



24 November 2015

Dear Xanadu Shareholder

Notice of Extraordinary General Meeting

On behalf of the Board of Xanadu Mines Ltd (**Xanadu or the Company**) I am pleased to invite you to attend the Company's Extraordinary General Meeting (**EGM**) which will be held at the offices of Computershare in Sydney on Wednesday, 23 December 2015.

This letter accompanies a Notice of Meeting in respect of the EGM. The Resolutions are set out in the Notice of Meeting and more details are provided in the Explanatory Memorandum accompanying the Notice of Meeting.

The Company is delighted with the strong support received from our existing and new shareholders. The funds raised from the successful Placement (A\$8.3 million) and Share Purchase Plan will be deployed to continue to advance the Company's copper-gold exploration activities in Mongolia. Specifically, the funds raised will be used to reduce the Kharmagtai deferred acquisition consideration and support a winter exploration program at our Kharmagtai project.

The Kharmagtai project is currently growing towards a moderate-size copper deposit, with relatively high gold to copper ratios and a comprehensive work program, comprising approximately 15,000m of drilling will commence shortly to expand the limits and grade of the current deposits not included in the current resource inventory. In conjunction, drilling has been planned to test areas of porphyry and tourmaline breccia mineralisation under shallow cover.

I encourage you to read these documents and vote in favour of the Resolutions at the EGM.

Shareholders attending the EGM will have the opportunity to ask our CEO, Dr Andrew Stewart, questions at the Meeting. If you are unable to attend the Meeting and have a question that you would like to address to the Board, please email your question to our Company Secretary, Janine Rolfe, at info@xanadumines.com prior to the EGM.

I look forward to seeing as many of you as possible at the EGM.

Yours sincerely,

Mark Wheatley
Executive Chairman
Xanadu Mines Ltd



CONTACT

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ASX
XAM

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XANADU MINES LTD
ABN 92 114 249 026

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting (**EGM** or **Meeting**) of Shareholders of Xanadu Mines Ltd (**Xanadu** or **the Company**) will be held:

Date: Wednesday, 23 December 2015

Time: 11:00am (Sydney time)

Venue: Computershare Investor Services
Level 4
60 Carrington Street
Sydney NSW 2000

The Explanatory Memorandum accompanying this Notice of Meeting (**Notice**) provides additional information on matters to be considered at the EGM. The Explanatory Memorandum and proxy form are part of this Notice.

BUSINESS OF THE MEETING

1. Ratification of Tranche 1 Placement

To consider and, if thought fit, pass the following as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue on 19 November 2015 of a total of 56,200,000 fully paid ordinary shares in Xanadu (**Shares**) at an issue price of 12.5 cents per Share, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice, is ratified.”*

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, Xanadu will disregard any votes cast on Resolution 1 by any person who participated in the above issue and any associates of those persons. The allottees to whom shares were issued to under Resolution 1 is outlined in the Explanatory Memorandum.

However, Xanadu need not disregard any votes cast on Resolution 1 if:

- a. it is cast as proxy for a person entitled to vote, in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Approval of Tranche 2 Placement

To consider and, if thought fit, pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of up to 10,269,189 Shares at an issue price of 12.5 cents per Share on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice, is approved.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, Xanadu will disregard any votes cast on Resolution 2 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed, and any associates of those persons. The allottees to whom shares may be issued under Resolution 2 is outlined in the Explanatory Memorandum.

However, Xanadu need not disregard any votes cast on Resolution 2 if:

- a. it is cast as proxy for a person entitled to vote, in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. Election of Mr Marcus Engelbrecht, Non-Executive Director

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

"That Mr Marcus Engelbrecht, who was appointed as a Director of the Company on 16 June 2015 and in accordance with the Company's Constitution holds office until the conclusion of this Meeting, offers himself for election and being eligible, is elected as a Director of the Company."

4. Issue of Share Rights to Mr Marcus Engelbrecht under the Xanadu Equity Incentive Plan

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

"That, subject to Resolution 3 being approved, for the purposes of ASX Listing Rule 10.14 and all other purposes, the issue of 1,000,000 Share Rights to Marcus Engelbrecht for nil financial consideration, which, subject to the achievement of performance conditions, may convert to fully paid ordinary shares in the capital of the Company on a one-for-one basis under the Xanadu Mines Ltd Equity Incentive Plan and on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved."

Voting Exclusion Statement

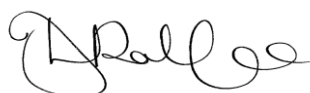
In accordance with ASX Listing Rule 14.11, Xanadu will disregard any votes cast on Resolution 4 by any Director of the Company and their associates.

However, the Company need not disregard a vote cast on Resolution 4 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a vote must not be cast on Resolution 4 by a member of the key management personnel (**KMP**) of Xanadu, or a closely related party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Resolution 4. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting because Xanadu's proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies.

By order of the Board



Janine Rolfe
Company Secretary
24 November 2015

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Sydney time) on Monday, 21 December 2015 will be entitled to attend and vote at the EGM as a Shareholder.

If more than one joint holder of shares is present at the EGM (whether personally, by proxy or 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.

Voting by 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 2001 (Cth) (the **Act**) to exercise its powers as proxy at the EGM.

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 (Sydney time) on Wednesday, 23 December 2015. Proxies must be received before that time by one of the following methods:

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
By delivery in person:	Level 4 60 Carrington Street Sydney NSW 2000
Online:	www.investorvote.com.au (for Shareholders) www.intermediaryonline.com (Intermediary Online subscribers only)

To be valid, a proxy 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 (Sydney time) on Monday, 21 December 2015 being 48 hours before the EGM.

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 EGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the EGM a properly executed letter or other document confirming its authority to act as the company's representative.

EXPLANTORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in relation to the business to be conducted at the Company's EGM to be held on Wednesday, 23 December 2015.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required to decide how to vote upon the Resolutions.

All Resolutions are to be voted on as ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution.

The Directors unanimously recommend Shareholders vote in favour of all Resolutions.

Resolutions 1 & 2: Issue of Placement Shares to Professional & Sophisticated Investors

Background about the Placement

On 12 November and 19 November 2015, the Company announced details of a placement to professional and sophisticated investors to subscribe for new Xanadu shares at a price of 12.5 cents per share, to raise approximately \$8.3 million (**Placement**). Bell Potter Securities Limited acted as Lead Manager to the Placement.

The Placement of 66,469,189 shares will be completed in two tranches. Placement shares under Tranche 1 consisting of 56,200,000 shares were issued on 19 November 2015 under Xanadu's 15% placement capacity in accordance with ASX Listing Rule 7.1 (**Tranche 1 Placement**). Tranche 2 consists of 10,269,189 shares which are expected to be issued on 31 December 2015, subject to shareholder approval this general meeting (**Tranche 2 Placement**).

The funds raised from the Placement will be used to reduce the Kharmagtai deferred acquisition consideration and support a winter exploration program at Xanadu's Kharmagtai project.

A comprehensive work program, comprising approximately 15,000m of diamond and reverse circulation (**RC**) drilling will commence shortly to expand the limits and grade of the current deposits not included in the current resource inventory and to follow-up on recent trenching success at Tsagaan Sudal as described in the Company's ASX announcement on 22 October 2015. In conjunction, drilling has been planned to test areas of tourmaline breccia and porphyry mineralisation under shallow cover. A technical update and further details of the Company's drilling plans will be provided prior to the EGM.

At the same time as announcing the Placement, the Company announced a share purchase plan, whereby eligible shareholders on record on 11 November 2015 can also acquire new Xanadu shares at the 12.5 cent per share placement price.

Specific information about Resolution 1 (Tranche 1 Placement)

Under ASX Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its equity securities. ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been made with approval for the purpose of ASX Listing Rule 7.1.

The Company is seeking approval for the purposes of ASX Listing Rule 7.4 to enable the Company to refresh its issuing capacity under Listing Rule 7.1, thereby providing the Company with the flexibility to issue further securities under ASX Listing Rule 7.1 if the need arises in the next 12 months.

The Tranche 1 Placement was made within the 15% limit permitted under ASX Listing Rule 7.1 and without shareholder approval. Accordingly, Resolution 1 is proposed for the purpose of ratifying the issue of the Tranche 1 Placement and thereby refreshing Xanadu's ability to issue Shares in the future up to the 15% limit should the need or opportunity arise.

For the purposes of ASX Listing Rule 7.5, the following information is provided:

- the number of Shares issued under the Tranche 1 Placement was 56,200,000.
- the Shares issued under the Tranche 1 Placement were issued at a price of 12.5 cents per share.
- Shares under the Tranche 1 Placement have been issued to:
 - a range of sophisticated and professional investors who qualify under the requirements of sections 9 and 708 of the Corporations Act identified by Bell Potter Securities Limited;
 - international resident investors to whom an offer of the Placement Shares did not require disclosure under the laws of the relevant jurisdiction; and
 - existing substantial shareholder, Asia Capital & Advisors Pte. Ltd.
- the Shares issued under the Tranche 1 Placement were fully paid ordinary shares which rank equally with all other existing Shares from the date of issue.
- the funds raised from the Tranche 1 Placement will be used by Xanadu to:
 - reduce the Kharmagtai deferred acquisition consideration; and
 - support a winter exploration program at Xanadu's Kharmagtai project.
- a Voting Exclusion Statement accompanies Resolution 1 in the Notice of Meeting.

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

Specific information about Resolution 2 (Tranche 2 Placement)

ASX Listing Rule 7.1 provides that a listed company must not, without prior approval of its shareholders, issue shares if the number of shares issued, or when aggregated with the number of shares issued by the company during the previous 12 months, exceeds 15% of the number of shares on issue at the commencement of that 12 month period.

Since the Tranche 1 Placement utilised the Company's 15% cap under ASX Listing Rule 7.1, the issue of Shares under the Tranche 2 Placement is subject to shareholder approval.

For the purposes of ASX Listing Rule 7.3, the following information is provided:

- the maximum number of shares to be issued under the Tranche 2 Placement will be 10,269,189 (**Shares**).
- the Shares to be issued under the Tranche 2 Placement are expected to be issued on 31 December 2015. No Shares will be issued more than three months after the date of this EGM.
- the Shares issued under the Tranche 2 Placement are to be issued at a price of 12.5 cents per share.
- Shares under the Tranche 2 Placement will be issued to:
 - a range of sophisticated and professional investors who qualify under the requirements of sections 9 and 708 of the Corporations Act identified by Bell Potter Securities Limited;
 - international resident investors to whom an offer of the Placement Shares did not require disclosure under the laws of the relevant jurisdiction; and
 - existing substantial shareholders, Asia Capital & Advisors Pte. Ltd and Noble Resources International Pte. Ltd.
- the Shares issued under the Tranche 2 Placement are fully paid ordinary shares which rank equally with all other existing Shares from the date of issue.
- the funds raised from the Tranche 2 Placement will be used by Xanadu to:
 - reduce the Kharmagtai deferred acquisition consideration; and
 - support a winter exploration program at Xanadu's Kharmagtai project.
- a Voting Exclusion Statement accompanies Resolution 2 in the Notice of Meeting.

The Directors unanimously recommend Shareholders vote in favour of Resolution 2.

Resolution 3 – Election of Mr Marcus Engelbrecht, Non-Executive Director

In accordance with the Company's Constitution, Mr Marcus Engelbrecht was appointed by the Directors as a Non-Executive Director on 16 June 2015.

Mr Engelbrecht holds office until the conclusion of the EGM in accordance with the Company's Constitution and, being eligible, offers himself for election as a Non-Executive Director of Xanadu.

Mr Engelbrecht serves as a nominee of Asia Capital Advisors Pte Ltd (**ACA**) pursuant to the \$13.6 million Placement Agreement dated 6 October 2014 as approved by shareholders on 28 November 2014. The ACA associated group of shareholders' current combined ownership is approximately 27.2% and as disclosed previously in this Explanatory Memorandum, ACA participated in both the Tranche 1 Placement and Tranche 2 Placement.

Marcus is a well-rounded senior mining executive with both mining and exploration management experience with a strong finance background. He has worked in various emerging markets across the globe, including Indonesia and the Philippines in South East Asia, and brings a good network and reputation across the international institutional investment community.

Marcus has worked in the mining industry since 1985 and spent 20 years at BHP Billiton through to 2005 where he served as Chief Financial Officer for their Diamonds and Specialty Products business. From 2009 to 2011, he served as Chief Financial Officer of ASX/TSX/NZX listed OceanaGold and from 2011 to 2013, he served as Managing Director and Chief Executive Officer of London AIM listed and Singapore based Archipelago Resources Plc, a gold producer in Indonesia.

The Directors, with Mr Marcus Engelbrecht abstaining, unanimously recommend Shareholders vote in favour of Resolution 3.

Resolution 4 – Issue of Share Rights to Mr Marcus Engelbrecht under the Xanadu Equity Incentive Plan

Subject to Shareholder approval of Resolution 3, Shareholder approval is being sought under Resolution 4 for the issue of up to 1,000,000 Share Rights under the Xanadu Equity Incentive Plan (**Plan**) to Non-Executive Director, Mr Marcus Engelbrecht under the Plan.

Xanadu Remuneration Philosophy: General

Objective

The Board believes that appropriately designed equity based plans are an important component of the Company's remuneration arrangements. Such plans are a key tool to allow the Group to attract and retain directors and employees and ensure the interests of directors and employees are aligned with those of Shareholders in creating long-term Shareholder value.

Xanadu Equity Incentive Plan

The Plan was approved at the 2013 AGM and a detailed summary of the key terms of the Plan was contained on pages 13 to 14 in the explanatory memorandum accompanying the 2013 Notice of AGM.

The Plan is designed to create a stronger link between increasing Shareholder value and the incentive based compensation payable to Directors and senior executives. It also means that a portion of the Director's emolument is "at-risk" and tied commensurately with company performance (reflected in share price growth).

Share Rights

The proposed total number of Share Rights to be issued to Mr Engelbrecht is 1,000,000. Subject to the achievement of certain vesting conditions (described below), the Share Rights may vest and convert to ordinary shares on a one-for-one basis for nil financial consideration.

As with all awards made by the Company under the Plan since 2013, the Board has decided to grant rights to Mr Engelbrecht for the following reasons:

- the grant of rights is in accordance with acceptable market practice;
- the grant of rights has a minimal dilutionary effect on the issued share capital of the Company; and
- vested rights will create recognisable value to the Directors, which when granted under transparent and appropriate performance conditions, ensures alignment with value creation to Shareholders.

Vesting Conditions

The following Vesting Conditions were agreed by the Company at the time Mr Engelbrecht was appointed as a Director:

- One-third of the total Share Rights granted to Mr Engelbrecht may vest after 16 June 2016 should the Xanadu closing share price meet or exceed 130% of the 20 day volume weighted average market price (**VWAMP**) up to 16 June 2015 for three consecutive trading days during the period between 17 June 2015 to 16 June 2016 (**First Hurdle**) (13.50 cents). *For the period during 8 to 15 October, the closing price of Xanadu's shares was 14 cents. As such, provided Mr Engelbrecht remains a Director as at 16 June 2016, this tranche of Share Rights will vest.*
- One-third of the total Share Rights granted to Mr Engelbrecht may vest after 16 June 2017 should the Xanadu closing share price meet or exceed 130% of First Hurdle for three consecutive trading days during the period between 17 June 2016 to 16 June 2017 (**Second Hurdle**) (17.55 cents). Should the Second Hurdle not be met, these Share Rights granted to Mr Engelbrecht are each subject to a re-test commensurate with the Third Hurdle (described below).
- One-third of the total Share Rights granted to Mr Engelbrecht may vest after 16 June 2018 should the Xanadu share price meet or exceed 130% of Second Hurdle for three consecutive trading days during the period between 17 June 2017 to 16 June 2018 (**Third Hurdle**) (22.81 cents). Should the Third Hurdle not be met, any unvested Performance Rights granted to Mr Engelbrecht will lapse on 16 June 2018.

For the purposes of ASX Listing Rule 10.15, the following information is provided:

- subject to Shareholders approving Resolution 3, Mr Engelbrecht is a Non-Executive Director of the Company.
- Mr Engelbrecht will be granted 1,000,000 Share Rights for nil financial consideration which, subject to the achievement of performance conditions, may convert to ordinary shares in the capital of Xanadu Mines Limited on a one-for-one basis. As such up to 1,000,000 ordinary shares may be allotted to Mr Engelbrecht upon the conversion of vested Share Rights, for nil financial consideration. Any shares allotted to Mr Engelbrecht may be acquired on-market or issued by the Company.
- for the purposes of ASX Listing Rule 10.15.4, pursuant to ASX Listing Rule 10.14 the following Directors have received securities under the Plan as follows and as approved by Shareholders:
 - 2013 AGM
 - Mr George Lloyd was issued 4,000,000 Share Rights for nil financial consideration; and
 - Mr Ganbayar Lkhagvasuren was issued 1,800,000 Share Rights for nil financial consideration; and
 - 2014 EGM
 - Mr Mark Wheatley was issued 1,500,000 Share Rights for nil financial consideration; and
 - Dr Darryl Clark was issued 1,000,000 Share Rights for nil financial consideration;
 - 2014 AGM
 - Mr Barry Lavin was issued 1,000,000 Share Rights for nil financial consideration;
- the Terms and Conditions of the Xanadu Equity Incentive Plan provide that any Director is eligible to participate in particular awards under the Plan. This includes all the following Directors:
 - Mr Mark Wheatley;
 - Ms Hannah Badenach;
 - Mr Ganbayar Lkhagvasuren;

- Dr Darryl Clark;
 - Mr Barry Lavin; and
 - Mr Marcus Engelbrecht.
- the Share Rights will be granted under the terms and conditions of the Xanadu Equity Incentive Plan, approved at the Company's 2013 AGM.
- a Voting Exclusion Statement is set out under Resolution 4 in the Notice of Meeting.
- there is no loan attaching to the offer under the Plan.
- details of any securities issued pursuant to Resolution 4 will be published in the Company's future annual remuneration reports, including approval for the issue of securities obtained under ASX Listing Rule 10.14.
- the Company is expected to allocate the Share Rights within the week after the EGM and in any event, will allocate the Share Rights within 12 months after the EGM.

The Directors, with Mr Marcus Engelbrecht abstaining, unanimously recommend Shareholders vote in favour of Resolution 4.



XANADU MINES

XANADU MINES LTD
ABN 92 114 249 026

Lodge your vote:



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www.investorvote.com.au



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Computershare Investor Services Pty Limited
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000001 000 XAM
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SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 11:00am (Sydney time) on Monday, 21 December 2015

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.

Default to Chairman of the Meeting: Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted as set out in this Proxy Form, including where the Item is connected directly or indirectly with the remuneration of key management personnel of Xanadu Mines Ltd.

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the Meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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 Extraordinary General Meeting of Xanadu Mines Ltd to be held at Computershare Investor Services, Level 4, 60 Carrington Street, Sydney NSW 2000 on Wednesday, 23 December 2015 at 11:00am (Sydney time) and at any adjournment or postponement of that meeting.

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
1 Ratification of Tranche 1 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr Marcus Engelbrecht, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Share Rights to Mr Marcus Engelbrecht under the Xanadu Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

XAM

207413A

Computershare +