

5 November 2014

XANADU LAUNCHES SUPPLEMENTARY DRILLING PROGRAM AT KHARMAGTAI

Xanadu Mines Ltd (**ASX: XAM** – “**Xanadu**”) is pleased to announce that it has launched a supplementary 2014 exploration program at its Kharmagtai copper gold porphyry project, located in the South Gobi region of Mongolia, following the success of the first campaign.

The supplementary exploration program will comprise some 2,500 metres of diamond core drilling and will target areas of particular potential identified in campaign 1. Drilling commenced on 4 November and is expected to be completed before early/mid-December. Drilling will mainly target the enlargement of higher-grade zones, specifically:

- potential extensions to porphyry copper-gold mineralisation at Altan Tolgoi;
- connections between the stockwork and tourmaline breccia-hosted copper-gold mineralisation at Altan Tolgoi; and
- a new 4th area of mineralisation not included in the current Exploration Target.

The results will add useful insights to the geological model in areas of higher-grade mineralisation and should contribute to Xanadu’s resource estimate for the Kharmagtai project.

Xanadu’s Managing Director, George Lloyd, said: “We have taken the project a long way since its acquisition earlier in the year and this supplementary program, armed with the insights from the first campaign, allows us to progress this understanding still further ahead of a more substantive program planned for in 2015.”

For further information, please contact:

George A. Lloyd
Managing Director
T: +852 6397 3308
george.lloyd@xanadumines.com

www.xanadumines.com



CONTACT

George A. Lloyd
Managing Director
T: +852 6397 3308
george.lloyd@xanadumines.com

www.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



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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.