

Second Tranche Placement to Zijin

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

8 December 2023

Xanadu Mines Ltd (**ASX:XAM, TSX:XAM**) (**Xanadu** or the **Company**) refers to its previous announcement released to the ASX on 20 November 2023 with regard to a placement (**Placement**) of 78,181,818 ordinary fully paid shares (**New Shares**) to raise approximately A\$4.3 million. The Placement will complete in two tranches with the first tranche, being the issue of 62,996,490 New Shares, completing on 24 November 2023 (**First Tranche**).

In respect of the second tranche (**Second Tranche**) of the Placement, the Company is pleased to advise that on 8 December 2023 it entered into a binding agreement (**Share Subscription Agreement**) to issue 15,185,328 New Shares to its major shareholder, Zijin Mining Group Co., Ltd (**Zijin**),¹ conditional on Xanadu shareholder approval under ASX Listing Rule 10.11 and FIRB approval (**Second Tranche Conditions**).

The 15,185,328 New Shares to be issued pursuant to the Share Subscription Agreement will be issued at \$0.055 per New Share, being the same price as the New Shares issued under the First Tranche. Completion of the Second Tranche will occur on the date that is 10 business days after the last of the Second Tranche Conditions is satisfied. A Xanadu Extraordinary General Meeting will be scheduled in late January to seek approval of the issue of New Shares to Zijin.

Following completion of the Second Tranche under the Share Subscription Agreement, Zijin will own 333,301,460 Ordinary Shares in Xanadu representing approximately 19.42% of Xanadu's total issued share capital.

For further information, please contact:

Colin Moorhead
Executive Chair & Managing Director
P: +61 2 8280 7497
E: colin.moorhead@xanadumines.com
W: www.xanadumines.com

Spencer Cole
Chief Financial Officer
P: +61 2 8280 7497
E: spencer.cole@xanadumines.com

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

All dollar amounts are in Australian dollars unless otherwise indicated.

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¹ Zijin's participation is through its indirect wholly owned subsidiary Jinping (Singapore) Mining Pte. Ltd.