

Xanadu Mines Ltd

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Xanadu Mines' 117-metre copper-gold hit reveals new zone outside Stockwork Hill resource

Xanadu Mines Ltd (ASX:XAM) (TSE:XAM) has discovered a new zone of mineralisation outside the defined resources at Stockwork Hill deposit within the Kharmagtai porphyry copper and gold project in Mongolia.

Diamond drill hole KHDDH526 east of the deposit returned 117 metres at 0.68% copper and 0.58 g/t gold from 555 metres, including 62.8 metres at 1.16% copper and 1.04 g/t gold from 607 metres.

Potential strike increased

This new discovery at the project in Mongolia's South Gobi region increases the potential strike of Stockwork Hill deposit.

Price: 0.044

Market Cap: \$48.04 m

1 Year Share Price Graph



Share Information

Code: XAM

Listing: ASX

52 week High Low
0.063 0.021

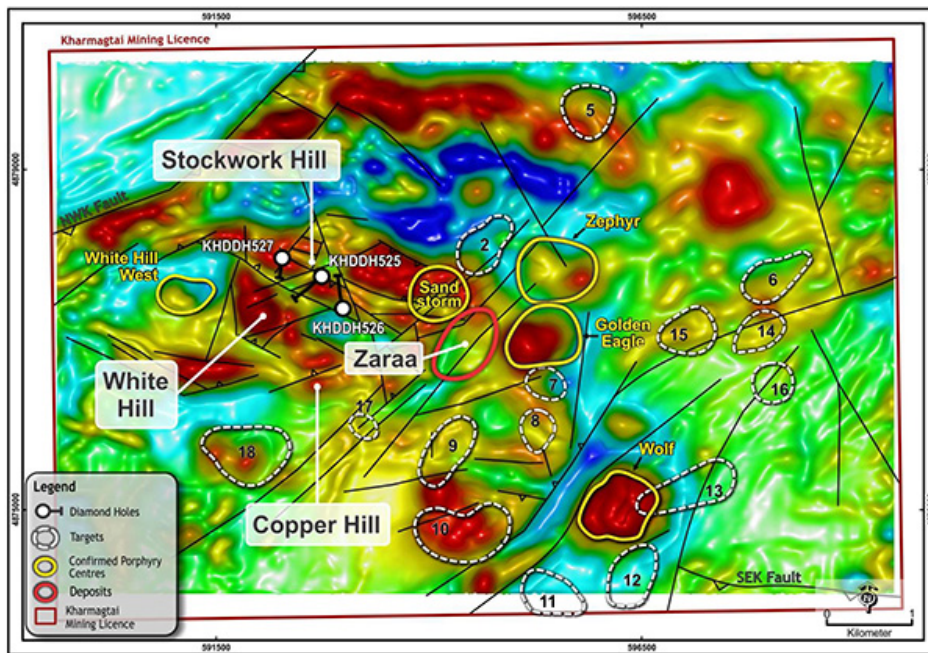
Sector: General mining & base metals

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 Mining Licence showing ground magnetic data and location of deposits, porphyry centres, targets and drill holes from the current drilling program.

"Pivotal drill hole"

Xanadu's chief executive officer Dr Andrew Stewart said: "KHDDH526 represents a pivotal drill hole for Xanadu at our Kharmagtai project.

"We have always believed that the high-grade tourmaline breccia at Stockwork Hill should extend to the east, but previous drilling had been unable to locate the eastern extensions of the mineralisation.

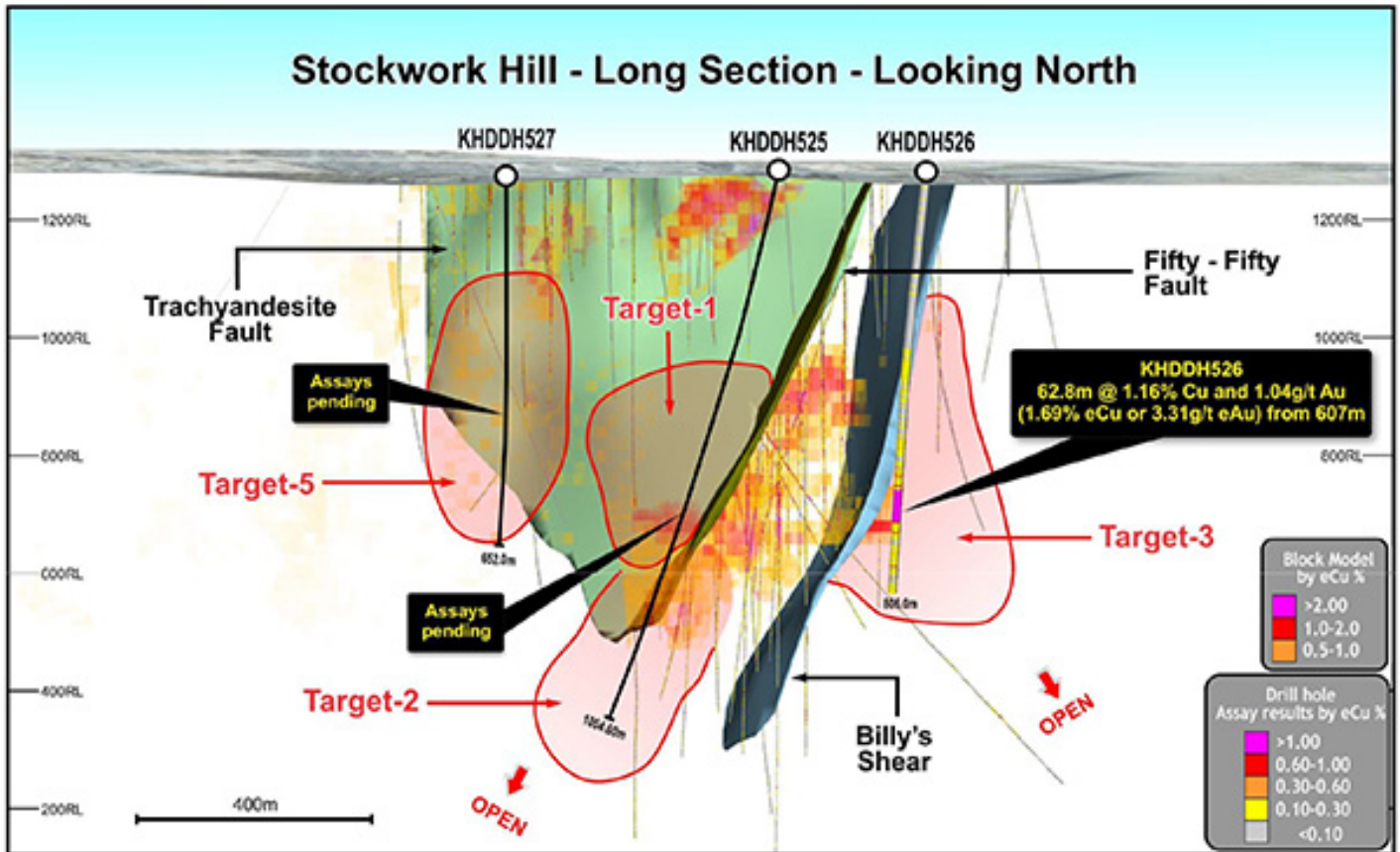
"KHDDH526 now confirms that mineralisation certainly extends beyond Billy's Basalt Shear and may potentially extend all the way to the Sandstorm prospect over 1-kilometre away."

Three diamond holes completed

Three new diamond drill holes have been completed at Stockwork Hill designed to extend the known high-grade mineralisation.

This program has reinforced the potential of the tourmaline breccia unit to host high-grade mineralisation on a potentially large scale.

The geophysical signature of mineralisation can now be traced for more than 1,000 metres east of the Stockwork Hill resource.

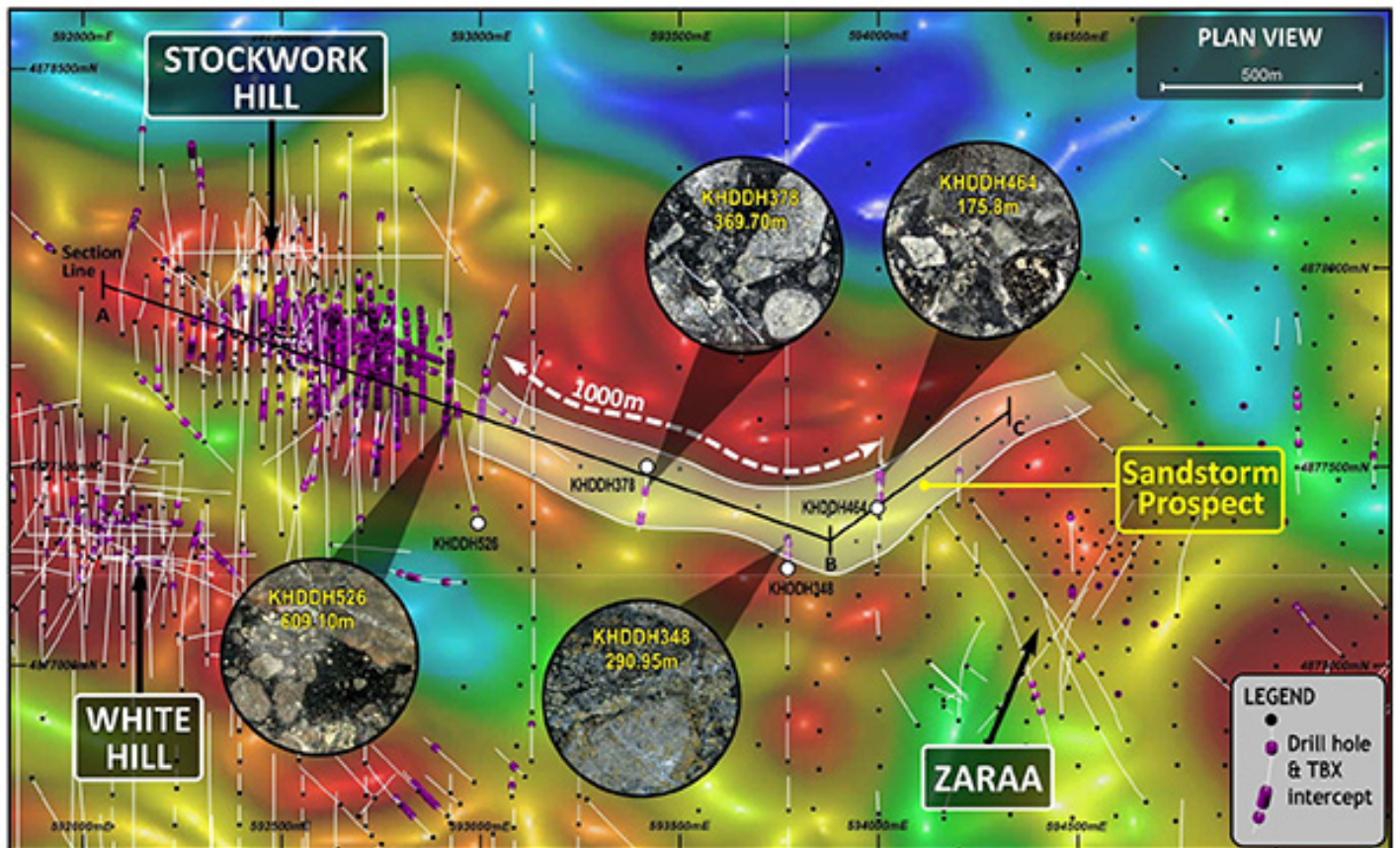


Long section showing KHDDH525, KHDDH526 and KHDDH527.

Hole KHDDH525 encountered a shallow zone of bornite at 193 metres which is encouraging while the main zone of mineralisation was encountered between 600 and 900 metres and assays are pending.

A hole, KHDDH527, drilled on the south-western margin of Stockwork Hill, encountered mixed zones of high vein density stockwork, andesite dykes and tourmaline breccia with assays also pending.

Partial assays have been returned for hole KHDDH526 and the 62.8-metre intersection was within 70.8 metres at 1.04% copper and 0.93 g/t gold, or 1.52% copper-equivalent from 599 metres.



Tourmaline breccia mineralisation appears to correlate with a zone of magnetic destruction that extends for over a kilometre to the Sandstorm prospect.

"Outstanding results"

These broad results to the immediate east of Stockwork Hill deposit confirm Kharmagtai as one of the world's most promising copper-gold projects.

Stewart added: "These outstanding results support Xanadu's interpretations that the porphyry-breccia complex at Kharmagtai has the potential to be a significant copper-gold system with similarities to other very strongly mineralised tourmaline breccia deposits globally."

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