

Xanadu Mines Ltd

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Xanadu Mines Ltd's drilling underpins gold discovery at Oyut Ulaan

Xanadu Mines Ltd (ASX:XAM) has discovered more shallow, high grade gold mineralisation from initial drill results at its 90% owned Oyut Ulaan copper-gold project in southern Mongolia.

Drilling is testing trenched targets, which identified gold assays of up to 589.96 g/t and confirmed the existence of a continuous zone of shallow high grade gold mineralisation.

Highlights from the diamond drilling include 6.0 metres grading 21.57 g/t gold from surface and 6.3 metres grading 6.67 g/t gold from 15 metres.

Exploration has now discovered at least four zones of gold mineralisation within a prospective area - Stockwork, Bavuu, Diorite and Hulan.

Dr Andrew Stewart, CEO, commented:

"We are delighted that the first diamond drill results have provided significant advances in our understanding of the gold system and indicate that not only does high grade gold mineralisation occur over significant widths it also occurs within multiple stacked lodes that extend below the current depth of shallow drilling.

"We plan to accelerated exploration of this exciting new discovery at Oyut Ulaan work where initial work is starting to indicate the potential for a modest scale gold starter project."

Drill results

Initial scout diamond drilling has focused on the Diorite and Bavuu zones targeting outcropping mineralisation identified by previous trenching.

Drilling at the Breccia Pipe prospect has intersected significant shallow high-grade mineralisation, including 69 metres grading 2.0% copper from surface which includes 12.5 metres grading 5.35% copper from 26 metres.

Exploration has now discovered at least four areas of gold mineralisation within a prospective area that is 4.5 kilometres long and 300 metres wide.

Kharmagtai porphyry copper-gold project

The 79.5% owned Kharmagtai project is located in south Gobi, Mongolia.

It is an advanced exploration project with a 66 square kilometre mining licence.

Price: A\$0.05

Market Cap: A\$34.42M

1 Year Share Price Graph



Share Information

Code: XAM

Listing: ASX

52 week High Low
A\$0.16 A\$0.05

Sector: Mining

Website: www.xanadumines.com

Company Synopsis:

Xanadu Mines Ltd (ASX:XAM) remains committed to Mongolia and its potential as one of the last great copper frontiers.

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Kharmagtai contains a 203 million tonne JORC compliant resource containing 680,000 tonnes of copper and 2.2 million ounces of gold with significant exploration upside.

It is a large porphyry style deposit with multiple near-surface, gold-rich zones and mineralisation outcropping at surface.

The resource represents only a small portion of a potentially large mineral system.

Exploration is targeting a fourth shallow gold-porphyry centre to support at least a 5 million tonnes per annum operation for 10 years at 0.6% to 1.0% copper equivalent.

Analysis

The ongoing exploration at Oyut Ulaan represents an opportunity for Xanadu to define a shallow gold resource capable of being economically mined.

By drilling targets identified through previous trenching, which found bonanza gold grades, Xanadu is able to understand the depth of the mineralised zones.

The share price is up circa 120% year to date trading around \$0.245.

Xanadu maintains broker support from Bell Potter who have a \$0.35 price target and Speculative Buy rating.

Further drill results are expected, which will further define the potential for an economic resource at Oyut Ulaan.

Xanadu holds a large strategic position in a world-class copper-gold province with advanced projects offering both scale and high-grade mineralisation.

Xanadu's projects have good proximity to infrastructure and the North Asia market.

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