Major Increase in Kharmagtai Open-Cut Resource to 1.9Mt Cu & 4.3Moz Au

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TORONTO, Oct. 31, 2018 - Xanadu Mines Ltd. (ASX: XAM, TSX: XAM) (“Xanadu” or “the Company”) is pleased to announce that an interim upgrade to the Mineral Resource Estimate at its Kharmagtai Project in Mongolia’s South Gobi region has resulted in a 400% increase in contained copper and a 249% increase in gold (Figure 1 and Table 1) compared with the resource update announced on 19 March 2015 at the same 0.3% Cu cut-off grade.

2018 Resource Update showing all blocks above 0.3%eCU cut off and conceptual pit design

Modelled mineralized intrusive phase showing extension potential

Block Model in Pit Design

Drill Hole Information

Estimation and Modelling Techniques

Bulk Density

HIGHLIGHTS

- Major increase in Kharmagtai Open-Cut Mineral Resource Estimate (“Resource”) to 598Mt containing 1.9Mt copper and 4.3Moz gold (2.6Mt copper equivalent metal)
- Interim resource upgrade represents a 400% increase in contained copper and a 249% increase in contained gold within the open cut
- Scoping Study on shallow, higher grade ‘starter project’ (due Q4, 2018)
- Shallow higher-grade core has a current resource of 54Mt @ 0.86% CuEq at a 0.6% CuEq cut off, some 61% of which is in the Indicated category (by tonnage)
- Metallurgical test work programme being scoped to support a geometallurgical study
- Further resource growth will come from:
  --extension of White Hill pit to include new results
  --conversion of inferred mineral resources to indicated category on recent infill drilling
  --addition of resources from the newly discovered Zaraa porphyry (not factored into this resource upgrade), and
  --continued exploration success from high priority targets at Zephyr and Sandstorm.

The Mineral Resource estimate has been prepared by independent consultants, CSA Global Pty Ltd (“CSA Global”) and is reported in accordance with the JORC Code (2012 Edition) and *National Instrument* 43-101 (“NI 43-101”) to support the upcoming Scoping Study on a shallow, higher grade ‘starter project’.

A global Resource update incorporating results from Xanadu’s fourth porphyry discovery at Kharmagtai, Zaraa, and other successful drilling will be incorporated as drilling progresses.

Xanadu’s Managing Director and Chief Executive Officer, Dr Andrew Stewart, said:

“Xanadu’s exploration has been very efficient, driven by a high-quality geological model and understanding of the deposits. We are extremely delighted with the new results, particularly with the substantial increase in the open-pit shallow Resource base at Kharmagtai. With a 400% increase in contained copper, we are confident that the upcoming Scoping Study will show a financially robust open-pit starter project that will pave the way for Kharmagtai to develop into another high-quality Mongolian mining operation.

“Xanadu has entered an exciting period of cost-effective discovery and growth. Since acquiring the Kharmagtai project, we have been able to discover copper at a cost of less than 1c a pound, which is well below the global average of 4-7c per pound. We are now in the privileged position of controlling a large exploration district with outstanding potential. I'm highly optimistic that we will continue to grow the resource base at Kharmagtai where the existing Resource remains open both along strike and at depth. With the discovery of Zaraa and mineralisation intersected down to 1,200 vertical metres and still open, we believe there is an opportunity for a very large-scale system.

“The addition of Zaraa to the global resource base should have a positive impact on the overall scale and grade. We are now thinking about how big the mineral endowment could be at Kharmagtai and what future production it could sustain.”

The Kharmagtai Scoping Study remains on-track for completion in Q4 2018.

MINERAL RESOURCE ESTIMATE

This Mineral Resource Estimate is the first update to the maiden Resource announced on March 2015 (ASX release dated 19th March 2015). The upgraded Mineral Resource Estimate is summarised in Table 1. The Mineral Resources are quoted above 0.3% CuEq cutoff within a conceptual constraining wireframe. The parameters used to generate an optimised ultimate open pit shell are provided in Table 2.

The Resource models are well understood and there is substantial upside potential to be realised by better understanding the economics of the deposit. As demonstrated in the images below, significant volumes of mineralisation have been modelled that fall outside of the constraining pit wireframe. These parts of the model will be targeted for further investigation through economic studies to assess if more of this material can be brought into the Mineral Resource.

Table 1: Interim Kharmagtai Mineral Resource Estimate

Deposit	Classification	Tonnes	Grades			Contained Metal		
		Mt	CuEq, %	Cu, %	Au, g/t	CuEq, Kt	Cu, Kt	Au, Koz
White Hill	Indicated	45.2	0.42	0.30	0.23	189	135	340
Stockwork Hill		74.4	0.59	0.38	0.41	441	286	972
Copper Hill		9.7	0.76	0.48	0.54	73	47	167
Total Indicated		129.3	0.54	0.36	0.36	703	468	1,479
White Hill	Inferred	412.8	0.40	0.31	0.17	1,653	1,299	2,227
Stockwork Hill		55.4	0.47	0.30	0.34	263	167	601
Copper Hill		0.7	0.39	0.31	0.16	3	2	4
Total Inferred		468.9	0.41	0.31	0.19	1,919	1,468	2,832

- Mineral Resources are classified according to CIM Guidelines .
- Mineral Resources for open pit mining are estimated within the limits of an ultimate pit shell.
- A cut-off grade of 0.3% CuEq has been applied for open pit resources.

- Density values of 2.65 t/m^3 for oxide zones; 2.76, 2.74, 2.73 and 2.71 t/m^3 for country rocks, 2.78, 2.80 2.77, 2.81 and 2.76 t/m^3 for porphyries and 2.76 t/m^3 for andesite dyke were used for the model cells.
- CuEq – copper equivalent was calculated using conversion factor 0.62097 for gold. Metal prices used were 3.1 $/lb for copper and 1320 $/oz for gold, recoveries – 70% for gold and 85% for copper (82.35% relative gold to copper recovery), copper equivalent formula applied: CuEq = Cu + Au * 0.62097 * 0.8235.
- Rows and columns may not add up exactly due to rounding.

This Mineral Resource update incorporates the results from drill programs completed since 2015 including much of the latest infill drilling program which was completed in Q3 2018 totalling approximately 8,725m in 27 drill holes. The primary aim of the drilling program was to infill the deposit within the conceptual pit to focus on converting the Inferred Mineral Resource to the Indicated category.

The completed JORC (2012) and NI 43-101 resource demonstrates that the mineralisation is robust and continuous with over 22% of the resource classified in the Indicated Mineral Resource category. The substantial increase in the revised Resource combined with higher confidence from the recent resource drilling is expected to have strong positive impact on the life of mine at Kharmagtai. Table 2 below provides a summary of the resource model at various cut off grades.

Xanadu is now focused on the completion of the Scoping Study which is expected in Q4 2018 and will reflect the Company’s strategy of proving- up a significant Resource upgrade, with an initial focus on a higher-grade open pit starter project to demonstrate project economics. The optimal marginal cut-off for resources is under review as part of the Scoping Study with consideration of a cut-off of approximately 0.6% CuEq.

Table 2: Constraining Pit Parameters used for Resource Estimate

Parameters	Units	Value
1. Mining		
Ore mining cost	$/t	2.49
Waste mining cost	$/t	2.49
Mining losses	%	0
Mining dilution	%	5
2. Processing		
Processing cost (including G&A costs)	g/t	4.2
Processing recovery:		
Gold	%	70
Copper	%	85
3. Pricing		
Elements price:		
Gold	$/oz	1,320
Copper	$/t	6,834
Selling cost for Au	$/oz	4
Selling cost for Cu	$/t	1,030
4. Other to optimization		
SG parameters	t/m^3	2.75
General pit slopes	°	50

Table 3: Grade-tonnage Table Summary

Cut-Off CuEq(%)	Mining Method	Resource Category	Material (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Cu (kt)	Au (Koz)	CuEq (k
0.2	*OC*	*Indicated*	187.6	0.45	0.31	0.29	572.5	1737.0	848.8
0.2	*OC*	*Inferred*	854.5	0.34	0.26	0.15	2205.6	4228.6	2878.2
0.2	Total	Ind + Inf	1042.1	0.36	0.27	0.18	2778.1	5965.6	3727.0
0.3	*OC*	*Indicated*	129.3	0.54	0.36	0.36	468.0	1478.9	703.2

0.3	*OC*	*Inferred*	468.9	0.41	0.31	0.19	1468.2	2831.7	1918.6
0.3	Total	Ind + Inf	598.2	0.44	0.32	0.22	1936.2	4310.6	2621.8
0.4	*OC*	*Indicated*	80.0	0.67	0.43	0.46	346.0	1172.7	532.5
0.4	*OC*	*Inferred*	189.9	0.50	0.38	0.24	718.5	1479.1	953.7
0.4	*UG*	*Indicated*	2.3	0.59	0.40	0.37	9.1	27.1	13.4
0.4	*UG*	*Inferred*	28.4	0.51	0.38	0.26	106.6	232.9	143.7
0.4	Total	Ind + Inf	300.5	0.55	0.39	0.30	1180.2	2911.9	1643.4
0.5	*OC*	*Indicated*	49.4	0.80	0.51	0.57	251.1	912.2	396.2
0.5	*OC*	*Inferred*	68.2	0.60	0.44	0.33	297.3	723.4	412.4
0.5	*UG*	*Indicated*	1.5	0.67	0.45	0.44	6.6	20.6	9.9
0.5	*UG*	*Inferred*	8.3	0.63	0.44	0.37	36.7	98.4	52.4
0.5	Total	Ind + Inf	127.4	0.68	0.46	0.43	591.7	1754.6	870.8
0.6	*OC*	*Indicated*	33.0	0.93	0.57	0.69	189.6	736.1	306.7
0.6	*OC*	*Inferred*	20.7	0.75	0.50	0.49	103.8	323.9	155.3
0.6	*UG*	*Indicated*	0.9	0.75	0.49	0.50	4.5	14.9	6.9
0.6	*UG*	*Inferred*	3.9	0.74	0.49	0.49	19.1	60.8	28.7
0.6	Total	Ind + Inf	58.6	0.85	0.54	0.60	317.0	1135.7	497.6

GEOLOGY AND GEOLOGICAL INTERPRETATION

New geological understanding of intrusive units and structures controlling mineralisation at Kharmagtai has driven the formation of a high-quality 3D geological model. This 3D geological model was used to define hard boundaries around which the mineral resource estimate could be built, resulting in a more realistic and accurate estimation. The 3D model was based on complete relogging of the +110km of diamond drilling conducted within the mineral resource area over the past 30 years. This relogging has standardised the geology across the deposits and many phases of drilling/previous loggers, allowing a high-quality 3D model to be generated. This model not only forms a robust framework for the Mineral Resource update but allows predictions as to extensions to the deposits to be identified and drilled.

3D geological wireframes were developed for all major geological formations of the deposits, including country rock, all porphyry phases, andesite dykes and breccia pipes. The base of oxidation surface was developed based on geological logging and used to domain the deposits. In addition, three wireframe solid models were developed for the level of veining: <0.5%, 0.5 to 1.5% and >1.5% of veining for each deposit. All geological domains were sub-domained using the wireframes for veining and divided into oxidised and fresh material.

The additional drilling since the last Mineral Resource and other exploration and evaluation programs such as - relogging of historical core, geophysical review and geochemistry studies have delivered superior understanding of the deposit geometry. This has led to greater confidence in the geological and grade continuity and has infilled several areas of the deposit. The programs have collectively allowed us to deliver a more robust and larger Mineral Resource.

The Mineral Resources have been estimated using all available analytical data. This has included diamond core drilling (NQ, PQ and HQ, reverse circulation percussion drilling and in some areas channel samples taken at surface. Additional data on drilling and sampling procedures is provided in Table 1.

Significant drilling has taken place since the last Resource in 2015 which has driven the increase in resources. The drilling pre-2015 and since the last resource is provided in the collar plan below and Table 4.

Table 4: Drill Hole Summary

Timing	Reverse Circulation	Metres	Diamond Core	Metres	RC and Diamond	Metres	Trenches	Metres
Drilling <2015	155	24553	252	88511.1	0	0	106	39774

Drilling >2015+	68		13107	116	57876.7	22	5323.1	17	5618
Total	223		37660	368	146387.8	22	5323.1	123	45392

ESTIMATION METHODOLOGY

A block model was created to encompass the full extent of the Kharmagtai deposits (White Hill, Copper Hill and Stockwork Hill - other exploration areas were excluded). The block model used a parent cell size of 20 m(E) x 20 m(N) x 20 m(RL) with sub-celling to 4 m(E) x 4 m(N) x 4 m(RL) to maintain the resolution of the wireframed geological domains and rock types.

An empty block model was created within the closed wireframe models for the geological domains, rock types, barren dykes, level of veining (stockwork) and breccia. The model was also coded according to the oxide zones. Each modelled geological domain was assigned several unique codes in the model file (geology, veining and breccia). The block model was then restricted below the topography surface.

Copper and gold grade values were interpolated into the empty block models separately for each modelled geological domain of the deposits using the Ordinary Kriging method. The Ordinary Kriging process was performed at different search radii until all cells were interpolated. The search radii were determined for each domain based on the parameters of the modelled semi-variogram ranges averaged for each direction for copper and gold. The blocks were interpolated using only assay composites restricted by the corresponding domain for each deposit. When model cells were estimated using radii not exceeding the full semi-variogram ranges, a restriction of at least three samples from at least two drill holes or trenches was applied to increase the reliability of the estimates.

CRITERIA USED FOR CLASSIFICATION

The classification level was based upon an assessment of geological understanding, geological continuity, mineralization continuity, drill hole spacing, QC results, search and interpolation parameters and an analysis of available density information.

The following approach was adopted:

- Measured Resources: Not reported.
- Indicated Resources: Were classified where the drill density did not exceed 65 m x 65 m with at least two mineralisation intersections on a drilled cross section. Geological and structural continuity have been interpreted with moderate confidence levels and blocks were interpolated at least the second run.
- Inferred Resources: Inferred Mineral Resources were assigned to all model blocks lying outside the Indicated wireframes, which still display reasonable strike continuity and down dip extension, based on the current drill hole and trench intersections

NEXT STEPS

This interim Resource update is specifically designed to support a smaller-scale high-grade open pit Scoping Study for the existing resources at Kharmagtai. The focus once this work is completed will be to add the new discoveries (Zaraa and White Hill West) to the global resource base and explore the many opportunities identified by the interim Resource update.

Xanadu’s near-term brownfields exploration strategy will focus on:

1. Zaraa Resource Drilling
2. Golden Eagle - Oxide gold

At Zaraa, the focus will be on developing a maiden Mineral Resource estimate to add to the global Kharmagtai Mineral Resource base. This maiden Resource Estimate will provide the platform from which potential mining scenarios can be explored.

At Golden Eagle, the focus will be on defining a potential shallow oxide gold project where a cost-effective leach operation may have strong synergies with a starter project on the existing Resources. Initial metallurgical work is being scoped and planning is being conducted around closer spaced shallow drilling to define a potential maiden oxide gold Resource at Golden Eagle. This oxide gold opportunity at Golden Eagle may synergise well with the oxide gold caps on the three existing resource to provide a moderate to large scale, low-cost oxide gold leach opportunity early in the development pipeline at Kharmagtai.

ZARAA – CRACKING THE CODE FOR ADDITIONAL EXPLORATION SUCCESSES

Given the early drilling success at Zaraa, we are confident that we have cracked the geological code for additional exploration successes in the Kharmagtai area in 2019 and beyond.

This latest discovery at Zaraa validates our exploration model for the geological features controlling the high-grade copper-gold mineralization in the district. This model reflects the accumulation of in-depth, new geological insights gained by Xanadu’s exploration team during nearly two decades of exploring in the region.

Furthermore, numerous high priority brownfield exploration targets close to the existing resource have been identified from the extensive review of historical drill results and will be tested in the near future.

The exploration potential of the new and extensive Zaraa discovery is being assessed simultaneously with the development plan for White Hill, Stockwork Hill and Copper Hill, for example one option is to develop an underground drive from the bottom of the Kharmagtai open pit directly to the high-grade core at Zaraa containing > 2% CuEq material.

Xanadu’s aggressive 2018 exploration drilling program, which was targeting the discovery of additional porphyry copper-gold centres undercover in the large underexplored Kharmagtai porphyry district has proved to be highly successful with the discovery of the blind Zaraa porphyry copper-gold centre.

With five recent drill holes featuring close to 1km of continuous copper-gold mineralisation, the new discovery of Zaraa supports the definition of a fourth large-scale porphyry deposit located only 2km east-southeast of the currently defined resources.

The objective is now to demonstrate that this large-scale porphyry has both open pit and underground potential.

The Company looks forward to providing further regular updates on its ongoing active development campaign.

QUALIFIED PERSON STATEMENT

The information in this announcement that relates to Mineral Resources is based on information compiled by Dmitry Pertel who is responsible for the Mineral Resource estimate. Mr Pertel is a full time employee of CSA Global and is a Member of the Australian Institute of Geoscientists, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as the “Qualified Person” as defined in the CIM Guidelines and National Instrument 43-101. Mr Pertel consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this announcement that relates to exploration results is based on information compiled by Dr Andrew Stewart who is responsible for the exploration data, comments on exploration target sizes, QA/QC and geological interpretation and information. Dr Stewart, who is an employee of Xanadu and is a Member of the Australian Institute of Geoscientists, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as the “Competent Person” as defined in the 2012 Edition of the “Australasian Code for

Reporting of Exploration Results, Mineral Resources and Ore Reserves” and the National Instrument 43-101. Dr Stewart consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

DISCLAIMER

This ASX/TSX press release has been prepared by Xanadu Mines Ltd. and neither the ASX or the TSX, nor their regulation service providers accept responsibility for the adequacy or accuracy of this press release.

Forward‐looking statements

Certain statements contained in this press release, 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.

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All forward‐looking statements made in this press release 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.

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APPENDIX 1: KHARMAGTAI TABLE 1 (JORC 2012)

Set out below is Section 1 and Section 2 of Table 1 under the JORC Code, 2012 Edition for the Kharmagtai project. Data provided by Xanadu. This Table 1 updates the JORC Table 1 disclosure dated 31 July 2018.

1.1 JORC TABLE 1 - SECTION 1 - SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation
Sampling techniques	● *Nature and quality of sampling (eg cut channels, random ch* ● *Include reference to measures taken to ensure sample repre* ● *Aspects of the determination of mineralisation that are Mate* ● *In cases where ‘industry standard’ work has b*
Drilling techniques	● *Drill type (e.g. core, reverse circulation, open-hole hammer,*
Drill sample recovery	● *Method of recording and assessing core and chip sample re* ● *Measures taken to maximise sample recovery and ensure re* ● *Whether a relationship exists between sample recovery and*
Logging	● *Whether core and chip samples have been geologically and* ● *Whether logging is qualitative or quantitative in nature. Core* ● *The total length and percentage of the relevant intersections*
Sub-sampling techniques and sample preparation	● *If core, whether cut or sawn and whether quarter, half or all* ● *If non-core, whether riffled, tube sampled, rotary split, etc an* ● *For all sample types, the nature, quality and appropriateness* ● *Quality control procedures adopted for all sub-sampling stag* ● *Measures taken to ensure that the sampling is representativ* ● *Whether sample sizes are appropriate to the grain size of th*
Quality of assay data and laboratory tests	● *The nature, quality and appropriateness of the assaying and* ● *For geophysical tools, spectrometers, handheld XRF instrum* ● *Nature of quality control procedures adopted (eg standards,*
Verification of sampling and assaying	● *The verification of significant intersections by either indepen* ● *The use of twinned holes.* ● *Documentation of primary data, data entry procedures, data* ● *Discuss any adjustment to assay data.*
Location of data points	● *Accuracy and quality of surveys used to locate drill holes (co* ● *Specification of the grid system used.* ● *Quality and adequacy of topographic control.*

Data spacing and distribution	● *Data spacing for reporting of Exploration Results.* ● *Whether the data spacing and distribution is sufficient to est* ● *Whether sample compositing has been applied.*
Orientation of data in relation to geological structure	● *Whether the orientation of sampling achieves unbiased sam* ● *If the relationship between the drilling orientation and the ori*
Sample security	● *The measures taken to ensure sample security.*
Audits or reviews	● *The results of any audits or reviews of sampling techniques*

1.2 JORC TABLE 1 - SECTION 2 - REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation
Mineral tenement and land tenure status	● *Type, reference name/number, location and ow* ● *The security of the tenure held at the time of re*
Exploration done by other parties	● *Acknowledgment and appraisal of exploration b*
Geology	● *Deposit type, geological setting and style of mi*
Drill hole Information	● *A summary of all information material to the un* *--easting and northing of the drill hole collar* *--elevation or RL (Reduced Level – elev* *--dip and azimuth of the hole* *--down hole length and interception depth* *--hole length.* ● *If the exclusion of this information is justified or*
Data aggregation methods	● *In reporting Exploration Results, weighting ave* ● *Where aggregate intercepts incorporate short l* ● *The assumptions used for any reporting of met*
Relationship between mineralisation widths and intercept lengths	● *These relationships are particularly important i* ● *If the geometry of the mineralisation with respe* ● *If it is not known and only the down hole length*

Diagrams	● *Appropriate maps and sections (with scales) ar*
Balanced reporting	● *Where comprehensive reporting of all Explorati*
Other substantive exploration data	● *Other exploration data, if meaningful and mater*
Further work	● *The nature and scale of planned further work (e* ● *Diagrams clearly highlighting the areas of poss*

1.3 JORC TABLE 1 – SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Criteria	JORC Code explanation Commentary
Database integrity	The database is managed using Micromine Geobank software. Data is log The combined database was provided for the MRE. Validation of the data import include checks for the following: ● Duplicate drill hole or trench names, ● One or more drill hole collar or trench coordinates missing in the colla ● FROM or TO missing or absent in the assay file, ● FROM > TO in the assay file, ● Sample intervals overlap in the assay file, ● First sample is not equal to 0 m in the assay file, ● Measurements are not equal to 0 m in the survey file, ● Several down hole surveys exist for the same depth, ● Azimuth is not between 0 and 360° in the survey file, ● Dip is not between 0 and 90° in the survey file, ● Azimuth or dip is missing in survey file, ● Total depth of the holes is less than the depth of the last sample, ● Total length of trenches is less than the total length of all samples. ● Negative sample grades. No logical errors were identified in the analytical data.
Site visits	●
Geological interpretation	● Geological data has been collected in a consistent manner that has a ● Full geological models of all major geological formations were develo ● Domaining of the deposit mineralisation was based on the current un ● Geological interpretation and wireframing were based on sampling re ● No alternative interpretations were adopted. ● Lithological logging was mainly used to interpret and to wireframe the

Dimensions	● Altan Tolgoi: The strike length of the mineralised zone is about 1,200 ● *The extents and variability of the Mineral Resource are adequ* ● Zesen Uul: The strike length of the mineralised zone is about 630 m.
Estimation and modelling techniques	● The MRE is based on surface drilling and trenching results using Ord Interpolation parameters were as follows: *Image removed and available in the link below* *http://www.globenewswire.com/NewsRoom/AttachmentNg/13c2a* ● *The availability of check estimates, previous estimates and/or mine p* ● *The assumptions made regarding recovery of by-products.* ● *Estimation of deleterious elements or other non-grade variables of ec* ● *In the case of block model interpolation, the block size in relation to t* ● *Any assumptions behind modelling of selective mining units.* ● *Any assumptions about correlation between variables.* Estimated molybdenum a ● *Description of how the geological interpretation was used to control the* ● *The nominal basis for sizing was selected grade cutting or capping.* ● *The assessment validation, the procedures used, the comparison* ● No assumptions about correlation between variables were made. ● Geological interpretation was based on the results of detailed geolog ● Top-cutting was applied separately for each geological domain and s ● Grade estimation was validated using visual inspection of interpolate
Moisture	● *Whether tonnages are estimated on a dry basis or with natural moi*
Cut-off parameters	● *The basis of the adopted cut-off grade(s) or quality parameters appli*
Mining factors or assumptions	● *Assumptions made regarding possible mining methods, minimum mi*
Metallurgical factors or assumptions	● *The basis for assumptions or predictions regarding metallurgical amen*
Environmental factors or assumptions	● *Assumptions made regarding possible waste and process residue di*
Bulk density	● *Whether assumed or determined. If assumed, the basis for the assu* ● *The bulk density for bulk material must have been measured by meth* ● A total of 4428 measurements for bulk density are recorded in the da ● *Discuss assumptions for bulk density estimates used in the evaluati* ● The average density of all samples is approximately 2.75 t/m³. In det ● Average bulk density values were applied for each geological domai *Image removed and available in the link below* *http://www.globenewswire.com/NewsRoom/AttachmentNg/fc7278d4*
Classification	● The Mineral Resource has been classified based on the guidelines s The following approach was adopted: ● *The basis for the classification of the Mineral Resources into varying* ● *Whether appropriate account has been taken of all relevant factors (* ● *Whether the result appropriately reflects the Competent Person's view* ● Data quality, grade continuity, structural continuity and drill spacing w ● The classification reflects the Competent Person’s view of the
Audits or reviews	● *The results of any audit or review of Mineral Resource estimates.*

Discussion of relative accuracy/ confidence	● Industry standard modelling techniques were used, including but not --Classical statistical analysis, --Interpretation and wireframing of main geological formations, --Top-cutting and interval compositing, --Domaining of the model using level of logging veining, breccia and --Geostatistical analysis, --Block modelling and grade interpolation techniques, --Model classification, validation and reporting. ● *Where appropriate a statement of the relative accuracy and confiden* ● *The statement should specify whether it relates to global or local esti* ● *These statements of relative accuracy and confidence of the estimat* The relative accuracy of the estimate is reflected in the classification of the ● The estimate is related to the global estimate of the deposit suitable ● No historical production data is available for comparison with the MR ● The Mineral Resource accuracy is communicated through the classif

1.4 JORC TABLE 1 – SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

Ore Reserves are not reported so this is not applicable to this report.

Photos accompanying this announcement are available at
http://www.globenewswire.com/NewsRoom/AttachmentNg/228639c8-2f07-4c85-97d4-dcc69d96155d

http://www.globenewswire.com/NewsRoom/AttachmentNg/0d7dbe89-6027-4a28-8c81-a0cc8f7962bd

http://www.globenewswire.com/NewsRoom/AttachmentNg/8065609a-5a28-41b7-b849-76cc1e89e740