

\$12 million Share Placement to accelerate exploration

10 August 2020

Xanadu Mines Ltd (**ASX:XAM**, **TSX:XAM**) (**Xanadu** or the **Company**) is pleased to announce a two tranche placement to raise \$12.0 million (**Placement**).

Highlights

- **Well supported with the introduction of several new domestic and international institutions**
- **\$3.5 million participation by key shareholders Asia Capital and Advisors Pte Ltd and SSI Asset Management AG on a pro rata basis relative to their existing shareholding in Tranche 1 and 2 of the Placement**
- **Strong financial position to deliver on Xanadu's recently announced exploration strategy focused on its flagship Kharmagtai copper-gold project**
- **Xanadu corporate reset is now complete with a revitalised, supportive institutional share register**

The Placement will be completed in two tranches via the issue of 266.7 million new fully paid ordinary shares (**New Shares**). The New Shares will be quoted on ASX following issue and will rank pari-passu with the existing fully paid ordinary shares currently on issue.

Tranche 1 of the Placement will raise approximately \$5.6 million via the issue of approximately 123.8 million New Shares pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1. Tranche 2 of the Placement will raise approximately \$6.4 million via the issue of approximately 142.9 million New Shares subject to shareholder approval to be sought at a Xanadu General Meeting, expected to be held on or around mid-September 2020.

The issue price of \$0.045 per share represents a discount of 23.7% to Xanadu's last close (5 August 2020) of \$0.059 per share, a 20.0% discount to the 5-day VWAP of \$0.056 per share and a 13.1% discount to the 30-day VWAP of \$0.052 per share.

The proceeds of the Placement, together with the Company's existing cash resources will be applied towards the Kharmagtai exploration drilling & resource definition drilling program in accordance with Xanadu's published strategy and working capital purposes.

Argonaut Securities Pty Limited and CLSA Australia Pty Ltd acted as Joint Lead Managers to the Placement.

Tranche 1 of the Placement is scheduled to settle on Monday, 17 August 2020 with allotment and trading to occur on Tuesday, 18 August 2020. Subject to shareholder approval being obtained, Tranche 2 of the Placement is expected to settle late September 2020.

Non-Executive Chairman, Colin Moorhead, said, "We are delighted with the strong support received from existing shareholders and several new sophisticated institutional investors. We are also very pleased to welcome a number of domestic institutional investors as new shareholders into Xanadu. This Placement enables us to further strengthen our share register and our balance sheet which will enable Xanadu to execute its exploration strategy with vigour and unencumbered."

-ENDS-

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This Announcement was authorised for release by Xanadu's Board of Directors.

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