Allens
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000 Australia

GPO Box Z5313
Perth WA 6831 Australia

T +61 8 9488 3700
F +61 8 9488 3701
www.allens.com.au

ABN 47 702 595 758

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30 May 2025

The Manager
ASX Market Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Online Lodgement

Dear Sir / Madam

Takeover Offer by Bastion in relation to Xanadu Mines Limited (ASX:XAM) – Notice of Dispatch of Bidder's Statement

We act for Bastion Mining Pte. Ltd. (UEN 202512367N) (***Bastion***) in connection with Bastion's off-market takeover bid for all of the ordinary shares it does not already own in Xanadu Mines Limited (ACN 114 249 026) (ASX:XAM) (***Xanadu***).

We enclose a notice of dispatch of takeover offers pursuant to item 8 of section 633(1) of the *Corporations Act 2001* (Cth).

Yours sincerely

Bryn Hardcastle
Partner
Allens
Bryn.Hardcastle@allens.com.au
T +61 8 9488 3904

Chris Bailey
Senior Associate
Allens
Chris.Bailey@allens.com.au
T +61 8 8 9488 3830

Encl

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Corporations Act 2001 (Cth)

Section 633(1), Item 8

Notice of Dispatch

Bastion Mining Pte. Ltd. (UEN 202512367N) (***Bastion***) hereby gives notice in accordance with item 8 of section 633(1) of the *Corporations Act 2001* (Cth) (***Corporations Act***) that the bidder's statement dated 27 May 2025 (***Bidder's Statement***), which includes an offer dated 28 May 2025 to acquire all of the ordinary shares it does not already own in in Xanadu Mines Limited (ACN 114 249 026) (ASX: XAM) (***Xanadu***), has been sent to each person registered as a holder of ordinary shares in Xanadu as at 7:00pm (AEST) on 26 May 2025, being the date set by Bastion under section 633(2) of the Corporations Act (***Relevant Offerees***).

The offers have been made on the terms set out in the Bidder's Statement and, in accordance with section 110D of the Corporations Act, dispatch has occurred by the following means:

- Relevant Offerees who have provided Xanadu with an electronic address for the purposes of receiving electronic copies of shareholder communications, and have not elected to receive physical copies of shareholder communications, have been sent to their electronic address an email providing a link to an electronic copy of the Bidder's Statement (***Electronic Letter***); and
- Relevant Offerees who have not provided Xanadu with an electronic address for the purposes of receiving electronic copies of shareholder communications have been sent to their registered postal address a letter providing a link to an electronic copy of the Bidder's Statement (***Access Letter***).

A copy of the Electronic Letter and Access Letter sent to the applicable Relevant Offerees as required by section 633(1C) of the Corporations Act (as inserted by ASIC Corporations (Takeover Bids) Instrument 2023/683) are enclosed with this notice.

A copy of the Bidder's Statement is also enclosed with this notice.

Dated: 30 May 2025

Tan Ling Kwok, Philip

Director

Bastion Mining Pte. Ltd.

XANADU MINES

BASTION MINING
A member of BOROO group

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XAMTKO
S&S HOLDINGS PTY LTD
<SAMPLE A/C>
LEVEL 9 / SAMPLE APARTMENTS
87 SAMPLE ST
SAMPLE CITY NSW 2100

28 May 2025

Bidder's Statement and Target's Statement – Off-market takeover for Xanadu Mines Limited

We refer to the off-market bid by Bastion Mining Pte Ltd UEN 202512367N (**Bastion**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) to acquire all of the ordinary shares in Xanadu Mines Limited ACN 114 249 026 (ASX:XAM, TSX:XAM) (**Xanadu**) (the **Offer**).

Subject to the terms of the Offer, Xanadu shareholders will receive A$0.08 cash for each ordinary share in Xanadu held by Xanadu shareholders as at 7:00pm (AEST) on 26 May 2025.

The Offer will open on 28 May 2025 and is scheduled to close at 7:00pm (AEST) on 1 July 2025, unless extended or withdrawn.

BIDDER'S STATEMENT AND TARGET'S STATEMENT

In accordance with section 110D of the Corporations Act, the purpose of this communication is to provide instructions as to how you can access the bidder's statement lodged by Bastion (**Bidder's Statement**), and the target's statement lodged by Xanadu (**Target's Statement**), in each case, with the Australian Securities and Investments Commission on 27 May 2025, in connection with the Offer.

The Bidder's Statement is being provided to you pursuant to item 6 of section 633(1) of the Corporations Act and sets out details of the Offer, including its terms and the benefits you will receive from accepting the Offer.

The Target's Statement is being provided to you pursuant to item 12 of section 633(1) of the Corporations Act and contains an independent expert's report opining on the Offer.

We urge you to read all of the Bidder's Statement and Target's Statement carefully, and then to **ACCEPT** the Offer as soon as possible in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable.

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HOW TO ACCESS THE BIDDER'S STATEMENT AND TARGET'S STATEMENT	
Online	**Paper**
The Bidder's Statement can be accessed via www.xamoffer.com.au The Target's Statement can be accessed on Xanadu's website www.xanadumines.com	You may request a physical copy of the Bidder's Statement and a personalised Acceptance Form be posted to you by contacting the Bidder's share registry in respect of the Offer on 1300 116 263 (from within Australia) or +61 3 9415 4283 (from outside Australia). You may request a physical copy of the Target's Statement be posted to you by contacting the Target's share registry in respect of the Offer on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia)

To **ACCEPT** the Offer, you should follow the instructions set out in section 8.3 of the Bidder's Statement and on the accompanying Acceptance Form. You are also able to accept the Offer online at www.xamoffer.com.au by following the instructions.

If you have any queries in relation to the Offer, please contact either the:

- Bastion's Offer Information Line on 1300 116 263 (within Australia) or +61 3 9415 4283 (outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday; or
- Xanadu's Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia between 8.30am and 5.00pm (Sydney time), Monday to Friday

Yours sincerely



Tan Ling Kwok, Philip
Bastion Mining Pte Ltd



Colin Moorhead
Xanadu Mines Limited

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XANADU MINES

Bidder's Statement and Target's Statement – Off-market takeover for Xanadu Mines Limited

We refer to the off-market bid by Bastion Mining Pte Ltd UEN 202512367N (**Bastion**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) to acquire all of the ordinary shares in Xanadu Mines Limited ACN 114 249 026 (ASX:XAM, TSX:XAM) (**Xanadu**) (the **Offer**).

Subject to the terms of the Offer, Xanadu shareholders will receive A$0.08 cash for each ordinary share in Xanadu held by Xanadu shareholders as at 7:00pm (AEST) on 26 May 2025.

The Offer will open on 28 May 2025 and is scheduled to close at 7:00pm (AEST) on 1 July 2025, unless extended or withdrawn.

BIDDER'S STATEMENT AND TARGET'S STATEMENT

In accordance with section 110D of the Corporations Act, the purpose of this communication is to provide instructions as to how you can access the bidder's statement lodged by Bastion (**Bidder's Statement**), and the target's statement lodged by Xanadu (**Target's Statement**), in each case, with the Australian Securities and Investments Commission on 27 May 2025, in connection with the Offer.

The Bidder's Statement is being provided to you pursuant to item 6 of section 633(1) of the Corporations Act and sets out details of the Offer, including its terms and the benefits you will receive from accepting the Offer.

The Target's Statement is being provided to you pursuant to item 12 of section 633(1) of the Corporations Act and contains an independent expert's report opining on the Offer.

We urge you to read all of the Bidder's Statement and Target's Statement carefully, and then to **ACCEPT** the Offer as soon as possible in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable.

HOW TO ACCESS THE BIDDER'S STATEMENT AND TARGET'S STATEMENT

The Bidder's Statement can be accessed online via www.xamoffer.com.au or you may request a physical copy of the Bidder's Statement and a personalised Acceptance Form be posted to you by contacting the Bidder's share registry on 1300 116 263 (from within Australia) or +613 9415 4283 (from outside Australia).

The Target's Statement can be accessed on Xanadu's website www.xanadumines.com or you may request a physical copy of the Target's Statement be posted to you by contacting the Target's share registry on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia).

To **ACCEPT** the Offer, you should follow the instructions set out in section 8.3 of the Bidder's Statement and on the accompanying Acceptance Form. You are also able to accept the Offer online at www.xamoffer.com.au by following the instructions.

If you have any queries in relation to the Offer, please contact either the:

- Bastion's Offer Information Line on 1300 116 263 (within Australia) or +61 3 9415 4283 (outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday; or
- Xanadu's Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia between 8.30am and 5.00pm (Sydney time), Monday to Friday

Bastion Mining Pte Ltd
Xanadu Mines Limited

Please do not reply to this email as it is an unattended mailbox. If you have received this email in error, please notify us here

Capitalised terms used in this email have the same meaning as in the Bidder's Statement, unless otherwise defined.

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THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISER AS SOON AS POSSIBLE.

BIDDER'S STATEMENT

ACCEPT the cash Offer

by

Bastion Mining Pte Ltd (UEN 202512367N)

to acquire all of your shares in

Xanadu Mines Limited (ACN 114 249 026)

for

A$0.08 cash per Xanadu Share

All Independent Xanadu Directors unanimously recommend that Xanadu Shareholders **ACCEPT** the Offer in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable. The Independent Xanadu Directors have indicated that they will **ACCEPT** the Offer in respect of their own holdings of Xanadu Shares, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable.

Please call the Offer Information Line on 1300 116 263 (toll-free within Australia) or +61 3 9415 4283 (from outside Australia) if you require assistance.

Australian Legal Adviser	Canadian Legal Adviser	Financial Advisers
Allens	Stikeman Elliott	CIBC, CORMARK SECURITIES INC.

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Additional Information

Important information

This Bidder's Statement is given by Bastion Mining Pte Ltd (UEN 202512367N) (the ***Bidder***), a private company incorporated in Singapore, to Xanadu Mines Ltd (ACN 114 249 026) (***Xanadu***) under Part 6.5 of the Corporations Act and relates to the Offer.

This Bidder's Statement is dated 27 May 2025 and includes an Offer dated 28 May 2025 in section 8.

A copy of this Bidder's Statement was lodged with ASIC on 27 May 2025. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

You should read this Bidder's Statement in its entirety.

Investment advice

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer.

You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

Forward-looking statements

This Bidder's Statement may contain forward-looking statements, which include statements other than statements of historical fact. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of the Bidder. Actual results, value, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

Neither the Bidder, any of its directors, officers or advisers, or any other person named in this Bidder's Statement with their consent or involved in preparation of this Bidder's Statement, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Bidder's Statement will actually occur. You are cautioned not to place undue reliance on any forward-looking statements.

The forward-looking statements in this Bidder's Statement only reflect views held as at the date of this Bidder's Statement.

Notice to Canadian Shareholders

The distribution of this Bidder's Statement and associated materials is, in Canada, being made to both registered and non-registered owners of Xanadu Shares. If you are a non-registered owner and the Bidder (or its agent) has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

This Bidder's Statement, and the Offer contained in it, have been prepared in accordance with securities laws, stock exchange rules and other legal requirements of jurisdictions other than Canada or any province or territory of Canada. The making of this Offer in Canada, or to a resident of Canada, is exempt from the requirements of applicable Canadian provincial and territorial securities laws. Accordingly, both the terms and conditions of the Offer and the disclosures and other information contained in this Bidder's Statement may not be comparable to the terms and conditions, disclosures and other information that would be contained in Canadian takeover material prepared in accordance with applicable Canadian provincial and territorial securities laws. Xanadu Shareholders in Canada should consult their professional legal advisors regarding the Bidder's Statement and the Offer contained in it (including the tax implications of accepting such Offer).

Foreign jurisdictions

The distribution of this Bidder's Statement and the making of the Offer may be restricted by the laws of jurisdictions outside of Australia, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. The Offer is not being made, directly or indirectly, in or into, and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. The actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from those set out in this Bidder's Statement. Any discrepancies between totals in tables or financial statements or in calculations graphs or charts are due to rounding.

Estimates and assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by the Bidder. Estimates reflect, and are based on, views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

Privacy

The Bidder and its Related Entities have collected your information from the register of members of Xanadu for the purposes of making the Offer and, if accepted, administering acceptances over your shareholding in Xanadu. The Corporations Act requires the name and address of shareholders to be held in a public register. The Bidder and its share registry may disclose your personal information to their related bodies corporate (and, in the case of the Bidder, its Related Entities) and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by the Bidder, please contact the Bidder at the address set out in the Corporate Directory.

Currencies and time

In this Bidder's Statement, references to "Australian dollars", "AUD", "$", "A$" or "cents" are to the lawful currency of Australia, references to "US$" in this Bidder's Statement are to the lawful currency in the United States of America, and references to "CAD" in this Bidder's Statement are to the lawful currency of Canada.

All references to time in this Bidder's Statement are references to Sydney, Australia time.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 9 along with certain rules of interpretation which apply to this Bidder's Statement.

Enquiries and Offer Information Line

If you have any questions in relation to the Offer, please call the Offer Information Line on the following numbers:

Within Australia: 1300 116 263 (toll-free)
Outside Australia: +61 3 9415 4283

Please note that all calls to these numbers may be recorded.

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Important Dates

Announcement Date	19 May 2025
Bidder's Statement lodged with ASIC	27 May 2025
Opening date of the Offer	28 May 2025
Closing date of the Offer (unless extended or withdrawn)	7.00pm (Sydney time) on 1 July 2025

Note: The closing date for the Offer may change as permitted by the Corporations Act.

How to accept the Offer

If your Xanadu Shares are quoted on the ASX in an Issuer Sponsored Holding (your SRN begins with an "I"):	Return a completed and signed Acceptance Form to the address indicated on the form so that it is received before the end of the Offer Period or you may accept the Offer online at www.xamoffer.com.au.
If your Xanadu Shares are quoted on the ASX and are held in a CHESS Holding (your HIN begins with an "X"):	You may accept the Offer by either: • instructing your controlling participant (usually, your broker or the bank, custodian or other nominee) to initiate an acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted by the end of the Offer Period; or • returning a completed and signed Acceptance Form to the address indicated on the form so that it is received before the end of the Offer Period; or • using the online acceptance facility at www.xamoffer.com.au.
If your Xanadu Shares are quoted on the TSX:	• If your Xanadu Shares are held on the Canadian branch register of Xanadu through CDS, accept the Offer through a book entry transfer using the CDS online tendering system; or • if your Xanadu Shares are held on the Canadian branch register directly, accept the Offer by delivery of a duly completed Letter of Transmittal to the Depositary Agent at its office in Toronto, in each case, prior to the end of the Offer Period.

Further information on how to accept the Offer is set out in section 8.2 of this Bidder's Statement.

If you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser as soon as possible.

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Why you should ACCEPT the Offer

1	**The Offer Consideration represents significant premiums to historic market prices for Xanadu Shares.**
2	**The Offer values Xanadu at A$160 million, which implies that you will receive substantial value for your interest in the Khuiten JV, at the high end of the recent valuation prepared by BDO.**
3	**The Independent Xanadu Directors unanimously recommend the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable.**
4	**CAAF, Xanadu's largest independent shareholder, holding approximately 9.89%[1] of Xanadu Shares on issue following completion of the Concurrent Financing, intends to accept the Offer with respect to 100% of its holding, subject to the Bid Implementation Agreement not being terminated, in the absence of a superior proposal (as determined in their sole and absolute discretion) and subject to the Independent Expert concluding that the Offer is fair and reasonable (and not changing or withdrawing that opinion).**
5	**If you accept the Offer and the Offer becomes unconditional, you will have certainty of cash consideration for your Xanadu Shares.**
6	**The Offer removes your exposure to the risks associated with being an investor in a company which is a non-operating, minority joint venture partner in the Khuiten JV, in the event the 25% Put Option is exercised.**
7	**The Offer removes your exposure to the risks associated with a development project, including timing, financing, dilution, and other general market risks.**
9	**The Offer is subject to limited conditionality.**
10	**Accepting the Offer removes possible minority shareholder risks of remaining a Xanadu Shareholder.**
11	**You will incur no stamp duty or brokerage fees in accepting the Offer.**

ACCEPT THE OFFER

For more information on the reasons why you should accept the Offer, please refer to section titled 'WHY YOU SHOULD ACCEPT THE OFFER' on page 13 of this Bidder's Statement. For information on how to accept the Offer, please refer to section 8.2 of this Bidder's Statement.

[1] Refer to note (2) in the table set out in section 2.7 for details on the estimation of CAAF's Voting Power as at the Latest Practicable Date.

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Letter from the Bidder

27 May 2025

Dear Xanadu Shareholder

Recommended offer to acquire 100% of Xanadu for total consideration of $0.08 cash per Xanadu Share

Bastion Mining Pte Ltd (the ***Bidder***) is pleased to enclose an Offer to acquire all of your Xanadu Shares at a price of $0.08 cash per Xanadu Share (the ***Offer Consideration***), subject to the satisfaction or waiver of the Offer Conditions.

As the Offer Consideration is 100% cash and at a significant premium to historic market prices for Xanadu Shares, the Bidder believes accepting the Offer provides Xanadu Shareholders with an attractive cash value from their Xanadu Shares eliminating the long-term risks associated with the development of the Kharmagtai Project.

Unanimous approval of all Independent Xanadu Directors

The Xanadu Board has formed an independent committee to consider the Offer, comprised of all Xanadu Directors except for Mr Shaoyang Shen (a Non-Executive Director and Zijin nominee) and Mr Ganbayar Lkhagvasuren (Executive Director & Country Manager, and a 25% shareholder of the Bidder).

All Independent Xanadu Directors have unanimously recommended that you accept the Offer in the absence of a Superior Proposal, and intend to accept the Bidder's Offer in respect of all the Xanadu Shares they own or control, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable.

In addition, CAAF Ltd, Xanadu's largest independent shareholder, holding 226,665,378 Xanadu Shares, representing approximately 9.89%[2] of Xanadu Shares, has provided Xanadu with an intention statement confirming that CAAF intends to accept the Offer in respect of 100% of its holding, subject to the BIA not being terminated, in the absence of a superior proposal (as determined in their sole and absolute discretion) and subject to the Independent Expert concluding that the Offer is fair and reasonable (and not changing or withdrawing that opinion).

Offer Consideration

The Offer Consideration of $0.08 per Xanadu Share in cash delivers a significant premium to Xanadu's historic market prices:

- 57% to Xanadu's last closing price on the ASX of $0.051 per share on 16 May 2025 (being the last trading day prior to the Announcement Date);
- 62% to Xanadu's 10-day WVAP of $0.049 per Xanadu Share up to and including 16 May 2025;
- 46% to Xanadu's 30-day VWAP of $0.055 per Xanadu Share up to and including 16 May 2025; and
- 52% to Xanadu's 90-day VWAP of $0.053 per Xanadu Share up to and including 16 May 2025.

Offer Conditions

The Offer is subject to the satisfaction or waiver of certain conditions, including (among others):

- a 50.1% minimum acceptance condition;
- Xanadu not exercising its Put Options to sell all or part of its interest in the Kharmagtai Project;
- there being no Material Adverse Change to Xanadu;

[2] Refer to note (2) in the table set out in section 2.7 for details on the estimation of CAAF's Voting Power as at the Latest Practicable Date.

- there being no Prescribed Occurrences;
- there being no legal restraint or prohibition preventing or materially restricting the Offer, excluding any action taken by the Government of Mongolia to designate the Kharmagtai Project as a 'Strategic Deposit'; and
- the representations and warranties provided by Xanadu in the BIA remaining correct.

The full terms and conditions of the Offer are set out in section 8 of this Bidder's Statement.

Key reasons to accept

The key attractions of the Offer are summarised below:

- The Offer Consideration represents significant premiums to historic market prices for Xanadu Shares;
- The Offer values Xanadu at A$160 million[3], at the high end of the recent valuation prepared by BDO[4]
- The Offer provides you with the certainty of cash for your Xanadu Shares;
- Accepting the Offer removes the risks to the value of your investment in Xanadu associated with being a non-operating, minority joint venture partner (assuming the 25% Put Option is exercised); and
- The Offer removes your exposure to the risks associated with a development project, including timing, financing, dilution and other general market risks.

Information on the Bidder

The Bidder is a private, Singaporean incorporated entity controlled by Boroo Pte Ltd (***Boroo***), who owns 75% of the Bidder. Xanadu Director, Mr Ganbayar Lkhagvasuren is not a director of the Bidder, but has a 25% non-controlling economic interest in the Bidder.

Boroo, also a private, Singapore incorporated entity, invests in major gold projects internationally. Boroo's flagship asset is the producing Lagunas Norte Gold Mine in Peru, which Boroo purchased from Barrick Gold in 2021. Through its control stake in Steppe Gold Ltd., Boroo has interests in the Boroo, Ulaanbulag and Altan Tsagaan Ovoo gold mines in Mongolia. As a responsible emerging mining company, Boroo is focused on becoming a global mid-tier metals producer.

Please refer to section 1 for more information on the Bidder.

Next Steps

We encourage you to read this Bidder's Statement in full for further details about the Offer.

The Offer is open for your acceptance until 7.00 pm (Sydney time) on 1 July 2025, unless extended. If you wish to accept the Offer, please follow the instructions in the Bidder's Statement and the enclosed Acceptance Form.

If you have any questions about the Offer, please call the Offer Information Line on 1300 116 263 (toll-free within Australia) or +61 3 9415 4283 (from outside Australia) or contact your legal, financial or other professional adviser.



Yours sincerely,

Tan Ling Kwok, Philip
Director, Bastion Mining Pte. Ltd.

[3] Equity value of the Offer excludes Xanadu Shares issued to the Bidder pursuant to the Concurrent Financing further described in section7.2.

[4] A copy of the independent expert report prepared by BDO and containing a valuation of Xanadu's interest in the Khuiten JV is contained in Schedule 2 of Xanadu's notice of extraordinary general meeting released on the ASX Market Announcements Platform on 5 May 2025.

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Summary of the Offer and Other Important Information

The following is a summary only of the Offer and certain other important information and is qualified by the detailed information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your Xanadu Shares.

The terms of the Offer are contained in section 8.

Question	Answer
What is the Offer?	The Bidder is offering to acquire all or any of your Xanadu Shares, on the terms and conditions set out in section 8. The Offer opens on 28 May 2025.
Who is making the Offer?	The Offer is being made by the Bidder. The Bidder is a private, Singaporean incorporated entity controlled by Boroo, who owns 75% of the Bidder. Xanadu Director, Mr Ganbayar Lkhagvasuren is not a director of the Bidder, but has a 25% non-controlling economic interest in the Bidder. For further information about the Bidder, please refer to section 1.
What is the Offer price?	The Bidder is offering to acquire all of your Xanadu Shares for $0.08 cash per Xanadu Share, on the terms and conditions set out in section 8.
What are my choices?	As a Xanadu Shareholder, you have the following choices in relation to your Xanadu Shares in respect of the Offer: • accept the Offer; • sell your Xanadu Shares on the ASX or TSX (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance); or • do nothing.
What do the Xanadu Directors recommend?	The Xanadu Independent Directors have unanimously recommended that Xanadu Shareholders ACCEPT the Offer in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable. Subject to the same qualification, each Independent Xanadu Director who has a Relevant Interest in Xanadu Shares (which amounts to approximately 2.78% of Xanadu Shares in aggregate) has advised the Xanadu Board that they intend to ACCEPT the Offer in respect of those Xanadu Shares. Refer to section 2.5 for the interests of the Xanadu Directors in Xanadu.
How do I accept the Offer?	See section 8.2 of this Bidder's Statement, as well as the instructions on the enclosed Acceptance Form.
If I accept the Offer, when will I be paid?	If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form, the Bidder will use its best endeavours to send you payment by the later of: • 10 Business Days after the Offer becomes unconditional; or • 10 Business Days after the date you accept the Offer,

	but in any case, no later than 21 calendar days after the end of the Offer Period. See section 8.8 of this Bidder's Statement for further details regarding payment of the Offer Consideration.
Can I withdraw my acceptance?	Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you accept the Offer, the Bidder varies the Offer in a way that postpones for more than one month the time when the Bidder has to pay you under the Offer.
Why is the Offer being made?	The Bidder is seeking to acquire 100% of Xanadu and, at a minimum, no less than a 50.1% interest in Xanadu. As a result, the Bidder is making a takeover offer to all Xanadu Shareholders.
How is the Bidder funding the Offer?	The Bidder has funds on hand which exceed the aggregate Offer Amount plus the costs associated with the Offer. The Bidder's funding has been provided by the Bidder's shareholders, Boroo and Mr Ganbayar Lkhagvasuren, who have sourced their funding from a combination of existing cash reserves and loan finance. See section 4 of this Bidder's Statement for further details regarding funding of the Offer.
When does the Offer close?	The Offer is scheduled to close at 7.00pm (Sydney time) on 1 July 2025. You should note that the Offer Period can be extended as permitted by the Corporations Act.
What are the conditions of the Offer?	The Offer is subject to the Conditions which are set out in full in section 8. In summary, those Conditions include requirements that: • the Bidder (together with its Associates) acquire the minimum Relevant Interest of 50.1% in Xanadu Shares before the end of the Offer Period; • Xanadu does not exercise its option to sell all or part of its interest in the Kharmagtai partnership to Zijin; • there being no Material Adverse Change to Xanadu during the Offer Period; • there being no Prescribed Occurrences during the Offer Period; • there being no restraints imposed by a Governmental Agency during the Offer Period; and • none of the warranties provided by Xanadu become incorrect or untrue before the end of the Offer Period. If the Conditions are not satisfied or waived by the end of the Offer Period, then the Offer will lapse and your acceptance will be void. You will continue to hold your Xanadu Shares and be free to deal with them as if the Offer had not been made.

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	Under the terms of the Bid Implementation Agreement, the Bidder has undertaken to declare the Offer free of all Conditions within 2 Business Days of the Bidder (together with its Associates) achieving a Relevant Interest of 50.1% in Xanadu Shares.
What happens if the Offer Conditions are not satisfied or waived?	If the Offer Conditions are not satisfied or waived before the end of the Offer Period, the Offer will lapse and any acceptances into the Offer will be void. In those circumstances, Xanadu Shareholders who have accepted the Offer will not receive the Offer Consideration and will continue to hold their Xanadu Shares and be free to deal with them as if the Offer had not been made. Under the terms of the Bid Implementation Agreement, the Bidder has undertaken to declare the Offer free of all Conditions within 2 Business Days of the Bidder (together with its Associates) achieving a Relevant Interest of 50.1% in Xanadu Shares. Subject to this Bidder's Statement and the Corporations Act, the Bidder may declare the Offer to be free from any Offer Condition.
What interest does the Bidder have in Xanadu?	As at the Last Practicable Date, the Bidder had a Relevant Interest in the 286,829,633 Xanadu Shares and Voting Power in Xanadu of 12.52%. Boroo, as the parent company of the Bidder, also had a Relevant Interest in the 286,829,633 Xanadu Shares held by the Bidder (being a controlled body corporate of Boroo pursuant to section 608(3) of the Corporations Act) and Voting Power in Xanadu of 14.45% pursuant to section 610(1) of the Corporations Act, (which includes an additional 44,228,329 Xanadu Shares in which Mr Ganbayar Lkhagvasuren has a Relevant Interest in, as an Associate of Boroo for the purposes of section 12 of the Corporations Act) as at the Last Practicable Date. See section 2.7 and section 2.8 of this Bidder's Statement for further details regarding the Bidder's Relevant Interest and Voting Power in Xanadu as at the Last Practicable Date.
What are the tax implications of acceptance?	You should consult your financial, tax or other professional adviser on the tax implications of acceptance. However, sections 5 and 6 contain general summaries of the major likely Australian and Canadian tax consequences (respectively) for Xanadu Shareholders who accept the Offer.
Do I pay brokerage or stamp duty if I accept?	You will not pay stamp duty on the disposal of your Xanadu Shares if you accept the Offer. If your Xanadu Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer. If your Xanadu Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Xanadu Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.

	If your Xanadu Shares are held on the Canadia Branch Register of Xanadu through CDS, you should ask your financial institution or broker who is a CDS participant whether it will charge any transaction fees or service charges connected with accepting the Offer.
What happens if I do not accept?	You will remain a Xanadu Shareholder and will not receive the Offer Consideration offered by the Bidder. ***What happens if the Bidder (together with its Associates) become the holders of 90% or more of Xanadu Shares?*** If the Bidder were to acquire an interest in 90% or more of the Xanadu Shares, it is intended that the Bidder would proceed with compulsory acquisition of the outstanding Xanadu Shares in accordance with the Corporations Act. If your Xanadu Shares are acquired compulsorily by the Bidder, it will be on the same terms as the Offer. ***What happens if the Bidder (together with its Associates) become the holders of greater than 50% but less than 90% of Xanadu Shares?*** If the Bidder (together with its Associates) acquires a Relevant Interest in at least 50.1% but less than 90% of the Xanadu Shares, the Bidder will acquire a majority shareholding in Xanadu but will not be able to compulsorily acquire the Xanadu Shares which have not been accepted into the Offer. In these circumstances (and upon the Offer becoming unconditional), the Bidder will nominate persons to be appointed to the Xanadu Board such that a majority of the directors of Xanadu are directors nominated by the Bidder. The Bidder also intends to implement the other intentions set out in section 3.3 to the extent possible and consistent with Xanadu being a controlled entity of the Bidder, but not a wholly-owned Subsidiary. If you remain a Xanadu Shareholder in these circumstances you may be a minority shareholder in what may be a less liquid stock. If the Bidder is of the view that the benefits of a listing on the ASX and/or TSX do not justify the additional corporate and compliance costs of maintaining these listings, the Bidder may make an application, or seek to cause Xanadu to make an application, to remove Xanadu from the official list of the ASX and/ or, if permissible, TSX.
Can I accept for part of my Xanadu Shares?	No, you may only accept this Offer for all of your Xanadu Shares.
What if I require further information?	If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on 1300 116 263 (toll-free within Australia) or +61 3 9415 4283 (from outside Australia). Please note that calls to these numbers may be recorded.

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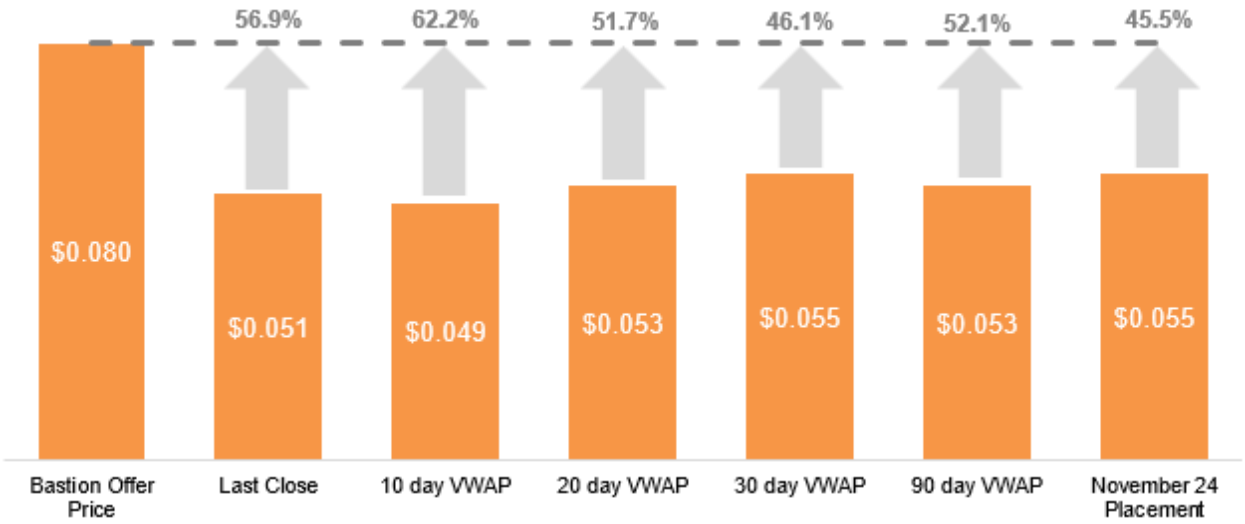
WHY YOU SHOULD ACCEPT THE OFFER

The Bidder is offering to acquire up to 100% of Xanadu Shares for $0.08 cash per Xanadu Share.

The Bidder considers that the Offer provides benefits to Xanadu Shareholders. Reasons for accepting the Offer are set out below:

1. **The Offer Consideration represents significant premiums to historic market prices for Xanadu Shares**

   - The all-cash consideration provides a compelling opportunity for Xanadu Shareholders to realise value for their Xanadu Shares.
   - The Offer Consideration of **$0.08** per Xanadu Share represents the highest offer currently capable of being accepted.
   - The Offer Consideration represents significant premiums to the last traded price and VWAPs of Xanadu Shares prior to the Announcement Date, as well as the price at which Xanadu completed an equity placement in November 2024, as illustrated below:



   - The closing price of Xanadu Shares on the ASX for the last 12 months prior to the Announcement Date compared to the Offer Consideration is shown below:



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2. **The Offer values Xanadu at A$160 million which implies that you will receive substantial value for your interest in the Khuiten JV, at the high end of the range disclosed in the recent valuation prepared by BDO[5].**

   - The equity value of the Offer is US$99.4 million[6] (A$160.3 million).
   - BDO concluded that the value of Xanadu's interest in the Khuiten JV is US$59.3 to US$108.0 million before giving effect to the 25% Put Option and US$79.1 to US$105.9 million after giving effect to the 25% Put Option.
   - BDO concluded that Xanadu's other exploration projects are valued at US$1.5 to US$6.1 million, which is offset by capitalised overhead adjustments of US$(5.3) million to US$(21.3) million.

3. **Offer is unanimously recommended by the Independent Xanadu Directors.**

   - The Independent Xanadu Directors have unanimously recommended that you accept the Offer in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable.
   - Further, the Independent Xanadu Directors intend to accept the Offer in respect of all the Xanadu Shares they own or control, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable.

4. **Xanadu's largest independent shareholder intends to Accept the Offer**

   - Xanadu's largest independent shareholder, CAAF Ltd, holding 226,665,378 Xanadu Shares, representing approximately 9.89%[7] of the total issued Xanadu Shares, has provided Xanadu with an intention statement confirming that CAAF intends to accept the Bidder's Offer in respect of 100% of its holding, subject to the BIA not being terminated, in the absence of a superior proposal (as determined in their sole and absolute discretion) and subject to the Independent Expert concluding that the Offer is fair and reasonable (and not changing or withdrawing that opinion).

5. **The Offer provides Xanadu Shareholders with the certainty of cash consideration**

   - The consideration offered to Xanadu Shareholders is 100% cash. The Offer provides an opportunity for Xanadu Shareholders to realise their investment for certain value.
   - If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form, you will be sent payment by the later of:
     - 10 Business Days after the date the Offer becomes unconditional; and
     - 10 Business Days after the date that you accept the Offer,

     but in any case, not later than 21 calendar days after the end of the Offer Period.

[5] A copy of the independent expert report prepared by BDO and containing a valuation of Xanadu's interest in the Khuiten JV is contained in Schedule 2 of Xanadu's notice of extraordinary general meeting released on the ASX Market Announcements Platform on 5 May 2025.

[6] Equity value of the Offer excludes the Xanadu Shares issued to the Bidder pursuant to the Concurrent Financing (refer to section7.2 for further information) and assumes a US$:A$ exchange rate of 0.62.

[7] Refer to note (2) in the table set out in section 2.7 for details on the estimation of CAAF's Voting Power as at the Latest Practicable Date.

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6. **The Offer removes your exposure to the risks associated with being a non-operating, minority joint venture partner.**

- The Offer provides Xanadu Shareholders with the opportunity to realise certain cash value and avoid ongoing exposure, through investment in Xanadu, to risks associated with Xanadu being a non-operating, minority joint venture partner (assuming the 25% Put Option is exercised), including:
  - Zijin, as operator of the Kharmagtai Project, may delay the project, impacting value;
  - there is no certainty that the full project value of the Kharmagtai Project can be delivered, reducing the value of Xanadu's interest in the Kharmagtai Project;
  - All debt, offtake and royalty funding proposals received by Xanadu to date require collateral commitments from Zijin, which have not been, and Xanadu has stated it believes there is a material risk that they will not be, forthcoming; and
  - Xanadu and Zijin may not agree on the timing, scale, approach to funding and other project parameters and progress on Kharmagtai Project may be delayed, or Xanadu's interest in the project may be diluted.

7. **The Offer removes your exposure to risks associated with a development project, including timing, financing, dilution and other general market risks.**

- The Offer provides Xanadu Shareholders with the opportunity to realise cash value and avoid external and company-specific risks that Xanadu may be subject to, which may adversely affect the future trading price of the Xanadu Shares, such as:
  - Risks associated with financing and developing Xanadu's interest in the Kharmagtai Project, including:
    - expense and potential dilution of financing Xanadu's 50% share of the US$50-60 million required for completion of the Bankable Feasibility Study, Mongolian Feasibility Study and approval processes during 2025 and 2026;
    - expense and potential dilution of financing, if such financing is available, Xanadu's 50% share of the US$850-900 million estimated pre-production capital expenditure required to construct and commission the Kharmagtai Project;
    - delay to development of the Kharmagtai Project, or dilution of Xanadu's interest in the project, in the event funding cannot be secured for Xanadu's commitments to the Khuiten JV;
    - managing financing risks in the context of shared decision making within the Khuiten JV; and
    - managing the uncertainty regarding Zijin's intentions and timelines with respect to the Kharmagtai Project;
  - Risks associated with advancing and developing Xanadu's other projects within its portfolio;
  - regulatory risks;
  - competitive threats; and / or
  - global macroeconomic conditions.

- If you accept the Offer and the Offer becomes unconditional, you will no longer be exposed to the risks and uncertainties inherent in owning Xanadu Shares. By contrast, if you do not accept the Offer, the amount which you will be able to realise for your Xanadu Shares is uncertain.

8. The Offer is subject to limited conditionality

- The Offer is subject to a limited number of standard conditions, including:
  - the Bidder (together with its Associates) acquiring a Relevant Interest of at least 50.1% in Xanadu;
  - Xanadu not exercising either of the Put Options;
  - there being no Material Adverse Change;
  - there being no Prescribed Occurrences
  - there being no restraints imposed by a Governmental Agency; and
  - the warranties provided by Xanadu do not become incorrect or untrue.

9. Accepting the Offer removes risks of remaining as a minority Xanadu Shareholder

- If you do not accept the Offer and the Bidder and its Associates acquiring greater than 50% of the Xanadu Shares, but less than 90% of the Xanadu Shares, you will be a minority shareholder in Xanadu.
- Being a minority Xanadu Shareholder may have the following potential implications:
  - the price at which Xanadu Shares are traded on the ASX and/or TSX may fall and trade at a material discount to the Offer Consideration;
  - the market for Xanadu Shares may become less liquid;
  - Xanadu's distribution policy, capital structure and board configuration may change; and / or
  - Xanadu may be delisted from the official list of the ASX and/or TSX.
- If the Bidder becomes entitled to compulsorily acquire your securities in accordance with the Corporations Act, they intend to exercise those rights. If your Xanadu Shares are compulsorily acquired, you will still receive the Offer Consideration per Xanadu Share, but at a later time than you would have received it if you had accepted the Offer, which would have been paid by the later of:
  - 10 Business Days after the date the Offer becomes unconditional; and
  - 10 Business Days after the date that you accept the Offer,

  but in any case, not later than 21 calendar days after the end of the Offer Period.

10. No stamp duty or brokerage fees in accepting the Offer

- You will not be obliged to pay stamp duty if you accept the Offer.
- If your Xanadu Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer.
- If your Xanadu Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Xanadu Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee

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whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.

- If your Xanadu Shares are held on the Canadia Branch Register of Xanadu through CDS, you should ask your financial institution or broker who is a CDS participant whether it will charge any transaction fees or service charges connected with accepting the Offer.

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1 Profile of the Bidder

1.1 Overview of the Bidder

The Bidder is a private, Singaporean incorporated subsidiary of Boroo, who owns 75% of the Bidder's issued share capital. The remaining 25% of the Bidder's issued share capital is owned by Mr Ganbayar Lkhagvasuren.

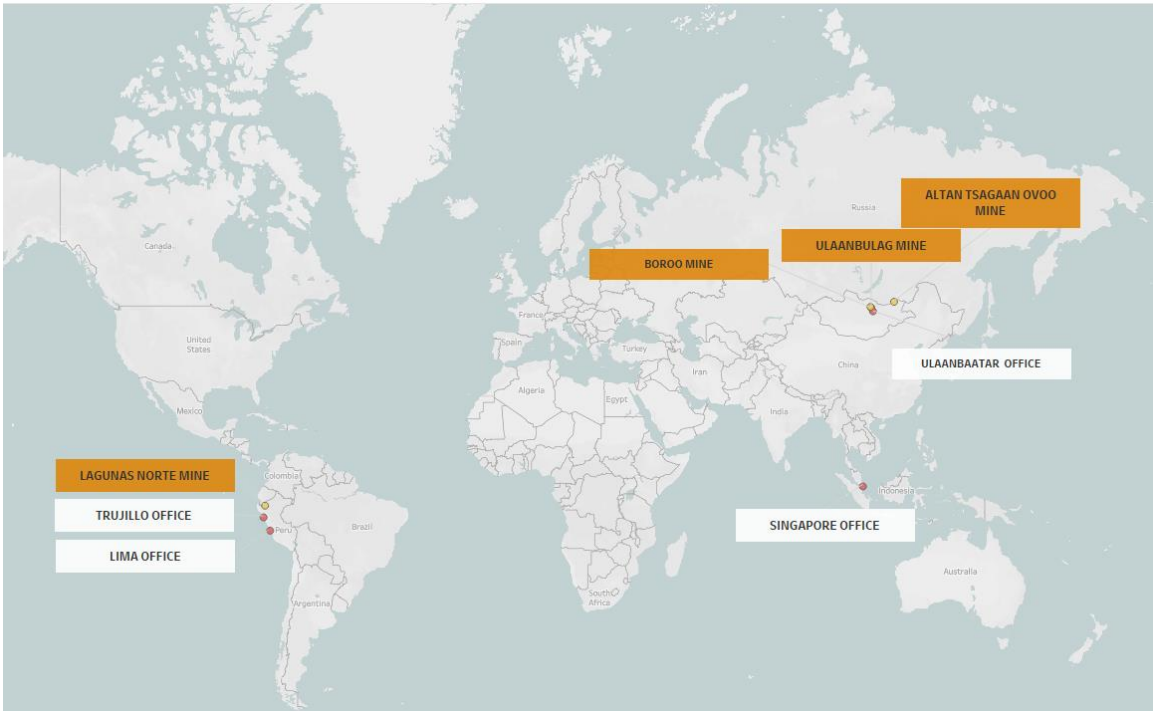
Bidder is not currently involved in any business other than making the Offer and to invest in the Xanadu Shares. As at the date of this Bidder's Statement, the sole director of the Bidder is Mr Tan Ling Kwok, Philip, who is also the CFO of Boroo.

1.2 Overview of Boroo

Boroo is a private company incorporated in Singapore on 15 August 2018. Boroo's principal activities comprises the acquisition, development and operation of major gold and copper projects.

Boroo is owned 70% by Mr Tulga Erdenebileg via Mr Erdenebileg's two wholly-owned subsidiaries, TBD Capital Singapore Pte Ltd (a private Singaporean company) and Eminent Stride Limited (a company limited by shares incorporated in the British Virgin Islands), 20% by ABC Trading Pte. Ltd. (a private Singaporean company) and 10% by Mr Dulguun Erdenbaatar (who is also the sole director of Boroo).

Boroo acquired its first production asset, the Boroo Gold Mine in Mongolia, in October 2018, followed by its flagship asset, the producing Lagunas Norte Gold Mine in Peru, from Barrick Gold in 2021. After acquiring a controlling stake in TSX-listed Steppe Gold Ltd (TSX:STGO) in 2024, Boroo's portfolio of projects also includes indirect interests in the Ulaanbulag and Altan Tsagaan Ovoo gold mines in Mongolia.



Boroo's Mongolian capabilities include an over 65,000 tons per day mining fleet, 5,500 tons per day mill and carbon-in-leach circuit gold processing plant, 3,000,000 tons per annum heap leach and carbon-in-columns plant and an approximate workforce of over 580 people.

As at the date of this Bidder's Statement, the sole director of Boroo is Mr Erdenebaatar (President & CEO). Mr Erdenebaatar was appointed Chief Executive Officer of Boroo in October 2018,

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following completion of the acquisition of Centerra Gold Inc's (TSE: CG) Mongolian business units, Boroo Gold LLC and Centerra Gold Mongolia LLC. Mr Erdenebaatar led the negotiation with Centerra Gold Inc. and most recently with Barrick Gold Corporation for Boroo's purchase of the Lagunas Norte property located in Peru.

Mr Erdenebaatar has specialized in mining sector mergers and acquisitions and the mining and commodity financial consultancy businesses.

Mr Erdenebaatar holds an M.Sc. in Mega Project Management from Saïd Business School, Oxford University, in the UK.

Boroo's advisory board includes:

(a) Nelson Pizarro

Mr Pizarro is a mining professional with more than 50 years' experience in the industry in a broad range of areas, including project administration, management, design and planning, and corporate governance and oversight.

Previously, Mr Pizarro held several senior positions, including CEO of Codelco, Executive Vice President and General Manager of Minera Lumina Copper Chile - a subsidiary of Pan Pacific Copper, Antofagasta Minerals, Los Bronces mine, Cemento Melón and Lota Schwager.

During his career in the industry Mr Pizarro has been extensively involved in developing and managing highly complex megaprojects.

Mr Pizarro holds a B.S in Civil Engineering in Mines from University of Chile.

(b) James Palmer

Mr Palmer is a Partner at the international law firm, Omnia Strategy, where he heads the disputes practice and pursues Omnia's unique law approach focusing on elegant solutions to complex problems.

Mr Palmer has a wealth of experience in the field of international investment treaty law, commercial arbitration, public international law, litigation and mediation.

Mr Palmer has particular expertise in dispute resolution through negotiated diplomatic and political approaches, delivering positive results for clients across a diverse range of sectors including extractives.

As at the date of this Bidder's Statement, the key management personnel of Boroo are:

(c) Dulguun Erdenebaatar - President & Chief Executive Officer;

(d) Tan Ling Kwok, Philip - Chief Financial Officer;

(e) Altan-Ochir Erdenechuluun - Executive Vice President, Business Development;

(f) Bilegtuvshin Dorj - Senior Vice President, Exploration and Growth; and

(g) Jaime Zúñiga Ide - General Manager - Lagunas Norte Mine.

Further information about Boroo is available on its website: https://boroomc.com.sg.

1.3 Overview of Mr Ganbayar Lkhagvasuren

Mr Lkhagvasuren is a co-founder of Xanadu and has been a Xanadu Director since 2006.

As at the date of this Bidder's Statement, Mr Lkhagvasuren holds the role of Executive Director and Country Manager for Xanadu, managing day-to-day operations in Mongolia.

Mr Lkhagvasuren currently holds 44,228,329 Xanadu Shares, representing 1.93% of the total number of Xanadu Shares on issue. As shown in section 2.2 below, Mr Lkhagvasuren also has a

15% interest in Mongol Metals LLC, which has a 90% interest in Oyut Ulan LLC, the legal owner of the Kharmagtai Project. The remaining 75% interest in Mongol Metals LLC is held by Khuiten Metals, which in turn is held 50%-50% in an incorporated joint venture between Xanadu and Zijin's subsidiary, Jinping.

As a shareholder of the Bidder, Mr Lkhagvasuren is not an Independent Xanadu Director.

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2 Profile of Xanadu Group

2.1 Disclaimer

The information in this section 2 (other than section 2.8) concerning the Xanadu Group has been prepared based on a review of publicly available information (which has not been independently verified). The Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Xanadu Group in this Bidder's Statement should not be considered comprehensive.

Further information relating to the Xanadu Group's businesses or Xanadu securities may be included in Xanadu's target's statement in relation to the Offer, which will be sent to you directly by Xanadu.

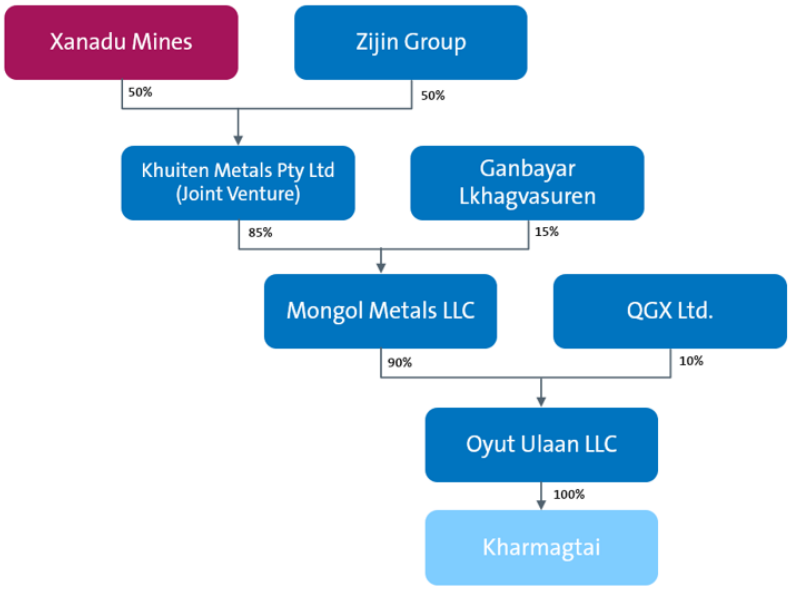
2.2 Overview of Xanadu and its principal activities

Xanadu is an Australian public company listed on the ASX and TSX. It was incorporated on 12 May 2005, and its head office is in Sydney, New South Wales.

Xanadu maintains a portfolio of exploration projects including a 38.25% indirect interest in the Kharmagtai Project. Zijin is the operator and 50% co-owner of Khuiten Metals, the joint venture vehicle that controls 76.5% of the Kharmagtai Project.

Xanadu reported a net loss after income tax and losses for non-controlling interest of $(2,515,000) for the full year ended 31 December 2024, compared to a profit of $4,583,000 in the prior period.

Xanadu's corporate structure diagram is shown below:



Further information about Xanadu is available on its website, https://www.xanadumines.com/.

2.3 Publicly available information

Xanadu is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Xanadu is subject to the ASX Listing Rules which require continuous disclosure of any information Xanadu has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

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Xanadu is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Xanadu may be obtained from or inspected at an ASIC office. A substantial amount of information about Xanadu, including its ASX filings are available in electronic form from its website https://www.xanadumines.com/.

The key ASX announcements made in relation to Xanadu between 31 March 2025 (being the date of release on the ASX of Xanadu's most recent audited financial statements) and the date of this Bidder's Statement were:

- Off Market Takeover - Notice of Register Date
- Application for quotation of securities - XAM
- Becoming a substantial holder
- Change of Directors' Interest Notices
- Results of Annual General Meeting
- 2025 AGM Chairman's Address and Presentation
- Investor Presentation
- Cleansing Notice
- Application for quotation of securities - XAM
- Webinar Invitation - Investor Update
- Proposed issue of securities - XAM
- Recommended A$0.08 Per Share Cash Offer
- RIU Sydney Resources Roundup Presentation
- Webinar Invitation - Investor Update
- Notice of Extraordinary General Meeting/Proxy Form
- Update to Zijin Put Option and Exclusivity Arrangements
- Quarterly Activities Report & Appendix 5B - 31 March 2025
- Notice of Annual General Meeting/Proxy Form
- Results of Meeting
- Chair's Address to Shareholders
- Change of Registered Office Address
- Investor Update Presentation
- EGM Update - Exclusivity Arrangements with Zijin
- Change in substantial holding
- Corporate Governance Statement & Appendix 4G

A copy of each of these announcements can be obtained from the ASX or from Xanadu's website, https://www.xanadumines.com/.

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2.4 Xanadu directors

The following persons are directors of Xanadu as at the date of this Bidder's Statement:

(a) *Colin Moorhead – Executive Chairman and Managing Director;*

Mr Moorhead is an experienced industry executive with a demonstrated track record of over three decades building value in mining companies through innovation, discovery, project development and safe, efficient operations. Mr Moorhead has extensive experience in development and financing significant mining projects internationally. He also has experience with global mining operations as well as experience in successful mergers and acquisitions.

A geologist by training, Mr Moorhead is known for strong leadership, strategy and execution that saw him rise through the ranks from a graduate with BHP in 1987 to an executive level manager responsible for global exploration and resource development at Newcrest Mining from 2008 to 2015, a period of significant growth for the company. Mr Moorhead has significant relevant experience as CEO of emerging Indonesian listed producer PT Merdeka Copper Gold Tbk from 2016 to 2018, where he built and led the team that constructed and commissioned the highly successful Tujuh Bukit Gold Mine.

(b) *Ganbayar Lkhagvasuren - Executive Director & Country Manager;*

Mr Lkhagvasuren is a co-founder of Xanadu and has been a Director since 2006. He is the minority shareholder in Mongol Metals LLC and brings a vital Mongolian perspective to the Board of Directors.

Further details on Mr Lkhagvasuren are set out in section 1.3.

(c) *Michele Muscillo - Independent Non-Executive Director;*

Mr Muscillo is a Partner with HopgoodGanim Lawyers in Brisbane. He has practised exclusively in corporate law for the duration of his legal career and has extensive experience in mergers and acquisitions and capital markets transactions, including the negotiation of significant commercial contracts and agreements. Mr Muscillo has significant experience as a Non-Executive Director of resources companies, including taking junior exploration companies through the full life cycle from listing to major discovery to sale. His key areas of practice include Corporate Advisory and Governance, Mergers and Acquisitions, Capital Markets and Resources and Energy.

(d) *Tony Pearson - Independent Non-Executive Director; and*

Mr Pearson is an experienced international natural resources executive and company director. He is currently a Trustee of the Royal Botanical Gardens & Domain Trust and a Non-Executive Director of Communicare Inc., Possability Group Limited, Bloomfield Group (Big Ben Holdings Pty Ltd), and the Foundation and Friends of the Botanic Gardens (NSW). He was formerly a Commissioner at the Independent Planning Commission, and previously a group executive at TSX/HKEx listed South Gobi Resources, based in Hong Kong, where he was responsible for the company's corporate and strategic initiatives.

(e) *Shaoyang Shen - Non-Executive Director.*

Mr Shaoyang Shen is the Deputy President for Corporate Development & Overseas Operations of Zijin Mining Group. He has more than a dozen years of operations management and investment (M&A) experience in the mining industry. Prior to joining Zijin in 2014, he held senior executive positions with Silvercorp Metals Inc., including as COO of the company and Vice President for China Operations. He also served as a board member of Pretium Resources Inc. from 2015 to 2018, and as a Managing Director of Barrick New Niugini Limited from 2015 to 2019.

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2.5 Xanadu Directors' interest in Xanadu securities

The table below details the equity securities in Xanadu held by the Xanadu Directors as at the Last Practicable Date:

Xanadu Director	Xanadu Shares	(%)
Colin Moorhead	37,440,000	1.63%
Michele Muscillo	13,319,981	0.58%
Tony Pearson	12,900,555	0.56%
Ganbayar Lkhagvasuren	44,228,329	1.93%
Shaoyang Shen	-	-

Each Independent Xanadu Director who has a Relevant Interest in Xanadu Shares (which amounts to approximately 2.78% of Xanadu Shares in aggregate) has advised the Xanadu Board that they intend to **ACCEPT** the Offer in respect of those Xanadu Shares, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable.

2.6 Capital structure of Xanadu

According to documents lodged by Xanadu with the ASX, as at the close of trading on the Last Practicable Date, Xanadu had 2,291,211,189 Xanadu Shares on issue

In addition to being listed on the ASX, Xanadu also maintains a secondary listing on TSX (TSX:XAM). As at the close of trading on the Last Practicable Date, 34,284,881 Xanadu Shares were quoted for trading on the TSX (representing approximately 1.5% of all Xanadu Shares).

2.7 Substantial shareholders

As at the Latest Practicable Date, based on substantial shareholder notice filings to the ASX, the substantial Xanadu Shareholders are as follows:

Shareholder	Voting Power[(1), (2)]	Number of Xanadu Shares[(1)]
Zijin (on behalf of Jinping and others)	18.82% (on the basis that Xanadu had 1,637,824,191 shares on issue)	359,817,003
CAAF Ltd	11.85%[(3)] (on the basis that Xanadu had 1,637,824,191 shares on issue)	226,665,378
Harvest Lane Asset Management Pty Ltd (ACN 158 314 697)	5.33% (based on 2,004,381,556 ordinary shares on issue)	106,875,393

Notes:

(1) The actual number of Xanadu Shares held or Voting Power may differ from that shown above as there is no obligation to publicly disclose changes if the change in Voting Power is less than 1%.

(2) Under section 671B of the Corporations Act, a person has two business days to update their substantial shareholder notice filings upon becoming aware of the information regarding a notifiable change to their substantial holding.

(3) Following the issue of 92,184,000 Xanadu Shares upon conversion of Xanadu Options as announced by Xanadu on the ASX on 20 May 2025, and completion of the Concurrent Financing on 26 May 2025 (refer to

Shareholder	Voting Power[1], [2]	Number of Xanadu Shares[1]

section 7.2), the Bidder understands that CAAF's Voting Power is 9.89% (based on a total of 2,291,211,189 Xanadu Shares on issue).

As at the Latest Practicable Date, the Bidder has a relevant interest in 286,829,633 Xanadu Shares and a Voting Power of 12.52%, but had not filed a substantial shareholder notice in accordance with the Corporations Act (refer to note (2) below the table in this section 2.7 above).

2.8 The Bidder's interests in Xanadu securities

(a) The Bidder's Relevant Interest in Xanadu and Voting Power in Xanadu

Class	Relevant Interest	Voting Power
Xanadu Shares	286,829,633	12.52%

Notes:

(1) The Bidder has a Relevant Interest in 286,829,663 Xanadu Shares on issue, and Voting Power of 12.52% in Xanadu, as at the Last Practicable Date pursuant to sections 608(1)(a) and 610(1) of the Corporations Act, as the Bidder is the registered holder of these Xanadu Shares which were issued pursuant to the Concurrent Financing described in section 7.2.

(2) Boroo, as the parent company of the Bidder, also has a Relevant Interest in the 286,829,633 Xanadu Shares held by the Bidder (being a controlled body corporate of Boroo pursuant to section 608(3) of the Corporations Act) and Voting Power in Xanadu of 14.45% pursuant to section 610(1) of the Corporations Act, (which includes an additional 44,228,329 Xanadu Shares in which Mr Ganbayar Lkhagvasuren has a Relevant Interest in, as an Associate of Boroo for the purposes of section 12 of the Corporations Act) as at the Last Practicable Date.

(b) Acquisitions of Xanadu Shares by the Bidder or Associates

Neither the Bidder nor any of its Associates have provided (or agreed to provide) consideration for a Xanadu Share under a purchase or agreement to purchase during the four months before the date of this Bidder's Statement or in the period between the date of this Bidder's Statement and the date of the Offer, other than as part of the Concurrent Financing described in section 7.2.

2.9 Recent and historical trading of Xanadu Shares

The last recorded sale price of Xanadu Shares on the ASX on 16 May 2025 was $0.051.

In the 12 months preceding 16 May 2025, approximately 598.2 million Xanadu Shares representing approximately 31.3% of the Xanadu Shares currently on issue were traded on the ASX at a VWAP of $0.056, with a price range of $0.045 to $0.079.

In the 12 months preceding 16 May 2025, approximately 19.5 million Xanadu Shares representing approximately 1.0% of the Xanadu Shares currently on issue were traded on the TSX at a VWAP of $0.059, with a price range of $0.044 to $0.076.

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3 The Bidder's Intentions

3.1 Introduction

This section 3 sets out the rationale for the Offer and the Bidder's intentions in relation to:

(a) the continuation of the business of Xanadu;

(b) any major changes to the business of Xanadu; and

(c) the future employment of the present employees of Xanadu.

These intentions are based on the information concerning Xanadu, its business and the general business environment which is known to the Bidder at the time of preparation of this Bidder's Statement.

The Bidder does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of their current intentions. Final decisions regarding these matters will only be made by the Bidder in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 3 are statements of current intention only, which may change as new information becomes available to the Bidder or as circumstances change.

The Bidder's intentions concerning the businesses, assets and employees of, and securities in, Xanadu are set out in this section 3.

3.2 Rationale for the Offer

As at the date of this Bidder's Statement, the Bidder has a Relevant Interest a total of 286,829,633 Xanadu Shares representing 12.52% of the Xanadu Shares on issue.

The Bidder is seeking to acquire an interest in Xanadu and would be satisfied for the Offer to result in it holding (together with its Associates) a minimum Relevant Interest in 50.1% of the Xanadu Shares.

As a result, the Bidder is making a takeover offer to all Xanadu Shareholders.

The proposed acquisition of Xanadu through the Offer is consistent with Boroo’s strategy to grow its portfolio of assets organically and through the acquisition of businesses which complement its existing operations and projects. Boroo intends to apply its capabilities in mine development, financing and management with its Mongolian expertise to advance the Kharmagtai Project.

3.3 Intentions if the Bidder acquires more than 50% but less than 90% of the Xanadu Shares

The Bidder's intentions if Xanadu becomes a controlled entity of the Bidder, but the Bidder is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act are set out below.

(a) **General strategic, operational and capital management matters**

The Bidder intends to conduct a general review of Xanadu's operations on both a strategic and operational level to evaluate Xanadu's performance, prospects and profitability in relation to the business. This review will apply quantitative and qualitative factors to measure performance and areas for improvement.

With regards to the Kharmagtai Project, the Bidder intends to advocate for the development of the Kharmagtai Project in accordance with the funding and development milestones contemplated by the Khuiten JV between Xanadu and Jinping, pending completion of the Bidder's broader operational review of Xanadu.

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Relevantly, under the terms of the BIA, Xanadu has withdrawn the resolutions seeking Xanadu Shareholder support for the exercise of the 25% Put Option as set out in its notice of meeting dated 5 April 2025.

Accordingly, the Bidder has not formed any current intentions that are inconsistent with the current strategy proposed by the Xanadu Board.

(b) **Employees**

Other than to the extent noted above, the Bidder has not formed any intention with respect to the future employment of the present employees of Xanadu.

(c) **Board representation**

Subject to the size of the interest in Xanadu Shares held by the Bidder following completion of the Offer, the Bidder may seek representation on the Xanadu Board that is reasonably proportionate to its interest in Xanadu Shares.

(d) **Further acquisitions of Xanadu Shares**

It is possible that, even if the Bidder is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act. For example, as a result of acquisitions of Xanadu Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act. If so, it reserves the right to exercise those rights.

(e) **ASX listing**

If the Bidder acquires a Relevant Interest in more than 75%, but less than 90%, of the Xanadu Shares, then the Bidder intends to actively encourage Xanadu to apply for removal of Xanadu from the official list of ASX to the extent that it is able to do so consistently with ASX guidance. While the decision to apply for removal of Xanadu from the official list of ASX lies with the Xanadu Board and a consideration of the number of Xanadu Shareholders and liquidity of Xanadu Shares on the ASX, ASX's guidance in relation to the removal of entities from the official list of ASX is set out in ASX Guidance Note 33.

ASX Guidance Note 33 sets out ASX's policy in relation to a request for removal from the official list of ASX and indicates that shareholder approval would not be required for the removal of Xanadu from the official list of ASX if all the following factors are satisfied:

(i) the Bidder and its related bodies corporate own or control at least 75% of Xanadu Shares but do not meet the conditions for compulsory acquisition under the Corporations Act;

(ii) excluding the Bidder and its related bodies corporate, the number of Xanadu Shareholders having holdings with a value of at least $500 (being a marketable parcel) is fewer than 150;

(iii) the Bidder has foreshadowed in this Bidder's Statement that it intends, if the Bidder secures control of Xanadu, to cause Xanadu to apply for removal from the official list of ASX;

(iv) the Offer remains open for at least two weeks following the Bidder and its related bodies corporate having attained ownership or control of at least 75% of the Xanadu Shares; and

(v) Xanadu applies for removal no later than one month after the end of the Offer Period.

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If these factors are satisfied and shareholder approval for the delisting of Xanadu is not required, the Bidder intends to send a written or electronic communication to all remaining Xanadu Shareholders advising them of the nominated time and date at which Xanadu would be removed from the official list of the ASX, being a date not earlier than three months after the date the notice was given (***Removal Date***). The notice to the remaining Xanadu Shareholders would also state that:

(i) if they wish to sell their Xanadu Shares on the ASX, they will need to do so before the Removal Date; and

(ii) if they do not sell their Xanadu Shares before the Removal Date, thereafter, they will only be able to sell their Xanadu Shares off market (or on the TSX, if Xanadu remains listed on TSX – see section3.3(f) below).

Those remaining Xanadu Shareholders who do not sell their Xanadu Shares on the ASX before the Removal Date would face risks associated with the potential reduced liquidity of an unlisted Xanadu Share.

If the factors in ASX Guidance Note 33 are not satisfied, the Bidder may still request that ASX remove Xanadu from the official list of ASX. ASX's guidance indicates that ASX's decision to act on the Bidder's request may be subject to the satisfaction of certain conditions. ASX imposes conditions to ensure that the interests of the remaining Xanadu Shareholders are not unduly prejudiced by the removal and that trading in Xanadu Shares takes place in an orderly manner up to the date of its removal from the official list.

ASX's guidance indicates that (in some cases), these conditions may include, if shareholder approval is sought within 12 months after the end of the Offer Period, the approval of Xanadu Shareholders to the proposed removal with such approval to be by way of ordinary resolution on which the Bidder and its associates may be excluded from voting. Where more than 12 months have lapsed since the Offer Period, ASX has indicated in ASX Guidance Note 33 that it would generally permit the Bidder and its associates to vote on a resolution approving Xanadu's removal from the official list. Any decision by Xanadu to apply to ASX for removal from the official list would need to be made by the Xanadu Board, not the Bidder. The Xanadu Board, including any of the Bidder's nominees on the Xanadu Board, could decide to seek a delisting if it is in the interest of Xanadu to do so at the relevant time.

(f) **TSX listing**

If the Bidder and its Associates acquire a Relevant Interest in more than 75%, but less than 90%, of the Xanadu Shares, then the Bidder may not be supportive of Xanadu's continued listing on TSX. While the decision to apply for removal of Xanadu from the official list of the TSX lies with the Xanadu Board, the Bidder intends to actively encourage Xanadu to apply for removal of Xanadu from the official list of the TSX to the extent that it is able to do so consistently with the TSX Company Manual. The process in relation to the removal of issuers from the official list of the TSX is set out in section 720 of the TSX Company Manual. Such process includes an application in a prescribed form to the TSX, and depending on the circumstance, shareholder approval may be required.

Section 720(a) of the Manual provides that a listed issuer may apply to have all or any class of its listed securities delisted. The application should take the form of a letter addressed to the TSX and should outline:

(i) the name of the corporation;

(ii) the reasons for the application to delist;

(iii) whether security holder approval to delist will be sought and if not, why; and

(iv) the proposed date of delisting.

The application should also include the following:

(i) the name of the corporation;

(ii) a certified copy of a resolution of Xanadu's Board authorising the application to delist; and

(iii) a draft copy of a press release to be pre-cleared by the TSX, disclosing:

(A) the application to voluntarily delist, with the reasons for the application;

(B) the anticipated date of the security holder meeting, if one will take place;

(C) the satisfaction of any of the conditions set out below, if applicable; and

(D) the proposed delisting date.

Section 720(b) of the TSX Company Manual provides that the TSX will generally require approval by the holders of the securities the issuer wishes to delist as a condition of acceptance of a voluntary delisting application, unless, among other things (which are inapplicable in the current context):

(i) an alternative market exists or will exist for the listed securities on or near the proposed delisting date; or

(ii) security holders have a near term liquidity event for which all material conditions have been satisfied and the likelihood of non-completion is remote.

Generally, insiders with materially different beneficial interests from the remaining security holders in respect of the voluntary delisting will not be entitled to vote with respect to the voluntary delisting. A security holder that owns, or controls or directs 50% or more of the issued and outstanding shares of the affected class of shares will be deemed to have a material different beneficial interests from the remaining security holders.

The delisting date for the class sought to be delisted cannot be earlier than the 10th business day following the later of:

(i) dissemination of the press release pre-cleared by the TSX announcing the voluntary delisting; and

(ii) the issuer having obtained security holder approval for the voluntary delisting, if applicable.

Upon delisting from the TSX, Xanadu may then apply to the Ontario Securities Commission for a declaration that it has ceased to be a reporting issuer and is relieved of its continuous and timely disclosure obligations. This application will be a passport application under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications.*

3.4 Intentions if the Bidder acquires more than 90% of the Xanadu Shares

The Bidder's current intentions if the Bidder acquires a Relevant Interest in 90% or more of the Xanadu Shares pursuant to the Offer is to proceed to compulsory acquisition of the outstanding Xanadu Shares are set out below.

(a) **Compulsory acquisition**

If the Bidder acquires a Relevant Interest in 90% or more of the Xanadu Shares pursuant to the Offer and becomes entitled to compulsorily acquire the remaining Xanadu Shares under the Corporations Act, it intends to give notices to Xanadu Shareholders to compulsorily acquire any outstanding Xanadu Shares in accordance with Part 6A.1 of the

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Corporations Act. If the Bidder compulsorily acquires the remaining Xanadu Shares under this procedure, the applicable Xanadu Shareholders will receive the Offer Consideration later than the time of payment of those Xanadu Shareholders who accepted the Offer.

(b) **ASX and TSX listing**

The Bidder's' current intention is to arrange for Xanadu to be removed from the official list of ASX and the TSX, and for Xanadu to be subsequently converted to a proprietary company limited by shares.

(c) **General strategic, operational and capital management matters**

The Bidder's intentions with respect to the strategic, operational and capital management of Xanadu upon the Bidder and its Associates acquiring a Relevant Interest in 90% or more of the Xanadu Shares pursuant to the Offer is as set out in section 3.3(a).

(d) **Employees**

Other than to the extent noted above, the Bidder has not formed any intention with respect to the future employment of the present employees of Xanadu.

(e) **Board representation**

If Xanadu becomes a wholly-owned controlled entity of the Bidder then the Bidder intends to conduct a review of the members of the Xanadu Board and may replace some or all of the existing members with their nominees. Replacement board members have not yet been identified by the Bidder and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement board members will be nominees of the Bidder.

3.5 Limitations on intentions

The intentions and statements of future conduct set out in this section 3 must be read as being subject to:

(a) the law (including the Corporations Act), ASX Listing Rules and TSX Company Manual, including in particular the requirements of the Corporations Act, ASX Listing Rules and TSX Company Manual in relation to conflicts of interest and 'related party' transactions given that, if the Bidder obtains control of Xanadu but does not acquire all of the Xanadu Shares, it will be treated as a related party of Xanadu for these purposes;

(b) the legal obligation of the directors of Xanadu at the time, including any nominees of the Bidder, to act in good faith in the best interests of Xanadu and for proper purposes and to have regard to the interests of all Xanadu Shareholders; and

(c) the outcome of the review referred to in section 3.3.

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4 Sources of Consideration

4.1 Total cash consideration

The consideration for the acquisition of the Xanadu Shares to which the Offer relates will be satisfied by the payment of cash (in Australian dollars).

As at the close of trading on the Last Practicable Date, according to documents provided by Xanadu to the ASX, Xanadu had 2,291,211,189 Xanadu Shares.

In the event that acceptances are received for all Xanadu Shares on issue (excluding those Xanadu Shares which the Bidder or its Associates have a Relevant Interest), the aggregate amount of cash consideration that the Bidder would be required to pay would be $160.4 million (the ***Offer Amount***) plus all associated transaction costs.

4.2 Overview of the Bidder's funding arrangements

The Bidder will source the necessary funds to pay the Offer Amount (and costs associated with the Offer) from a combination of funds made available under a funding deed entered into with the Bidder's shareholders, Boroo and Mr Lkhagvasuren, pursuant to which Boroo and Mr Lkhagvasuren have undertaken to make available up to US$90 million (A$140.6 million) and US$30 million (A$46.9 million), respectively, to the Bidder in connection with the Offer (the ***Bidder Funding Deed***),[8] being US$108 million (A$187.5 million) (***Total Funding Commitment***).

The Total Funding Commitment amount available to the Bidder, pursuant to the Bidder Funding Deed, exceeds the aggregate of the Offer Amount and the costs associated with the Offer.

As at the date of this Bidder's Statement, Boroo and Mr Lkhagvasuren have provided the aggregate Total Funding Commitment to the Bidder in accordance with the Bidder Funding Deed, with US$108 million (A$177.14 million) in remaining funds available to the Bidder and reserved for the Offer.

4.3 Overview of the Bidder's shareholders' funding arrangements

Boroo and Mr Lkhagvasuren have sourced the necessary funds to pay the portion of the Total Funding Commitment they are responsible to fund under the terms of the Bidder Funding Deed:

(a) in the case of Boroo, from existing cash reserves; and

(b) in the case of Mr Lkhagvasuren, a term loan facility for the full US$30 million pursuant to a loan agreement dated 22 May 2025 between Mr Lkhagvasuren and the Facility Lender (the ***GBL Facility***).

All conditions to utilisation of the GBL Facility have been satisfied and the GBL Facility has been fully drawn by Mr Lkhagvasuren, with the funds applied to the Bidder in satisfaction of Mr Lkhagvasuren's portion of the Total Funding Commitment.

4.4 Conclusion

On the basis of the arrangements described in this section 4, the Bidder believes that it has reasonable grounds for holding the view, and holds the view, that it will be able to provide the consideration offered under the Offer, as well as meet the associated transaction costs.

[8] 1 US$: A$0.64.

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5 Australian Tax Considerations

5.1 Introduction

This section summarises the tax implications of the Offer for Xanadu Shareholders for the purposes of the Bidder's Statement.

This section considers the Australian tax consequences of disposal of Xanadu Shares, including the income tax, Goods and Services tax (***GST***) and stamp duty implications.

It is not contemplated that this section of the Bidder's Statement will be updated after it has been issued for any changes in the tax laws or in the facts of the Offer.

The tax comments in this section are based on the provisions of the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997* (***ITAA 1997***), the *A New System (Goods and Services Tax) Act 1999*, the *Taxation Administration Act 1953* and any other Australian tax law and practice in effect at the date of this Bidder's Statement and do not take into account or anticipate changes in the relevant Australian tax law whether by judicial interpretation or legislative amendments. The laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities. It is not intended to be, and is not, an authoritative or complete analysis of the Australian income tax, GST and stamp duty law.

As the tax comments are general in nature and do not take into account all Xanadu Shareholders and their individual circumstances, it is recommended that all Xanadu Shareholders should consult with their own independent tax advisers regarding the Australian income tax, GST and stamp duty consequences of disposing of Xanadu Shares having regard to their particular circumstances.

The tax comments in this section rely upon the facts and representations as provided in the Bidder's Statement.

This section is a general outline of the Australian income tax, GST and stamp duty consequences of the Offer for certain Xanadu Shareholders who participate in the Offer. The comments set out below are relevant only to those Xanadu Shareholders who hold their Xanadu Shares on capital account and acquired, or have been deemed to acquire, their Xanadu Shares on or after 20 September 1985.

This section does not address the Australian tax consequences for Xanadu Shareholders who:

- hold their Xanadu Shares on revenue account or as trading stock;
- are temporary residents for Australian tax purposes;
- are under a legal disability;
- are exempt from Australian income tax;
- are subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act* 1990 in respect of their Xanadu Shares;
- hold their Xanadu Shares in connection with a business carried on through a permanent establishment outside their country of residence;
- acquired their Xanadu Shares pursuant to an employee share, option or rights plan;
- are a bank, insurance company or tax-exempt organisation; or
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Xanadu Shares.

Xanadu Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into

account the tax consequences of the Offer under the laws of their country of residence, as well as under Australian law.

5.2 Australian resident Xanadu Shareholders

(a) Australian resident Xanadu Shareholders

In the event that the Offer is accepted, the Bidder will acquire all of the issued Xanadu Shares held by the relevant Xanadu Shareholders. The income tax implications for Australian tax resident shareholders are outlined below.

(i) Capital gains tax (*CGT*) event

Under the Offer, Xanadu Shareholders will dispose of their Xanadu Shares to the Bidder. This disposal will constitute a CGT event A1 for Australian CGT purposes for Xanadu Shareholders.

Calculation of capital gain or capital loss

Xanadu Shareholders will make a capital gain on the disposal of Xanadu Shares to the extent that the capital proceeds from the disposal of the Xanadu Shares are more than the cost base of those Xanadu Shares. Conversely, Xanadu Shareholders will make a capital loss to the extent that the capital proceeds are less than the reduced cost base of those Xanadu Shares.

(ii) Cost base

The cost base of the Xanadu Shares generally includes the cost of acquisition and certain non-deductible incidental costs of their acquisition and disposal (provided the costs have not previously been claimed as tax deduction). The reduced cost base of the Xanadu Shares is usually determined in a similar, but not identical, manner to the cost base. Some differences between cost base and reduced cost base may exist depending on the Xanadu Shareholder's individual circumstances.

(iii) Capital proceeds

The capital proceeds received in respect of the disposal of each Xanadu Share should be $0.08 cash consideration per Share, being the consideration amount under the Offer.

(iv) CGT Discount

Individuals, complying superannuation entities or trustees that have held Xanadu Shares for at least 12 months may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Xanadu Shares by 50% in the case of individuals and trustees or by 33.33% for complying superannuation entities (***CGT Discount***).

The CGT Discount is not available for Xanadu shareholders that are companies.

For trustees, the ultimate availability of the CGT Discount for beneficiaries of the trusts will depend on the tax profile of the beneficiaries.

A Xanadu Shareholder's net capital gain for an income year, which includes the capital gains for an income year reduced by any capital losses and any applicable CGT Discount, should be included in their assessable income and is subject to income tax.

Capital losses may not be deducted against other income for income tax purposes but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

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Xanadu Shareholders should seek tax advice in relation to the operation of these rules.

(b) **Non-Australian tax resident Xanadu Shareholders**

For any Xanadu Shareholder who:

(i) hold the Xanadu Shares on capital account;

(ii) is not a resident of Australia for Australian tax purposes; and

(iii) does not hold their Xanadu Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Xanadu Shares will generally only result in Australian CGT implications if:

(iv) that shareholder together with its associates held an interest of 10% or more in Xanadu at the time of disposal or for a 12 month period within 2 years preceding the disposal (referred to as a "non-portfolio interest"); and

(v) more than 50% of the market value of Xanadu's assets is attributable to direct or indirect interests in "taxable Australian real property" (as defined in the income tax legislation).

Non-Australian tax resident Xanadu Shareholders who acquired their Xanadu Shares after 8 May 2012 are not entitled to the 50% CGT Discount.

5.3 Foreign resident capital gains withholding

A foreign resident capital gains withholding tax of 15% applies to transactions involving the acquisition of the legal ownership of an asset that is an indirect Australian real property interest.

The Bidder may be required to withhold under the foreign resident capital gains withholding regime if the Xanadu Shares qualify as 'indirect real property interests' and the Bidder:

(a) knows or reasonably believes that the Xanadu Shareholder is a foreign resident shareholder; or

(b) does not reasonably believe that the Xanadu Shareholder is an Australian resident, and either:

(i) the relevant Xanadu Shareholder has an address outside Australia; or

(ii) the Bidder is authorised to make a payment to a place outside Australia (whether to the Xanadu Shareholder or to anyone else).

A Xanadu Shareholder may complete a foreign resident capital gains withholding declaration to declare that it is an Australian tax resident or that their Xanadu Shares are not an 'indirect Australian real property interest'. The declaration forms part of the Acceptance Form, or otherwise may be obtained on the ATO website. Each Xanadu Shareholder should read the declaration contained in the Acceptance Form in full and follow the instructions provided on the form.

If the Xanadu Shareholder does not provide an appropriately completed declaration by the relevant time or if the Bidder reasonably believes that the information in the declaration is false, the Bidder may withhold the CGT withholding tax from the Offer Consideration payable to the Xanadu Shareholder. In this case, the Xanadu Shareholder will be taken to receive the full Offer Consideration for the purposes of the Offer.

Xanadu Shareholders who have an amount of foreign resident CGT withholding should generally be entitled to a credit for the amount withheld upon lodging an Australian income tax return. This credit can be offset against the actual tax payable on the gain from the disposal of the Xanadu Shares and should be refundable by the ATO to the extent that the CGT withholding tax exceeds

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the actual tax payable. If you are unsure about whether a credit for withholding tax may be claimed or how to lodge an Australian tax return, you should seek independent professional tax advice in this regard.

A non-resident individual Xanadu Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident should be subject to Australian CGT consequences on disposal of the Xanadu Shares as set out above.

Non-resident Xanadu Shareholders should obtain their own independent tax advice regarding the tax implications of the Offer in Australia and in their country of residence.

5.4 Goods and services tax

Xanadu Shareholders should not be liable for GST in respect of a disposal of Xanadu Shares, regardless of whether the Xanadu Shareholder is registered for GST. However GST will likely be payable on any fees or charges that a Controlling Participant (in respect of Xanadu Shares in a CHESS Holding) or a broker, bank, custodian or other nominee (in respect of Xanadu Shares held for a separate beneficial owner) may charge in connection with acceptance of the Offer.

In the event the Xanadu Shareholder is an Australian resident and is registered for GST, the disposal of the Xanadu Shares to the Bidder should be considered an input taxed financial supply. Conversely, where the Xanadu Shareholder is an Australian resident that is not registered for GST, or a foreign resident with no presence in Australia, the disposal of the Xanadu Shares to the Bidder should be outside the scope of Australian GST.

GST may be included in costs incurred by Xanadu Shareholders that relate to the Offer. Xanadu Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for such costs, subject to meeting specific criteria. This will depend on each Xanadu Shareholder's individual circumstances and separate advice should be obtained to confirm a Xanadu Shareholder's entitlement to recover such GST. Xanadu Shareholders that are not registered for GST will not be entitled to recover any such GST.

Xanadu Shareholders should seek their own independent tax advice in relation to the GST implications of their participation in the Offer.

5.5 Stamp duty

No stamp duty is payable by Xanadu Shareholders in respect of the disposal of their Xanadu Shares pursuant to the Offer.

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6 Canadian Tax Considerations

6.1 Introduction

The following summary describes the principal Canadian federal income tax considerations generally applicable to a beneficial owner of Xanadu Shares who disposes of such Xanadu Shares pursuant to the Offer and who, at all relevant times, for the purposes of the *Income Tax Act* (Canada) and the Income Tax Regulations (collectively, ***Canadian Tax Act***): (i) deals at arm's length with Xanadu and the Bidder; (ii) is not affiliated with Xanadu or the Bidder; and (ii) holds the Xanadu Shares as capital property (in this section 6, a ***Holder***). Generally, the Xanadu Shares will be capital property to a Holder provided the Holder does not hold those Xanadu Shares in the course of carrying on a business of trading or dealing securities or as part of an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Canadian Tax Act and on the Bidder's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date of this Bidder's Statement. This summary takes into account all specific proposals to amend the Canadian Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Bidder's Statement (***Proposed Amendments***) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, administrative or judicial decision or action, nor does it take into account other federal tax legislation or considerations or those of any province, territory or foreign jurisdiction, which may differ from those described in this section 6.

This summary assumes that Xanadu is not, and is not deemed to be, resident in Canada for the purposes of the Canadian Tax Act. If Xanadu is resident in Canada for the purposes of the Canadian Tax Act, the Canadian federal income tax consequences to a Holder may be different from those described in this summary.

For the purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of Xanadu Shares must generally be expressed in Canadian dollars. Amounts denominated in any other currency must generally be converted into Canadian dollars using a rate of exchange determined in accordance with the rules in the Canadian Tax Act.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations that are potentially applicable to a Holder and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

6.2 Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Canadian Tax Act and any applicable income tax convention or treaty is, or is deemed to be, resident in Canada (***Canadian Holder***).

This summary does not apply to a Canadian Holder:

(a) that is a "financial institution" as defined in the Canadian Tax Act for purposes of the mark-to-market rules;

(b) that is a "specified financial institution" as defined in the Canadian Tax Act;

(c) that holds an interest which is a "tax shelter investment" for the purposes of the Canadian Tax Act;

(d) that reports its "Canadian tax results," as defined in the Canadian Tax Act, in a currency other than the Canadian currency;

(e) that enters into a "derivative forward agreement," as defined in the Canadian Tax Act, with respect to the Xanadu Shares, or

(f) in relation to which Xanadu or any of its subsidiaries is a "foreign affiliate" within the meaning of the Canadian Tax Act. Such Canadian Holders should consult their own tax advisors.

Generally, a Canadian Holder who disposes of Xanadu Shares pursuant to the Offer will realise a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Canadian Holder of the Xanadu Shares immediately before the disposition.

Generally, a Canadian Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "taxable capital gain") realised in the year. Subject to and in accordance with the provisions of the Canadian Tax Act, a Canadian Holder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realised in a taxation year from taxable capital gains realised by the Canadian Holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realised in such years.

A Canadian Holder that is:

(a) throughout the relevant taxation year a "Canadian-controlled private corporation", or

(b) at any time in the relevant taxation a "substantive CCPC"

(each, as defined in the Canadian Tax Act), may be liable for an additional refundable tax on certain investment income for the year, including taxable capital gains. Capital gains realised by a Canadian Holder who is an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax under the Canadian Tax Act.

6.3 Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Canadian Tax Act and any applicable income tax convention or treaty is not, and is not deemed to be, resident in Canada, and does not use or hold, and is not deemed to use or hold, Xanadu Shares in connection with a business carried on in Canada (***Non-Canadian Holder***). This portion of the summary is not applicable to a Holder that is an insurer that carries on an insurance business in Canada and elsewhere.

Generally, a Non-Canadian Holder who disposes of Xanadu Shares pursuant to the Offer will not be subject to tax under the Canadian Tax Act on any capital gain realised on such disposition unless at the time of the disposition the Xanadu Shares constitute "taxable Canadian property" (as defined in the Canadian Tax Act) of the Non-Canadian Holder and such capital gain is not otherwise exempt from income tax under the Canadian Tax Act pursuant to the provisions of an applicable income tax convention or treaty (if any).

Provided that the Xanadu Shares are listed on a designated stock exchange for purposes of the Canadian Tax Act (which includes the ASX and TSX) at the time of the disposition, the Xanadu Shares generally will not constitute taxable Canadian property of a Non-Canadian Holder, unless:

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(a) if at any time during the 60-month period immediately preceding the disposition or deemed disposition of the Xanadu Shares:

(i) 25% or more of the issued shares of any class or series of the share capital of Xanadu were owned by, or belonged to, one or any combination of:

(A) the Non-Canadian Holder;

(B) persons with whom the Non-Canadian Holder did not deal at arm's length (for purposes of the Canadian Tax Act); and

(C) partnerships in which the Non-Canadian Holder or a person referred to in paragraph (B) holds a membership interest directly or indirectly through one or more partnerships; and

(ii) more than 50% of the fair market value of the Xanadu Shares was derived directly or indirectly from one or any combination of:

(A) real or immovable property situated in Canada;

(B) Canadian resource property (as defined in the Canadian Tax Act);

(C) timber resource property (as defined in the Canadian Tax Act); and

(D) options in respect of, or interests in, or for civil law rights in, property described in any of paragraphs (A) through (C), whether or not such property exists, or

(b) the Xanadu Shares are otherwise deemed under the Canadian Tax Act to be taxable Canadian property.

If a Xanadu Share is taxable Canadian property to a Non-Canadian Holder, any capital gain realised on the disposition or deemed disposition of such Xanadu Share may nevertheless be exempt from Canadian federal income tax pursuant to the terms of an applicable income tax treaty or convention between Canada and the country of residence of a Non-Canadian Holder.

Non-Canadian Holders whose Xanadu Shares are taxable Canadian property should consult their own tax advisors.

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7 Other Material Information

7.1 Bid Implementation Agreement

On 19 May 2025, Boroo, Mr Ganbayar Lkhagvasuren and the Bidder entered into a bid implementation agreement with Xanadu (***BIA***).

Under the BIA, the parties have agreed the principles governing their relationship in relation to the Offer.

The BIA was released to the ASX on Monday, 19 May 2025 and a copy is available from Xanadu's announcements page on the ASX website (www.asx.com.au).

The key terms of the BIA are summarised below.

(a) Offer terms and consideration

The Bidder must make the Offer on the terms agreed. The agreed terms are the terms of the Offer set out in section 8 of this Bidder's Statement.

The Bidder has undertaken to declare the Offer free of all Conditions within 2 Business Days of the Bidder (together with its Associates) achieving a Relevant Interest of 50.1% in Xanadu Shares.

The Bidder has agreed to offer $0.08 per Xanadu Share.

(b) Exclusivity

The BIA contains certain exclusivity arrangements in favour of the Bidder. These arrangements are summarised as follows.

(i) (*No shop*) Xanadu must not solicit, invite, encourage or initiate (including by the provision of non- public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal.

(ii) (*no talk and no due diligence*) Subject to a fiduciary exception, Xanadu must not:

(A) participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;

(B) negotiate, accept or enter into, approve or recommend, or enter into any agreement, arrangement or understanding with any person in relation to, or that could reasonably be expected to lead to a Competing Proposal;

(C) make available to any person or permit any such person to receive, any non-public information relating to the Xanadu Group, which would reasonably be expected to encourage or lead to an actual, proposed or potential Competing Proposal; and

(D) communicate to any person an intention to do anything referred to in this section 7.1(b).

(iii) (*notification*) Xanadu must promptly notify the Bidder if it becomes aware of any actions in relation to a Competing Proposal as set out above in sections 7.1(b)(ii)(A), 7.1(b)(ii)(C) and 7.1(b)(ii)(D).

(iv) (*Matching right and Xanadu Board recommendation*) Xanadu is prohibited from entering into any legally binding agreement, arrangement or understanding that gives effect to any Competing Proposal and must procure that no Independent Xanadu Director withdraws or changes their recommendation in respect of the

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Offer as a result of the Competing Proposal or publicly recommends the Competing Proposal other than where:

(A) the Independent Xanadu Board acting in good faith and in order to satisfy their statutory or fiduciary duties determines that the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal;

(B) Xanadu has provided the Bidder with all terms and conditions of the Competing Proposal, except where communication of such details would constitute a breach by the Xanadu Directors of their fiduciary or statutory duties;

(C) Xanadu has given the Bidder at least 2 Business Days after providing the information referred to in section 7.1(b)(iv)(B) to provide a counter proposal on more favourable or no less favourable terms that than the Competing Proposal; and

(D) the Bidder has not announced a matching or superior proposal to the terms of the Competing Proposal by the expiry of the 2 Business Day period in section 7.1(b)(iv)(C).

(c) Board changes

As soon as practicable after the Bidder (together with its Associates) acquire a Relevant Interest in at least 50.1% of the Xanadu Shares, the Bidder will declare the Offer unconditional, upon which Xanadu must:

(i) take all actions necessary to cause the appointment of the nominees of the Bidder to the Xanadu Board; and

(ii) procure that the Xanadu Directors nominated by the Bidder resign and release Xanadu from any claims they may have against Xanadu,

provided that until the end of the Offer Period, there is an independent quorum of Xanadu Directors.

(d) Conduct of business

Between the period from the Agreement Date and the end of the Offer Period (each inclusive), Xanadu:

(i) must conduct its business and operations in the ordinary course and consistent with the 6 months prior to the Agreement Date, subject to certain specified agreed restrictions and thresholds;

(ii) agrees to keep the Bidder informed of the conduct of its business operations and financial matters, including by providing the Bidder with any relevant correspondence from specified parties and Governmental Agencies or regulators, and

(iii) agrees to promptly notify the Bidder of anything of which it becomes aware of that:

(A) makes any material information publicly filed by Xanadu to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading;

(B) makes any of the representations and warranties given by Xanadu under the BIA false, inaccurate, misleading or deceptive in any material respect; or

(C) may, or may with time, constitute a Material Adverse Change or Prescribed Occurrence.

(e) Xanadu Independent Board recommendation

Xanadu must use reasonable endeavours to procure that each Independent Xanadu Director does not withdraw, adversely revise or adversely qualify their recommendation in relation to the Offer other than where:

(i) Xanadu has received a Superior Proposal and Xanadu has paid the Bidder the Break Fee; or

(ii) the Independent Expert ceases to conclude (including by withdrawing or modifying its previous conclusion) that the Offer is fair and reasonable to Xanadu Shareholders not associated with the Bidder.

(f) Break Fee payable by Xanadu

Xanadu has agreed to pay a Break Free in circumstances where:

(i) any Independent Xanadu Director fails to make, or makes then withdraws, or adversely changes their recommendation in relation to the Offer;

(ii) a Competing Proposal is announced or publicly recommended by the Independent Xanadu Board (but excluding a statement that no action should be taken by Xanadu Shareholders pending the assessment of a Competing Proposal);

(iii) a Competing Proposal is announced prior to the end of the Offer Period and completed at any time before the later of the six month anniversary of the Agreement Date and the end of the Offer Period, which, as a result, a Third Party acquires control of Xanadu or the Xanadu Group;

(iv) the Xanadu Board convenes a general meeting of Xanadu to consider the taking of any step that would, or would be likely to, prevent a Condition being satisfied or result in a Condition not being satisfied, and any of the Independent Xanadu Directors recommend that Xanadu Shareholders vote in favour of implementing or taking that step; or

(v) the Bidder terminates the BIA as a result of Xanadu being in material breach of the BIA (including material breach of a representation or warranty).

The Break Fee is not payable if, at the time the Bidder demands payment of the Break Fee, Xanadu is entitled to terminate the BIA due to the Bidder being in material breach of the BIA (including material breach of a representation or warranty).

(g) Representations and warranties

Xanadu and the Bidder have given representations and warranties to each other in the BIA that are customary for an agreement of this nature.

(h) Reverse Break Fee payable by the Bidder

The Bidder has agreed to pay a reverse Break Fee if:

(i) Xanadu terminates the BIA due to the Bidder being in material breach of the BIA (including material breach of a representation or warranty); or

(ii) the Bidder (together with its Associates) fails to acquire a Relevant Interest in at least 50.1% of Xanadu Shares by the end of the Offer Period.

(i) Termination

Each of Xanadu and the Bidder may terminate the BIA at any time before the end of the Offer Period if:

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(i) the other is in material breach of the BIA (other than for a material breach of a representation or warranty given by the other); or

(ii) the Condition described in section 8.6(e) becomes incapable of satisfaction;

the Bidder may terminate the BIA at any time before the end of the Offer Period, if:

(iii) any Condition (other than the Condition described in section 8.6(e)) becomes incapable of satisfaction; or

(iv) any Independent Xanadu Director publicly adversely modify or withdraw their recommendation of the Offer, or publicly recommend, promote or otherwise endorse a Competing Proposal (but excluding a statement that no action should be taken pending the assessment of a Competing Proposal by the Independent Xanadu Board).

Xanadu may terminate the BIA at any time before the end of the Offer Period if:

(v) the Bidder is in material breach of any of its obligations under the Share Subscription Agreement;

(vi) the Independent Xanadu Board publicly recommends, promotes or otherwise endorses a Superior Proposal (provided any Break Fee has been paid by Xanadu);

(vii) the Independent Expert concludes that the Offer is not fair and reasonable, resulting in the Independent Xanadu Board publicly adversely modifying or withdrawing their recommendation; or

(viii) the Independent Expert ceases to conclude that the Offer is fair and reasonable, resulting in the Independent Xanadu Directors publicly adversely modify or withdrawing their recommendation of the Offer (provided any Break Fee has been paid by Xanadu).

7.2 Concurrent Financing

In accordance with the Share Subscription Agreement between the Bidder and Xanadu dated 19 May 2025 (***Share Subscription Agreement***), the Bidder agreed to provide Xanadu $17.2 million interim funding by subscribing for 286,829,633 Xanadu Shares at the price of $0.06 per Xanadu Share (***Concurrent Financing***).

The funds raised by the Concurrent Financing will be used to ensure Xanadu may continue advancing the Kharmagtai Project towards development and for working capital prior to closing of the Offer.

Completion of the Concurrent Financing occurred on Monday, 26 May 2025.

Refer to Xanadu's announcement on the ASX Market Announcements Platform on the Announcement Date for a summary of the Share Subscription Agreement.

7.3 ASIC modifications and exemptions

ASIC has published various legislative instruments (including class orders) providing for modifications and exemptions that apply generally to all persons, including the Bidder, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, the Bidder has relied on the modification to section 636(3) of the Corporations Act as set out in paragraph 6(e) of ASIC Legislative Instrument 2023/683 to include references to certain statements by Xanadu in this Bidder's Statement without obtaining the consent of Xanadu. The relevant statements were respectively taken from announcements released to the ASX by Xanadu and from the Xanadu Group's website: https://www.xanadumines.com/. As required by Legislative Instrument 2023/683, the Bidder will make available a copy of these documents (or

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relevant extracts of these documents), free of charge, to Xanadu Shareholders who request them during the Offer Period. To obtain a copy of these documents (or the relevant extracts), Xanadu Shareholders may contact the Offer Information Line on 1300 116 263 (toll-free within Australia) or +61 3 9415 4283 (from outside Australia).

7.4 Potential for waiver of Conditions

The Offer is subject to the Conditions set out in section 8.6. Under the terms of the Offer and the Corporations Act, any or all of those Conditions may be waived by the Bidder.

Under the terms of the BIA, the Bidder has agreed to waive all outstanding Conditions upon the Bidder (together with its Associates) acquiring a Relevant Interest in 50.1% of Xanadu Shares.

If an event occurs which results (or would result) in the non-fulfilment of a Condition, the Bidder might not make a decision as to whether it will either rely on that occurrence, or instead waive the Condition in respect of that occurrence, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act. If the Bidder decides that it will waive a Condition it will announce that decision to the ASX in accordance with section 650F of the Corporations Act.

7.5 Status of Conditions

The Offer is subject to the Conditions set out in section 8.6. The Bidder will provide updates on any material developments relating to the status of these Conditions through announcements to the ASX.

If any of the Conditions are not fulfilled, and the Bidder decides to rely on that non-fulfillment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Xanadu Shares will be returned to the holder.

7.6 Social security and superannuation implications of the Offer

Acceptance of the Offer may have implications under your superannuation or pension arrangements or on your social security entitlements. If in any doubt, Xanadu Shareholders should seek specialist advice before accepting the Offer.

7.7 Approvals for payment of consideration

The Bidder is not aware of any Xanadu Shareholders who require any approval referred to in section 8.8(e) in order to be entitled to receive any consideration under the Offer.

7.8 Withholding of consideration

The Bidder is not currently aware of any amounts that are or would be treated as withholding amounts under section 8.8(f). However, it is possible that the Bidder may become aware of an obligation in this regard after the date of this Bidder's Statement.

For example, under section 255 of the *Income Tax Assessment Act 1936* (Cth), the ATO may notify the Bidder that all or part of the consideration otherwise payable under the Offer to Xanadu Shareholders who are non-residents of Australia is to be retained by the Bidder, or paid to the ATO, instead of being paid to the relevant Xanadu Shareholders. Similarly, under section 260-5 of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the ATO may require the Bidder to pay to the ATO all or part of the consideration otherwise payable under the Offer to Xanadu Shareholders who owe tax-related debts to the Australian Government. Furthermore, under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the Australian Tax

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Office may require the Bidder to pay to the Australian Tax Office an amount in respect of the disposal of your Xanadu Shares on account of foreign resident CGT withholding tax.

7.9 Broker commission

The Bidder may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients. The Bidder has made no final decision in relation to the matter at this stage.

Any commission payments will be paid only in respect of parcels of Xanadu Shares held by retail Xanadu Shareholders who accept the Offer.

If such arrangements are put in place, commission payments will not exceed 0.75% of the value of the consideration payable for parcels of Xanadu Shares held by retail Xanadu Shareholders who accept the Offer, and will be subject to minimum payments (not exceeding $50) and maximum payments (not exceeding $750) for each acceptance.

If a commission is offered, it will be payable to brokers only and subject to the condition that no part of the fee will be able to be passed on, or paid, to Xanadu Shareholders.

If and when the Bidder decides to offer such a commission to any broker, it will make an announcement to the ASX.

It is the Bidder's intention that, if and when an offer of commission has been made to any broker by the Bidder, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

7.10 No collateral benefits

Neither the Bidder nor any of its Associates has in the four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered to give or agreed to give a benefit which is not offered to all Xanadu Shareholders under the Offer to another person which was likely to induce the other person (or an Associate) to accept the Offer or dispose of Xanadu Shares.

7.11 No escalation agreements

Neither the Bidder nor any of its Associates have entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

7.12 Date for determining holders of Xanadu Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) for each Offer is the Register Date.

7.13 Consents

This Bidder's Statement contains statements made by, or statements based on statements made by, the Bidder, Boroo and Mr Lkhagvasuren. Each of the Bidder, Boroo and Mr Lkhagvasuren have consented to being named in this Bidder's Statement and have consented to the inclusion of:

(a) each statement it has made; and

(b) each statement which is said in this Bidder's Statement to be based on a statement it has made,

in the form and context in which the statements have been included, and has not withdrawn that consent.

The following firms and companies have given, and have not at the date of this Bidder's Statement withdrawn, their written consent to being named in this Bidder's Statement:

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Name of person	Named as
Allens	Australian Legal Adviser
Stikeman Elliott LLP	Canadian Legal Adviser
CIBC Capital Markets	Financial Adviser
Cormark Securities Inc.	Financial Adviser
Computershare	Registry Provider

None of these firms and companies have caused or authorised the issue of this Bidder's Statement or have in any way been involved in the making of the Offer. The Offer is made by the Bidder.

Each of the above firms and companies:

(c) do not make, or purport to make, any statement in this Bidder's Statement, or any statement on which a statement in this Bidder's Statement is based, other than a reference to its name; and

(d) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this document, other than a reference to its name.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Legislative Instrument 2023/683, the persons making those statements are not required to consent to, and have not consented to, the inclusion of those statements, or of statements based on those statements, in this Bidder's Statement.

7.14 Other material information

Except as disclosed in this Bidder's Statement, there is no other information that:

(a) is material to the making of the decision by a Xanadu Shareholder whether or not to accept the Offer; and

(b) is known to the Bidder,

which has not previously been disclosed to Xanadu Shareholders.

8 Offer Terms

8.1 Offer

(a) The Bidder offers to acquire all your Xanadu Shares on the terms and subject to the Conditions set out in this section 8.

(b) You may only accept this Offer for all of your Xanadu Shares.

(c) The consideration offered for each of your Xanadu Shares is $0.08 in cash.

(d) If the Bidder acquires your Xanadu Shares under this Offer, it will also be entitled to all Rights in respect of your Xanadu Shares.

(e) This Offer is dated 28 May 2025.

(f) The Offer relates to all Xanadu Shares that exist on the Register Date.

8.2 Offer Period

(a) This Offer will remain open for acceptance during the period that commences on the date of this Offer and ends at 7.00pm (Sydney time) on 1 July 2025, unless this Offer is withdrawn or that period is extended in accordance with the Corporations Act.

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(b) The Bidder may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.

8.3 How to accept this Offer

Acceptance must be received in the manner specified below prior to the close of the Offer Period at 7.00pm (Sydney time) on 1 July 2025, unless this Offer is withdrawn or that period is extended.

If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by the Bidder at the address specified on the Acceptance Form before the end of the Offer Period.

(a) **Issuer Sponsored Holdings**

If your Xanadu Shares are held in an Issuer Sponsored Holding (in which case your Securityholder Reference Number will commence with 'I'), to accept this Offer in respect of all of those Xanadu Shares you must:

(i) accept the Offer online at www.xamoffer.com.au; or

(ii) **complete** and **sign** the enclosed Acceptance Form in accordance with the instructions on it and **return** the Acceptance Form (using the enclosed reply paid envelope if you wish), together with all other documents required by the instructions on it, so that they are **received** before the end of the Offer Period at one of the addresses indicated on the Acceptance Form.

(b) **CHESS Holdings**

If your Xanadu Shares are held in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), to accept this Offer in respect of all of those Xanadu Shares you must either:

(i) **instruct** your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Rules, so as to be effective before the end of the Offer Period (if you do this and your Controlling Participant follows those instructions, you do not need to complete and return the Acceptance Form); or

(ii) accept the Offer **online** be going to www.xamoffer.com.au and clicking on "Accept the Offer using the Online Acceptance Facility" in sufficient time for the share registry to give instruction to your Controlling Participant (usually, your broker or the bank, custodian or other nominee) and for your Controlling Participant to carry out those instructions before the end of the Offer Period; or

(iii) **complete**, **sign** and **return** the enclosed Acceptance Form (using the enclosed reply paid envelope if you wish) in accordance with the instructions on the Acceptance Form, together with all other documents required by those instructions, so that they are **received** before the end of the Offer Period at one of the addresses indicated on the Acceptance Form. This will authorise the Bidder to initiate, or alternatively to instruct your Controlling Participant to initiate, acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Rules before the end of the Offer Period. You must ensure that the Acceptance Form (and the other required documents) are received in sufficient time for the Bidder to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period; or

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However, if you are the Controlling Participant in respect of your Xanadu Shares, to accept this Offer you must yourself initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Rules before the end of the Offer Period.

If some of your Xanadu Shares are in different holdings your acceptance of this Offer may require action under sections 8.3(a) and 8.3(b) in relation to the separate portions of your Xanadu Shares.

(c) **Holders of Xanadu Shares on the TSX**

(i) If your Xanadu Shares are held on the Canadian branch register of Xanadu through CDS, accept the Offer through a book entry transfer using the CDS online tendering system (CDSX), provided that a book-entry transfer confirmation through CDSX is received by the Depositary Agent at its office in Toronto, Ontario at or prior to the close of the Offer Period. You may need to instruct your financial institution or broker who is a CDS participant to assist you; or

(ii) If your Xanadu Shares are held on the Canadian branch register directly, accept the Offer by delivery of a duly completed Letter of Transmittal to the Depositary Agent at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal with other documents required by the Letter of Transmittal at or prior to the close of the Offer Period. Please contact the Depositary Agent toll-free at 1-800-564-6253 (North America) or 1-514-982-7555 (International) to obtain a copy of the Letter of Transmittal and instructions on how you can accept in this way.

Canadian Branch Shareholders, being Xanadu Shareholders who hold their Xanadu Shares on Xanadu's Canadian branch register in a registered position should contact the Depositary Agent toll-free at 1-800-564-6253 (North America) or 1-514-982-7555 (International) with any questions relating to tendering their shares. Canadian Branch Shareholders, being Xanadu Shareholders who hold their Xanadu Shares on Xanadu's Canadian branch register in a beneficial position (through CDS Clearing and Depository Services Inc (**CDS**)), should contact their broker or financial adviser.

(d) **Unregistered purchaser**

(i) To accept this Offer for Xanadu Shares which are not held in your name, but of which you are entitled to be registered as holder, to accept the Offer you must:

(A) complete and sign the enclosed Acceptance Form in accordance with the instructions on it;

(B) return the enclosed Acceptance Form, together with a copy of the purchase contract note relating to your Xanadu Shares and all other documents required by the instructions on it, so that they are received before the end of the Offer Period at one of the addresses given on the Acceptance Form.

(ii) Acceptance will be deemed to have been effected when, subject to this section 8, the duly completed Acceptance Form and all required documents have been received at one of the addresses given on the Acceptance Form.

(iii) However, if the Offer becomes unconditional, then notwithstanding anything else in this Bidder's Statement, the Bidder's obligation to provide Offer consideration in respect of your Xanadu Shares as described in this section 8.3(c) will be subject to you becoming the registered holder of your Xanadu Shares.

(e) **Level of acceptance**

As noted above, you may only accept this Offer for all of your Xanadu Shares. If you accept the Offer, your Xanadu Shares will constitute the ***Accepted Xanadu Shares***, and will

comprise all of your Xanadu Shares at the date your acceptance is processed (even if the number of Xanadu Shares specified on the Acceptance Form differs from the number of your Xanadu Shares).

8.4 Status and effect of the Acceptance Form

(a) **Status of Acceptance Form**

The Acceptance Form that accompanies this Bidder's Statement forms part of this Offer, and the instructions on the Acceptance Form must be followed in using it to accept this Offer.

(b) **Effect of Acceptance Form**

By signing and returning the Acceptance Form in accordance with section 8.2, you irrevocably authorise the Bidder and its nominees:

(i) to rectify any errors in, or omissions from, the Acceptance Form that are necessary to make it an effective acceptance of this Offer or to enable registration of the transfer of all of your Accepted Xanadu Shares to the Bidder; and

(ii) (in respect of any of your Accepted Xanadu Shares in a CHESS Holding) to:

(A) initiate, or alternatively instruct your Controlling Participant to initiate, acceptance of this Offer in respect of all such Accepted Xanadu Shares in accordance with Rule 14.14 of the ASX Settlement Rules; and

(B) give any other instructions concerning those Accepted Xanadu Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant, as determined by the Bidder (or its nominee) acting in its own interests as a beneficial owner and intended registered holder of your Accepted Xanadu Shares,

and acknowledge that:

(C) with respect to sub-paragraph (A) above, the Bidder (or its agents or nominees) will merely forward your Acceptance Form to your Controlling Participant (being the only person who can accept this Offer on your behalf) and that it is your responsibility to allow sufficient time for your Controlling Participant to initiate acceptance of this Offer;

(D) the Bidder (or its agents or nominees) is not responsible for any delays incurred by the process described in sub-paragraph (B) above or any losses whatsoever you incur by the fact that your acceptance is not processed before the end of the Offer Period; and

(E) you must promptly give any further instructions or take any further actions necessary concerning your Accepted Xanadu Shares to your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Rules prior to the end of the Offer Period.

(c) **Validation of Acceptance Form**

Notwithstanding sections 8.3(a)(ii) and 8.3(b)(iii), the Bidder may (except in relation to Xanadu Shares in a CHESS Holding) treat the receipt by it of a signed Acceptance Form either:

(i) before the end of the Offer Period; or

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(ii) after the end of the Offer Period but where the Acceptance Form is sent by post and the envelope in which it is posted is post-marked before the end of the Offer Period,

as valid even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance.

If the Bidder does treat such an Acceptance Form as valid, subject to section 8.8, the Bidder will not be obliged to give the consideration to you until the Bidder receives all of the required documents and all of the requirements for acceptance referred to in section 8.2 and in the Acceptance Form have been met (other than the requirement of your Acceptance Form to be received before the end of the Offer Period).

(d) **Risk in Acceptance Form**

The transmission by you of the Acceptance Form and any other documents in accordance with section 8.2 is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of the Bidder.

(e) **Revocation of acceptance**

Once you have accepted this Offer, you will be unable to revoke or withdraw your acceptance of this Offer or otherwise dispose of your Accepted Xanadu Shares, except as follows:

(i) if a Condition, as set out in section 8.6, is not fulfilled or waived, then this Offer will automatically terminate and your Accepted Xanadu Shares will be returned to you; or

(ii) if the Offer Period is extended for more than one month and, at the time, this Offer is subject to one or more Conditions, as set out in section 8.6, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

(f) **Power of attorney or deceased estate**

When accepting this Offer, you should forward for inspection:

(i) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and

(ii) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Xanadu Shareholder, the relevant grant of probate or letters of administration.

8.5 Agreement resulting from acceptance

By signing and returning the Acceptance Form or initiating or causing acceptance of this Offer in accordance with section 8.2:

(a) you accept this Offer (and any variation of it) in respect of all of your Accepted Xanadu Shares at the date your acceptance is processed and agree to the terms and conditions of this Offer;

(b) subject to all of the Conditions being fulfilled or waived, you transfer, and consent to the transfer in accordance with the ASX Settlement Rules of, all of your Accepted Xanadu Shares to the Bidder in accordance with this Offer and subject to the conditions of the constitution of Xanadu on which they were held immediately before your acceptance of this

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Offer (and the Bidder agrees to take those Accepted Xanadu Shares subject to those conditions);

(c) you represent and warrant to the Bidder that, at the time of your acceptance and at the time the transfer of your Accepted Xanadu Shares to the Bidder is registered:

(i) all of your Accepted Xanadu Shares are and will be fully paid;

(ii) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Accepted Xanadu Shares (including any Rights) to the Bidder;

(iii) the Bidder will acquire good title to them and full beneficial ownership of them free from all Encumbrances; and

(iv) that you have paid to Xanadu all amounts which at the time of acceptance have fallen due for payment to Xanadu in respect of your Accepted Xanadu Shares;

(d) subject to all of the Conditions being fulfilled or waived, you irrevocably appoint the Bidder and each of its directors and nominees severally as your attorney to exercise all powers and rights that you have as the registered holder of your Accepted Xanadu Shares, including:

(i) attending any meeting of Xanadu, and voting in respect of your Accepted Xanadu Shares, proposing or seconding any motion, and demanding a poll for any vote at any such meeting;

(ii) requisitioning the convening of any general meeting of Xanadu and convening a general meeting pursuant to any such requisition; and

(iii) signing any form, notice, instrument or other document (including any proxy appointment) relating to your Accepted Xanadu Shares.

Such appointment will terminate on the earlier of the withdrawal of your acceptance of this Offer (either in accordance with its terms or under section 650E of the Corporations Act) and the end of the Offer Period or, if all Conditions of the Offer have been fulfilled or waived, the registration of the Bidder as the holder of your Accepted Xanadu Shares;

(e) you agree that, in exercising the powers and rights conferred by the power of attorney in section 8.5(d), each attorney may act in the interests of the Bidder as the intended registered holder and beneficial owner of your Accepted Xanadu Shares;

(f) except as contemplated by section 8.5(d) and while the appointment in that section continues, you agree not to attend or vote in person or by proxy, attorney or corporate representative at any meeting of Xanadu, or to exercise or purport to exercise (in person or by proxy, attorney, or corporate representative or otherwise) any of the powers conferred by the power of attorney in section 8.5(d);

(g) you irrevocably authorise and direct Xanadu to pay to the Bidder, or to account to the Bidder for, all Rights in respect of your Accepted Xanadu Shares (except to the extent that the Bidder elects to waive its entitlement to those Rights), subject, however, to any such Rights received by the Bidder being accounted for by the Bidder to you if any contract resulting from your acceptance of this Offer is rescinded or rendered void;

(h) subject to all of the Conditions being fulfilled or waived, you irrevocably authorise the Bidder and its nominees to do all things necessary to transfer your Accepted Xanadu Shares to the Bidder (including to cause a message to be transmitted in accordance with the ASX Settlement Rule 14.17.1 so as to transfer your Accepted Xanadu Shares, if held in a

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CHESS Holding, to the Takeover Transferee Holding), even if the Bidder has not at that time paid or provided the consideration due to you under this Offer; and

(i) you agree to indemnify the Bidder and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or your Securityholder Reference Number or in consequence of the transfer of your Accepted Xanadu Shares to the Bidder being registered by Xanadu without production of your Holder Identification Number or your Securityholder Reference Number.

The representations, warranties, authorities and indemnity referred to in this section 8.5 will (unless otherwise stated) remain in force after you receive the Offer consideration for your Accepted Xanadu Shares and after the Bidder becomes the registered holder of them.

8.6 Conditions

Subject to section 8.7, this Offer and any contract resulting from your acceptance of this Offer are subject to the fulfilment of the following Conditions.

(a) **50.1% minimum Relevant Interest**

Before the end of the Offer Period, the Bidder acquires (together with its Associates) a Relevant Interest in at least 50.1% of the Xanadu Shares.

(b) **Non-exercise of the Put Options**

Between the Agreement Date and the end of the Offer Period, Xanadu does not exercise any Put Option.

(c) **No Material Adverse Change**

No Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to the Bidder, Boroo or Mr Lkhagvasuren between (and including) the Agreement Date and the end of the Offer Period.

(d) **No Prescribed Occurrences**

No Prescribed Occurrence occurs between the Agreement Date and the end of the Offer Period

(e) **No restraints**

Between the Agreement Date and the end of the Offer Period (each inclusive):

(i) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by a Governmental Agency; and

(ii) no action or investigation is announced, commenced or threatened by any Governmental Agency,

in consequence of, or in connection with, the Offer that:

(iii) restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of Xanadu Shares under the Offer or any transaction contemplated by this Bidder's Statement, the Offers or the rights of the Bidder or any of its Related Entities in respect of Xanadu Shares, or requires the divestiture by any entity within the Bidder Group of any Xanadu Shares, or requires the divestiture of any assets of the Bidder Group or Xanadu Group; or

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(iv) imposes any new terms on, amends the existing terms of or otherwise affects the rights held by any entity within the Xanadu Group under any approval, licence, tenement or permit issued by any Governmental Agency to any entity within the Xanadu Group,

but expressly excludes any action taken by the Government of Mongolia, including passing legislation or making any public announcements, to designate the Kharmagtai Project as a 'Strategic Deposit' under the Minerals Law (2006) or to otherwise seek or require there to be any state ownership interest in the Kharmagtai Project.

(f) **Xanadu Warranties**

None of the warranties given by Xanadu under the BIA become incorrect or untrue between the Agreement Date and the end of the Offer Period.

8.7 Nature and operation of Conditions

(a) **Nature of Conditions**

Each Condition is a condition subsequent to the formation of a binding contract upon your acceptance of this Offer. None of those Conditions prevents a contract to sell your Accepted Xanadu Shares resulting from your acceptance of this Offer, but:

(i) non-fulfilment of any of those Conditions at the end of the Offer Period will have the consequences set out in section 8.7(e); and

(ii) breach of any of those Conditions entitles the Bidder to rescind that contract by written notice to you.

(b) **Separate Conditions for benefit of the Bidder**

(i) Each paragraph and each sub-paragraph of each other paragraph of section 8.6 constitutes, and is to be construed as, a separate, several and distinct Condition. No Condition will be taken to limit the meaning or effect of any other Condition.

(ii) Subject to the Corporations Act and to section 8.7(a), the Bidder alone is entitled to the benefit of the Conditions and to rely on breach or non-fulfilment of, or to waive, any of those Conditions.

(c) **Waiver of Conditions**

Subject to the Corporations Act, any or all of the Conditions may be waived by the Bidder.

(d) **Notice on status of Defeating Conditions**

The date for giving the notice as to the status of the Conditions required by section 630(1) of the Corporations Act is 24 June 2025 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

(e) **Contract void if Conditions not fulfilled**

Your acceptance of this Offer, and any contract resulting from your acceptance of this Offer, will be automatically void if:

(i) at the end of the Offer Period, any of the Conditions is not fulfilled; and

(ii) the Bidder has not declared this Offer and any contract resulting from your acceptance of it free from that Condition in accordance with section 8.7(c).

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8.8 Payment of consideration

(a) **When you will generally be paid**

Subject to this section 8.8 and the Corporations Act, if you accept this Offer and the Conditions are fulfilled or waived, the Bidder will use its best endeavours to pay you the consideration for your Accepted Xanadu Shares under this Offer by the later of:

(i) 10 Business Days after the date that the Offer becomes unconditional; and

(ii) 10 Business Days after the date that you accept the Offer,

but in any case will pay you not later than 21 calendar days after the end of the Offer Period.

(b) **Payment where additional documents required**

Where additional documents are required, either by the Acceptance Form or otherwise, to be given to the Bidder with your acceptance to enable the Bidder to become the holder of your Accepted Xanadu Shares (such as a power of attorney) then, subject to sections 8.8(c) to 8.8(f) and the Corporations Act:

(i) if those documents are given to the Bidder with your acceptance, the Bidder will pay you the consideration for your Accepted Xanadu Shares in accordance with section 8.8(a);

(ii) if those documents are given to the Bidder after your acceptance and before the end of the Offer Period, while this Offer is subject to a Condition, the Bidder will use its best endeavours to pay you the consideration for your Accepted Xanadu Shares within 10 Business Days after any contract resulting from your acceptance of this Offer becomes, or is declared, unconditional, and, in any event, within 21 calendar days after the end of the Offer Period, assuming the Offer has become, or is declared, unconditional;

(iii) if those documents are given to the Bidder after your acceptance and before the end of the Offer Period, while this Offer is not subject to a Condition, the Bidder will use its best endeavours to pay you the consideration for your Accepted Xanadu Shares by the day that is the earlier of:

(A) 10 Business Days after the date those documents are given; and

(B) 10 Business Days after the end of the Offer Period,

but in any case will pay you not later than 21 calendar days after the end of the Offer Period; or

(iv) if those documents are given to the Bidder after the end of the Offer Period and the Offer is not subject to any Conditions, the Bidder will pay you the consideration for your Accepted Xanadu Shares within 10 Business Days after those documents are given.

(c) **Delivery of consideration**

Payment of any cash amount to which you are entitled will be made in the following manner:

(i) if you hold your Xanadu Shares on the Issuer Sponsored Subregister or CHESS Subregister, you will be paid by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of Xanadu Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or as recorded in the register of Xanadu Shareholders on the Register Date. Payment will be deemed to have been made

at the time the cheque is delivered to Australia Post for delivery or placed in an Australia Post postal box; or

(ii) if you are a Canadian Branch Shareholder who accepts the Offer via CDSX, the cash amount to which you are entitled will be converted to Canadian dollars, by the Depositary Agent, at the prevailing rate on the date the funds are converted. The Depositary Agent will make wire payment of the CAD converted Offer Consideration to the relevant CDS account. Upon CDS' receipt of the CAD converted Offer Consideration, CDS will credit the accounts of its CDS participant brokers who tendered into the Offer for further credit to the beneficial accounts of the relevant Canadian Branch Shareholders. Currency conversion is at the risk of the Canadian Branch Shareholders; or

(iii) if you are a Canadian Branch Shareholder who directly accepts the Offer by delivery a duly completed and signed Letter of Transmittal to the Depositary Agent along with your original physical share certificate or direct registration system (DRS) advice evidencing your Xanadu Shares, the cash amount to which you are entitled will be converted to Canadian dollars, by the Depositary Agent, at the prevailing rate on the date the funds are converted. The Depositary Agent will arrange for you to receive either a cheque or wire payment (as applicable) of the CAD converted Offer Consideration Currency conversion is at the risk of the Canadian Branch Shareholders.

(d) **Rights**

If the Bidder becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to the Bidder all documents necessary to vest title to those Rights in the Bidder, or otherwise to give the Bidder the benefit or value of those Rights. If you do not do so, or if you have received or are entitled to receive (or any previous holder of your Accepted Xanadu Shares has received or is entitled to receive) the benefit of those Rights, the Bidder will be entitled to deduct the amount (or an amount equal to the value, as reasonably assessed by the Bidder) of those Rights from any consideration otherwise payable to you under this Offer. If the Bidder does not, or cannot, make such a deduction, you must pay that amount to the Bidder, except to the extent that the Bidder elects to waive its entitlement to those Rights.

(e) **Non-Australian residents**

If, at the time of acceptance of this Offer, any authority or clearance of a Governmental Agency is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom any law of Australia or regulation under the Charter of the United Nations that would make it unlawful for the Bidder to provide consideration for your Accepted Xanadu Shares applies then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by the Bidder.

(f) **Withholding of consideration by the Bidder**

If any amount (the ***withholding amount***) is required, under any Australian law or by any Governmental Agency, to be:

(i) withheld from any consideration otherwise payable to you under this Offer and paid to a Governmental Agency; or

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(ii) retained by the Bidder out of any consideration otherwise payable to you under this Offer,

the payment or retention by the Bidder of the withholding amount (as applicable) will constitute full discharge of the Bidder's obligation to pay the consideration to you to the extent of the withholding amount.

8.9 Offerees

(a) **Registered holders**

The Bidder is making an offer in the form of this Offer to each person registered as the holder of Xanadu Shares in the register of members of Xanadu as at the Register Date.

(b) **Transferees**

(i) If at any time during the Offer Period another person is able to give good title to some or all of your Xanadu Shares, and that person has not already accepted an offer in the form of this Offer for those Xanadu Shares, then that person may accept as if an offer in the form of this Offer had been made to them in respect of those Xanadu Shares.

(ii) For the purpose of section 8.9(b)(i) and the definition of "your Xanadu Shares", "good title" in respect of any particular Xanadu Share includes where a person:

(A) is registered as the holder of the Xanadu Share; or

(B) is entitled to be registered as the holder of the Xanadu Share as a result of having purchased the Xanadu Share on-market.

(c) **Trustees and nominees**

If at any time during the Offer Period and before you accept this Offer your Xanadu Shares consist of two or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold your Xanadu Shares as trustee or nominee for, or otherwise on account of, several distinct beneficial owners), then you may accept as if a separate offer in the form of this Offer had been made in relation to each of those parcels (including any parcel you hold in your own right). Acceptance for any parcel of Xanadu Shares (including any parcel consisting of two or more parcels) is ineffective unless:

(i) you give the Bidder notice stating that the Xanadu Shares consist of a separate parcel, such notice being:

(A) in the case of Xanadu Shares not in a CHESS Holding, in writing; or

(B) in the case of Xanadu Shares in a CHESS Holding, in an electronic from approved by the ASX Settlement Rules for the purposes of Part 6.8 of the Corporations Act; and

(ii) your acceptance specifies the number of Xanadu Shares in the parcel.

(d) **Xanadu Shares subject to Xanadu transfer restrictions**

If at any time during the Offer Period some of your Xanadu Shares are subject to transfer restrictions imposed by Xanadu (for example, because you hold some of your Xanadu Shares under an employee incentive plan), then you may accept as if a separate offer in the form of this Offer had been made in relation to the balance of your Xanadu Shares. Acceptance for the balance of your Xanadu Shares is ineffective unless you give the Bidder notice stating the number of your Xanadu Shares that are subject to a transfer restriction

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and explaining the nature of the restriction, and your acceptance specifies the balance of your Xanadu Shares.

8.10 Additional copies of Offer documents

If, for the purpose of accepting the Offer, you require additional copies of this Bidder's Statement and the Acceptance Form, please call the Offer Information Line on 1300 116 263 (toll-free within Australia) or +61 3 9415 4283 (from outside Australia) to request those additional copies. For legal reasons, calls to this number may be recorded.

8.11 Variation and withdrawal of Offer

(a) **Variation**

The Bidder may vary this Offer in accordance with the Corporations Act.

(b) **Withdrawal**

This Offer may be withdrawn with the written consent of ASIC, such consent may be subject to conditions. If so, the Bidder will give notice of the withdrawal to the ASX and to Xanadu and will comply with any other conditions imposed by ASIC.

8.12 Costs and stamp duty

The Bidder will pay all costs and expenses of the preparation and circulation of this Offer and any Australian stamp duty payable on the transfer of any Xanadu Shares to the Bidder under this Offer.

8.13 Governing law and jurisdiction

This Offer and any contract resulting from your acceptance of this Offer are governed by the laws of New South Wales. In relation to them and related non-contractual matters, each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

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9 Definitions and Interpretation

9.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the context requires otherwise:

25% Put Option means the put option granted by Jinping to Xanadu under and in accordance with the terms of the Khuiten JV SHA, upon exercise of which, requires Jinping to acquire half of Xanadu's 50% shareholding in Khuiten Metals.

50% Put Option means the put option granted by Jinping to the Xanadu under and in accordance with the terms of the Khuiten JV SHA, upon exercise of which, requires Jinping to acquire all of Xanadu's 50% shareholding in Khuiten Metals.

Acceptance Form means the acceptance form enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of the Bidder.

Accepted Xanadu Shares has the meaning given in section 8.3(e).

Agreement Date means 19 May 2025.

Announcement Date means 19 May 2025.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12(2) of the Corporations Act (where Xanadu is the 'designated body').

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Rules means the operating rules of the settlement facility provided by ASX Settlement, such rules being known as the 'ASX Settlement Operating Rules' as at the date of this Bidder's Statement.

ATO means the Australian Taxation Office.

BDO means BDO Corporate Finance Ltd.

BIA means the bid implementation agreement entered into by the Bidder, Boroo, Mr Ganbayar Lkhagvasuren and Xanadu on the Agreement Date.

Bidder means Bastion Mining Pte. Ltd.

Bidder Funding Deed means the funding deed dated 21 May 2025, between the Bidder, Boroo and Mr Ganbayar Lkhagvasuren.

Bidder Group means the Bidder, Boroo, Mr Ganbayar Lkhagvasuren, and their Related Entities.

Bidder Group Member means a member of the Bidder Group.

Bidder's Statement means this document, being the statement of the Bidder under Part 6.5 of the Corporations Act relating to the Offer.

Boroo means Boroo Pte. Ltd (UEN 201827959R).

Break Fee means an amount equal to of $1,759,221.75.

Business Day means any day that is each of the following:

(a) a Business Day within the meaning given in the ASX Listing Rules; and

(b) a day that banks are open for business in Singapore, Ulaanbaatar, Mongolia and Sydney, Australia.

Canadian Branch Shareholder means a Shareholder who holds Xanadu Shares on Xanadu's Canadian branch register, including Shareholders who hold their Xanadu Shares through CDS.

CDS means CDS Clearing and Depository Services Inc., the settlement and depository organisation for settling trades in shares on the TSX.

CGT means Australian capital gains tax.

CGT Discount has the meaning given in section 5.2(a)(iv).

CHESS means the Clearing House Electronic Subregister System, which provides for the electronic transfer, settlement and registration of securities in Australia.

CHESS Holding means a holding of Xanadu Shares on the CHESS Subregister of Xanadu.

CHESS Subregister has the meaning given in the ASX Settlement Rules.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement (other than any transaction that may be made and implemented in accordance with the BIA) by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:

(a) a Third Party will (other than as custodian, nominee or bare trustee):

  (i) acquire an interest in, or a Relevant Interest in, or become the holder of, 20% or more of the shares in any Xanadu Group Member;

  (ii) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in, all or a substantial part of the assets or business of any Xanadu Group Member;

  (iii) otherwise acquire control (within the meaning of section 50AA of the Corporations Act) of any Xanadu Group Member; or

  (iv) otherwise directly or indirectly acquire, merge or amalgamate with, or acquire a significant shareholding or economic interest in, any Xanadu Group Member or in all or a substantial part of their respective assets or business, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Xanadu Group or other synthetic merger or any other transaction or arrangement; or

(b) requires or would require any Xanadu Director to change or withdraw their recommendation of the Offer.

Concurrent Financing means the interim funding of $17.2 million provided by the Bidder to Xanadu by way of subscription for 286,829,633 Xanadu Shares on an issue price of $0.06 per Xanadu Share, as detailed in section 7.2.

Conditions means each and all of the conditions to the Offer which are set out in section 8.6.

Controlling Participant has the meaning given in the ASX Settlement Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Rules).

Corporations Act means the *Corporations Act 2001* (Cth).

Depositary Agent means Computershare Investor Services Inc.

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Encumbrance means an interest or power:

(a) reserved in or over any interest in any asset including any retention of title; or

(b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and includes any agreement to grant or create any of the above.

Facility Lender means Hexagon Build Engineering LLC (Company Registration No. 6336019).

GBL Facility means the US$30 million term loan facility pursuant to the loan agreement dated 22 May 2025 between Mr Ganbayar Lkhagvasuren as borrower and the Facility Lender.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, the Australian Competition and Consumer Commission, the ATO, the ASX, the TSX, the Takeovers Panel and any regulatory organisation established under statute or any stock exchange.

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition acts of the Commonwealth of Australia.

Holder Identification Number means the number used to identify a Xanadu Shareholder on the CHESS Subregister of Xanadu.

Independent Expert means the independent expert appointed by Xanadu to opine on the Offer for Xanadu Shareholders.

Independent Xanadu Board means the independent board committee established by Xanadu and comprised of all Independent Xanadu Directors.

Independent Xanadu Director means each Xanadu Director other than:

(a) Mr Ganbayar Lkhagvasuren; and

(b) Mr Shaoyang Shen.

Insolvency Event means, in relation to an entity:

(a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity;

(b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;

(c) the entity executing a deed of company arrangement;

(d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the Agreement Date;

(e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation) or is otherwise presumed to be insolvent under the Corporations Act unless the entity has, or has access to, committed financial support from its parent entity such that it is able to pay its debts; or

(f) the entity being deregistered as a company or otherwise dissolved.

Issuer Sponsored Holding means a holding of Xanadu Shares on the Issuer Sponsored Subregister of Xanadu.

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Issuer Sponsored Subregister has the meaning given in the ASX Settlement Rules.

ITAA 1997 has the meaning given in section 5.1.

Jinping means Jinping (Singapore) Mining Pte. Ltd.

Kharmagtai Project means the Kharmagtai copper-gold project located in Omnogovi Province, approximately 420km southeast of Ulaanbaatar, Mongolia.

Khuiten JV means the joint venture between Xanadu and Jinping with respect to Khuiten Metals and the Kharmagtai Project.

Khuiten JV SHA means the Joint Venture Shareholders' Agreement dated 21 December 2022 between Xanadu, Jinping and Khuiten Metals establishing the Khuiten JV.

Khuiten Metals means Khuiten Metals Pte Ltd.

Last Practicable Date means 26 May 2025.

Letter of Transmittal means a letter of transmittal to accept the Offer by a Canadian Branch Shareholder whose Xanadu Shares are held on the Canadian branch register directly. Canadian Branch Shareholders can contact the Depositary Agent toll-free at 1-800-564-6253 (North America) or 1-514-982-7555 (International) to obtain a copy of the Letter of Transmittal.

Material Adverse Change means an event, change, condition, matter, circumstance or thing occurring before, on or after the Agreement Date (each a ***Specified Event***) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

(a) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Xanadu Group taken as a whole; or

(b) without limiting the generality of paragraph (a):

  (i) have a material adverse effect on Xanadu's interest in the Project Titles or the ability of the Xanadu Group to exploit its interest in the Project Titles as currently held at the Agreement Date;

  (ii) the effect of a diminution in the value of the consolidated net assets of the Xanadu Group, taken as whole, by at least $5,000,000 against what it would reasonably have been expected to have been but for such Specified Event;

  (iii) the effect of resulting in:

    (A) the cessation, termination or loss or reduction in Xanadu's interest in the Project Titles or Khuiten Metals; or

    (B) Out Ulaan LLC ceasing to be the sole legal and beneficial owner of all rights, title and interest in and to the Project Titles,

other than those events, changes, conditions, matters, circumstances or things:

(c) occurring directly or indirectly as a result of any matter, event or circumstance required or permitted by the BIA, Share Subscription Agreement or the Offer or the transactions contemplated by any of them;

(d) that are 'Fairly Disclosed' in the 'Disclosure Materials' (as those terms are defined in the BIA);

(e) that the Xanadu disclosed in an announcement made by the Xanadu to ASX or TSX, or a publicly available document lodged by it with ASIC, in the 12 month period prior to the Agreement Date;

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(f) agreed to in writing by the Bidder;

(g) resulting from changes:

(i) in law (including any statute, ordinance, rule, regulation, the common law and equitable principles) or the interpretation, application or non-application of any laws by any Governmental Agency; or

(ii) in general economic, political or business conditions, in a jurisdiction in which any Xanadu Group Member operates, including but not limited to Australia, Singapore or Mongolia;

(h) resulting from any change occurring directly as a result of a general deterioration in equity markets, interest rates, exchange rates, commodity rates or credit spreads, that impacts Xanadu and its competitors in a similar manner;

(i) occurring directly or indirectly as a result of:

(i) any act of terrorism, war (whether declared), military coup, civil unrest or similar event; or

(ii) any act of God such as lightning, storm, flood, earthquake, cyclone, tidal wave or landslide;

(j) any change in accounting policy required by law or government policy; or

(k) resulting from any action taken by the Government of Mongolia, including passing legislation or making any public announcements, to designate the Kharmagtai Project as a 'Strategic Deposit' under the Minerals Law (2006) or to otherwise seek or require there to be any state ownership interest in the Kharmagtai Project.

Offer means, as the context requires, the offer for Xanadu Shares contained in section 8, or the off-market takeover bid constituted by that offer and each other offer by the Bidder for Xanadu Shares in the form of that offer, including in each case as varied in accordance with the Corporations Act.

Offer Amount has the meaning given in section 4.1.

Offer Consideration means $0.08 per Xanadu Share.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with section 8.2.

Prescribed Occurrence means the occurrence of any of the following:

(a) Xanadu converts all or any of the Xanadu Shares into a larger or smaller number of shares;

(b) a Xanadu Group Member resolves to reduce its share capital in any way;

(c) a Xanadu Group Member:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement;

(d) a Xanadu Group Member issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option in each case, other than the issue of Xanadu Shares as a result of either:

(i) the exercise of Xanadu Options which are on issue as at the Announcement Date; or

(ii) the Concurrent Financing;

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(e) a Xanadu Group Member issues, or agrees to issue, convertible notes;

(f) a Xanadu Group Member disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(g) a Xanadu Group Member grants, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property; or

(h) an Insolvency Event occurs in relation to a Xanadu Group Member,

other than as:

(i) required or permitted by the BIA or Share Subscription Agreement or the Offer or the transactions contemplated by any of them;

(j) that are 'Fairly Disclosed' in the 'Disclosure Materials' (as those terms are defined in the BIA);

(k) disclosed by Xanadu in an announcement made by Xanadu to ASX or TSX, or a publicly available document lodged by it and in documents lodged with ASIC, in the 12 month period prior to the Agreement Date;

(l) agreed to in writing by the Bidder; or

(m) a result of any action taken by the Government of Mongolia, including passing legislation or making any public announcements, to designate the Kharmagtai Project as a 'Strategic Deposit' under the Minerals Law (2006) or to otherwise seek or require there to be any state ownership interest in the Kharmagtai Project.

Project Titles means the mining titles comprising the Kharmagtai Project set out in Schedule 8 of the BIA.

Put Options means the 25% Put Option and the 50% Put Option.

Register Date means 7.00pm (Sydney time) on Monday, 26 May 2025, being the date set by the Bidder under section 633(2) of the Corporations Act.

Related Entity has the meaning given in the BIA.

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from the Xanadu Shares directly or indirectly at or after the date of this Bidder's Statement (including all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Xanadu or any Subsidiary of Xanadu).

Security Interests means:

(a) a security interest as defined in section 12 of the *Personal Property Securities Act 2009* (Cth); and

(b) a charge, lien or pledge.

Securityholder Reference Number means the number allocated by Xanadu to identify a Xanadu Shareholder on the Issuer Sponsored Subregister of Xanadu.

Share Subscription Agreement has the meaning given in section 7.2.

Subsidiary has the meaning given to that term in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal received by Xanadu that the Independent Xanadu Board determines, acting in good faith and in order to satisfy what the

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Independent Xanadu Board considers to be its fiduciary or statutory duties (and after having obtained written advice from Xanadu's external legal and, if appropriate, financial advisers):

(a) is reasonably capable of being valued and completed; and

(b) would be, or would be reasonably likely to be, if completed substantially in accordance with its terms, more favourable to the Xanadu Shareholders (as a whole) than the Offer (as the terms of the Offer may be amended or varied following the application of the matching right set out in clause 11.4 of the BIA),

in each case, taking into account all terms and conditions and other aspects of the Competing Proposal (including undertaking a qualitative assessment of the identity, reputation and financial standing of the party making the Competing Proposal, any conditions precedent).

Takeover Transferee Holding has the meaning given in the ASX Settlement Rules, being the CHESS Holding to which Xanadu Shares are to be transferred pursuant to acceptances of the Offer.

Third Party means any of the following:

(a) a person other than any Bidder Group Member; or

(b) a consortium, partnership, limited partnership, syndicate or other group in which no Bidder Group Member has agreed in writing to be a participant.

Total Funding Commitment means the total amount made available by Boroo and Mr Lkhagvasuren to the Bidder pursuant to the Bidder Funding Deed, being US$108 million.

TSX means the Toronto Stock Exchange.

TSX Company Manual means the TSX Company Manual, as amended from time to time.

Voting Power has the meaning given in section 610 of the Corporations Act.

VWAP means volume weighted average trading price on the ASX.

Xanadu means Xanadu Mines Limited.

Xanadu Board means the board of directors of Xanadu.

Xanadu Director means a director of Xanadu.

Xanadu Group means Xanadu and its Subsidiaries.

Xanadu Group Member means a member of the Xanadu Group.

Xanadu Option means an option to subscribe for a Xanadu Share (by issue or transfer) issued by Xanadu.

Xanadu Shareholder means a person registered in the register of members of Xanadu as a holder of Xanadu Shares.

Xanadu Shares means fully paid ordinary shares in Xanadu.

your Xanadu Shares means, subject to section 8.9, the Xanadu Shares in respect of which you are registered or entitled to be registered as a holder in the register of members of Xanadu at the Register Date, and in respect of which no other person becomes registered or entitled to be registered as a holder before you accept the Offer.

Zijin means Zijin Mining Group Co., Ltd, a company incorporated in the People’s Republic of China.

9.2 Interpretation

(a) In this Bidder's Statement and in the Acceptance Form, headings are for convenience only and do not affect interpretation.

(b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.

(c) The following rules apply unless the context requires otherwise:

(i) The singular includes the plural, and the converse also applies.

(ii) A gender includes all genders.

(iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.

(v) A reference to a section or Annexure is a reference to a section of, or Annexure to, this Bidder's Statement.

(vi) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.

(vii) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, any legislative provision substituted for it and a regulation or statutory instrument issued under it.

(viii) A reference to any instrument or document includes any variation or replacement of it.

(ix) A term not specifically defined in this Bidder's Statement has the meaning given to it in the Corporations Act (being, if any special meaning is given for the purposes of Chapter 6 or 6A of the Corporations Act or a provision of those chapters, that special meaning).

(x) A reference to time is to Sydney time.

(xi) A reference to *dollars* or *$* is to Australian currency.

(xii) A reference to you is to a person to whom the Offer under section 8 is (or is deemed to be) made.

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10 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution of the director of the Bidder.

Dated 27 May 2025.

Signed on behalf of Bastion Mining Pte Ltd:



Tan Ling Kwok, Philip
Director

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Corporate Directory

Bastion Mining Pte Ltd

9 Straits View, #05- 09, Marina One West Tower,
Singapore 018937

Offer Information Line

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on the following numbers:

Within Australia: 1300 116 263 (toll-free)

Outside Australia: +61 3 9415 4283

Please note that, as required by the Corporations Act, calls to these numbers may be recorded.