

XANADU MINES

Acceptance Update

8 July 2025

Xanadu Mines Ltd (ASX:XAM, TSX:XAM) (Xanadu or the Company) today provides an important update in relation to the off-market takeover offer by Bastion Mining Pte. Ltd. UEN 202512367N (Bastion) to acquire all the fully paid, ordinary shares in Xanadu (Offer).^{1,2,3,4,5,6}

The Takeover Board Committee of Xanadu (Takeover Board Committee)⁷ notes that Bastion have provided notice that following acceptances of its Offer to date, it now holds a relevant interest in 86.8% of Xanadu shares.

The Takeover Board Committee reiterates its unanimous recommendation that Xanadu Shareholders **ACCEPT** the Offer as soon as practicable (in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable).

Shareholders who have not yet accepted the Offer are recommended to do so, noting the risks of not accepting the Offer are detailed in the Bidder's Statement and in section 7 of the Target's Statement. If the Offer closes and Bastion is not entitled to proceed to compulsory acquisition:

- Bastion has stated, in its Bidder's Statement dated 24 May 2025, its intention to apply for Xanadu to be de-listed from the ASX and TSX, in which case it may become more difficult for Xanadu shareholders to sell their Xanadu shares. There can be no guarantee that remaining shareholders will have an opportunity to realise any value for their shares following a delisting.
- If Xanadu will remain listed on the ASX, then the decrease in the number of Xanadu shares available for trading may have a material adverse impact on their liquidity and value of those shares.
- Remaining shareholders' proportionate interests in Xanadu may be diluted if Xanadu funds its share of the required funding for Kharmagtai through issuing new equity and those remaining

¹ ASX/TSX Announcement 19 May 2025 – Recommended A\$0.08 per share offer

² ASX/TSX Announcement 27 May 2025 – Bidder's Statement – Bastion Mining Pte Ltd

³ ASX/TSX Announcement 27 May 2025 – Target's Statement – Accept Bastion Takeover Offer

⁴ ASX/TSX Announcement 17 June 2025 – Material Update on Off-Market Takeover Offer – Acceptance by Zijin Mining Group

⁵ ASX/TSX Announcement 24 June 2025 – Takeover Offer for Xanadu declared Unconditional

⁶ ASX/TSX Announcement 24 June 2025 – Supplementary Target's Statement

⁷ The Takeover Board Committee comprises all Xanadu Directors as at the date of this announcement other than Ganbayar Lkhagvasuren and Zijin's representative, Shaoyang Shen.

shareholders do not participate. Any dilution of the remaining shareholders may result in Bastion being entitled to compulsorily acquire those remaining shareholders shares, which may occur at a price lower than the Offer Price.

The Offer is due to close at 7:00pm (Sydney time) on **29 July 2025** (unless extended subject to the Corporations Act) (**Closing Date**). If you would like to accept into the Offer, you must do so before the Closing Date by following the instructions set out in section 8.3 of the Bidder's Statement.

All documents relating to the Offer, including the Bidder's Statement, Target's Statement and Supplementary Target's Statement, are available electronically for viewing and downloading at:

- Xanadu's website: www.xanadumines.com
- ASX website: www.asx.com.au

Alternatively, please contact the Offer Information Line on 1300 116 263 (toll-free within Australia) or +61 3 9415 4283 (from outside Australia) to obtain a copy of any documents.

About Xanadu Mines

Xanadu is an ASX and TSX listed Exploration company operating in Mongolia. We give investors exposure to globally significant, large-scale copper-gold discoveries and low-cost inventory growth. Xanadu maintains a portfolio of exploration projects and remains one of the few junior explorers on the ASX or TSX who jointly control a globally significant copper-gold deposit in our flagship Kharmagtai project together with our 50-50 JV partner Zijin Mining Group.

For further information on Xanadu, please visit: www.xanadumines.com or contact:

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This Announcement was authorised for release by Xanadu's Takeover Board Committee.

Forward-Looking Statements

Certain statements contained in this Announcement, including information as to the future financial or operating performance of Xanadu and its projects may also include statements which are 'forward-looking statements' that may include, amongst other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These 'forward-looking statements' are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Xanadu, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Xanadu disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether as a result of new information, future events, circumstances or results or otherwise after the date of this Announcement or to reflect the occurrence of unanticipated events, other than required by the *Corporations Act 2001* (Cth) and the Listing Rules of the Australian Securities Exchange (**ASX**) and

Toronto Stock Exchange (**TSX**). The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All 'forward-looking statements' made in this Announcement are qualified by the foregoing cautionary statements. Investors are cautioned that 'forward-looking statements' are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on 'forward-looking statements' due to the inherent uncertainty therein.

For further information please visit the Xanadu Mines' Website at **www.xanadumines.com**.

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