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# Chepica Operational Update

Released 10:01 18-Mar-2015



RNS Number : 7614H

Xtract Resources plc

18 March 2015

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

## **Discovery of major gold bearing reef on surface at the Salvadori prospect at the Chepica Mine and Operational update**

Xtract Resources Plc (AIM:XTR) announces that it has opened up a major gold bearing vein on the Salvadori prospect at the Chepica Gold and Copper Mine in Chile (the "Chepica Mine").

### Highlights

- The reef has a true width of 4m and to date 200m of strike-length is visible on surface
- Sampling results have returned values of between 2.5g/t and 8g/t gold
- Planning is currently underway to start an outcrop stripping programme which will be quick to develop with low operating costs

### Operational Update

Development work over the past months has advanced very well with good progress underground and on the newly exposed reef, on which Xtract is evaluating options for an open pit mine.

On level 7 (approximately 120m below surface) in the central part of the Chepica Mine, 30m of reef has been exposed to date. A further 350m of the reef horizon will be developed before stoping commences and it is estimated that it will take another three months to fully expose the reef horizon. Once stoping commences on level 7, development will be directed to further expose the reef on level 8.

At the new Salvadori prospect, management is assessing how to mine the newly exposed gold bearing reef. It is envisaged that a large portion of the reef horizon will be mined as a stripping programme from surface, which would be a low cost operation and would complement the underground operations at the Chepica Mine.

**Jan Nelson**, CEO, commented: "Underground development is progressing well and the discovery of a gold bearing reef at the Salvadori prospect on surface will not only increase mining flexibility but will also impact positively on the grade being recovered at the mine."

**Enquiries:**

Xtract Resources Plc	Jan Nelson, CEO	+44 (0)20 3416 6471
Cenkos Securities Plc	Derrick Lee Nick Tulloch	+44 (0)131 220 6939
Hume Capital Securities plc	Jon Belliss Abigail Wayne	+44 (0)20 3693 1470
St James's Corporate Services Limited	Phil Dexter	+44 (0)20 7796 8647 +44 (0)7798 634398
Gable Communications Limited	Justine James Xtract@gablecommunications.com	+44 (0)20 7193 7463 +44 (0) 7525 324431

**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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