

## Notice of Annual General Meeting

22 April 2024

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 on **Thursday, 23 May 2024 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:

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

#### About Xanadu Mines

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 jointly control a globally significant copper-gold deposit in our flagship Kharmagtai project. Xanadu is the Operator of a 50-50 JV with Zijin Mining Group in Khuiten Metals Pte Ltd, which controls 76.5% of the Kharmagtai project.

For information on Xanadu visit: [www.xanadumines.com](http://www.xanadumines.com).

# XANADU MINES

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**Xanadu Mines Ltd**

ABN 92 114 249 026

Annual General Meeting  
Thursday, 23 May 2024

# XANADU MINES

22 April 2024

Dear Shareholders,

On behalf of the Directors of Xanadu Mines Ltd (**Xanadu Mines** or the **Company**), I am pleased to invite you to the 2024 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 at 11:00AM (AEST) on Thursday 23 May 2024 at the Victoria Hotel 215 Little Collins St, Melbourne VIC 3000.

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

- asking questions of the Board and our external auditor before the AGM by lodging questions online at [www.investorvote.com.au/xam](http://www.investorvote.com.au/xam); and/or
- voting on the resolutions to be considered at the AGM either by lodging the enclosed Proxy Form before the AGM,

or by a combination of these steps.

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 Tuesday, 21 May 2024 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 follows:

Date: Thursday, 23 May 2024

Time: 11:00am (AEST)

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

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.

**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 2023 (**Reports**).

All shareholders can view the 2023 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 - Tony Pearson**

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

*"That Mr. Tony Pearson, 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 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 2023 as set out in the Directors' Report, is adopted."*

The Remuneration Report is contained in the 2023 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 2 is advisory only and does not bind the Directors or the Company.

**Voting Exclusion Statement**

A vote on Resolution 2 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 2023 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 2 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 meanings as set out in the *Corporations Act*.

## **SPECIAL BUSINESS**

### **Resolution 3 Grant of Options to Colin Moorhead**

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

*“That, in accordance with the provisions of Listing Rule 10.14 and for all other purposes, the Company be authorised to issue 5,000,000 options to subscribe for Shares with a zero exercise price to Colin Moorhead, being a Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice.”*

### **Resolution 4 Grant of Options to Ganbayar Lkhagvasuren**

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

*“That, in accordance with the provisions of Listing Rule 10.14 and for all other purposes, the Company be authorised to issue 4,000,000 options to subscribe for Shares with a zero exercise price to Mr Ganbayar Lkhagvasuren, being a Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice.”*

### **Resolution 5 Grant of Options to Michele Muscillo**

To consider and, if thought fit, pass, with or without amendment, the following as an Ordinary Resolution of the Company:

*“That, in accordance with the provisions of Listing Rule 10.14 and for all other purposes, the Company be authorised to issue 3,000,000 options to subscribe for Shares with a zero exercise price to Mr Michele Muscillo, being a Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice.”*

### **Resolution 6 Grant of Options to Tony Pearson**

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

*“That, in accordance with the provisions of Listing Rule 10.14 and for all other purposes, the Company be authorised to issue 3,000,000 options to subscribe for Shares with a zero exercise price to Mr Tony Pearson, being a Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice.”*

### **Notes for Resolutions 3, 4, 5 and 6**

- A detailed summary of the proposed terms of the options to be granted to each director in accordance with Resolutions 3, 4, 5 and 6 (**Director Options**) is contained within the Explanatory Memorandum.
- The total number of Director Options to be issued to Mr Moorhead, Mr Lkhagvasuren, Mr Muscillo and Mr Pearson, or their respective nominees in accordance with Resolutions 3, 4, 5 and 6 is 15,000,000.
- The Director Options are intended to be issued as soon as possible following the Meeting but in any event, no later than three (3) years after the date of the Meeting.
- The Director Options are being issued for nil cash consideration and no funds will be raised by the issue or exercise of the Director Options.
- The Director Options are not being issued under the Company’s Employee Share Option Plan.

### **Voting Exclusion Statement - Resolutions 3, 4, 5 and 6, Listing Rule 10.14**

The Company will disregard any votes cast in favour of Resolutions 3, 4, 5 and 6 by or on behalf of:

- a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme the subject of Resolutions 3, 4, 5 and 6;
- b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolutions 3, 4, 5 and 6 by:

- a) a person as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the Resolutions in that way; or
- b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the Chairman of the Meeting to vote on the resolution as the Chairman of the Meeting decides; or
- c) 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 the Resolutions; and
- ii) the holder votes on the Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

#### Voting Restriction pursuant to Section 250BD of the Corporations Act

The Company will disregard any votes cast on Resolutions 3, 4, 5, and 6 by:

- a) any Key Management Personnel (which includes the Chairman) of the Company or if the Company is part of a consolidated entity, of the entity; or
- b) a Closely Related Party of Key Management Personnel,

who is appointed as a Shareholder's proxy and where the Shareholder does not direct in writing the way the proxy is to vote on the Resolutions.

However, the Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not direct in writing the way the proxy is to vote on the Resolutions, if the appointment of proxy expressly authorises the Chairman of the Meeting to exercise the proxy even if the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or if the Company is part of a consolidated entity, of the entity.

### **Resolution 7 SPECIAL RESOLUTION Proportional Takeover Provisions**

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

*"That the proportional takeover provisions in Article 76 of the Company's Constitution be renewed and re-instated with effect from the close of this Annual General Meeting for a period of three years commencing on the day this resolution is passed."*

#### **Notes for Resolution 7**

Further detail in respect of Resolution 7 is set out in the Explanatory Notes accompanying this Notice of 2024 Annual General Meeting.

### **VOTING INTENTION OF THE CHAIRMAN OF THE MEETING**

Shareholders should be aware that any undirected proxies given to the Chairman of the Meeting will be cast by the Chairman of the Meeting and counted in favour of Resolution 1 to 7 inclusive the subject of this Meeting, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman 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**

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 Tuesday, 21 May 2024 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.

#### **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 Tuesday, 21 May 2024. Proxies must be received before that time by one of the following methods:

- Online: [www.investorvote.com.au/xam](http://www.investorvote.com.au/xam) (for Shareholders)  
[www.intermediaryonline.com](http://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 Tuesday, 21 May 2024, 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](http://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 Resolutions 2, 3, 4, 5 and 6 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 2023 prior to the Meeting by lodging questions online at [www.investorcentre.com](http://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 Thursday, 16 May 2024 (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.

**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](http://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**

22 April 2024



## 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 Thursday 23 May 2024.

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, 3, 4, 5 and 6 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 2, relating to the Remuneration Report, is an advisory resolution and does not bind the Directors or the Company. Resolution 7 is a Special Resolution which requires a Special Majority to approve, being 75% of votes cast by shareholders present and entitled to vote on the resolution.

## BACKGROUND TO THE ITEMS OF BUSINESS

### ORDINARY BUSINESS

#### 1. CONSIDERATION OF REPORTS

The **2023 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 2023, 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](http://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. Tony Pearson**

Mr Pearson was appointed as a non-Executive Director of Xanadu on 3 May 2021, 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 Pearson retires by rotation and, being eligible, offers himself for re-election as a non-Executive Director of Xanadu.

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

Mr Pearson is an experienced international natural resources executive and company director. He is currently a director of ASX listed QEM Limited, a Trustee of the Royal Botanical Gardens & Domain Trust and a Non-Executive Director of Communicare Inc., Possability Group Limited, Bloomfield Group (Big Ben Holdings Pty Ltd), and the Foundation and Friends of the Botanic Gardens (NSW). He was formerly a Commissioner at the Independent Planning Commission, and previously a group executive at TSX/HKEx listed South Gobi Resources, based in Hong Kong, where he was responsible for the company's corporate and strategic initiatives.

Mr Pearson also has over 15 years commercial and investment banking experience, covering the Asia Pacific natural resources industry, most recently as a Managing Director at HSBC.

The Board supports the election of Mr. Pearson as he will contribute to the Board, significant commercial, strategic, M&A and governance experience in the exploration and mining industry.

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

## **Resolution 2 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 2023 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 2.***

## **SPECIAL BUSINESS**

### **Resolutions 3, 4, 5 and 6 - Grant of options to Mr Colin Moorhead, Mr Ganbayar Lkhagvasuren, Mr Michele Muscillo and Mr Tony Pearson**

Over the last 3 years, under the Company's remuneration policy, the Company has issued options to its directors pursuant approvals obtained at general meetings held in 2020, 2021 and 2023. These options were issued pursuant to two long-term incentive programs implemented by the Company based upon 1) the initial business strategy, developed for the period between 2020 and 2023, including a range of performance criteria including the delivery of a strategic partnership with a large mining company (satisfied by the partnership entered into with Zijin Mining Group Co., Ltd (**Zijin**) announced to the ASX on 10 March 2023); and 2) delivery of Horizon 1 of its current business strategy, which is a pre-feasibility study for the Kharmagtai Copper – Gold Project that met certain economic and technical hurdles.

From mid-September 2024, the Company will cease to be the operator of the Kharmagtai Copper – Gold Project, with the operations role being handed to Zijin pursuant to the terms of the joint venture arrangement with Zijin. Following that handover, the Company will refocus its efforts to Horizons 2 and 3 of its strategy. Horizon 2 refers to discovery and development at its other Mongolian projects – the Red Mountain copper gold project and the recently acquired Sant Tolgoi magmatic copper-nickel project. Horizon 3 refers to investigation and acquisition of other exploration projects within Mongolia and the surrounding region. At the same time, the Chairman & Managing Director has increased his commitment to Xanadu from a nominal 50% to 75% of full time to help the Company deliver its Three Horizon Strategy.

Consequently, the Board has undertaken a further review of the long-term incentive program, having regard to both the post-Kharmagtai operations of the Company and the increased commitment from the Chairman & Managing Director. As a result, the Nominations and Remuneration Committee has recommended, and the Board has approved, a long-term incentive program focussed on positioning the Company for growth and development outside of the Kharmagtai Copper-Gold Project.

Accordingly, the Directors have resolved to refer to Shareholders for approval the proposed grant of 3,000,000 options to Mr Muscillo, 3,000,000 options to Mr Pearson, 5,000,000 options to Mr Moorhead and 4,000,000 options to Mr Lkhagvasuren. The options are referred to collectively as the **Director Options**. Upon exercise, one share will be issued for each option exercised.

The terms of the Director Options are set out in more detail below.

Approval for the issue of the Director Options is sought in accordance with the provisions of Listing Rule 10.14. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rules 7.1 or 10.11. The board has determined that the requirements of Chapter 2E of the Corporations Act do not need to be observed for the issue of these Director Options.

### Director Options Terms

A summary of the terms of the Directors Options is set out below.

- The Director Options are linked to expansion of the non-Kharmagtai operations of the Company by both the acquisition of additional projects in Mongolia (or surrounding region) and the achievement of a significant discovery at a non-Kharmagtai project, together with continued employment with the Company.
- The Director Options are intended to be issued promptly after the Meeting and in any event within three (3) years of the Meeting (as permitted by Listing Rule 10.15) and, subject to:
  - the satisfaction of all of:
    - an expansion of the Company's non-Kharmagtai portfolio to at least 4 projects in Mongolia and the surrounding region, which projects must be judged by the Board, supported by independent third-party advice, to have strong potential for a material new discovery,  
**(Performance Condition A)**;
    - the achievement of a significant discovery at one of the non-Kharmagtai projects aligned to Xanadu Tollgate 3 Discovery, defined as 3x economic drill intercepts, leading to an ASX published exploration target capable of production  $\geq 100$ koz per annum gold equivalent,  
**(Performance Condition B)**, and
    - remaining continuously employed or engaged with the Company (or any related body corporate) for a period of at least two years commencing from the date of the offer letter issued to the Director:

#### **(Continuous Employment Condition),**

(together the **Vesting Conditions**).

The Director Options will vest immediately upon achievement of all of the Vesting Conditions.

- If vested, the Director Options will be subject to the following restrictions (**Restriction Conditions**):
  - Vested and unrestricted = 80%
  - Vested, but restricted from disposal for two years = 20%
- If a Director leaves the Company prior to the satisfaction of all of the Vesting Conditions, they will not be eligible for vesting of their Director Options. Other than in the case of a 'Bad Leaver' as determined by the Board, if the Director leaves after the date that all of the Vesting Conditions are achieved, they will remain eligible to receive their Director Options at the end of the relevant calendar year.
- Where the cessation of a Directors' employment is due to death of the Director, and the Director has been continuously employed with the Company (or any related body corporate) at least since 12 months up to and including the date of death, the Vesting Conditions and any Restriction Conditions applicable to all or any of their Director Options and Shares cease to apply.
- In all other cases of a 'Good Leaver' (as determined by the Board), the Board may, in its discretion, determine that some or all of a Director's Director Options or Shares continue to be subject to their Vesting Conditions or Restriction Conditions (as the case may be) or that some or all of those Vesting Conditions or Restriction Conditions will be waived, and/or that some or all of the Director's unvested Director Options will lapse.
- Where the Board determines that a Director is a 'Bad Leaver' all unvested Director Options would automatically lapse.
- Where a Change of Control occurs, the Board may, in its discretion, determine that some or all of the Director Options or Shares continue to be subject to their Vesting Conditions or Restriction Conditions (as the case may be) or that some or all of those Vesting Conditions or Restriction Conditions will be waived, and/or that some or all of the unvested Director Options will lapse.

- A Change in Control will occur where there is publicly announced any proposal in relation to the Company which the Board reasonably believes may lead to:
  - the Company entering into a scheme of arrangement with its creditors or Shareholders or any class thereof pursuant to section 411 of the Corporations Act;
  - the commencement of a bid period (as defined in the Corporations Act) in relation to the Company to acquire any Share where the takeover bid extends to Shares issued and allotted after the date of the takeover bid; or
  - when a person or group of associated persons having a relevant interest in, subsequent to the issue of the Director Options, sufficient Shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons.
- The Board may also determine that Director's Options will lapse or be forfeited in circumstances where the Board may also determine that a Director has:
  - committed an act of fraud, defalcation or gross misconduct in relation to the affairs of the Company;
  - hedged the value of, or entered into a derivative arrangement in respect of, unvested Director Options;
  - purported to dispose of, or grant any security Interest, over the Director Options other than in accordance with any policy of the Company in place at the relevant time or as otherwise approved by the Board; or
  - become subject to the application of any applicable malus and clawback Policy adopted by the Company from time to time (included as set out below).
- The Board may also take action on the recommendation of the Nomination and Remuneration Committee to adjust (malus) or clawback unvested Director Options where there is reasonable evidence that the Director has materially contributed to, or been materially responsible for, the need for the restatement of financial results for the reasons including:
  - personally acting fraudulently or dishonestly or in a manner that adversely affects the Company's reputation or which is characterised as gross misconduct;
  - directing an employee, contractor or advisor to act fraudulently, dishonestly or to undertake other misconduct;
  - breaching their material obligations to the Company through error, omission or negligence;
  - receiving a short term incentive (**STI**) or long term incentive (**LTI**) award because of fraud, dishonesty or a breach of obligation committed by another person; and/ or
  - receiving a STI or LTI award because of an error in the calculation of a performance measure.
- Examples of a breach of material obligation that could trigger application of this the above malus or clawback could include:
  - a material misstatement in the accounts of the group entity for the years relevant to an unvested or unpaid award; or
  - conduct exposing the Company to potential reputational damage or legal action or that is otherwise in a breach of the Company's Code of Conduct.
- The Board may also take action on the recommendation of the Nomination and Remuneration Committee to cancel or adjust unvested Director Options where the Board is not satisfied that an award is appropriate or warranted due to exceptional circumstances.
- Any tranche that does not vest within 72 months (6 years) of their issue will expire.
- Any vested Director Options that are not exercised within 48 months (4 years) of their vesting will expire.
- The securities to be issued to each Director are options to subscribe for fully paid Shares. Upon exercise, one share will be issued for each option exercised.
- The Director Options are to be issued for no cash consideration.

- The exercise price of each Director Option is zero (**Exercise Price**).
- Shares issued on exercise of the Director Options will rank equally with all existing Shares from the date of issue.
- The Director Options, once vested, may be exercised wholly or in part by notice in writing to the Company received at any time on or before they expire.
- The Director Options shall be unlisted but shall be transferable.
- Upon allotment of Shares pursuant to the exercise of Director Options, the Company shall use its best endeavours to have such Shares quoted and listed on the Official List of the ASX.
- Option holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Director Options, in accordance with the requirements of the Listing Rules.
- Option holders do not participate in dividends or in bonus issues unless the Director Options are exercised, and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend or bonus issue.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - the number of Director Options, the exercise price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the Director Option holder which are not conferred on Shareholders; and
  - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders of the Company approving a reconstruction of capital, in all other respects the terms for the exercise of the Director Options will remain unchanged.
- If there is a bonus issue to the holders of Shares, the number of Shares over which a Director Option is exercisable will be increased by the number of Shares which the Director Option holder would have received if the Director Options had been exercised before the record date for the bonus issue.
- The terms of the Director Options shall only be changed if holders (whose votes are not to be disregarded) of Shares approve of such a change. However, the terms of the Director Options shall not be changed to increase the number of Director Options or change any period for exercise of the Director Options.

## Regulatory Requirements

### Listing Rule 10.14

The Company is proposing to issue the Director Options.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- **Listing Rule 10.14.1:** a director of the Company;
- **Listing Rule 10.14.2:** an associate of a director of the Company; or
- **Listing Rule 10.14.3:** a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders,

unless it obtains the approval of its Shareholders.

The issue of the Director Options falls within Listing Rule 10.14.1 above and therefore requires the approval of Xanadu's Shareholders under Listing Rule 10.14.

Resolutions 3, 4, 5 and 6 seek the required Shareholder approval to issue the Director Options under and for the purposes of Listing Rule 10.14.

If Resolutions 3, 4, 5 and 6 are passed, the Company will be able to proceed with the issue of the Director Options and the Directors will be remunerated accordingly based on the achievement of the criteria set out above.

If any of Resolutions 3, 4, 5 and 6 are not passed, the Company will not be able to proceed with the issue of the relevant Director Options the subject of that/those Resolution(s) which are not passed, and the Company may need to consider other forms of performance-based remuneration in that regard.

For the purposes of Listing Rule 10.15, the Company advises as follows:

- The following directors (or their respective nominees) are to be the recipients of the Director Options:
  - Resolution 3, Mr Moorhead;
  - Resolution 4, Mr Lkhagvasuren;
  - Resolution 5, Mr Muscillo; and
  - Resolution 6, Mr Pearson.
- As each of the above are directors of the Company they fall within the category stipulated by Listing Rule 10.14.1. In the event the Director Options are issued to a nominee of the Director, that person will fall within the category stipulated by Listing Rule 10.14.2
- The maximum number of Director Options to be issued to Mr Moorhead, Mr Lkhagvasuren, Mr Muscillo and Mr Pearson is 15,000,000 Director Options, being:
  - the grant of 5,000,000 Director Options to Mr Moorhead or his nominee;
  - the grant of 4,000,000 Director Options to Mr Lkhagvasuren or his nominee;
  - the grant of 3,000,000 Director Options to Mr Muscillo or his nominee;
  - the grant of 3,000,000 Director Options to Mr Pearson or his nominee.
- Details of the total remuneration package of each of Mr Moorhead, Mr Lkhagvasuren, Mr Muscillo and Mr Pearson are as follows:

#### Mr Moorhead

- Mr Moorhead currently receives total fixed remuneration of A\$350,000 per annum (total cost to the Company) from the Company for his services as Executive Chairman and Managing Director. In addition, Mr Moorhead is eligible for an annual short term incentive payable in cash of up to 50% of this total fixed remuneration (being up to a further A\$175,000).
- Excluding the Director Options, Mr Moorhead holds 8,840,000 Shares and 23,600,000 options in the Company.

#### Mr Lkhagvasuren

- Mr Lkhagvasuren currently receives total fixed remuneration of US\$265,000 per annum (total cost to the Company) from the Company for his services as an Executive Director. In addition, Mr Lkhagvasuren is eligible for an annual short term incentive payable in cash of up to 30% of this total fixed remuneration (being up to a further US\$79,500).
- Excluding the Director Options, Mr Lkhagvasuren holds 16,558,329 Shares and 23,670,000 options in the Company.

#### Mr Muscillo

- Mr Muscillo currently receives total fixed remuneration of A\$70,000 per annum (total cost to the Company) from the Company for his services as a Non-Executive Director.
- Excluding the Director Options, Mr Muscillo holds 4,019,981 Shares and 6,300,000 options in the Company.

#### Mr Pearson

- Mr Pearson currently receives total fixed remuneration of A\$70,000 per annum (total cost to the Company) from the Company for his services as a Non-Executive Director.
- Excluding the Director Options, Mr Pearson holds 2,460,555 Shares and 7,440,000<sup>1</sup> options in the Company.
- Details of securities previously been issued to each of Mr Moorhead, Mr Lkhagvasuren, Mr Muscillo and Mr Pearson under the remuneration policy are as follows.
  - Mr Moorhead – 30,440,000 options

<sup>1</sup> 1,140,000 of these Options vested as of 31 December 2023

- Mr Lkhagvasuren – 23,670,000 options
- Mr Muscillo – 9,720,000 options
- Mr Pearson – 9,720,000 options

These options were issued for nil consideration and with a nil exercise price pursuant to the approval given by shareholders across the extraordinary general meeting of the Company held on 30 July 2020, the extraordinary general meeting of the Company held on 23 December 2020, the annual general meeting of the Company held on 17 June 2021 and the extraordinary general meeting of the Company held on 7 February 2023.

- A summary of the material terms of the Director Options is set out above.
- The Board has proposed to issue the Director Options to reward and incentivise the Directors to contribute to the growth of the Company, whilst minimising cash outflows. The Director Options are directly linked to the expansion of the non-Kharmagtai operations of the Company through both the acquisition of additional projects and the achievement of a significant discovery, together with continuing employment for a further two years. The Board believes that the grant of the Director Options provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g., increased remuneration). The grant of options provides an appropriate form of remuneration to Directors that is aligned with shareholder interests and enables the Company to use available cash to fund its operations and growth. In addition, the estimated values of the Director Options are not excessive when compared to the other remuneration elements of each Director. The grant of Director Options will constitute an equity award that covers a period of up to two years commencing from the date of the offer letter, with no further rolling annual grants of equity to be made to Directors in the intervening years over that period.
- Details regarding the value of the Director Options are as follows:

As the options have non-market based vesting conditions, the Company has undertaken a valuation of the Director Options utilising a hybrid employee share option pricing model incorporating a Monte Carlo simulation, which simulates the Company's share price at the test date.

Inherent in the application of this pricing model are a number of inputs, some of which must be assumed. The data relied upon in the valuation applying the Monte Carlo simulation was:

- an exercise price of the options being zero;
- a market price of Shares of \$0.0748, being the 5 day VWAP of Shares prior to the valuation, as a proxy for the market price at the future date of issue, being the date of the Meeting to approve the issue;
- the Director Options vesting on 23 May 2026;
- an Expiry Date of 23 May 2030 for the Director Options;
- a volatility measure of 115%;
- a risk-free interest rate of 4.066%; and
- a dividend yield of Nil.

Based on the valuation, the Company has adopted an indicative value for the Director Options as follows:

Item	Director Options
<b>Valuation date</b>	10 April 2024
<b>Underlying Security spot price</b>	\$0.077
<b>Exercise price</b>	Nil
<b>5 day VWAP</b>	\$0.0748
<b>Commencement of performance period</b>	23 May 2024

<b>Performance measurement date</b>	23 May 2026
<b>Expiry date</b>	23 May 2030
<b>Performance period (years)</b>	2
<b>Life of the Options (years)</b>	6
<b>Volatility</b>	115%
<b>Dividend yield</b>	Nil
<b>Risk-free rate</b>	4.07%
<b>Valuation per Option</b>	\$0.09196

On that basis, the respective value of the Director Options to be issued pursuant to Resolutions 3, 4, 5 and 6 are as follows:

<b>Name</b>	<b>Director Options</b>	
	<b>(Number)</b>	<b>(Value)</b>
Mr Moorhead (Resolution 3)	5,000,000	\$459,800
Mr Lkhagvasuren (Resolution 4)	4,000,000	\$367,840
Mr Muscillo (Resolution 5)	3,000,000	\$275,880
Mr Pearson (Resolution 6)	3,000,000	\$275,880
<b>Total</b>	<b>15,000,000</b>	<b>\$1,379,400</b>

- The Director Options are intended to be granted as soon as possible following the Meeting, but in any event, within three (3) years of the date of the Meeting.
- The Director Options are being issued for nil cash consideration and have a zero exercise price.
- A summary of the material terms of the Director Options is set out above. For completeness it is noted that the Director Options are not being issued pursuant to the Company's Employee Share Option Plan.
- No funds are being raised by the grant or exercise of the Director Options. Accordingly, no loans of any description will be provided to the Directors in relation to the Director Options.
- Details of the Director Options will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- Any additional Directors covered by Listing Rule 10.14 who will become entitled to participate in an issue of securities under the remuneration policy after Resolutions 3, 4, 5 and 6 are approved (should they be approved) and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.14, approval is not required to be obtained under Listing Rule 7.1.



Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 3, 4, 5 and 6.

### **Director Recommendations**

With respect to Resolution 3, the Board (Mr Moorhead abstaining) recommends that Shareholders vote in favour of that Resolution. As Mr Moorhead is interested in the outcome of Resolution 3, he accordingly makes no recommendation to Shareholders in respect of that Resolution.

With respect to Resolution 4, the Board (Mr Lkhagvasuren abstaining) recommend that Shareholders vote in favour of that Resolution. As Mr Lkhagvasuren is interested in the outcome of Resolution 4, he accordingly makes no recommendation to Shareholders in respect of that Resolution.

With respect to Resolution 5, the Board (Mr Muscillo abstaining) recommends that Shareholders vote in favour of that Resolution. As Mr Muscillo is interested in the outcome of Resolution 5, he accordingly makes no recommendation to Shareholders in respect of that Resolution.

With respect to Resolution 6, the Board (Mr Pearson abstaining) recommends that Shareholders vote in favour of that Resolution. As Mr Pearson is interested in the outcome of Resolution 6, he accordingly makes no recommendation to Shareholders in respect of that Resolution.

### **SPECIAL RESOLUTION**

#### **Resolution 7: Approval of the reinstatement of the Proportional Takeover Provisions**

Article 76 of the Company's Constitution contains a proportional takeover approval provision, providing that if an offer is received for a specified proportion of the Company's shares, a shareholders' meeting must approve the takeover bid before it may take effect.

If that approval is obtained, the offer may proceed. If the approval is not obtained, the offer will be taken to have been withdrawn. The provisions do not apply to an offer under a takeover bid for all of the Company's shares. Under the Corporations Act the provisions must be renewed every three years or they will cease to have effect.

The current provisions have ceased to have effect as they were last approved with the constitution more than three years ago (20 July 2020). It is proposed to now renew and re-instate those provisions in the Constitution. If renewed, Article 76 will operate on the same basis as described above for a period of three years from the date of the Annual General Meeting.

The main advantage of a proportional takeover approval provision is that shareholders have an opportunity to study a proportional takeover bid proposal and, if they believe that control should not be permitted to pass under the bid, vote on the proportional takeover to prevent it from proceeding. In other words, this enables the views of shareholders to be formally ascertained.

A proportional takeover bid may result in control of the Company changing without shareholders having the opportunity to dispose of all their shares and there may be a risk of a potential bidder being able to acquire control of the Company without paying an adequate control premium. As such, the proportional takeover approval provision may assist shareholders in avoiding being locked into a relatively powerless minority position and increase shareholders' bargaining power to require that a full bid, rather than partial bid, be made.

It may also assist in ensuring that any proportional bid is adequately priced and is structured so as to be attractive to a majority of shareholders. By determining the views of a majority of shareholders, it assists each individual shareholder in assessing the likely outcome of a proportional takeover bid and whether to approve or reject that offer. The Directors consider that it is appropriate for Shareholders to have this right.

The consequence of this is that all shareholders can avoid the risk of being a minority shareholder in a company controlled by a single dominant shareholder. Many listed companies have a proportional takeover approval provision in their Constitution as it allows shareholders to determine whether a proportional takeover bid should proceed.

The potential disadvantages of the renewal of the proportional takeover provision for Shareholders are: (a) it may reduce the opportunities that Shareholders have to sell some of their shares; and (b) it may be considered to constitute a restriction on the ability of shareholders to freely deal with their shares.

The Directors consider that there are no advantages or disadvantages of a proportional takeover approval provision from the Directors' perspective as they remain free to make a recommendation to shareholders on whether a proportional takeover bid should be accepted.

As at the date of the Notice of Meeting, no Director is aware of any proposal by a person to acquire or to increase the extent of a substantial interest in the Company.

Copies of the current Constitution which contain Article 76 are available on the Company's website. On balance, the Directors consider that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages and accordingly, your Directors recommend that shareholders approve the proposal to renew the proportional takeover provisions in Article 76 of the Company's Constitution.

Article 76 is set out in Appendix A to this Explanatory Memorandum.

**Directors' recommendation**

The Board recommends that members vote in favour of Resolution 7.

## Appendix A

### 76. Takeover approval provisions

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Subject to the provisions of the Corporations Act, where offers have been made for Shares in the Company under a Takeover Bid and each such offer relates to a proportion of these Shares in the Company included in a class of Shares being a proportion that is the same in respect of each offer, the Directors shall refuse to register a transfer giving effect to a contract resulting from the acceptance of any offer under the Takeover Bid unless the following provisions have been complied with:

- (a) the Directors shall convene a Meeting of the Company to be held in accordance with this Constitution on a day which is not less than 15 days prior to the end of the period during which the offers made under the Takeover Bid remain open;
- (b) at the Meeting referred to the Members entitled to vote in accordance with Rule 1.1(c) shall consider and vote on a resolution approving the Takeover Bid which resolution shall be taken to have been passed if the votes cast in favour of the resolution exceed 50% of all votes validly passed in respect of the resolution; and
- (c) for the purposes of the resolution referred to in Rule 1.1(b), a person (other than the offerer under the Takeover Bid or a person associated within the meaning of the Corporations Act with the bidder) who, as at 5.00pm on the day on which the first offer under the Takeover Bid was made, held Shares included in the class of Shares the subject of the Takeover Bid is entitled to vote and despite anything contained in this Constitution shall have one vote for each such Share held.

# 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](http://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 Thursday, 23 May 2024 at 11:00am (AEST). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, submit a question prior to the meeting, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://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](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 11:00am (AEST) Tuesday 21 May 2024.



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:  
Victoria Hotel 215 Little Collins, 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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEST) on Tuesday, 21 May 2024.**

# 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](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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 Street, Melbourne, VIC 3000 on Thursday, 23 May 2024 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 Resolutions 2, 3, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 2, 3, 4, 5 and 6 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 Resolutions 2, 3, 4, 5 and 6 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 - Tony Pearson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Grant of Options to Colin Moorhead	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Options to Ganbayar Lkhagvasuren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Options to Michele Muscillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of Options to Tony Pearson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each items 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

