

12 November 2015

XANADU SUCCESSFULLY COMPLETES A\$8 MILLION PLACEMENT AND A\$2 MILLION SPP ANNOUNCED

HIGHLIGHTS

- **Commitments received under a share placement to raise \$8 million at a placement price of 12.5 cents per share;**
- **Strong support received from new and existing sophisticated and institutional shareholders;**
- **ACA associates participated and remain at 27.2% equity position in strong support of the Company;**
- **Xanadu funded to continue exploration at its flagship Kharmagtai project during the winter months;**
- **Exploration drilling set to resume at Kharmagtai following a detailed technical review; and**
- **Share Purchase Plan to be offered to existing eligible shareholders on record at the placement price.**

Xanadu Mines Ltd (ASX: XAM – “**Xanadu**”) is pleased to announce that it has received irrevocable commitments to subscribe for 64.0 million ordinary fully paid shares in the Company at \$0.125 per share to raise \$8.0 million (Placement). The Placement will be completed in two tranches with Tranche 1 consisting of 56.2 million shares to be issued under Xanadu’s 15% placement capacity in accordance with ASX Listing Rule 7.1. Tranche 2 consists of 7.8 million shares to be issued subject to shareholder approval at a general meeting to be convened by the Company as soon as practicable. Bell Potter Securities Limited acted as Lead Manager.

Xanadu’s Chief Executive Officer, Dr Andrew Stewart, said: “We are delighted with the strong support received from our existing sophisticated and institutional shareholders; and are very pleased to welcome a number of investors as new shareholders in Xanadu.”

The funds raised from this placement will be used to reduce the Kharmagtai deferred acquisition consideration and support a winter exploration program at our Kharmagtai project.

A comprehensive work program, comprising approximately 15,000m of diamond and reverse circulation (RC) drilling is currently being finalised 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 (refer ASX announcement 22 October 2015). In conjunction, drilling has been planned to test areas of porphyry mineralisation under shallow cover. A full update on the technical review and proposed drill program will be covered in a standalone release next week.


New shares subscribed for under Tranche 1 of the Placement are expected to settle on Wednesday, 16 November 2015 and commence trading on Thursday, 17 November 2015.



CONTACT
Mark Wheatley
Executive Chairman
T: +61 417 688 539
mark.wheatley@xanadumines.com



AUSTRALIA
c/o Company Matters Pty Limited
Level 12, 680 George Street
Sydney NSW 2000
T: +612 8280 7497



MONGOLIA
2nd Khoroo, Military Town
AOS Street, Bayanzurkh District
Ulaanbaatar, Mongolia
T: +967 5011 0211



ASX
XAM

www.xanadumines.com

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.

SHARE PURCHASE PLAN

In conjunction with the Placement, Xanadu wishes to offer its shareholders the opportunity to subscribe for up to \$15,000 in Xanadu ordinary shares per eligible shareholder at the offer price of \$0.125 per share under a Share Purchase Plan (SPP), for an additional raise of up to \$2 million.

Commenting on the SPP, Xanadu's Chief Executive Officer, Dr. Andrew Stewart, said "Following on from the success of the Placement, we are pleased to offer this opportunity to all our shareholders at the same 12.5 cent placement price".

Key dates for the SPP are outlined in the timetable below:

Event (expected)	Date*
Record date for SPP	Wednesday, 11 November 2015
Placement announced & Xanadu resumes trading	Thursday, 12 November 2015
Tranche 1 settlement of Placement shares	Wednesday, 18 November 2015
Tranche 1 allotment of Placement shares	Thursday, 19 November 2015
SPP opens	Thursday, 19 November 2015
SPP closes	Friday, 4 December 2015

*Dates are indicative only and subject to change

For further information, please contact:

Mark Wheatley
Executive Chairman
T: +612 8280 7497
M: +61 417 688 539
mark.wheatley@xanadumines.com

Andrew Stewart
Chief Executive Officer
T: +612 8280 7497
M: +976 9999 9211
andrew.stewart@xanadumines.com

www.xanadumines.com