

Xanadu Mines Ltd

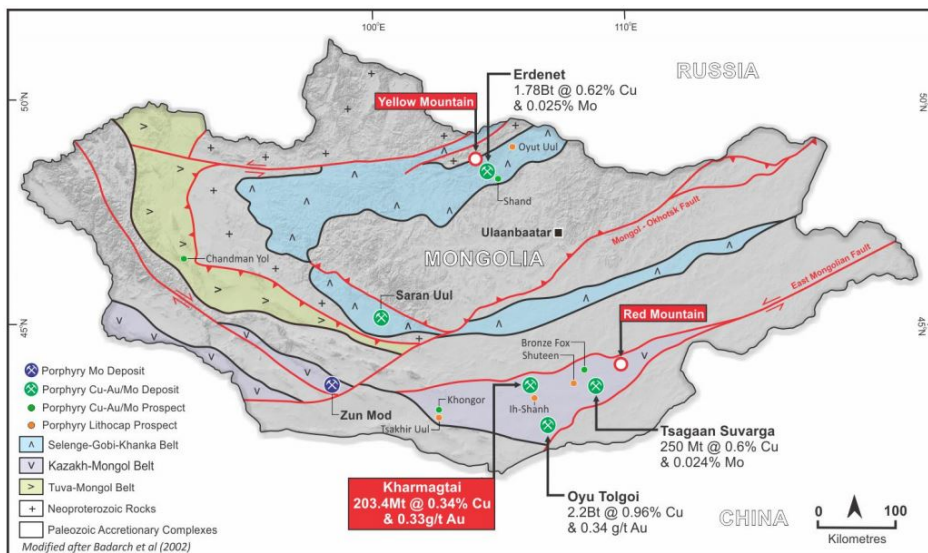
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Xanadu Mines focused on large new copper-gold discovery in Mongolia

Xanadu Mines Ltd (ASX:XAM) has three projects located within two of Mongolia's porphyry copper belts.

Its flagship asset is the 76.5% owned Kharmagtai Copper Project in the South Gobi region of Mongolia where the company is aggressively drilling out a major new copper-gold discovery.

While the exploration focus is rightfully on Kharmagtai, Xanadu also owns the advanced Red Mountain Copper Gold Project and early stage Yellow Mountain Copper Project.



An emerging cluster of porphyry deposits at Kharmagtai

The Kharmagtai project hosts three porphyry deposits within a largely under-explored porphyry copper-gold district.

During April, Xanadu discovered another porphyry centre, Zaraa, with the first hole intersecting 800 metres of mineralisation.

Zaraa, the focus of aggressive exploration, is showing strong early potential to add to the project's JORC resource at the Stockwork Hill, White Hill and Copper Hill deposits.

As of March 2015, the JORC resource measured 203.4 million tonnes grading 0.34% copper and 0.33 g/t gold for 1.5 million pounds of copper and 2.2 million ounces of gold.

Price: 0.04

Market Cap: \$33.01 m

1 Year Share Price Graph



Share Information

Code: XAM

Listing: ASX

52 week High Low
0.08 0.021

Sector: General mining & base metals

Website: www.xanadumines.com

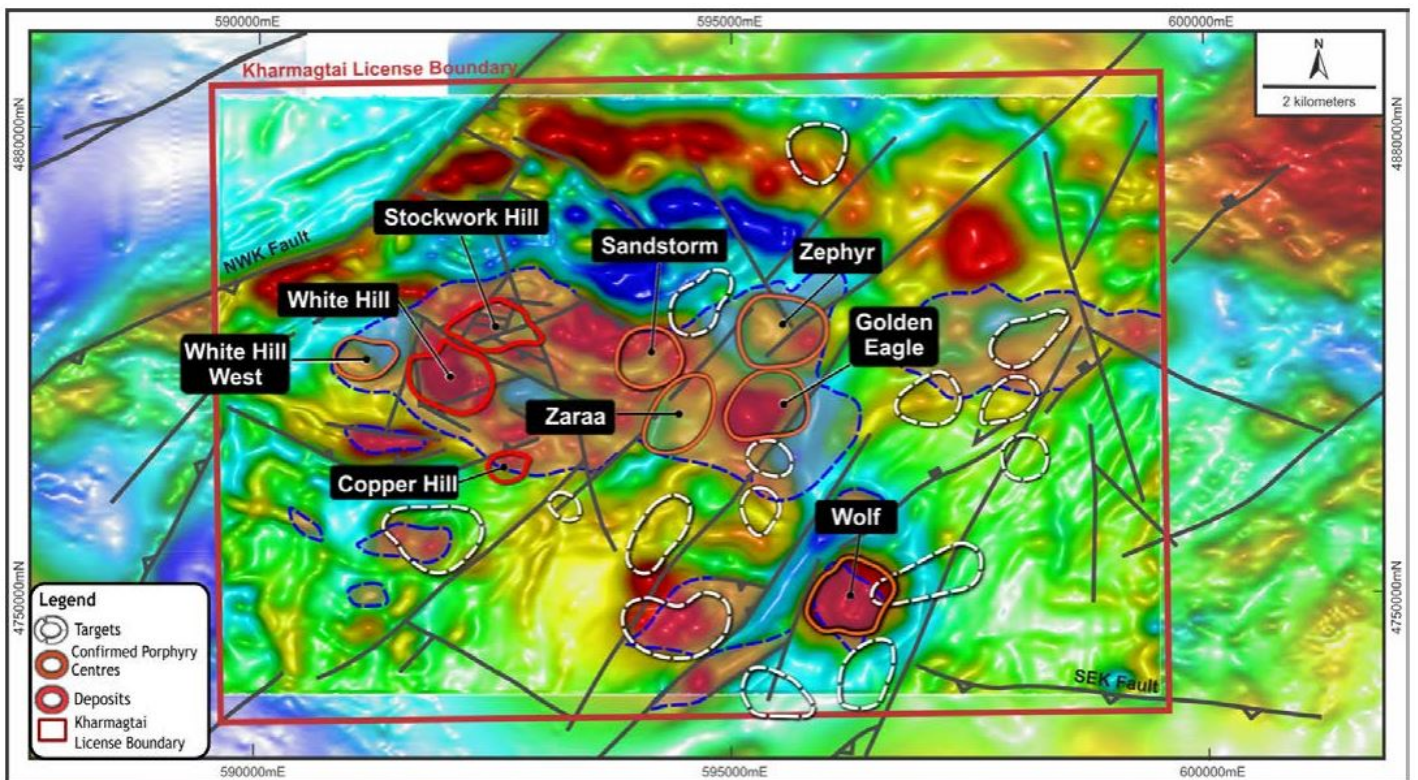
Company Synopsis:

Xanadu Mines Ltd (ASX:XAM) (TSE:XAM) (FRA:02X) is committed to Mongolia and its potential as one of the last great copper frontiers.

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Deposit	Mining	Cut-Off	Resource	Material	Grade			Metal	
	Method	CuEq(%)	Category	(Mt)	Cu(%)	Au(g/t)	CuEq(%)	Cu(Mib)	Au(Koz)
All	OC	0.3	Indicated	23	0.41	0.55	0.76	203	401
			Inferred	107	0.27	0.24	0.42	641	833
			Subtotal	129	0.30	0.30	0.48	844	1,234
	UG	0.5	Indicated	24	0.43	0.47	0.73	225	359
			Inferred	51	0.42	0.36	0.64	463	591
			Subtotal	74	0.42	0.40	0.67	688	950
	Combined		Indicated	46	0.42	0.51	0.74	428	759
			Inferred	157	0.32	0.28	0.49	1,104	1,424
			Total	203	0.34	0.33	0.55	1,533	2,184

Porphyry copper deposits typically occur in clusters and recent exploration at Kharmagtai has revealed the project could host multiple additional porphyry-style deposits.



READ: Xanadu Mines intersects over 800 metres of near-continuous copper and gold

The discovery diamond hole KHDDH462 drilled at the Zaraa porphyry was terminated in mineralisation at 1,386.4 metres depth.

The hole intersected over 800 metres of near-continuous copper and gold mineralisation making it the longest

exploration intersection of gold and copper recorded by Xanadu at Kharmagtai.

Xanadu's managing director and CEO Dr Andrew Stewart said: "While Kharmagtai already is one of the world's most exciting new copper and gold discoveries, hole KHDDH462 is consistent with our long-held view that the Kharmagtai mineralised system contains significantly more gold and copper than we have delineated to date under JORC standards.

"We are particularly pleased to see this outstanding intersection in hole KHDDH462, right where our geological modelling predicted.

"Our strategy is clear: to add tonnes and grade to the existing resources by discovering additional high-grade deposits within the Kharmagtai Copper-Gold Project."

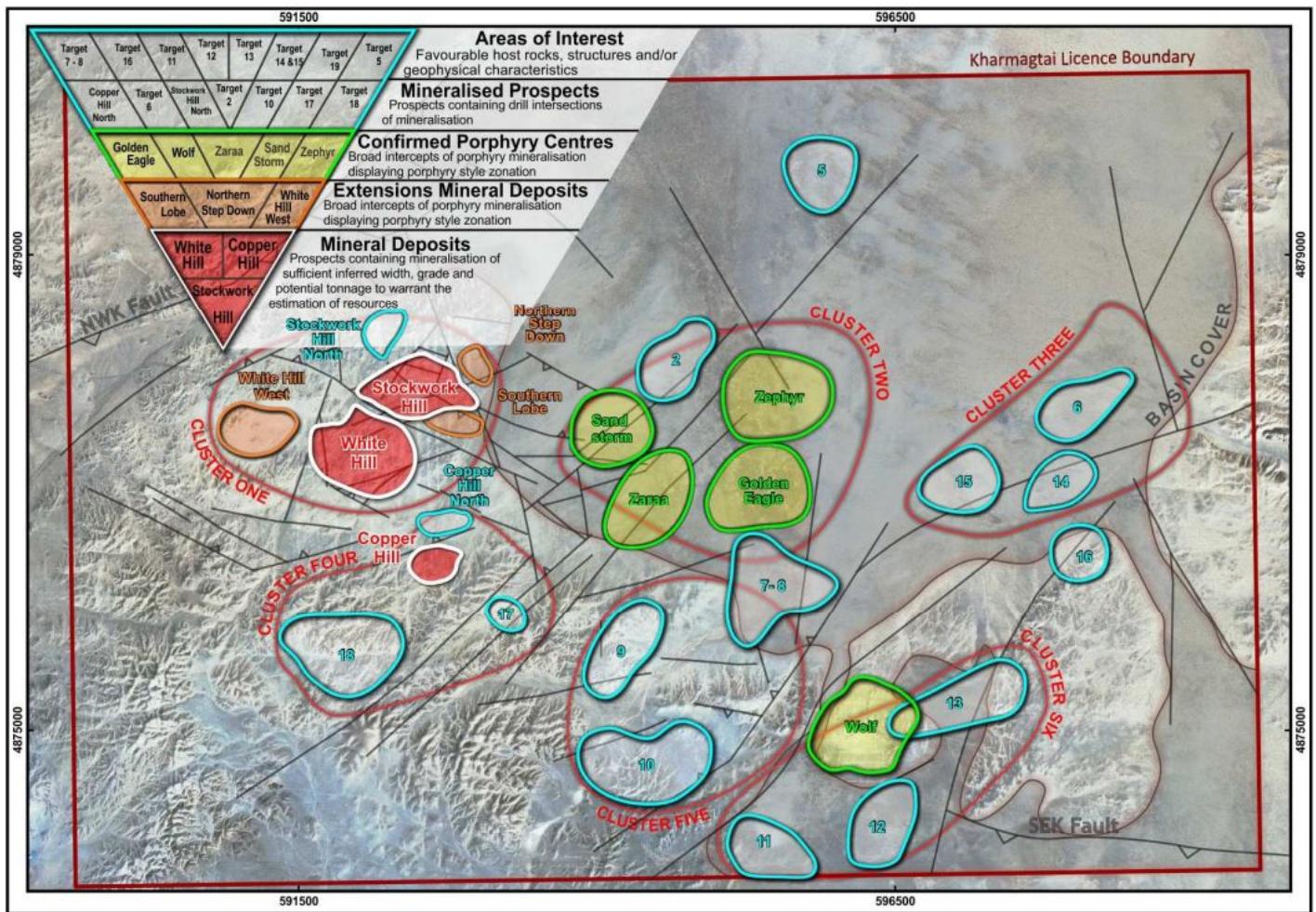
As at early-May 2018, two diamond rigs were drilling two step out holes to the discovery hole at Zaraa.

Wider step-out holes will be drilled aiming to discover copper-gold mineralisation closer to surface and to aid in delineating the size and shape of the porphyry system.

19 porphyry targets to test at Kharmagtai

Four new porphyry centres have now been discovered by Xanadu under shallow cover east of the existing resources.

The current strategy is to test all 19 targets identified before focusing exploration on the highest quality porphyry centres.



Growing global demand for new copper projects

The emerging Kharmagtai project is being advanced during a period of growing demand for new copper projects.

Market commentators continue to point to struggling supply from current operations and a weak pipeline of new projects coming online.

BMO Capital Markets in April 2018 said the world's top copper operations in 2007 are producing 10-15% less today than 2007 and the trend is expected to continue.

Demand for copper is expected to remain strong given China's infrastructure goals will require copper and it is an important metal in electric vehicles.

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