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Manica Concession Alluvial Gold Quarterly Update

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Xtract Resources Plc
("Xtract" or the "Company")
Manica Concession Alluvial Gold Quarterly Update

The Board of Xtract Resources Plc ("Xtract" or the "Company") announces the preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month period ended 30 September 2018 (the "Period").

Highlights

- Total alluvial mining contractor gold production of 56.34Kg (equivalent to approximately 1,811 ounces) (increase of 6.35% from previous quarter)
- Total of 14.09Kg (equivalent to approximately 453 ounces) attributable to Explorator (including Nexus under the Collaboration Agreement)
- Combined attributable revenue to Explorator from gold sales for the Period amounted to US\$242,000
- Xtract continue to review the alluvial operations and discussions to separate the higher topography alluvials (terraces) from the river side alluvials
- Pit and process planning underway to commence hard rock mining in the 1st Quarter of 2019

Colin Bird, Executive Chairman said: "The production results continue to show improvement and the operation has remained self-funding since production commenced. We continue to discuss with our collaboration partners and contractors routes to improved performance and distributable income. The high topography alluvials continue to be investigated for higher quantities of gold in the gravel. The cost of overburden removal requires high in situ gold values.

The hard rock methodology is likely to be incremental, in that we commence in hard rock areas where gold can be separated by gravity methods. Thereafter installing a leaching capability and finally the production of a floating concentrate. Discussions are progressing well with our partners and we will update the market shortly on our more definitive plans."

Production summary

Preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month periods ended 30 September 2018, 30 June 2018 and 31 March 2018 are set out in the table below:

	3rd Quarter ended 30 September 2018	2nd Quarter ended 30 June 2018	1st Quarter ended 31 March 2018
Production and Sales:			
Total contractor alluvial gold production (<i>equivalent ounces</i>) (<i>Note 4</i>)	1,811	1,703	1,200
Explorator share of gold produced (<i>equivalent ounces</i>)	453	426	297
Explorator share of gold sold (<i>equivalent ounces</i>)	251	283	314
Explorator attributable revenue from gold sales	US\$242,000	US\$291,000	US\$333,000
Xtract share of Explorator attributable revenue from gold sales (<i>Note 1</i>)	US\$96,800	US\$116,400	US\$133,200
Direct Operational Production Costs:			
Explorator total direct alluvial operational production costs (<i>Note 2</i>)	US\$129,150	US\$148,696	US\$155,882
Xtract share of Explorator alluvial direct alluvial operational production costs (<i>Note 2</i>)	US\$51,660	US\$59,478	US\$62,352
Total Costs:			
Explorator total direct alluvial production costs (<i>Note 3</i>)	US\$292,181	US\$315,581	US\$268,000
Cost per ounce of gold produced	US\$645	US\$741	US\$902
Xtract share of Explorator alluvial direct alluvial production costs (<i>Note 3</i>)	US\$116,873	US\$126,232	US\$107,200

Note 1: Under the Collaboration Agreement between Explorator and Nexus Capital Limited (previously Mineral Technologies International Limited, "Nexus") as previously announced on 20 June 2017, Xtract's net share of Explorator's gold revenue and costs is 40%, with the balance being attributable to Nexus.

Note 2: Direct operational production costs include and not limited to Explorator salaries, rent, vehicles expenses and utilities.

Note 3: Total costs comprises direct operational production costs plus total Production Tax (6% of the value of total production which varies according to the level of production) and Land Resettlement Costs as detailed below:

	3rd Quarter ended 30 September 2018	2nd Quarter ended 30 June 2018	1st Quarter ended 31 March 2018
Production Tax	US\$115,400	US\$104,448	US\$76,118
Land resettlement costs	US\$47,631	US\$62,437	US\$36,000

Note 4: Presence of gold in alluvial deposits is unpredictable and therefore operational results will vary month-to-month.

Further details are available from the Company's website which details the company's project portfolio as well as a copy of this announcement: 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 Joel Silberstein, Director.

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