



[Xtract Resources plc](#) - XTR

HoA Signed to Evaluate Copper Dumps in SA

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

Heads of Agreement signed to evaluate copper dumps in the northern Cape Province of South Africa

Xtract Resources Plc (AIM:XTR) has signed a Heads of Agreement ('HOA') with Shirley Hayes IPK (Pty) Limited ("IPK"), a local copper explorer in South Africa to evaluate the Concordia project copper dumps, comprising 182,000 tons of copper oxide material ('Concordia'). The oxide material is on surface and IPK has estimated an average copper grade of 0.54%, which Xtract will evaluate and verify in its initial due diligence.

IPK is the owner of Concordia and, pursuant to the heads of terms, has granted Xtract an exclusive six month period to conduct due diligence on the oxide material. In consideration for the exclusivity period, Xtract has agreed to issue IPK 3 million ordinary shares in Xtract. These shares will be fully paid and are expected to be issued within two weeks of signature.

Should its due diligence on oxide material confirm that it is commercially viable, Xtract will commence the construction of a heap leach operation to treat the oxide material.

Xtract will be entitled to 75% of the gross revenues generated from the heap leach operation with IPK entitled to the remaining 25%. Xtract will assume all and any environmental responsibility for the heap leaching throughout the period of operations.

Jan Nelson, CEO of Xtract, said: "Similar heap leach operations in the area yield recoveries of over 75% and the capex required to build such an operation should not exceed US\$500k. With expected low running costs, this project could therefore add significantly to the cash generating capacity at the Chepica mine and the management team is actively pursuing opportunities to acquire more material of this nature. The Company will undertake a detailed due diligence exercise on the oxide material and will report its findings once completed."

Enquiries:

Xtract Resources Plc	Jan Nelson, CEO	+44 (0)20 3416 6471
Cenkos Securities plc	Derrick Lee Nick Tulloch	+44 (0)131 220 6939
Beaufort Securities	Elliot Hance	+44 (0)207 382 8300

St James's Corporate Services Limited	Phil Dexter	+44 (0)20 7796 8647
Gable Communications	Justine James	+44 (0)7798 634398
	xtract@gablecommunications.com	+44 (0)20 7193 7463
		+44 (0) 7525 324431

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