

Strong results from Chandman-Yol drilling

A RECENTLY completed drilling program at Altan Rio Minerals' 1402sqkm Chandman-Yol copper-gold porphyry project in western Mongolia has returned positive results. The best result from the program of seven diamond core holes for 3030.35 metres was 8.05 metres @ 1.77 grams/tonne gold just 16.30 metres from the surface at the recently discovered Takhilt target.

The drilling was completed under a contract that allows the company to pay for about 60% of the invoice cost in shares. Two main target areas were tested - the large concealed Ovoot IP anomaly and the extensive partly-exposed mineral system at Takhilt.

At Takhilt, 17km NNW of the major KY copper-gold porphyry system, five moderately wide spaced holes were completed and several new zones of gold and copper mineralization were intersected. The 16.3 metre intersection included 2.5 metres @ 5.38 grams/tonne. These zones are open down dip and along strike and warrant follow-up drilling along the entire 1.5km

extent of the Takhilt structure.

Takhilt is a copper-gold system including skarn and intrusion-hosted mineralization situated in the northern region of the Chandman-Yol project. The zone, identified by geology, magnetics and IP resistivity, is of substantial size, being of the order of 3km-long and 1km-wide. Previous work has identified robust copper anomalies in soil and gold values of up to 30 grams/tonne in rock chip samples.

This program represents the first time that Takhilt had been drill-tested. All drilling was targeted on specific IP-resistivity features on only two geophysics profiles. Some of the more prospective gold rock sample zones are situated between IP profiles and have not yet been drilled.

Based on the recent results at Takhilt, further drilling is warranted to follow gold-dominant intercepts both along strike and down dip. A second phase of drilling would target potentially shallow resources along the southern edge of the IP domain, in contact with

the copper-gold bearing granite system, a compelling target that is more than 1km long.

In the Ovoot zone, 11km south of Takhilt, two holes were drilled, 1.8 km apart, to test two concealed but coincident IP and magnetic anomalies. Both holes encountered only low-level gold and copper anomalies. Further drilling is warranted at Ovoot, though of lesser priority than Takhilt, to test areas of coincident geochemical and IP-magnetic anomalies. The Ovoot structure is large – more than 2km-long and more than 2km-wide, and cannot be considered adequately tested with only two wide-spaced reconnaissance holes.

In addition, Altan Rio is encouraged from testing some of the deeper IP targets within the KY copper-gold porphyry intrusion, the main mineralized system on the project, which was last drilled in 2011 and remains a top priority. Chandman-Yol is a target-rich land package with much drill testing remaining to be done.

Definitive agreement for Khavchuu purchase

ALTAN Rio Minerals has executed an agreement that will enable it to acquire 100% of the Khavchuu Gold Project in northern Mongolia, subject to a 2.105% NSR royalty. The definitive agreement supersedes the former heads of agreement, dated April 4, 2011. Altan Rio entered into an agreement to acquire the project from KLM in 2010.

Khavchuu, which covers an area of 71.4sqkm, is an early-stage exploration project 10km west of Centerra Gold's Boroo mine and mill complex which has a resource base of about 2 million ounces of gold, most of which has since been extracted. Recent phase 1 drilling intersected high grade gold of up to 11.49 grams/tonne over 1 metre and the company is keen to undertake further evaluation.

Khavchuu is at Sumber Soum in Tov Aimag, about 140km north of Ulaanbaatar. Access is via the main paved road toward Russian border. The exploration licence is valid until November 26, 2013. Altan Rio believes the project area has very good potential to host Boroo-style gold deposits based on being located in the same geological terrain and containing very similar gold-arsenic geo-

chemical anomalies, and IP chargeability features at depth.

Under the terms of the agreement, Altan Rio will make cash payments totalling US\$75,000, issue 760,000 common shares in the capital of the company upon TSX.V approval and make a final payment of either

US\$285,000 or the equivalent in common shares in the capital of the company on or before the date that is 30 months from the commencement date, which is May 3, 2011. In addition, US\$300,000 in cumulative property expenditures must be incurred within 24 months of the commencement date.



Drilling at Altan Rio Minerals' Khavchuu Gold Project in northern Mongolia.