

Xanadu Mines Ltd

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Xanadu Mines upbeat about strong copper market fundamentals

Xanadu Mines Ltd (ASX:XAM) is upbeat about the market fundamentals for copper with its Kharmagtai project in Mongolia set to take advantage of a looming supply crunch.

Managing director and CEO Andrew Stewart told last week's Proactive CEO Sessions in Sydney and Melbourne that an annual shortage of up to 10 million tonnes was forecast by 2027.

He said that the company was well placed with the Kharmagtai project "marching towards" being a Tier 1 discovery.

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Ongoing drilling is returning broad, high-grade results which look certain to add to the existing resource.

The project has an open cut resource estimate of 598 million tonnes containing 1.9 million tonnes of copper and 4.3 million ounces of gold.

Within this is a shallow open pit high-grade resource of 54 million tonnes at 0.86% copper equivalent for 317,000 tonnes of copper and 1.13 million ounces of gold.

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Stewart said that this position had been recognised in a recent Bell Potter Securities report in which the broker retained a 'speculative buy' rating and raised the diluted NPV-related valuation by 6% to 55 cents.

This followed a scoping study for the open pit development which confirmed the viability of near-surface copper and gold mineralisation as well as the company's strategy to explore for high-value large copper porphyry systems in the area.

Positive scoping study

The study identified opportunities for further upside from extending the life of the planned open pit mine, assessing higher-grade underground options and evaluating oxide gold potential near-surface at several locations.

Price: A\$0.049

Market Cap: A\$33.73M

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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Bell Potter believes the positive study is only an interim one with more significant findings expected to progressively enhance Kharmagtai's standing and advantages over its peers.

Stewart told investors that it was primarily a copper project in a premier copper belt within southern Mongolia which hosts the nearby major Oyu Tolgoi project and close to the world's largest copper consumer, China.

He said that the gold-rich cap to the deposit had the potential to act as a hedge for the project.

READ: Xanadu Mines chairman shows faith in copper-gold strategy with on-market transaction

Also attending the CEO Sessions was company executive chairman Darryl Clark who recently demonstrated his confidence in the company's copper-gold strategy by acquiring shares on-market.

Clark acquired 100,000 shares valued at \$10,000 on May 1 and now holds more than 2.021 million in an indirect interest.

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