



QUARTERLY ACTIVITIES REPORT

for the three months ended 31 December 2023
(figures are unaudited and in A\$ except where stated)

31 January 2024

December 2023 Quarter Highlights

During the quarter ending 31 December 2023 (December Quarter), **Xanadu Mines Ltd (Xanadu or the Company)** continued to execute its three horizon strategy making strong progress on the Kharmagtai Project (H1) Pre-Feasibility Study (**PFS**) and associated exploration activities (H2), funded at Kharmagtai by US\$35 million cash from the Joint Venture (**JV** or **Khuiten JV**) with **Zijin Mining Group Co., Ltd. (Zijin)**. This progress included an important project milestone with the successful delivery of an updated Mineral Resource Estimate (**MRE** or **Resource**) for Kharmagtai totalling **1.3Bt including 3.4Mt of Cu, 8.5Moz of Au**¹, representing an increase of approximately 15% contained copper and 9% contained gold metal and achieving targeted classification upgrade of >90% Indicated within the currently defined open pit volumes.

Deep discovery drilling continued to test for significant mineralisation below the existing Resource targeted using Xanadu's Exploration Model which is based on geologic analogues such as Hugo Dummett and Cadia East, with drill hole KHDDH649 returning a broad intercept of low-grade mineralisation totalling 1080m @ 0.21% CuEq from 491m below The White Hill deposit. Shallow drilling also progressed testing known porphyry clusters outside the Resource extending the system and informing infrastructure planning.

The Company also completed the first tranche of a \$4.3M equity placement² to further fund its Horizon 2 and Horizon 3 strategy, including exploration at the Red Mountain Copper-Gold Project and new exploration project acquisition. Subsequent to the quarter, the Company announced entry into a new magmatic copper-nickel project Sant Tolgoi located in Western Mongolia.

¹ ASX/TSX Announcement 8 December 2023 – Kharmagtai Mineral Resource grows by 13% CuEq; including >25% increase in higher grade ore

² ASX/TSX Announcement 20 November 2023 - \$4.3M Placement

Kharmagtai Resource³

- Significant increase in Kharmagtai Resource to **1.3Bt containing 3.4Mt Cu and 8.5Moz Au** representing a 15% increase in contained copper metal (Cu) and 9% increase in contained gold metal (Au).
- Material 25% increase in the higher-grade core from **100Mt @ 0.76% CuEq⁴ to 125Mt @ 0.75% CuEq**, at a 0.55% CuEq cut off. This is an important driver for early payback of Kharmagtai project capital.
- Since 2021 Resource update⁵, the Company has completed 162 diamond drill holes for 58,259 metres.
- 63% of the updated Resource is now classified in the higher confidence “indicated” category, demonstrating the robust nature of the deposit including >90% Indicated inside the pit shells defined in the scoping study.
- Strong exploration upside remains, with mineralisation open to the east, west, south, and at depth.

Kharmagtai PFS

- Infill drill program completed.
- Sulphide (main orebody) metallurgical test-work advanced at ALS laboratories in Perth and TruTRC laboratories in Ulaanbaatar; results expected in Q1 CY2024.
- Oxide metallurgical test-work in progress at MPS laboratories in Perth and at Zijin Research Labs in Xiamen, China, for assessment of leach technologies; results expected Q2 CY2024.
- Water Reserve drilling and studies progressed with completion expected in Q2 CY2024.
- Power Supply, Tailings Management, and Infrastructure studies progressing through trade-off phase; majority of work to be completed by Q1 CY2024.
- Commenced studies for System Optimisation (Whittle Consulting), Mine Design (Mining Plus) and Process Engineering (DRA Global).
- New core processing facility delivered and operational during the Quarter.
- Kharmagtai PFS including Maiden Ore Reserve on-track for Q3 CY2024.

Extensional Drilling⁶

- After the Quarter, extensional drilling at White Hill expands on recently identified higher-grade zone, located below the previous Scoping Study pit designs and outside the 2023 MRE, highlighting potential to expand the 2023 MRE and both grow and deepen the 2022 Scoping Study pit shells.
 - KHDDH808 - 64.45m @ 0.74% CuEq (0.61% Cu & 0.74/t Au) from 516m, including 24.45m @ 1.41% CuEq (1.14% Cu & 0.53g/t Au) from 634m.
 - KHDDH806 - 50m @ 0.73% CuEq (0.94% Cu & 0.25g/t Au) from 545m, including 22m @ 1.34% CuEq (2.10% Cu & 0.26g/t Au) from 549.
- After the Quarter, step-out drilling at Golden Eagle returns grades higher than the 2023 MRE and extends mineralisation.
 - KHDDH801 - 83.4m @ 0.8g/t AuEq (0.59g/t Au and 0.11% Cu) from 36.6m, including 29m @ 1.42 g/t AuEq (1.14g/t Au and 0.14% Cu) from 57m, including 14m @ 2.18g/t AuEq (1.9g/t Au and 0.14% Cu) from 60m.

Discovery Exploration^{7,8}

- New shallow discovery drilling intersects mineralisation across three largely unexplored porphyry clusters, including high-density stockwork, breccia and gold only mineralisation.
 - KHDDH590 - 8m @ 1.59g/t Au from 289m, including 4m @ 3.04g.t Au from 291m at Cluster Two (**Figure 1**).
 - KHDDH622 - 15– @ 1.26% Cu from 127m, including 6m @ 2.97% Cu from 132m at Cluster Three (**Figure 1**).

³ ASX/TSX Announcement 8 December 2023 – Kharmagtai Mineral Resource grows by 13% CuEq; including >25% increase in higher grade ore

⁴ ASX/TSX Announcement 28 February 2022 – Kharmagtai Technical Report

⁵ ASX/TSX Announcement 8 December 2021 – Kharmagtai Resource Grows to 1.1 Billion Tonnes, containing 3Mt Cu and 8Mozu

⁶ ASX/TSX Announcement 30 January 2024 – Kharmagtai Drilling Highlights Continued Growth Potential

⁷ ASX/TSX Announcement 5 July 2023 – Shallow Drilling Confirms Kharmagtai Discovery Potential

⁸ ASX/TSX Announcement 16 November 2023 – Multiple New Breakthrough Achievements for Kharmagtai Discovery Drilling

- Deep diamond drillholes targeting mineralisation below White Hill, the largest deposit delineated to date at Kharmagtai, expands the mineralised system by over 600m.
 - KHDDH649 – 1080m @ 0.21% CuEq from 491m.
- Subsequent to the Quarter, deep drilling between Zaraa and Stockwork Hill encounters two broad zones of porphyry and tourmaline breccia style mineralisation between Stockwork Hill and Zaraa, potentially indicating the edges of a very large-scale Cu-Au System.⁹
- Shallow drilling at Cluster 2 extends mineralisation 800m along strike from the current MRE limit. Given proximity to the high-grade Stockwork Hill deposit, this extension could represent a mineralised porphyry stockwork offset.
 - KHDDH786 – 144m @ 0.34% CuEq from 117m, including 12m @ 0.63% CuEq from 144m, and including 12.3m @ 0.54% CuEq from 168m.
- Multiple new broad zones of gold-rich tourmaline breccia mineralisation delivered over a 2km strike, at Cluster 5.
- Extensive discovery drilling continues with regular news flow to continue throughout 2023, focussed on extensions to known deposits and new porphyry copper gold systems.

Corporate

- Completed first tranche of a \$4.3M equity placement.¹⁰
 - First tranche includes 62,996,490 Xanadu shares at \$0.055 per share to professional and sophisticated investors (A\$3.46M before costs).¹¹
 - Second tranche of 15,185,328 Xanadu shares at \$0.055 per share to Zijin (A\$0.84M before costs) subject to formal shareholder vote at Xanadu Extraordinary Meeting (**EGM**) scheduled for 6 February 2024.^{12, 13}
- After the Quarter, agreed a binding term sheet for Sant Tolgoi, a prospective, district-scale magmatic copper-nickel sulphide project, aligned to its Horizon 3 Strategy to build a portfolio of copper, gold & future facing mineral projects.¹⁴
- Kharmagtai PFS and Discovery Exploration funded by US\$35M from the Khuiten JV with Zijin Mining Group¹⁵; with US\$11.7 million in cash on 31 December 2023.
- Xanadu is well-funded, with A\$7.3 million in cash on 31 December 2023 and a continued slow burn rate as operator fees are paid by the Kharmagtai project.

Executive Chairman & Managing Director, Colin Moorhead, said: *“During the December Quarter, Xanadu announced an updated Mineral Resource Estimate for our Kharmagtai Copper-Gold Project, which represents a major step for the PFS. The updated MRE meets our expectations by upgrading the resource classification of the mineralisation within previously defined pit shells to Indicated, and importantly it increased size of the higher-grade zones by 25% to 125Mt, a key factor driving Kharmagtai project economics. In parallel we effectively progressed other key aspects of the Kharmagtai PFS including metallurgy, infrastructure, tailings facility, water reserve and sterilisation drilling towards our Q3 CY2024 delivery date.*

Our Kharmagtai our Horizon Two exploration program ran safely and effectively through the quarter, with positive results from both the shallow and deep exploration programs. The deep hole at White Hill demonstrates that system to extend at depth and will help our exploration team to vector towards higher grade mineralisation at depth. The shallow drilling has also extended known mineralisation laterally and also helps inform important infrastructure positioning for the PFS.

As a positive testament to our strategy and our team, Xanadu was able to raise \$4.3M in a very challenging equity market. Pleasingly, this included proportional participation by Zijin, our largest shareholder, (subject to Xanadu shareholder approval at the upcoming Extraordinary General Meeting on 6 February). This will fund our Horizon 2 and Horizon 3 strategies, focused on new discovery and the acquisition of new exploration projects in Mongolia. The

⁹ ASX/TSX Announcement 30 January 2024 – Kharmagtai Drilling Highlights Continued Growth Potential

¹⁰ ASX/TSX Announcement 20 November 2023 - \$4.3M Placement

¹¹ ASX/TSX Announcement 28 November 2023 – Notice under Section 708A(5)(e) of the Corporations Act

¹² ASX/TSX Announcement 8 December 2023 – Second Tranche Placement to Zijin

¹³ ASX/TSX Announcement 15 December 2023 – Notice of Extraordinary General Meeting / Proxy Form

¹⁴ ASX/TSX Announcement 22 January 2024 – Xanadu Enters Into New Magmatic Copper and Nickel Sulphide Project

¹⁵ ASX/TSX Announcement 29 December 2022 – Investment Deal Signed with Zijin

Company is planning to commence drilling in the Spring at our Red Mountain project and to commence some early work at Sant Tolgoi, an exciting new project recently announced subsequent to the quarter.

I look forward to updating the market about our Kharmagtai PFS and Discovery Exploration during the upcoming quarters.”

Strategic Horizon 1 – Kharmagtai Copper-Gold Project

During the December Quarter, the Company continued to aggressively progress both the PFS and Discovery Exploration at Kharmagtai Copper-Gold Project, which is funded by US\$35 million from the JV with Zijin. Xanadu is operator of the joint venture during the PFS delivery period of 18 months, after which Zijin will become operator for final engineering, construction, and operations delivery.

Resource Update

An upgraded Resource was announced in December 2023, based on the infill drilling program completed in the September quarter.¹⁶ The updated Resource increases both the **tonnes (+12%)** and **contained copper equivalent (CuEq) metal (+13%)**. This includes a **+25% increase in the higher-grade component to >125Mt**, which is expected to enhance project cashflows in the early years. Importantly for an infill program, it successfully delivered an upgrade of material within the pit shells to the higher confidence “Indicated” classification, demonstrating the robust nature of the deposit.

Xanadu engaged independent consultants, Spiers Geological Consultants (SGC), to prepare the updated Kharmagtai Resource. The Resource, effective 8 December 2023, incorporates drilling results from the past 24 months (including 162 holes for 58k metres of drilling) and is reported in accordance with the JORC Code 2012. It is the first update to the Resource announced on 8 December 2021.¹⁷

Table 1: Comparison 2023 vs 2021 Resource

Resource	Cutoff (% CuEq)	Classification	Tonnes (Mt)	Grades			Contained Metal			
				CuEq (%)	Cu (%)	Au (g/t)	CuEq (Mlbs)	CuEq (kt)	Cu (kt)	Au (koz)
2023	0.20 (OC) 0.30 (UG)	Indicated	790	0.38	0.27	0.22	6,700	3,000	2,100	5,600
		Inferred	460	0.37	0.27	0.19	3,800	1,700	1,300	2,800
2021	0.20 (OC) 0.30 (UG)	Indicated	450	0.40	0.28	0.25	4,100	1,900	1,300	3,700
		Inferred	660	0.35	0.25	0.19	5,100	2,300	1,700	4,100

Notes: Figures may not sum due to rounding and significant figure do not imply an added level of precision.

¹⁶ ASX/TSX Announcement 8 December 2023 – Kharmagtai Mineral Resource grows by 13% CuEq; including >25% increase in higher grade ore

¹⁷ ASX/TSX Announcement 28 February 2022 – Kharmagtai Technical Report

The updated Resource block model will be used by Xanadu for subsequent studies within the Kharmagtai PFS, including system optimisation and economic trade-off studies in both mining and plant design.

PFS Deliverables & Schedule

The largest component of the Data Acquisition stage of the Kharmagtai PFS is completed, following infill drill program completion and recently announced new Resource. Remaining data acquisition work includes:

- Final phases of primary sulphide metallurgical test-work.
- Geometallurgical modelling to support mine and plant optimisation.
- Oxide leach testwork, converting waste from the PEA into ore.
- Water Reserve studies and drilling, which will recommence after winter.
- Waste rock and tailings geochemistry.
- Environmental and socioeconomic baseline studies.

The Trade-Off Options studies stage of the Kharmagtai PFS are now well underway to select a single go-forward option for each key areas of the mine. These include:

- Tailings Storage Facility.
- Power Supply.
- Pit Scheduling.
- Comminution Circuit.
- Flotation Circuit.
- Surface Infrastructure.

During Q1 CY2023 the emphasis of the project will shift towards studies including mine engineering and process engineering. The project remains on track for delivery of a PFS and Maiden Ore Reserve in Q3 CY2024.

Extensional Drilling

Subsequent to the quarter, assays were returned from extensional drilling¹⁸ at both White Hill and Golden Eagle.

Three drill holes were collared at White Hill, aiming to extend the recently discovered higher-grade core beneath the 2022 scoping study open pits (**Figure 1**). These intercepted the moderate grade halo (+0.3% CuEq) +350m shallower than expected and encountered two zones of higher grade (+1% CuEq) mineralisation.

Five drill holes have been collared at Golden Eagle designed to extend the new higher-grade gold zone (+1g/t Au) at Golden Eagle. These returned a broad zone of moderate grade gold with a higher-grade zone at the expected interval. Importantly, the grades encountered were higher than those in the new 2023 MRE¹⁹.

¹⁸ ASX/TSX Announcement 30 January 2024 – Kharmagtai Drilling Highlights Continued Growth Potential

¹⁹ ASX/TSX Announcement 8 December 2023 – Kharmagtai Mineral Resource grows by 13% CuEq; including >25% increase in higher grade ore

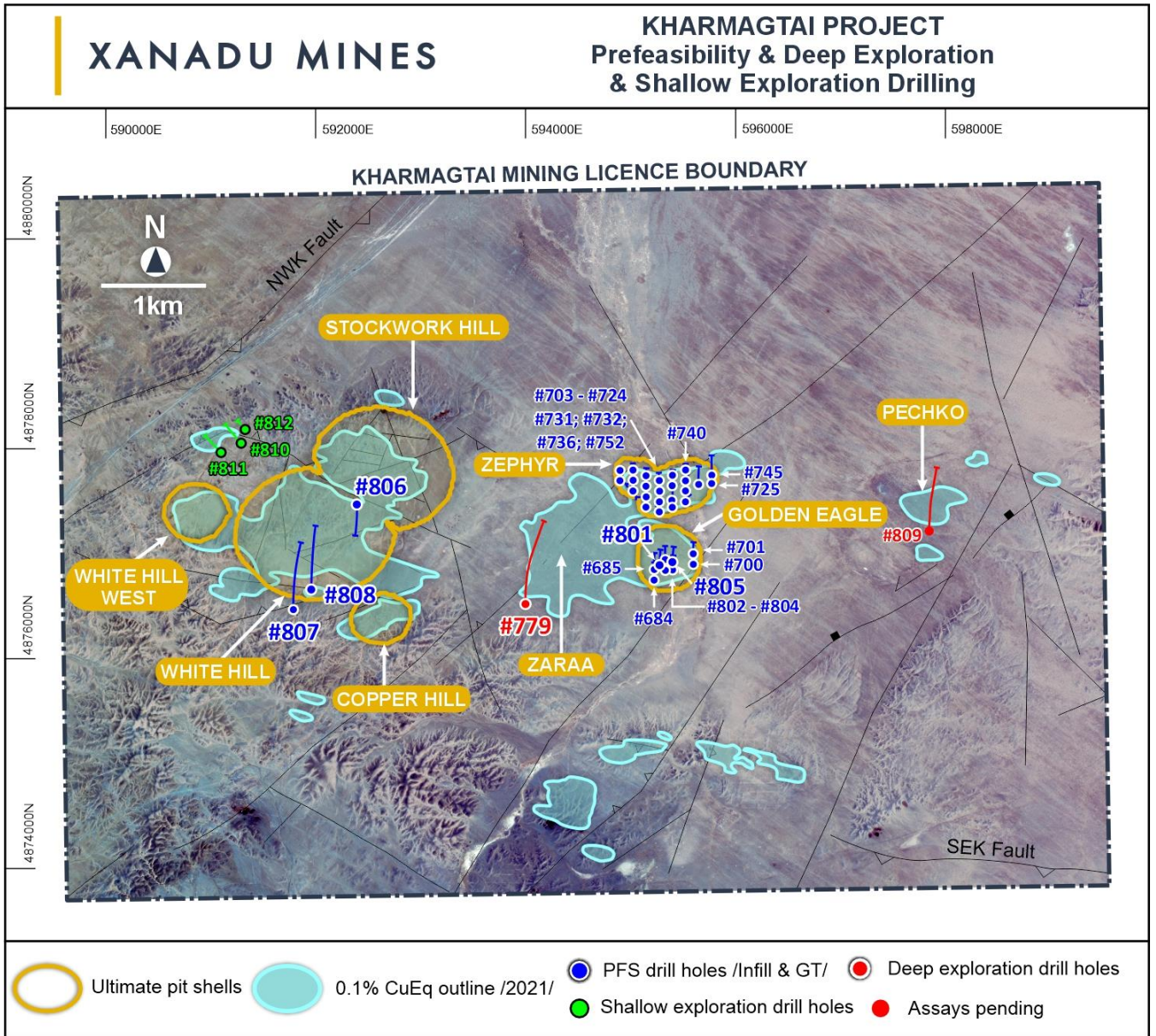


Figure 1: Kharmagtai copper-gold district showing defined mineral deposits and completed infill drill holes, deep exploration drill holes, and shallow exploration drill holes since the last announcement of drilling results²⁰.

²⁰ ASX/TSX Announcement 16 November 2023 – Kharmagtai Drilling Achievements Update

Strategic Horizon 2 – World Class Discovery

Shallow Discovery Exploration at Kharmagtai

Shallow exploration drilling at Kharmagtai targeted additional porphyry copper-gold deposits outside the currently defined MRE. This programme also serves to inform future infrastructure location decisions associated with the potential development of the Kharmagtai Project into a large-scale mining operation.

Through the December quarter, a total of 9,000m diamond drilling in forty-one shallow (200m) diamond drill holes was completed²¹ (**Figure 2**) since the last update to the shallow drilling program.²² Important outcomes for which follow-up drilling is being planned include:

- Identified a broad zone of porphyry mineralisation above the Resource cut-off grade, including a cohesive zone greater than 0.6% CuEq mineralisation. This may represent a faulted offset to Stockwork Hill.
- Encountered mineralised structures at Cluster Three near surface containing up to 1.3% Cu.
- Defined a 2km long zone of gold-rich tourmaline breccia at Cluster Five.
- Encountered broad zones of peripheral porphyry and tourmaline breccia mineralisation approximately 1km along strike from the Stockwork Hill Tourmaline Breccia.
- Encountered a broad zone of shallow, low-grade porphyry mineralisation approximately 1.5km southwest of Golden Eagle where there is little drilling to date, suggesting the presence of a large-scale porphyry in this area.

²¹ ASX/TSX Announcement 16 November 2023 – Multiple New Breakthrough Achievements for Kharmagtai Discovery Drilling

²² ASX/TSX Announcement 5 July 2023 - Shallow Drilling Confirms Kharmagtai Discovery Potential

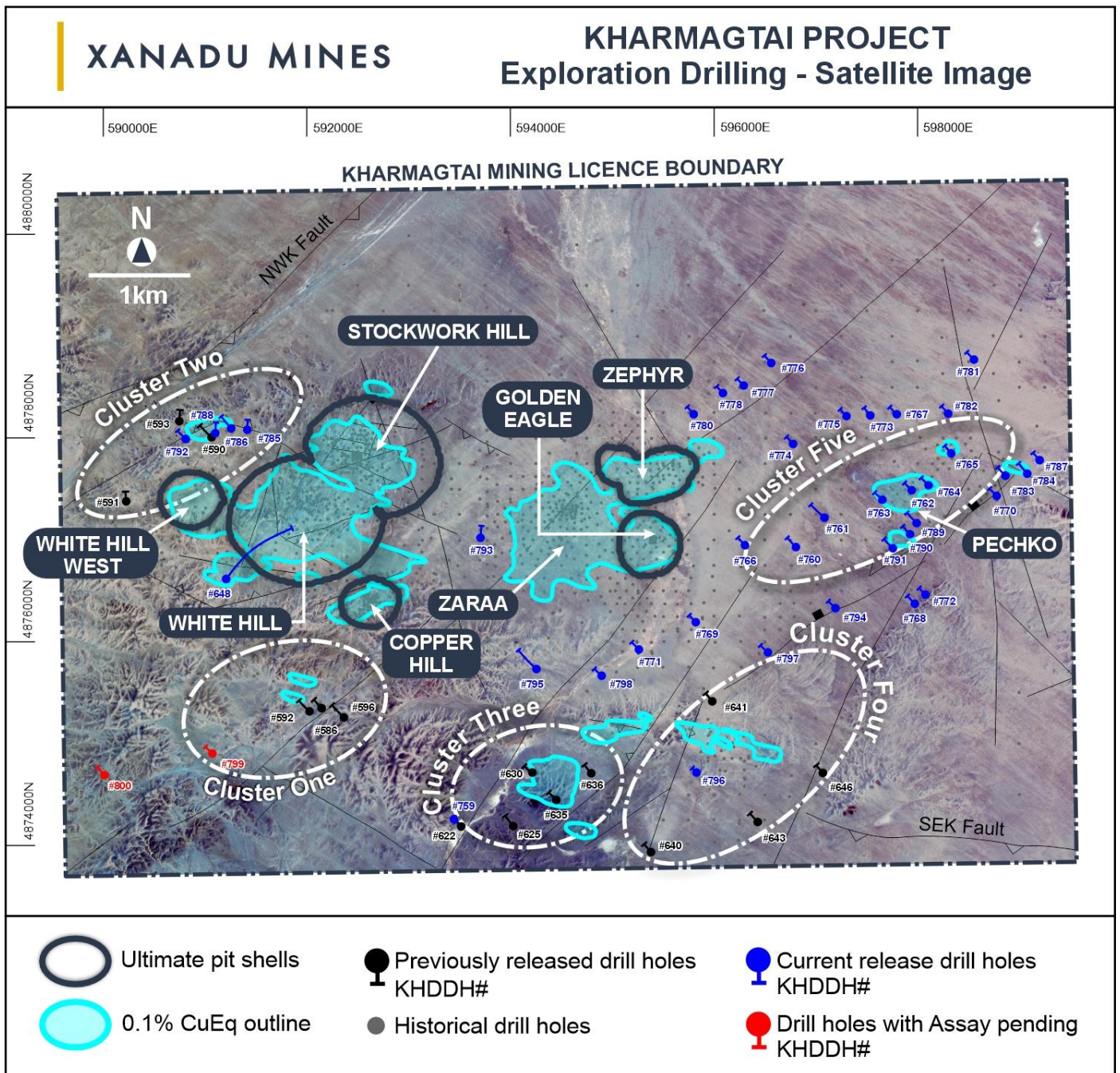


Figure 2: Kharmagtai copper-gold district showing currently defined mineral deposits and planned and completed shallow exploration drill holes. Grey outlines are 2021 scoping study open pit designs and white dashed outlines define porphyry cluster target areas.

Deep Discovery Exploration at Kharmagtai

Existing geochemical, geological, and geophysical datasets point to known mineralisation at Kharmagtai as a shallow surface expression of a much larger porphyry system at depth (**Figure 3**). Deep drill holes have been designed to ensure that a potential high-grade, large-scale and deeper “Oyu Tolgoi” style deposit is discovered early in the PFS process, allowing optimal infrastructure decisions to be made, without sterilising what could be the major value driver at Kharmagtai (**Figure 4**).

Drilling in the December Quarter was designed to test for a large-scale high-grade extension beneath White Hill. KHDDH648 intercepted a very large (+1km) zone of porphyry mineralisation, expanding the White Hill mineralised system more than 600m down dip.²³ This hole has provided the vectors required to target higher-grade mineralisation at depth. 3D geological modelling is underway to refine these vectors for further high priority drilling.

Subsequent to the Quarter, assays were returned for a single deep diamond drill hole was collared between Zaraa and Stockwork Hill, designed to test for a large-scale porphyry deposit. KHDDH779 encountered two broad zones of porphyry and tourmaline breccia style mineralisation between Stockwork Hill and Zaraa. This hole appears to have encountered the edges of a very large-scale Cu-Au System.

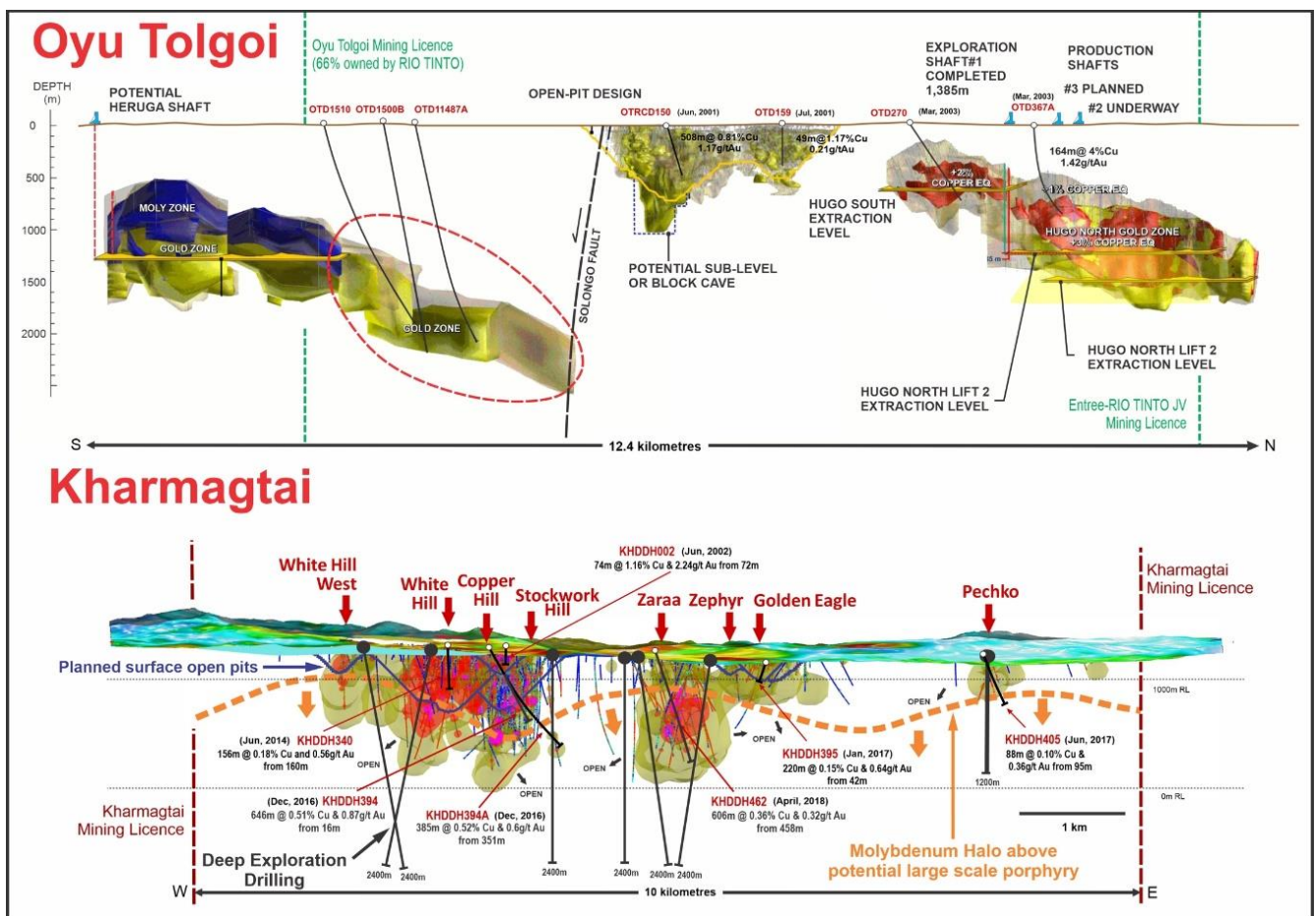


Figure 3: Long Sections through the Oyu Tolgoi Porphyry System and The Kharmagtai Porphyry System. Deep high-grade exploration drill program geochemical zonation points to much larger system beneath Kharmagtai.

²³ ASX/TSX Announcement 16 November 2023 – Multiple New Breakthrough Achievements for Kharmagtai Discovery Drilling

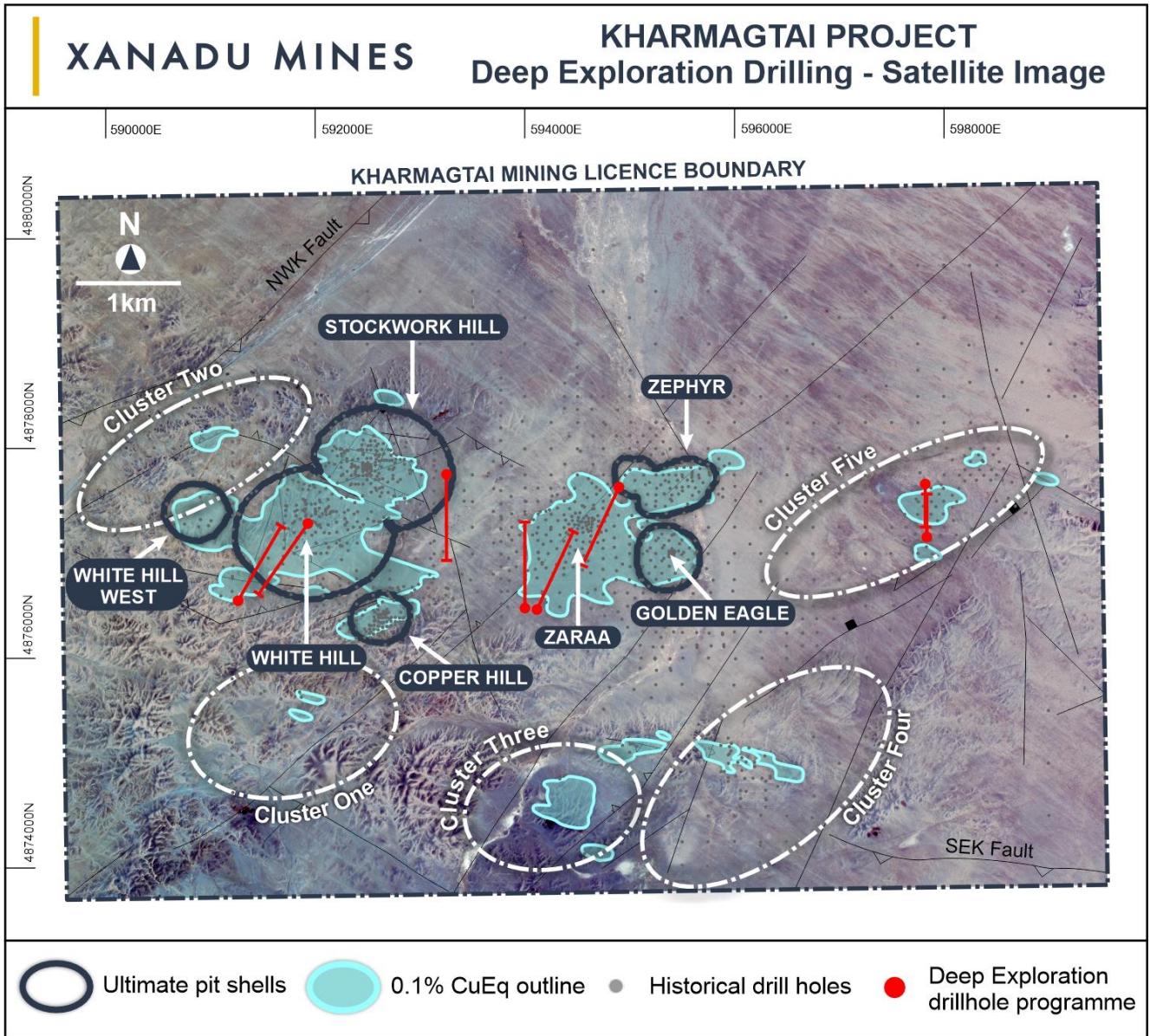


Figure 4: Kharmagtai copper-gold district showing currently defined mineral deposits and planned deep exploration holes.

Red Mountain Exploration

No exploration activity was undertaken at Xanadu’s Red Mountain copper-gold project during the December 2023 Quarter. A key purpose of the December 2023 equity placement²⁴ was to provide funds to re-commence this exploration in 2024. The 2024 Red Mountain exploration program will leverage significant targeting information generated from drilling, trenching and BoxScan in prior years and will be subject of a separate announcement.

²⁴ ASX/TSX Announcement 20 November 2023 - \$4.3 million Placement

Strategic Horizon 3 – Portfolio Growth

Subsequent to the Quarter, Xanadu announced a binding term sheet with STSM LLC (**STSM**) granting the right to earn up to 80% interest in two exploration licences XV-17774 (**Oyut**) and XV-21887 (**Sant Tolgoi**) located in the Zavkhan Province of Western Mongolia (**Figure 5**)²⁵. These two licenses make up the Sant Tolgoi Project, which is considered highly prospective for discovery of new magmatic intrusion-related Copper-Nickel sulphide systems.

The Sant Tolgoi project hosts multiple shallow copper-nickel targets over several kilometres of strike and is well aligned to Xanadu’s Horizon 3 Strategy to build a portfolio future facing metals projects. Detailed mapping, geochemistry and geophysics is planned to start in March 2024.

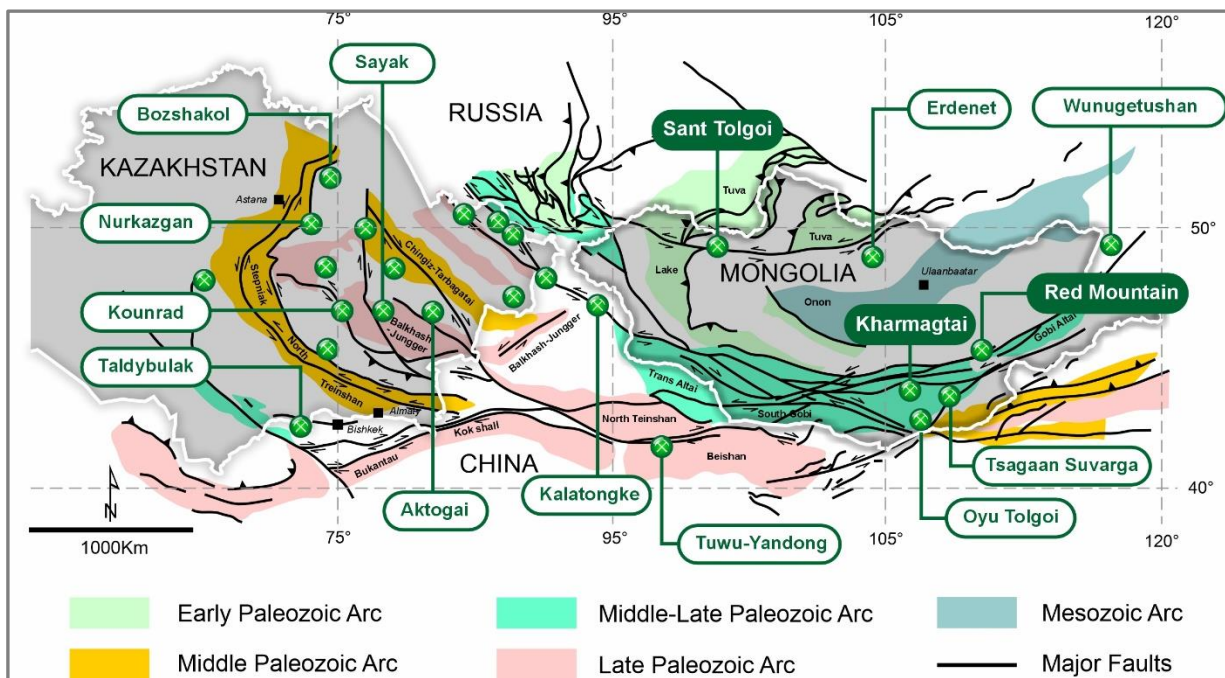


Figure 5: Sant Tolgoi Cu-Ni project is located in the Zavkhan Province approximately 1,100 km west of Ulaanbaatar, Mongolia. Project to located close to established infrastructure.

²⁵ ASX/TSX Announcement 22 January 2024 – Xanadu Enters Into New Magmatic Copper and Nickel Sulphide Project

ASX Announcements

This December 2023 Quarterly Activities Report contains information reported in accordance with the 2012 Edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012)* in the following announcements.

- 8 December 2021 – Kharmagtai Resource Grows to 1.1 Billion Tonnes, containing 3Mt Cu and 8MoZu
- 28 February 2022 – Kharmagtai Technical Report
- 29 December 2022 – Investment Deal Signed with Zijin
- 5 July 2023 - Shallow Drilling Confirms Kharmagtai Discovery Potential
- 4 October 2023 – High Grade Core Shaping Up at White Hill
- 26 October 2023 – New Gold Zone Discovered at Golden Eagle
- 16 November 2023 – Multiple New Breakthrough Achievements for Kharmagtai Discovery Drilling
- 20 November 2023 - \$4.3M Placement
- 28 November 2023 – Notice under Section 708A(5)(e) of the Corporations Act
- 8 December 2023 – Kharmagtai Mineral Resource grows by 13% CuEq; including >25% increase in higher grade ore
- 8 December 2023 – Second Tranche Placement to Zijin
- 15 December 2023 – Notice of Extraordinary General Meeting / Proxy Form
- 22 January 2024 – Xanadu Enters Into New Magmatic Copper and Nickel Sulphide Project
- 30 January 2024 - Kharmagtai Drilling Highlights Continued Growth Potential

March 2024 Quarter Planned Activities

Key activities planned during the quarter ending 31 March 2023 (**March Quarter**) include:

- Strategic Horizon 1 – Kharmagtai PFS
 - Follow-up drilling for Kharmagtai PFS primarily focused on sterilisation and geotechnical.
 - Water reserve geophysics, modelling and drilling.
 - System Optimisation Trade-Off Studies for Process Plant, Mine Design & Scheduling
 - Convergent Power Studies
 - Infrastructure and Tailings Storage Facility design work
 - Completion of sulphide metallurgical testing
 - Initial findings from oxide leach tests
- Strategic Horizon 2 - Discovery
 - Kharmagtai Shallow and Deep Discovery Exploration drilling programmes.
 - Commence a Red Mountain exploration plan.
- Strategic Horizon 3 – Portfolio Expansion
 - Continue evaluating new battery metals project opportunities in Mongolia.

Results of Operations

	50% Ownership of Khuiten Metals Pte Ltd ¹				100% Ownership
	Quarter Ended				
	31 Dec 2023 \$'000	30 Sep 2023 \$'000	30 Jun 2023 \$'000	31 Mar 2023 \$'000	31 Dec 2022 \$'000
JV: Gross Exploration Expenditure ^a					
Kharmagtai	7,334	10,515	8,360	1,850	402
<i>Drill metres ^{b,c}</i>	13,053	29,388	28,032	6,111	-
Gross Exploration Expenditure					
Red Mountain	54	90	32	29	261
<i>Drill metres ^{b,c}</i>	-	-	-	-	-
Exploration expenditures capitalised	54 ^d	90 ^d	32 ^d	29 ^d	663
Corporate general and administration	1,437	1,365	2,712 ^e	1,267	1,095
Less JV Operator Overhead recovery	<u>(891) ^f</u>	<u>(970) ^f</u>	<u>(1,001) ^f</u>	<u>-</u>	
Net Corporate general and administration	546	395	1,712	1,267	

- The Company issued new shares in its subsidiary Khuiten Metals Pte Ltd (Khuiten) on 10 March 2023 as part of the Zijin Strategic Partnership for consideration of US\$35M. This transaction reduces the Company's shareholding from 100% to 50% in Khuiten, and in effect loss of majority control. All quarterly results for 2023 above are presented on the basis of the treatment of the investment of Khuiten as a 50% JV under the equity accounting method (i.e., the Khuiten operational results are not included on consolidation). The prior period quarters have not been restated.
- Reflects invoiced metres paid during the quarter under drilling contract. Physical metres drilled during the quarter may vary due to invoice timing.
- Excludes horizontal trenching metres.
- Excludes Kharmagtai JV Gross exploration expenditure no longer consolidated in the Company's results.
- Includes success fee of AUD\$753k paid to Jefferies in April 2023 following completion of Khuiten JV with Zijin.
- As operator of Khuiten JV, the operator overheads are recoverable in accordance with the Shareholders Joint Venture Agreement.

Financial

Capital Structure

On 31 December 2023, the Company had 1,700,820,681 fully paid ordinary shares and 121,860,000 options over ordinary shares on issue, and approximately A\$7.3 million in cash. This total of ordinary shares excludes the Tranche 2 placement to Zijin which remains subject to shareholder approval at the EGM scheduled on 6 February 2024 (see below). The Khuiten JV, which controls the Kharmagtai project, had US\$11.7 million in cash available to progress the Kharmagtai PFS and exploration.

Equity Placement

Xanadu announced an A\$4.3 million equity placement (before costs) on 20 November 2023 to provide funding for its strategic Horizons 2 and 3, as well as working capital.²⁶ This was well supported by both domestic and international institutions and included proportionate participation by Zijin, Xanadu's largest shareholder. The placement was offered

²⁶ ASX/TSX Announcement 20 November 2023 - \$4.3 million Placement

across two tranches to eligible and sophisticated investors, comprising 78,181,818 fully paid ordinary shares in Xanadu at an issue price of \$0.055 each:

- First tranche, being the issue of 62,996,490 New Shares to raise A\$3.36 million, is unconditional and was issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1.
- Second tranche, being the proposed subscription of 15,185,328 New Shares by Xanadu's major shareholder Zijin for A\$0.84 million, is subject to formal documentation and approval by Australia Foreign Investment Review Board (**FIRB**) and Xanadu shareholder approval.

Bell Potter Securities Limited acted as Lead Manager and Ord Minnett acted as Co-Manager to the Placement.

An EGM is scheduled on 6 February 2024 to seek the necessary Xanadu shareholder approvals.²⁷

²⁷ASX/TSX Announcement 15 December 2023 – Notice of Extraordinary General Meeting / Proxy Form

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.

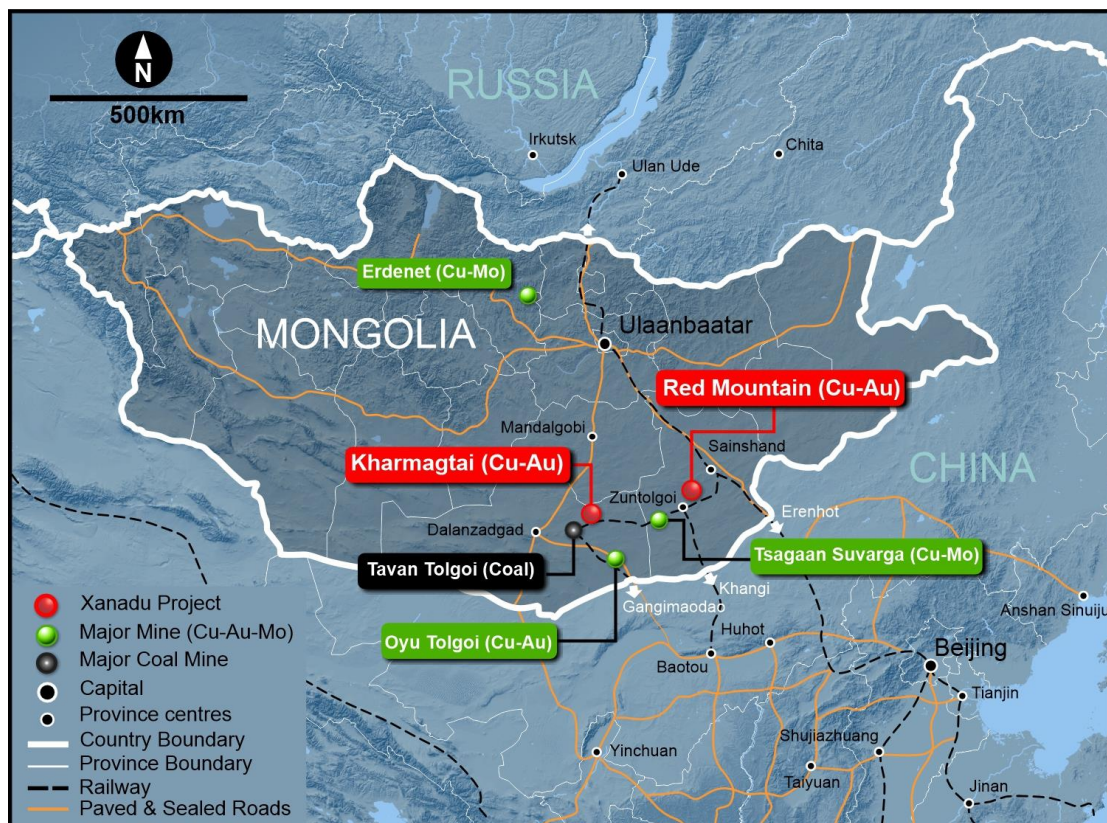


Figure 4: Location of Xanadu Projects in the South Gobi region of Mongolia

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: TABLES

For original announcements please refer to the following:

- 4 October 2023 - High Grade Core Shaping Up at White Hill
- 26 October 2023 - New Gold Zone Discovered at Golden Eagle
- 16 November 2023 - Multiple New Breakthrough Achievements for Kharmagtai Discovery Drilling

Table 1. Drill hole details from the quarter (KH prefix = Kharmagtai, OU prefix = Red Mountain, *excludes drill holes completed in the prior quarter*).

Hole ID	Prospect	East	North	RL	Azimuth (°)	Inc (°)	Depth (m)
KHDDH684	Golden Eagle	595224	4876746	1270	359	-60	341.0
KHDDH685	Golden Eagle	595226	4876847	1269	360	-60	325.0
KHDDH700	Golden Eagle	595598	4876901	1269	0	-60	267.0
KHDDH701	Golden Eagle	595597	4877002	1268	0	-60	220.0
KHDDH718	Zephyr	595397	4877445	1267	0	-60	360.5
KHDDH721	Zephyr	595523	4877497	1266	0	-60	405.5
KHDDH723	Zephyr	595649	4877663	1266	0	-60	369.5
KHDDH736	Zephyr	595524	4877596	1265	0	-60	314.0
KHDDH745	Zephyr	595774	4877744	1270	0	-60	385.0
KHDDH779	Exploration	593999	4876523	1285	0	-70	2132.7
KHDDH794	Exploration	597193	4876330	1275	0	-60	200.0
KHDDH795	Exploration	594260	4875729	1285	315	-60	498.4
KHDDH796	Exploration	595818	4874725	1292	315	-60	93.0
KHDDH797	Exploration	596531	4875896	1282	315	-60	200.0
KHDDH798	Exploration	594900	4875664	1278	315	-60	200.0
KHDDH799	Exploration	591077	4874898	1326	315	-60	200.0
KHDDH800	Exploration	590011	4874691	1347	315	-60	201.0
KHDDH801	Golden Eagle	595277	4876894	1269	0	-60	288.5
KHDDH802	Golden Eagle	595332	4876839	1270	0	-60	285.5
KHDDH803	Golden Eagle	595401	4876841	1269	0	-60	291.0
KHDDH804	Golden Eagle	595328	4876942	1269	0	-60	279.5
KHDDH805	Golden Eagle	595399	4876919	1269	0	-60	279.6
KHDDH806	White Hill	592393	4877472	1293	180	-70	848.3
KHDDH807	White Hill	591788	4876469	1317	0	-60	1212.7
KHDDH808	White Hill	591959	4876661	1310	0	-60	1188.6
KHDDH809	Pechko	597845	4877219	1265	0	-70	1200.0
KHDDH810	Altan Shand	591291	4878056	1296	318	-60	444.6
KHDDH811	White Hill	591099	4877967	1296	315	-60	450.8
KHDDH812	White Hill	591328	4878186	1291	318	-60	230.0

Table 2. Significant drill results from the quarter (KH prefix = Kharmagtai, OU prefix = Red Mountain)

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
KHDDH684	Golden Eagle	49	248	199	0.15	0.09	0.17	0.34
	including	186	220	34	0.33	0.17	0.34	0.67
	and	282.5	341	58.5	0.09	0.16	0.20	0.39
KHDDH685	Golden Eagle	34	325	291	0.22	0.14	0.25	0.49
	including	70	74	4	1.26	0.14	0.78	1.53
	including	124	133.6	9.6	0.18	0.16	0.25	0.50
	including	144.95	240	95.05	0.35	0.16	0.34	0.66
KHDDH686	Golden Eagle	38	267.6	229.6	0.25	0.13	0.25	0.50
	including	50	66	16	0.60	0.11	0.42	0.82
	including	94	102	8	0.41	0.15	0.36	0.71
	including	122	148	26	0.33	0.17	0.34	0.66
	including	176	202	26	0.40	0.14	0.35	0.69
KHDDH687	Golden Eagle	37	73	36	0.12	0.11	0.17	0.33
KHDDH688	Golden Eagle	36	144	108	0.33	0.11	0.28	0.54
	including	100	142	42	0.53	0.15	0.42	0.82
	including	122	132.9	10.9	0.72	0.25	0.61	1.20
	and	156	216	60	0.16	0.05	0.14	0.27
KHDDH689	Golden Eagle	35.26	300	264.74	0.20	0.13	0.23	0.45
	including	55	65	10	0.38	0.12	0.32	0.62
	including	131	139	8	0.39	0.17	0.37	0.73
	including	181	185	4	0.36	0.18	0.36	0.71
	including	234	252	18	0.34	0.19	0.37	0.72
KHDDH690	Golden Eagle	43	200	157	0.28	0.12	0.27	0.52
	including	53	93	40	0.31	0.14	0.30	0.58
	including	103	136	33	0.38	0.16	0.35	0.69
KHDDH691	Golden Eagle	37.7	243	205.3	0.44	0.14	0.36	0.71
	including	48.3	80	31.7	0.49	0.12	0.37	0.73
	including	96	127	31	1.21	0.24	0.86	1.68
	including	96	175	79	0.71	0.20	0.56	1.09
	including	100	104	4	2.58	0.52	1.84	3.60
	including	119	125	6	2.58	0.49	1.81	3.55
	including	185	189	4	0.32	0.14	0.31	0.60
	including	221	231	10	0.34	0.12	0.30	0.58
	and	277	289	12	0.05	0.06	0.08	0.16
KHDDH692	Golden Eagle	36	121	85	0.21	0.10	0.21	0.41
	including	80	107.1	27.1	0.35	0.15	0.32	0.63
KHDDH693	Golden Eagle	36	175	139	0.20	0.11	0.21	0.41
	including	161	173	12	0.24	0.17	0.30	0.58
KHDDH694	Golden Eagle	45	68	23	0.09	0.06	0.10	0.20
	and	86	124	38	0.12	0.05	0.11	0.21

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
KHDDH695	Golden Eagle	39	228.6	189.6	0.30	0.12	0.28	0.54
including		43	63	20	0.49	0.11	0.36	0.71
including		125	153	28	0.34	0.15	0.32	0.62
including		163	215	52	0.37	0.15	0.34	0.67
KHDDH696	Golden Eagle	41.9	192.5	150.6	0.23	0.10	0.21	0.42
including		48	76	28	0.49	0.15	0.39	0.77
including		86	90	4	0.37	0.13	0.32	0.62
including		144	148	4	0.50	0.17	0.43	0.84
including		174	178	4	0.52	0.13	0.40	0.78
KHDDH697	Golden Eagle	38.7	116	77.3	0.18	0.09	0.18	0.36
including		40	70	30	0.30	0.13	0.29	0.56
KHDDH698	Golden Eagle	31	243	212	0.32	0.13	0.29	0.57
including		35	43	8	0.53	0.08	0.35	0.68
including		67	90.75	23.75	0.44	0.18	0.40	0.79
including		117	154	37	0.48	0.17	0.42	0.82
including		176	188	12	0.32	0.19	0.35	0.68
including		198	222	24	0.32	0.17	0.34	0.66
and		253	275	22	0.14	0.14	0.21	0.41
KHDDH699	Golden Eagle	36	50	14	0.21	0.04	0.14	0.28
KHDDH700	Golden Eagle	43.5	196	152.5	0.22	0.09	0.20	0.39
including		96	106	10	0.35	0.14	0.32	0.63
including		168	182	14	0.59	0.15	0.46	0.89
including		172	176	4	1.10	0.24	0.80	1.56
KHDDH701	Golden Eagle	40.25	123	82.75	0.16	0.09	0.18	0.34
including		42	46	4	0.46	0.16	0.39	0.76
KHDDH702	Golden Eagle	41.2	201	159.8	0.25	0.12	0.25	0.48
including		45	69	24	0.47	0.13	0.37	0.73
including		129	145	16	0.30	0.14	0.29	0.58
and		213	219	6	0.10	0.02	0.07	0.14
KHDDH703	Zephyr	14.75	18.8	4.05	0.33	0.00	0.17	0.34
KHDDH704	Zephyr	<i>No significant intercepts</i>						
KHDDH705	Zephyr	14	42	28	0.28	0.03	0.18	0.35
and		58	64	6	0.40	0.05	0.25	0.50
and		78	86	8	0.11	0.02	0.08	0.15
KHDDH706	Zephyr	<i>No significant intercepts</i>						
KHDDH707	Zephyr	23.9	74	50.1	0.19	0.04	0.14	0.27
including		48	64	16	0.47	0.04	0.28	0.55
KHDDH708	Zephyr	40.3	157	116.7	0.18	0.09	0.18	0.35
including		52	58	6	0.49	0.09	0.34	0.66
and		171	187.1	16.1	0.26	0.04	0.17	0.33
and		223	227.2	4.2	0.50	0.03	0.29	0.56
KHDDH709	Zephyr	16	20	4	0.22	0.00	0.12	0.23

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
		51	58	7	0.20	0.03	0.14	0.27
KHDDH710	Zephyr	<i>No significant intercepts</i>						
KHDDH711	Zephyr	32	100	68	0.09	0.10	0.15	0.29
KHDDH712	Zephyr	19	28	9	0.14	0.02	0.09	0.17
		41.9	57.6	15.7	0.42	0.02	0.24	0.46
		121	132	11	0.05	0.05	0.07	0.14
KHDDH713	Zephyr	18.5	56	37.5	0.25	0.08	0.20	0.40
		40	48	8	0.74	0.16	0.54	1.06
		76	107.2	31.2	0.14	0.06	0.13	0.26
		129	140.7	11.7	0.14	0.06	0.13	0.26
		152	189.4	37.4	0.17	0.07	0.15	0.30
KHDDH714	Zephyr	30	38	8	0.19	0.02	0.12	0.23
		48	52	4	0.31	0.03	0.18	0.35
		113	121	8	0.27	0.01	0.15	0.29
		135	142	7	0.22	0.01	0.12	0.24
KHDDH715	Zephyr	<i>No significant intercepts</i>						
KHDDH716	Zephyr	15.9	75	59.1	0.09	0.10	0.14	0.28
KHDDH717	Zephyr	16.2	235	218.8	0.20	0.13	0.23	0.45
		47	73	26	0.46	0.24	0.47	0.93
		138	144	6	0.27	0.17	0.31	0.60
		205	223	18	0.21	0.22	0.33	0.64
KHDDH718	Zephyr	49	67	18	0.25	0.04	0.16	0.32
		149	153	4	0.19	0.05	0.14	0.28
		171	356	185	0.21	0.12	0.22	0.44
		211	215	4	0.42	0.17	0.38	0.75
		265	276	11	0.86	0.16	0.60	1.17
		269.5	276	6.5	1.29	0.15	0.81	1.59
		304	338	34	0.33	0.20	0.37	0.72
KHDDH719	Zephyr	45	49	4	0.19	0.04	0.14	0.27
		91	160	69	0.13	0.07	0.13	0.26
KHDDH720	Zephyr	38	62	24	0.16	0.09	0.17	0.33
KHDDH721	Zephyr	104	120	16	0.16	0.05	0.13	0.25
		139.5	336.9	197.4	0.13	0.16	0.23	0.45
		166	172	6	0.10	0.30	0.35	0.68
		193	221	28	0.15	0.26	0.34	0.66
		273	311	38	0.19	0.21	0.31	0.60
		327	336	9	0.24	0.17	0.29	0.57
		347	395	48	0.11	0.14	0.19	0.38
		369	389	20	0.11	0.21	0.27	0.52
KHDDH722	Zephyr	23.2	144	120.8	0.26	0.18	0.32	0.62
		23.2	87	63.8	0.44	0.25	0.47	0.93
		25	45	20	0.89	0.25	0.70	1.37

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
		65	76.8	11.8	0.36	0.42	0.60	1.18
KHDDH723	Zephyr	43	246	203	0.18	0.16	0.25	0.50
		83	103	20	0.13	0.33	0.39	0.77
		121	129	8	0.14	0.22	0.29	0.57
		141	149	8	0.31	0.30	0.45	0.89
		163	189	26	0.23	0.18	0.30	0.59
		199	219	20	0.55	0.16	0.44	0.85
		201	211	10	0.89	0.16	0.62	1.21
		232.7	242.3	9.6	0.23	0.09	0.20	0.40
		268	272	4	0.10	0.07	0.12	0.24
		312	316	4	0.16	0.05	0.13	0.25
KHDDH724	Zephyr	13.6	118.5	104.9	0.21	0.16	0.27	0.52
		13.6	66	52.4	0.35	0.19	0.36	0.71
		26	38	12	0.31	0.34	0.50	0.97
		165	188	23	0.22	0.05	0.16	0.32
KHDDH725	Zephyr	No significant intercepts						
KHDDH731	Zephyr	59	65	6	0.22	0.03	0.14	0.28
		89	101	12	0.22	0.03	0.14	0.27
KHDDH732	Zephyr	21.6	62	40.4	0.10	0.12	0.17	0.34
		74	200	126	0.13	0.22	0.29	0.57
		74	88	14	0.23	0.20	0.32	0.63
		98	108.2	10.2	0.23	0.25	0.37	0.72
		119.4	171	51.6	0.12	0.29	0.35	0.69
KHDDH736	Zephyr	48	54	6	0.07	0.08	0.12	0.23
		68	264	196	0.25	0.12	0.25	0.48
		128	163.8	35.8	0.33	0.17	0.34	0.67
		184.2	211	26.8	1.00	0.16	0.68	1.32
		184.2	188.9	4.7	1.23	0.37	1.00	1.96
		200	209	9	1.77	0.17	1.07	2.10
KHDDH740	Zephyr	31.2	59	27.8	0.04	0.10	0.12	0.23
KHDDH745	Zephyr	38.8	104.9	66.1	0.10	0.21	0.26	0.51
		60	80	20	0.13	0.27	0.33	0.65
		171	179.2	8.2	0.16	0.06	0.15	0.29
		242	256	14	0.25	0.03	0.16	0.31
		242	252	10	0.32	0.03	0.20	0.38
		270	351	81	0.14	0.09	0.17	0.33
		270	277.3	7.3	0.53	0.07	0.34	0.66
		293	299	6	0.22	0.21	0.32	0.62
KHDDH752	Zephyr	27.5	40	12.5	0.08	0.03	0.07	0.15
		111.1	118	6.9	0.07	0.07	0.10	0.20
		142	210	68	0.08	0.19	0.23	0.45
		156	160	4	0.29	0.24	0.39	0.76

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
<i>including</i>		202	208	6	0.08	0.28	0.32	0.62
KHDDH761	Exploration	39.5	141	101.5	0.19	0.06	0.16	0.30
<i>including</i>		80	88	8	0.32	0.08	0.24	0.47
<i>including</i>		98	106	8	0.61	0.07	0.38	0.74
<i>and</i>		151	161	10	0.12	0.06	0.12	0.24
<i>and</i>		175	225	50	0.11	0.09	0.14	0.28
<i>and</i>		235	239	4	0.17	0.20	0.29	0.56
<i>and</i>		261	267.5	6.5	0.37	0.16	0.35	0.69
<i>and</i>		277	293.85	16.85	0.23	0.10	0.22	0.43
<i>and</i>		316	337.5	21.5	0.22	0.07	0.18	0.35
<i>including</i>		324	334	10	0.28	0.09	0.24	0.46
KHDDH762	Exploration	43	96.3	53.3	0.21	0.07	0.17	0.34
<i>and</i>		113.1	178.2	65.1	0.28	0.06	0.20	0.39
<i>including</i>		129	145	16	0.44	0.07	0.30	0.58
KHDDH763	Exploration	173	179	6	0.21	0.01	0.12	0.23
KHDDH764	Exploration	56.9	67	10.1	0.27	0.11	0.25	0.48
<i>including</i>		56.9	63	6.1	0.35	0.14	0.32	0.63
<i>and</i>		129	139	10	0.50	0.06	0.31	0.61
<i>including</i>		135	139	4	0.80	0.07	0.48	0.93
<i>and</i>		149.25	194	44.75	0.21	0.09	0.20	0.39
<i>including</i>		169	177	8	0.53	0.21	0.48	0.94
KHDDH765	Exploration	144	150.5	6.5	0.29	0.12	0.27	0.52
KHDDH766	Exploration	<i>No significant intercepts</i>						
KHDDH767	Exploration	<i>No significant intercepts</i>						
KHDDH768	Exploration	<i>No significant intercepts</i>						
KHDDH769	Exploration	<i>No significant intercepts</i>						
KHDDH770	Exploration	42	48	6	0.31	0.03	0.19	0.38
<i>and</i>		70	84	14	0.03	0.12	0.14	0.27
<i>and</i>		94	148	54	0.06	0.10	0.13	0.25
<i>and</i>		181	194	13	0.07	0.05	0.08	0.16
KHDDH771	Exploration	39	65.5	26.5	0.30	0.04	0.19	0.38
<i>and</i>		76	86.9	10.9	0.18	0.06	0.15	0.29
<i>and</i>		108	123.4	15.4	0.13	0.12	0.18	0.35
KHDDH772	Exploration	41.3	51	9.7	0.19	0.05	0.15	0.29
KHDDH773	Exploration	<i>No significant intercepts</i>						
KHDDH774	Exploration	92.2	107	14.8	0.44	0.01	0.23	0.46
KHDDH775	Exploration	<i>No significant intercepts</i>						
KHDDH776	Exploration	<i>No significant intercepts</i>						
KHDDH777	Exploration	<i>No significant intercepts</i>						
KHDDH778	Exploration	<i>No significant intercepts</i>						
KHDDH779	Exploration	66	78	12	0.13	0.08	0.14	0.28
<i>and</i>		320	326	6	0.35	0.13	0.31	0.60

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
<i>and</i>		499	505	6	0.01	0.11	0.11	0.22
<i>and</i>		557	577	20	0.09	0.12	0.16	0.32
<i>and</i>		587	595	8	0.02	0.11	0.12	0.23
<i>and</i>		611	621	10	0.02	0.08	0.09	0.18
<i>and</i>		661	673	12	0.04	0.08	0.11	0.21
<i>and</i>		782	788	6	0.06	0.07	0.10	0.19
<i>and</i>		810	820	10	0.05	0.07	0.10	0.19
<i>and</i>		874	1118	244	0.03	0.13	0.15	0.29
<i>including</i>		980	984	4	0.09	0.28	0.33	0.64
<i>including</i>		1087	1098	11	0.05	0.19	0.22	0.42
<i>and</i>		1132	1430	298	0.07	0.13	0.17	0.33
<i>including</i>		1253.65	1263	9.35	0.06	0.23	0.26	0.51
<i>including</i>		1362	1367	5	1.11	0.32	0.89	1.73
<i>and</i>		1442	1486	44	0.06	0.08	0.11	0.22
<i>and</i>		1496	1517	21	0.01	0.09	0.10	0.19
<i>and</i>		1577	1585	8	0.16	0.15	0.23	0.44
<i>and</i>		1649	1658	9	0.02	0.04	0.05	0.10
<i>and</i>		1724	1730	6	0.03	0.15	0.17	0.33
<i>and</i>		1756	1831	75	0.07	0.08	0.11	0.22
<i>and</i>		1885	1930.8	45.8	0.05	0.10	0.13	0.25
<i>including</i>		1925	1930.8	5.8	0.08	0.24	0.28	0.55
<i>and</i>		1940	2050	110	0.08	0.18	0.22	0.44
<i>including</i>		1996	2014.4	18.4	0.13	0.37	0.44	0.85
<i>including</i>		2036	2050	14	0.16	0.22	0.30	0.59
<i>and</i>		2068	2078.1	10.1	0.04	0.09	0.11	0.22
KHDDH780	Exploration				<i>No significant intercepts</i>			
KHDDH781	Exploration				<i>No significant intercepts</i>			
KHDDH782	Exploration				<i>No significant intercepts</i>			
KHDDH783	Exploration	29	68	39	0.06	0.08	0.11	0.22
<i>and</i>		88	144	56	0.08	0.15	0.19	0.37
<i>including</i>		106	110	4	0.20	0.44	0.54	1.05
<i>and</i>		194	211	17	0.06	0.08	0.11	0.22
KHDDH784	Exploration	224	228	4	0.19	0.09	0.18	0.36
<i>and</i>		274	279.6	5.6	0.12	0.08	0.14	0.27
KHDDH785	Exploration				<i>No significant intercepts</i>			
KHDDH786	Exploration	41	45	4	0.64	0.01	0.34	0.66
<i>and</i>		79	87	8	0.24	0.00	0.13	0.25
<i>and</i>		117	261	144	0.18	0.25	0.34	0.67
<i>including</i>		127	225	98	0.22	0.30	0.41	0.81
<i>including</i>		144	156	12	0.31	0.47	0.63	1.23
<i>including</i>		168	180.3	12.3	0.28	0.40	0.54	1.05
KHDDH787	Exploration	22	38	16	0.14	0.12	0.19	0.37

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
<i>including</i>		32	38	6	0.27	0.26	0.40	0.78
<i>and</i>		56	70	14	0.10	0.13	0.18	0.35
<i>and</i>		86	95	9	0.05	0.12	0.14	0.28
<i>and</i>		128	138	10	0.12	0.06	0.13	0.25
<i>and</i>		188	199	11	0.07	0.07	0.11	0.21
KHDDH788	Exploration	141	145	4	0.18	0.03	0.12	0.23
KHDDH789	Exploration	80	85	5	0.18	0.05	0.14	0.27
<i>and</i>		271	275	4	0.18	0.05	0.14	0.27
KHDDH790	Exploration	112	134	22	0.06	0.04	0.07	0.13
KHDDH791	Exploration	132	136	4	0.03	0.11	0.13	0.25
<i>and</i>		146	152	6	0.12	0.09	0.15	0.29
KHDDH792	Exploration	24	30	6	0.03	0.14	0.15	0.30
<i>and</i>		123	130.9	7.9	0.04	0.07	0.09	0.18
<i>and</i>		172	184	12	0.05	0.07	0.10	0.19
<i>and</i>		204	214	10	0.07	0.07	0.11	0.22
KHDDH793	Exploration	51	63	12	0.05	0.07	0.10	0.19
<i>and</i>		106	126	20	0.15	0.25	0.33	0.64
<i>including</i>		110	124	14	0.13	0.32	0.39	0.76
<i>and</i>		138	158	20	0.10	0.08	0.13	0.26
KHDDH794	Exploration	<i>No significant intercepts</i>						
KHDDH795	Exploration	68	94	26	0.03	0.07	0.09	0.17
<i>and</i>		141	151	10	0.11	0.11	0.17	0.33
<i>and</i>		194.1	294	99.9	0.22	0.08	0.19	0.37
<i>including</i>		262	279.5	17.5	0.32	0.11	0.27	0.54
<i>and</i>		308	330	22	0.13	0.06	0.13	0.25
<i>and</i>		340	435	95	0.17	0.07	0.16	0.31
<i>including</i>		382	388	6	0.35	0.17	0.35	0.68
<i>including</i>		404.5	410.8	6.3	0.14	0.10	0.18	0.34
<i>and</i>		491	495	4	0.17	0.06	0.15	0.30
KHDDH796	Exploration	<i>No significant intercepts</i>						
KHDDH797	Exploration	161	165	4	0.48	0.02	0.26	0.51
KHDDH798	Exploration	14	28	14	0.09	0.09	0.13	0.26
<i>and</i>		134	154	20	0.04	0.13	0.15	0.29
KHDDH799	Exploration	<i>No significant intercepts</i>						
KHDDH800	Exploration	<i>No significant intercepts</i>						
KHDDH801	Golden Eagle	36.6	120	83.4	0.59	0.11	0.41	0.80
<i>including</i>		57	86	29	1.14	0.14	0.73	1.42
<i>including</i>		60	74	14	1.90	0.14	1.11	2.18
<i>including</i>		106	114.2	8.2	0.46	0.12	0.35	0.69
<i>and</i>		140	288.5	148.5	0.29	0.12	0.26	0.51
<i>including</i>		201	209	8	0.33	0.15	0.32	0.62
<i>including</i>		244	264	20	0.72	0.18	0.55	1.07

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
KHDDH802	Golden Eagle	35.5	285.5	250	0.37	0.12	0.31	0.60
	<i>including</i>	84	180	96	0.55	0.14	0.41	0.81
	<i>including</i>	206	212	6	0.41	0.11	0.32	0.63
	<i>including</i>	232	252	20	0.39	0.15	0.35	0.68
KHDDH803	Golden Eagle	36.8	244	207.2	0.20	0.11	0.21	0.42
	<i>including</i>	88	98	10	0.29	0.16	0.30	0.59
	<i>including</i>	170	200	30	0.34	0.12	0.30	0.58
	<i>and</i>	254	270.2	16.2	0.07	0.06	0.10	0.19
KHDDH804	Golden Eagle	38.1	88	49.9	0.40	0.10	0.30	0.59
	<i>including</i>	38.9	58.8	19.9	0.61	0.16	0.47	0.92
	<i>and</i>	99.25	277	177.75	0.23	0.11	0.23	0.44
	<i>including</i>	113.8	178	64.2	0.42	0.14	0.35	0.69
	<i>including</i>	236	244.6	8.6	0.25	0.15	0.27	0.54
KHDDH805	Golden Eagle	41.6	195	153.4	0.43	0.13	0.35	0.68
	<i>including</i>	44	111	67	0.67	0.15	0.50	0.97
	<i>including</i>	54	62	8	1.34	0.18	0.87	1.70
	<i>including</i>	54	60	6	1.43	0.18	0.91	1.78
	<i>including</i>	77	91	14	0.81	0.21	0.62	1.22
	<i>including</i>	127	133	6	0.37	0.15	0.34	0.66
	<i>and</i>	267	278	11	0.06	0.05	0.08	0.15
KHDDH806	White Hill	2	146	144	0.06	0.13	0.16	0.32
	<i>and</i>	156	443.4	287.4	0.07	0.18	0.21	0.41
	<i>including</i>	386	443.4	57.4	0.15	0.29	0.36	0.71
	<i>and</i>	545	595	50	0.94	0.25	0.73	1.42
	<i>including</i>	549	571	22	2.10	0.26	1.34	2.62
	<i>and</i>	779	821	42	0.03	0.22	0.24	0.46
	<i>including</i>	781	790	9	0.05	0.53	0.56	1.09
KHDDH807	White Hill	295	353	58	0.04	0.09	0.11	0.22
	<i>and</i>	367	425	58	0.04	0.12	0.14	0.27
	<i>including</i>	381	385	4	0.09	0.36	0.40	0.79
	<i>and</i>	435	994.7	559.7	0.07	0.23	0.27	0.53
	<i>including</i>	457	477	20	0.09	0.19	0.23	0.46
	<i>including</i>	487	499	12	0.11	0.31	0.36	0.71
	<i>including</i>	512	524	12	0.10	0.26	0.31	0.61
	<i>including</i>	546	555.4	9.4	0.13	0.26	0.33	0.65
	<i>including</i>	685	712	27	0.05	0.26	0.28	0.55
	<i>including</i>	734	747	13	0.08	0.33	0.37	0.72
	<i>including</i>	761	983	222	0.10	0.31	0.36	0.70
	<i>including</i>	834	838	4	0.22	0.55	0.66	1.28
	<i>and</i>	1004	1198	194	0.06	0.19	0.22	0.42
	<i>including</i>	1034	1090	56	0.10	0.25	0.30	0.59
	<i>including</i>	1180	1184	4	0.08	0.43	0.46	0.91

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	eCu (%)	eAu (g/t)
KHDDH808	White Hill	238	242	4	0.05	0.18	0.20	0.39
	<i>and</i>	282.5	319	36.5	0.07	0.15	0.18	0.36
	<i>including</i>	305	311	6	0.09	0.32	0.36	0.70
	<i>and</i>	333	580.45	247.45	0.11	0.29	0.35	0.68
	<i>including</i>	341	346	5	0.07	0.24	0.27	0.53
	<i>including</i>	465	500	35	0.09	0.31	0.36	0.70
	<i>including</i>	516	580.45	64.45	0.26	0.61	0.74	1.44
	<i>including</i>	556	580.45	24.45	0.53	1.14	1.41	2.75
	<i>including</i>	558	571.8	13.8	0.70	1.64	1.99	3.90
	<i>and</i>	608	626	18	0.19	0.05	0.14	0.28
	<i>including</i>	620	624	4	0.50	0.05	0.31	0.60
	<i>and</i>	644	652	8	0.19	0.03	0.12	0.24
	<i>and</i>	664	672	8	0.10	0.15	0.20	0.39
	<i>and</i>	750	1085	335	0.08	0.25	0.30	0.58
	<i>including</i>	751.7	891	139.3	0.12	0.38	0.44	0.86
	<i>including</i>	786	796	10	0.13	0.54	0.61	1.19
	<i>including</i>	812	818	6	0.27	0.85	0.99	1.94
	<i>including</i>	918	926	8	0.08	0.26	0.30	0.59
	<i>including</i>	958	962	4	0.08	0.29	0.33	0.65
	<i>including</i>	980	989	9	0.22	0.22	0.33	0.64
	<i>including</i>	1028.8	1035	6.2	0.12	0.50	0.56	1.10
	<i>and</i>	1115	1127	12	0.03	0.12	0.14	0.27
	<i>and</i>	1142	1172	30	0.02	0.11	0.12	0.24
	<i>and</i>	1182	1186	4	0.02	0.13	0.14	0.27
KHDDH809	<i>Assays pending</i>							
KHDDH810	<i>Assays pending</i>							
KHDDH811	<i>Assays pending</i>							
KHDDH812	<i>Assays pending</i>							

APPENDIX 2: STATEMENTS AND DISCLAIMERS

MINERAL RESOURCES AND ORE RESERVES REPORTING REQUIREMENTS

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.

MINERAL RESOURCES AND ORE RESERVES

Mineral Resource Estimates for Kharmagtai were updated during the December Quarter – please refer to the relevant ASX/TSX Announcement for details.²⁸ There are no reported Ore Reserves.

MINING ACTIVITIES

There were no mine production or development activities during the December 2023 Quarter.

LIST OF TENEMENTS

Xanadu held licenses for the following tenements during the December 2023 Quarter. No new farm-in or farm-out agreements were entered into during the Quarter. A term sheet was signed subsequent to the quarter for a new farm-in agreement at Sant Tolgoi²⁹.

Project Name	Tenement Name	Beneficial Ownership		Location
		Start of Quarter	End of Quarter	
Red Mountain	Red Mountain	100%	100%	Mongolia, Dornogobi province, Saikhandulaan soum
Kharmagtai	Kharmagtai	38.25% ³⁰	38.25%	Mongolia, Umnugobi province, Tsogttsetsii soum
Sant Tolgoi	Sant Tolgoi, Oyut	0%	0% ³¹	Mongolia, Zavkhan Province

COMPETENT PERSON STATEMENTS

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. Australasian Institute of Geoscientists and is a Member of the Australasian

²⁸ ASX/TSX Announcement 8 December 2023 – Kharmagtai Mineral Resource grows by 13% CuEq; including >25% increase in higher-grade core

²⁹ ASX/TSX Announcement 22 January 2024 – Xanadu Enters Into New Magmatic Copper and Nickel Sulphide Project

³⁰ 38.25% represents 50% of Khuiten Metals via the Khuiten JV with Zijin. Khuiten Metals controls Kharmagtai and holds 76.5% of the Kharmagtai mining lease.

³¹ Term sheet signed after the Quarter. Upon final long-form agreement signing, Xanadu will have the right to earn 51% interest in the project by spending US\$1,000,000 on exploration over a period of 24 months.

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 JORC Code, 2012 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.

RELATED PARTIES

As set out in section 6.1 of the attached Appendix 5B, *Mining exploration entity or oil and gas exploration entity quarterly cash flow report*, payments made to related parties and their associates was approx. \$252,000 in the December 2023 Quarter. The amounts relate to salary, superannuation and bonus payments to Directors; legal fees paid to HopgoodGanim Lawyers (a company associated with Xanadu Non-Executive Director Michele Muscillo) for legal services; rent paid to Xanadu Executive Director Ganbayar Lkhagvasuren in relation to Xanadu's Ulaanbaatar office; and rent fees paid to Colin Moorhead & Associates (a company associated with Xanadu's Executive Chairman and Managing Director, Colin Moorhead) in relation to a share of Xanadu's Melbourne office.

COPPER EQUIVALENT CALCULATIONS

The copper equivalent (**eCu, 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 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 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 web site www.xanadumines.com.

DESIGNATED FOREIGN ISSUER (TSX)

For TSX reporting purposes, the Company is a “designated foreign issuer”, as such term is defined in National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (“NI 71-102”). As such, the Company is exempt from certain reporting requirements imposed on reporting issuers in Canada. The Company is subject to the foreign regulatory requirements of ASX, which is a “foreign regulatory authority” (as defined in NI 71-102). Generally, the Company will comply with Canadian ongoing reporting requirements if it complies with the regulatory requirements of ASX and files any documents required to be filed with or furnished to ASX on SEDAR.

The Company continues to be listed on the TSX and to be a ‘reporting issuer’ in the Province of Ontario, Canada. The Company also continues to be a ‘designated foreign issuer’, as defined in National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers of the Canadian Securities Administrators. As such, the Company is not subject to the same ongoing reporting requirements as most other reporting issuers in Canada. Generally, the Company will be in compliance with Canadian ongoing reporting requirements if it complies with the Australia Securities & Investments Commission in its capacity as the competent authority and the applicable laws of Australia and files on its SEDAR profile at www.sedar.com any documents required to be filed or furnished pursuant to the Australian Rules.

The Company is listed on the Australian Securities Exchange and Toronto Stock Exchange. It is a “designated foreign issuer” as defined in National Instrument 71-102–Continuous Disclosure and Other Exemptions Relating to Foreign Issuers and is subject to the regulatory requirements of the Australian Securities & Investments Commission and the Australian Securities Exchange.

The Company has determined that as at the beginning of the financial year 1 January 2023, it is a “designated foreign issuer” as defined in National Instrument 71-102 – Continuous Disclosure and other Exemptions Relating to Foreign Issuers (“NI 71-102”) and subject to the foreign regulatory requirements of ASX, a market operated by the Australian Stock Exchange. Accordingly, the Company is able to rely on certain exemptions from the continuous disclosure obligations imposed under Canadian securities legislation as permitted under NI 71-102.

As a Foreign Issuer, the Company will not be providing further Quarterly Updates to the TSX until such time the foreign issue exemption no longer applies.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Xanadu Mines Ltd

ABN

92 114 249 026

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(518)	(2,346)
(e) administration and corporate costs	(893)	(4,056)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(8)	40
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
Operator overhead received from Joint Venture	1,032	3,003
1.9 Net cash from / (used in) operating activities	(387)	(3,439)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(61)	(68)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) exploration & evaluation	(156)	(306)
	(e) investments	0	(288)
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(217)	(662)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,116	11,412
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(131)-	(131)
3.7	Transaction costs related to loans and borrowings	-	(75)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,985	11,206

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,762	118
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(387)	(3,439)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(217)	(662)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,985	11,206
4.5	Effect of movement in exchange rates on cash held	175	95
4.6	Cash and cash equivalents at end of period	7,318	7,318

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,318	4,762
5.2	Call deposits	2,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,318	54,762

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	252
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(387)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(156)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(543)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,318
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,318
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	13.48
	<i>Note: if the entity has reported positive relevant outgoings (i.e., a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.