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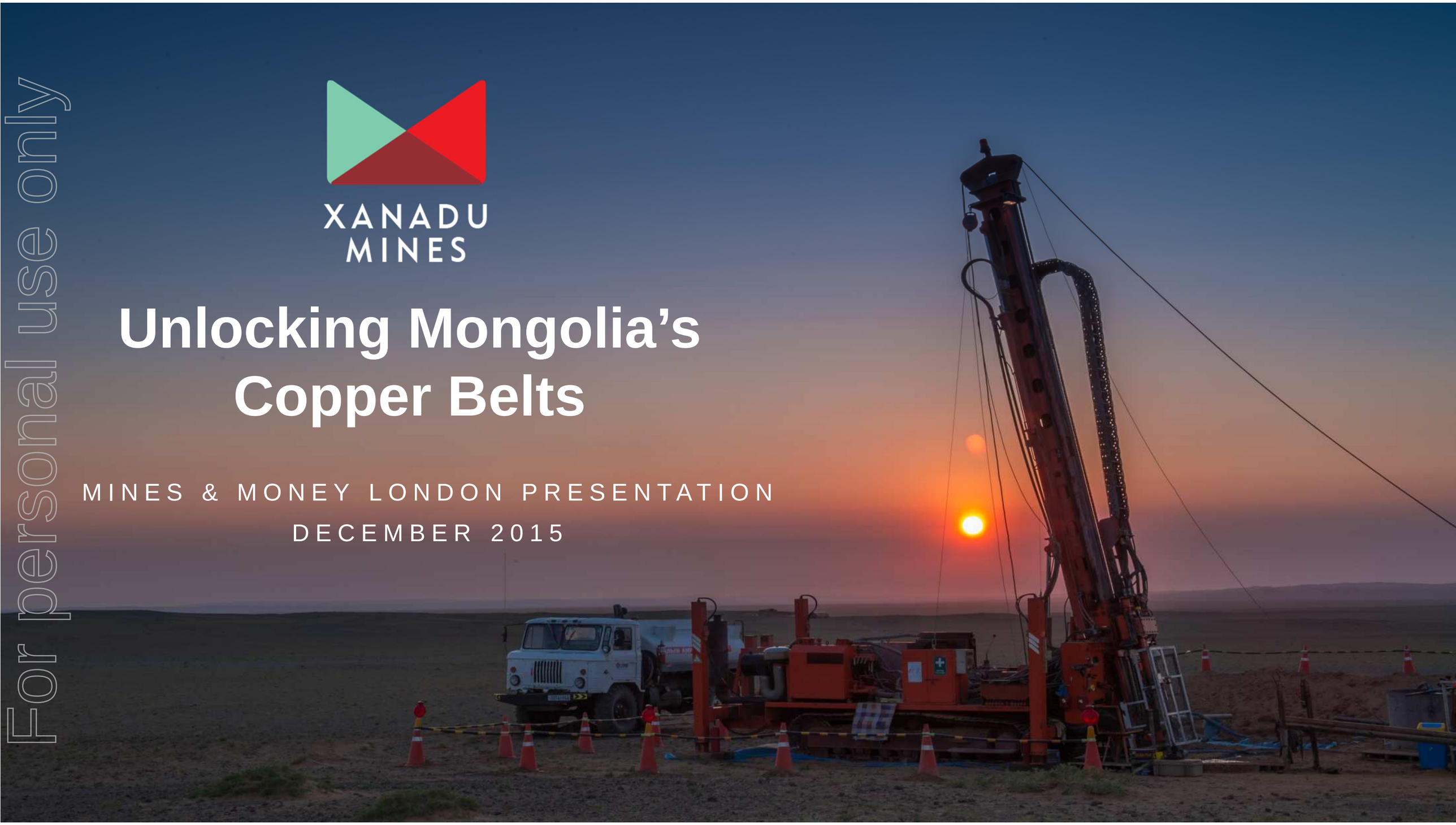
XANADU MINES

Unlocking Mongolia's Copper Belts

MINES & MONEY LONDON PRESENTATION

DECEMBER 2015



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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 a resource estimate. Dr Stewart, who 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 the presentation of the matters based on his information in the form and context in which it appears.

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.

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. Grades have not been adjusted for metallurgical or refining recoveries and the copper equivalent grades are of an exploration nature only and intended for summarising grade. The copper equivalent calculation is intended as an indicative value only. The following copper equivalent conversion factors and long term price assumptions have been adopted: Copper Equivalent Formula (CuEq) = Cu% + (Au (ppm) x 0.6284); Price assumptions: Cu (US$3.20lb) and Au (US$1,375oz). For the purposes of ASX Listing Rule 5.7.1, Xanadu refers to its Table 1 disclosure dated 30 October 2015 which continues to apply as at the date of this Presentation.

About Xanadu Mines (ASX:XAM)

Chalcopyrite-pyrite-tourmaline cemented breccia: 2 m @ 4.58% Cu & 3.82 g/t Au

Standout junior copper-gold explorer

- ASX listed Mongolian copper & gold explorer;
- Proven explorer with track record of success;
- Strategic position in a world-class copper province;
- Target world class deposits;
- Growing gold-rich copper resource base (JORC);
- Well funded with and delivering on discovery success.

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Xanadu in the past year

Chalcopyrite-pyrite-tourmaline cemented breccia: 2 m @ 5.16% Cu & 3.44 g/t Au

Exceptional exploration success

- **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;**

  Longest drill intersection & highest grades to date

- **Full funded for winter exploration program.**

**ASX announcement dated 19 March 2015 "Kharmagtai Maiden JORC Resource." Table 1 information dated 30 October 2015 continues to apply.*

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Corporate snapshot

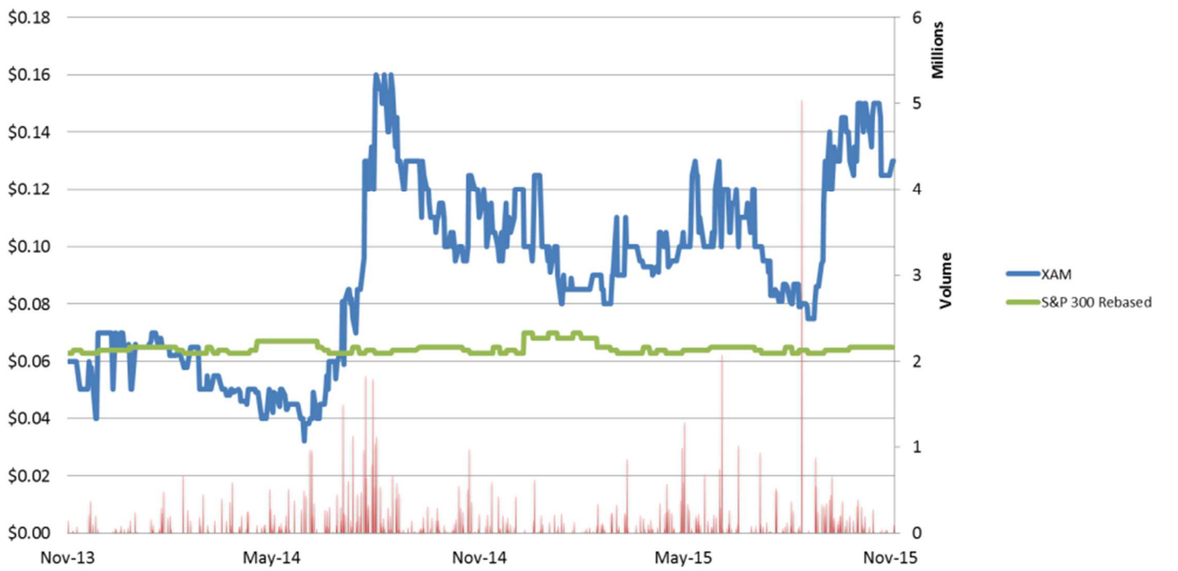
Cashed up after successful placement of 66.4m shares at 12.5 cps for A$8.3m to be completed on 23 December 2015

Pre capital raise

Share price (12 Nov 2015)	A$0.15
Issued shares	374.7m
Market capitalisation	**A$56.2m**
Cash (30 Sep 2015)	A$2.5m
Debt[1]	A$9.1m
Enterprise value	**A$62.8m**
Undrawn debt	US$1.5m

3.0m Jun 2016 options exercisable at A$0.60-1.80
5.5m share rights (exercise prices A$0.14-0.19)
35m Oyut Ulaan project JORC milestone options
1 - term loan due July 2017 (US$2.7m) and Kharmagtai deferred consideration due July 2016 (US$3.8m); FX A$:US$ 0.698.

Relative share price performance



Major shareholders

Asia Capital & Advisors	27.2%
Noble Group	7.8%
Sakari Energy	5.7%

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Board of Directors

Proven track record in Mongolia and globally

Mark Wheatley
Chairman
Chem Eng (Hons 1) MBA
Successful former MD & Chairman Roles
M&A, Corp Development.

Ganbayar Lkhagvasuren
Executive Director
M.IBL
Founder and successful Mongolian entrepreneur
Corporate affairs and community relations.

Hannah Badenach
Non-Executive Director
B.Laws (Hons), B.Arts
Senior Noble executive
Mongolian business success and commercial acumen.

Darryl Clark
Non-Executive Director
B.Sc (Hons), PhD, FAusIMM
Senior Cameco executive
Geology and discovery success.

Marcus Engelbrecht
Non-Executive Director
MAICD; H Compt
Former senior BHP executive
Former operations success as MD.

Barry Lavin
Non-Executive Director
B.Sc (Hons), MBA, CEng.
Former senior Rio Tinto executive.
Mining engineer with strong technical, operational and business background.

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Senior management and technical team

Experienced team with deep regional knowledge

Andrew Stewart
CEO
B.Sc (Hons), PhD, MAIG
15 years experience in exploration and development
Expertise in porphyry copper & epithermal gold deposits.

Munkhbat Baatar
Exploration Manager
B.Sc PhD candidate
20 years experience in exploration
Expertise in porphyry copper deposits.

Batbaatar Nyamsuren
Senior Geologist
B.Sc
20 years experience in porphyry exploration
Leads Xanadu reconnaissance exploration team.

Munkhsaikhan D.
CFO
B.Acc (Hons), MSc Fin
Formerly CFO & director in mining services
International and Mongolian finance experience.

Otgonbayar Dorjsuren
Senior Geophysicist
B.Sc
10 years experience in geophysics
Senior position at Vale focused on porphyry copper exploration.

Batbayar Enkhbold
Senior Geologist
B.Sc
Experienced exploration geologist
Formerly geologist at East Asia Minerals in Indonesia.

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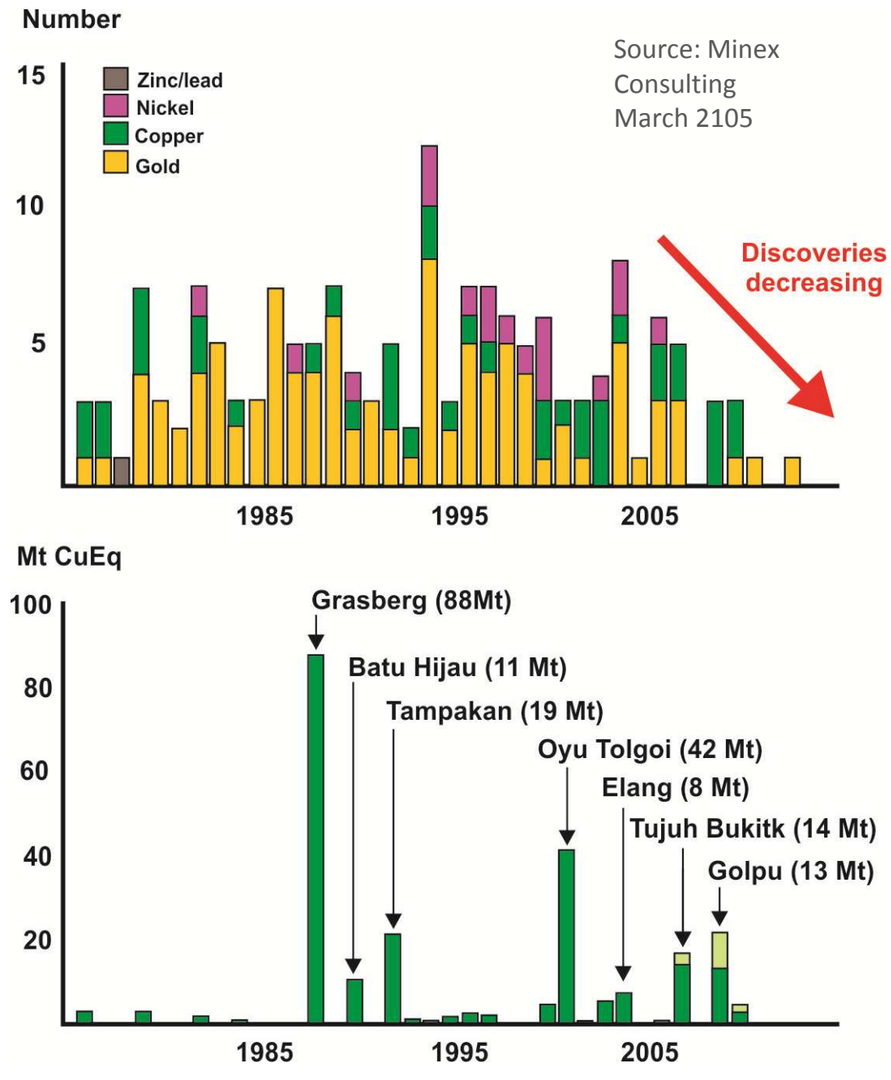
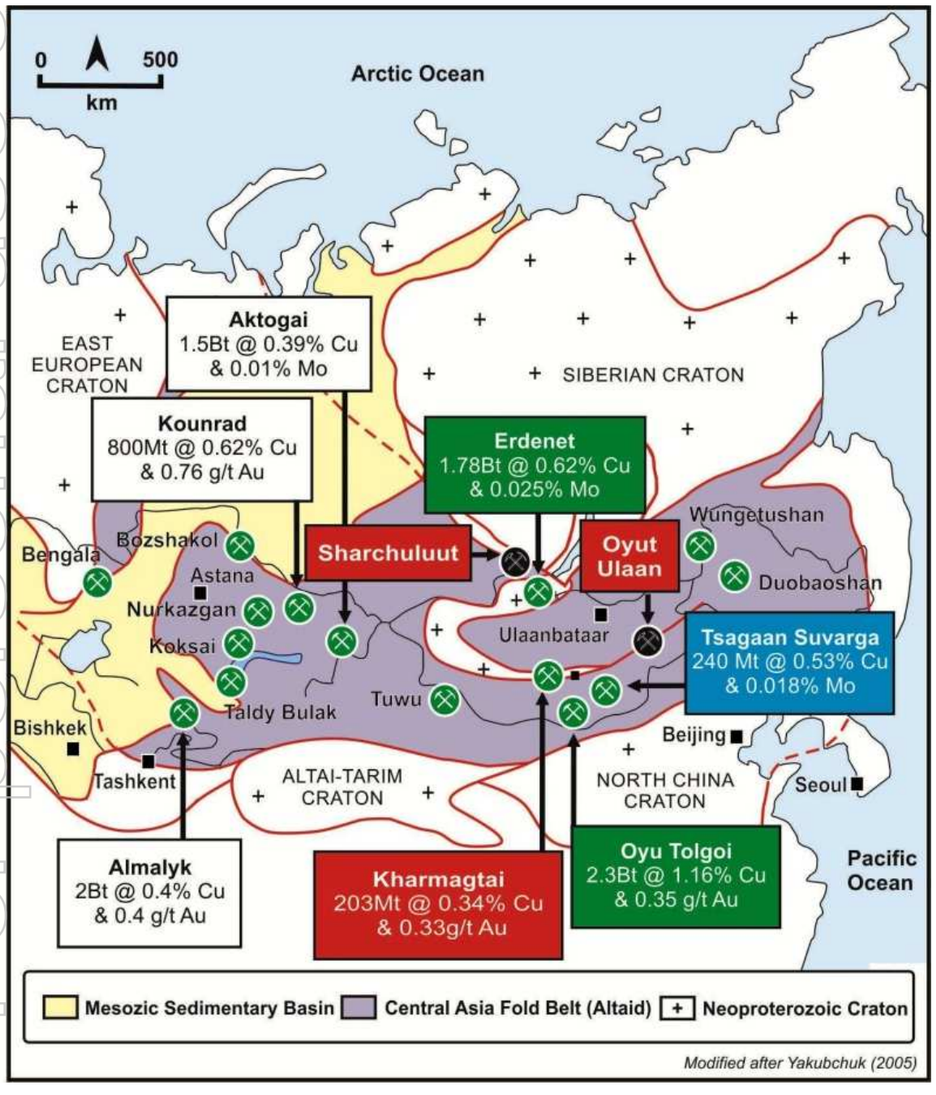
Discovery supply crunch

Supply of future discoveries

- Focused on the right commodities;
- Large Cu deposits getting harder to find;
- Discovery supply will not meet demand;
- Future discoveries are going to be very valuable;
- Quality discoveries will command a premium.



Projects strategically located



Last great exploration frontiers

- **Fourth most endowed copper province globally (rapidly growing);**
- **Highly mineralised & vastly underexplored mineral belts known to host large deposits;**
- **Current annual production is approximately 1.35 Mt Cu;**
- **Proximity to infrastructure and the North Asia market.**

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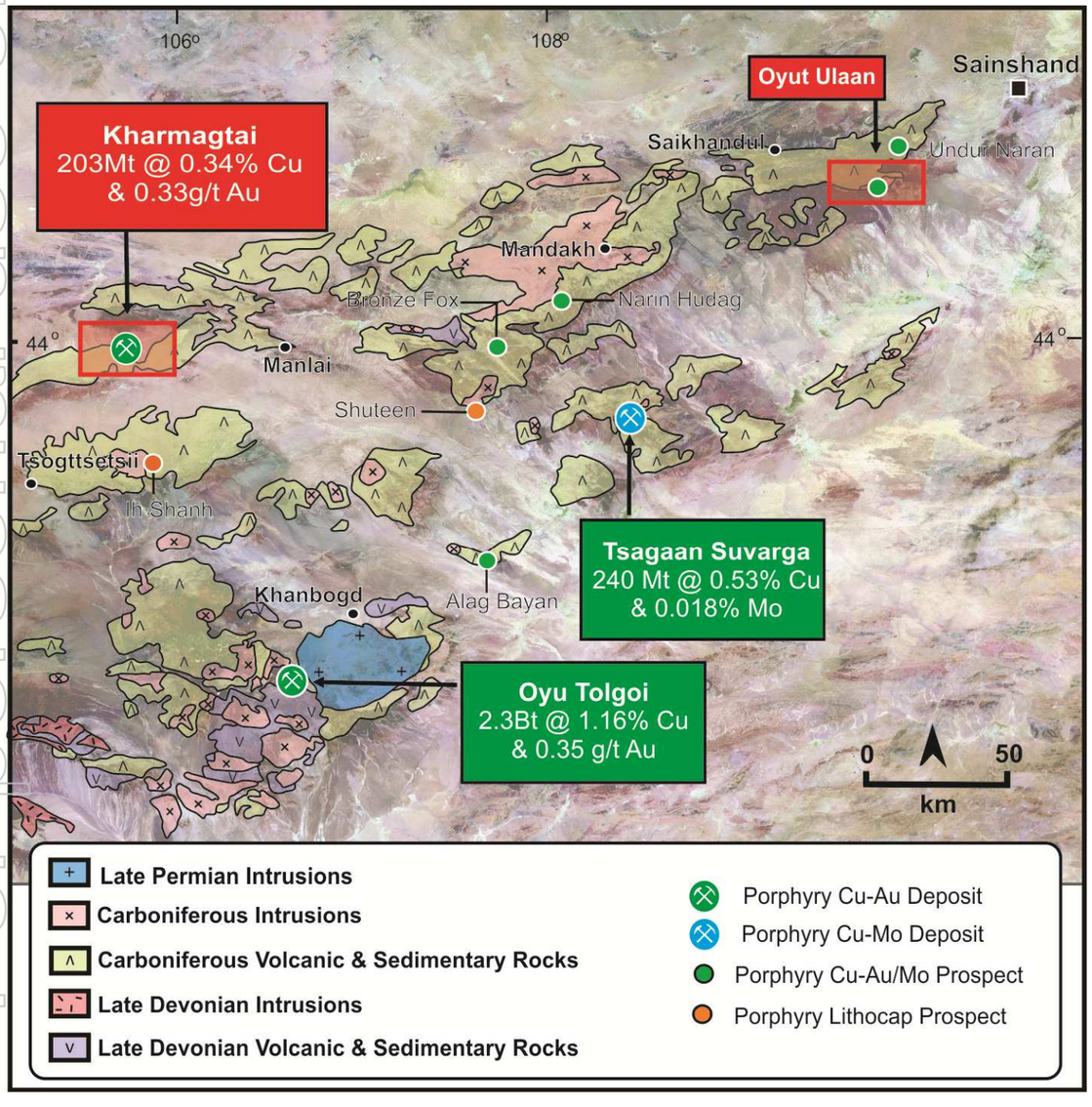
South Gobi Copper Province



Emerging copper province

- **Large tenement holding in South Gobi Porphyry Belt;**
- **Highest ranked porphyry copper belt in Central Asia;**
- **Giant porphyry-related copper and/or gold deposits are related to a range of magmatic events;**
- **Significant deposits in development & production.**

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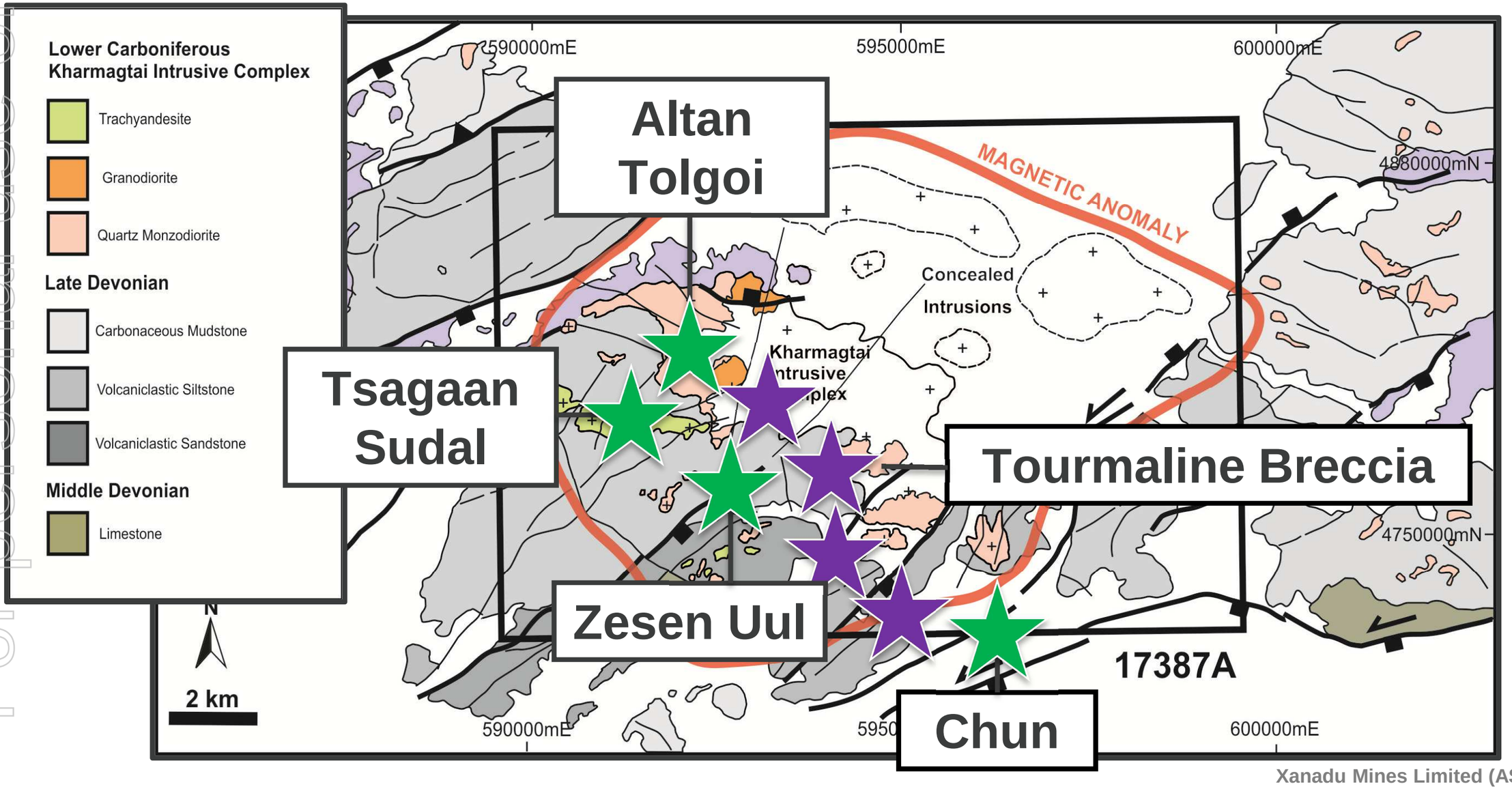
Targeting world-class Cu-Au discoveries



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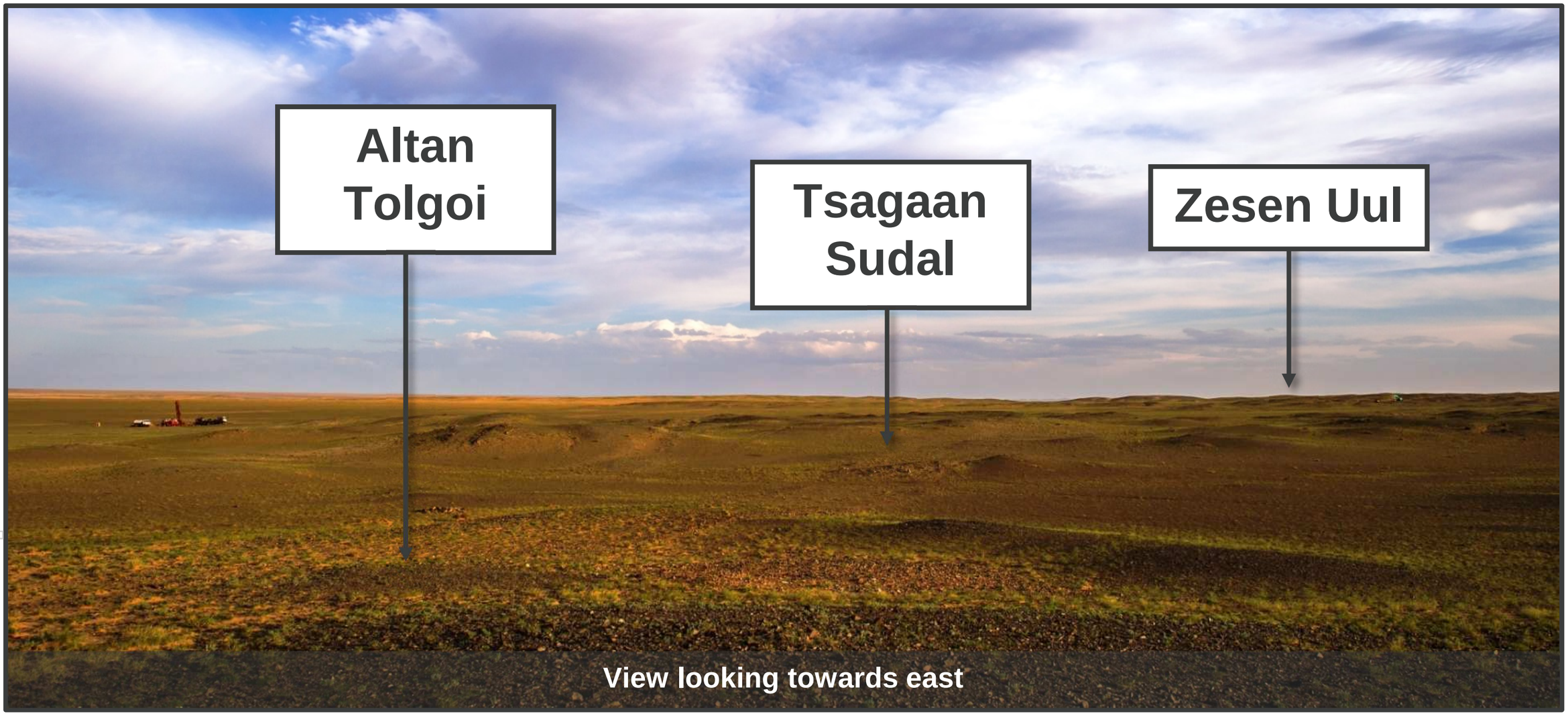
Panorama of Kharmagtai Cu-Au district



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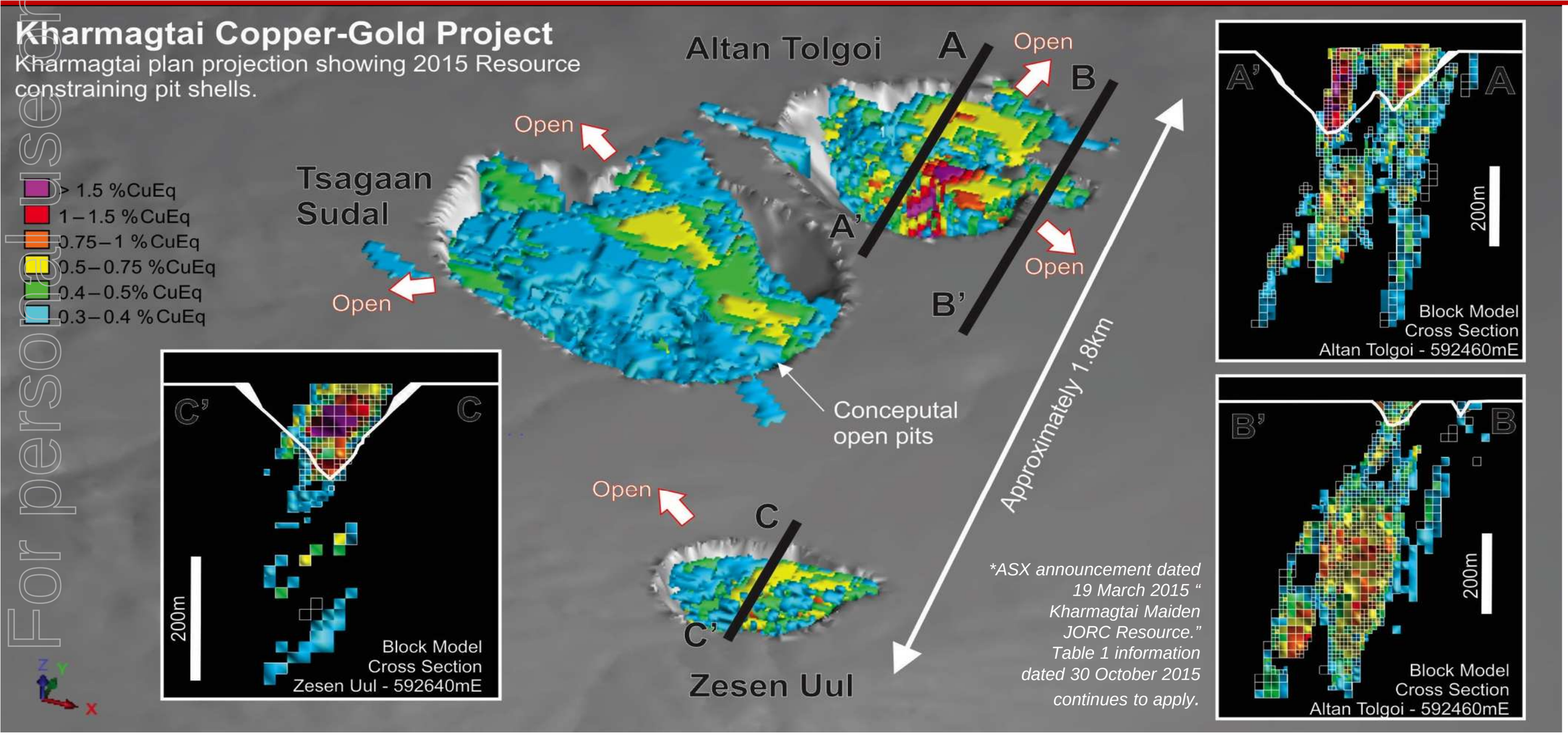
South Gobi Copper Province



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South Gobi Copper Province

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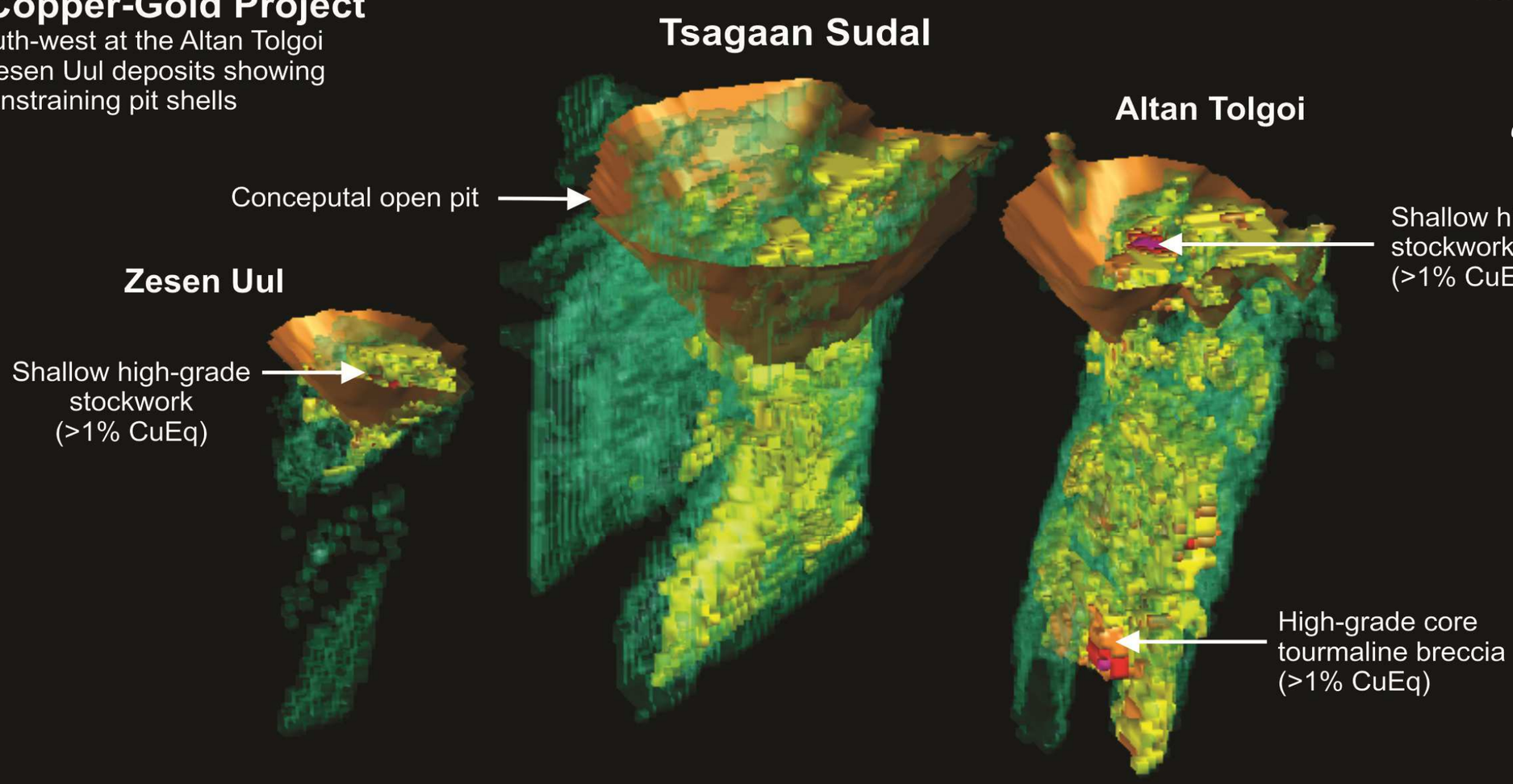
Kharmagtai Copper-Gold Project

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

**ASX announcement dated 19 March 2015 " Kharmagtai Maiden JORC Resource." Table 1 information dated 30 October 2015 continues to apply.*



Centre Point Tower Sydney

Strong news flow - key milestones

Quartz stockwork: 2 m @ 1.63% Cu & 6.9 g/t Au

Substantial news flow over next 6 months

- **Active winter exploration program at Kharmagtai;**

  Discovery momentum and locking in representative valuations;

  Drill program to expand limits and grade of the deposit;

  Progress towards an updated resource;

- **Exploring new opportunities**

  Actively reviewing other significant copper-gold opportunities.

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