



Kharmagtai Project Update

2 October 2024

Xanadu Mines Ltd (ASX: XAM, TSX: XAM) (Xanadu or the Company) is pleased to provide an update on its flagship Kharmagtai copper-gold project, in the South Gobi region of Mongolia. The Pre-Feasibility Study (PFS) is nearing completion, operatorship transition to Zijin Mining Group Co (Zijin) is in progress, with planning and funding discussions underway for the next stage of development.

Highlights

- The Kharmagtai PFS is in final stages of technical review and evaluation.
 - Xanadu has taken extra weeks to complete final mine design and independent reviews to the highest standard. Public announcement of results expected in mid-October 2024.
 - Xanadu remains accountable for PFS delivery to Australian and Canadian standards
 - PFS delivery will be achieved within the funding provided by Zijin's initial US\$35m investment
- Operator Transition underway as previously communicated, having commenced on 10 September per the Joint Venture (JV) Shareholders Agreement.
 - General Manager and Chair of Khuiten Metals JV Board now Zijin's nominees.
- Planning underway for a Bankable Feasibility Study (FS).
- Xanadu is in discussions with potential funding sources and other interested parties via its advisers Bacchus Capital and Jefferies.

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Xanadu's Executive Chairman and Managing Director, Mr Colin Moorhead, said,

"The Kharmagtai PFS is coming together and will demonstrate its potential as a large-scale, high value copper-gold mine. We have taken additional time to ensure final work and technical reviews are at our expected standard, which is not unusual for major projects of this scale and complexity. We look forward to publishing the study outcomes in mid-October. Importantly, this outcome has been achieved within the funding provided by Zijin's initial US\$35m investment.

Meanwhile the transition of operatorship from Xanadu to Zijin commenced on 10 September as per our JV Shareholders Agreement, and the teams are working together now to make sure we have a smooth transition structured in the best interests of the project. Xanadu continues to work with its advisers Bacchus Capital and Jefferies to assess funding options for its share of the next stage of development and other potential third-party interest.

In parallel with PFS finalisation, the new, Zijin nominated GM is focused on developing the Feasibility Study plan and budget, which will require Xanadu approval. Subject to approval and funding, in 2025 Kharmagtai will launch into the final stages of pre-construction approvals, permitting and ultimately, development."

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.

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 Chair and Managing Director.

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.