



[Xtract Resources plc](#) - XTR

Shareholder Presentation - 16 June

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("Xtract" or "the Company")

Presentation to shareholders and update on Chepica

Xtract Resources Plc (AIM: XTR) announces that the presentation to be presented to shareholders today at 12.30pm can be accessed by the following link: <http://www.xtractresources.com/reports.htm>

The Company will present the following operational highlights at its Chepica mine:

Further scope to increase volume from underground:

- Chepica is consistently delivering on volume of 280t/day
- Upgrading crushing circuit to provide capacity to produce volume of up to 340t/day (next six months)
- Upgrade in crushing circuit is improving milling capacity and grind (improved recoveries)
- Underground grade is running at 3.5g/t (highest grade ever mined)
- Mineralised zone at Chepica almost 10m wide
- Continue to expose reef along strike on 5, 6 and 7 level
- Almost at the position to drive 2 reef ends at Chepica on 8 level
- Total of 7 ends on reef (when Chepica intersects 8 level)
- Making up total milling target of 10kt from development only
- Mine pre-developed on 3 levels ready for stoping
- Do not have to install any roof bolts on 7 level at Colin (rock extremely competent)/rheology has improved

Lead-Zinc concentrate in addition to Gold concentrate:

- Ore body at depth at Colin has significant quantities of lead and zinc
- Up to 1% zinc in rock samples and core
- Lead-zinc has caused a problem in past 2 months in terms of floating gold
- We have changed the plant circuit and will now produce a lead-zinc and gold concentrate
- The lead-zinc concentrate will result in additional revenue
- We need to install additional floatation cells to increase grade and quantity of concentrate produced
- Build a lead-zinc circuit and expand gold circuit
- Capex of US\$150,000 to US\$250,000 (over 2 months)

Increased production from tailings operation by 10kt/month:

- We are allocating debt capital to start construction of 6 tailings ponds that will leach an additional 10kt/mth
- Capital of US\$1.25m to complete the project
- Have completed raising the current tailings dam wall by 4m and have doubled the wall thickness in preparation for the tailings operation (moved over 1Mt of material)
- Need to complete additional sampling and metallurgical test work (2 months - samples have been dispatched to lab)
- Need to build a gold elution facility that will produce dorey gold bars from alluvial operation
- Increase recoveries to 85%
- Increase the effective gold price we receive from US\$800/oz to the current spot gold price
- Tailings operation will double monthly production output from the mine within 4 months

Earn-in Option

We were pleased to renegotiate the earn-in option agreement on Chepica, with payment schedule deferred, and the renegotiation of the option payments remains ongoing.

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