

29 May 2015

## CHAIRMAN'S AGM ADDRESS

Since we last spoke together, the Company has made progress on a number of fronts in what has been a difficult environment for commodities and junior miners:

- we raised A\$15.3 million through a private placement approved by shareholders at the November AGM and subsequent rights issue, allowing us to pay off most of the Kharmagtai deferred consideration and have sufficient funds left to pursue full exploration programs at Oyut Ulaan and Kharmagtai;
- we welcomed new Singapore based major shareholders to the register and enjoyed the continued support of our long term major shareholder, Noble Resources;
- we successfully deferred the remaining Kharmagtai payment to July 2016 allowing us more time to add value to our projects through exploration;
- I am very pleased to say that Andy accepted a new role as CEO in March and I know he is enjoying the challenges. Having both the CEO and CFO within Mongolia plus the support of our local partner, Ganbayar, really does set us apart from other explorers operating in the country;
- also in March, we announced a public market maiden resource for Kharmagtai and this has really raised the profile of Xanadu and broadened the base of investors interested in us;
- we are being more active in promoting the Company. Andy is just back from Singapore where he spoke at the Asia Mining Conference and prior to that, in March, at Mines and Money Hong Kong. We also have investor luncheons planned through the Proactive Group in Sydney and Melbourne (please come along) next week and we will continue this effort; and
- finally, having been to the Kharmagtai site and our local office recently I am pleased to report that we have a dedicated local team of experienced professionals and support staff that are operating safely and are all aligned in what we are trying to achieve for shareholders.

I should also add that since we last spoke we have seen the resolution of the issues between Rio/THR and the Mongolian Government over the massive underground development of the Oyu Tolgoi mine, freeing up billions of dollars of investment into the project and country. Mongolia really is open for business again and we expect capital to flow back into country over coming years.

Lastly, I would like to acknowledge the efforts of our Board, Management and all staff. The team has been ambitious and has worked relentlessly throughout the year in repositioning the Company and implementing the Kharmagtai exploration program.

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 **ASX**  
XAM

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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.