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Manager Company Announcements  
Company Announcements Office  
Australian Stock Exchange  
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SYDNEY NSW 2001

*(By Electronic Lodgement – 1 page)*

### **Xanadu Corporate Update**

The Board of Xanadu Mines Ltd (“Xanadu”) is pleased to provide an update on the Company’s intentions regarding its thermal coal assets, the Khar Tarvaga and Galshar coal projects which have combined JORC compliant resources totalling 497Mt.

Following a strategic review of the operations of the Company, Xanadu has decided to increase focus on its highly prospective coking coal and copper and gold opportunities in Mongolia. Consequently the Board has decided to seek offers of interest in the Galshar and Khar Tarvaga Projects regarding a potential divestment transaction. Confidentiality Agreements have been executed with a number of parties and negotiations are at an early stage.

The Khar Tarvaga Project has a JORC compliant resource of 327Mt and Xanadu was recently granted a 30 year Mining Licence at the Project. The Galshar Project has a JORC compliant resource of 170Mt and the Company has recently started the application process for a Mining Licence at Galshar.

Xanadu will continue to provide updates as information becomes available.

Should you have any queries please do not hesitate to contact the undersigned.

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**Figure 1: Location map showing Xanadu Projects.**



## ABOUT XANADU MINES

Xanadu Mines Ltd (ASX: XAM) is a Mongolian exploration company which listed on the ASX on 21 December 2010. It currently has three coking coal projects Nuurtsei, Javkhalant and Khavtsgait, all in joint venture with the Noble Group and has two 100% owned JORC compliant thermal coal assets, Galshar and Khar Tarvaga. In addition, Xanadu is progressing exploration of its highly prospective suite of licences for gold in the south east Gobi, and copper at its 100% owned Sharchuluut project, near Erdenet. Its strategy is to target energy and metals opportunities in the Trans Mongolian rail corridor or within close proximity to the Chinese and Russian borders. With a 6 year track record and an experienced world-class exploration team, Xanadu is ideally placed to identify and capitalise on opportunities to meet the burgeoning energy and metals demand from China and nearby Asian markets.