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Chepica Mine - Delivering on key milestones

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("Xtract" or "the Company")

Chepica Mine - Delivering on key milestones

Xtract Resources Plc (AIM:XTR) announces an operational update on key milestones at the Chepica Gold and Copper Mine in Chile ("Chepica"). On 30 March 2015, the Company raised £1.75m which was to be deployed towards further underground development at Chepica and to carry out drilling and metallurgical test work on the Xtract's sulphide copper tailings dumps in South Africa ('O'Kiep Project'). The Company can confirm that good progress has been made at Chepica and the following objectives have been achieved:

- The mine reached its target of achieving profitability one month ahead of schedule in May 2015
- The mine is on track to achieve a profit margin of 60% by the end of Q3 2015 (exceeding management's pre-fundraising commitments to investors of 35%)
- The mine is on track to make a monthly profit of US\$500k by the end of August 2015. Whilst there will be some seasonal variations going forward, Xtract expects this level of profitability to be maintained on average in each quarter as per the pre-fundraising commitments to investors
- Xtract also expects the mine's quarterly revenue from Q3 onwards to comfortably exceed its earlier estimate of US\$1.2m per quarter as per the pre-fundraising commitments to investors
- Open pit mining commenced in March 2015, six months ahead of schedule (as per pre-fundraising commitments), and mining is continuing on two open pit areas, with a third open pit area currently being prepared for mining
- The Company plans to commit 27% (or US\$700k) of the funds raised in March to provide (a) underground support, (b) new development and (c) on-mine exploration
- The Company intends that a further US\$500k will be spent on on-mine exploration and drilling in Q3
- Xtract is also committed to developing the Colin, Francisco and Theoni prospects, in addition to a fourth prospect, Chepica Main, to increase mining flexibility and avoid the risk of production stoppage as was committed to investors as part of fund-raising
- Since the fundraising, the mine has produced consistently and without interruptions

· Chepica is also on target to achieve throughput of 10,000t by September 2015 (as per pre-fundraising commitments to investors)

Going forward, Xtract intends to provide quarterly updates with particular reference to production at the Chepica mine.

The Company will provide an update on the progress of the South African copper projects and expenditure at the Annual General Meeting to be held at 13.30 on the 29 June 2015 at the Pelham Hotel, 15 Cromwell Place, South Kensington, London, SW7 2LA. Notice of the Company's 2015 Annual General Meeting has been posted to shareholders, and the Annual Report for the year ended 31 December 2014 is also available on the Company's website www.xtractresources.com.

Jan Nelson, CEO of Xtract, said: "We are absolutely delighted with the excellent progress made at Chepica over the past few months and that we are on track to exceed forecasted revenue and profit for Q3 2015, as we committed to investors as part of our fundraising. The team has made excellent progress at Chepica and we intend to keep this momentum up as we develop out this exciting project."

The pre-funding commitments were given to investors as part of the fund raising and the presentation is available on the Company's website.

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