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Ore zone defined at Salvadori prospect in Chile

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

Significant concentration of Gold defined in the Salvadori prospect at Chepica Mine

Xtract Resources Plc (AIM:XTR) has defined a significant concentration of gold on the intersection of two major geological structures at the Salvadori prospect at the Chepica Gold and Copper Mine ('Chepica') in Chile. The discovery is the result of the exploration work targeting prospects outside the current mining area at Chepica. Production from this new target will be realised imminently as the Company intends to commence mining operations on this target.

The main characteristics of the ore zone are:

- It outcrops on surface and is open to depth
- From surface to a depth of 25m the zone represents 5,000t at 5.5g/t *in situ* according to internal estimates
- The ore zone has been exposed by underground development on level 2 (25m below surface) and has an average grade of 17g/t of gold along 17m of drive intersection
- Approximately 1,000oz of gold is available to be produced, within two weeks of mining being commenced, in the upper 25m, according to internal estimates
- The area represents an *in situ* metal value of US\$1m at an assumed price of US\$1,200/oz

In order for the geological team to define the ore zone to depth, a drill rig has been purchased and will be shipped to the mine, where it will also be used to define additional ore zones and increase the resource on the mine.

Jan Nelson, CEO of Xtract, said: "We are delighted with the results of our exploration work in an area where we are able to commence mining within two weeks.

"Credit must go to our COO, Eduard Victor who has spent the last two months, on a permanent basis, at the mine with the team to target new areas for mining. Eduard has engaged a mining contractor to start planning the extraction of the ore zone from surface to level 2 and ore from this area will be delivered to the mill and will contribute to our production in May. As the ore zone is open to depth we plan to initiate a drilling programme to define the mineralization to depth. The discovery of this zone and the fact that we can start to mine this zone imminently will benefit the revenue and profitability for the month."

Enquiries:

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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

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