RNS Number : 7490Y

Xtract Resources plc
17 May 2021

Xtract Resources Plc

("Xtract" or the "Company")

Initial Results from Induced Polarisation (IP) Survey at the Racecourse Prospect

The Board of Xtract Resources Plc ("Xtract" or the "Company") is pleased to advise that an Induced Polarisation (IP) geophysical survey has identified potential extensions to the Racecourse Mineral Resource on the Bushranger copper-gold exploration project, located in the Lachlan Fold Belt ("LFB") of New South Wales, Australia.

Highlights

· The disseminated copper-gold mineralisation comprising the Racecourse Mineral Resource is associated with a strong IP chargeability response on the southwestern side of the central porphyry intrusion, which is evident on all survey lines, along 2.5km of strike length

· The survey indicates that the Racecourse Mineral Resource has the potential to extend in several directions, including at least 800m to the northwest beyond the limit of the currently defined Mineral Resource

· The deposit also appears to be open to the southeast and mineralisation previously detected by very limited drilling on the northeast side of the central porphyry body could be more extensive than currently known

· The survey results will be fully processed and are expected to generate several drill targets for potential resource extensions and testing of possible new mineral zones as part of the planned Phase 2 drilling programme

· An independent firm is being engaged to undertake technical and financial modelling for an initial open pit mine, examining several pit layout scenarios and economic parameters

Colin Bird, Executive Chairman said: "The geophysical survey results are very encouraging, indicating an opportunity for further shallow mineralisation to the north-east of the main porphyry. Should this be confirmed by drilling, it could significantly increase the open pit potential in this area. The deposit also appears to be open down-plunge to the south-east and to the north-west, further increasing the deposit size potential.

Overall, the geophysical survey has been very informative and supports management's belief in the scope for a significant increase in tonnage at Racecourse. The Phase 1 drilling programme was based on historical drilling information and projections with limited additional technical support, however the new information from the geophysical survey now gives us specific targets and extensions to follow in the Phase 2 drilling programme.

In addition, we have appointed an independent consulting firm to model various open pit development scenarios in the upper part of the porphyry system, using a range of grade cut-offs and copper price parameters."

Racecourse Prospect IP Survey Location

http://www.rns-pdf.londonstockexchange.com/rns/7490Y_1-2021-5-14.pdf

Racecourse Prospect IP Stacked Sections

http://www.rns-pdf.londonstockexchange.com/rns/7490Y_2-2021-5-14.pdf

IP Survey at the Racecourse Prospect - Bushranger Project

The objective of the geophysical survey was to characterise the IP response of the Racecourse Mineral Resource and then use the IP data to look for potential extensions to the Resource.

The Racecourse Prospect hosts a copper-gold porphyry style deposit which is currently estimated at 71Mt @ 0.44% Cu & 0.064g/t Au, at a 0.3% cut-off and classified as Inferred in accordance with JORC (2012). The Mineral Resource trends in a north-west direction along a drill-confirmed strike length of 1.7km and remains open in several directions. Disseminated copper-gold mineralisation related to porphyry intrusions has historically responded well to Induced Polarisation (IP) surveys and thus an IP survey was completed at Racecourse with the objective of mapping potential extensions to the existing Mineral Resource. The IP survey covered 2.5km of strike length at the Racecourse deposit, commencing on 31 March 2021 and finishing on 2 May 2021.

The central porphyry intrusion and the associated Racecourse Mineral Resource are evident in the IP data as resistivity and chargeability anomalies respectively on all survey lines, along 2.5km of strike, suggesting that the porphyry and copper-gold mineralisation may extend at least 800m to the north-west of the currently defined resource limit. The central porphyry also appears to extend to the south-east, suggesting potential to also extend the Mineral Resource in that direction.

In addition, the IP data also exhibits a chargeability anomaly, with characteristics similar to that associated with the copper-gold mineralisation of the Racecourse Mineral Resource, on the north-eastern side of the central porphyry intrusion. This location is very poorly drilled, but several holes which drilled through the central porphyry from the south-west to the north-east, did intersect copper-gold mineralisation at depth. This suggests that a significant body of copper-gold mineralisation could also occur on the north-eastern side of the central porphyry intrusion, opening up the overall tonnage potential of the Racecourse prospect. Consequently, this region is now a priority drilling target.

The IP survey has generated several quality drill targets. More detailed modelling and interpretation of the IP data will now be undertaken. Xtract's objective is to complete this modelling speedily in order to allow drill holes to be defined for the Phase 2 drill programme to be undertaken at Racecourse. Subject to government approvals it is planned to commence the Phase 2 drill programme early in the 3rd Quarter of 2021 with the objective of drilling out an Inferred Mineral Resource in excess of 2 million tonnes of contained copper equivalent.

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").

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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:

"alteration zone"	a zone exhibiting change in mineralogical composition of a rock commonly brought about by reactions with hydrothermal solutions
"Au"	Gold
"Cu"	Copper
"exploration"	method by which ore deposits are evaluated
"Induced Polarisation" or "IP"	Induced Polarisation (IP) surveys measure the electrical properties (resistivity and chargeability) of sub-surface rocks. measurements are made by introducing a controlled electrical current into the ground using two current electrodes, thus energizing the ground, and then measuring the induced potential-field gradient voltage at (between) two non-polarizable receiver electrodes. The distance between the pair of current electrodes and the pair of potential-field electrodes determines the depth of investigation (the measured data). Resistivity and chargeability measurements are routinely used in exploration for porphyry copper deposits.
"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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