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Chepica Q3 Operational Update

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

Chepica Q3 Operational Update

Xtract Resources Plc (AIM:XTR) announces an operational update for the Chepica Gold and Copper Mine in Chile ("Chepica"), including unaudited financial information, for the three months to 30 September 2015 ("Q3'15" or the "Quarter") and outlines its targets for Q4 2015.

Key reporting metrics for Q3 2015

- Revenue increased by 153% to US\$448,112 (Q2'15: US\$177,000)
- Costs decreased by 15% to US\$298,000 (Q2'15: US\$351,000)
- Profit increased by 186% to US\$150,112 (Q2'15: loss of US\$174,000)
- On reef development increased by 366% to 233 metres (Q2'15: 50 metres)
- Off reef development decreased by 58% to 78 metres (Q2'15: 185 metres)
- Decline and incline development increased by 380% to 120 metres (Q2'15: 25 metres)
- Total tons milled increased by 469% to 10,515t (Q2'15: 1847t)
- Mill gold grade increased by 20% to 1.80g/t Au (Q2'15: 1.50g/t Au)
- Mill copper grade increased by 25% to 1.00% Cu (Q2'15: 0.80% Cu)

Comparison to Q2 2015

As outlined above, on reef development metres were significantly increased from Q2'15 as pre-development for stoping on the Chepica Main prospect area replaced the off reef access development, thereby reducing the off reef development. Decline development was also significantly increased from Q2'15 as a result of developing access to 8 level at the Chepica Main prospect. The mill tons were significantly increased from Q2'15, mainly as a result of on reef development on 7 level at the Chepica Main prospect area. These increased volumes of gold and copper milled also yielded improved grades to that achieved in the previous quarter as, in each case, pre-development was focused on higher grade areas on 7 level and supplemented with higher grade ore from surface.

These improvements are also the result of the increased milling capacity that came on line in September 2015 and the increase in reef development from Chepica Main prospect, with the additional flexibility that resulted from reef development work at the Colin prospect area.

Comparison to original plan for Q3

When compared to management's original plan for Q3'15, on reef development increased by 55% to 233 metres (plan of 150 metres) and off reef development by 56% to 78 metres (plan of 50 metres). In addition, incline and decline development of 120 metres exceeded plan target by 100% (plan of 60 metres). Total development of 431 metres increased by 66% (on plan of 260 metres) creating significant flexibility as stoping operations commenced at the Chepica Main prospect.

As a result of the previously announced magnitude 8.3 earthquake, the main access haulage at the Chepica prospect became unsafe and this adversely impacted the stoping tons in the Quarter, down 82% from 17,201 tons to 3,061 tons. Consequently, and as a result of the mining method (where the ore that is blasted is used as a platform to blast the next stoping slot and is not removed until the entire stope is blasted), the ore that had been blasted could not be accessed. The development tons that were up by 55% compared to Q2'15, contributed some 7,454 tons (against the forecast 4,799 tons) to partially mitigated this deficit. This was also helped by a slight improvement in development and stoping gold and copper grades.

The net effect was that forecast revenue for the Quarter was down by 268% to US\$448,112 (plan of US\$1,650,000). The lower gold price also impacted the anticipated revenue by some 15%.

Notwithstanding this, the operation remained cash positive.

Planning for Q4 2015

As a result of the earthquake damage to the Chepica Main haulage, a new access portal is being developed in much stronger rock. The new access portal will access one of the highest grade gold and copper grade areas of the mine on 6, 7 and 8 level. Stopping will only commence in this area in Q1 of 2016.

However, stoping operations will commence in Q4'15 at the Colin prospect to partially offset the impact of the delay in stope tons coming from the Chepica Main prospect. As a result, the forecast profitability of Chepica for Q4'15 has been reduced to US\$361,121 and is now anticipated to increase to US\$760,000 for Q1'16.

Xtract will report on the performance of Q4 2015 on or around 25 January 2016 and will provide further guidance on profit and operational metrics for 2016 at that time.

Jan Nelson, CEO of Xtract, said: "We are absolutely delighted with the excellent progress made at Chepica over the past few months despite the challenging impact of the earthquake, in which we are fortunate there were no incidents or injuries. We have seen a significant improvement from the previous quarter on most of the key metrics and are working hard to increase production levels and profitability during the current quarter and into 2016. Our re-development programme is now on track and the mine remains cash positive."

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