

25 November 2014

## A\$8.5M NON-RENOUNCEABLE RIGHTS ISSUE OFFER

Xanadu Mines Ltd (**ASX: XAM** – “**Xanadu**”) is pleased to announce the terms of the rights issue that will be undertaken immediately following approval of the A\$13.6 million Placement at the Company’s AGM to be held on 28 November 2014 (“**Rights Issue**”). The Company proposes a non-renounceable rights issue to eligible shareholders, on the basis of 2 new fully paid ordinary shares for every 7 shares held, at an issue price of 12.26 cents per share (being equivalent to the Placement price) (“**New Shares**”), to raise up to A\$8.5 million. The maximum number of New Shares to be issued under the Rights Issue is 69,581,954 based on Xanadu’s undiluted share capital. The Rights Issue will be available to eligible shareholders as at 7.00pm (AEDST) on 4 December 2014 (“**Record Date**”). Following quotation, the New Shares will rank equally in all respects from the date of allotment with existing quoted shares on issue.

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.

The proposed timetable for the Rights Issue is set out below:

| Event   | Date  |
|---|---|
| Release Appendix 3B   | Friday, 28 November 2014                      |
| Dispatch of notices to shareholders informing them of Rights Issue (including ineligible holders) | Monday, 1 December 2014                       |
| Shares quoted on an ex-entitlement basis  | Tuesday, 2 December 2014                      |
| <b>Record Date</b> for determining entitlements   | Thursday, 4 December 2014                     |
| Dispatch of Rights Issue Offer Booklet to shareholders<br>Rights Issue opens for acceptance       | Tuesday, 9 December 2014                      |
| Closing Date  | Thursday, 18 December 2014,<br>(5:00pm AEDST) |
| New Shares quoted on a deferred settlement basis  | Friday, 19 December 2014                      |
| Notification of under subscriptions   | Tuesday, 23 December 2014                     |
| Issue Date – Anticipated date for allotment and issue of New Shares                               | Monday, 29 December 2014                      |
| Dispatch of confirmation statements by Computershare  | Monday, 29 December 2014                      |

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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.



From 9 December 2014, eligible shareholders can expect a copy of the Rights Issue offer documentation including a personalised Entitlement and Acceptance Form which will provide detailed instructions on how to participate in the Rights Issue. In addition to being able to apply for New Shares under the Rights Issue, eligible shareholders will also have the ability to apply for additional New Shares that are not subscribed for under the Rights Issue via a "top-up" facility.

The timetable is indicative only and the Company reserves the right to vary it at any time without prior notice subject to the ASX Listing Rules and the Corporations Act. Full details of the Rights Issue will be contained in the Offer Booklet.

As previously announced, Xanadu has appointed BBY Limited as Manager of the Rights Issue.

**For further information, please contact:**

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