



[Xtract Resources plc](#) - XTR

AGM Update

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("Xtract" or "the Company")

AGM Update

Xtract Resources Plc (AIM: XTR) will hold its Annual General Meeting ("AGM") at 11am today, at Fladgate LLP, 16 Great Queen Street, London WC2B 5DG. At the AGM, Xtract's CEO Jan Nelson will give a short presentation on the Company's Chépica gold and copper mine in Chile and a brief update on the proposed disposal of Xtract's interest in the Manica project in Mozambique (the "Transaction"). The presentation will be available on the Company's website: www.xtractresources.com from 11am.

Manica summary

- The proposed disposal of the Company's Manica project to Nexus Capital Limited ("Nexus") and Mineral Technologies International Limited ("MTI"), (together, the "Purchasers"), as announced on 26 May 2016, for US\$17.5m, is progressing well and the Purchasers have advised the Company that, based on the due diligence completed to date, they are not currently aware of any reason not to conclude the Transaction
- Xtract and Auroch Minerals Ltd are in advanced discussions with regard to the remaining US\$2.5m payment relating to the acquisition of Manica in June 2015, and a revised payment date will be confirmed in due course
- Under the terms of the sale and purchase agreement, Xtract was required to deliver the Bankable Feasibility Study ("BFS") to the purchasers by 30 June 2016 and in the event that Xtract did not deliver the BFS on time, the purchase consideration would be reduced by US\$1 million. MTI has agreed that it will extend the time period for XTR to complete the BFS, which is near completion, without any adjustment to the consideration. Finalisation of this agreement is not yet concluded, and an update will be provided shortly

Chépica summary

- Underground production volume continues to deliver at between 8,500t and 10,000t per month
- Currently assessing the lead zinc issue which has been impacting the gold recovery, as well as completing a full review of the whole plant to mitigate against any other potential issues, and an update will be provided once complete
- The resource upgrade is advancing and progressing well
- The Company's discussions regarding the renegotiation of the options payments remain on-going and a further update will be provided in due course

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