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Manica Hard Rock Project Progress Update

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4 September 2019**

**Xtract Resources Plc
("Xtract" or the "Company")
Manica Hard Rock Project Progress Update**

The Board of Xtract Resources Plc ("**Xtract**" or the "**Company**") is pleased to announce that Mutapa Mining and Processing LDA ("**MMP**") has provided the Company with an update on current progress on the design and build on the Manica hard rock open pit mine, as well as progress made to date on the Manica hard rock project, and that MMP expects to meet the targets and performance dates as set out in the collaboration agreement ("**Collaboration Agreement**" or "**Agreement**") entered into with MMP on 29 May 2019 for the mining and mineral processing of the Company's Manica hard rock gold deposits ("**Hard Rock Project**").

Highlights

- MMP has completed the Hard Rock Project operational budget and plan, with environmental and social risks identified and built into the plan
- MMP has exchanged letters of intent with suppliers on certain long lead items including items such as elution heater package, feed thickener, flocculant plant and tower crane
- Deposits have been paid to commence remedial work on existing crushing and grinding circuits
- Tailings design consultants have conducted a site visit and agreed all parameters for design

Colin Bird, Executive Chairman said: "Our partners, MMP, have approached the Manica Hard Rock Project in very positive and professional manner. Their investigations and planning have led them to a point where they have identified critical items which have the longer lead delivery times. To this end they have letters of intent agreed and deposits paid thereby ensuring no delays are expected to the contractual planned start date.

We are very encouraged by MMP's commitment and look forward to primary mining and processing commencing with a well designed and built plant together with an optimal mine plan. We share a common belief in the further exploration potential of the concession and the district and will be developing a plan to pursue mutually agreed targets once all of the operational decisions have been made and execution is in progress."

Fairbride Hard Rock Mining and Collaboration Agreement Targets and Performance

The Collaboration Agreement was entered into on 29 May 2019 *inter alia* by the Company, the Company's wholly owned subsidiary, Explorator Limitada ("**Explorator**"), and MMP.

Under the Agreement, MMP agreed to the following performance targets:

- commence construction (as demonstrated by the placement of an order for the CIL), as soon as possible but in any event no later than 1 November 2019 (with a long stop date of 1 February 2020); and
- Construction installation work on the CIL is planned to be completed with commercial production being achieved by 1 July 2020 (with a long stop date of 1 October 2020). Commercial production is defined in the Collaboration Agreement as a being installation of a processing plant with a throughput capacity of not less than 29,000 tonnes per month (being 70% of the planned 42,000 tonnes per month throughput).

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 Colin Bird, Director.

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