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Completion of Placing to Raise £3m

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("Xtract" or "the Company")

Completion of Placing to Raise £3m

Xtract Resources Plc (AIM:XTR) has raised £3 million ('the Placing') following the placement of 1,200,000,000 ordinary shares of 0.01p per share ("Ordinary Shares") at 0.25p per Ordinary Share.

On 30 March 2015 Xtract announced that it had raised £1.75million that would be used to fund further underground development at the Chepica Gold and Copper Mine in Chile (the 'Chepica Mine') and to carry out drilling and metallurgical test work on two Copper tailings dumps in South Africa (the 'O'Kiep Project' and the 'Concordia Project'). This capital is being applied and has to date resulted in significant improvements at the Chepica Mine. In South Africa, the Company has signed option agreements on both tailings dumps at the O'Kiep and Concordia Projects and work on these projects is underway.

The Company has identified two significant acquisition opportunities that management believe could transform Xtract into a mid-tier producer. As a result of these opportunities the Company has raised £3 million to provide the Company with funds to facilitate certain payments associated with these acquisitions, in the event the Company elects to proceed. The Company will provide a further update on these at an appropriate time.

In addition to utilising the capital towards the above mentioned acquisition opportunities, Xtract will also:

- agree a final settlement at a significant discount on all future option payments on the Chepica Mine;
- pay US\$500k immediately towards the costs associated with the O'Kiep project in order to facilitate a discount of US\$2.5m on the total purchase price;
- start construction immediately of a pilot plant at the oxide copper project;
- acquire an additional 250kt of heap leachable material in close vicinity of the oxide copper project that will impact significantly on the production output of the project;
- negotiate an option on a large surface resource (390kt @ 4.6g/t Au and 0.5% Cu) in close vicinity to the Chepica Mine that would impact significantly on future production and the total resource base at mine; and
- accelerate exploration to explore the remaining 70% of the concession at the Chepica Mine to target additional mineable surface resources

Commenting on the Placing, **Jan Nelson**, CEO, said: "The type of opportunities that have presented themselves which we believe will transform Xtract from a small scale to a mid tier producer do not come across our path very often, and we believe that the opportunity to raise funds in order to progress with these opportunities will deliver significant shareholder value, notwithstanding the initial dilution to our shareholders. In addition the objective is to also increase

the resource base and accelerate output from our current operations. This places Xtract in an extremely strong position to deliver growth."

Application will be made for the new Ordinary Shares being issued in connection with the Placing to be admitted to trading on AIM which is expected to occur on or around 14 May 2015.

Following Admission of the new Ordinary Shares, the Company will have 6,197,266,647 Ordinary Shares of 0.01p each in issue. Xtract does not currently hold any shares in treasury. Accordingly, this figure of 6,197,266,647 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

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