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# Manica Gold Alluvial Mining Contractor Agreement

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**For immediate release  
8 February 2018**

**Xtract Resources Plc  
("Xtract" or the "Company")  
Manica Gold Alluvial Mining Contractor Agreement**

The Board of Xtract Resources Plc ("**Xtract**" or the "**Company**") is pleased to announce that the Company's wholly-owned Mozambican subsidiary, Explorator Limitada ("**Explorator**") has today concluded the new Mining Contractor agreement ("**Mining Contractor Agreement**" or "**Agreement**") with Omnia Mining Ltd ("**Mining Contractor**") for the exploitation of alluvial gold deposits at its Manica mining concession in Mozambique. On 7 December 2017, the Company announced that it had signed an addendum to the agreement which had been entered into by the Company and the Mining Contractor on the 19 June 2017 and had agreed to sign a new agreement the Mining Contractor within 60 days.

## Highlights

- Omnia Mining Ltd is an experienced alluvial mining contractor, already operating in the Manica area, and has been appointed to mine the O block of the western half of the alluvials in the Manica Concession
- The Agreement provides for monthly payments by the Mining Contractor to Explorator based on the monthly run-of-mine performance
- The Mining Contractor is entitled to commence building settling dams and processing at the Mining Contractor's plant from 12 February 2018
- The Mining Contractor will ensure that by no later than 15 May 2018, it has a fully operational plant available with a minimum throughput of 100 tonnes per hour
- The monthly payments will vary according to the monthly run-of-mine payment and a proportion of any increase in the gold price above a reference price of US\$1,250 per ounce
- The Agreement term is a maximum of 10 years or if sooner, the depletion of the alluvials

**Colin Bird, Executive Chairman said:** "The Agreement with Omnia allows the O block of the western area to be fed into Omnia's sophisticated alluvial processing plant which is situated adjacent thereto. The overall effect will be to move more alluvials and thus shorten the time to about 6 years for total depletion of the western gravels. We continue to make good progress in exploring further opportunities in the Manica area"

## Contract Mining Agreement

The Company's wholly-owned Mozambican subsidiary, Explorator, has today appointed the Mining Contractor, who will have the exclusive right to mine the O block of the western half of the unconsolidated alluvial deposits on the Permitted Area of the Mining Concession area. The Agreement will endure for a maximum period of 10 years or if sooner, the depletion of alluvials includes rights of early termination by Explorator.

The Agreement includes performance targets whereby the Mining Contractor from 15 May 2018 must have in place a fully operational plant with a mining capacity of delivering to the Company 100 tonnes per hour, and from no later than 12 February 2018, the Mining Contractor is entitled to start to build necessary settling dams and process the mining material at its plant.

Explorator may direct the Mining Contractor to suspend carrying out of services for such time as Explorator considers necessary and may terminate the Agreement, *inter alia*, if the Mining Contractor fails to achieve and maintain any production target for more than than two consecutive months.

Explorator will receive a base net price per tonne of ore processed by the Mining Contractor Miner and an additional incremental payment based on a proportion of any increase in the gold price above a reference price of US\$1,250 per ounce.

The Mining Contractor will be responsible and liable for any rehabilitation of the mining concession to the extent mined by the Mining Contractor as required under the relevant mining laws.

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](http://www.xtractresources.com)

This announcement contains inside information for the purposes of Article 7 of EU Regulation No. 596/2014 on market abuse.

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