05 April 2016

MINES & MONEY ASIA: UNLOCKING MONGOLIA'S COPPER-GOLD BELTS

Dear Shareholders,

Please find attached the Company's latest corporate presentation to be presented at the annual Mines & Money conference in Hong Kong 2016.

Xanadu's Chief Executive Officer, Dr. Andrew Stewart will be presenting on the 5th April at 16:10 in Room S421, Level 4 (Plenary).

Directors and Management of the Company will be available at booth C3 at conference for discussions with shareholders and investors.

Please come and visit us at Mines & Money Asia.

For further information, please contact:

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Chief Executive Officer

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XANADU MINES

Unlocking Mongolia's Copper-Gold Belts

MINES & MONEY ASIA PRESENTATION | APRIL 2016

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About Xanadu Mines (ASX: XAM)

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

Standout junior copper-gold explorer

- ASX listed Mongolian Cu-Au exploration company;
- Experienced team with deep regional knowledge;
- Proven explorer with track record of success;
- Strategic position in a world-class Cu-Au province;
- Growing gold-rich copper JORC resource base;
- Exploration drilling underway at Kharmagtai;
- Well funded and active explorer committed to discovery;
- Good pipeline of high quality projects.

Corporate snapshot

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Well positioned junior copper-gold explorer

Capital structure

Share price (30 Mar 2016)	A$0.155
Issued shares	445.3m
Market capitalisation	**A$69.0m**
Cash (31 Dec 2015)	A$8.6m
Debt[1]	A$7.8m
Enterprise value	**A$68.2m**
Undrawn debt	US$1.5m

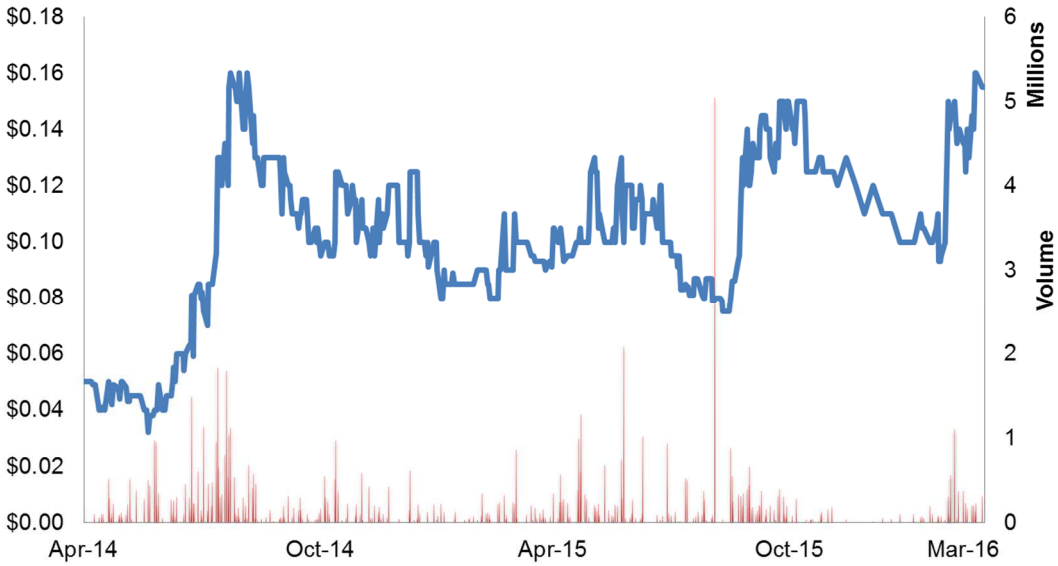
3.0m Jun 2016 options exercisable at A$0.60-1.80

5.25m 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 March 2016 (US$2.8m).

Relative share price performance



Major shareholders

Asia Capital & Advisors	26.6%
Noble Group	7.9%

Our vision & growth strategy

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To be the most successful copper-gold 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.

Now is the time to make discoveries

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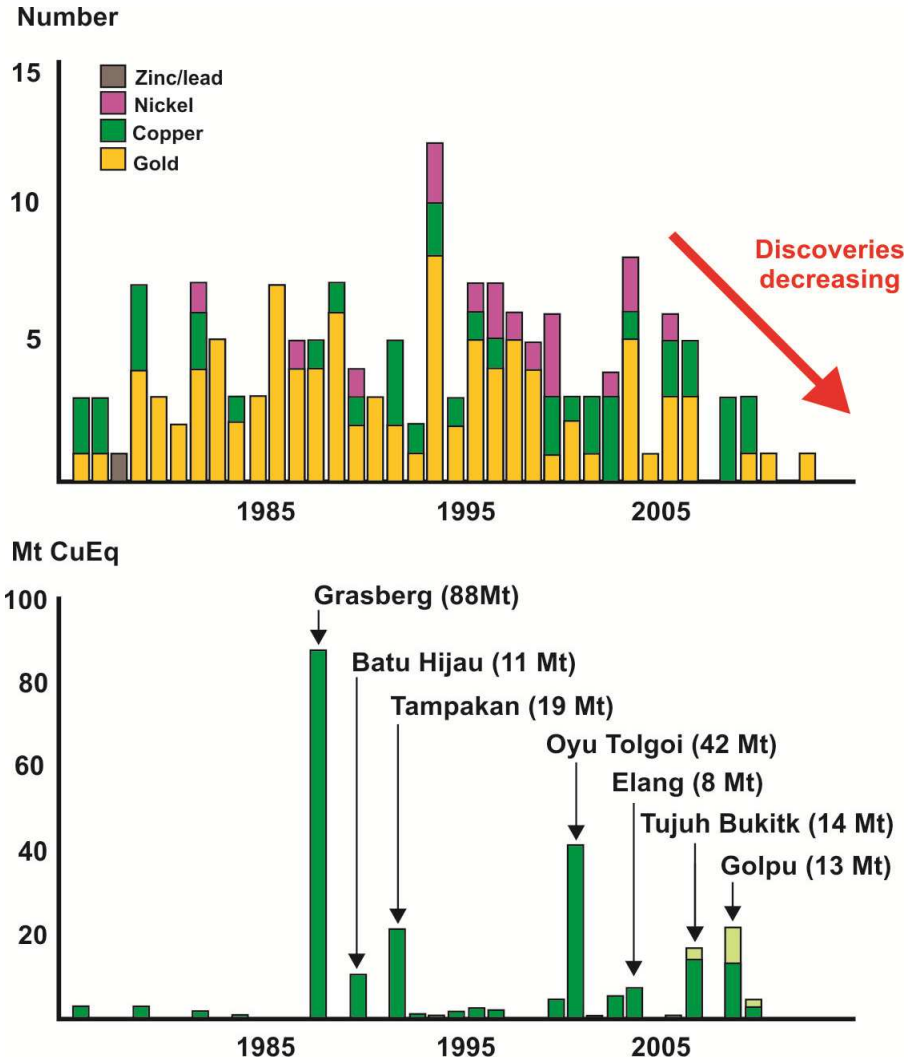
This is the opportunity we have been waiting for…

- Current market conditions offer a unique window of opportunity;
- All the majors are trying to get their hands on more copper;
- Now is the time to be leveraged to discovery upside;
- Quality discoveries will command a premium.



Experienced team with deep regional knowledge

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Early laminated quartz-magnetite veins (Zesen Uul): 2 m @ 0.87 % Cu & 1.44 g/t Au

Proven in Mongolia & global resources

Mark Wheatley
Executive Chairman
Experienced resources company CEO and director with more than 30 years in mining and related industries. Previous director roles have included Chair of Gold One International, Norton Goldfields & Goliath Gold. Directorships of St Barbara Mines & Uranium One.

Andrew Stewart
Chief Executive Officer & Executive Director
Geologist with over 15 years' experience in minerals exploration primarily focused on project generation and evaluation and development of exploration strategies throughout Asia and Eastern Europe. Senior technical and management positions at Ivanhoe & Vale.

Ganbayar Lkhagvasuren
Executive Director – Mongolia
Co-founder of Xanadu and Director since 2006. Joint venture partner in Mongol Metals LLC and brings a vital Mongolian perspective to the Board of Directors. Responsible for day-to-day operations in Mongolia.

Munkhsaikhan Dambiinyam
Chief Financial Officer
Finance professional with more than 10 years of experience in mining, mining services and financial advisory. Holds a Master of Science in Finance from the University of Utah and completed an Executive Program at Western University.

Janine Rolfe
Company Secretary
Experienced corporate lawyer and company secretary. Founder of company Matters in 2006. Previously Company Secretary at Qantas Airways Limited a Solicitor at Mallesons Stephen Jaques (now King Wood Mallesons).

Darryl Clark
Independent Non-Executive Director
Exploration geologist with over 20 years' experience throughout Australia, Central Asia and South East Asia. Previous corporate roles with both Vale and BHP Billiton. Responsible for business development strategies and the coordination of discovery events.

Barry Lavin
Independent Non-Executive Director
Mining engineer with 18 years' experience with the Rio Tinto Group. Previous executive roles with the Copper Group and Global Technical Services. Currently a non-executive director of Barminco Ltd, and is Managing Director of Teviot Resources.

Hannah Badenach
Non-Executive Director
Director Mongolia at Noble Resources International Pte Ltd Head of Mongolia and Asian/Middle East base metals at Noble Resources International Pte Ltd. Extensive Mongolian, commercial and business development experience across a broad range of commodities.

Marcus Engelbrecht
Non-Executive Director
Well-rounded senior mining executive with more than 30 years industry experience. Spent 20 years with BHP Billiton and more recently was MD and CEO of a London listed gold miner operating in Indonesia. He has worked in various emerging markets across the globe, including in Africa and South East Asia.

One of the last great exploration frontier

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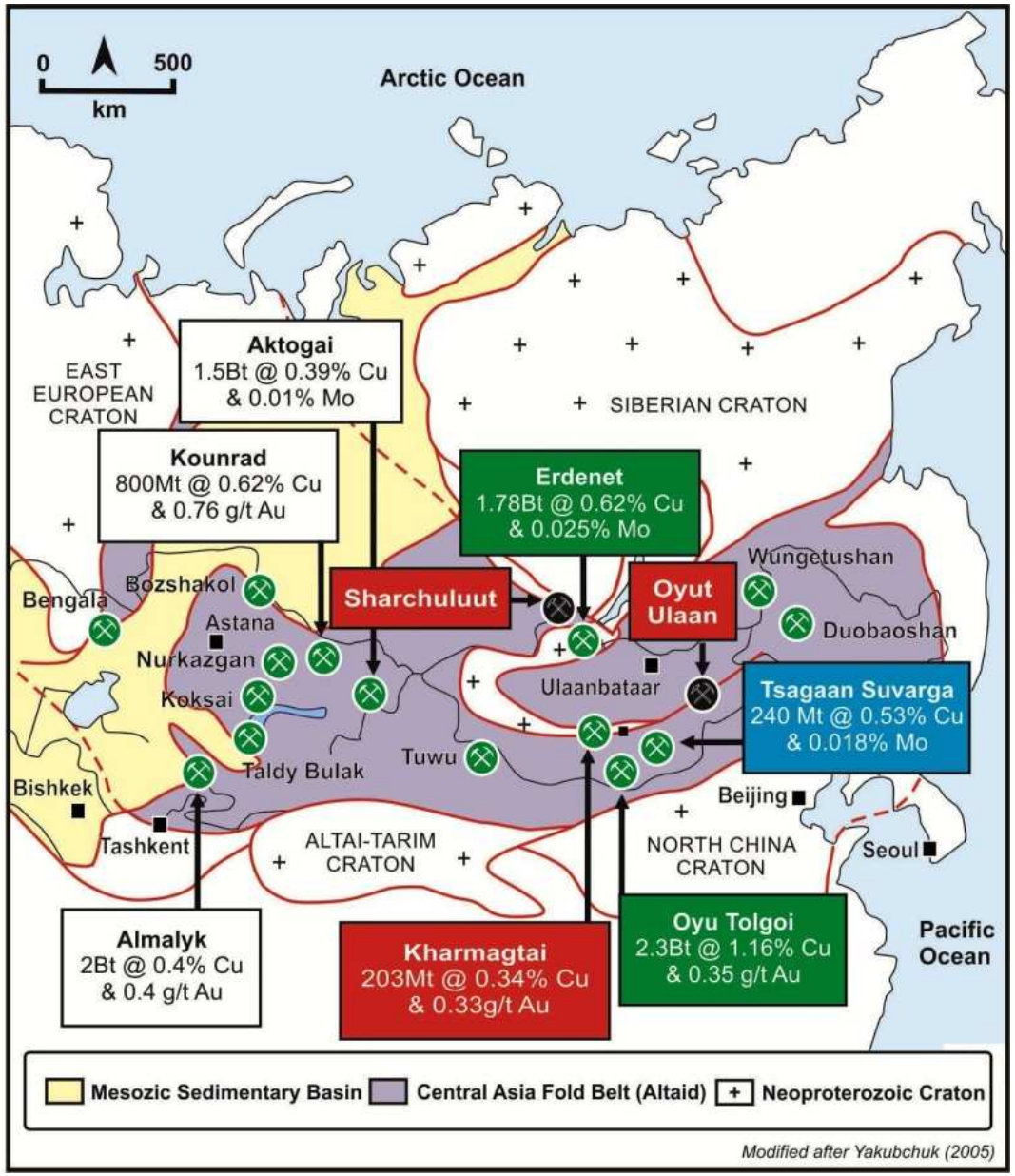
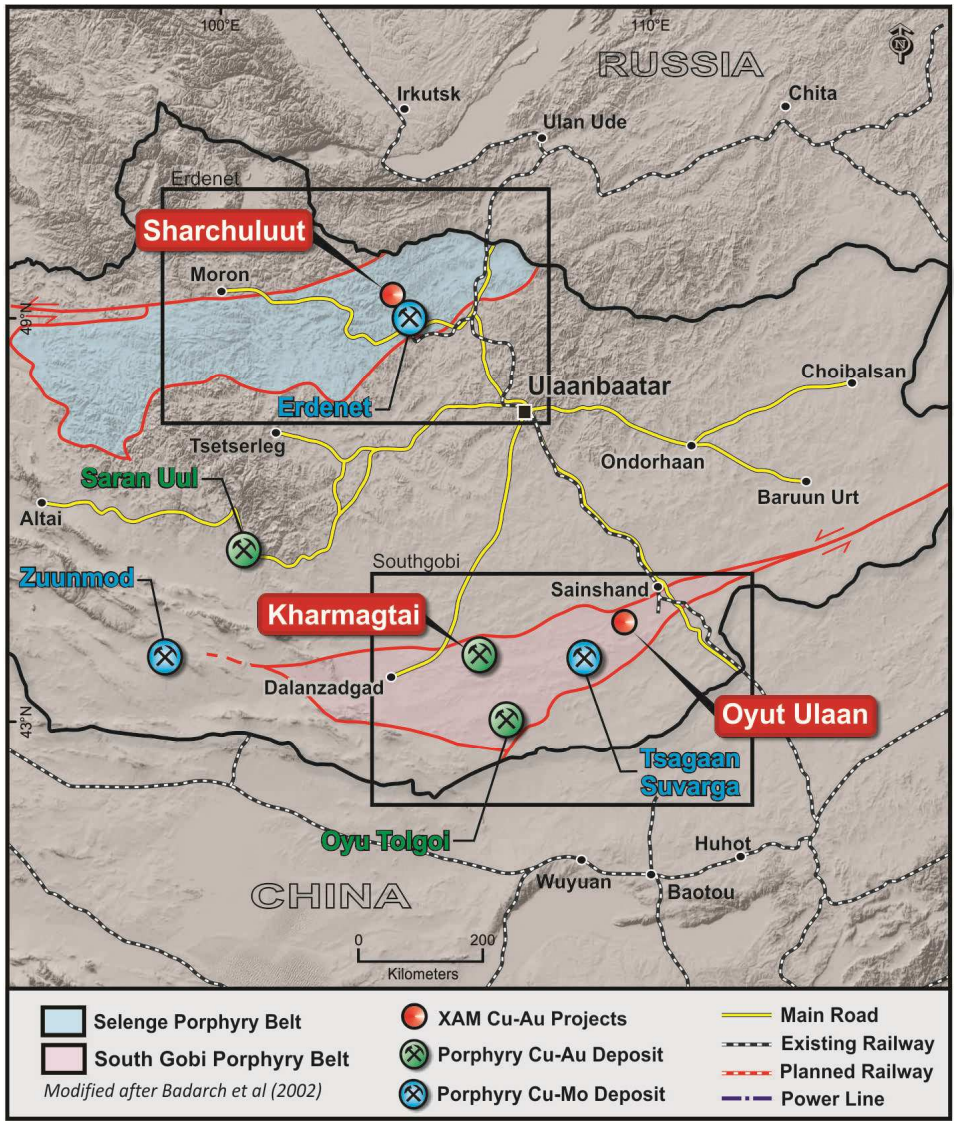


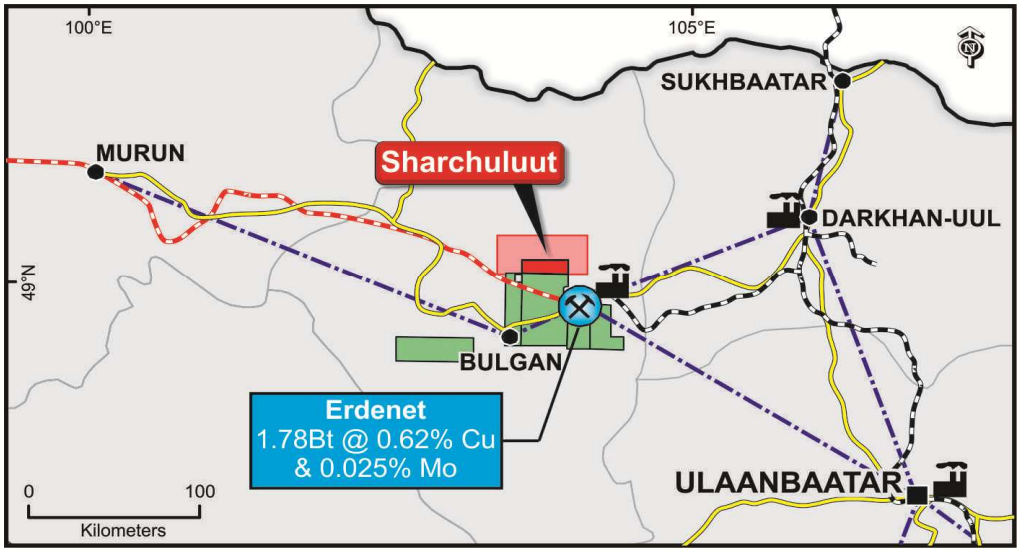
Emerging copper hotspot

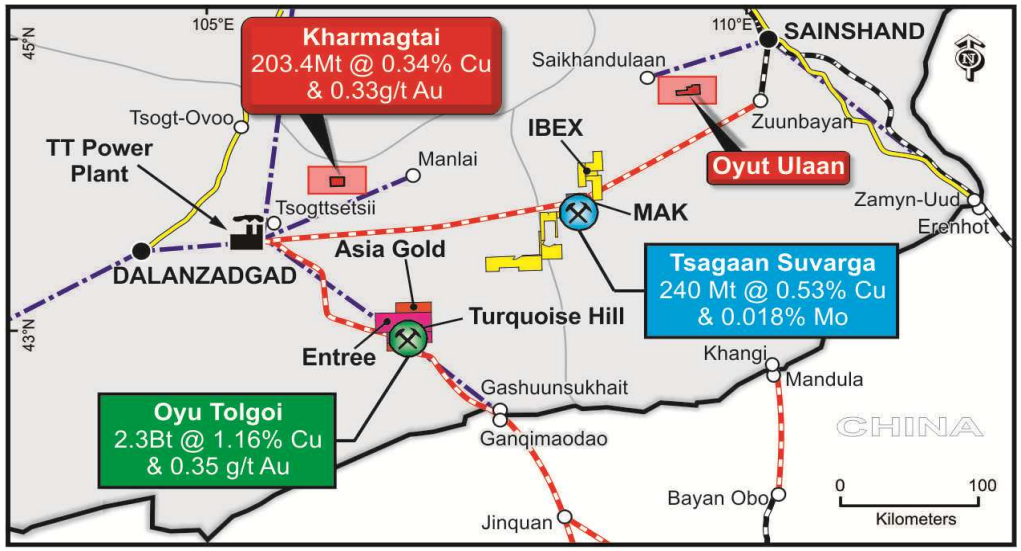
- World class copper province;
- Fourth most endowed copper province globally;
- Highly mineralised & vastly underexplored mineral belts known to host large deposits;
- Seven porphyry copper belts with deposits that contain >5Mt Cu;
- Proximity to infrastructure and the North Asia market.

Mongolia's porphyry copper belts

Strategically positioned in world class neighborhoods







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Xanadu in the world class south Gobi

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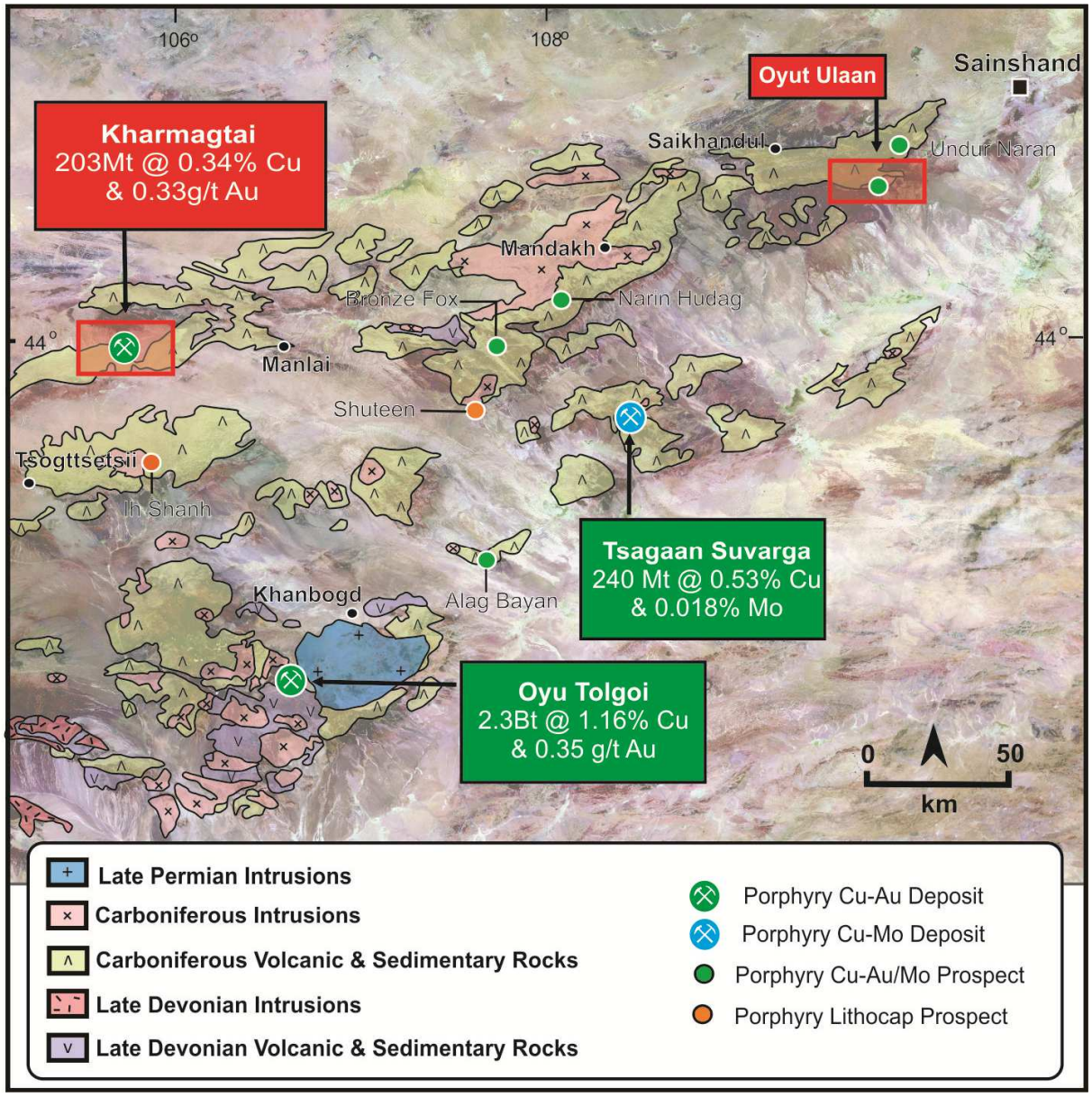

Dominate footprint

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

Kharmagtai porphyry Cu-Au project

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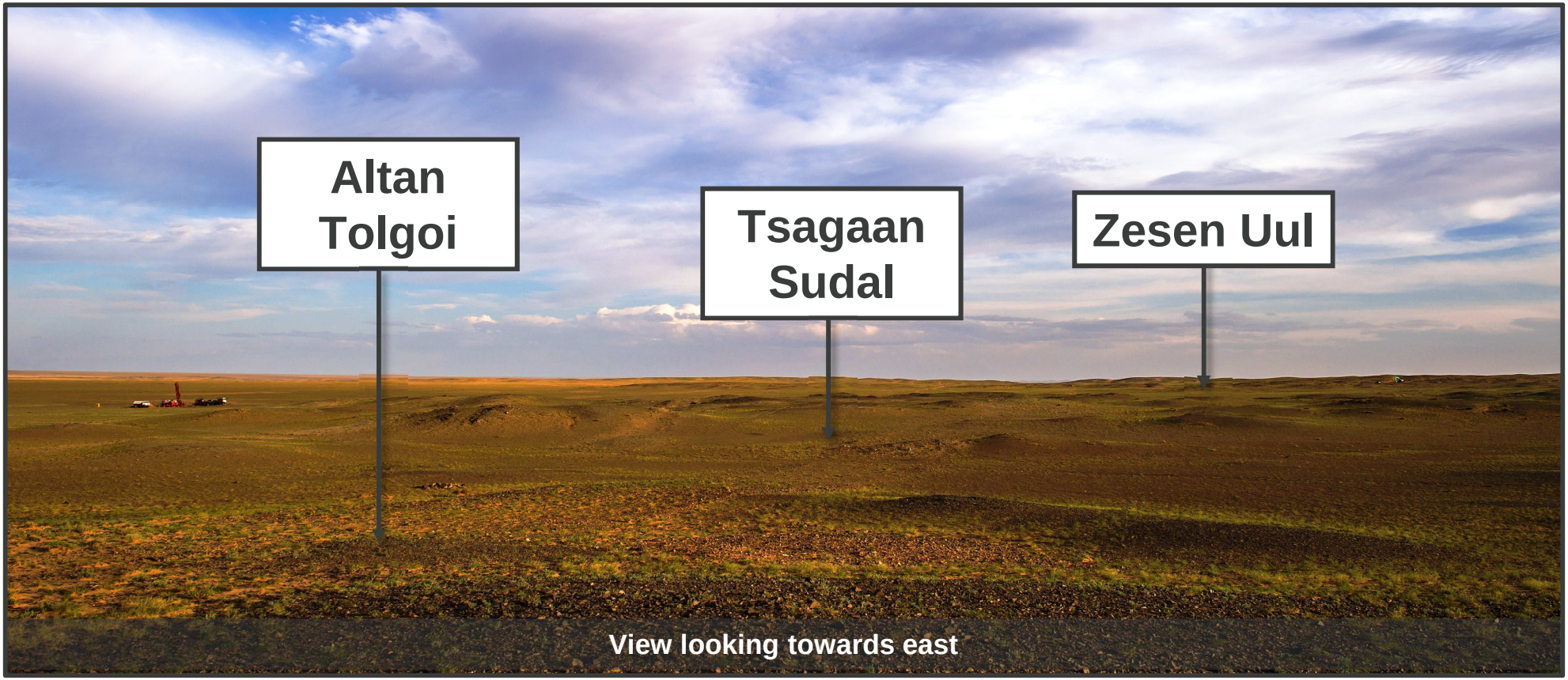
Panorama of Kharmagtai

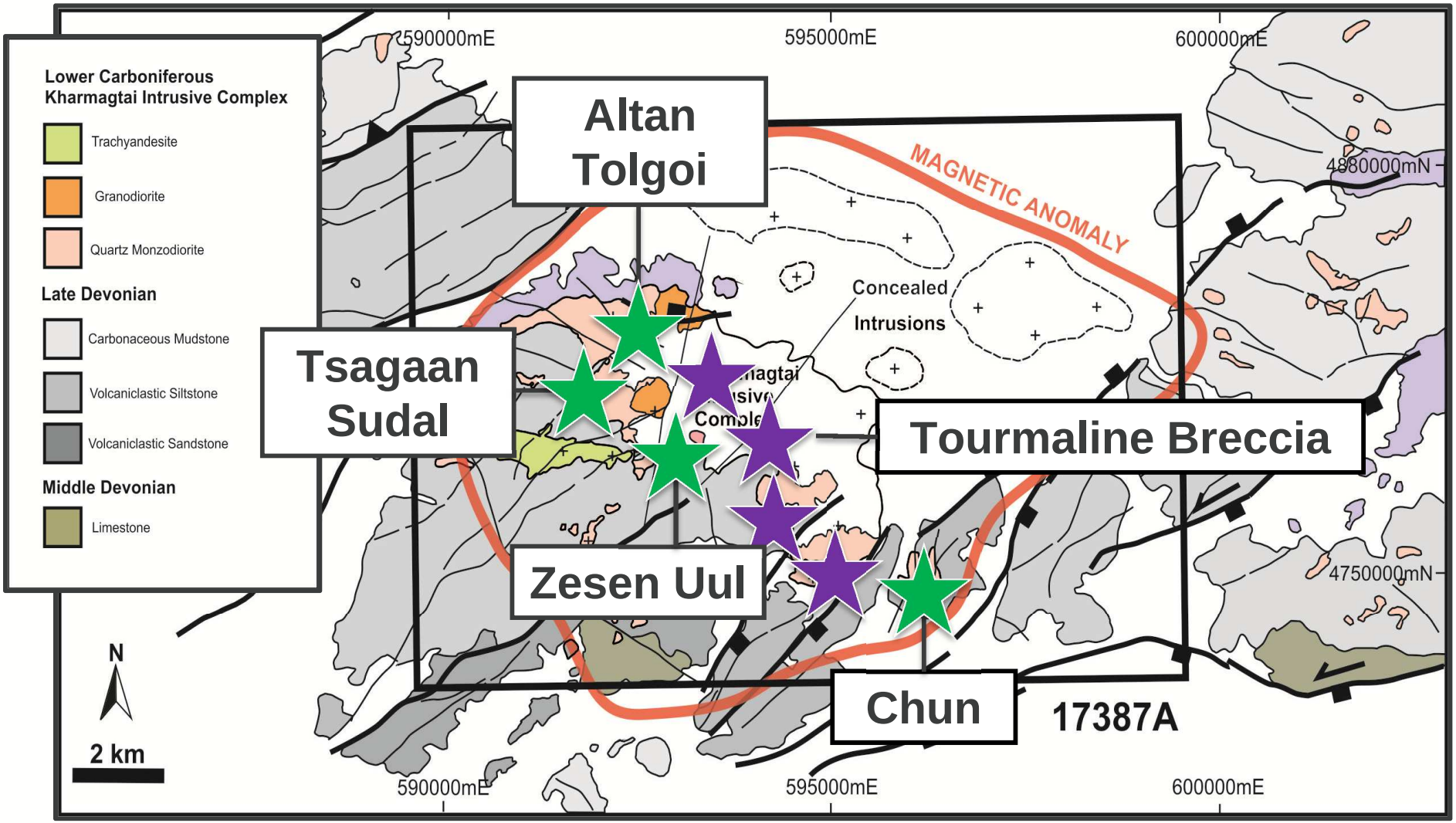
Outcrop throughout the Kharmagtai district is sparse

Quaternary sand covers over most of the mineralisation



Kharmagtai porphyry Cu-Au project

Multiple porphyry & late-stage breccia centres



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Kharmagtai porphyry Cu-Au project

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

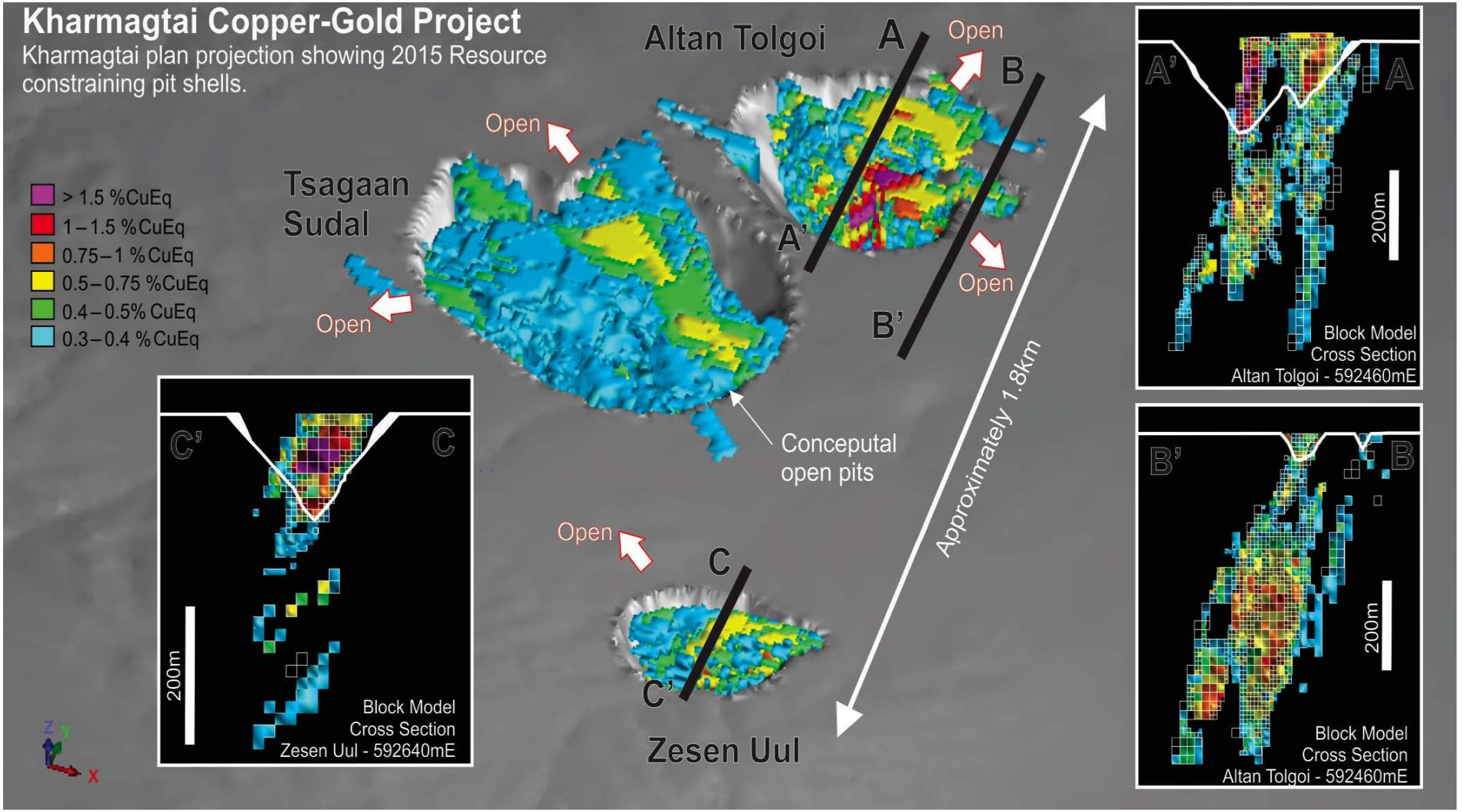
Growing gold-rich copper resource base

- Resource of 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 what appears to be a large mineral system.

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

Kharmagtai porphyry Cu-Au project

Resource constrained by open-cut pit shells



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

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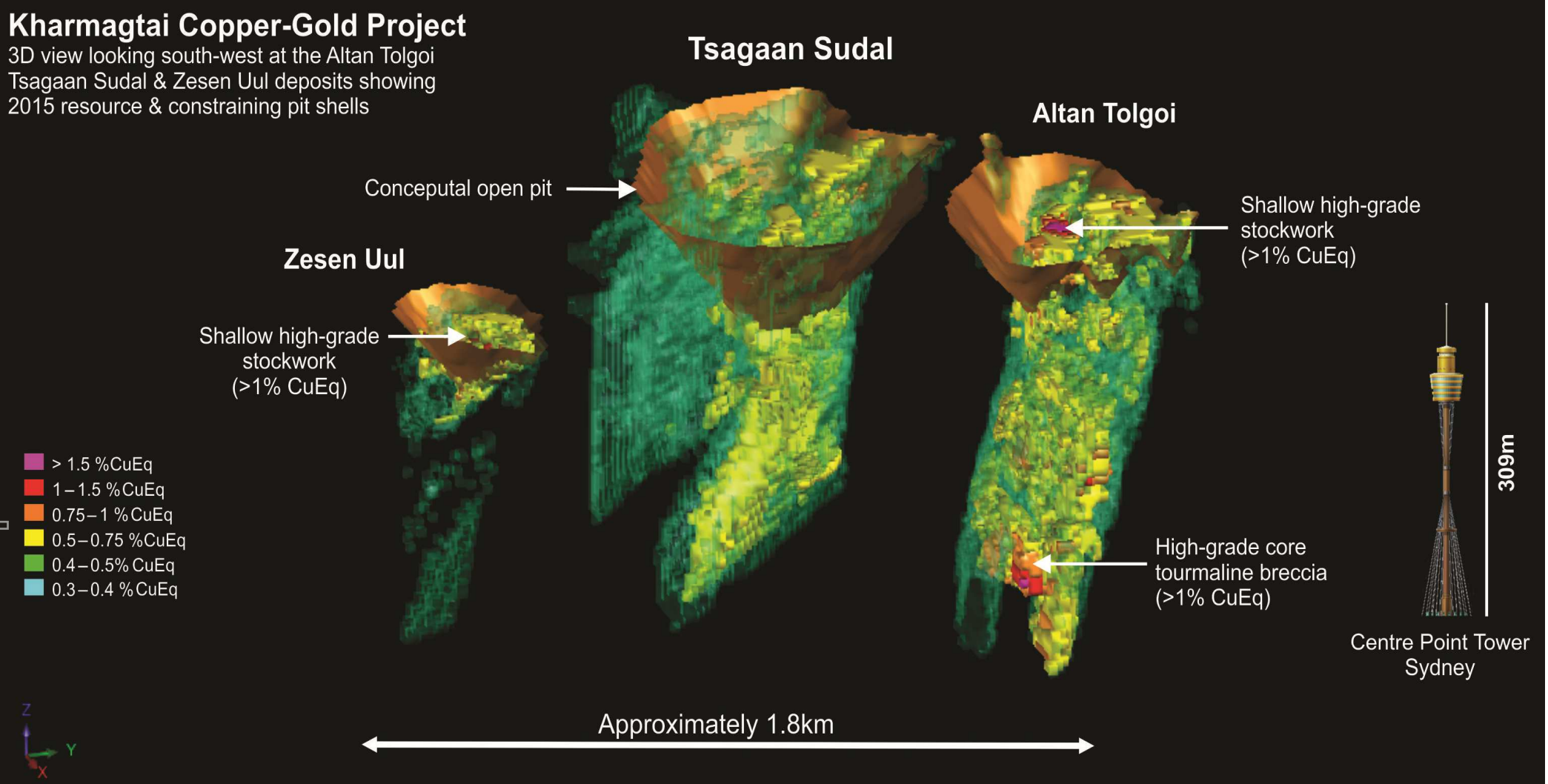
Kharmagtai Copper- Gold project

3D view looking south west at the deposits



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

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Strong news flow - Key milestones

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

Substantial news flow over next 6 months

- Exploration programs across multiple projects;
- Exploration activities recommence at Kharmagtai;

  RC drilling (30 -35 drill holes for 6,000m) hunting buried porphyry centres;

  Exploration work focused on understanding shallow oxide gold potential
- Exploration activities recommence at Oyut Ulaan copper-gold project;

  Geological mapping and geochemical sampling commence at Oyut Ulaan;

  Exploration work focused on understanding shallow oxide gold mineralisation.

Exploration drilling underway at Kharmagtai

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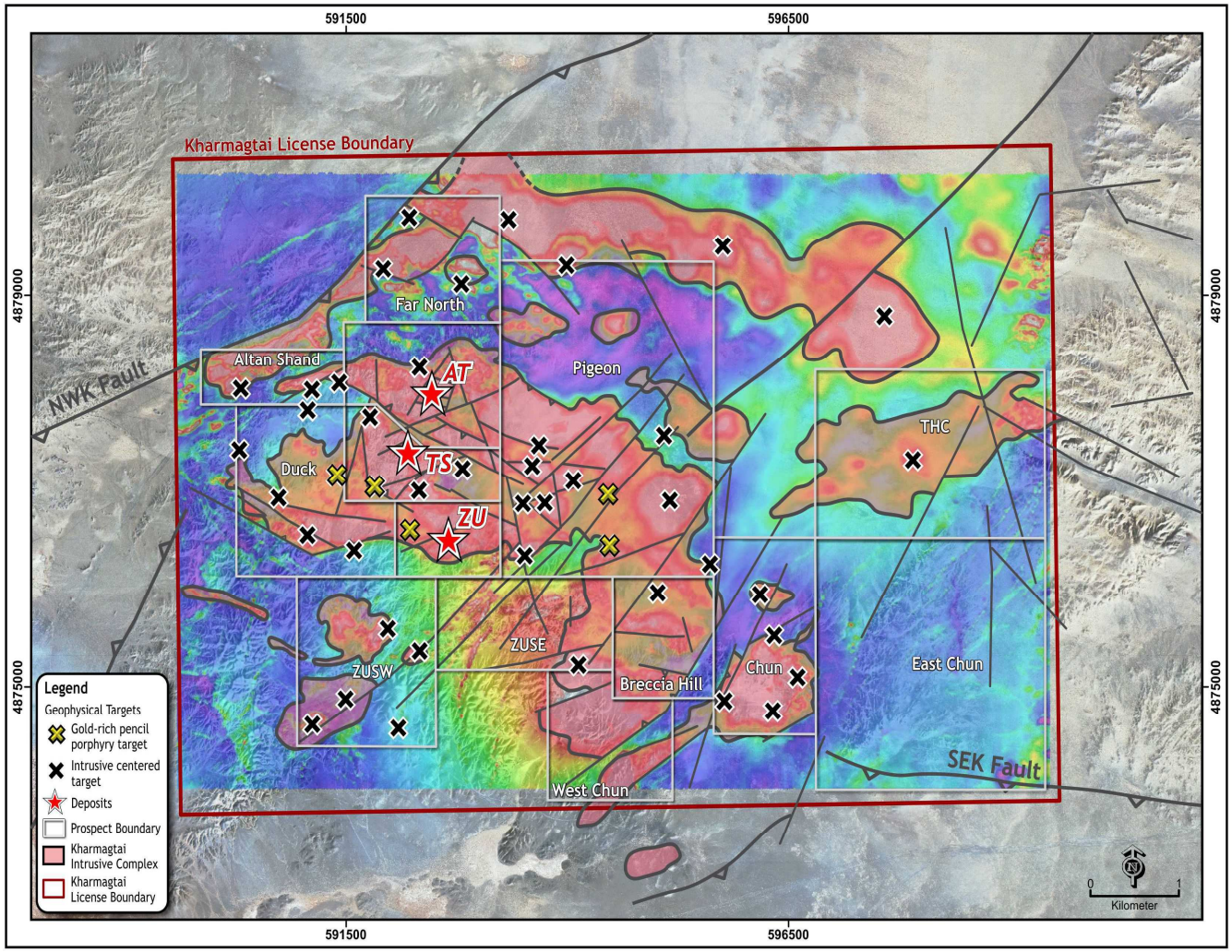

Active explorer

- Exploration drilling underway to test wider shallow porphyry potential over the Kharmagtai district;
- Additional targets generated through systematic use of multiple geophysical data sets have been prioritised;
- Drilling expected to be complete at the end June.

Reasons to invest in Xanadu Mines (ASX: XAM)

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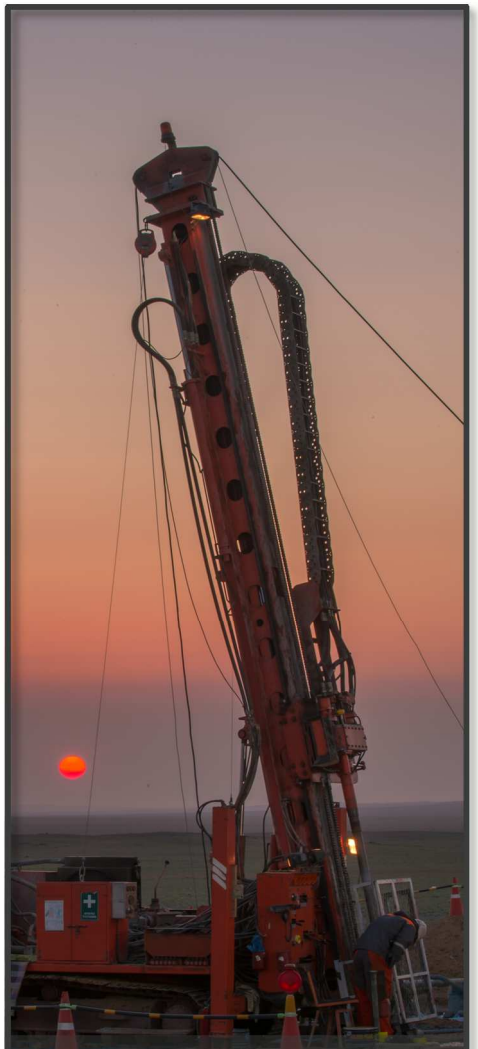

Exploration drilling at the Kharmagtai Cu-Au Project, south Gobi Mongolia

Standout copper-gold explorer

- Active ‘on the ground’ in a known mineral belt hosting world class deposits;
- Motivated and invested management;
- Portfolio of high value projects;
- Experienced technical & corporate management team;
- Significant gold-rich copper resources;
- Well capitalised relative to most other junior exploration companies.

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Kharmagtai resource estimate statement

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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

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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

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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)*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 January 2016 which continues to apply as at the date of this presentation.