

Xanadu Mines Ltd

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Xanadu Mines receives more evidence of potential shallow oxide gold resource in Mongolia

Xanadu Mines Ltd (ASX:XAM) (TSE:XAM) has received broad high-grade results from the Golden Eagle oxide gold target at its flagship Kharmagtai project in southern Mongolia.

These results from nine shallow drill holes are encouraging and indicate the potential for a near-surface oxide resource.

The potential for alluvial gold above Golden Eagle is also being assessed with promising results to date.

"Largest zone of oxide gold"

Xanadu's chief executive officer Dr Andrew Stewart said, "We are very pleased by the first drill results from the oxide zone at Golden Eagle.

"This represents the largest zone of oxide gold at Kharmagtai and this initial drill program is designed to expand the system and confirm continuity of oxide gold mineralisation."

One hole returned 30 metres at 1.34 g/t from 37 metres, including 8 metres at 3.34 g/t from 38 metres and within this was 6 metres at 3.94 g/t from 40 metres.

Another hole returned 38.4 metres at 1.25 g/t from 34 metres, including 18 metres at 2.12 g/t from 35 metres and within this was 10 metres at 3.02 g/t from 39 metres.

Aims of program

The nine-hole program was initiated at Golden Eagle aimed at expanding the gold-rich core and confirming continuity of oxide gold mineralisation.

Another aim was to test the paleo-surface for potential alluvial enrichment above the oxide zone.

In systems where gold mineralisation outcrops at a paleo-surface it is common to encounter extremely high-grade zones of alluvial gold in paleochannels at the paleo-surface.

Other results were:

- 26 metres at 0.33 g/t from 41 metres, including 10 metres at 0.41 g/t from 41 metres;
- 9 metres at 1.19 g/t from 45 metres, including 3 metres at 2.48 g/t from 47 metres;
- 25.8 metres at 0.65 g/t from 35.2 metres;

Price: 0.034

Market Cap: \$26.9 m

1 Year Share Price Graph



Share Information

Code: XAM

Listing: ASX

52 week High Low
0.154734 0.03

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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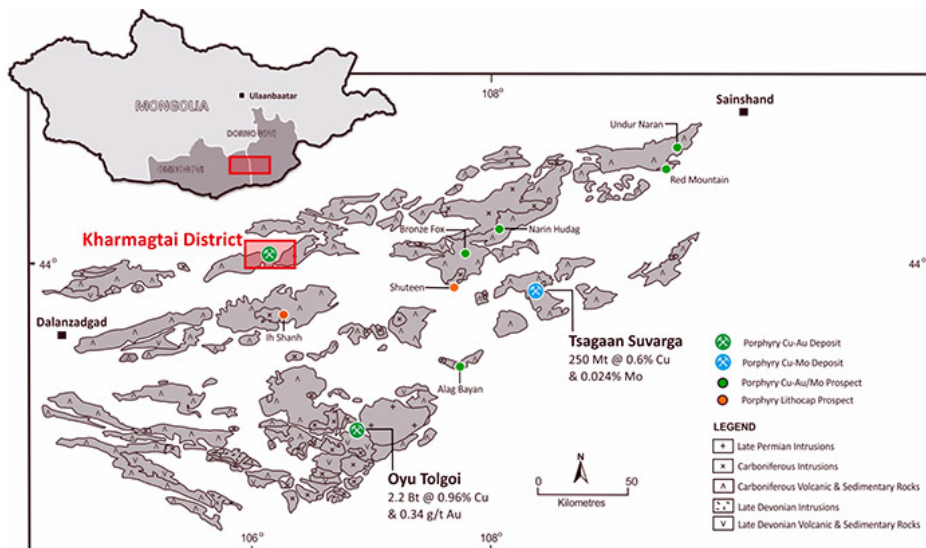
- 23 metres at 0.5 g/t from 40 metres, including 12.1 metres at 0.64 g/t from 40 metres;
- 24 metres at 0.76 g/t from 36 metres, including 14 metres at 0.87 g/t from 36 metres; and
- 27.1 metres at 0.73 g/t from 37.9 metres, including 8 metres at 1.09 g/t Au from 39 metres.

Encouraging metallurgy

Preliminary metallurgical test work results provide a very good indication of the viability of a simple and efficient gold recovery process at Golden Eagle.

Stewart said, "Existing metallurgy from Golden Eagle is extremely encouraging and this zone of mineralisation has returned recoveries of up to 92.56%."

Xanadu's objective is to develop Mongolia's next large-scale open-pit copper and gold deposit.



The CEO said, "We are encouraged by what we see at Stockwork Hill, particularly the grade and potential scale and strike extent of the oxide system.

"The new results demonstrate clear progress and, given Kharmagtai sits on a granted mining lease with a registered water resource and an established power supply nearby, we have the ability to move quickly on an oxide gold project.

"Our current strategy of seeking high-return options via an oxide gold project is focused on providing the capital needed to advance the larger scale copper and gold project."

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