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Xtract Resources plc
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Xtract Resources Plc

("Xtract" or the "Company")

Eureka Copper Project - Phase 2 drilling update

The Board of Xtract Resources Plc ("Xtract" or the "Company") is pleased to provide an update on the Phase 2 drilling programme at the Eureka copper-gold deposit on small scale mining licence number 22134-HQ-SML ("Eureka Licence") located in the Central part of The Republic of Zambia ("Eureka Project").

Highlights

- Phase 2 drilling programme confirms strike extension of the Eureka mineralised zone to the north-west - now at 300m and still open
- Three holes assayed so far from the pit development reconnaissance programme return the best copper grades to date beneath the current open pit, averaging 4.42% Cu over 27.0m (circa 18m true width) in angled hole EX-022, including two 9m sub-intervals >6% Cu and 1m >20% Cu
- In the north-west extension, angled hole EX-019 assayed 0.83% Cu over 18.0m (circa 12m true width), including 1.36% Cu over 8.0m
- The near-vertical mineral zone occurs directly beneath approximately 9m of overburden/saprolite, suggesting just shallow pre-stripping will be required
- The deposit remains open and untested along strike to the north-west, with additional drilling being planned to define further extension
- The objective of the Eureka drilling programme is to define a copper resource to sustain a 250,000 tonnes per annum open pit mining operation for at least 3 years
- Excavations are under way to develop a box cut to obtain commercial material for dispatch to the market
- The very high grades encountered in hole EX-022 require further investigation at depth to test a possible iron oxide copper gold (IOCG) source model

Colin Bird, Executive Chairman said: "This drill programme has been successful in increasing the strike of the deposit and the potential for pit extension to over 300m. From drilling it would appear that the previously postulated bifurcation of the deposit towards the north-west does not exist and that a single continuous deposit is present. We are also pleased with the extent of the copper oxides which have the potential to produce much sought-after material for the local market.

The very high results in EX-022 give encouragement to test that area at depth, as the mineralisation could be indicative of an IOCG 'blow'. We plan to remobilise the drill rig to further test deposit extensions while planning a larger pit than had previously been envisaged."

Phase 2 Diamond Drilling Programme

The Phase 2 diamond drilling programme was designed to both test the deposit strike extension and to provide additional information on deposit width and grade to support open pit mine planning.

15 shallow holes, designated EX-08 to EX-022, totalling 1,089m were drilled, mostly angled to cross the near-vertical mineralised zone. Based on visual core inspection and initial hand-held XRF analytical results, 13 of the holes appear to have intersected mineralisation of interest. Core from three of these was cut by diamond saw and half core was dispatched for assay to the ISO-accredited SGS analytical laboratory in Kalulushi, Zambia. These holes were selected as a priority to provide information on the grade, width and continuity of the mineral zone in the area of the planned box cut beneath the shallow historic open pit (EX-022) and to confirm the extension of the deposit to the north-west (EX-018 & EX-019). Remaining core is currently being logged and further mineralised intervals will be sampled for assay.

Assay intervals for the three holes sampled to date are tabulated below (true width in angled holes is approximately two thirds of the downhole width):

Eureka Project, Zambia - Assay Intervals DDH's EX-018, EX-019 & EX-022

Hole No.	Angle	Depth From (m)	Depth To (m)	Interval (m)	Cu%
EX-018	-90	9.0	31.0	22.0	0.87
incl.		9.0	15.0	6.0	1.56
EX-019	-50	15.0	33.0	18.0	0.83
incl.		15.0	23.0	8.0	1.36
EX-022	-50	50.0	77.0	27.0	4.42
incl.		50.0	59.0	9.0	6.50
and		55.0	56.0	1.0	>20.0
and		65.0	74.0	9.0	6.33

The results of EX-022 confirm high copper grades in a partially oxidised supergene zone at shallow levels beneath the old open pit. Mineralisation comprises chalcopyrite, chalcocite and malachite as coarse replacements and veins within sedimentary rocks along a north-west oriented structural trend.

Drilling to the north-west confirms the extension of the deposit to over 300m and the Company plans to undertake further step-out drilling to continue to trace the deposit in this direction.

Eureka Project background

A shallow open pit mine was developed at Eureka by a local operator in 2008 within a strong, 3km long copper-gold soil anomaly, when about 1,000 tonnes of ore at 3% Cu was reportedly recovered. However, it is evident that the open pit was not sufficiently deep to develop the core of the deposit. Phase 1 drilling by Xtract was carried out in 2020 to confirm and extend the deposit as originally defined by limited historic drilling. Intercepts up to 32m @ 1.58% Cu, including 19.0m @ 2.08% Cu (Hole EX-01) were cored in this drill programme. Following this work, the deposit remained open to the north-west and down-plunge.

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

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").

The person who arranged for the release of this announcement on behalf of the Company was Colin Bird, Director.

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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:

"chalcocite"	A copper sulphide mineral, Cu_2S , found in zones of secondary enrichment of copper ores
"chalcopyrite"	A copper-iron sulphide mineral, CuFeS_2 , often found in copper ores
"Cu"	Copper
"IOCG (iron oxide copper-gold) deposits"	Mineral deposits that typically occur at the margins of large igneous bodies which intrude into sedimentary strata, often forming pipe-like, mantle-like or extensive breccia-vein sheets within the host stratigraphy
"malachite"	A green copper carbonate mineral ($\text{Cu}_2(\text{OH})_2\text{CO}_3$) which forms by alteration of copper sulphide minerals
"mineralisation"	Process of formation and concentration of elements and their chemical compounds within a mass or body of rock
"overburden"	Material such as soils and gravels deposited over bedrock, typically deposited by rivers or ice sheets
"oxidised"	Near surface decomposition by exposure to the atmosphere and ground water
"saprolite"	The intensely weathered and leached near-surface zone of bedrock developed in tropical to arid climates
"soil anomaly"	A concentration of one or more elements in soil that is markedly higher than background
"supergene"	Descriptive of a mineral deposit, weathering or alteration formed by descending solutions
"XRF analyser"	Instrument to determine the chemistry of a sample by measuring the fluorescent (or secondary) X-ray emitted from a sample when it is excited by a primary X-ray source

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