

20 June 2018

## **A\$10 MILLION PLACEMENT TO ACCELERATE RESOURCE DRILLING AND COMPLETE ECONOMIC STUDIES**

Xanadu Mines Ltd (**ASX: XAM** – “**Xanadu**” or the “**Company**”) is pleased to advise that the Company has successfully completed a placement to domestic and international institutional and sophisticated investors raising A\$10 million at A\$0.17 per share (“**Placement**”). Xanadu continues to have strong support from existing shareholders and demand from new investors, driven by Xanadu’s recent exploration success at its flagship Kharmagtai copper-gold project in Mongolia’s South Gobi Region.

### **HIGHLIGHTS**

- **A\$10 million oversubscribed placement**
- **Strong support received from new and existing institutional shareholders**
- **Xanadu is fully funded to deliver on its dual strategy of successful exploration as it converts targets to discoveries and economic assessment of the Kharmagtai Open Pit project at its flagship Kharmagtai copper-gold project.**

Xanadu’s Chief Executive Officer, Dr Andrew Stewart, said: *The board of Xanadu are extremely pleased with the strong support received from our existing sophisticated and institutional shareholders, and are very pleased to welcome several international institutional shareholders as new shareholders into Xanadu. The Placement enables us to further strengthen our share register and balance sheet, allowing Xanadu to complete the resource drilling program at Kharmagtai unencumbered, and provide an updated mineral resource estimate before the end of 2018. Xanadu will also progress testing of high-priority targets to make new discoveries and grow existing deposits. Xanadu believes being fully funded to complete this exciting phase places the Company in a very advantageous position to maximize the benefits from the high demand and high prices for copper and gold.*

Proceeds from the Placement will be used to complete resource drilling at the Kharmagtai Open Pit and proceed with a scoping study, continuing exploration at Kharmagtai and Red Mountain projects, and general working capital.

The Placement comprised the issue of approximately 58.9 million new fully paid ordinary shares (“**New Shares**”) at A\$0.17 per New Share to raise A\$10.0 million. Participants in the Placement will also receive 1 free attaching unlisted option for every 2 shares subscribed with a strike price of A\$0.25 and two (2) year term (“**Options**”). The Company will issue approximately 29.4 million unlisted options. The New Shares and Options will be issued pursuant to Xanadu’s 15% placement capacity in accordance with ASX Listing Rule 7.1. New Shares will rank equally with the Company’s existing fully paid ordinary shares. The Placement was conducted at an issue price of A\$0.17 per New Share, representing a 15% discount to the last close of A\$0.20 per share.

Bell Potter Securities Limited acted as Lead Manager to the Placement. Haywood Securities Inc. acted as a selling group member to the Placement in North America.

The Placement is scheduled to settle on Monday, 25 June 2018 with allotment and trading to occur on Tuesday, 26 June 2018.

### **For further information, please contact:**

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