



[Xtract Resources plc](#) - XTR

Option Extensions

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("Xtract" or "the Company")

Chepica Earn-in Option Payments Deferred to March 2016

And Option Period on Copper Projects Extended

Xtract Resources Plc (AIM:XTR) announces that it has deferred payments on the Chepica Earn-in Option until March 2016 and extended the option period on the Slime Dumps Agreement from 31 October 2015 to 29 February 2016 with the O'Kiep Copper Company (Pty) Ltd ("OCC") .

Chepica Earn-in Option

At the Chepica gold and copper mine in Chile (the "Chepica Mine"), in order to provide the Company with additional flexibility it has re-negotiated the terms of the Earn-in option and all payments due in 2015 have been deferred until 2016. Under the terms of current agreement, payments of US\$350,000 were due in October and December 2015, continuing quarterly into 2016, with a final payment of US\$1.1 million on 1 January 2017, totalling US\$3.85 million.

Under the revised terms, payments will recommence in March 2016 when the Company will pay US\$385,000, followed by a further nine monthly installments of US\$385,000, totalling US\$3.85 million. The last payment will be made in December 2016, following which Xtract will then own a 100% interest in the Chepica Mine.

O'Kiep and Caroulsberg Copper Projects

Under the terms of the original agreement Xtract had until 28 October 2015 to complete its technical assessment and feasibility report. In the event that Xtract elect to progress with the projects, a payment of ZAR 12 million (approximately £560,000) would have been due to OCC ('First Payment Tranche') and a further ZAR 4 million (approximately £185,000) 180 days after the First Payment Tranche ('Second Payment Tranche') and a final payment of ZAR 4 million (approximately £185,000) 180 days after the Second Payment Tranche ("Final Payment").

Under the revised terms the Company has agreed to make a further payment of ZAR 1.5 million (approximately £70,000) to OCC in order to obtain a four month extension on the exclusivity period, until 29 February 2016, in order to complete further technical assessment. Upon completion of the technical assessment, in the event that Xtract elects to progress with the projects, the First Payment Tranche will become payable immediately, with the Second Payment Tranche and Final Payment falling due 180 and 360 days, respectively, after the First Payment Tranche.

Xtract has received copper assay results from the drilling campaign on the O'Kiep and Carolusberg projects and is currently awaiting the recovery and mineralogical test work which will enable the Company to conclude if it will move ahead with the project and complete a bankable feasibility study. The extension provides Xtract with the additional time needed to enable the Company to evaluate all of the results in order to make the best strategic decision on these assets.

Chepica Unaffected by Earthquakes

The Company can confirm that earthquakes of the magnitude of 6.8 and 6.9 were recorded in Chile on Saturday 7 November 2015 and Wednesday 11 November 2015 respectively. No damage was sustained at the Chepica Mine and operations were unaffected. All development and other work, as detailed in the Company's Chepica Q3 Operational Update issued on 20 October 2015, remains on track.

Commenting on the new terms, Jan Nelson, CEO, said: "We are pleased to have deferred our payments on Chepica and appreciate the flexibility we have been given on the Option payments. At O'Kiep and Carolusberg, the extension of the Option period will enable our team to fully evaluate the dumps and make an informed assessment as to whether to proceed or not. Building Xtract's portfolio of projects is an essential part of our strategy and we need to ensure we make the right decision in order to deliver growth for shareholders."

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