

28 November 2014

REVISED RIGHTS ISSUE PRICE

Xanadu Mines Ltd (**ASX: XAM** – “**Xanadu**”) refers to its prior announcements describing the issue price of the non-renounceable rights issue of 12.26 cents to raise up to A\$8.5 million.

In compliance with ASX Listing Rule 7.11.2, Xanadu notes that the issue price can not be a fraction of a cent other than 0.5. Xanadu confirms therefore that the rights issue price has been rounded down to 12.0 cents per share, to raise up to A\$8.35 million.

All other details about the rights issue, including the timetable, remain unchanged.

An amended Appendix 3B and Cleansing Notice is attached.

For further information, please contact:

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ASX
XAM

Xanadu Mines Ltd (ASX: XAM) is an exploration company that has assembled a significant exploration portfolio across Mongolia's porphyry belts. These belts are part of the larger Central Asian Orogenic Belt – one of the last great exploration frontiers known to host large copper porphyry deposits – with Mongolia emerging as a globally significant copper province.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Xanadu Mines Ltd

ABN

92 114 249 026

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 69,581,954 Fully Paid Ordinary Shares (issue) |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	12 cents per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The funds raised under the Rights Issue (after payment of costs) will be used to partly repay the deferred consideration for the Kharmagtai project and advance exploration activities at the Kharmagtai and Oyut Ulaan copper-gold projects.
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	29 December 2014

+ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		313,118,793	Ordinary Shares
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		14,000,000	Options (\$0.50, 31/12/14)
		5,240,000	Options (\$0.50, 19/12/14)
		1,000,000	Options (\$0.60, 31/12/16)
		1,000,000	Options (\$1.20, 31/12/16)
		1,000,000	Options (\$1.80, 31/12/16)
		1,000,000	Options (\$0.70, 31/12/14)
		1,000,000	Options (\$1.00, 31/12/14)
		2,400,000	SRs (\$0.1437, 21/5/16)
		1,200,000	SRs (\$0.1870, 21/5/16)
		2,300,000	SRs (\$0.1393, 26/2/16)
		1,700,000	SRs (\$0.1813, 26/2/16)
		15,000,000	Options Series A (14/1/2019)
		20,000,000	Options Series B (14/1/2019)
		1,250,000	SRs (\$0.18, 28/2/16)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	No security approval is required for the Rights Issue
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	2 new fully paid ordinary shares for every 7 shares held
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares
15	⁺ Record date to determine entitlements	4 December 2014

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia, New Zealand and Singapore
19	Closing date for receipt of acceptances or renunciations	18 December 2014
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	9 December 2014

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	29 December 2014

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which
⁺quotation is sought

N/A

39 ⁺Class of ⁺securities for which
quotation is sought

N/A

⁺ See chapter 19 for defined terms.

40	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)</p>	N/A	
42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in clause 38)	Number	⁺ Class
		N/A	N/A

⁺ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Company Secretary

Date: **28 November 2014**

Print name: **Janine Rolfe**

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	199,256,390
<i>Add</i> the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	69,581, 954 43,530,449 0
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	312,368,793

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	46,855,318
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	750,000
“C”	750,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	46,855,318
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	750,000
Total [“A” x 0.15] – “C”	46,105,318 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2: N/A

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	

+ See chapter 19 for defined terms.

<i>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</i>	
“ <i>A</i> ” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
<i>Subtract</i> “ <i>E</i> ” <i>Note: number must be same as shown in Step 3</i>	
<i>Total</i> [“ <i>A</i> ” x 0.10] – “ <i>E</i> ”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.


28 November 2014

ASX Limited
Company Announcements Office
20 Bridge Street
Sydney NSW 2000


SECTION 708AA NOTICE

Xanadu Mines Ltd (**Xanadu** or **the Company**) gives notice in accordance with Section 708AA (2)(f) of the Corporations Act, 2001 (**the Act**) that:

1. The Company will offer to issue without disclosure to investors under Part 6D.2 of the Act, 69,581,954 fully paid ordinary shares (**Shares**) at an issue price of 12.0 cents per share under a non-renounceable rights issue on the basis of 2 new fully paid ordinary shares for every 7 shares held at 7:00pm (AEDST) on 4 December 2014 (**Record Date**) by shareholders whose address on the Company's register of members is in Australia, New Zealand or Singapore.
2. This notice is being given under section 708AA(2)(f) of the Act.
3. As at the date of this announcement, Xanadu has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to Xanadu; and
 - (b) section 674 of the Corporations Act.
4. As at the date of this announcement, there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of Xanadu; or
 - (ii) the rights and liabilities attaching to the new Shares.

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5. The Rights Issue will not have any material effect on the control of the Xanadu. The capital structure before the Rights Issue and the potential structure after the Rights Issue is set out below:

Issued Shares	Number of Shares
Total issued capital of Xanadu at the Record Date for the Rights Issue	243,836,539
Number of new shares offered under the Rights Issue including any shortfall shares and subject to rounding	69,581,954
Issue of placement shares subject to approval of shareholders at the Annual General Meeting to be held later during the day	111,226,455
Total issued capital of Xanadu at completion of Rights Issue assuming maximum number of New Shares under the Rights Issue are issued	424,644,948

The Directors have reserved the right to offer any shortfall under the Rights Issue in accordance with Listing Rule 7.2 Exception 3.

Investors should note the following:

- (a) If particular eligible shareholders do not take up all of their entitlements under the offer, the shareholding interests of those eligible shareholders will be diluted;
- (b) The proportional interests of shareholders with registered addresses outside Australia, New Zealand and Singapore will be diluted because those shareholders are not entitled to participate in the Rights Issue; and
- (c) Should Xanadu's major shareholders subscribe for their full entitlement under the Rights Issue, there will not be any material impact on the control of the Company following the issue of shares under the Rights Issue.

Further details about the Rights Issue were announced on 25 November 2014.

Yours Sincerely



Janine Rolfe
 Company Secretary