

Notice of Annual General Meeting

27 April 2023

ASX Markets Announcement Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Notice of Annual General Meeting

Please find attached for release to the market, the following documents in relation to Xanadu Mining Ltd's Annual General Meeting (**AGM**), to be held as a Hybrid Meeting on **Monday, 29 May 2023 commencing at 11:00am (AEST) at the Victoria Hotel 215 Little Collins Street Melbourne VIC:**

- *Notice of Meeting;*
- *AGM Notice Letter* - to be sent to members in lieu of the full Notice of Meeting; and
- *Proxy Form.*

Each of these documents are available on Xanadu's website at: <https://www.xanadumines.com/shareholder-meetings/>.

-ENDS-

For further information, please contact:

Colin Moorhead
Executive Chairman & Managing Director
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W: www.xanadumines.com

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

About Xanadu Mines Ltd:

Xanadu is an ASX and TSX listed Exploration company operating in Mongolia. We give investors exposure to globally significant, large-scale copper-gold discoveries and low-cost inventory growth. Xanadu maintains a portfolio of exploration projects and remains one of the few junior explorers on the ASX or TSX who control a globally significant copper-gold deposit in our flagship Kharmagtai project. For information on Xanadu visit: www.xanadumines.com.

XANADU MINES



Xanadu Mines Ltd

ABN 92 114 249 026

Annual General Meeting
Monday, 29 May 2023

XANADU MINES

26 April 2023

Dear Shareholders,

On behalf of the Directors of Xanadu Mines Ltd (**Xanadu Mines** or the **Company**), I am pleased to invite you to either physically attend or participate virtually online, the Annual General Meeting (**AGM** or **Meeting**) of the Company. The Notice of Meeting (**Notice**) setting out the business to be conducted at the AGM can be viewed or downloaded at <https://www.xanadumines.com/site/investor-centre/shareholder-meetings>.

The Company's AGM will be held as a **Hybrid AGM** on Monday, 29 May 2023 commencing at 11:00am (AEST):

- At the Victoria Hotel 215 Little Collins St, Melbourne VIC 3000; and
- online at: <https://meetnow.global/MFFHVFV>

Shareholders who cannot physically attend the AGM, will be able to participate in our AGM by:

- joining the AGM in real time via our online platform at <https://meetnow.global/MFFHVFV>
- asking questions of the Board and our external auditor:
 - before the AGM by lodging questions online at www.investorvote.com.au/xam; and/or
 - during the AGM via the online platform or by phone;
- voting on the resolutions to be considered at the AGM either by lodging the enclosed Proxy Form before the AGM or by direct voting online during the Meeting,

or by a combination of these steps.

Shareholders are also able to ask questions verbally via telephone on the number that will be available on the online platform.

Further details of how to participate in the Meeting online are set out in the Notice of Meeting and in the Online Meeting Guide (**Online Guide**), which are available on the Company's website at <https://www.xanadumines.com/site/investor-centre/shareholder-meetings>. The Online Meeting Guide includes details of how to ensure your browser is compatible with the online platform, and a step-by-step guide to logging in, navigating the site, and asking questions and voting at the online AGM.

If you are physically attending the AGM, please bring your Proxy Form with you to facilitate a faster registration. If you are unable to physically attend the AGM, I encourage you to complete and return the enclosed Proxy Form no later than 11:00am (AEST) on Saturday, 27 May 2023 in one of the ways specified in the Notice of Meeting and the Proxy Form.

I encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy how to vote on each resolution by marking either the **For** box, the **Against** box or the **Abstain** box on the Proxy Form. Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Xanadu Mines unanimously recommend that shareholders vote in favour of all resolutions. Thank you for your continued support of Xanadu Mines.

Yours faithfully,



Colin Moorhead
Executive Chairman and Managing Director

XANADU MINES LTD
ABN 92 114 249 026

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Xanadu Mines Ltd (**Xanadu Mines** or the **Company**) will be held as a **Hybrid Meeting** as follows:

Date: Monday, 29 May 2023

Time: 11:00am (AEST)

Venue: Victoria Hotel, 215 Little Collins Street, Melbourne VIC 3000

Online: <https://meetnow.global/MFFHVFV>

The Explanatory Memorandum and Proxy Form accompanying this Notice of Meeting (**Notice**) provide additional information on matters to be considered at the AGM and are hereby incorporated into and form part of this Notice of Meeting. Information about participating in the Meeting online is set out in the Online Meeting Guide (**Online Guide**) which is available at <https://www.xanadumines.com/site/investor-centre/shareholder-meetings>.

ORDINARY BUSINESS

1. CONSIDERATION OF REPORTS

The first item of business is to receive and consider the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company and its subsidiaries for the financial year ended 31 December 2022 (**Reports**).

All shareholders can view the 2022 Annual Report, which contains the Reports, on the Company's website at <https://www.xanadumines.com/site/investor-centre/annual-reports>.

2. RESOLUTIONS

Resolution 1 Re-election of Director - Mr. Ganbayar Lkhagvasuren

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution** of the Company:

"That Mr. Ganbayar Lkhagvasuren, who retires in accordance with Rule 39.1(c) of the Company's Constitution and being eligible for election, be re-elected as a Director of the Company."

Resolution 2 Re-election of Director - Mr. Shaoyang Shen

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution** of the Company:

"That Mr. Shaoyang Shen, who having been appointed by the Directors on 10 March 2023, retires in accordance with Rule 37.2 of the Company's Constitution and being eligible for election, be re-elected as a Director of the Company."

Resolution 3 Remuneration Report

To consider and, if thought fit, pass the following resolution as a non-binding **Ordinary Resolution** of the Company:

"That the Company's Remuneration Report for the financial year ended 31 December 2022 as set out in the Directors' Report, is adopted."

The Remuneration Report is contained in the 2022 Annual Report, which is available on the Company's website at <https://www.xanadumines.com/site/investor-centre/annual-reports>. Please note that, in accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

A vote on Resolution 3 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a) a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2022 Remuneration Report; or
- b) a closely related party (**CRP**) of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the proxy appointment is in writing that specifies the way the proxy is to vote (e.g., for, against, abstain) on the resolution; or
- b) the vote is cast by the Chair of the Meeting and the appointment of the Chair of the Meeting as proxy:
 - i) does not specify the way the proxy is to vote on the resolution; and
 - ii) expressly authorises the Chair of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Key management personnel and **closely related party** have the same meaning as set out in the Corporations Act.

Resolution 4 Ratification of Prior Issue of Shares – 24 January 2023

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution** of the Company:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue on 24 January 2023 of a total of 41,887,844 fully paid ordinary shares in Xanadu Mines Ltd (**Shares**) issued at a deemed price of 2.7 cents per Share (**New Shares**), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice, is ratified.”*

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who participated in the issue of the Placement Shares or any associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair of the Meeting to vote on this Resolution as the Chair of the Meeting decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Intention of Chair for all Resolutions

Shareholders should be aware that any undirected proxies given to the Chair of the Meeting will be cast by the Chair of the Meeting and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his voting intention on the Resolutions, in which case an ASX announcement will be made.

ENTITLEMENT TO ATTEND AND VOTE

Non-attendance at physical venue

Shareholders not able to physically attend the AGM will be able to participate in our AGM:

- by joining the Meeting online in real time via our online platform at <https://meetnow.global/MFFHVFV>
- by asking questions of the Board or our Auditor:
 - before the AGM by lodging questions online at www.investorvote.com.au/xam; or
 - during the AGM via the online platform or by phone; and
 - voting on the resolutions to be considered at the AGM either by lodging the enclosed Proxy Form before the AGM or by voting online during the AGM.

or by a combination of these steps.

Further information regarding participating in the AGM online, including browser requirements, is detailed in the Online Guide available at www.computershare.com.au/virtualmeetingguide.

Voting on resolutions to be considered at the AGM

The following section sets out important information about how Shareholders can vote on the resolutions to be considered at the AGM.

Entitlement to vote

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that persons who are registered holders of shares of the Company as at 7:00 pm (AEST) on Saturday, 27 May 2023 will be entitled to vote at the AGM as a shareholder. Accordingly, transactions registered after that time will be disregarded for determining which shareholders are entitled to participate and vote at the AGM.

If more than one joint holder of shares is present at the AGM (whether by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Online voting at the AGM

In accordance with rule 28.1 of the Company's Constitution, Shareholders who are entitled to attend and vote on a resolution at the Meeting are entitled to a direct vote in respect of that resolution, which may be lodged at any time between the commencement of the AGM and the close of voting at the AGM as announced by the Chair of the Meeting during the AGM.

More information about how to use the online platform for voting online during the AGM is provided in the Online Guide. Shareholders using the online platform may vote all or part of their holdings on each Resolution in accordance with the instructions in the Online Guide. If you intend to use the online platform to submit a direct vote during the AGM, we suggest that you check that the online platform works on your device well in advance of the AGM. Further instructions are provided in the Online Guide.

All resolutions will be by poll

In accordance with rule 27.1(a) of the Company's Constitution, the Chair of the Meeting intends to demand a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by a poll, rather than on a show of hands. The Chair considers voting by poll to be in the best interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the Meeting.

Appointment of Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM. A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 11:00am (AEST) on Saturday, 27 May 2023. Proxies must be received before that time by one of the following methods:

Online: www.investorvote.com.au/xam (for Shareholders)

www.intermediaryonline.com (Intermediary Online subscribers only)

By post: Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By facsimile: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside of Australia)

By delivery in person: Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

To be valid, a Proxy Form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Voting by Attorney

A Proxy Form and the original power of attorney (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11:00am (AEST) on Saturday, 27 May 2023, being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the Company's representative.

A *Certificate of Appointment of Corporate Representative* form may be obtained from the Company's Share Registry or online at www.investorcentre.com/au and select, "Printable Forms".

IMPORTANT: If you appoint the Chair of the Meeting as your proxy, or the Chair of the Meeting becomes your proxy by default, and you do not direct your proxy how to vote on Resolution 3, then by submitting the Proxy Form, you will be expressly authorising the Chair of the Meeting to exercise your proxy on the relevant resolution, even though the resolution is connected, directly or indirectly, with the remuneration of the KMP.

SHAREHOLDER QUESTIONS

Shareholders may submit questions about the items of business to be considered at the AGM or to the Company's Auditor in relation to the content of the Auditor's Report or the conduct of the audit of accounts for the year ended 31 December 2022 prior to the Meeting by lodging questions online at www.investorcentre.com, select Voting then click 'Ask a Question', or during the AGM either in person or via the online platform. Online questions should be submitted prior to 11:00am (AEST) on Monday, 22 May 2023 (being no later than the fifth business day before the AGM is held). Questions received ahead of the Meeting will be collated, and during the AGM, the Chair of the Meeting will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

Shareholders are also able to ask questions verbally via telephone on the number that will be available on the online platform.

ENCLOSURES

Enclosed are the following documents (for shareholders receiving hard copy):

- **Proxy Form** to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Xanadu Mines' share registry's website at www.investorvote.com.au/xam to ensure the timely and cost-effective receipt of your proxy; and
- a **reply-paid envelope** for you to return the Proxy Form.

BY ORDER OF THE BOARD



William Hundy
Company Secretary

26 April 2023

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist shareholders of the Company (**Shareholders**) in considering each of the Resolutions set out in the Company's Notice of Annual General Meeting (**Notice**). This Explanatory Memorandum forms part of the Company's Notice to be held at 11:00am (AEST) on Monday, 29 May 2023.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the Resolutions. The Company's Notice and this Explanatory Memorandum should be read in their entirety and in conjunction with each other.

Subject to the abstentions noted below, the Directors unanimously recommend that Shareholders vote in favour of all Resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each Resolution.

Resolutions 1, 2 and 4 are ordinary resolutions, which require that a simple majority of votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the Resolution. Resolution 3, relating to the Remuneration Report, is an advisory resolution and does not bind the Directors or the Company.

BACKGROUND TO THE ITEMS OF BUSINESS

ORDINARY BUSINESS

1. CONSIDERATION OF REPORTS

The **2022 Annual Report**, including the Financial Statements, Director's Report and the Auditor's Report (**Reports**), for the Company and its subsidiaries for the year ended 31 December 2022, can be downloaded from the Company's website at <https://www.xanadumines.com/site/investor-centre/annual-reports>, for Shareholders to read prior to the Meeting.

Neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on the Reports. However, Shareholders will be given a reasonable opportunity to ask questions on the Reports at the Meeting.

Following consideration of the Reports, the Chair of the Meeting will give shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chair of the Meeting will also give shareholders a reasonable opportunity to ask the Company's Auditor, Ernst & Young questions relevant to:

- a) the conduct of the audit;
- b) the preparation and content of the Independent Auditor's Report;
- c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d) the independence of the Auditor in relation to the conduct of the audit.

The Chair of the Meeting will also give the Auditor a reasonable opportunity to answer any written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of relevant written questions for the Auditor submitted by shareholders, if any, will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

Shareholders may address written questions to the Chair of the Meeting about the management of the Company or to the Company's Auditor, Ernst & Young, before the AGM by lodging questions online at www.investorvote.com.au/xam select Voting then click 'Ask a Question', or during the virtual AGM via the online platform.

2. RESOLUTIONS

Resolution 1 Re-election of Director - Mr. Ganbayar Lkhagvasuren

Mr Lkhagvasuren was appointed as an Executive Director of Xanadu on 28 August 2006, and most recently re-elected at the Company's 2021 AGM held on 17 June 2021. In accordance with rule 39.1(c) of the Company's Constitution, Mr Lkhagvasuren retires by rotation and, being eligible, offers himself for re-election as an Executive Director of Xanadu.

If Shareholders do not approve the election of Mr. Lkhagvasuren, then he will cease to be a Director of the Company at the conclusion of the AGM.

As an Executive Director, Mr. Lkhagvasuren is not considered an independent Director.

Mr Lkhagvasuren is a co-founder of Xanadu and has been a Director since 2006. He is the joint venture partner in Mongol Metals LLC and brings a vital Mongolian perspective to the Board of Directors. He works closely with the Executive Chairman and Managing Director in corporate development and managing the day-to-day operations in Mongolia.

Mr Lkhagvasuren is a member of the Safety, Health and Environment Committee.

Prior to submitting himself for re-election, Mr. Lkhagvasuren has confirmed that he would continue to have sufficient time to properly fulfil his duties and responsibilities to the Company.

The Board supports the election of Mr. Lkhagvasuren as he will contribute to the Board, significant experience in the areas of Operations and Execution, Copper-Gold Exploration, doing business in Mongolia, Industry Relationships, and Health, Safety, Environment and Community.

For the reasons set out above, the Directors, with Mr. Lkhagvasuren abstaining, unanimously recommend Shareholders vote in favour of Resolution 1.

Resolution 2 Re-election of Director - Mr. Shaoyang Shen

Mr. Shen was appointed as a Director of Xanadu Mines on 10 March 2023. Mr Shen was appointed as a non-executive director having been nominated as director by Zijin Mining Co Group Ltd (**Zijin**) in accordance with the subscription agreement for the Phase 2 Placement (**Phase 2 Share Subscription Agreement**) entered into between the Company and Zijin on 21 December 2022 (as summarised in the ASX announcement made by the Company on 21 December 2022).

In accordance with rule 37.2 of the Company's Constitution, Mr. Shen retires and, being eligible, offers himself for re-election as a Non-Executive Director of Xanadu Mines.

ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity. If Shareholders do not approve the election of Mr. Shen, then he will cease to be a Director of the Company at the conclusion of the AGM (subject to the operation of the terms for the Phase 2 Share Subscription Agreement as referenced below).

Prior to Mr. Shen's appointment, the Company reviewed his qualifications and experience and completed several background and screening checks with no adverse findings.

Mr. Shen is not yet a member of Board Committees, however the Chairman expects him to join one or more of these committees following approval of his appointment by Shareholders at this AGM.

Mr Shaoyang Shen is a Deputy President of Zijin Mining Group. He has more than a dozen years of operations management and investment (M&A) experience in the mining industry. Prior to joining Zijin, he held senior executive positions with Silvercorp Metals Inc., including as COO of the company and Vice President for China Operations. He also served as a board member of Pretium Resources Inc. and as a Managing Director of Barrick Niugini Limited. Mr. Shen graduated from Xiamen University with a bachelor's degree in economics. He obtained an MBA from the National University of Singapore and a Master of Management & Professional Accounting from the University of Toronto.

Prior to submitting himself for re-election, Mr. Shen has confirmed that he would continue to have sufficient time to properly fulfil his duties and responsibilities to the Company.

The Board supports the election of Mr. Shen as he will contribute to the Board, significant experience in the areas of mining and related disciplines.

As noted above, Mr Shen was appointed to the Board as a nominee of Zijin pursuant to the terms of the Phase 2 Share Subscription Agreement. Under the Phase 2 Share Subscription Agreement, Zijin has a right to appoint a director to the Board whilst it retains at least a 10% interest in the Company. Accordingly, if Mr Shen is not re-elected at this AGM, Zijin will be entitled after the conclusion of the AGM to re-nominate Mr Shen (or an alternative qualified nominee) as its nominee for appointment as an addition to the Board pursuant to the Phase 2 Share Subscription Agreement.

For the reasons set out above, the Directors, with Mr. Shen abstaining, unanimously recommend Shareholders vote in favour of Resolution 2.

Resolution 3 Remuneration Report

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and KMP of the Company (**Remuneration Report**) be put to the vote of Shareholders for adoption by way of a non-binding vote. The vote on this resolution is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into account in setting remuneration policy for future years.

Shareholders can view the full Remuneration Report in the 2022 Annual Report which is available on the Company's website at <https://www.xanadumines.com/site/investor-centre/annual-reports>.

Following consideration of the Remuneration Report, the Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to Resolution 3.

Resolution 4 Ratification of Prior Issue of Shares – 24 January 2023

As announced on 24 January 2023, the Company successfully completed a placement of a total of 41,887,844 fully paid ordinary shares in Xanadu (**Shares**) to existing shareholders and new sophisticated and professional investors at an issue price of 2.7 cents per Share raising a total of \$1,130,971 (before costs) (**Placement Shares**).

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (**15% Threshold**).

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1. The issue of Placement Shares does not fall within any of the exceptions under Listing Rule 7.2.

The Placement Shares were issued within the 15% Threshold permitted under ASX Listing Rule 7.1 without Shareholder approval. Accordingly, the Company is seeking approval under Resolution 4 for the purposes of ASX Listing Rule 7.4, to enable the Company to refresh its issuing capacity under ASX Listing Rule 7.1, thereby providing the Company with the flexibility to issue equity securities in the future up to the 15% Threshold set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval if the need arises in the next 12 months.

If Shareholders approve Resolution 4, the issue of the Placement Shares will be excluded in calculating Xanadu's 15% Threshold limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue of the Shares.

If Shareholders do not approve Resolution 4, the issue will be included in calculating Xanadu's 15% Threshold limit under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the issue of the Shares.

For the purposes of ASX Listing Rule 7.4, the following information is provided:

- a) 41,887,844 fully paid ordinary shares (**Placement Shares**) were issued on 24 January 2023 at a price of 2.7 cents per Share and rank equally with all other existing Shares.
- b) the Shares issued were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares;
- c) the Shares were issued to existing shareholders and new sophisticated and professional investors (**Placement Participants**) identified by Bell Potter Securities Limited as Lead Managers, through a book-build process which involved the Lead Manager undertaking a comprehensive marketing process and seeking expressions of interest to participate in the placement from non-related parties of the Company. None of the Placement Participants are a related party of the Company, a member of the Company's key management personnel, a substantial holder in or an advisor to the Company or an associate of any of them other than as noted in (d) below;

- d) no existing significant substantial shareholders participated in the Placement;
- e) The proceeds of the Placement were raised to be applied, together with the Company's existing cash resources, towards general working capital purposes during the final approvals stage for, and pending completion of, the Phase 2 Subscription Agreement (which completed on 10 March 2023);
- f) the Shares were issued pursuant to Xanadu's 15% placement capacity in accordance with ASX Listing Rule 7.1; and
- g) a Voting Exclusion Statement accompanies Resolution 4 in the Notice of Meeting.

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

XANADU MINES

XANADU MINES LTD
ABN 92 114 249 026

Need assistance?



Phone:

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)

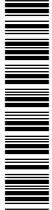


Online:

www.investorcentre.com/contact

XAM

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Xanadu Mines Ltd Annual General Meeting

The Xanadu Mines Ltd Annual General Meeting will be held on Monday, 29 May 2023 at 11:00am (AEST). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 11:00am (AEST) on Saturday, 27 May 2023.



ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit: <https://meetnow.global/MFFHVFV>

For instructions refer to the online user guide www.computershare.com.au/virtualmeetingguide



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Victoria Hotel, 215 Little Collins St, Melbourne, VIC 3000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

XANADU MINES

XANADU MINES LTD
ABN 92 114 249 026

XAM

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEST) on Saturday, 27 May 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Xanadu Mines Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Xanadu Mines Ltd to be held at Victoria Hotel, 215 Little Collins St, Melbourne, VIC 3000 and as a virtual meeting on Monday, 29 May 2023 at 11:00am (AEST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 3 (except where I/we have indicated a different voting intention in step 2) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 3 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Director - Mr. Ganbayar Lkhagvasuren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Mr. Shaoyang Shen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Shares – 24 January 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

