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Xtract Resources plc  
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**Xtract Resources Plc**

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

## **Reconnaissance Drilling Results on Kalengwa Near-Mine Target**

Xtract (AIM: XTR), the copper-gold exploration and development company, is pleased to provide information on results of reconnaissance diamond drilling adjacent to the historic Kalengwa high-grade copper-silver open pit ("Kalengwa Project") located in the North-Western Province of The Republic of Zambia.

### **Highlights**

- Compilation of historic mine drilling data identified a shallow zone of semi-consolidated copper oxide mineralisation located just south of the old open pit.
- A reconnaissance diamond drilling programme of six short vertical holes was completed by Xtract.
- Based on preliminary testing by hand-held XRF, the most interesting hole, KXD-006, was initially selected for laboratory assay, returning results as follows:  
69.0m @ 0.88% Cu, 2.59g/t Ag from 9.0m depth, including sub-intervals of 12m @ 1.01% Cu and 17m @ 1.07% Cu.
- KXD-006 is located about 100m from the open pit and the intersection is approximately twice the thickness reported in historic holes.
- Core from the remaining holes is still being processed. The Company will review results from KXD-006, along with information from the remaining holes, to plan for further delineation of the mineralised zone.

Colin Bird, Executive Chairman said: "Our JV agreement for the Kalengwa pit area allows us to mine and process material 500m either side of the old open pit. The results from the hole completed and analysed are very encouraging - the material encountered may be free-digging, without the need to blast, thereby reducing extraction costs. Once fully processed, the results will be assessed with a view to establishing the extent of the mineralised zone and follow-up required to more fully delineate it."

## Summary of Kalengwa Target and Reconnaissance Drilling

The Company compiled historic exploration information for the Kalengwa Project area with a view to identifying priority targets for reconnaissance drill testing. This work highlighted a shallow, fault-controlled zone of copper oxide mineralisation of significant thickness sitting just below surface immediately south of the old open pit. This unmined spur of the main Kalengwa open pit ore zone extends for over 100m to the south-southwest of the open pit based on very limited historic drilling. Historic drill intercepts by previous licence holders include 38.1m @ 0.69% Cu and 29.0m @ 1.27% Cu. The shallow mineralisation and morphology of the deposit suggest that it could be amenable to low-cost open pit mining. Although known to the original mine operators in the 1970s, this zone would most likely have been considered below cut-off grade for their operations that were based on exceptionally high ore grades.

To test this zone, Xtract completed a limited programme of six shallow reconnaissance vertical diamond drillholes totalling 415m. The completed holes encountered a profile of deep bedrock oxidation, comprising a variety of clays and weathered bedrock. The holes were stepped out at 50m spacing on two traverses, oriented NE-SW (along strike) and NW-SE (across strike). As copper oxide mineralisation is often difficult to recognise in such core, a portable XRF instrument was used to provide preliminary information regarding the presence and grade of copper. XRF results indicated copper values over a wide interval in the final hole of the programme, KXD-006, located about 100m south of the Kalengwa pit margin, with disseminated chalcocite-malachite mineralisation identified in a conglomerate unit towards the base of the section.

Assay results for split core from KXD-006 were received from the SGS laboratory at Kalulushi in Zambia, confirming the initial XRF readings, returning consistent copper results over an interval of 69.0m as set out in Table 1. Full logging and testing of the remaining holes has yet to be completed.

**Table 1: Kalengwa Near-Mine Drilling - Laboratory Assay Results Summary**

Hole No.	From (m)	To (m)	Interval (m)	Cu%	Ag (g/t)
KXD-006	9.0	78.0	69.0	0.88	2.59
Incl.	21.0	33.0	12.0	1.01	0.83
and	60.0	77.0	17.0	1.07	5.44

The mineralised zone encountered is substantially thicker than indicated by historic drilling and the results from the reconnaissance drill programme will be reviewed to develop a plan to more fully delineate the zone.

## Kalengwa Project Background

The Kalengwa Project comprises the processing area, the tailings dumps and the flooded open pit (the "Flooded Pit") and the area 500 metres to the north of the Flooded Pit and 500 metres to the south of the Flooded Pit (the "Kalengwa Project"), details of which are set out in the announcement dated 15 July 2019.

The Kalengwa Project is located in the North-Western province of Zambia 800km northwest of Lusaka and 400km south-west of Kitwe. The licence holder, KPZ, has been awarded a large-scale exploration permit 24401-HQ-LEL, which was issued on 2 April 2019 and is valid for an initial period of 4 years.

The Kalengwa Copper Mine is believed to have been one of the highest-grade copper mines in Zambia. It paid for its own infrastructure which at the time was in a remote location south of the main Zambian Copper belt. A mineralised high-grade supergene core was reported to have yielded an average grade of 27% Cu, making up approximately 20% of the ore body, which was trucked unprocessed to Kitwe for direct smelting. Total production of 1.9Mt of 9.44% Cu and 50g/t Ag was reported from the open pit resulting in circa 15,000 tonnes of copper production per annum over 12 years. The Kalengwa Mine was owned and managed

by Roan Consolidated Mines Ltd. from 1970 to 1982, which also operated the Mufulira, Luanchya, Chambishi and Chibuluma Mines.

The Board of Xtract believe that mining operations terminated at Kalengwa when Roan Consolidated Mines exhausted the high-grade supergene core. Previous drilling of the orebody down-plunge and on the north-east and south-west flanks of the open pit have demonstrated that further resources may potentially remain unexploited in these areas.

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 technical 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:

"Ag"	Silver
"Cu"	Copper
"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
"Mt"	Million tonnes
"supergene"	Descriptive of a mineral deposit, weathering or alteration formed by descending solutions

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