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Assay results from Copper Tailings Project

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**Xtract Resources Plc
("Xtract" or "the Company")**

Assay results from Copper Tailings project confirms higher than assumed *in situ* copper content

Xtract Resources Plc (AIM: XTR), the gold and copper mining and development Company with projects in South America and South Africa, announces the copper assay results received from the drilling campaign on its O'Kiep and Carolusberg copper sulphide tailings dams in South Africa (the "Project").

Highlights

- Carolusberg tailings dam reported an average *in situ* copper value of 0.21% Cu (lowest value of 0.02% Cu and highest value of 0.53% Cu) compared to an assumed *in situ* value of 0.19% Cu
- O'Kiep tailings dam reported an average *in situ* copper value of 0.14% Cu (lowest value of 0.05% Cu and highest value of 0.28% Cu) compared to an assumed *in situ* value of 0.23% Cu
- At an assumed specific gravity of 1.5 (test work is still outstanding on the actual specific gravity) the Carolusberg tailings dam represents 29.35Mt of material compared to an initial assumed volume of 28Mt
- At an assumed specific gravity of 1.5 (test work is still outstanding on the actual specific gravity) the O'Kiep tailings dam represents 7.3Mt compared to an initial assumed volume of 5.8Mt
- The Carolusberg tailings dam contains c122 million pounds of Copper *in situ*
- The O'Kiep tailings dam contains c22 million pounds of Copper *in situ*

Xtract's initial in-house calculations, which have not been validated by any independent third party, still estimate that the Project has a Net Present Value ('NPV') of US\$110m with an Internal Rate of Return ('IRR') of 68%. These calculations are based on the following assumptions: (i) recoveries of 85% (ii) a copper price of US\$4,500/t; (iii) operating costs of US\$2,500/t; (iv) a requirement for US\$40m of new capital to finance the Project; (v) a discount rate of 10%; (vi) an annual throughput of 5.6Mt over the first 10 years of the project which declines to an annual throughput of 1.4Mt over the last 4 years; and (vii) the *in situ* copper grade being upgraded to a concentrate grade of 25% Cu. The company has not factored the increase in copper metal reported on above into the model and has kept the NPV the same and will only re-assess this calculation when recovery and mineralogical test work is received and reviewed.

Jan Nelson, CEO, commented "We are still awaiting the recovery and mineralogical test work results which will enable the Company to conclude if it will move ahead with the Project and complete a Bankable feasibility. The assay results received are in line with our initial assumed estimates and expectations and we are very pleased with these results. In total the dumps contain c.144 million pounds of copper *in situ* that at a copper price of US\$2.5 per pound represent

US\$360 million of metal value in the ground. We look forward to reporting the findings of metallurgical results in Q4 2015."

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Qualified Person

In accordance with AIM Guidelines, Peter Moir, B.Sc. Civil Engineering, M.Eng. Petroleum Engineering, UK Chartered Engineer and Director of Xtract Resources plc is the qualified person as defined in the Guidance Notes for Mining, Oil and Gas Companies, February 2010, of the London Stock Exchange, that has reviewed the technical information contained in this press release. Mr Moir has more than 30 years' experience in technical, operational and commercial aspects of the E&P business.

This information is provided by RNS

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