



This release replaces RNS 4538Q released on 30 May 2024 at 10:00. The following changes have been made in the 2<sup>d</sup>, 3<sup>rd</sup> and 4<sup>th</sup> paragraphs under the heading "Further information on Additional Licences": "Large Scale Exploration Licence No: 23,196-HQ-LEL" has been corrected to "Large Scale Exploration Licence No: 21850-HQ-LEL" and "Large Scale Exploration Licence No: 20459-HQ-LEL" has been corrected to "Large Scale Exploration Licence No: 30459-HQ-LEL". The issue date of Large Scale Exploration Licence No: 21850-HQ-LEL has been corrected from 20 October 2017 to 10 October 2017. All other text in RNS 4538Q remains the same.

31 May 2024

**Xtract Resources Plc**  
**("Xtract" or the "Company")**  
**Additional Zambian Joint Venture Exploration Licences - Replace**

The Board of Xtract Resources Plc ("Xtract" or the "Company") is pleased to announce that the Company has on 29 May 2024 entered into an addendum to restate the existing joint venture agreement with Cooperlemon Consultancy Limited ("**Joint Venture Agreement**") in relation to the exploration for copper in Zambia as previously announced on 24 August 2023. The addendum adds three additional large scale exploration licenses in Northwest Zambia (the "Additional Licences") to the joint venture.

**Highlights**

- The existing joint venture is in relation to large scale exploration licenses 29123-HQ\_LEL and 30459-HQ-LEL in Northwest Zambia (the "**Original Licences**").
- The Additional Licences and the Original Licences are:
  - located within the Western Foreland geological district that hosts the Kamoa - Kakula deposit and the Central Fold and Thrust Belt ("Fold Belt") in northwest Zambia.
  - all in a highly prospective part of NW Zambia where competition for exploration licences is acute and in aggregate form a combined area over the five licences of 173,586 hectares
- The Company believes there is scope for the discovery of potentially high-grade Kamoa-style mineralisation at depth and lower grade bulk tonnage at or near-surface.
- There has been limited exploration to date on the Additional Licences and initial fieldwork will commence early in the second half of the year with a view to defining potential drill targets as soon as possible.

**Colin Bird Executive Chairman said:**

"It is no secret that I am enthusiastic on both copper and Zambia as a mining jurisdiction. We are therefore very pleased that we have been able to add the three Additional Licences to Xtract's joint venture with Cooperlemon particularly given that they are adjacent to one of our original joint venture licences with Cooperlemon. All the joint venture licences are well situated within the Western Foreland geological district that hosts potential Kamoa style mineralisation as confirmed by recent exploration and drilling on nearby licences. It is our intent to commence field work on the three additional licences with the objective of identifying potential drill targets for Kamoa style mineralisation and also for Kolwezi style mineralisation which has the potential for near surface copper and possibly cobalt mineralisation. We look forward to updating the market on exploration activities."

## **Restated Agreement**

The restated joint venture agreement with Cooperlemon Consultancy Limited (**'Cooperlemon'**) is in relation to the exploration for copper at the Original Licences and the Additional Licences in Northwest Zambia (together the **'Licences'**). Under the restated joint venture agreement (the **"Restated Agreement"**), Xtract has agreed the following additional key terms in addition to those in the joint venture which was announced on 24 August 2023.

### *Earn-in and Phase 1 exploration budget for the Additional Licences*

Xtract will earn a 65% interest in the Additional Licences by funding exploration expenditure of not less than US\$500,000 on each of the three Additional Licences over an initial two-year period commencing on the date of the Restated Agreement (**"Additional Licences Phase 1"**). As previously announced, Xtract will earn a 65% interest in the Original Licences by funding exploration expenditure over an initial two-year period commencing on 23 August 2023 (**"Phase 1"**) on the Original Licences of not less than US\$2 million and in aggregate therefore, Xtract's commitment under the Restated Agreement amounts to US\$3.5 million.

If results are positive at the end of the Additional Licences Phase 1 period a joint venture company (**"JV company"**) in relation to the Additional Licences will be formed and this JV Company will then raise funds to further develop the Additional Licences with the objective of achieving Positive Exploration Results. For this purposes Positive Exploration Results means drilling results that prove continuity of mineralisation at grades suggesting the potential for the future development of a Mineral Resource of not less than 500,000 ("five hundred thousand") tonnes of contained copper at grades consistent with Economic Recovery achievable at the depth of discovery. Economic Recovery is defined as a project which has a minimum IRR ("internal rate of return") of not less than 25% and a payback period not exceeding 42 months including recovery of capital expenditure. Xtract anticipates funding this exploration expenditure from existing resources and current ongoing operational activities.

### *Consequence of Trade Sale during the Additional Licences Phase 1 period*

If there is a trade or any other sale or joint venture of the Additional Licences during the Additional Licences Phase 1 period then Xtract will be deemed to have a 50% interest in the Additional Licences. A sale requires the agreement of both Xtract and Cooperlemon.

The of the terms and conditions of the original joint venture as announced on 24 August 2023 in respect of the Original Licences otherwise remain unchanged by the Restated Agreement.

## **Further information on the Additional Licences**

The Additional Licences are located in North-West Zambia close to the Democratic Republic of Congo (DRC) border and the following details are as published on the Zambia Mining Cadastre,

Large Scale Exploration Licence No: 30458-HQ-LEL comprises 23,833 hectares and is adjacent to the east of existing Large Scale Exploration Licence No: 30459-HQ-LEL. The licence was granted on 24 July 2023 and expires on 23 July 2027 and is held by Far North Enterprises Limited (**"Far North"**). Far North is a privately-owned Zambian company,

Large Scale Exploration Licence No: 21851-HQ-LEL comprises 18,808 hectares and is adjacent to the north of existing Large Scale Exploration Licence No: 30459-HQ-LEL. The licence was granted on 10 October 2017 and expires on 9 October 2026, is held by Kalupa Resources Limited (**"Kalupa"**) Kalupa is a privately-owned Zambian company.

Large Scale Exploration Licence No: 21850-HQ-LEL comprises 23,196 hectares and is adjacent to the east of the new Additional Large Scale Exploration Licence No: 21851-HQ-LEL. The licence was granted on 10 October 2017 and expires on 9 October 2026, is also held by Kalupa.

As previously announced, the Original Licences are owned by Oval Mining Limited (**"Oval"**) and Far North. Oval, Far North and Kalupa have each agreed with Xtract to be bound by the terms and the conditions of the Restated Agreement with Cooperlemon (who is acting on their behalf) as though they were a party to the Restated Agreement.

## **Geology, location and prospectivity**

The style of mineralisation and associated geology and structure responsible for the Kamoa-Kakula deposit operated by Ivanhoe Mines in the neighbouring Democratic Republic of the Congo ("DRC"), is believed to extend across the border into North-West Zambia where the Licences are located. Ivanhoe Mines Kakula Mine is reported to be the world's highest-grade copper mine with reported deep high-grade (>5% Cu) copper mineralisation.

The geology of the Licence areas is dominated by the Western Foreland succession (Kamoa-style mineralisation) and the neighbouring Lufilian Fold Thrust Belt that plays host to lower grade bulk tonnage near-surface mineralisation. The Licence areas transgress the projected Western Foreland - Thrust Belt boundary and, although historically underexplored, are therefore considered by the Board to be strongly prospective.

Kamoa-style mineralisation requires the architectural domain known as the Western Foreland, along with the presence of diagnostic lithology that includes a reduced diamicite horizon marking the boundary of reduce - oxidised strata and structures resulting from growth faults including grabens and stratigraphic thickening.

African Pioneer Plc, which has an interest in four licences in North West Zambia three of which are adjacent to four of the Licences, reported in 2023 that its partner's (First Quantum Minerals) exploration had confirmed the presence of mineralisation with diagnostic regional geological and architectural similarities apparently consistent with Kamoa-Kakula deposit mineralisation located in the DRC and with apparent similarities to that needed to facilitate the large scale deposition of high-grade copper mineralisation of the Kamoa Kakula type.

#### **Further background**

Cooperlemon is a private Zambian based mining consultancy firm and 50% owned subsidiary of Zambian based Oval. Cooperlemon provides consultancy services to Oval and third parties (including Far North and Kalupa) in respect of mining related community empowerment and social development and mine rehabilitation, engineering and design. The executive directors and principal shareholders of Cooperlemon are Tolayi Sikumba and Lukonde Makungu.

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 Regulation (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.

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#### **Qualified Person:**

Colin Bird: The technical information contained in this announcement has been reviewed, verified, and approved by Colin Bird, C.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.

#### **Important Notice:**

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#### **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

means may differ with or the negative or these 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.

#### Glossary

"diamictite"	A lithified sedimentary rock that consists of non-sorted to poorly sorted terrigenous sediment containing particles that range in size from clay to boulders, suspended in a matrix of mudstone or sandstone
"DRC"	Democratic Republic of the Congo
"grabens"	a n <a href="#">elongated</a> block of the earth's crust lying between two faults and displaced <a href="#">downwards</a> relative to the blocks on either side, as in a <a href="#">rift</a> valley
"hectare"	A metric unit of square measure equal to 2.471 acres or 10,000 square metres.
"stratigraphic"	Pertaining to the inter-relationship of rocks in a geometric, spatial or time sense

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