4 March 2010

The Manager
Company's Announcements
Australian Securities Exchange

Close of Non-Renounceable Entitlement Issue of Options

The board of directors of Graynic Metals Limited (Company) is pleased to announce that it has received strong support from shareholders for the recent 1:2 option entitlement issue as detailed in Prospectus dated 27th January 2010. Shareholders were eligible to apply for 27,742,708 options over 20c shares in Graynic at 0.5c per option (to raise $138,714) and at close of offer, had applied for 19,101,870 options.

The Directors are in discussions with the Lead Advisor to the offer, Indian Ocean Capital as to the allocation of shortfall. In conjunction with the entitlement, a further placement of options was ratified at the EGM on 2nd March 2010, which will raise an additional $100,000 less costs of issue.

The company will be seeking to have all options listed on the Australian Stock Exchange.

Following shareholder approval at the EGM on 2nd March 2010, Graynic will also shortly be changing its name from Graynic Metals Limited to Xanadu Resources Limited. Shareholders will be notified in advance of the expected ASX code change and option listing.

Should you have any queries in relation to the above, please do not hesitate to contact the Company on (08) 6364 0518.

Yours faithfully

Adrian Byass
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