

RNS Number : 6325L

**Xtract Resources plc
14 September 2021**

Xtract Resources Plc

("Xtract" or the "Company")

Eureka Copper Project - Phase 2 further 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

- Further assaying from the Phase 2 drilling programme at Eureka confirms continuity of the copper deposit over approximately 300m strike extent - open to the west-northwest
- Adjusted assay intervals in angled hole EX-022 average 4.82% Cu over 27.0m (circa 18m true width), including two 9m sub-intervals assaying 7.71% and 6.33% Cu
- Other intervals of note include 17m @ 1.90% Cu in hole EX-010 at the south-eastern end of the deposit and 23m @ 1.43% Cu in vertical hole EX-020 north-west of the old open pit
- Samples from the final holes of the Phase 2 programme, along with sample extensions in some of the earlier holes are currently with the laboratory for assay
- The near-vertical mineral zone occurs directly beneath approximately 9m of overburden/saprolite at the open pit, suggesting just shallow pre-stripping will be required
- The deposit remains open and untested further to the west-northwest, with additional drilling being planned
- The Company is currently accessing the deposit in the pit to obtain bulk samples for amenability testing in nearby processing facilities

Colin Bird, Executive Chairman said: "Results to date from the drilling programme have been successful in extending the deposit strike to about 300m, with potential for expansion of the planned open pit. We are pleased to note that the deposit appears to occur as a single zone and that the previously postulated deposit split appears not to be the case. This represents a much better outcome for mine planning purposes. We look forward to receiving and reporting on the final batch of assay results shortly."

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.

21 shallow holes were drilled, designated EX-08 to EX-028 and totalling 1,584.6m, mostly angled to the northeast to cross the near-vertical mineralised zone. Based on visual core inspection and initial hand-held XRF analytical results, up to 17 of the holes appear to have intersected mineralisation of interest. Assays of half core have been received for all or part of 11 of these holes from the ISO-accredited SGS analytical laboratory in Kalulushi, Zambia. Samples from the remaining holes are currently with the laboratory. Cu assay results for EX-018 and EX-019 were reported previously, while those for EX-022 have been updated following receipt of additional assays.

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

Eureka Drilling Assay Summary Update Sept 2021

Hole No.	Hole angle (degrees)	Depth from (m)	Depth to (m)	Width (m)	Cu%
EX-009	-60	62.0	67.0	5.0	0.44
and		69.0	71.0	2.0	0.52
and		74.0	77.0	3.0	1.52
EX-010	-45	55.0	72.0	17.0	1.90
EX-012	-50	18.0	23.0	5.0	0.68
and		29.0	32.0	3.0	0.65
EX-013	-50	63.0	66.0	3.0	1.41
EX-015	-50	11.0	13.0	2.0	1.11
and		16.0	26.0	10.0	0.60
EX-016	-50	4.0	21.0	17.0	0.77
EX-018*	Vertical	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-020	Vertical	27.0	50.0	23.0	1.43
EX-022*	-50	50.0	77.0	27.0	4.82
incl.		50.0	59.0	9.0	7.71
and		65.0	74.0	9.0	6.33

*EX-018 & 019 reported previously (included for completeness); EX-022 results updated

The angled holes were drilled to track the deposit along strike and to depth, as well as providing critical assay interval data. Vertical holes were drilled to provide information on depth to the top of the mineralisation (stripping requirement) as well as grade information for mine planning purposes.

The results confirm continuity of the mineralised zone over about 300m of strike, with exceptionally high copper grades in a partially oxidised supergene zone at shallow levels beneath the old open pit (EX-022).

Drilling to the northwest suggests that the deposit strike appears to swing towards west-northwest. It is planned to undertake further drilling to track this extension.

Eureka drill plan and deposit outline

http://www.rns-pdf.londonstockexchange.com/rns/6325L_1-2021-9-13.pdf

Eureka EX-022 drill cross-section

http://www.rns-pdf.londonstockexchange.com/rns/6325L_2-2021-9-13.pdf

Eureka Project background

Mineralisation at Eureka comprises chalcopyrite, chalcocite and malachite as coarse replacements and veins within sedimentary rocks along a north-west oriented structural trend. 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. The Phase 2 drilling programme was planned to provide infill grade information and extend the strike of the deposit.

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
"malachite"	A green copper carbonate mineral ($Cu_2(OH)_2CO_3$) 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

ENDS

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