

5 March 2015

NOBLE INCREASES INVESTMENT IN XANADU & RIGHTS ISSUE SHORTFALL OFFER CLOSES

Xanadu Mines Ltd (**ASX: XAM – “Xanadu”**) is pleased to announce that Noble Resources International Pte Ltd (“**Noble**”) has further increased its shareholding in Xanadu through a subscription for shortfall shares from Xanadu’s recent rights issue (“**Shortfall Shares**”).

Noble has taken up 5,547,885 shares at 12 cents per share for gross proceeds of A\$665,746.20. Noble will have a circa 9 per cent interest in Xanadu following allotment. The further investment from Noble, at a premium to last close, is another strong endorsement for Xanadu’s Mongolian copper-gold strategy and exploration results.

The new funds will be allocated to further reducing the Deferred Consideration for the Kharmagtai copper-gold project, exploration activities and working capital. The investment from Noble means that Xanadu has successfully raised around A\$15.3 million through the placement approved by Shareholders at its 2014 Annual General Meeting and the corresponding rights issue.


These new funds place Xanadu in a strong financial position. Furthermore, and as previously announced on 17 February 2015, the payment date for the remaining deferred consideration for the Kharmagtai project has been extended to 31 July 2016. This financial strength and flexibility ensure Xanadu is well-capitalised to unlock the value at its Kharmagtai and Oyut Ulaan copper-gold projects in what is scheduled to be a very active period of exploration and development for the company over 2015. Xanadu has completed successful drill campaigns at both projects, with a supplementary campaign undertaken at Kharmagtai following strong results from the first campaign.

This issue of Shortfall Shares to Noble is made in accordance with ASX Listing Rule 7.2, Exception 3. Xanadu has now closed the offer to issue further Shortfall Shares.


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