

19 April 2017

UPDATE ON EQUITY INCENTIVE PLAN

Xanadu Mines Ltd (**ASX: XAM** – “**Xanadu**” or “**Company**”) refers to its announcement on 23 December 2016 regarding awards under the Xanadu Equity Incentive Plan (“**Plan**”) and to its earlier announcement on 24 October 2016 in relation to the equity awards to Dr Andrew Stewart on his appointment as Managing Director & Chief Executive Officer.

The proposed equity awards to Non-Executive directors have been withdrawn and no replacement rewards are proposed to be made in cash or equity.

In addition, the Board is currently reviewing an alternative design, structure and conditions of vesting for the equity awards for Executive Directors, following feedback from shareholders on the vesting conditions.

Shareholder approval is therefore not being sought for equity awards under the plan at the Company's 2017 Annual General Meeting to be held on 29 May 2017.

For further information, please contact:

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 **ASX**
XAM

Xanadu Mines Ltd (ASX: XAM) is an exploration company that has assembled a significant exploration portfolio across Mongolia's porphyry belts. These belts are part of the larger Central Asian Orogenic Belt – one of the last great exploration frontiers known to host large copper porphyry deposits – and Mongolia is emerging as a globally significant copper province.