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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 preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month period ended 31 March 2018 (the "Period").

Highlights

- Total alluvial mining contractor gold production of 37.32Kg (equivalent to approximately 1,200 ounces).
- Total of 9.23Kg (equivalent to approximately 297 ounces) attributable to Explorator (including Nexus under the Collaboration Agreement).
- Combined attributable income to Explorator from gold sales for the Period amounted to US\$333,000 (increase of 53% from prior quarter).
- Xtract's net share of the combined attributable contractor income received by Explorator is US\$133,000 (equivalent to 40% of total attributable income, the balance of 60% attributable to Nexus under the Collaboration Agreement as announced previously on 20 June 2017).
- Explorator's alluvial operational costs for the Period amounted to US\$268,000 (attributable 40% to Xtract and 60% to Nexus).
- Omnia Mining Ltd ("Omnia Mining") today have advised the Company that Omnia Mining does not wish to continue with the execution of the alluvial mining contractor agreement between Omnia Mining and Explorator dated 8 February 2018 and has elected to continue operations solely in their own concession.
- Xtract continues to review the performance of the alluvial mining contractors and levels of production and explore opportunities to work with additional mining contractors whose operational approach is consistent with Xtract's objectives for mining the Manica alluvials.
- Discussions continue with potential partners on the next stage of the Fairbride hard rock gold project.

Colin Bird, Executive Chairman said:

"Alluvial production in the first quarter was disappointing, although real progress was made which was frustrated by prolonged heavy rains. One alluvial mining contractor was partially able to combat the effects of rain, whilst the other alluvial mining operator (using traditional alluvial processing methods) was unable to produce for a significant part of the quarter. We continue to address key areas of performance and we expect improved results month-on-month. Xtract is also adapting its operational approach to the alluvials based on the experience built up over the last six months reflecting the random nature of alluvial gold distribution. The Manica alluvials are typical in that the presence of gold is often random, supporting our assessment that volume is the key to a successful alluvial

operation. We are also considering different mining methods for the terraces which require deeper mining and often produce large nuggets which can mitigate against lower average grades."

Production summary

Preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three month periods ended 31 March 2018 and 31 December 2017 are set out in the table below:

	1st Quarter ended 31 March 2018	4th Quarter ended 31 December 2017
Total contractor alluvial gold production (<i>equivalent ounces</i>)(<i>Note 3</i>)	1,200	1,279
Explorator share of gold produced (<i>equivalent ounces</i>)	297	319
Explorator share of gold sold (<i>equivalent ounces</i>)	314	210
Explorator attributable income from gold sales	US\$333,000	US\$218,000
Xtract share of Explorator attributable income from gold sales (<i>Note 1</i>)	US\$133,200	US\$87,200
Explorator total alluvial operational costs (<i>Note 2</i>)	US\$268,000	US\$254,000
Xtract share of Explorator alluvial operational costs (<i>Note 2</i>)	US\$107,200	US\$101,600

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: Operational costs include production taxes and general overheads.

Note 3: Presence of gold in alluvial deposits is unpredictable and therefore operational results will vary month-to-month.

Omnia Mining

On 8 February 2018, the Company announced that its wholly-owned Mozambican subsidiary, Explorator, had concluded a new Mining Contractor agreement ("**Omnia Agreement**") with Omnia Mining for the exploitation of alluvial gold deposits within the O block of the western half of the alluvials in the Manica Concession. Omnia Mining has today advised the Company that Omnia Mining does not wish to continue with the execution of the Omnia Agreement and has elected to continue operations solely in their own concession.

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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