

XANADU MINES LTD

CODE OF CONDUCT

1. OVERVIEW

1.1 Purpose

The Xanadu Mines Ltd (**Xanadu** or the **Company**) Code of Conduct (**Code**) governs all the commercial operations and the conduct of directors, employees, contractors, consultants and all other people when they represent Xanadu, its subsidiaries and associated entities (**Personnel**).

Xanadu believes that as part of the wider community in which it operates its business, it has a responsibility to confirm the general principles enunciated in this Code and in doing so, uphold the expectations of all its stakeholders, wherever practicable and possible.

1.2 Provision of this Code

A copy of this Code will be given to all incumbent and new Personnel.

1.3 Questions, Interpretation & Enforcement of this Code

Any questions relating to the interpretation or enforcement of this Code should be forwarded to the Chief Executive Officer or the Company Secretary.

2. GENERAL PRINCIPLES

2.1 Compliance with Laws

Xanadu, its subsidiaries and associated entities and Personnel are expected to comply, at all times, with all applicable laws or regulations in Australia and in the jurisdictions in which Xanadu's operations and activities are being undertaken (**Applicable Laws or Regulations**). They are also expected to conduct the Company's operations in keeping with the highest legal, moral and ethical standards.

2.2 Performance of Duties by Personnel

All Personnel of Xanadu, its subsidiaries and associated entities must conduct the business of the Company with the highest level of legal, moral and ethical standards and integrity, in relation to each other and all others with whom they deal.

Personnel must act:

- a) ethically, honestly, responsibly and diligently;
- b) in full compliance with the letter and spirit of Applicable Laws or Regulations and this Code; and
- c) in the best interest of the Company.

2.3 Responsibilities of those who lead

If you are a supervisor or manager, you a leader and you must ensure that you and the people for whom you are responsible, comply with the Code and uphold our values. This includes:

- a) Demonstrating behaviour that is consistent with our values;
- b) Fostering a culture of sound, ethical conduct;
- c) Promoting culture in which people feel comfortable in raising concerns;
- d) Recognising and rewarding good behaviour, performance and achievements;
- e) Responding in a timely manner to the legitimate concerns and questions about the Code and the behaviours it promotes; and
- f) Taking action to address behaviours inconsistent with the Code.

The Chief Executive Officer is responsible for the Code of Conduct and for demonstrating our values across the Company. In turn, our leaders have a responsibility to support the Chief Executive Officer in upholding our values in all our business activities.

2.4 Breach of the Code

Any breach of Applicable Laws or Regulations, accepted moral and ethical commercial practice or other aspects of this Code, will result in disciplinary action. Depending on the severity of the breach, such disciplinary action may include reprimand, formal warning, demotion or termination of employment/engagement (as the case may be).

Similar disciplinary action may be taken against any manager who directly approves of such action or has knowledge of the action and does not take appropriate remedial action.

Breach of Applicable Laws or Regulations may also result in prosecution by the appropriate authorities. The Company will not pay, directly or indirectly, any penalties imposed on any Personnel as a result of a breach of Applicable Laws or Regulations.

2.5 Reporting Breaches of the Code

All Personnel are requested to report immediately any circumstances which may involve a breach of this Code, to the Company Secretary, the Chief Executive Officer or the Chairman.

It is in the best interests of Xanadu for all Personnel to immediately report any observance of a breach of this Code.

The external auditor of Xanadu (**External Auditor**) may review the operations of the Company. Part of this review may be to report to Xanadu's Board of Directors (**Board**) any breaches of this Code which they detect.

3. STATEMENT OF COMPLIANCE

At the time the declaration made under section 295A of the *Corporations Act 2001 (Cth)* (**Corporations Act**) is given to the Board, the Chief Executive Officer and Chief Financial Officer will be required to certify compliance with this Code personally and in their areas of responsibility.

4. COMPLIANCE WITH LAWS AND REGULATIONS

4.1 Xanadu Operations - Compliance with Laws

The operations of the Company must be conducted in compliance with all Applicable Laws and Regulations.

4.2 Observing the Letter and Spirit of the Law

Compliance with the Applicable Laws or Regulations means observing the letter and spirit of the law or regulation as well as managing the business of Xanadu so that Xanadu and its Personnel are recognised as "good corporate citizens" at all times.

5. UNACCEPTABLE PAYMENTS & CONTRIBUTIONS

5.1 Prohibited Payments & Contributions

Bribes, kickbacks, inducements or other illegal payments of any kind must not be made (either directly or indirectly) to or for the benefit of any government official (of any country) or any other third party in connection with obtaining orders or favourable treatment or for any other purpose.

Political contributions (to any government or political official or party) must not be made directly or indirectly on behalf of Xanadu without the prior approval of the Board.

5.2 Personnel's Responsibilities

Personnel must not seek or accept any type of compensation, fee, commission or gratuity from a third party in connection with the operations of the Company.

6. GIVING OR RECEIVING GIFTS

- 6.1 Personnel must not give, seek or accept in connection with the operations of the Company, any gift, entertainment or other personal favour or assistance which goes beyond common courtesies associated with accepted moral and ethical commercial practice. For avoidance of doubt, any gift (or series of gifts) received by Personnel from the one party which might, as a matter of judgement, fall outside the ambit of this paragraph, must be reported to the Company Secretary and the Managing Director, with full details of the background of the gift, for reporting to the Board.

7. PROTECTION OF XANADU'S ASSETS

7.1 Responsibilities of Personnel

Personnel are responsible for taking all prudent steps to ensure the protection of Xanadu's assets and resources. In particular, Personnel should take care to minimise the possibility of theft or misappropriation of Xanadu's assets and resources by any person.

7.2 Assets used for Xanadu's Purpose Only

Personnel must ensure that Xanadu's assets and resources are used only for the purposes of the Company and in accordance with appropriate authorisations.

8. PROPER ACCOUNTING

8.1 Accounting Roles

Personnel must ensure that all the Company's accounting records accurately and fairly reflect, in reasonable detail, all underlying transactions and all of Xanadu's cash, assets and liabilities.

8.2 Maintenance of Accounting Records

Accounting records must be maintained in accordance with International Financial Reporting Standards and any financial and accounting policies issued by Xanadu.

9. DEALING WITH EXTERNAL AUDITOR

- 9.1 Personnel must fully co-operate with the External Auditor.
- 9.2 Personnel must not make a false or misleading statement to the External Auditor and must not conceal any relevant information from the External Auditor.

10. UNAUTHORISED PUBLIC STATEMENTS

10.1 Unauthorised Statements

Personnel must not, without prior consent of the Board which may be included in the terms of engagement or as advised from time to time, directly or indirectly state that they are representing Xanadu or its public position in respect of any matter.

10.2 Unauthorised Activity

Personnel must not directly or indirectly engage in any activity which could, by association, cause Xanadu public embarrassment or other damage.

11. CONFLICT OF INTEREST

11.1 Use of Position for Personal Benefit

Personnel must not use their position for personal benefit independent from the business of Xanadu or to benefit any other business or person.

11.2 Taking Advantage of Property

Personnel must not take advantage of any property or information belonging to Xanadu, or opportunities arising from those, for personal benefit independent from the business of Xanadu or to benefit any other business or person.

11.3 Interest in Third Parties

No Personnel, or any family member or companion over which the Personnel has influence, may directly or indirectly have an equity interest in, or have a significant beneficial connection with, any business or individual with whom Xanadu have entered into a commercial contract, without the prior written consent of the Chief Executive Officer or the Chairman. For the avoidance of doubt, this paragraph permits contractors and consultants to have outside interests, providing that they are disclosed by the individual at the time of entry into contract with Xanadu.

11.4 Outside Business Activity

Personnel must not engage directly or indirectly in any outside business activity involving commercial contact with, or work for the benefit of, third parties with whom Xanadu have entered into a commercial contract, without the prior written consent of the Chief Executive Officer or the Chairman.

12. USE OF INSIDE INFORMATION

12.1 Non-Disclosure of Confidential Information

Personnel must not disclose information confidential to Xanadu to any third party without the prior written consent of the Managing Director or the Chairman, or if required by law.

12.2 Confidential Xanadu Documents

Personnel must maintain the confidentiality of all Xanadu's documents and must not disclose any information contained within the documents to any third party without the prior written consent of consent of the Managing Director or the Chairman.

12.3 Personal Gain

Personnel must not use the information confidential to Xanadu for the purpose of directly or indirectly obtaining personal gain.

13. PRIVACY

13.1 Privacy is of utmost importance given the sensitive information held by the Company. Personnel must respect and maintain the privacy of personal information held by the Company regarding its stakeholders and others. This extends to any information or opinion, whether true or not, and whether recorded in a human readable form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from that information or opinion.

13.2 The Company respects your privacy and the privacy of others. You should familiarise yourself with, and comply with:

- a) the privacy laws of Australia and, where applicable, the jurisdiction where you work; and
- b) the Company's privacy policies which detail the appropriate use of personal information.

13.3 If you have any questions in relation to privacy, please contact the Chief Executive Officer or the Company Secretary.

14. PUBLIC COMMUNICATIONS AND DISCLOSURES

14.1 You are responsible for the integrity of the information, reports and records under your control and you are expected to exercise the highest standard of care in preparing materials for public communications.

- 14.2 Those documents and materials should:
- a) comply with any applicable legal requirements;
 - b) fairly and accurately reflect the transactions or occurrences to which they relate;
 - c) not contain any false or intentionally misleading information, nor intentionally misclassify information; and
 - d) be in reasonable detail and recorded in the proper account and in the proper accounting period.
- 14.3 Media statements and official announcements may only be made by persons authorised to do so. If you receive a request for information and you are not authorised to respond to the enquiry, refer the request to the Chief Executive Officer or the Company Secretary.
- 14.4 The Company has adopted a *Continuous Disclosure Policy* as a means of ensuring compliance with its disclosure and communication obligations under the Corporations Act and the Australian Securities Exchange (**ASX**) and the Toronto Stock Exchange (**TSX**) Listing Rules. The aim of the Continuous Disclosure Policy is to keep the market fully informed of information that may have a material effect on the price or value of the Company's shares, and to correct any material mistake or misinformation in the market.
- 14.5 Ensure that you are aware of the requirements of the Continuous Disclosure Policy and, if it applies to you, you must act in accordance with the policy.

15. SOCIAL MEDIA

- 15.1 At Xanadu, we value the importance of using social media to connect with our employees and our stakeholders. Social media tools include:
- a) social networking sites e.g. Facebook, blogging sites, e.g. reddit;
 - b) video and photo sharing websites e.g. Flickr, YouTube, Instagram;
 - c) weblogs, including corporate blogs, personal blogs or blogs hosted by traditional media publications;
 - d) forums and discussion boards, blogs and social networking channels;
 - e) online tools such as Wikipedia; and
 - f) any other websites that allow individual users or companies to use simple publishing tools.
- 15.2 It is important that whenever you use or access social media, that you understand your obligations as far as these relate to Xanadu or our Personnel.
- 15.3 Unless expressly authorised by Xanadu (and then only to that extent), you must not state or suggest in any use of any social media, that you represent any Xanadu company, officer or director. You must ensure that any information you refer to is completely accurate and above all, we expect you to conduct yourself with respect for others - our stakeholders, your colleagues, management, and in regard to our operations and business affairs.
- 15.4 You must show respect to the confidential, internal and commercial affairs of our colleagues, our stakeholders, our communications and our business. You must therefore comply with all confidentiality requirements, and protect all commercial information or private details of anyone connected with Xanadu. These requirements do not apply to any Personnel's personal use of social media platforms where the employee makes no reference to Xanadu related issues or persons.
- 15.5 You are personally responsible for any content you post on-line which could give rise to legitimate complaints and legal actions. Your conduct online must not adversely reflect on, or cause harm or detriment to, Xanadu, your colleagues, or yourself.

16. EMPLOYMENT PRACTICES

16.1 Equal opportunity, anti-discrimination, harassment and offensive behaviour

- a) The Company is committed to:
 - equal employment opportunity;
 - compliance with the letter and spirit of a full range of fair employment practices and anti-discrimination laws; and
 - a workplace free from any kind of discrimination, harassment or intimidation of staff.
- b) Xanadu promotes a 'zero tolerance' approach against violence in the workplace, unlawful discrimination, sexual harassment, bullying, vilification and victimisation in the workplace. You must not engage in any behaviours that are illegal, offensive or inconsistent with our values, such as any form of harassment, physical coercion, intimidation or victimisation. If you engage in this type of behaviour you have breached the Code and our values and will be subject to appropriate disciplinary action, from counselling you on your work performance or behaviours, up to, and including, termination of employment.
- c) You are solely responsible for your actions and behaviours, and at all times, must demonstrate consistency with our values and comply with any policy dealing with equity and diversity and preventing harassment in the workplace.
- d) If you wish to raise any concerns about harassment, inequities or any offensive behaviour in the workplace, please contact your manager. If you believe that the matter would be an eligible disclosure under the Company's *Whistleblower Policy*, you may also report it in accordance with the procedure set out in that policy, confidentially and without fear of retribution or intimidation. Please refer to the relevant section of the Code on this topic or the separate Whistleblower Policy.
- e) Copies of the Company's Whistleblower Policy and other policies can be found on the Company's website. All Personnel are expected to be familiar with these policies.
- f) The Company will promptly investigate all allegations of harassment, bullying, victimisation or discrimination and will take appropriate corrective action. Retaliation against individuals for raising claims of harassment or discrimination will not be tolerated.

16.2 Workplace health and safety

- a) The Company is committed to maintaining a healthy and safe working environment for its staff. All appropriate laws and internal regulations (including workplace health and safety laws) should be fully complied with. All people have obligations to assist in maintaining this situation.
- b) Misusing controlled substances or alcohol or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs on the job will not be tolerated.
- c) You should familiarise yourself with the Company's workplace health and safety policies and all relevant procedures to provide a workplace that is safe and without risk to the health of others and yourself. You should follow any lawful and reasonable instructions consistent with that policy and those procedures.

16.3 Company reputation

- a) Personnel must not act in any way that could cause harm to the Company's reputation or market position during or after their employment. All Personnel have a duty to act in a manner that merits the continued trust and confidence of the public.

16.4 Securities trading

- a) The Company is committed to upholding fair and ethical securities trading practices complying with all laws and avoid any conflicts of interest.

- b) Staff must not:
- use any price-sensitive information (which is not generally available to others) in deciding whether to buy or sell the Company's securities;
 - deal with the Company's securities when in possession of price-sensitive information about the Company which has not been publicly disclosed; and
 - act contrary to the Company's policy for dealing in securities (which provides guidance on when staff are likely to possess price-sensitive information).
- c) You should familiarise yourself with the Company's *Securities Trading Policy* and act in accordance with it in conducting any dealing in the Company's securities.

17. COMMUNITY & ENVIRONMENT

- 17.1 The Company is a responsible corporate citizen and actively supports the communities in which we live and work. All Personnel are expected to uphold the Company's commitment to pursue good corporate citizenship while engaging in its corporate activity.
- 17.2 You must abide by all local laws and regulations, and are expected to respect and care for the environment in which the Company operates.
- 17.3 The Company supports and encourages you to actively contribute to the needs of the community.
- 17.4 The Company is committed to doing business in an environmentally responsible manner and to identifying environmental risks that may arise out of its operations.

18. REVIEW OF THE CODE

- 18.1 Xanadu's management are responsible for drafting, reviewing and making recommendations to the Board with respect to this Code. This Code will be reviewed at least once every two years or as often as necessary to ensure it remains effective and relevant. The Board is responsible for approving the Code and may make changes from time to time by resolution.

19. AUTHORITY

This Code was approved by the Board on 30 July 2020.