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Xtract Resources plc  
23 November 2022**

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

### **Racecourse Prospect Updated Mineral Resource Estimate**

The Board of Xtract Resources Plc ("Xtract" or the "Company") is pleased to announce an updated Mineral Resource Estimate for the Racecourse Prospect, on the Bushranger Copper-Gold Project in central New South Wales, Australia. Utilising all the data from the recently completed Phase 2 diamond drilling programme, independent consultants, Measured Group Pty Limited ("Measured Group"), have prepared an updated Mineral Resource Estimate for the Racecourse deposit.

#### **Highlights**

- Following the completion of a substantial drilling programme by Xtract, independent consultants, Measured Group, updated the historic Inferred Mineral Resource Estimate for the Racecourse Prospect, which is now reported as 512Mt @ 0.22% CuEq\*, at a cut-off of 0.1% CuEq, containing 1.1Mt of copper equivalent metal and classified as Indicated and Inferred in accordance with JORC (2012)
- The Racecourse Mineral Resource contains 50Mt @ 0.25% CuEq which has been classified as Indicated in accordance with JORC (2012)
- A higher-grade core of the Racecourse mineralisation extends from near surface to relatively shallow depths and contains 191Mt @ 0.33% CuEq, reported at a cut-off of 0.2% CuEq
- The majority of the updated 512Mt Racecourse Mineral Resource is expected to occur within depths amenable to open pit mining methods, given an open pit mining study completed by independent consultants Optimal Mining in July 2021 concluded that the Racecourse copper-gold mineralisation could potentially be economically extracted via open pit mining to a depth of 600m (see RNS dated 26 July 2021)
- The Measured Group report also concluded that, as the mineralisation increases in grade and width down plunge, the area north and down plunge of the currently defined mineralisation is a clear exploration target and represents an opportunity to significantly increase tonnage
- Xtract is now proceeding with defining a maiden Mineral Resource Estimate for the Ascot Prospect, located to the south of the Racecourse prospect, which is expected to add to the overall mineral inventory on the Bushranger Project
- Following completion of the Ascot Prospect Mineral Resource, the open pit mining study for the Bushranger Project will be updated to determine the economics of a 25Mtpa open pit mining operation, utilising the Mineral Resources at both the Racecourse and Ascot prospects

\*CuEq % = (Cu%) + (Au g/t \* 0.6577) + (Ag g/t \* 0.008769)

Cu Price = US\$8800/t, Au Price = US\$1800/Oz, Ag Price = US\$24/Oz

**Colin Bird, Executive Chairman said:** "With over a million tonnes of contained copper equivalent metal, the Racecourse Mineral Resource represents a substantial undeveloped copper-gold porphyry deposit within the Lachlan Fold Belt in central New South Wales and on a grade basis is equivalent to Alkane's recently announced Boda Mineral Resource. A positive for Racecourse is that the highest-grade part of the

deposit extends from the surface to relatively shallow depth. Also, we know from the open pit study completed in July 2021, that open pit mining could potentially be profitably undertaken to a depth of 600m. If an updated open pit mining study indicates similar depths are mineable, this means that the majority of the updated Racecourse Mineral Resource could potentially be mined and we can maximise the early cash flows by mining the higher grade 191Mt core to the deposit at rates up to 25Mtpa. Now that the updated Racecourse Mineral Resource estimate has been completed, we are working on the maiden Mineral Resource for the Ascot Prospect, which we expect will significantly increase the overall mineral inventory on the Bushranger Project. Once, the maiden Mineral Resource has been defined for Ascot, we will update the open pit mining study, which will detail the economics of a 25Mtpa mining operation, based upon extracting both the Racecourse and Ascot Mineral Resources. We expect that the open pit mining study will be completed early in 2023."

### **Racecourse Prospect Updated Mineral Resource Outline**

[http://www.rns-pdf.londonstockexchange.com/rns/2677H\\_1-2022-11-22.pdf](http://www.rns-pdf.londonstockexchange.com/rns/2677H_1-2022-11-22.pdf)

### **Representative Geological Cross Section Through the Racecourse Prospect (No. 1)**

[http://www.rns-pdf.londonstockexchange.com/rns/2677H\\_2-2022-11-22.pdf](http://www.rns-pdf.londonstockexchange.com/rns/2677H_2-2022-11-22.pdf)

### **Representative Geological Cross Section Through the Racecourse Prospect (No. 2)**

[http://www.rns-pdf.londonstockexchange.com/rns/2677H\\_3-2022-11-22.pdf](http://www.rns-pdf.londonstockexchange.com/rns/2677H_3-2022-11-22.pdf)

### **Representative Geological Long Section Through the Racecourse Prospect**

[http://www.rns-pdf.londonstockexchange.com/rns/2677H\\_4-2022-11-22.pdf](http://www.rns-pdf.londonstockexchange.com/rns/2677H_4-2022-11-22.pdf)

### **Racecourse Prospect Updated Mineral Resource Estimate**

From July 2021 until July 2022, Xtract completed a Phase 2 diamond drilling programme at the Racecourse and Ascot prospects on the Bushranger Project in central New South Wales, Australia. A total of 49 drill holes were completed for 32,695m of drilling. The objectives of the Phase 2 diamond drilling programme were as follows:

1. Extend to the northwest and southeast of the 2018 initial Racecourse Inferred Mineral Resource of 71Mt @ 0.44% Cu and 0.064g/t Au, at a 0.3% Cu cut-off (see RNS dated 27 October 2020)
2. Test a series of IP resistivity anomalies to determine if the resistivity anomalies relate to areas of increased intensity of copper mineralisation at the top of the Racecourse porphyry intrusion
3. Test the continuity of copper mineralisation on the eastern side of the Central Porphyry Intrusion at the Racecourse prospect
4. Determine the extent and grade of the newly discovered copper mineralisation at the Ascot Prospect

Following the completion of the Phase 2 drilling programme on the Bushranger Project, a new 3-dimensional geological model was defined for the Racecourse Prospect. Geochemical assay data from the historical drilling, Phase 1 and Phase 2 Xtract drilling programmes, along with the new Racecourse Prospect geological model, were used to prepare an updated Mineral Resource estimate for the Racecourse Prospect.

The updated Mineral Resource estimate, which has been prepared at different cut-off grades by independent consultants, Measured Group, based in Brisbane, Australia, is set out in Tables 1 and 2 below and is prepared in accordance with JORC (2012) and in compliance with Appendix 3 of the AIM Note for Mining and Oil & Gas Companies - June 2009.

Measured Group have reported a Mineral Resource estimate of 512Mt @ 0.22% CuEq, reported at a cut-off of 0.1% CuEq and classified as Indicated and Inferred in accordance with JORC (2012). Within the overall Racecourse Mineral Resource, 50Mt @ 0.25% CuEq has been classified as Indicated and 462Mt @ 0.21% CuEq is classified as Inferred in accordance with JORC (2012).

**Table 1 - Racecourse Prospect Mineral Resource Estimate**

Resource Classification	Mass (kt)	Average Values				Contained Metal			
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu (tonnes)	Au (t.oz)	Ag (t.oz)	CuEq (tonnes)
Indicated	50,150	0.22	0.04	0.87	0.25	108,700	59,600	1,397,500	124,500
Inferred	461,950	0.17	0.05	0.71	0.21	797,300	757,200	10,566,500	980,100
Total	512,100	0.18	0.05	0.73	0.22	906,000	816,800	11,964,000	1,104,600

Notes:

1. Xtract owns 100 per cent. of ProspectOre Ltd, the operator of the Bushranger Project and gross and net attributable resources are therefore the same.
2. Mineral Resources are reported in accordance with JORC guidelines. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. All figures are rounded to reflect appropriate levels of confidence.
4. Apparent differences in totals may occur due to rounding.
5. A cut-off grade of 0.1% CuEq has been used applying a copper price of US\$8,800/t, a gold price of US\$1,800/Oz and a silver price of US\$24/Oz
6. The Mineral Resource estimate is based on information reviewed by Measured Group, with an effective date of 31 October 2022.
7. CuEq Formula :  $CuEq \% = (Cu\%) + (Au\text{ g/t} * 0.6577) + (Ag\text{ g/t} * 0.008769)$

**Table 2 - Racecourse Grade vs Tonnage estimates using CuEq cut-offs**

CuEq** Cut Off (%)	CuEq** (%)				TonnageCuEq	
	Cu (%)	Au (g/t)	Ag (g/t)	CuEq** (%)	(Kt)	(Contained Tonnes)
0.00	0.16	0.05	0.66	0.20	592,300	1,164,921
0.05	0.16	0.05	0.66	0.20	582,910	1,161,456
0.10	0.18	0.05	0.72	0.22	512,091	1,104,631
0.15	0.21	0.06	0.89	0.26	335,837	881,798
0.20	0.27	0.08	1.15	0.33	191,010	632,217
0.25	0.31	0.09	1.34	0.38	143,735	508,475

## Notes:

1. Xtract owns 100 per cent. of ProspectOre Ltd, the operator of the Bushranger Project and gross and net attributable resources are therefore the same.
2. Mineral Resources are reported in accordance with JORC guidelines. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. The Mineral Resource estimate is based on information reviewed by Measured Group, with an effective date of 31 October 2022.
4. CuEq Formula:  $CuEq \% = (Cu\%) + (Au \text{ g/t} * 0.6577) + (Ag \text{ g/t} * 0.008769)$

A higher-grade core of the Racecourse mineralisation extends from surface to relatively shallow depth and contains 191Mt @ 0.33% CuEq, reported at a cut-off of 0.2% CuEq, which is equivalent to the cut-off used by Alkane Resources Limited for the maiden Mineral Resource for the Boda Prospect. This shallow higher-grade section of the Racecourse prospect is expected to positively impact the economics of an open pit mining operation, by allowing cash flows to be maximised in the first 8 years of a mining operation, assuming a mining rate of circa 25Mtpa. The majority of the updated 512Mt Racecourse Mineral Resource is expected to occur within depths amenable to open pit mining methods, given that an open pit mining study completed by independent consultants, Optimal Mining, in July 2021, concluded that the Racecourse copper-gold mineralisation could potentially be economically extracted via open pit mining to a depth of 600m (see RNS dated 26 July 2021).

The updated Racecourse Indicated and Inferred Mineral Resource compares to the previous April 2018 Inferred Mineral Resource of 71Mt @ 0.44% Cu and 0.064g/t Au at a cut-off grade of 0.3% Cu, which was based on a much smaller set of drill intercepts. The updated Mineral Resource uses a cut-off grade of 0.1% Cu, based on analysis of the Grade vs Tonnage curve, higher prevailing commodity prices, a large moderate grade deposit envelope based on the additional drilling by Xtract and the 2021 Optimal Mining report which suggested that mining to 0.15% Cu cut-off could produce a positive economic return - this report was prepared before the new drill data was available.

## Next Steps

Xtract is currently completing a geological model for the Ascot Prospect, located approximately 1.5km south of the Racecourse Prospect. Upon completion of the Ascot Prospect geological model, the Company will engage Measured Group to complete a Mineral Resource estimate for the copper-gold mineralisation at Ascot. This will be the first Mineral Resource defined for the Ascot Prospect, following the new discovery in December 2021 (see RNS dated 9 December 2021). The Company anticipates that the Ascot Mineral Resource estimate will be completed before the end of 2022.

In July 2021, Xtract contracted Optimal Mining to complete an open pit mining study which examined the economics of mining the Racecourse Mineral Resource based on the historic April 2018 Inferred Mineral Resource and the deposit outline as it was defined in July 2021 (see RNS dated 26 July 2021). Once the Ascot Prospect Mineral Resource Estimate has been defined, Xtract will again contract Optimal Mining and Measured Group to update the open pit mining study based upon the newly updated Racecourse Mineral Resource and to also utilise the maiden Mineral Resource for the Ascot Prospect. This open pit mining study will examine the economics of a 25Mtpa open pit mining operation. Xtract estimates that the update to the open pit mining study will be completed early in 2023.

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)

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, Executive Chairman and Director.

#### **Enquiries:**

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#### **Updated Mineral Resource Estimate - Qualified Person**

The information in this announcement that relates to the updated mineral resource estimate has been prepared by Mr Christopher Grove of Measured Group and who has acted as the Qualified Person. Mr Christopher Grove, who has reviewed and confirmed the statements related to the mineral resource estimate set out herein, is a Competent Person as defined by the JORC Code 2012 Edition, having at least five years of experience that is relevant to the style of mineralisation and type of deposit described in the mineral resources report, and to the activity for which he accepts responsibility. Mr Christopher Grove is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of Measured Group and has more than 25 years of experience in the estimation of mineral resources both in Australia and overseas. This expertise has been acquired principally through exploration and evaluation assignments at operating mines and exploration areas.

Mr Christopher Grove has reviewed the information in this announcement that relates to the mineral resource estimate and has confirmed that the information so presented in this announcement is balanced and complete and not inconsistent with Measured Group's audit and review of the mineral resource estimate.

#### **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.

### **Mineral Reserves and Resources**

The Company estimates and discloses mineral reserves and resources using the definitions adopted by JORC. Further details are available at [www.jorc.org](http://www.jorc.org). See the "Glossary of Geological and Mining Terms" for complete definitions of mineral reserves and mineral resources.

### **About Mineral Resources**

Mineral resources are not mineral reserves and do not have demonstrated economic viability but do have reasonable prospect for economic extraction. They fall into three categories: measured, indicated, and inferred. The reported mineral resources are stated inclusive of mineral reserves. Measured and indicated mineral resources are sufficiently well-defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the mineral resource. Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them. There is no certainty that mineral resources of any category will be upgraded to mineral reserves.

### **Important Information about Mineral Reserve and Resource Estimates**

Whilst the Company takes all reasonable care in the preparation and verification of the mineral reserve and resource figures, the figures are estimates based in part on forward-looking information. Estimates are based on management's knowledge, mining experience, analysis of drilling results, the quality of available data and management's best judgment. They are, however, imprecise by nature, may change over time, and include many variables and assumptions including geological interpretation, commodity prices and currency exchange rates, recovery rates, and operating and capital costs. There is no assurance that the indicated levels of metal will be produced, and the Company may have to re-estimate the mineral reserves based on actual production experience. Changes in the metal price, production costs or recovery rates could make it unprofitable to operate or develop a particular deposit for a period of time.

### **Forward Looking Statements**

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions

and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

## TECHNICAL GLOSSARY

The following is a summary of technical terms:

"Ag"	Silver
"Au"	Gold
"Cu"	Copper
"CuEq"	Copper equivalent grade, calculated using assumed metal prices for copper, gold and other metals
"Induced Polarisation (IP)"	A method of ground geophysical surveying which employs the passing of an electrical current into the ground to test for indications of conductive metallic sulphides
"Indicated Mineral Resource"	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. (JORC 2012)
"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 2012)
"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
"Mtpa"	Million tonnes per annum

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