

Xanadu Mines Ltd

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Xanadu Mines drilling efforts bode well for Kharmagtai copper-gold starter option

- Xanadu continues to see promise in Mongolia and is actively exploring
- South Gobi desert is its focus
- The key project is the Kharmagtai Copper-Gold Project
- A field program is underway at Kharmagtai and is delivering results

Kharmagtai has starter project potential

"These outstanding gold intercepts generated at Stockwork Hill show just how underexplored the broader Kharmagtai project is for oxide gold mineralisation and validates the current plan of developing a low-cost, high-value gold starter project at Kharmagtai."

Xanadu managing director & CEO Dr Andrew Stewart

What does Xanadu Mines do?

Xanadu Mines Ltd (ASX:XAM) (TSE:XAM) (FRA:02X) is an explorer focused on the prolific copper and copper-gold fields of Mongolia.

The tri-listed company is working in the mineralised and underexplored South Gobi region of the landlocked North Asian nation that has China and Russia as neighbours.

It is led by managing director and CEO Dr Andrew Stewart, an exploration geologist with more than 15 years' experience in minerals exploration.

Stewart has nine years tenure with the company and is expert in a range of commodities, including porphyry copper-gold and epithermal gold deposits.

The MD previously served with Vale in Indonesia and Mongolia and has been involved in a number of greenfields discoveries.

What does Xanadu Mines own?

The key asset is the majority-owned Kharmagtai Copper-Gold Project in Mongolia.

Xanadu released a scoping study for Kharmagtai in April 2019 and views the project as a "solid" copper-gold project to advance.

Stewart said in the company's latest quarterly report Kharmagtai could supply a starter project option and help it fund a larger project at the site without the need for a major partner.

The company hopes to be a leader in Mongolia by developing the nation's next large-scale open pit copper and gold deposit.

Price: 0.042

Market Cap: \$39.86 m

1 Year Share Price Graph



Share Information

Code: XAM

Listing: ASX

52 week High Low
0.063 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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Kharmagtai features 1.936 million tonnes of copper and 4.311 million ounces of gold resources with 22% of the resources in the indicated category while the remainder is inferred.

The project is near power supplies and has a granted mining lease and registered water rights.

Xanadu's scoping study for Kharmagtai recommended that mining begin at Copper Hill to target high-grade material.

Pre-strip activities could be concurrently initiated for its White Hill and Stockwork Hill areas.

When pre-strip activities are complete the company could then mine in phases, assessing the mineralisation from all three deposits.

Total capital required to produce up to 20 million tonnes a year from the starter operation was US\$683 million in the study. Initial capital was a smaller US\$484 million.

Metal recoveries were estimated at about 86.6% for copper and 70.9% for gold, achieved with US\$25 a tonne concentrate transport costs.

Payability for copper was put at 96% for copper and 90% for gold, while copper smelting chargers were US\$90 per dmt and gold refining charges US\$5 an ounce.

Underground mining targeting the high-grade Stockwork Hill and Copper Hill deposits was left out of the study but is considered a pathway to value creation and the ability to expand into a larger project down the track.

Xanadu is updating resources on-site and had 40 metres grading 2.3 g/t gold in its first new assay batch from Stockwork Hill at Kharmagtai.

Another highlight from Stockwork Hill was 40 metres grading 0.81 g/t gold from surface.

These positive results confirm the potential for a shallow oxide gold resource that could be a potential starter operation for the project's deeper porphyry deposit.

Six more holes from the eight-hole program are pending.

Xanadu is funded with a \$2.1 million cash injection raised in July 2019 after it ended June 2019 with \$1.1 million cash.

Inflection points

- Results from additional drilling at Kharmagtai
- Exploratory studies
- Funding milestones
- In-country developments
- World copper-gold sentiment

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