

\$10.2 million Placement for Kharmagtai High Grade Exploration

Not for release to US wire services or distribution in the United States

23 April 2021

Xanadu Mines Ltd (**ASX:XAM, TSX:XAM**) (**Xanadu** or the **Company**) is pleased to announce the Company has received firm commitments for a placement to eligible professional and sophisticated investors of approximately 163.8 million fully-paid ordinary shares in Xanadu (**New Shares**) at an issue price of \$0.062 each to raise approximately \$10.2 million (before costs) (**Placement**).

Highlights

- **Firm commitments received for a Placement to raise approximately \$10.2 million (before costs)**
- **Well supported by both domestic and international institutions**
- **Strong financial position to deliver Kharmagtai exploration strategy, targeting resource growth and definition of high-grade bornite-rich zones at depth**
- **Concurrent with the Placement, firm commitments from certain institutional investors have been received to facilitate a \$1.4 million sell down with an existing shareholder**
- **Key shareholder SSI Asset Management AG maintains existing pro rata shareholding**

The proceeds of the Placement, together with the Company's existing cash resources, will be applied towards the Kharmagtai Phase 2 exploration program in accordance with its strategy to target higher grade, bornite rich zones at depth and for general working capital purposes.

The issue price of \$0.062 per New Share represents a 15.1% discount to Xanadu's last close (20 April 2021) of \$0.073 per share, a discount of 13.2% to the 5-day VWAP of \$0.071 per share; and a discount of 14.1% to the 30-day VWAP of \$0.072 per share.

New Shares under the Placement will be issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 and will rank pari-passu with the existing fully paid ordinary shares currently on issue.

In conjunction with the Placement, Xanadu and the Joint Lead Managers have entered into a binding commitment letter with an existing shareholder to offer all of its shares for sale (**Sell Down Shares**) contemporaneously with the offer of shares under the Placement, at the offer price, totaling approximately \$1.4 million. The Joint Lead Managers have received commitments from certain institutional investors to purchase the Sell Down Shares.

The Placement is scheduled to settle on Friday, 30 April 2021 with allotment and trading to occur on Monday, 3 May 2021. The Sell Down is scheduled to settle on or around 6 May 2021.

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

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Non-Executive Chairman, Colin Moorhead, said, *“We are pleased with the strong support received from both existing shareholders and new institutional investors. This Placement continues to strengthen our share register and fully funds Xanadu to execute its exploration strategy at Kharmagtai. Investors can look forward to a period of strong exploration news flow as we embark on an aggressive drilling program to define the higher grade, gold-rich bornite zones at depth and unlock the next stage of development in this globally significant copper-gold project.”*

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

All dollar amounts are in Australian dollars unless otherwise indicated.

Not an offer in the United States

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