Xanadu Mines Announces $1.1 million Placement

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TORONTO, Jan. 18, 2023 -

Xanadu Mines Ltd. (ASX:XAM, TSX:XAM) (Xanadu or the Company) is pleased to announce the Company has received firm commitments for a placement to eligible professional and sophisticated investors of 41,887,844 fully-paid ordinary shares in Xanadu (New Shares) at an issue price of $0.027 each to raise $1,130,971.79 (before costs) (Placement).

Highlights

- Firm commitments received for a Placement to raise approximately $1.1 million (before costs)
- Well supported by both domestic and international institutions
- Provides working capital during final approvals stage for Zijin Strategic Partnership[1]
- Xanadu Extraordinary General Meeting scheduled for 7 February 2023 to seek approval of Zijin Strategic Partnership[2]

The proceeds of the Placement, together with the Company's existing cash reserves, will be applied towards general working capital purposes during the final approvals stage for the Zijin Strategic Partnership.

Under the Strategic Partnership, Zijin is investing at both the Xanadu corporate level and Kharmagtai project level. Phases 2 and 3 of the Zijin Strategic Partnership[1] comprise an investment of A$7.2 million into Xanadu and US$35 million into the Kharmagtai project, subject to Xanadu shareholder approval at the Extraordinary General Meeting scheduled for 7 February 2023 and PRC regulatory approval, which is underway.

The issue price of $0.027 per New Share represents a 7% discount to Xanadu's last close (16 January 2023) of $0.029 per share, a discount of 10% to the 5-day VWAP of $0.030 per share; and a discount of 7% to the 30-day VWAP of $0.029 per share.

New Shares under the Placement will be issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 and will rank pari-passu with the existing fully paid ordinary shares currently on issue.

The Placement is scheduled to settle on Monday, 23 January 2023 with allotment and trading to occur on Tuesday, 24 January 2023.

Bell Potter Securities Limited acted as Lead Manager to the Placement.

Executive Chairman & Managing Director, Colin Moorhead, said, *"We are pleased with the strong support for this small Placement. This provides the working capital we need to effectively complete the approval stage of our partnership with Zijin Mining Group Co. Ltd.. Once the Zijin Strategic Partnership is approved, we will look forward to a period of strong news flow, as we embark on the Kharmagtai Pre-Feasibility Study and continued exploration to target higher grade, gold-rich bornite zones at depth at this globally significant copper-gold project."*

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This Announcement was authorised for release by Xanadu's Board of Directors.

All dollar amounts are in Australian dollars unless otherwise indicated.

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[1] ASX/TSX Announcement 21 December 2022 - Investment Deal Signed with Zijin - Pathway to Production
[2] ASX/TSX Announcement 29 December 2022 - Notice of Extraordinary General Meeting