



[Xtract Resources plc](#) - XTR

O'Kiep Acquisition and YAGM update

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("Xtract" or "the Company")

Successful Renegotiation of O'Kiep Project Acquisition
Draw Down from SEDA and Loan Agreement with YA Global Master Concluded

Xtract Resources Plc (AIM:XTR) has successfully renegotiated the Deed of Assignment ("DoA") with Mineral Technologies International Limited ("MTI") for the acquisition of the O'Kiep Copper sulphide tailings project in the northern Cape province of South Africa ("O'Kiep Project"). The Company was able to renegotiate at a significant discount due to more immediate payment terms. In addition, Xtract has drawn down £466k from its existing Standby Equity Distribution Agreement ("SEDA") with YA Global Master ("YAGM") and has primarily deployed these funds to repay in full the outstanding balance of the debt facility provided to the Company by YAGM (the "Loan Agreement").

Highlights

- Re-negotiation of the terms of the O'Kiep Project result in:
 - o a reduced cash payment of US\$2.875m (a 28% reduction from the initial US\$4m cash payment); and
 - o a saving of 19% on the total consideration due
- Outstanding balance of Loan Agreement with YAGM repaid in full

O'Kiep Copper Sulphide Project

The Company has re-negotiated improved terms which have resulted in a 19% discount on the total acquisition costs of the O'Kiep Project to Xtract and comprises the following payments to MTI:

- US\$250,000 cash payment payable immediately
- US\$125,000 cash payment to be made by 26 May 2015
- Issue of 69,752,768 new Ordinary Shares of 0.01p ("Ordinary Shares") to the value of c.US\$375,000
- A final payment of US\$2,500,000 will be due on the commencement of mining

Under the DoA MTI has assigned all its rights, title, interest and obligations under, in and to the Slime Dumps Agreement it signed with the O'Kiep Copper Company (Pty) Ltd to the Company.

The O'Kiep Project comprises 33.8Mt of sulphide copper tailings material on surface across two tailings dams. Xtract has a seven month option period with effect from 27 March 2015 to conclude drill work and metallurgical test work to evaluate the economic potential of the tailings material.

Commenting, Jan Nelson, CEO said: "We are delighted to have improved the terms on the O'Kiep Project as we see it as an exciting opportunity for Xtract due to its low entry and evaluation cost. Assuming the evaluation is successful, this

project has the potential to transform the Company from a small junior to a mid-tier, low cost copper producer. We have also repaid the outstanding balance of the Loan Agreement with YAGM and terminated the equity swap."

YAGM SEDA Draw Down and Termination of Equity Swap

Xtract has drawn down £466k from its existing SEDA with YAGM and has primarily deployed these funds to repay in full the outstanding balance of the Loan Agreement. In accordance with the terms of the SEDA, which was extended on 18 November 2014 to 30 November 2016, the Company has issued YAGM with 149,253,731 new Ordinary Shares at a price of 0.312p each.

Following these transactions the Company has no debt outstanding pursuant to the Loan Agreement, which remains in place with US\$3.95m available for draw down.

In addition the Company has now terminated the Equity Swap Agreement entered into with YAGM on the 12 December 2013.

New Ordinary Shares

Application will be made for the new Ordinary Shares to be admitted to trading on AIM ("Admission"), with Admission expected to occur on 27 May 2015. On Admission the New Ordinary Shares will rank pari passu with the Company's existing issued Ordinary Shares.

Following Admission, the Company will have 6,416,273,146 ordinary shares in issue with voting rights. Xtract does not currently hold any shares in treasury. Accordingly, this figure of 6,416,273,146 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.

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

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