



[Xtract Resources plc](#) - XTR

Correction on Manica cash costs & webcast playback

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Xtract Resources plc

08 March 2016

8 March 2016

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

Correction on Manica Gold Project cash costs **Webcast playback**

Xtract Resources Plc (AIM: XTR), the gold mining and development Company, announced yesterday, 7 March 2016 that it has completed an in-house update on the economic metrics of the Manica Project, as part of the Definitive Feasibility study ('DFS') that is currently being undertaken by independent consultants.

The Company wishes to confirm that the life of mine cash cost should have been stated as US\$549/oz, not US\$757/oz. All other key metrics have been double checked and are correct.

Key metrics (all based on Xtract's in-house estimates)

- Project Net Present Value ('NPV') (discounted at 10%) increased to US\$70 million (PEA NPV: US\$50 million) with an Internal Rate of Return ('IRR') of 50% (PEA IRR: 58%) assuming a gold price of US\$1,250/oz
- Life of Mine ('LOM') increased to 12 years (PEA LOM: 8 years)
- Production expected to commence in Q4 2017
- Annual LOM production of 6.3mt at a head grade of 2.93g/t recovering 477koz (PEA Annual LOM production: 3.4mt at a head grade of 3.49g/t recovering 316koz of gold)
- Recoveries for oxide ore is 96%, 82% for transitional ore and 80% for sulphide ore
- Start-up capital cost of US\$35 million compared to PEA capital estimate of US\$28.4 million for open pit and plant. Additional capital of US\$14 million, from cash flow, will be expended in years three and four of the Manica Project as part of underground access development compared to US\$8.7 million capital for underground development planned in PEA (8 years of underground mining projected vs 3 years under the PEA)
- **Cash cost of US\$549/oz compared to cash cost in PEA of US\$650/oz**
- EBITDA of US\$245 million (assuming LOM of 12 years) compared to PEA EBITDA of US\$130 million (assuming LOM of 8 years)

Shareholders are to use caution when reviewing these numbers as they are based on company in-house estimates and have not been verified by independent consultants and have a high probability of changing as the DFS is completed and independently verified.

Webcast update on Manica Project

The webcast playback on the Manica Project update is available on the same link:

<http://webcasting.brrmedia.co.uk/broadcast/56d45f09e79cbb025fd1c87>

Qualified Person

In accordance with AIM Guidelines, Peter Moir, B.Sc. Civil Engineering, M.Eng. Petroleum Engineering, UK Chartered Engineer and Director of Xtract Resources plc is the qualified person as defined in the Guidance Notes for Mining, Oil and Gas Companies, February 2010, of the London Stock Exchange, that has reviewed the technical information contained in this press release. Mr Moir has more than 30 years' experience in technical, operational and commercial aspects of the E&P business.

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