

Company [Xtract Resources plc](#)
TIDM XTR
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Xtract Resources Plc
("Xtract" or the "Company")

Company Update

Xtract Resources Plc (AIM:XTR) is pleased to provide an update on its projects in Chile and South Africa.

Highlights

§ **Chepica** (gold and copper mine in Chile): On target to deliver a monthly profit in the second quarter of 2014 as a result of increasing volume, improving grade and mining flexibility

§ **Mejillones** (phosphate development projects): Finalising discussions with strategic development partner

§ **Namakwa** (uranium deposit in South Africa): Evaluating completed due diligence

Chepica gold and copper project, Chile ("Chepica")

Following the completion of the acquisition of Chepica on 24 February 2014, the strategy of the management of Xtract has been to target on and off reef development to open more areas to mine. Accordingly, the team at the mine has increased the total development rate from 40m per month to 300m per month. This strategy has resulted in greater flexibility in achieving both a better mining mix and an improved recovered concentrate grade. Volumes have also improved as a result of the increase in mining areas.

Chepica was previously operating from two mines, Chepica North and Salvadori. Following a review of the operation by management, Xtract has now extended the project area to four mines, being Chepica North and Central, Salvadori, Colin and Nelson. By opening up these new areas, the team is in the process of further increasing production volume, achieving an uplift from 5,000 to 10,000 tonnes per month, whilst at the same time improving the concentrate gold grade from 40-50g/t to 60-70g/t. Further, Xtract will invest approximately US\$250,000 in the plant to increase milling capacity and throughput.

In addition, following the increased development work and the drilling programme which have been carried out over the past month, Xtract has now opened up a new payzone which is currently running at 70-80 g/t.

Chepica is now on course to become profitable in the second quarter of 2014.

Chepica Tailings: In addition to the development work on the Chepica mine, Xtract is implementing a scoping study to evaluate the viability of mining the current tailings dam, which has an average in situ grade of 1.3g/t, in order to further increase the overall production profile of the project.

Mejillones Phosphate Project, Chile ("Mejillones")

The 100% owned Mejillones project covers some 16,400 hectares of highly prospective phosphate deposits, just north of Antofagasta. The project has been thoroughly evaluated and Xtract is currently in ongoing discussions in order to bring in a strategic partner to provide capital to help develop this potentially significant asset.

Namakwa Uranium Deposit, South Africa

Xtract has now concluded the due diligence process on the Namakwa Uranium Deposit and is currently evaluating the findings. A further announcement is expected to be released before the end of April 2014.

Management team

With the implementation of Xtract's new strategy now firmly underway, Xtract has further strengthened its management team by the appointment of Eduard Victor as Chief Operating Officer, Peet Prinsloo as Chief Technical Officer and Albert Pistorius as Country Manager in Chile. It is not intended that any of the new management team will join the board of Xtract at present.

Eduard Victor, Chief Operating Officer, brings a wealth of experience having worked with Jan Nelson at Pan African Resources, and prior to that as finance director of Jubilee Platinum and financial manager at Harmony Gold.

Peet Prinsloo joins as Chief Technical Officer. Mr. Prinsloo is a geologist with over 20 years' experience gained at a number of South African mining companies including Barrick Gold Corporation, and Ashanti Goldfields and more recently as Exploration Manager and as a director for Shanta Mining in Tanzania.

Albert Pistorius joins the Company as Country Manager Chile, bringing over 20 years of mining experience at Barrick Gold in Tanzania, where he has worked for the past four years and prior to that for Harmony and East Rand Proprietary Mines.

Jan Nelson, CEO commented: "The appointments of Eduard Victor as COO and Albert Pistorius, who is an experienced miner with extensive practical experience are already beginning to bear fruit at Chepica. Peet Prinsloo will help the team focus on expanding the current resource base at the mine to grow future production. A strong and experienced operational team is now in place to focus on the current asset base and identify and target new opportunities as we grow the capital reserve of the company."

Company Secretary

St James's Corporate Services Limited was appointed as Company Secretary to Xtract with effect from 1 March 2014.

Enquiries:

Xtract Resources Plc	Jan Nelson, CEO	+44 (0)20 3416 6471
Cenkos Securities Plc	Beth McKiernan	+44 (0)20 7397 8900
	Alan Stewart	+44 (0)131 220 6939
Gable Communications	Justine James	+44 (0)20 7193 7463
		+44 (0) 7525 324431
St James's Corporate Services	Phil Dexter	+44 (0)20 7796 8647

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