



[Xtract Resources plc](#) - XTR

## **US\$1.3m Fund Raise and Operational Update**

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

### **Fund Raise of US\$1.3m and Operational Update**

Xtract Resources Plc (AIM: XTR) announces that it has raised a total of US\$1,262,395 (the "New Funds"), through a draw down of debt from the Company's existing facility with YA Global Master SPV, Ltd ("YAGM") and a subscription of equity by certain investors (the "Subscription"). The New Funds will be used to fund further drilling and development at the Company's Chepica Gold and Copper mine in Chile (the "Mine").

US\$750,000 will be drawn down from the Company's existing facility with YAGM (details of this facility were announced by the Company on 12 December 2013). The Subscription will comprise the issue of 250,000,000 new Ordinary Shares (the "Subscription Shares") at a price of 0.13 pence per Ordinary Share, to raise a total of £325,000 (US\$512,395).

Application is being made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and that dealings in the Subscription Shares will commence on or around 10 December 2014.

Following Admission of the Subscription Shares, the Company will have 3,830,599,980 Ordinary Shares in issue. Xtract does not currently hold any shares in treasury. Accordingly, this figure of 3,830,599,980 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.

#### **Operational Update at Chepica Mine**

A major rock mechanic engineering study has been completed to address the poor ground conditions experienced in the upper levels of the Mine, where softer rock was encountered near surface. The recommendations of this study have been implemented and development has shifted to the deeper levels where the rock is harder. As a result the Mine has not suffered any landslip conditions underground.

The new mill was commissioned in the first week of October 2014 and production was increased from 3,500 tons per month to over 6,500 tons per month. Production is forecast to achieve 8,500 tons per month by December 2014.

The new Mineral Resource Management programme together with the opening up of 400 metres of higher grade development drives and the installation of new float cells in the plant has resulted in the concentrate gold grades increasing from 27g/t to over 60g/t.

Management is confident that the challenges faced during the production build-up have been addressed and that the planned production plan will be achieved. It is expected that the Mine will be cash-flow positive from the start of 2015. Full production ramp-up will be achieved by the second half of 2015.

A new underground drilling machine has been purchased which will be utilized to drill high grade extensions identified thereby increasing the reserves and resources at the mine.

The Company intends to give quarterly updates on the progress of the production ramp-up at the Mine.

Jan Nelson, CEO of Xtract Resources, commented: "The additional funds will be deployed to drill and develop additional resources at the mine to ensure the ramp up in the production plan is achieved. Some of the capital will also be applied to upgrade underground mine equipment. We believe we are now on track to achieve our full production ramp-up by the second half of 2015 and the mine will be cash-flow positive from the start of 2015."

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