core photos are taken after core has been |
| *Sub-sampling techniques and sample preparation* | ● All drill core samples are ½ core splits from either PQ, HQ o<br>● Core is appropriately split (onsite) using diamond core saws<br>● The diamond saws are regularly flushed with water to minim<br>● A field duplicate ¼ core sample is collected every 30th samp<br>● Routine sample preparation and analyses of DDH samples<br>● All samples were prepared to meet standard quality control<br>● ALS Mongolia Geochemistry labs quality management syste<br>● The sample support (sub-sample mass and comminution) is |
| *Quality of assay data and laboratory tests* | ● All samples were routinely assayed by ALS Mongolia for gol<br>● Au is determined using a 25g fire assay fusion, cupelled to<br>● All samples were also submitted to ALS Mongolia for the 48<br>● Quality assurance has been managed by insertion of approp<br>● Assay results outside the optimal range for methods were re<br>● Ore Research Pty Ltd certified copper and gold standards ha<br>● QC monitoring is an active and ongoing processes on batch<br>● Prior to 2014: Cu, Ag, Pb, Zn, As and Mo were routinely det |
| *Verification of sampling and assaying* | ● All assay data QA/QC is checked prior to loading into XAM's<br>● The data is managed by XAM geologists.<br>● The data base and geological interpretation is managed by<br>● Check assays are submitted to an umpire lab (SGS Mongoli<br>● No twinned drill holes exist.<br>● There have been no adjustments to any of the assay data. |
| *Location of data points* | ● Diamond drill holes have been surveyed with a differential gl<br>● The grid system used for the project is UTM WGS-84 Zone<br>● Historically, Eastman Kodak and Flexit electronic multi-shot<br>● More recently (since September 2017), a north-seeking gyro<br>● The project Digital Terrain Model (DTM) is based on 1m con |
| *Data spacing and distribution* | ● Holes spacings range from <50m spacings within the core o<br>● Holes range from vertical to an inclination of -60 degrees de<br>● The data spacing and distribution is sufficient to establish an<br>● Holes have been drilled to a maximum of 1,304m vertical de<br>● The data spacing and distribution is sufficient to establish ge |
| *Orientation of data in relation to geological structure* | ● Drilling is conducted in a predominantly regular grid to allow<br>● Scissor drilling, as well as some vertical and oblique drilling, |

| | |
|---|---|
| *Sample security* | ● Samples are delivered from the drill rig to the core shed twic<br>● Samples are dispatched from site in locked boxes transporte<br>● Sample shipment receipt is signed off at the Laboratory with<br>● Samples are then stored at the lab and returned to a locked |
| *Audits or reviews* | ● Internal audits of sampling techniques and data managemer<br>● External reviews and audits have been conducted by the fol<br>● 2012: AMC Consultants Pty Ltd. was engaged to conduct ar<br>● 2013: Mining Associates Ltd. was engaged to conduct an In<br>● 2018: CSA Global reviewed the entire drilling, logging, samp |

JORC TABLE 1 - SECTION 2 - REPORTING OF EXPLORATION RESULTS

(Criteria in this section apply to all succeeding sections).

| Criteria | Commentary |
|---|---|
| Mineral tenement and land tenure status | ● The Project comprises 2 Mining Licences (M<br>● Xanadu now owns 90% of Vantage LL<br>● The Kharmagtai mining license MV-17<br>● The *Mongolian Minerals Law (2006)* and *Mo* |
| Exploration done by other parties | ● Previous exploration at Kharmagtai was con<br>● Previous exploration at Red Mountain (Oyut |
| Geology | ● The mineralisation is characterised as porph<br>● Porphyry copper-gold deposits are formed f |
| Drill hole Information | ● Diamond drill holes are the principal source<br>● See figures in this ASX/TSX Announcement |

| | |
|---|---|
| Data Aggregation methods | ● The CSAMT data was converted into 2D lin<br>● A nominal cut-off of 0.1% CuEq is used in c<br>● A nominal cut-off of 0.1g/t eAu is used in go<br>● Maximum contiguous dilution within each in<br>● Most of the reported intercepts are shown in<br>● Informing samples have been composited to<br><br>The copper equivalent (CuEq) calculation represe<br><br>Copper equivalent (CuEq) grade values were calc<br><br>CuEq = Cu + Au * 0.62097 * 0.8235,<br><br>Gold Equivalent (eAu) grade values were calculat<br><br>eAu = Au + Cu / 0.62097 * 0.8235.<br><br>Where:<br><br>Cu - copper grade (%)<br><br>Au - gold grade (g/t)<br><br>0.62097 - conversion factor (gold to copper)<br><br>0.8235 - relative recovery of gold to copper (82.35<br><br>The copper equivalent formula was based on the<br><br>● Copper price - 3.1 $/lb (or 6834 $/t)<br>● Gold price - 1320 $/oz<br>● Copper recovery - 85%<br>● Gold recovery - 70%<br>● Relative recovery of gold to copper = 70% / |
| Relationship between mineralisation on widths and intercept lengths | ● Mineralised structures are variable in orienta<br>● Exploration results have been reported as a |
| Diagrams | ● See figures in the body of this ASX/TSX An |
| Balanced reporting | ● Resources have been reported at a range o |
| Other substantive exploration data | ● Extensive work in this area has been done a |
| Further Work | ● The mineralisation is open at depth and alo<br>● Current estimates are restricted to those ex<br>● Exploration on going. |

JORC TABLE 1 - SECTION 3 - ESTIMATION AND REPORTING OF MINERAL RESOURCES

Mineral Resources are not reported so this is not applicable to this Announcement. Please refer to the Company's ASX Announcement dated 1 December 2021 for Xanadu's most recent reported Mineral Resource Estimate and applicable Table 1, Section 3.

JORC TABLE 1 - SECTION 4 - ESTIMATION AND REPORTING OF ORE RESERVES

Ore Reserves are not reported so this is not applicable to this Announcement.

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[1] ASX/TSX Announcement 08 December 2021 - Kharmagtai resource grows to 1.1 billion tonnes, containing 3Mt Cu and 8Moz Au

Photos accompanying this announcement are available at

https://www.globenewswire.com/NewsRoom/AttachmentNg/4c847774-98ab-4a82-bc55-e7164fcf9262

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