

Xtract Resources Plc

("Xtract" or the "Company")

Bushranger Copper/ Gold Project Progress Update

The Board of Xtract Resources Plc ("**Xtract**" or the "**Company**") is pleased to provide an update on progress at the Bushranger copper-gold exploration project located in the Lachlan Fold Belt ("LFB"), New South Wales, Australia's world-class copper-gold province. As announced on 1 June 2020, the Company concluded a conditional Sale and Purchase Agreement (the "**Acquisition Agreement**") to acquire the entire issued share capital of ProspectOre Ltd ("**ProspectOre**") for a total consideration of £1.25 million, to be satisfied in new Xtract ordinary shares.

Highlights

- Due diligence by Xtract to verify legal and beneficial ownership of the tenements satisfactorily completed
- All ProspectOre shareholders have agreed to exchange their holdings in ProspectOre for Xtract shares, subject to Australian regulatory approval
- Initial planning for drilling program completed and permitting process under way
- On completion, Xtract plans to drill up to nine holes, in two phases, at the Racecourse deposit to extend the thickest and highest grade copper-gold mineralisation within the Racecourse deposit to the northwest, beyond previous drilling limits
- Particular interest will focus on zones of secondary gold enhancement - where up to 6m @ 2.5g/t Au and 1m @ 11.1g/t Au was encountered by previous drilling within the wide copper-gold mineralised intervals
- On drilling completion, Xtract plans to re-estimate the Racecourse mineral resource under JORC (2012)
- As previously reported the Racecourse mineral resource, on the Bushranger Project, was estimated in 2018 as 71Mt @ 0.44% Cu and 0.064g/t Au, at a 0.3% Cu cut-off, and has been classified as Inferred in accordance with JORC (2012)

Colin Bird, Executive Chairman said: "I am pleased to report that the due diligence and other administrative matters are progressing satisfactorily with licence and shareholder requirements being met. The technical due diligence has been completed indicating much potential for the future and we are particularly impressed with the long intersections of the last holes drilled and the high gold grades encountered alongside good copper values. Following completion, our intention is to drill further holes which will be deeper, testing both strike and depth extents of the Racecourse Copper-Gold deposit. Racecourse already has a significant resource of copper, and with the gold values increasing with depth, we are hopeful that the copper and metal resource can be grown significantly. We are very pleased with the Racecourse project and the other high potential porphyries and systems to test within the ProspectOre portfolio."

Background

On 1 June 2020, the Company announced that it had concluded a conditional Sale and Purchase Agreement (the "**Acquisition Agreement**") to acquire the entire issued share capital of ProspectOre Ltd ("**ProspectOre**") for a total consideration of £1.25 million, to be satisfied in new Xtract ordinary shares ("**Acquisition**"). As previously reported, completion of the Acquisition is subject to, and conditional upon, the satisfaction or waiver of a number of conditions precedent, as described further below:

i) Due diligence to verify legal and beneficial ownership of the tenements

The Company has satisfactorily completed its due diligence to verify ProspectOre's legal and beneficial ownership of the Tenements as well as the legal right to acquire the Anglo American Exploration Tenements.

ii) Approval of the Acquisition Agreement by ProspectOre Shareholders

Under the terms of the acquisition agreement, the shareholders of ProspectOre were required to sign share transfer certificates, agreeing to exchange their shares in ProspectOre for shares in Xtract. All seventeen shareholders of ProspectOre have now signed their share transfer certificates and those certificates have been provided to the Company, to be held in escrow until the overall transaction has been approved by the Australian government's Foreign Investment Review Board ("**FIRB**").

iii) FIRB Approval of the acquisition of ProspectOre

The Company has submitted an application to FIRB for approval of the acquisition of ProspectOre Limited, as is currently required under Australian law. The application to FIRB is currently being assessed and following approval, the transaction can then complete.

Planning for Initial Drilling Program on the Bushranger Project

Planning has been undertaken for an extension drilling program at the Racecourse Copper-Gold deposit on the Bushranger Project, to commence as soon as possible following completion of the Acquisition. The Xtract drilling program has been designed to follow up on the results obtained by Anglo American Exploration Australia Pty Ltd ("**Anglo**") in 2014 and 2015 (see RNS released on 1 June 2020). The objective will be to continue to extend the highest-grade copper-gold intersections to the north-west, beyond the limits of previous drilling, and to investigate the copper-gold zonation within the Racecourse deposit. Nine holes for 6,285m have been planned. The drilling will consist of two phases, with the initial phase comprising three Priority 1 drill holes for 2,290m. Providing encouraging results are received from the Priority 1 drill holes, a further six Priority 2 holes will be drilled for an additional 3,995m. On completion of drilling the Phase 1 and Phase 2 drill holes, it is anticipated that the Racecourse mineral resource will be re-estimated under JORC (2012).

Approval to undertake the drilling program is required from the Forestry Corporation of New South Wales, given the drilling will occur within the Vulcan State Forest. An application for a permit to undertake the drilling program has been submitted. Upon receipt of the permit, a subsequent application to the New South Wales Department of Resources and Geoscience will be made. It is anticipated that the required approvals will be received to allow the drilling of the planned Priority 1 drill holes to commence in October 2020.

Further information is available from the Company's website which details the company's project portfolio as well as a copy of this announcement: www.xtractresources.com

This announcement contains inside information for the purposes of Article 7 of EU Regulation No. 596/2014 on market abuse. The person who arranged for the release of this announcement on behalf of the Company was Colin Bird, Director.

Enquiries:

Xtract Resources Plc	Colin Bird, Executive Chairman	+44 (0)20 3416 6471 www.xtractresources.com
Beaumont Cornish Limited	Roland Cornish	+44 (0)207628 3369
Nominated Adviser and Joint Broker	Michael Cornish Felicity Geidt	www.beaumontcornish.co.uk
Novum Securities Limited	Colin Rowbury	+44 (0)207 399 9427
<i>Joint Broker</i>		www.novumsecurities.com

Qualified Person:

Information in this announcement relating to the exploration works has been reviewed by Edward (Ed) Slowey, BSc, PGeo, a consultant to Xtract. Mr Slowey is a graduate geologist with more than 40 years' relevant experience in mineral exploration and mining, a founder member of the Institute of Geologists of Ireland and is a Qualified Person under the AIM rules. Mr Slowey has reviewed and approved the geological content of this announcement.

Qualified Person:

In accordance with AIM Note for Mining and Oil & Gas Companies, June 2009 ("Guidance Note"), Colin Bird, CC.ENG, FIMMM, South African and UK Certified Mine Manager and Director of Xtract Resources

plc, with more than 40 years' experience mainly in hard rock mining, is the qualified person as defined in the Guidance Note of the London Stock Exchange, who has reviewed the technical information contained in this press release.

TECHNICAL GLOSSARY

The following is a summary of technical terms:

"Au"	Gold
"Cu"	Copper
"Inferred Mineral Resource"	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
"JORC Code"	Australasian Institute of Mining and Metallurgy Joint Ore Reserves Committee code on mineral resources and ore reserves
"mineralisation"	Process of formation and concentration of elements and their chemical compounds within a mass or body of rock
"porphyry"	A deposit of disseminated copper minerals in or around a large body of intrusive rock

ENDS

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END