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Chepica Gold Mine - Fatal Accidents

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

Chepica Gold Mine - Fatal Accidents

Xtract Resources Plc (AIM:XTR) announces with deep sadness that two fatal accidents occurred on surface within the gold processing plant at the Chepica Gold and Copper Mine in Chile (the "Mine") on 24 December 2015. The fatal accidents occurred when an individual undertaking training at the Mine entered a restricted area without the necessary safety equipment for unexplained reasons. The shift supervisor then attempted to rescue the individual but was also fatally injured.

After the relevant authorities were notified of the fatal accidents the Inspector of Mines stopped all work on the mine on 24 December 2015.

The Inspector of Mines has now completed an investigation into the fatal accidents and found that neither the Mine nor any of its workers were negligent and that no Mine Health and Safety standards or procedures were transgressed. Following completion of the investigation, underground mining operations will be allowed to recommence on 29 December 2015, with the ore mined being stockpiled. The processing plant will remain closed until certain recommendations from the Inspector of Mines have been implemented in the area where the fatal accident occurred and it is expected that these will take approximately 15 days to complete and the processing plant is therefore expected to be operational on or around 12 January 2016.

The Company is in the process of conducting an additional risk assessment on all surface operations and will implement additional safety procedures and standards to that currently in place and required by the Inspector of Mines where deemed necessary.

Despite the temporary shutdown of the processing plant the Company is confident that it will come close to achieving its financial targets for the quarter and the Company intends to provide a further update in the coming weeks.

Jan Nelson, CEO of Xtract, said: "Our thoughts and support at this time must be with the families and loved ones of the deceased. The Company intends to give all possible support to the families as well

as the rest of our work force that have been deeply saddened by this event. This accident comes despite the underground mine still maintaining an impeccable underground safety record. At this time my focus will be to support the executive and management team and our employees through this difficult time to enable us to keep our focus and momentum."

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