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High Grade Gold Reef system discovered at Chepica

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

Further High Grade Gold Reef system discovered at Chepica Mine

Xtract Resources (AIM:XTR) is pleased to confirm that the Company has intersected a second high grade gold reef system ('Reef system B') at the Colin Mining area at the Chepica Gold and Copper Mine in Chile ('Chepica'). This discovery follows the update on 15 July 2015 in which the Company announced that development at the Colin Mining area had intersected a new reef system that graded at 4.2g/t over a 3.5m width ('Reef system A'). Development is now underway on Reef system B on 5 level (approximately 150m below surface) and the following aspects are highlighted:

- Reef system B grades 3.9g/t over a 4.1m width *in situ*
- To date the Company has developed 10m along strike (or length) of Reef system B which has only been exposed on 5 level (no mining has taken place on this reef system and the reef can be mined from surface to 5 level (120m dip extent) and below 5 level (current in-house company estimates project the reef another 120m along dip))
- The Company's in-house projections extend the strike of Reef system B for 250m and the reef dips at 75 degrees
- Reef system B will make use of the same decline system for access, reducing cost of mining considerably, as Reef system A
- The Company's revised in-house estimates indicate that Reef system B could quadruple the previous estimates of contained gold in the area and as a result may increase the Life of Mine ('LOM') of the Colin Mining area to in excess of 20 years
- The new reef systems will continue to increase mining flexibility of the operations at Chepica

Jan Nelson, CEO of Xtract, said: "The discovery of the two reef systems at the Colin Mining area is changing the way in which we are looking at the long term development of the Chepica Mine. Drilling will commence within the week on the Colin prospect and we intend to drill over 8 surface boreholes representing 1,500m to define all the reef systems in the Colin Mining area. Once the drilling is complete the Company will consider increasing the production capacity at Chepica. In addition we think that the LOM at current production levels can be extended to in excess of 20 years. Production is on target and I look forward to providing a quarterly production update to shareholders on 20 October 2015."

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