

**RNS Number : 3817D  
Xtract Resources plc  
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**Xtract Resources Plc**

**("Xtract" or the "Company")**

## **Completion of acquisition of Bushranger Project**

The Board of Xtract Resources Plc ("Xtract" or the "Company") is pleased announce that it has now received all necessary approvals and has satisfied all conditions precedent for the acquisition of 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 Bushranger copper-gold project through the purchase of entire issued share capital of ProspectOre Pty Ltd ("ProspectOre") for a total consideration of £1.25 million, to be satisfied in new Xtract ordinary shares.

### **Highlights**

- Xtract has received Australian government's Foreign Investment Review Board ("FIRB") approval for the acquisition of ProspectOre Limited
- Resource Operations Department of Regional New South Wales ("NSW") has approved the change in control of Exploration Licence 5574, the licence which holds the Racecourse Mineral Resource, which 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)
- Upon completion of the acquisition of ProspectOre, 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
- Phase One drilling will follow up intersections such as 159m @ 0.4% Cu and 0.2g/t Au in drill hole BRD001 and 169m @ 0.4% Cu and 0.1g/t Au in drill hole BRD009 (as previously announced these drill results have not yet been independently tested or verified by Xtract)
- An access permit has been received from Forestry Corporation New South Wales, facilitating the drilling of the three Phase One drill holes planned for 2,290m
- Final approval for the Phase One drilling programme is now being sought from the New South Wales Department of Resources and Geoscience and it is anticipated that drilling will commence in the period from early December 2020 to early January 2021
- On drilling completion, Xtract plans to re-estimate the Racecourse mineral resource under JORC (2012)

Colin Bird, Executive Chairman said: "I am pleased we have now completed all the necessary steps in order to complete the acquisition agreement. The Lachlan Fold Belt is undergoing an exciting renaissance with several companies reporting new discoveries or extensions to already known mineral deposits. We have a number of opportunities for the Racecourse Copper-Gold deposit, being the most immediate in our planning for resource addition and testing of the ratios of copper and gold at depth. The porphyry is open ended in all directions and as such represents the potential for significant additional resource tonnage. Within the acquisition exist a further porphyry and also some epithermal gold potential which we intend to carry out reconnaissance work either concurrent with or post the initial drilling programme. We will keep

shareholders informed of progress as we commence exploration on these new gold and copper targets for the Company."

## **Acquisition completion**

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 was subject to, and conditional upon, the satisfaction or waiver of a number of conditions precedent.

On 13 August 2020, the Company announced that it had satisfactorily completed its due diligence to verify ProspectOre's legal and beneficial ownership of the Tenements as well as the legal right to acquire three additional exploration licences from Anglo American Exploration. The Company had also received approval of the Acquisition Agreement by all seventeen shareholders of ProspectOre.

The Company has now received approval for the acquisition of ProspectOre Limited from the FIRB as is currently required under Australian law for the transaction to complete and the necessary approval from the Resource Operations Department of Regional New South Wales for the change of control of Exploration Licence 5574, the licence which holds the Racecourse Mineral Resource.

Accordingly, all conditions precedent to completion of the Acquisition have been satisfied and Xtract has therefore today issued 100,000,000 new Ordinary Shares of 0.02p each ("Consideration Shares") at an issue price of 1.25p per Ordinary Share to the shareholders of ProspectOre. The Consideration Shares are subject to a partial lock-in as follows:

- (i) 25% of the Consideration Shares shall be freely tradeable on and from Completion;
- (ii) 50% of the Consideration Shares shall be freely tradeable on the date that is six (6) months on and from Completion; and
- (iii) all of the Consideration Shares shall be freely tradeable on and from the date that is twelve months on and from Completion.

Xtract has also paid The Tonehill Trust, an Australian-based entity, an introduction fee of 1,000,000 new ordinary shares ("Fee Shares") at an issue price of 1.25p per ordinary share (equivalent to a fee of £12,500).

## **Admission**

Application will be made for admission of the Consideration Shares and the Fee Shares, in aggregate amounting to 101,000,00 new Ordinary Shares, to trading on AIM ("Admission") on or around 2 November 2020. The New Shares will rank pari passu in all respects with the Company's existing issued ordinary shares.

## **Proposed Director appointment**

Under the Acquisition Agreement, Xtract agreed to appoint a person nominated by ProspectOre as a director of Xtract with effect from completion and the Board of Xtract is pleased to announce the proposed appointment of Mr Jeremy Read as a Non-executive Director (subject to satisfactory completion of any

regulatory procedures and approvals required by the AIM Rules). A further announcement will be made shortly.

Jeremy Read is a seasoned minerals resource industry executive, having worked on a broad range of precious and base metals projects in Australia, Africa, North America, India and Scandinavia. Mr Read has wide ranging experience from project generation, greenfields, brownfields and project development. He has extensive exploration experience for gold, copper and nickel sulphides. Mr Read spent 11 years working for BHP in Africa and Australia, including several years as the Manager of BHP's Australian Exploration Team. Mr Read played key roles at BHP in the discovery of the Kabanga North nickel deposit, in Tanzania, and the Cairn Hill magnetite-copper deposit in South Australia, and subsequently at Discovery Metals Limited, in the discovery of the Boseto Copper deposit in Botswana.

Since 2003, Mr Read has concentrated on developing junior mineral resource companies. He has been the Managing Director of a number of ASX-listed resource companies: Discovery Metals Limited, Meridian Minerals Limited, Avalon Minerals Limited, MinQuest Limited and Pursuit Minerals Limited. Mr Read is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM").

### **Phase One Drilling to Proceed on the Bushranger Project**

Planning has been completed for an extension drilling programme at the Racecourse Copper-Gold deposit on the Bushranger Project to commence as soon as possible. The Xtract drilling programme has been designed to follow up on the results obtained by Anglo American Exploration Australia Pty Ltd ("Anglo") in 2014 and 2015, including 159m @ 0.4% Cu and 0.2g/t Au in drill hole BRD001 and 169m @ 0.4% Cu and 0.1g/t Au in drill hole BRD009 as previously announced on 1 June 2020 (Source: ProspectOre Pty Ltd - these drill results have not been independently tested or verified by Xtract). 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 Phase One 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. Upon 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 programme was required to be obtained from the Forestry Corporation of New South Wales, given the drilling will occur within the Vulcan State Forest and this permit has recently been obtained. Following receipt of the forestry permit, a subsequent application to proceed with the drilling programme has been made to the New South Wales Department of Resources and Geoscience. The Board anticipates that the final approval for the drilling programme will be received to allow the drilling of the planned Priority 1 drill holes to commence in the period early December 2020 until early January 2021.

### **Total Voting Rights**

On Admission of the New Shares, the Company will have 620,465,144 Ordinary Shares in issue with voting rights. Xtract does not currently hold any shares in treasury. Accordingly, this figure of 620,465,144 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 Guidance and Transparency Rules.

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](http://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:**

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### **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

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