ASX / MEDIA RELEASE

28 April 2011

Quarterly Report
Period ending 31 March 2011

Highlights

- Positive exploration results at the Galshar thermal coal project with aggregate seam thicknesses of up to 38 metres confirmed.
- Three new shallow dipping coal seams identified at Galshar following trenching.
- Commencement of Scoping Study – Galshar Coal Project.
- Xanadu acquires the highly prospective Sharchuluut Uul (formerly known as Mogoin Gol) porphyry copper-gold project.
- Xanadu and Noble Group formalise agreements for a strategic coal and iron ore alliance & Joint Venture ("JV") in Mongolia.
- Noble acquires a 9.9% stake in Xanadu.
- Exploration resumes at Elgen-Zos JV gold project in the south east Gobi.
- Solid progress on coking coal project generation.
- $21.0 million cash on hand at 31 March 2011 to fund aggressive exploration programme and pursue new opportunities.

XANADU MINES LTD
ACN 114 249 026

Sydney Office
Suite 4, Level 2, 66 Oxford Street
Darlinghurst NSW Australia 2010
T + 61 2 9332 4322
F + 61 2 9332 3269
E info@xanadumines.com

Mongolian Office
2nd Khoroo, AOS Street
Military Town, Bayanzurkh District
Ulaanbaatar, Mongolia
T +976 11 5011 0211

Coal Projects
Galshar Thermal Coal Project

The Galshar Thermal Coal Project is situated in the Dornogovi Province of Eastern Mongolia, 250km southeast of Ulaanbaatar and 60km from the Bor Undur railway line (Figure 1).

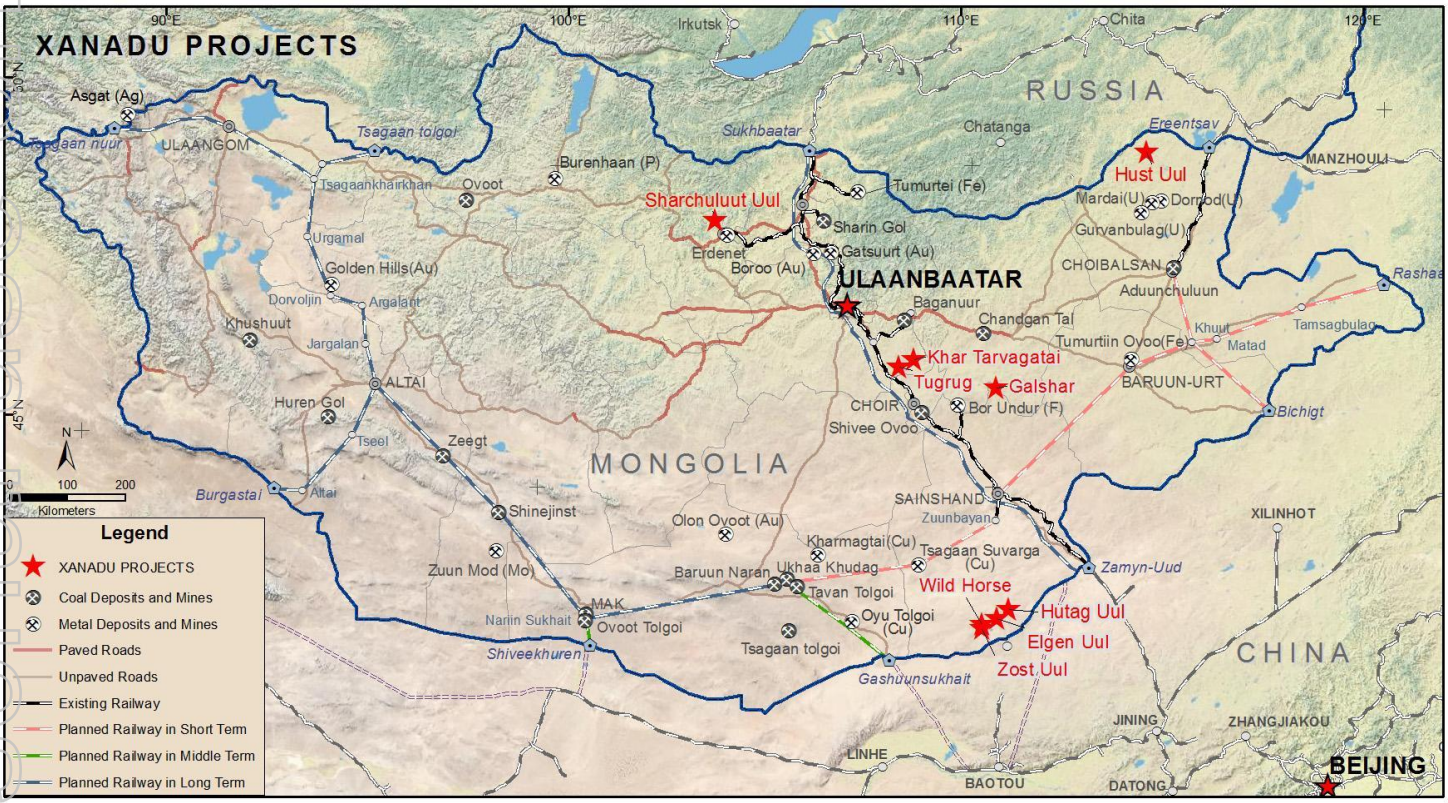

Figure 1: Xanadu Mines project location map

The Galshar coal prospect forms part of the Cretaceous Choir-Nyalga Coal Basin. The coal seams are contained within the Lower Cretaceous unit of the Khashaat member, which are hosted within the larger Zuun Bayan formation which also includes the Baganuur, Eldev and Shivee Ovoo coal deposits.

The Khashaat Khudag basin gently plunges to the northeast and the deposits are multi-seam in a geologically moderate tectonic setting, with all seams affected by minor folding and faulting. The deposit delineated to date consists of an East-West trending anticline and a north-trending, undulating fold limb, with seam dips ranging from up to 60 degrees in the anticline zone to flat-lying in the north-limb zone.

Exploration drilling started at the Galshar thermal coal project in late February with two diamond drill rigs operating on a double shift basis. It is anticipated that the first phase of the programme will be completed by the end of April, and may then be expanded to allow for more detailed JORC Reserve drilling in priority areas. Previously only a small area of the

total ground holding of 343 km^2 has been explored and the ongoing wide-spaced drilling programme will systematically work through the known coal basin targeting further coal resources.

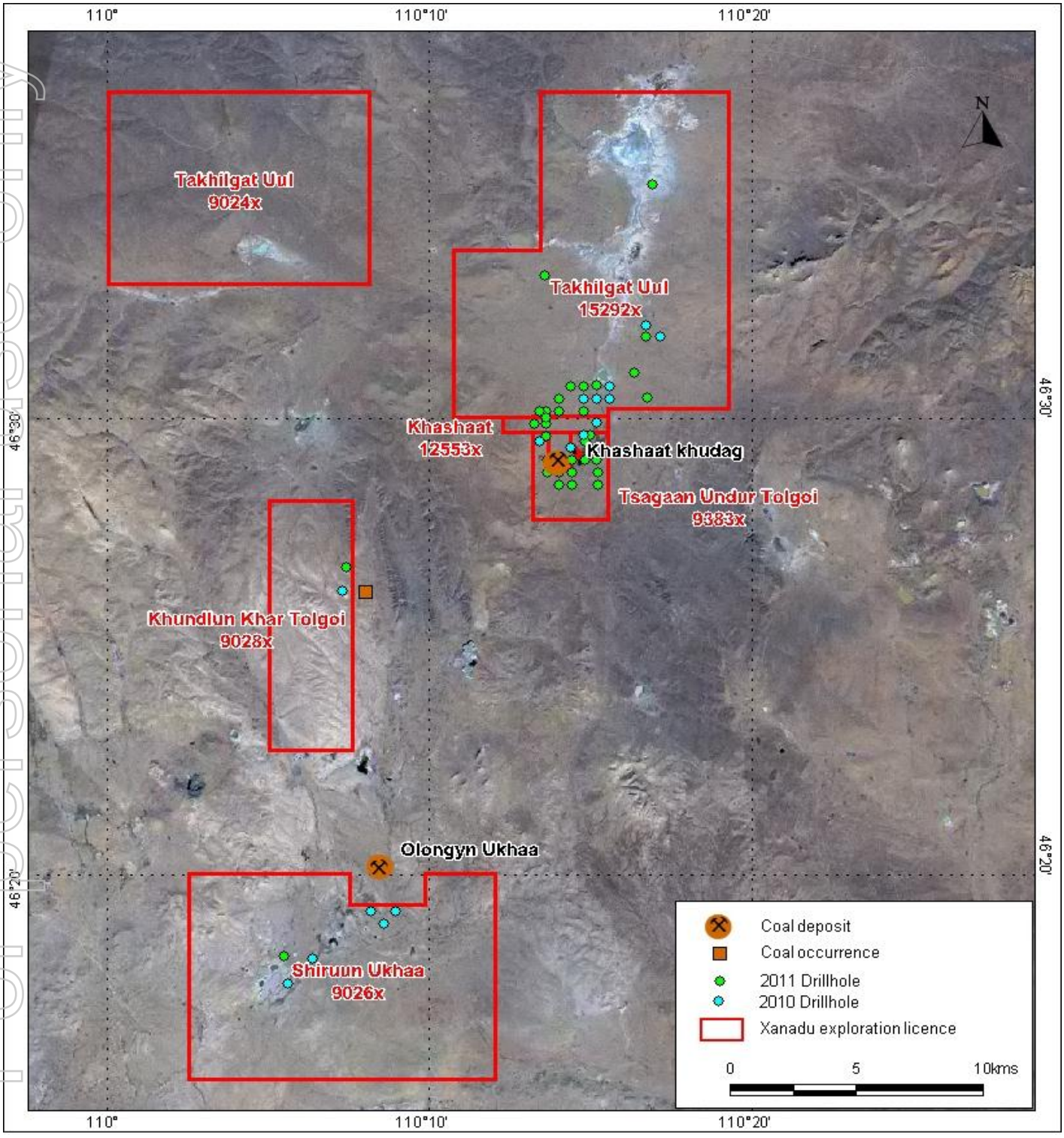

Figure 2: Galshar project map.

Table 1: Summary of Galshar drill results.

Hole ID	Easting (UTM)	Northing (UTM)	Inc/Az	Final depth (m)	Coal Interval		Coal Thickness	
					From	To	Seam Thick	Combined Total thick
XMDH0018	442175	5150177	-90	119.60	14.32	14.90	0.58	
					15.00	15.60	0.60	
					15.80	17.35	1.55	
					18.38	19.00	0.62	
					20.50	20.98	0.48	
					21.15	21.65	0.50	
					29.35	29.80	0.45	
					30.10	31.60	1.50	
					32.00	33.00	1.00	
					33.30	33.60	0.30	
					35.95	36.25	0.30	
					38.55	39.00	0.45	
					39.63	39.88	0.25	**31.73**
					40.84	41.10	0.26	
					43.60	43.92	0.32	
					45.82	46.12	0.30	
					47.64	48.10	0.46	
					48.37	49.42	1.05	
					50.50	51.05	0.55	
					51.60	52.30	0.70	
					52.65	53.00	0.35	
					54.80	55.90	1.10	
					56.40	58.80	2.40	
					59.35	62.60	3.25	
					62.80	75.00	12.20	
					79.67	79.88	0.21	
XMDH0019	441174	5150186	-90	117.40	17.83	18.50	0.67	
					18.59	19.50	0.91	
					19.75	20.19	0.44	
					20.60	20.95	0.35	
					22.60	22.94	0.34	
					38.37	38.62	0.25	
					45.70	46.07	0.37	
					48.65	49.85	1.20	**23.60**
					50.27	51.03	0.76	
					51.21	51.44	0.23	
					51.80	52.77	0.97	
					53.07	54.15	1.08	
					55.99	57.83	1.84	
					58.20	70.20	12.00	
					71.14	73.33	2.19	
XMDH0020	441677	5147682	-90	170.60	17.28	17.60	0.32	
					20.90	21.27	0.37	
					23.55	23.90	0.35	
					24.20	24.70	0.50	
					24.95	25.80	0.85	
					25.90	26.75	0.85	
					26.90	27.60	0.70	**14.21**
					28.55	29.01	0.46	
					29.18	29.50	0.32	
					29.65	29.90	0.25	
					96.40	103.10	6.70	
					133.48	135.32	1.84	
					135.80	136.50	0.70	
XMDH0021	441174	5150677	-90	160.90	72.81	73.70	0.89	
					88.50	89.50	1.00	**2.19**
					91.10	91.40	0.30	
XMDH0022	440674	5149687	-90	117.00	12.65	13.00	0.35	
					13.00	13.90	0.90	
					21.10	22.70	1.60	
					23.56	23.90	0.34	
					27.70	28.03	0.33	**27.37**
					28.89	29.64	0.75	
					30.28	31.07	0.79	
					31.24	31.55	0.31	

Summary of Galshar drill results contd…

					36.50	37.50	1.00	
					38.00	59.00	21.00	
XMDH0023	441174	5147681	-90	126.70	12.59	12.80	0.21	**7.72**
					13.00	13.40	0.40	
					13.65	13.90	0.25	
					34.15	34.42	0.27	
					36.70	36.95	0.25	
					38.30	38.50	0.20	
					38.90	39.40	0.50	
					77.42	77.65	0.23	
					81.52	81.82	0.30	
					82.07	83.50	1.43	
					83.60	87.28	3.68	
XMDH0024	440676	5149178	-90	99.30	8.00	9.20	1.20	**14.65**
					11.20	11.50	0.30	
					12.50	13.60	1.10	
					16.40	16.60	0.20	
					17.00	17.20	0.20	
					17.50	19.80	2.30	
					20.30	29.20	8.90	
					30.45	30.90	0.45	
XMDH0025	440675	5148180	-90	105.00	17.13	18.27	1.14	**5.69**
					52.80	53.50	0.70	
					53.70	54.20	0.50	
					54.75	55.90	1.15	
					60.50	60.90	0.40	
					62.20	63.00	0.80	
					64.00	65.00	1.00	
XMDH0028	441676	5147179	-90	123.60	75.75	76.92	1.17	**1.39**
					77.47	77.69	0.22	
XMDH0030	440674	5149930	-90	120.00	14.35	14.90	0.55	**24.93**
					15.10	15.40	0.30	
					18.38	18.70	0.32	
					22.33	22.57	0.24	
					22.75	23.32	0.57	
					23.80	25.50	1.70	
					34.10	34.50	0.40	
					36.30	37.95	1.65	
					38.30	38.40	0.10	
					39.00	40.60	1.60	
					41.60	47.60	6.00	
					48.00	59.50	11.50	
XMDH0031	442675	5147179	-90	98.60	37.60	37.85	0.25	**1.00**
					38.00	38.48	0.48	
					38.80	39.07	0.27	
XMDH0032	440674	5150180	-90	131.00	17.30	22.20	4.90	**6.64**
					23.80	25.10	1.30	
					113.80	114.25	0.45	
XMDH0034	440454	5150180	-90	138.60	85.00	85.40	0.40	**0.40**
XMDH0036	444174	5151682	-90	137.00	71.80	72.84	1.04	**5.38**
					73.00	73.20	0.20	
					73.60	75.70	2.10	
					76.10	76.30	0.20	
					76.60	77.00	0.40	
					80.80	81.24	0.44	
					87.10	87.60	0.50	
					87.60	88.10	0.50	
XMDH0037	444670	5153183	-90	129.00	96.20	97.00	0.80	**0.80**
XMDH0038	441675	5148181	-90	150.00	22.20	23.10	0.90	**24.95**
					30.90	31.40	0.50	
					32.30	32.70	0.40	
					35.75	36.20	0.45	
					36.60	37.50	0.90	
					51.40	72.10	20.70	
					122.10	123.00	0.90	
					123.25	123.45	0.20	
XMDH0041	442175	5148182	-90	150.00	76.84	82.50	5.66	**6.16**
					95.85	96.35	0.50	

Summary of Galshar drill results contd…

XMDH0042	442174	5148930	-90	150.00	55.00	55.40	0.40	
					76.10	76.40	0.30	
					82.40	86.70	4.30	
					87.90	88.40	0.50	**31.10**
					88.40	89.30	0.90	
					92.00	95.10	3.10	
					96.30	104.70	8.40	
					105.10	118.30	13.20	
XMDH0043	442425	5149180	-90	149.60	10.45	10.80	0.35	
					12.30	13.40	1.10	
					13.90	14.50	0.60	
					15.50	15.85	0.35	
					16.40	16.90	0.50	
					17.00	17.35	0.35	
					18.30	18.95	0.65	
					19.00	19.42	0.42	
					23.80	24.00	0.20	
					44.00	46.60	2.60	
					64.35	64.53	0.18	**38.33**
					65.94	67.03	1.09	
					67.33	68.38	1.05	
					71.56	72.19	0.63	
					72.45	72.64	0.19	
					73.78	73.97	0.19	
					74.28	74.72	0.44	
					75.07	78.53	3.46	
					79.00	79.90	0.90	
					81.45	104.53	23.08	
XMDH0044	441674	5151190	-90	100.00	9.25	9.54	0.29	
					9.54	9.80	0.26	
					9.80	10.30	0.50	
					10.30	10.80	0.50	
					10.90	11.40	0.50	
					11.40	11.90	0.50	
					11.90	12.40	0.50	**5.48**
					12.40	12.70	0.30	
					12.70	13.07	0.37	
					13.07	13.50	0.43	
					14.00	14.50	0.50	
					14.50	15.10	0.60	
					15.10	15.33	0.23	
XMDH0045	442672	5151190	-90	122.60	76.00	78.73	2.73	
					97.70	98.15	0.45	
					99.44	101.05	1.61	**6.01**
					104.22	104.50	0.28	
					105.24	106.00	0.76	
					107.65	107.83	0.18	
XMDH0047	442172	5151190	-90	101.70	65.95	66.55	0.60	**0.91**
					97.95	98.26	0.31	
XMDH0048	432675	5143940	-90	150.00	20.95	21.15	0.20	
					23.90	24.20	0.30	
					32.05	34.25	2.20	
					35.70	36.20	0.50	**5.27**
					36.38	36.90	0.52	
					38.35	39.15	0.80	
					39.50	39.85	0.35	
					41.20	41.60	0.40	
XMDH0050	432634	5143850	-90	150.00	41.6	42.00	0.40	
					50.9	52.35	1.45	
					55	55.40	0.40	**3.62**
					57.77	58.82	1.05	
					59.88	60.20	0.32	
XMDH0051	434993	5129995	-90	150.00	21.20	21.85	0.65	
					29.40	29.80	0.40	
					33.80	34.80	1.00	**22.24**
					56.03	56.60	0.57	
					56.80	57.05	0.25	
					57.95	58.50	0.55	

Summary of Galshar drill results contd…								
					58.65	58.85	0.20	
					59.18	59.45	0.27	
					59.60	61.12	1.52	
					61.42	61.70	0.28	
					68.10	68.48	0.38	
					68.95	69.83	0.88	
					70.30	71.70	1.40	
					73.00	73.30	0.30	
					73.55	76.00	2.45	
					77.63	78.90	1.27	
					80.20	86.10	5.90	
					90.58	91.50	0.92	
					96.28	99.33	3.05	
XMDH0052	442178	5146679	-90	122.10	81.00	81.50	0.50	**0.50**
XMDH0053	443172	5151440	-90	120.40	20.3	27.95	7.65	
					31.2	34.15	2.95	
					45.1	45.8	0.7	**17.12**
					46.4	47.72	1.32	
					59.2	62.6	3.4	
					64.4	65.5	1.1	
XMDH0054	442427	5146680	-90	89.70	60	60.32	0.32	**0.32**
XMDH0056	443416	5151430	-90	126.50	91.2	93	1.8	
					93.65	94.2	0.55	
					96.35	97.25	0.9	**3.85**
					99.7	100	0.3	
					100.5	100.8	0.3	
XMDH0057	434993	5129495	-90	100.00	3.3	8.3	5	
					8.7	9.3	0.6	**7.05**
					9.8	10.4	0.6	
					11.1	11.95	0.85	
XMDH0058	443176	5151189	-90	126.00	17.40	18.60	1.20	
					21.35	29.15	7.80	**11.17**
					109.43	110.80	1.37	
					112.30	113.10	0.80	
XMDH0059	441674	5149679	-90	125.60	9.9	11.9	2.00	
					12.3	12.7	0.40	
					14.5	15	0.50	
					36.8	37.9	1.10	
					38.7	39.25	0.55	
					60	60.4	0.40	
					63	65.3	2.30	
					66.3	66.8	0.50	
					68.9	69.7	0.80	
					71.95	72.25	0.30	**37.90**
					73.3	77	3.70	
					77.5	77.83	0.33	
					78.05	78.5	0.45	
					78.85	79.9	1.05	
					80.35	81	0.65	
					81.25	87.5	6.25	
					90.7	106.95	16.25	
					110.83	111.2	0.37	
XMDH0060	441921	5149180	-90	120.00	3.00	3.40	0.40	
					30.00	30.80	0.80	
					32.00	32.40	0.40	
					57.80	60.00	2.20	**33.13**
					65.80	68.80	3.00	
					69.80	71.88	2.08	
					73.05	97.30	24.25	

Within the three contiguous exploration licenses 15292X, 12553 and 9383X, surrounding the presently inactive Khashaat Khudag coal mine, drilling has targeted the thick, low ash and low sulphur, high volatile, sub-bituminous basal coal seam. Drilling results to date are very encouraging, with a total of forty three (43) diamond drill holes for 5366.20 metres completed on five of the licences that make up the project (Figure 2). A summary of the drill results are

shown in Table 1. Australian–based consultants have been engaged to construct a detailed and comprehensive coal quality review for the current drill programme and results should be available in the second quarter 2011.

A scout trenching programme commenced with six (6) trenches completed for a total of 369 metres. Initial trenching was conducted on license 9026X and 9028X with three of the trenches identifying new shallow dipping coal seams.

A detailed ground magnetic survey was completed over tenements 15292X, 12553X and 9383X at Galshar. The magnetic survey totalled 2611.9 contiguous line kilometres. The magnetic survey has provided insight into the structural controls at the Galshar coal deposit (Figure 4), which will help direct future resource drilling. The coal deposit at Galshar is disrupted by both syn-sedimentary and post-sedimentary faulting which has direct influence on the seam thicknesses and depth in some parts of the basin, therefore identifying these controlling structures is critical.

Khar Tarvaga Thermal Coal Project

The Khar Tarvaga Thermal Coal Project is located in the Tov Province in Eastern Mongolia, 150 km south east of Ulaanbaatar and 35 km from the main Trans-Mongolian railway line (Figure 1). Resources and geology of the Khar Tarvaga Project are described in detail in the Xanadu Mines Ltd Prospectus issued late in 2010.

A Mongolian geological consulting group commenced their coal resource estimation report which will be used to register the large Khar Tarvaga resource with the Professional Minerals Council ("PMC") branch of the Mineral Resources Authority at the Ministry of Resources and Energy. It is expected the detailed report will be presented to the PMC at the end of April or early May 2011. Once the resource is registered an application for a 30 year mining license will be applied for with relevant authorities.

Discussions continue with several groups interested in exploiting the potential of the Khar Tarvaga resource. The company will further these discussions and has appointed a Beijing based agency to assist with marketing the project to multinational coal to liquid (CTL) and synthetic natural gas (SNG) producers.

Wild Horse Coal Exploration Project

The Wild Horse Coal Exploration Project is located in the Dornogovi Province of southern Mongolia, approximately 750 km south-southeast of Ulaanbaatar and about 30 km from the Chinese border (Figure 1).

The Wild Horse project is an early stage coal exploration project, however work carried-out by Rio Tinto in the past provides 'proof of concept' that the large basin potentially contains coal. In May 2011, Xanadu will conduct a regional trenching program to help identify sub cropping coal within the basin. Wild Horse is a promising early-stage project with great potential for a discovery of high-quality thermal coal deposit and possibly even coking coal very close to the China border.

Xanadu and Noble Group Strategic Alliance

Xanadu and Noble Group executed a formal agreement for a Strategic Alliance, to explore and develop coking coal, iron ore and ferro alloy opportunities in Mongolia. Both Xanadu and Noble will participate in the Strategic Alliance through a Joint Venture company with each party holding a 50% interest. The initial focus of the Joint Venture will be the pursuit of a number of opportunities already identified and will seek to maximise the benefits of Xanadu's and Noble's respective country experiences and strengths.
The name selected for the Xanadu and Noble Joint Venture Company in Mongolia will be Ekhgoviin Chuluu LLC which translates to 'mother stone of Gobi'.

Ekhgoviin Chuluu's objective is to identify strategically well located metallurgical coal projects and/or prospective exploration ground in Mongolia. To date this program has targeted areas of significant known coal resources and focused on the green field exploration opportunities identified via information synthesis and geological mapping. The Joint Venture has identified a number of advanced projects that fit this strategy which can be fast tracked to development.

Copper-Gold Projects

Sharchuluut Uul porphyry copper-gold project acquired

The highly prospective Sharchuluut Uul (formerly known as Mogoin Gol) project was acquired with the purchase of Sodnutag LLC in Mongolia. As a result of this transaction, Xanadu has acquired 100% ownership of this porphyry copper project, one of Mongolia's most prospective porphyry copper opportunities.

The Sharchuluut Uul porphyry copper project is situated within the Bulgan Province of Northern Mongolia, approximately 230 km northwest of Ulaanbaatar. The prospect is strategically well located approximately 40 kilometres northwest of the world class Erdenet porphyry copper-molybdenum deposit (Figure 2). The Erdenet mine is the largest operating copper mine in Mongolia, producing approximately 530,000 tons of copper concentrate annually with measured and indicated resources of 4.7 million tonnes of copper. Erdenet has its own rail infrastructure which connects it to the main Trans-Mongolian railway and hence is able to supply copper metal and concentrate into both the Russian rail network to the north and south into China.

The Sharchuluut Uul licence is large, covering approximately 488 km^2 and remains relatively unexplored. Previous exploration between 1999 and 2004 identified a large (>7 km^2) zone of porphyry related advanced argillic alteration that is highly anomalous in Cu, Mo, Au, Ag and Ba. Historical drilling is limited, relatively shallow, and failed to penetrate the upper parts of the exposed alteration.

Zones of advanced argillic alteration which constitute lithocaps are commonplace in the shallow parts of porphyry copper system. Geological mapping is continuing throughout the Sharchuluut Uul area and based on the results to date, Xanadu's exploration team believes that there is a strong possibility of discovering additional mineralized porphyry copper targets within the 488 km^2 Sharchuluut Uul license. Detailed induced polarization (IP), ground

magnetic and gravity surveys will commence shortly, with an aggressive drilling programme planned for late in the 2011 field season.

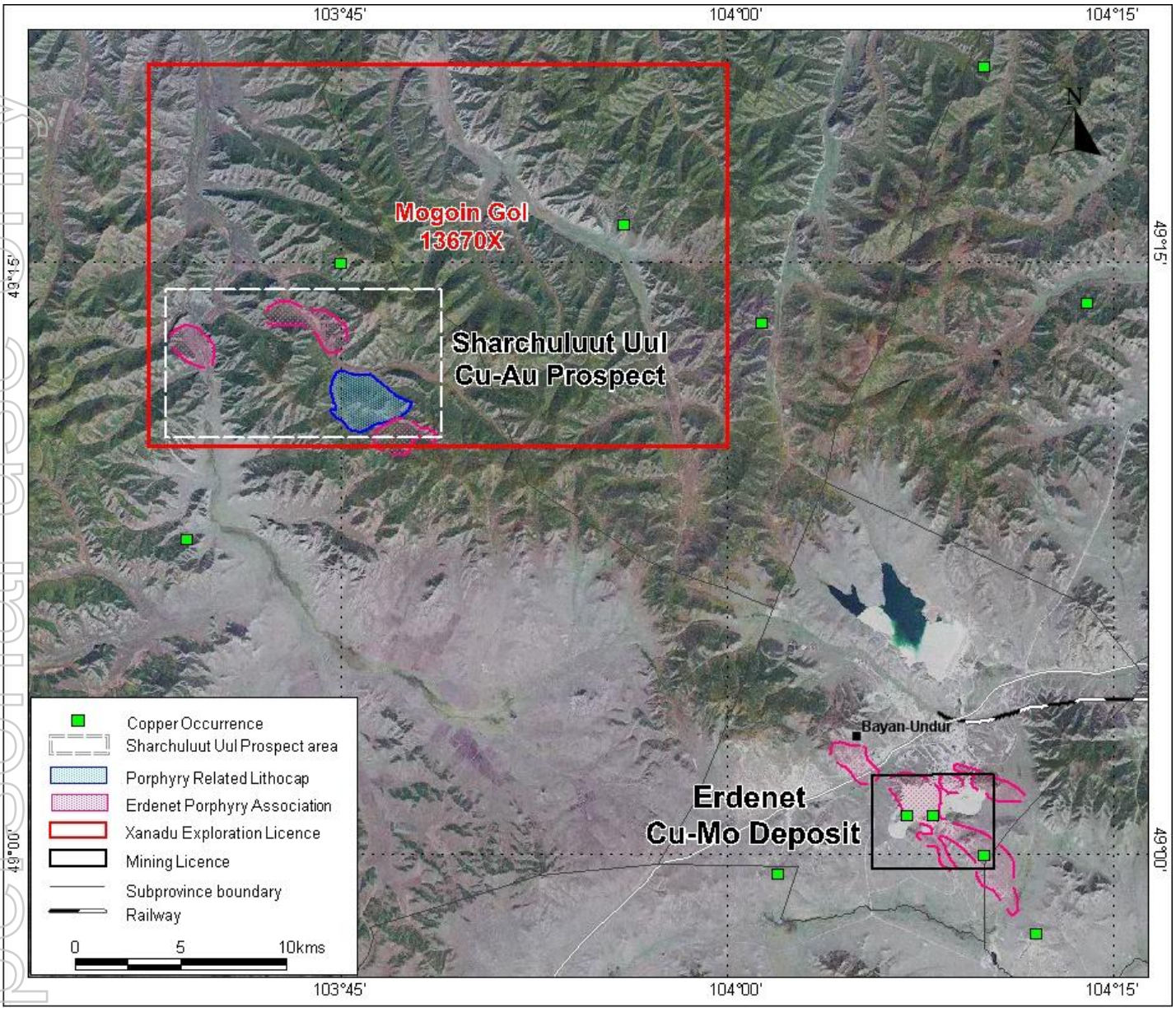

Figure 2: Mogoin Gol Porphyry Cu-Au Project location map

Hutag Uul Copper-Gold Project

The large Hutag Uul exploration project is located in the Dornogovi Province of southern Mongolia, approximately 750 km south-southeast of Ulaanbaatar and about 40 km from the Chinese border (Figure 1). The licence covers a highly prospective block of late Devonian to early Carboniferous volcanic and intrusive rocks known to host other porphyry deposits, including the Oyu Tolgoi copper-gold porphyry, the Kharmagtai copper-gold porphyry, and the Tsagaan Suvarga copper-molybdenum porphyry deposits.

A large regional soil geochemistry programme was recently completed at Hutag Uul with a total of 9,537 soil samples taken across the licence. All assay results from the first phase have now been received. Some encouraging geochemical (including 0.2 ppm Au) results have been obtained, in areas of previously unrecorded mineralisation. Xanadu geologists will follow-up on these newly identified anomalies during the current quarter. Based on work to date, there is a strong possibility of discovering additional mineralized porphyry gold copper targets within the Hutag Uul license, as well as along the defined structural corridor at Nogtot.

Geological mapping, detailed geophysics and geochemical rock-chip sampling will continue throughout the Hutag Uul licence.

Gold Exploration Program

Elgen-Zos Gold Project

The highly prospective Elgen-Zos JV Gold Project (Xanadu earning 80%) is situated in the Dornogovi Province of southern Mongolia, approximately 750 km south-southeast of Ulaanbaatar (Figure 1). The project is located in the newly recognised Solenkheer epithermal gold district within about 30 km of the Chinese border (Figure 3).

Diamond drilling was undertaken late in the year to test targets generated from controlled source audio-frequency magnetotellurics (CSAMT) geophysics and geochemistry. One hole was drilled on a CSAMT target south west of the Suug prospect with the remaining drilling focused on the immediate Elgen area. All six holes completed on the Elgen licence recorded anomalous gold, arsenic and antimony values as shown in Table 2. Only drill hole 10EUD003, of the 6 holes drilled at Elgen reached target depth, a second (10EUD004) provided a partial test of the target and 4 holes were abandoned due difficult ground conditions. The single hole drilled south of the Suug prospect was targeted on interpretation of CSAMT resistivity. The hole was stopped at 250m having drilled entirely in unaltered Cretaceous mudstones and andesite volcanic rocks. Although no core merited assaying, the hole provided valuable geological information for further interpretation of the CSAMT data.

Table 2: Summary of Elgen-Zos drill results.

Hole ID	Project	East (WGS84)	North (WGS84)	Azimuth	Dip	Depth	Maximum Assay Value			Comments
							Au (ppm)	As (ppm)	Sb (ppm)	
10WHD01	Wild Horse	385200	4754050	360	-70	250				Terminated in Cretaceous sedimentary rocks
10EUD01	Elgen Uul	412250	4756500	70	-75	123	0.11	808	190	Abandoned at 123 m in bedrock
10EUD02	Elgen Uul	412285	4756550	360	-90	96	0.81	872	291	Abandoned at 96 m in bedrock
10EUD03	Elgen Uul	413200	4756975	360	-90	310	0.13	1260	353	Reached target depth
10EUD04	Elgen Uul	412250	4756450	70	-70	199	0.58	498	79	Abandoned at 199 m in bedrock
10EUD05	Elgen Uul	412235	4756000	70	-75	191	0.22	1710	496	Abandoned at 191 m in bedrock
10EUD06	Elgen Uul	412590	4756450	90	-75	150	0.14	1500	288	Abandoned at 150 m in bedrock

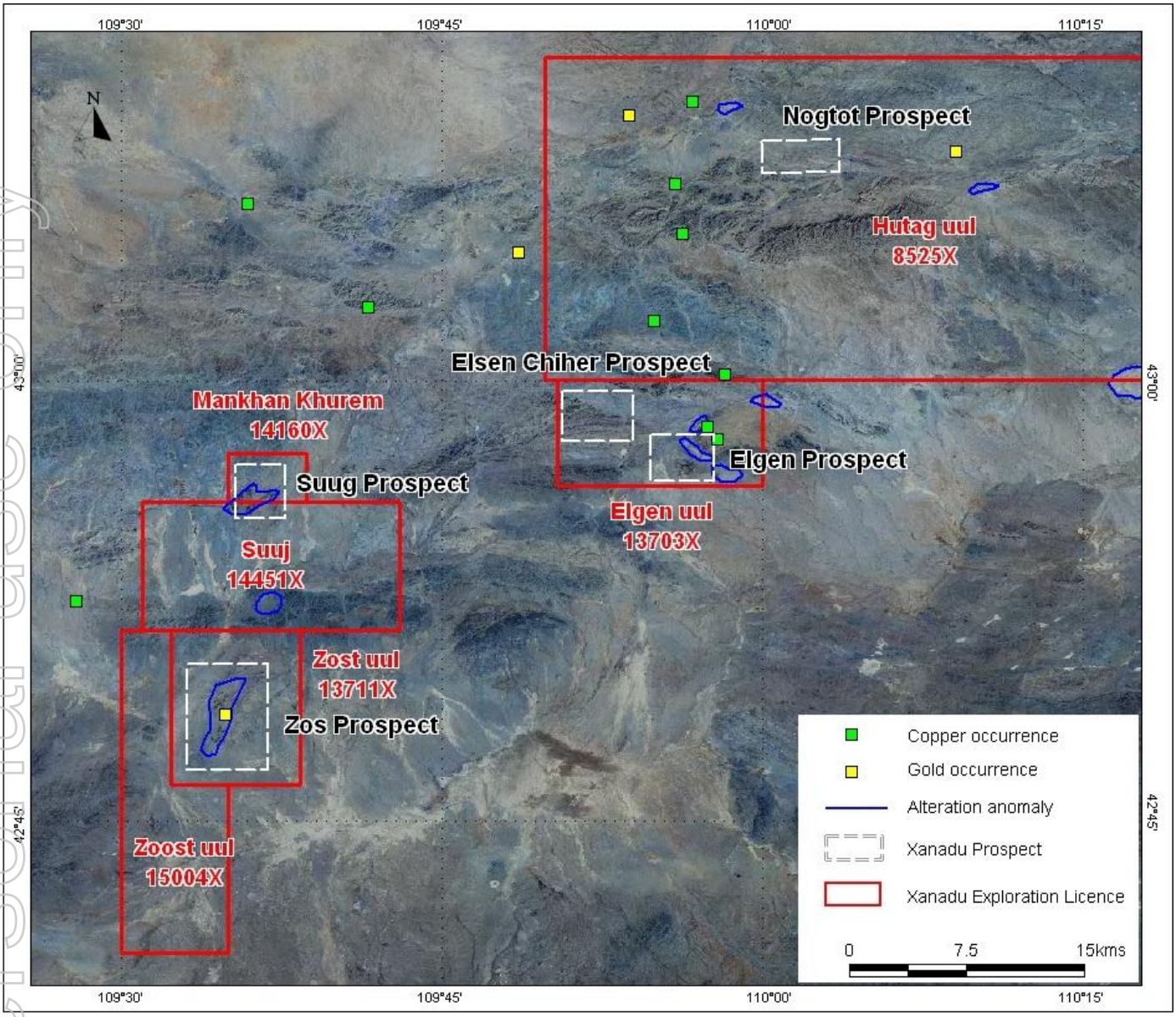

Figure 3: Elgen-Zos Au Project location map.

Hust Uul Gold Project

The Hust Uul project is located in the Dornod Province of northeast Mongolia, approximately 780 km northeast of Ulaanbaatar (Figure 1).

A scout drill programme was completed at the Hust Uul gold project, this programme focused on the prospective Zuunbulag Prospect which comprises a quartz-stibnite breccia which is thought to represent the upper levels of a mineralised auriferous intrusion-related system. Four diamond drill holes were completed for a total of 595.5 meters targeting zones of high resistivity thought to represent buried silica alteration which may be associated with mineralisation. The results show little encouragement. Although strong to intense silica alteration was encounter in the drill holes it was not mineralised. A field review of the Hust Uul project will be conducted in the coming months in light of the poor drilling results.

Corporate

During the quarter Mr Brendan Evans was appointed as Group Financial Controller of Xanadu Mines Ltd. Mr Evans is a Chartered Accountant with over 12 years' experience in taxation, business services and commerce. Mr Evans has a Bachelor of Commerce from the University of Newcastle and is a member of the Institute of Chartered Accountants of Australia and the Institute of Chartered Secretaries of Australia.

At 31 March 2011 there were a total of 170,136,468 ordinary shares and 26,405,000 options on issue.

- AUD $21.0m in cash as at 31 March 2011.
- Market capitalisation of AUD $103m as at 21 April 2011.

For further information contact:
Brian Thornton
Chairman, Xanadu Mines Ltd
T: + 61 2 9332 4322 or +61 411 366 668
E: info@xanadumines.com
W: www.xanadumines.com

ABOUT XANADU MINES

Xanadu Mines Ltd (ASX : XAM) is a Mongolian exploration company focused on the near term development of its two coal assets, Galshar and Khar Tarvaga and is progressing exploration of a highly prospective suite of licences for coal (coking and thermal), copper and gold.

A recently formed strategic alliance and JV with Noble Group will focus on coking coal and iron ore opportunities in Mongolia.

In late March, Xanadu acquired 100% of the highly prospective Sharchuluut Uul porphyry copper licence which is 40kms NW of the world class Erdenet copper mine

Xanadu's strategy is to target energy and metals opportunities in the Trans Mongolian rail corridor, near existing railways or within close proximity to the Chinese border. Xanadu's Mongolian team have assembled a first-class portfolio of coal, gold and copper licences ,all of which will be subject to an aggressive exploration and evaluation program in 2011. With a 6 year track record and an experienced world class exploration team, Xanadu is well placed to capitalise on the burgeoning energy and metals demand emanating from China and nearby Asian markets.

Competent Person Statements

Information on the Company's exploration results is sourced from information compiled by Mr. Rod Williams. Mr. Williams is an employee of Xanadu Mines and is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience in the areas being reported on to qualify as the "Competent Person" as defined in the 2004 Edition of the "Australasian Code for the Reporting of Mineral Resources and Reserves". Mr. Williams consents to the information in the form and context in which it appears.