

## MINERALIZED INTERSECTIONS CONTINUE IN TRENCHES AND DRILL HOLES AT KELE

XDM Resources Inc. (“XDM” or the “Company”) is pleased to announce that results from its most recent drill holes and trenching at the Kele project continue to show excellent gold mineralisation.

A summary of the drill hole highlights are as follows:

- KLDD005     6.0 metres @ 0.36 g/t gold from surface**
- KLDD006     4.5 metres @ 0.40 g/t gold from 5.5 metres  
                  2.5 metres @ 0.33 g/t gold from 11.5 metres**
- KLDD007     1.2 metres @ 1.00 g/t gold from 3.5 metres  
                  4.2 metres @ 3.88 g/t gold from 11 metres**

A summary of the recent trench highlights are as follows:

- Trench 54     7 metres @ 6.89 g/t gold (open)  
                  including 4 metres @ 10.41 g/t gold**
- Trench 58     5 metres @ 3.28 g/t gold  
                  including 1 metre @ 5.44 g/t gold and including 1 metre @ 9.51 g/t gold**
- Trench 59     21 metres @ 1.87 g/t gold  
                  including 2 metres @ 10.09 g/t gold**
- Trench 60     9 metres @ 4.70 g/t gold  
                  including 2 metres @ 12.82 g/t gold  
                  15 metres @ 2.70 g/t gold  
                  including 2 metres @ 7.62 g/t gold**

The Chief Executive Officer, Mr. Mark Haywood stated that *“I am encouraged by our continued success at the Kele Project, one of four major porphyry projects that XDM holds a 100 percent interest. Our work programs continue to highlight significant potential, and I look forward to the initial drill testing of the additional trench highlighted potential in the near future.”*

Diamond hole number KLDD005 intersected a gold mineralised zone containing **0.36 g/t gold over 6 metres from surface**. Diamond hole number KLDD006 intersected a gold mineralised zone containing **0.40 g/t gold over 4.5 metres from a depth of 5.5 metres and 0.33 g/t gold**



**over 2.5 metres from a depth of 11.5 metres.** Diamond hole number KLDD007 also intersected a gold mineralised zone containing **1.00 g/t gold over 1.2 metres from a depth of 3.5 metres and 3.88 g/t gold over 4.2 metres from a depth of 11 metres.**

The gold mineralisation intersected in these drill holes occurs within the strongly weathered oxide zone hosted by weathered volcanics and volcanoclastics. Airborne magnetic data recently commissioned by XDM highlights that the hydrothermal system is associated with a zone of magnetite destruction and suggests a strike potential of greater than 1.7 kilometres.

Trenching to date occurs over an 800 metre zone with the remaining portion of the target structure (>700m) occurring beneath shallow alluvial cover of less than 10 metres thickness. A ground electrical geophysical survey (induced polarisation) is planned for the coming months to encompass the target zone and will aid drill targeting beneath the alluvial cover.

The Company supervises drilling under a Quality Assurance and Quality Control (“QAQC”) procedure following National Instrument 43-101 (“NI 43-101”) guidelines. Samples are processed at the Company’s sample preparation laboratory in Honiara then assayed by Australian Laboratories Services (“ALS”) in Australia.

#### **ABOUT XDM**

XDM is a private Canadian company with a 100% interest in four large copper-gold and gold exploration properties in the Solomon Islands.

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#### **Cautionary Statement Regarding Forward-Looking Information**

*All statements, trend analysis and other information contained in this press release relative to markets for XDM’s trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Some of these risks, uncertainties and other factors are described under the heading “Risk Factors” in the Company’s annual information. XDM does not undertake any obligation to update forward-looking statements even if circumstances or management’s estimates or opinions should change other than as required by applicable law. Investors should not place undue reliance on forward-looking statements.*

*All scientific and technical information contained in this news release has been prepared under the supervision of Anthony Schreck, the Company’s Chief Geoscientist. Anthony Schreck has verified the technical data disclosed for accuracy and*

*correctness. Potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource on any of the Company's properties and it is uncertain if further exploration will result in any such target being delineated as a mineral resource. QA/QC procedures were applied during the execution of the work being reported upon.*

## APPENDIX

<b>Kele Project – Drill Hole Results Summary</b>					
<b>Prospect</b>	<b>Drill Hole ID</b>	<b>Number of Samples in Composite</b>	<b>Significant Mineralisation<sup>1</sup></b>	<b>Min / Max Assays Results Au g/t</b>	<b>Min / Max Assays Results Cu %</b>
Vulu	KLDD005	6	6m @ 0.36 g/t Au from surface	0.03 / 0.76	
Vulu	KLDD006	1	0.5m @ 0.33 g/t Au from 4m	0.33	
		8	4.5m @ 0.40 g/t Au from 5.5m	0.02 / 0.89	
		5	2.5m @ 0.33 g/t Au from 11.5m	0.07 / 0.84	
		1	0.45m @ 0.59 g/t Au from 17.4m	0.59	
Vulu	KLDD007	3	1.5m @ 0.28 g/t Au from 1.5m	0.09 / 0.55	
		4	1.2m @ 1.0 g/t from 3.5m	0.13 / 0.96	
		1	0.5m @ 0.2 g/t Au from 9m	0.20	
		8	<b>4.2m @ 3.88 g/t Au from 11m</b>	0.02 / 8.72	
		1	5m @ 0.13 g/t Au from 42m	0.13	
Vulu	KLDD008		No significant intercepts.		

<sup>1</sup>Notes on intersection composite calculations

- 0.1 g/t Au cut-off grade.
- Cu grade reported if grade composite is >0.10% Cu.
- Maximum width of 1m of internal dilution in intersection composite of material <0.1 g/t Au.
- Minimum reporting width is 0.5m.

Kele Project – Trench Results Summary					
Prospect	Trench ID	Number of Samples in Composite	Significant Mineralisation <sup>1</sup>	Min / Max Assays Results Au g/t	Min / Max Assays Results Cu %
Vulu	KLTC052	11 1 1	15m @ 0.84 g/t Au • Incl. 1m @ 3.43 g/t Au • Incl. 1m @ 2.99 g/t Au	0.07 / 3.43 3.43 2.99	
Vulu	KLT053		No Significant Mineralisation		
Vulu	KLT054	7 4	<b>7m @ 6.89 g/t Au (open)</b> • <b>Incl. 4m @ 10.41 g/t Au</b>	1.09 / 16.95 5.58 / 16.95	
Vulu	KLT055	3 1	3m @ 0.46 g/t Au 1m @ 1.25 g/t Au	0.20/0.93 1.25/1.25	
Vulu	KLT056		No Significant Mineralisation		
Vulu	KLT057		No Significant Mineralisation		
Vulu	KLT058	5 1 1	5m @ 3.28 g/t Au • <b>Incl. 1m @ 5.44 g/t Au</b> • <b>Incl. 1m @ 9.51 g/t Au</b>	0.15/9.51 5.44 9.51	
Vulu	KLT059	17 2 6	21m @ 1.87 g/t Au • <b>Incl. 2m @ 10.09 g/t Au</b> 6m @ 1.47 g/t Au	0.09/15.05 5.13/15.05 0.51/2.71	
Vulu	KLT060	9 2 18 15 2	9m @ 4.70 g/t Au • <b>Incl. 2m @ 12.82 g/t Au</b> 18m @ 2.00 g/t Au (suspected alluvium) 15m @ 2.70 g/t Au • <b>Incl. 2m @ 7.62 g/t Au</b>	0.11/16.35 9.30 / 16.30 0.24 / 7.21 0.24 / 9.68 5.57 / 9.68	
Vulu	KLT062	2 3 1 3 1	2m @ 0.94 g/t Au 3m @ 0.13 1m @ 3.15 g/t Au 3m @ 1.54 g/t Au 2m @ 0.36 g/t Au	0.92 / 0.95 0.10 / 0.16 3.15 0.12 / 3.33 0.36	
Vulu	KLTC 63		No significant assay results		
Vulu	KLTC 64		No significant assay results		
Vulu	KLTC 65	7	7m @ 1.05 g/t Au (suspected alluvium)	0.13 / 2.46	

<b>Kele Project – Trench Results Summary</b>					
<b>Prospect</b>	<b>Trench ID</b>	<b>Number of Samples in Composite</b>	<b>Significant Mineralisation<sup>1</sup></b>	<b>Min / Max Assays Results Au g/t</b>	<b>Min / Max Assays Results Cu %</b>
Vulu	KLTC 66	1	1m @ 0.83 g/t Au (suspected alluvium)	0.83	
		1	1m @ 0.12 g/t Au (suspected alluvium)	0.12	
		2	2m @ 0.66 g/t Au (suspected alluvium)	0.14/1.17	
Vulu	KLTC 67	11	18m @ 0.28 g/t Au (open)	0.1 / 1.32	
Vulu	KLTC 68	2	4m @ 0.39 g/t Au	0.16/0.62	

<sup>1</sup>Notes on intersection composite calculations

- 0.1 g/t Au cut-off grade.
- Cu grade reported if grade composite is >0.10% Cu.
- Maximum width of 1m of internal dilution in intersection composite of material <0.1 g/t Au.
- Minimum reporting width is 1m.