



[Xtract Resources plc](#) - XTR

Increase in Concentrate Gold grades at Chepica

Released 07:01 06-May-2015



RNS Number : 2785M

Xtract Resources plc

06 May 2015

6 May 2015

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

Concentrate Gold grades at Chepica Mine increases ten-fold to over 400g/t as ore from Salvadori II prospect starts feeding the processing plant

Xtract Resources Plc (AIM:XTR) has commenced mining on surface at the Salvadori II prospect ('Salvadori') at the Chepica Gold and Copper mine in Chile ('Chepica'). The first bench of approximately 25m has been established at the newly exposed gold bearing reef and a total of 700t grading at between 3g/t to 8g/t has been delivered to the mill over the past two weeks. As a result the gold concentrate grades have now increased from 40g/t to over 400g/t. Copper grades in the concentrate remain stable at between 10 to 15% with Silver values of between 9 to 12g/t. This has positively impacted revenue which is now expected to increase significantly in May from the sale of this concentrate.

The next stage is for Xtract to cut a further two benches of 25m each which is expected to deliver approximately 3,000t of surface ore grading at between 3g/t to 8g/t. This will then be blended with approximately 5,000t of underground ore grading at 2.5g/t gold from the main Chepica mine.

The improvement in concentrate grades is the result of higher flotation recoveries as a result of the mineralogy of the ore being mined on surface from Salvadori II prospect.

As a result of the positive impact of surface mining operations on both the volume and grade at the Chepica mine, a major programme has now been initiated to identify more ore shoots that can be mined from surface. To date two other areas have been identified. The Francisco I prospect has yielded preliminary sampling results of over 9g/t gold over widths of 3m and a strike-length of 50m. The strike and depth extent of the prospect remains open and is being investigated further. A major system of gold veins has also been identified at the Colin prospect on surface with sampling results yielding gold grades of 6g/t over 6m along a 50m strike. The extent of the structure remains open along strike and depth and is also being investigated.

Jan Nelson, CEO of Xtract, said: "Commencement of mining operations on surface at Salvadori has not only increased our flexibility with regards to achieving our planned daily tonnage target but it has also delivered a substantial increase in the grade. This increase will significantly benefit the monthly revenue received without any major increase in costs. The team has focused its attention on identifying more of these high grade ore shoots which can be mined from surface seeing that there are over 25 of these reef swarms outcropping on surface. What makes us even more excited about this project is that we are currently only focusing on 30% of the total area of our prospect license."

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 +44 (0)7798 634398
Gable Communications	Justine James xtract@gablecommunications.com	+44 (0)20 7193 7463 +44 (0) 7525 324431

Qualified Person

In accordance with AIM Guidelines, Peter Moir, B.Sc. Civil Engineering, M.Eng. Petroleum Engineering, UK Chartered Engineer and Director of Xtract Resources plc is the qualified person as defined in the Guidance Notes for Mining, Oil and Gas Companies, February 2010, of the London Stock Exchange, that has reviewed the technical information contained in this press release. Mr Moir has more than 30 years experience in technical, operational and commercial aspects of the E&P business.

This information is provided by RNS
The company news service from the London Stock Exchange

END