



Unlocking Mongolia's Copper-Gold Belts

PRECIOUS METALS SUMMIT BEAVER CREEK | 14-16 SEPTEMBER 2016

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Vision and growth strategy



To be the most successful Cu-Au explorer in Asia

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

About Xanadu Mines (ASX: XAM)



Exploration drilling at
the Kharmagtai Cu-Au
Project, south Gobi
Mongolia

Mongolia's leading copper-gold explorer

- ASX listed Mongolian Cu-Au exploration company;
- Proven explorer with track record of success;
- Experienced team with deep regional knowledge;
- Large strategic position in a world-class Cu-Au province;
- Growing gold-rich copper JORC resource base;
- Advanced projects with both scale and high-grade;
- Recent high-grade gold discoveries;
- Mongolia back on the radar with investors & miners.

Corporate snapshot



Well positioned junior copper-gold explorer

Capital structure

Share price (2 Sep 2016) A\$0.175

Issued shares 511.2m

Market capitalisation A\$89.5m

Cash (30 Jun 2016) A\$12.2m

Debt¹ A\$3.7m

Enterprise value A\$81.0m

2.92m share rights (vesting prices A\$0.18-0.31)



35m Oyut Ulaan project JORC milestone options

1 - term loan due July 2017 (US\$2.7m)

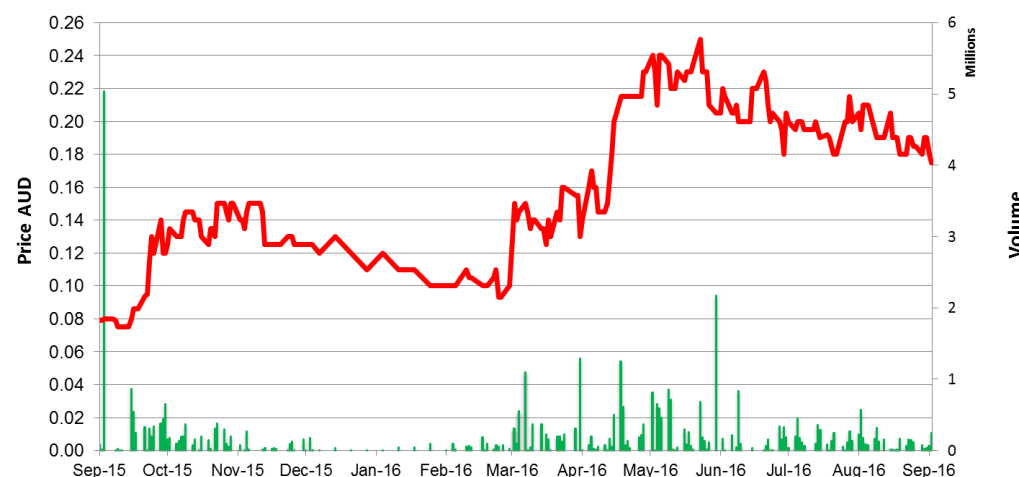
Broker Research

Bell Potter 9 May 2016

Major Shareholders

Asia Capital & Advisors	26.2%	
Noble Group	7.8%	
Fast Lane Australia	6.1%	

Relative Share Price Performance



Directors & Management

Mark Wheatley
Executive Chairman

Andrew Stewart
Executive Director & CEO

Ganbayar Lkhagvasuren
Executive Director

Marcus Engelbrecht
Non-executive Director

Hannah Badenach
Non-executive Director

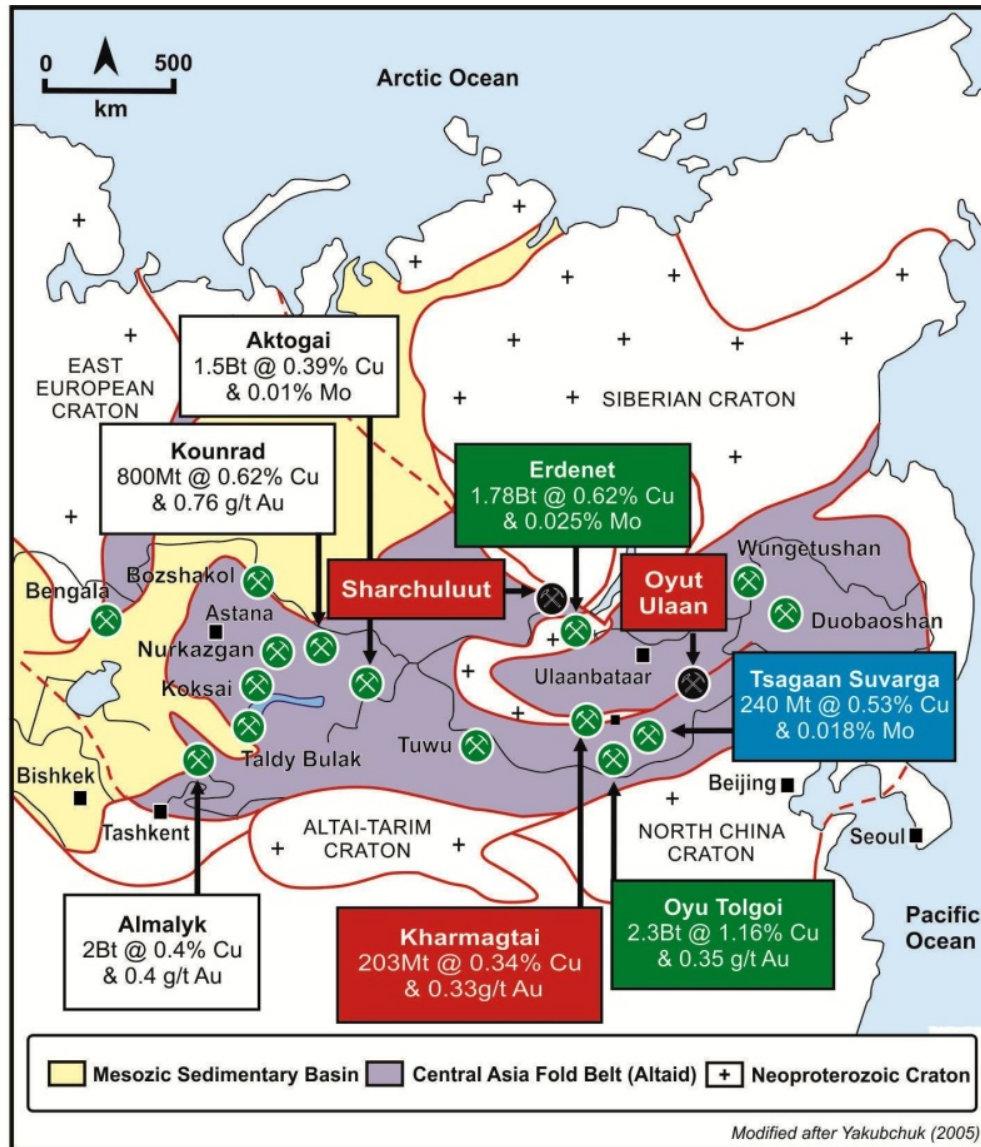
Darryl Clark
Independent Non-executive Director

Barry Lavin
Independent Non-executive Director

Munkhsaikhan Dambiinyam
Chief Financial Officer

Janine Rolfe
Company Secretary

One of the last great exploration frontier

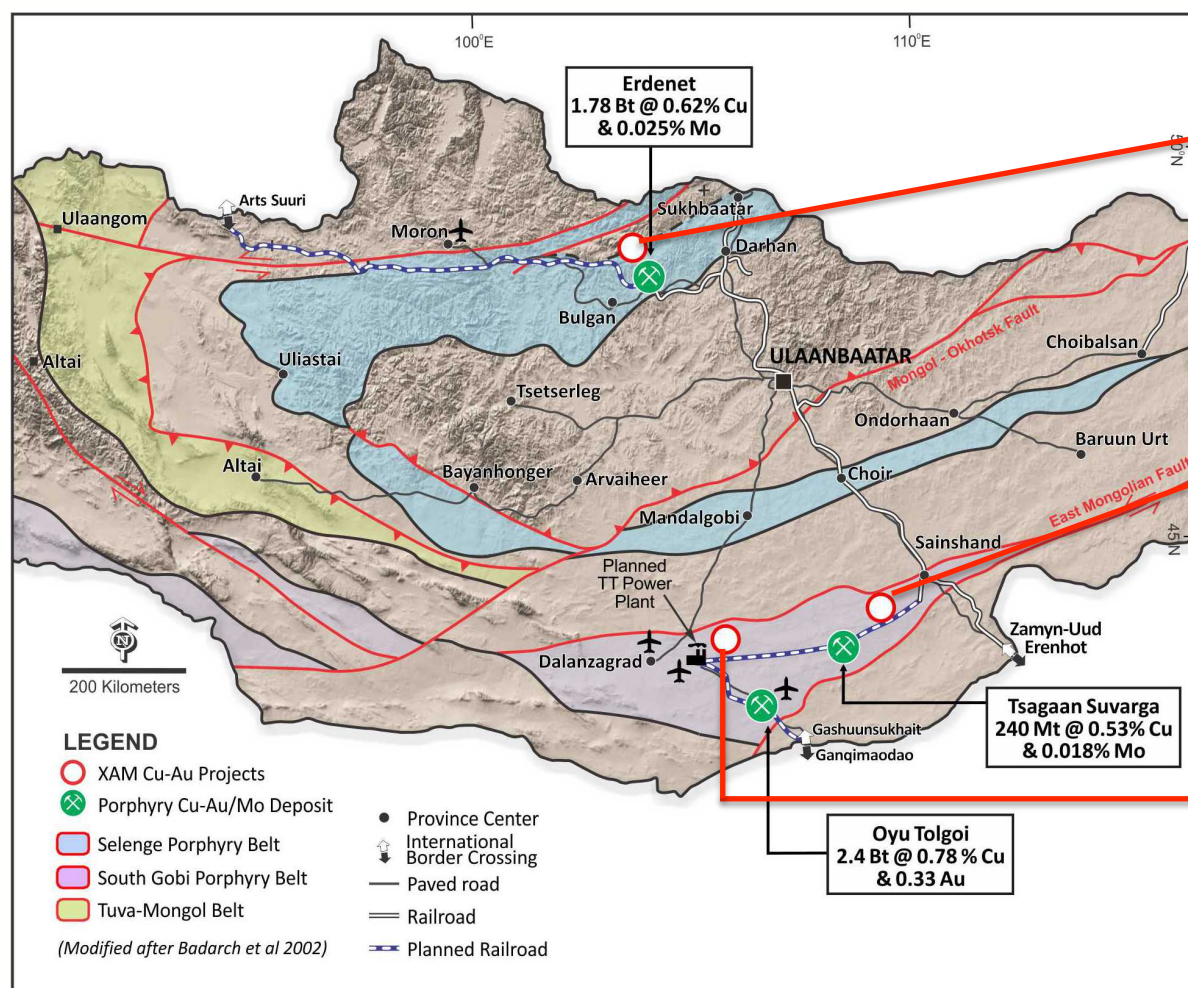


Emerging copper hotspot

- World class copper province;
- Fourth most endowed copper province globally;
- Highly mineralised & vastly underexplored mineral belts known to host large deposits;
- Seven porphyry copper belts with deposits that contain >5Mt Cu;
- Proximity to infrastructure and the North Asia market.

Mongolia's porphyry copper-gold belts

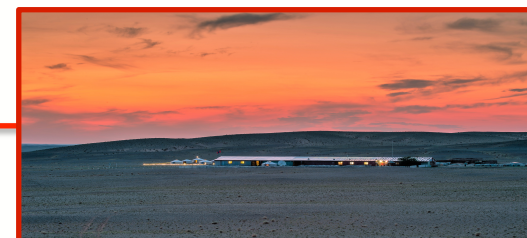
Strategically positioned in world class neighbourhoods



Sharchuluut Uul Cu Au Mo



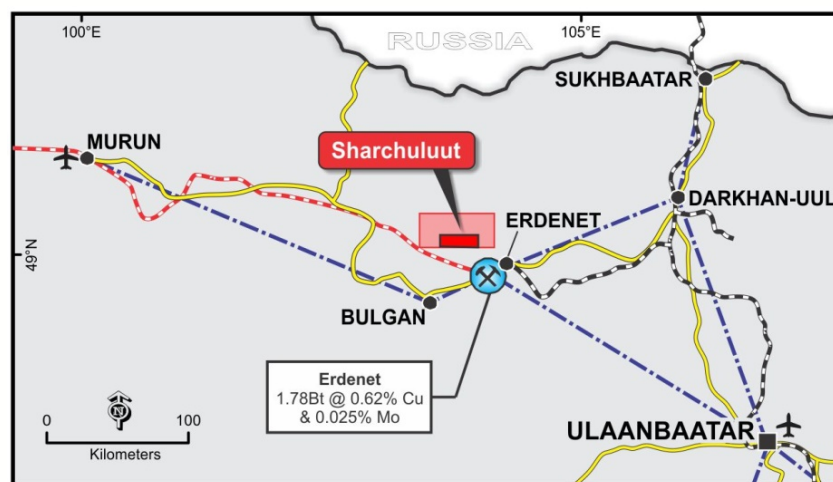
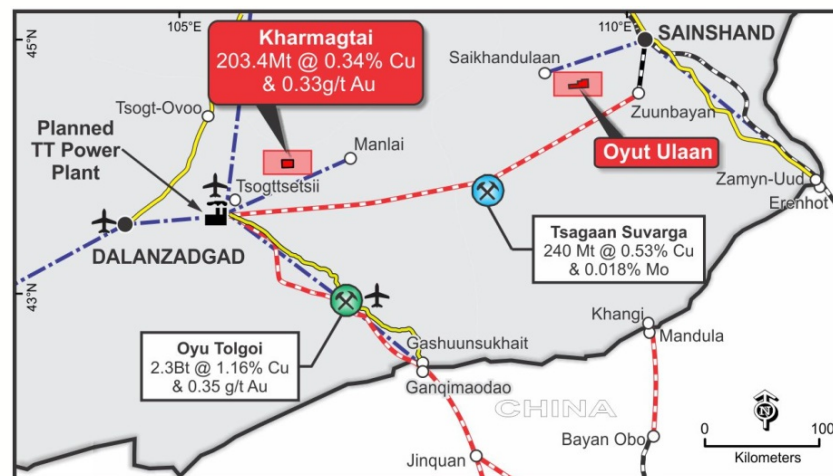
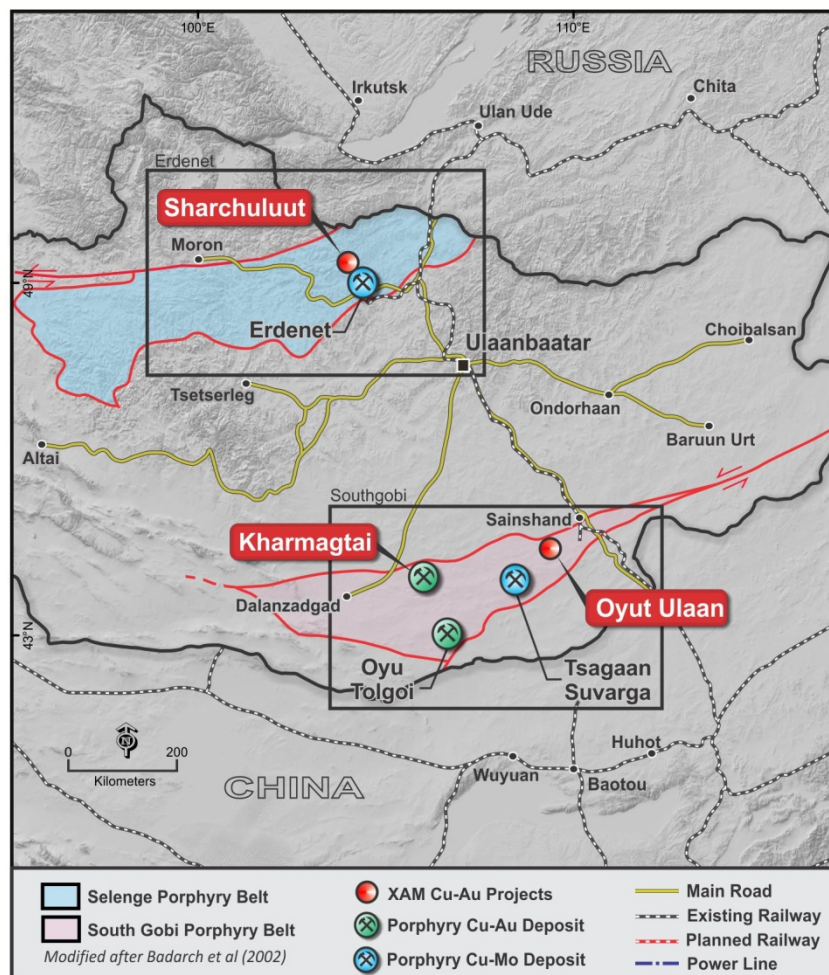
Oyut Ulaan Cu Au



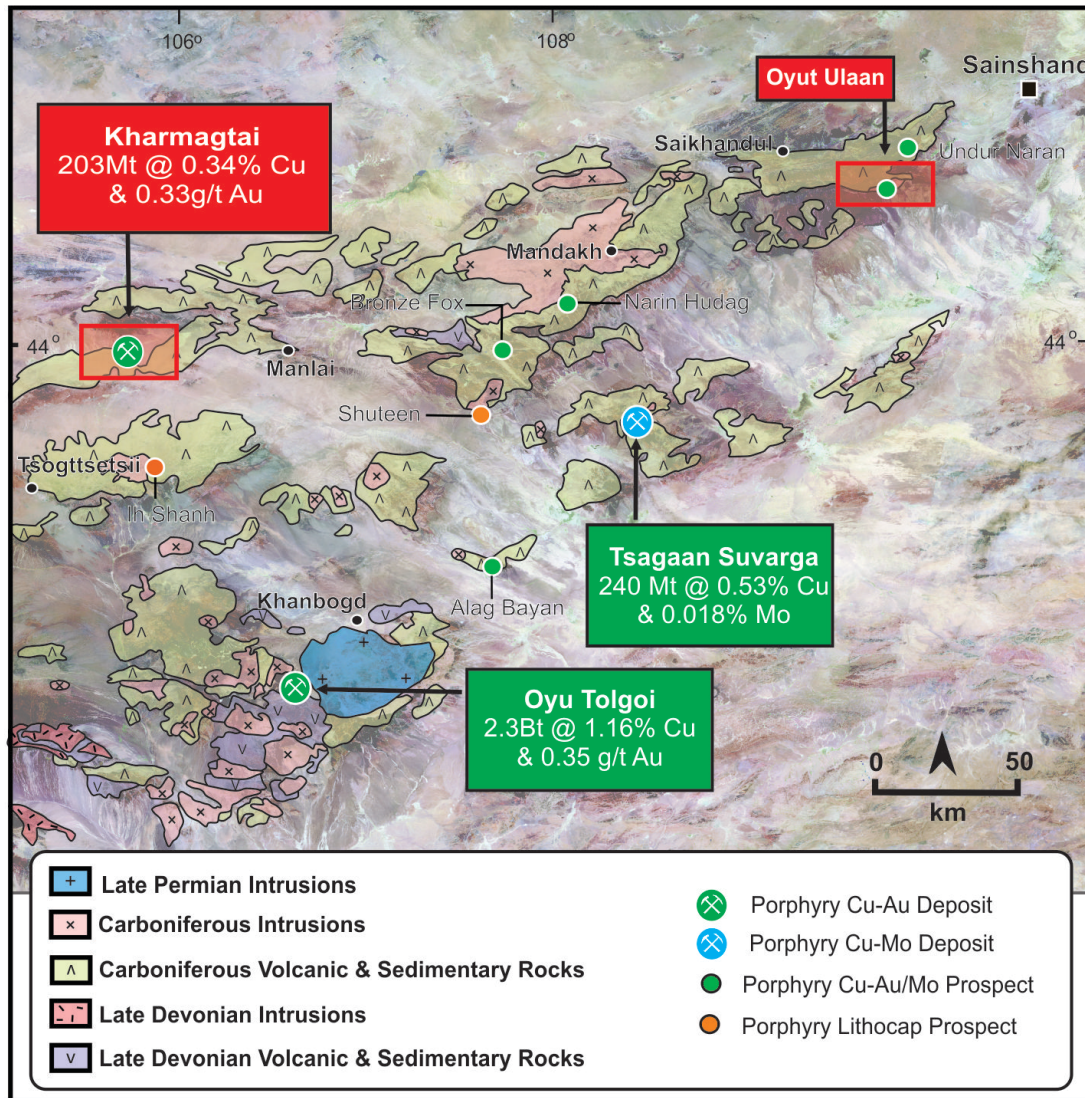
Kharmagtai Cu Au

Mongolia's porphyry copper belts

Proximity to infrastructure and the North Asia market



Xanadu - In the world class south Gobi



Dominate footprint

- Large tenement holding;
- Strategic footprint in Mongolia's pre-eminent copper porphyry belt;
- Around giant deposits related to a range of magmatic events;
- Close to significant deposits in development & production.

Kharmagtai porphyry Cu-Au district



Unlocking the potential of the Kharmagtai district

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

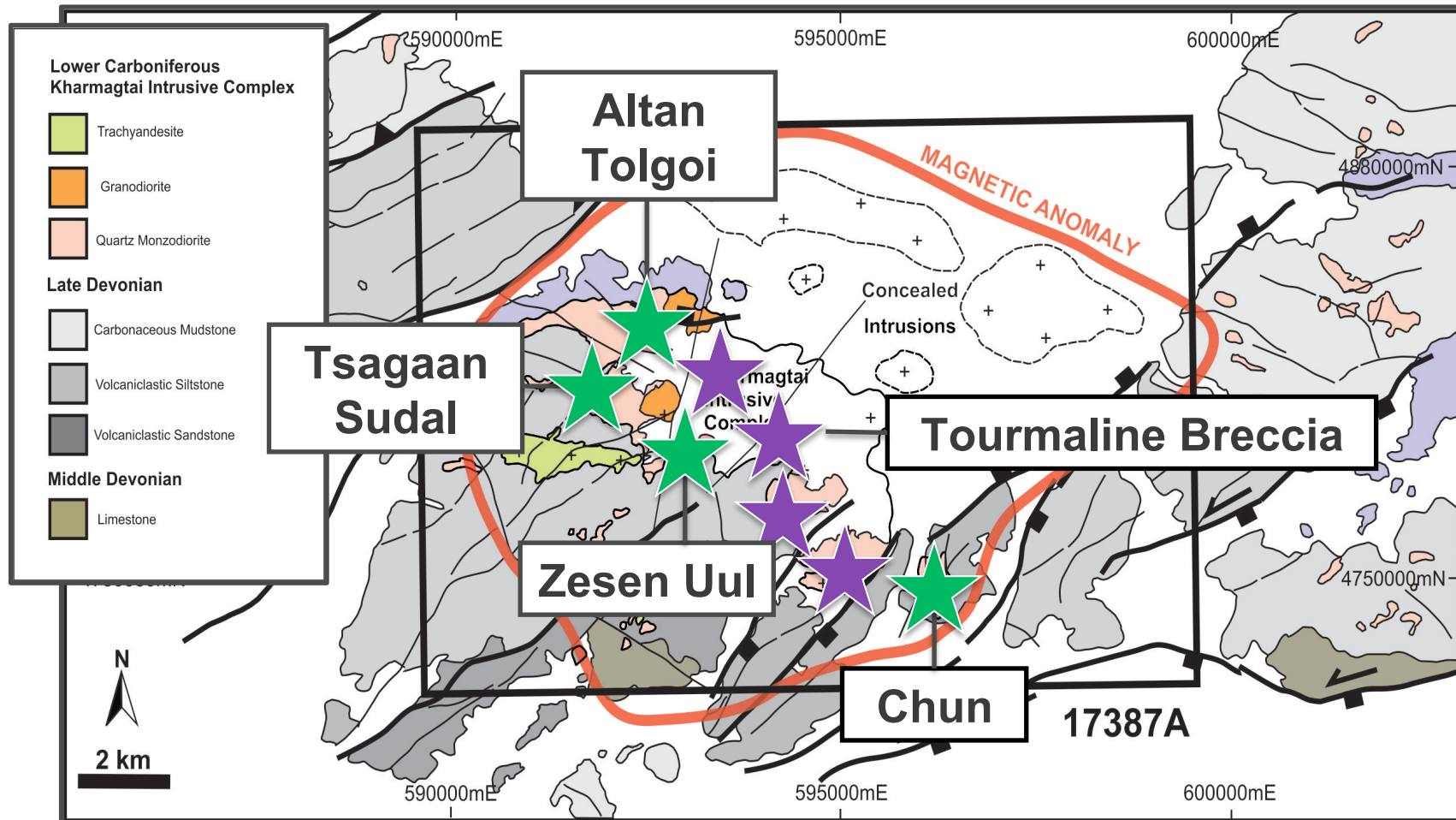
Altan Tolgoi

Tsagaan Sudal

Zesen Uul

Kharmagtai porphyry Cu-Au district

Multiple porphyry & late-stage copper breccia centres



Kharmagtai porphyry Cu-Au district

Growing gold-rich copper resource base

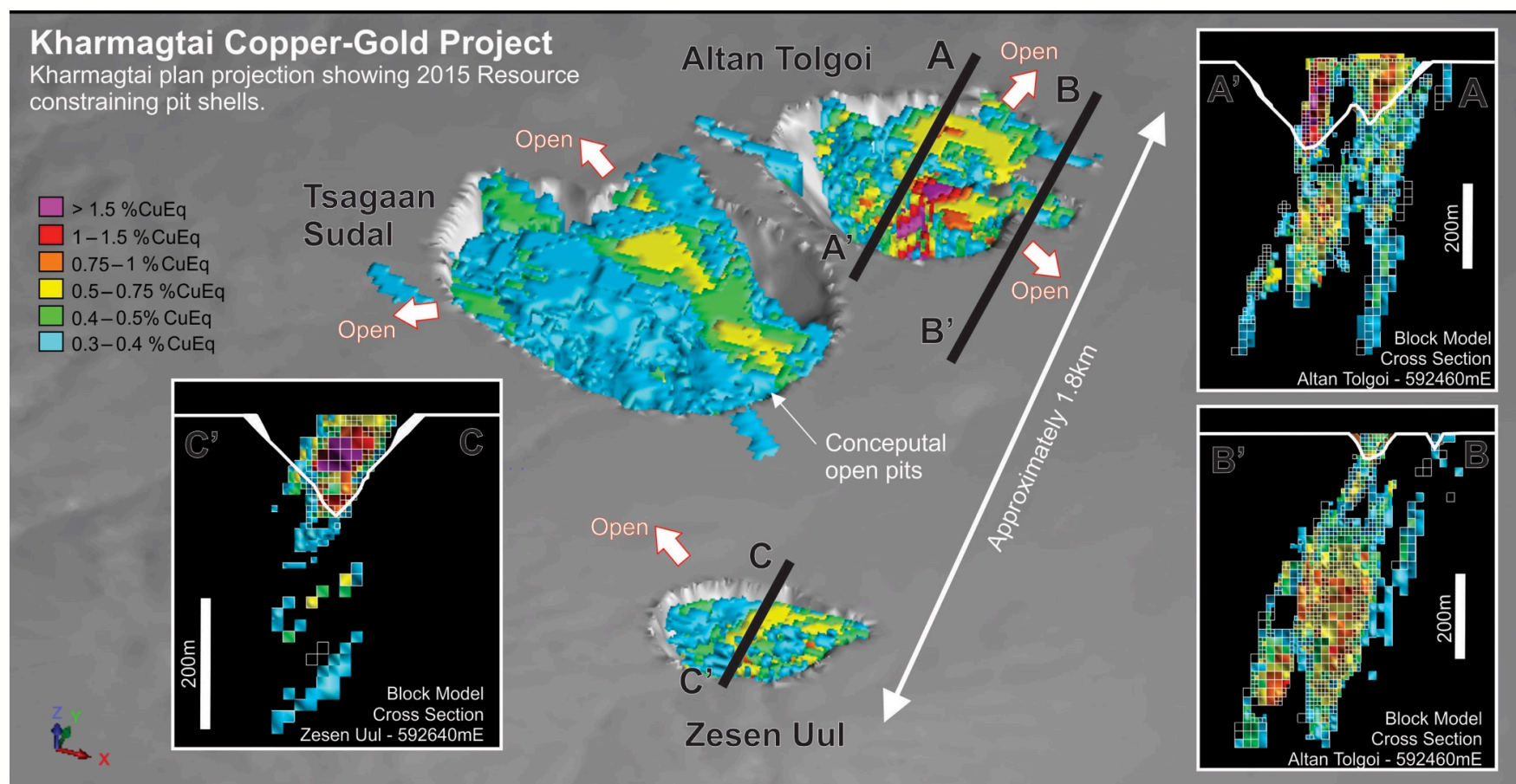
- 203Mt containing 1,500Mlb Cu & 2.2Moz Au*;
- Higher grade core of 56 Mt at 0.47 % Cu and 0.59 g/t Au (0.85% Cu equivalent);
- Large porphyry style deposit with multiple near-surface, gold-rich zones;
- Mineralisation outcrops at surface and remains open at depth;
- Resource only a small portion of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



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

Kharmagtai porphyry Cu-Au district

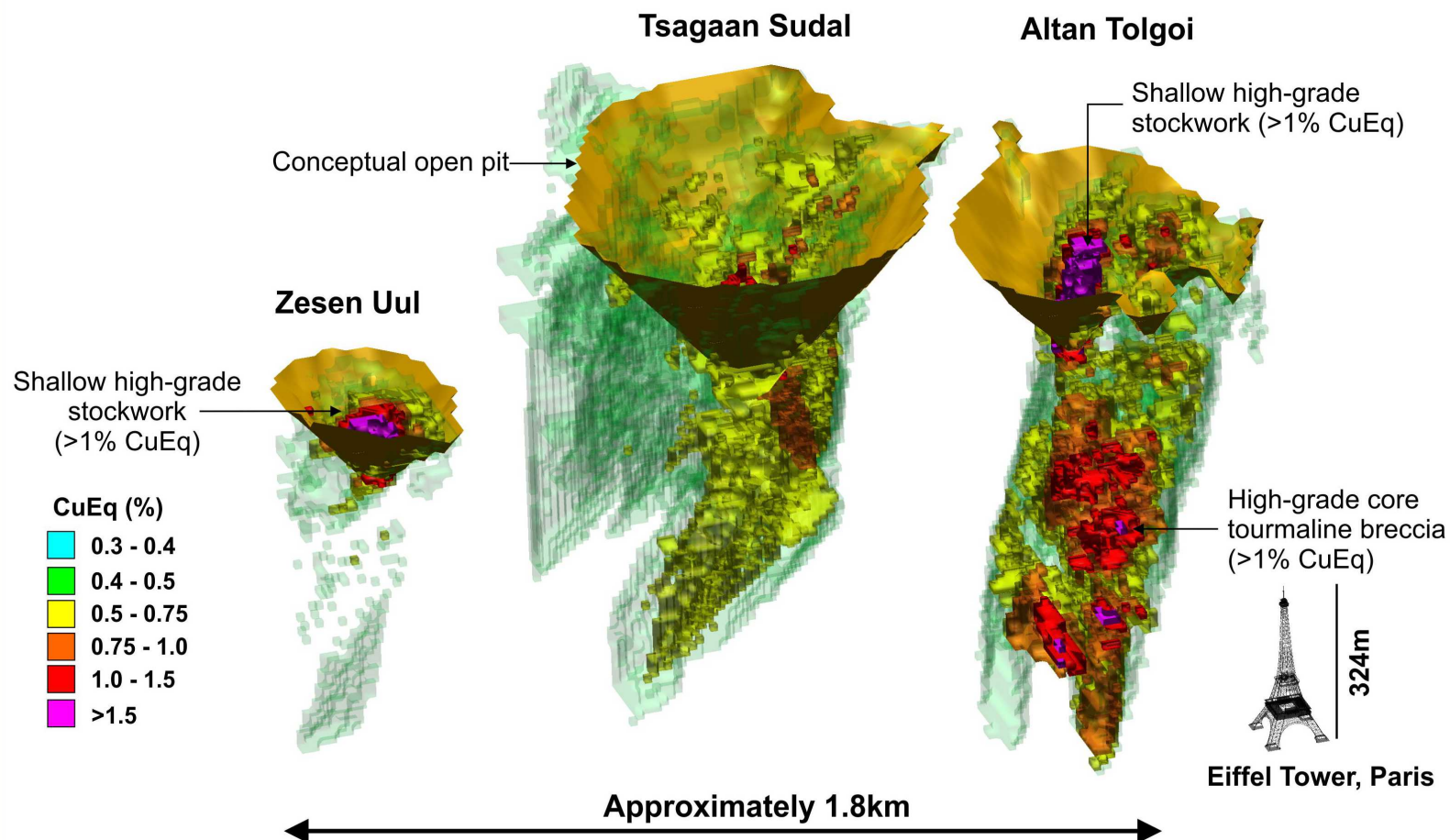
Kharmagtai plan projection constraining pit shells



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

Kharmagtai porphyry Cu-Au district

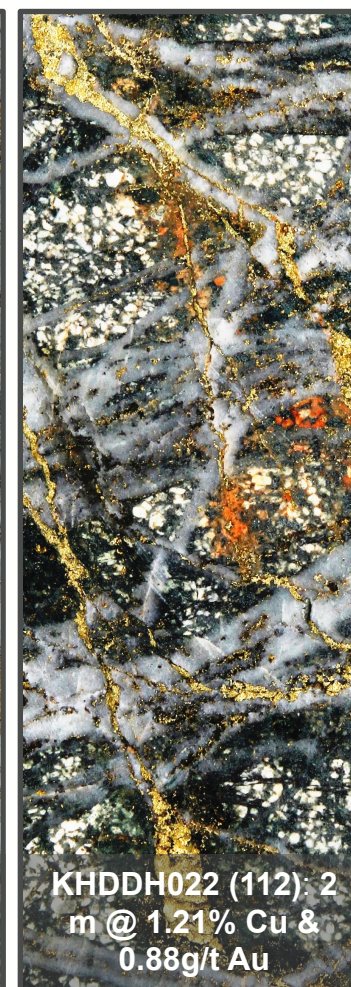
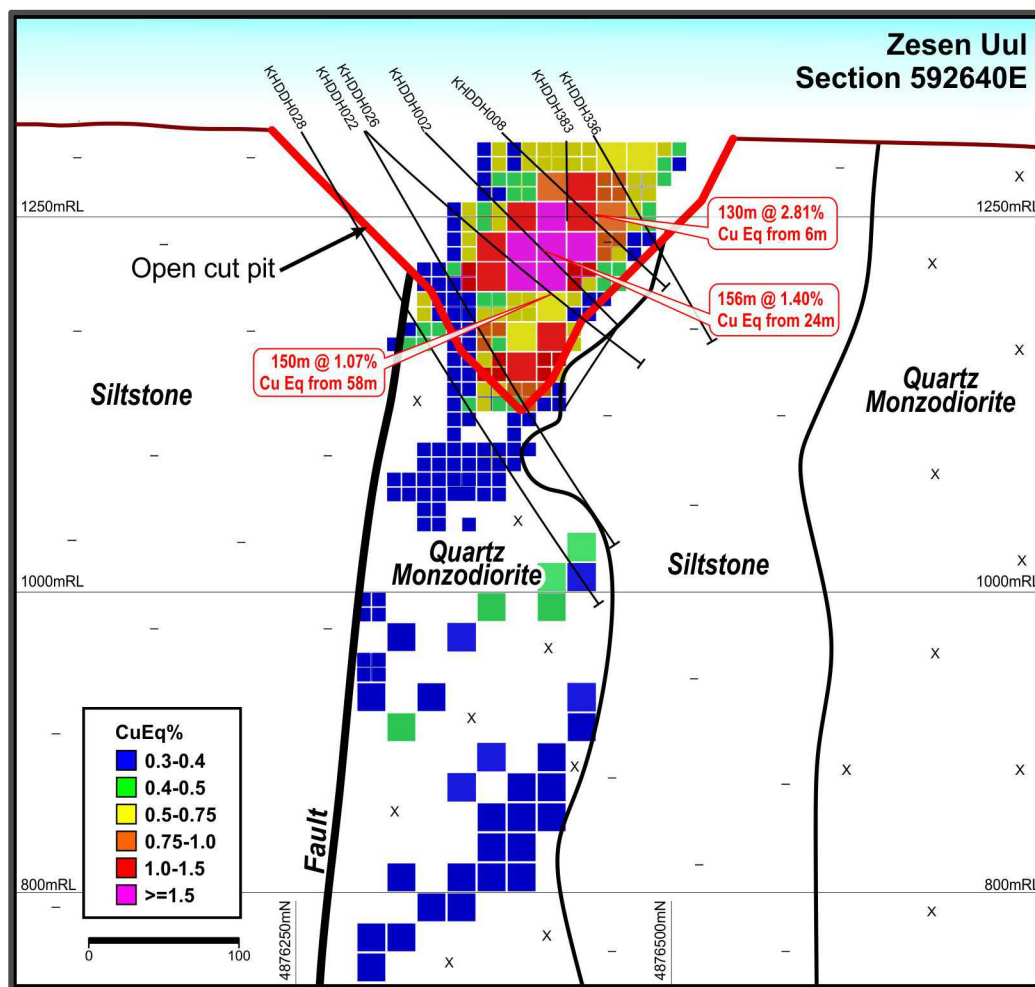
One of the most prospective projects in Asia with growing resources



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Table 1 information dated 29 April 2016 continues to apply.

Kharmagtai porphyry Cu-Au district

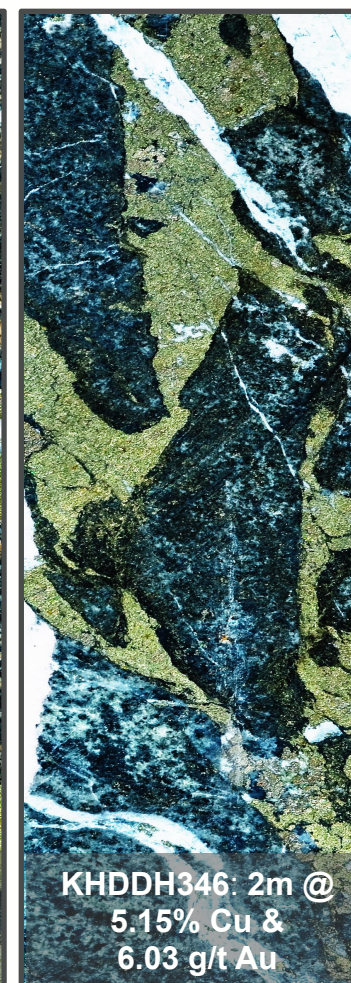
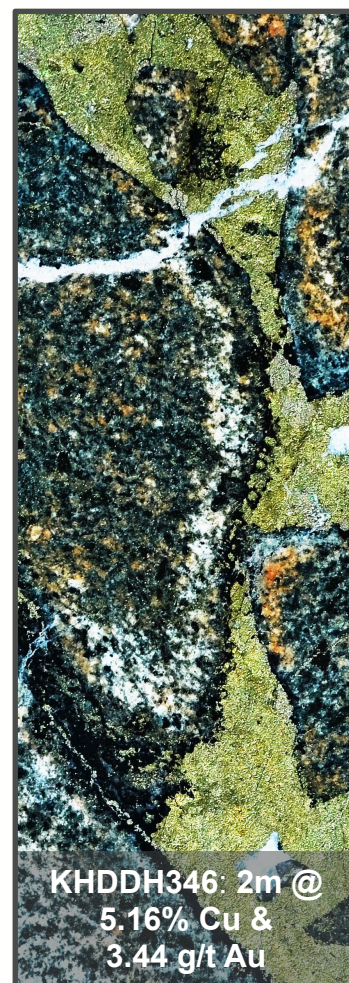
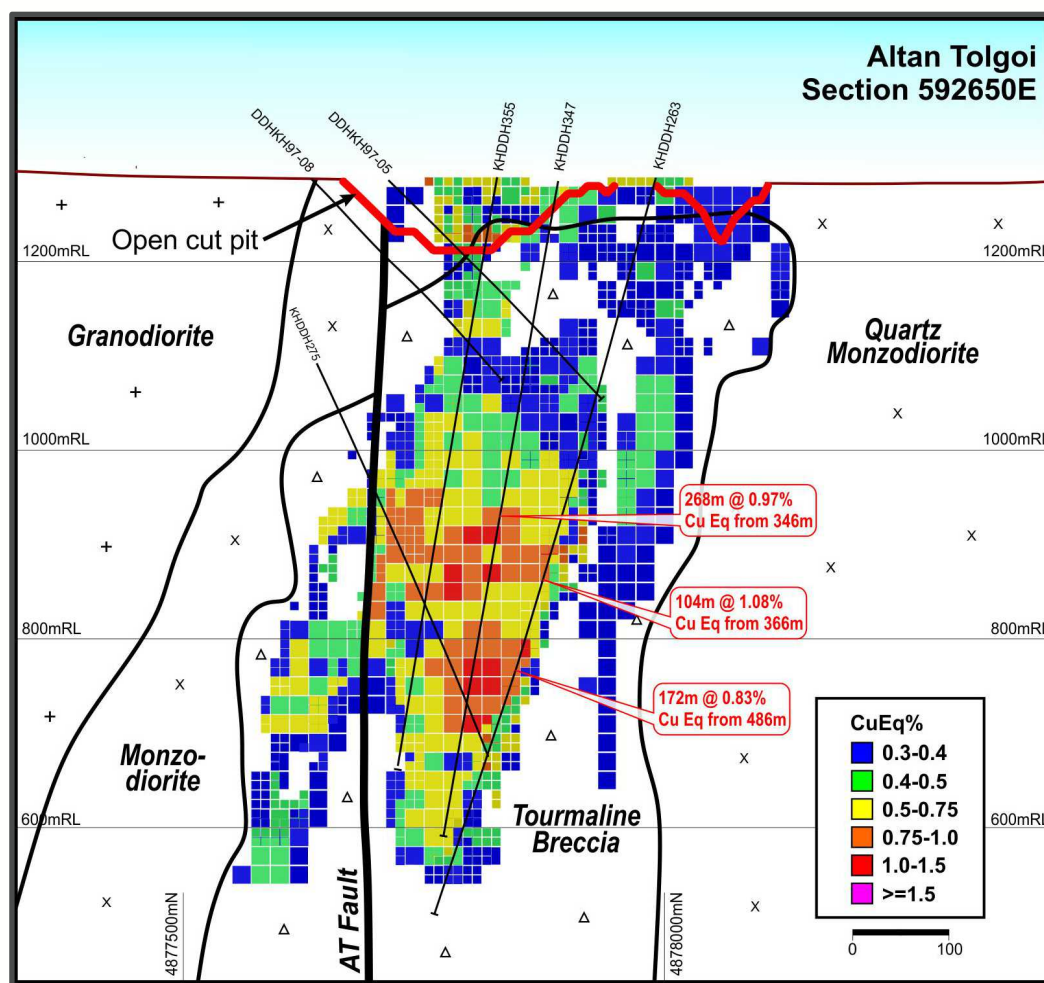
Shallow high-grade gold-rich porphyry mineralisation



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

Kharmagtai porphyry Cu-Au district

High-grade copper-gold hosted breccia mineralisation



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Table 1 information dated 29 April 2016 continues to apply.

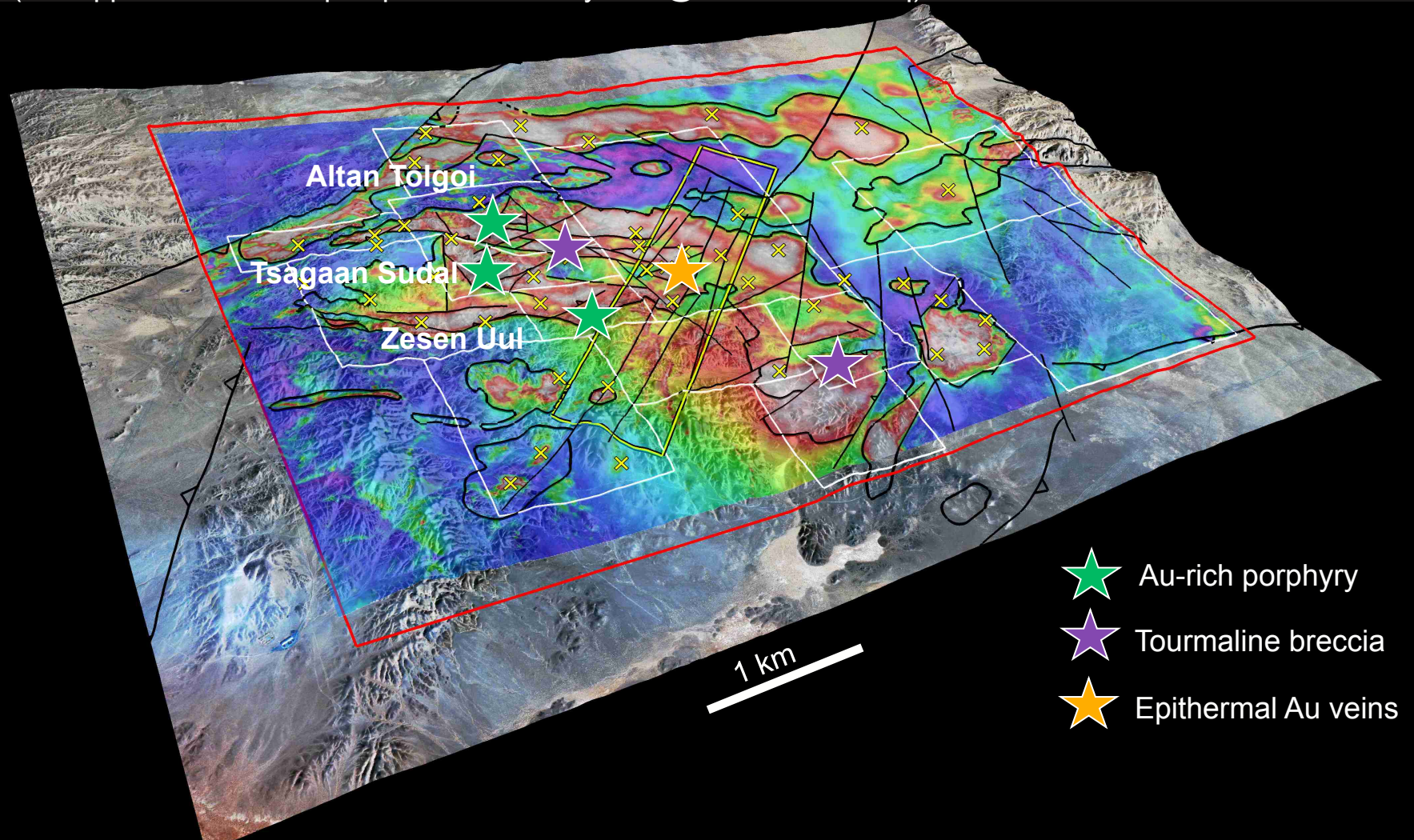
Kharmagtai porphyry Cu-Au district



Exploration drilling targeting new discoveries

Exploration targeting a fourth shallow gold-porphyry centre

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



Oyut Ulaan porphyry Cu-Au district



Significant shallow high-grade gold discovered

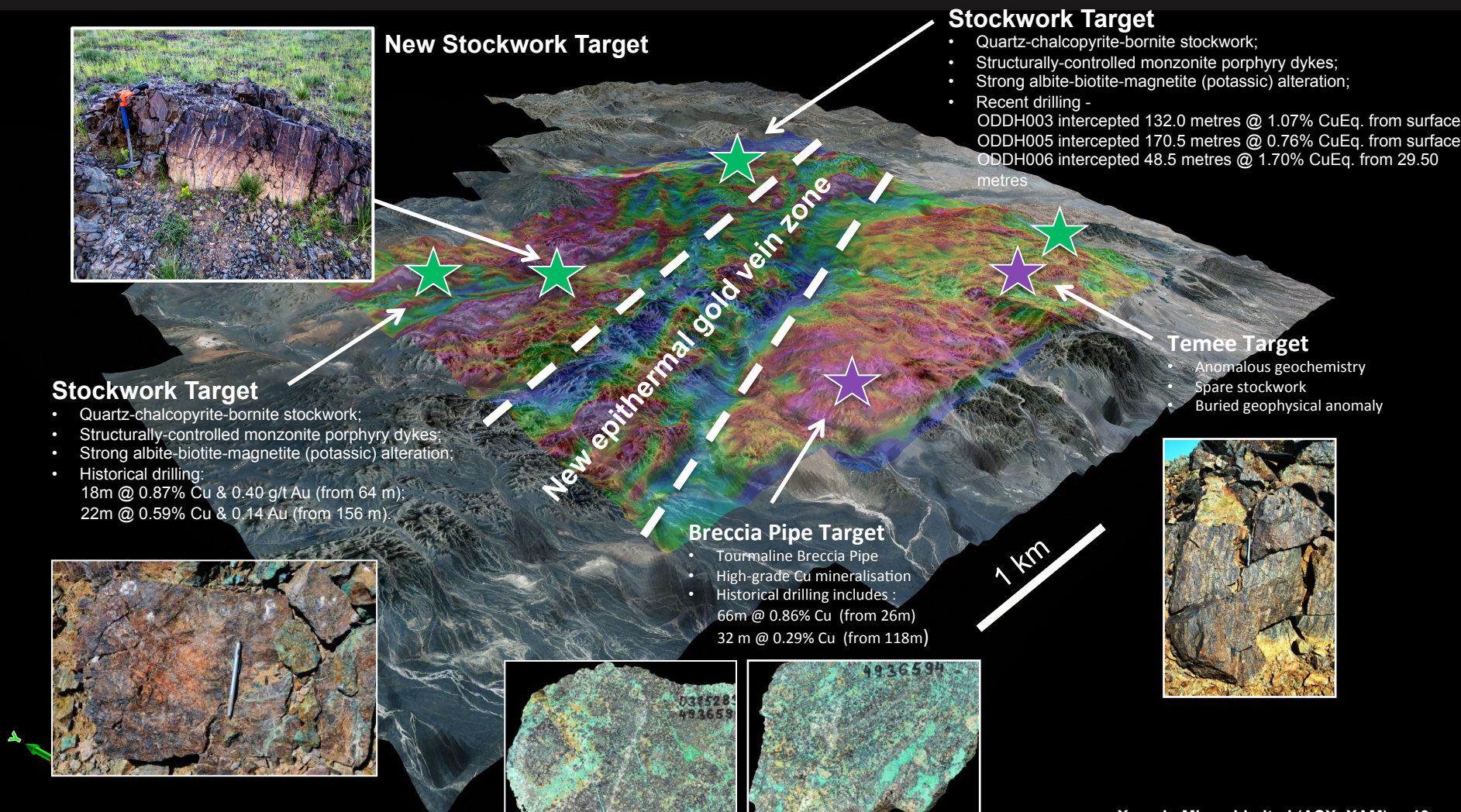
Tourmaline Copper Mineralisation

Epithermal Gold Mineralisation

Stockwork copper-gold mineralisation

Oyut Ulaan porphyry Cu-Au district

Multiple co-genetic porphyry copper-gold centres

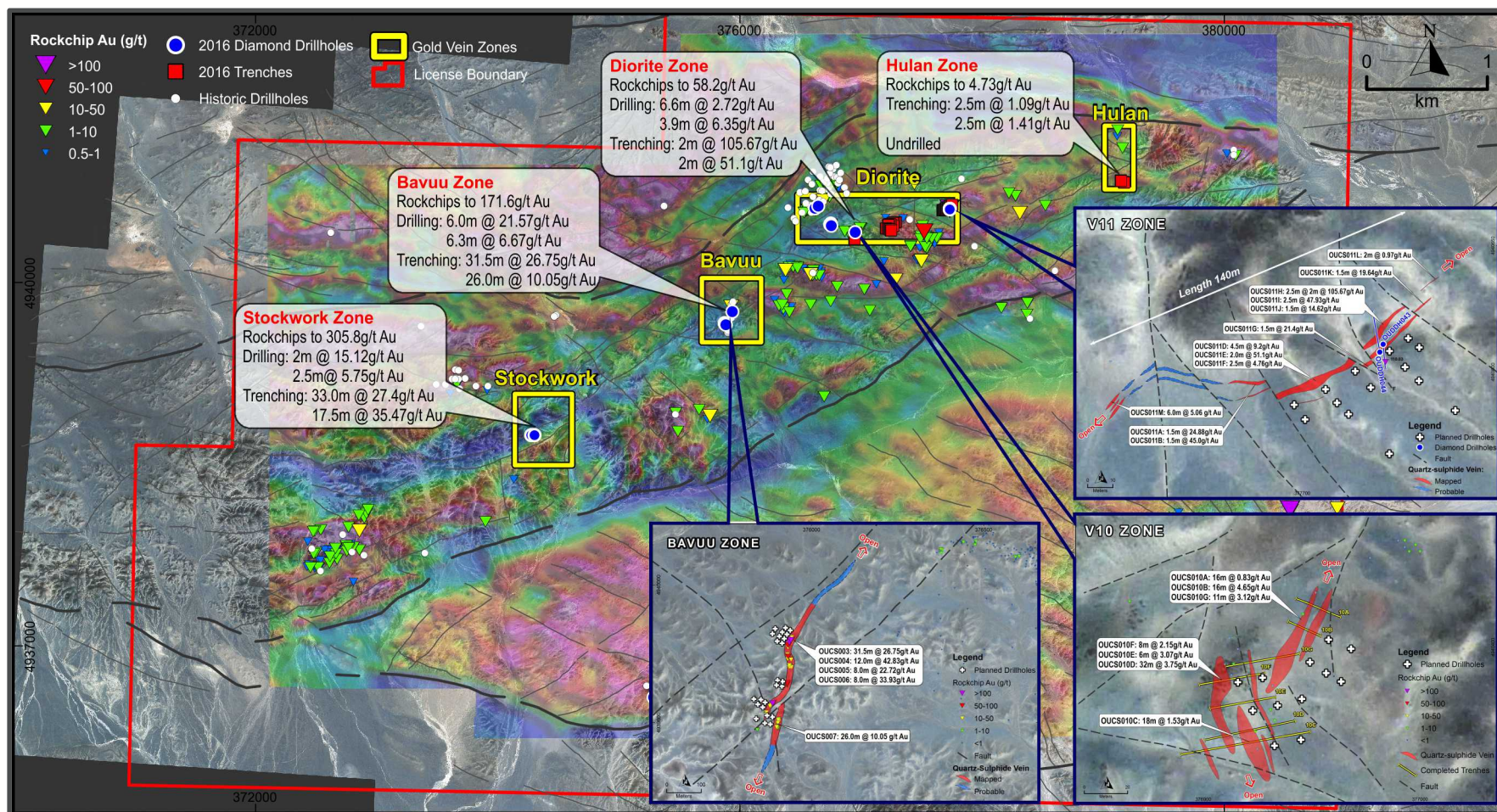


Oyut Ulaan porphyry Cu-Au district



Trenches uncover high-grade epithermal mineralisation

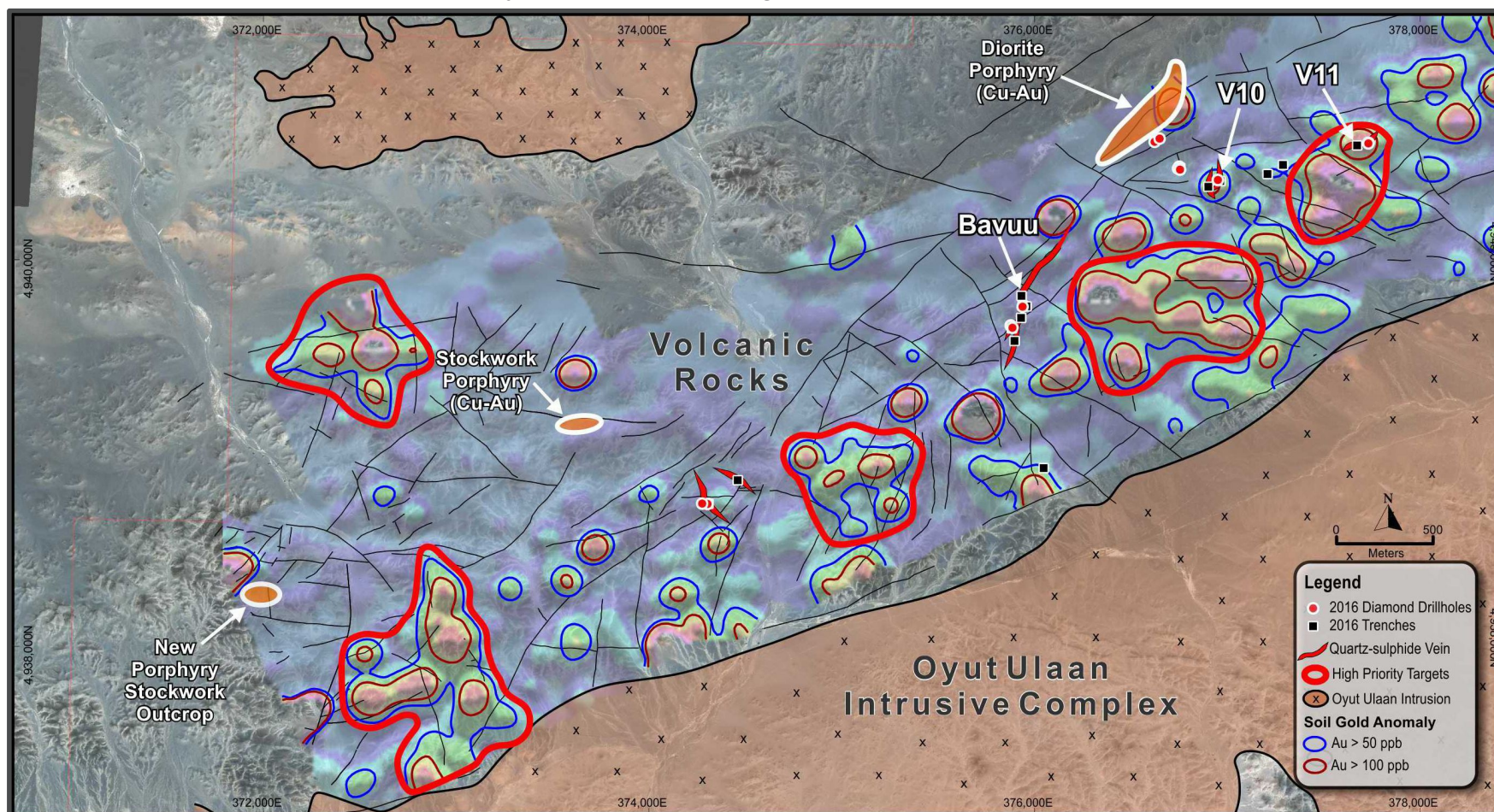
Numerous new epithermal vein gold targets over approximately 20km²



Oyut Ulaan porphyry Cu-Au district

Soil survey identifies widespread gold anomalism

Exploration continues to identify new zones of gold mineralisation



Active exploration across multiple projects



Substantial activity over next 12 months

- Exploration programs across multiple projects;
- Drilling underway at Kharmagtai with dual focus;
Target a fourth porphyry copper centre;
Improving economics for current open pit projects.
- **Accelerated exploration program at Oyut Ulaan**
Drilling to test the depth and strike gold mineralisation;
Confirm grade continuity below oxide zone;
Target new epithermal gold mineralisation.
- **Full funded for a 12 month exploration program.**

Reasons to invest in Xanadu Mines



Exploration drilling at the
Kharmagtai Cu-Au
Project, south Gobi
Mongolia

A standout copper-gold explorer

- Two copper-gold district plays in one company;
- One of the most promising Cu-Au projects globally;
One of the highest grade porphyry discoveries;
Growing JORC Resource of 1,533 Mlb Cu & >2 Moz Au*;
Exploration success set to extend resource.
- High grade gold discovery at Oyut Ulaan;
Exploration activities for gold ramp up
- Well capitalised relative to most other junior exploration companies;
- Mongolia and copper M&A back on radar for majors.



Dr Andrew Stewart

Executive Director & Chief Executive Officer

+976 99999211 (Mongolia)

Andrew.stewart@xanadumines.com

Kharmagtai resource estimate statement



Mineral Resource Estimates - Project Resource

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

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

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

Kharmagtai resource estimate statement



Mineral Resource Estimates - Higher grade resource

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

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

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

Competent person statement



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

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

Exploration Results: The information in this presentation that relates to Exploration Results is based on information compiled by Dr. Andrew Stewart who is responsible for the exploration data, comments on exploration target sizes, QA/QC and geological interpretation and information, which is incorporated in the database that was provided to Mining Associates for undertaking the Resource estimate. Dr. Stewart is an employee of Xanadu and is a Member of the Australasian Institute of Geoscientists. Dr. Stewart has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as the "Competent Person" as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Dr. Stewart consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

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

For the purpose of ASX Listing Rules 5.7.1, Xanadu refers to its Table 1 disclosure dated 29 July 2016 which continues to apply as at the date of this presentation. Xanadu is not aware of any new information or data that materially affects the information included in that announcement.