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## Update re: Manica Project and Chepica Mine

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("Xtract" or "the Company")

### Update on Manica Project and Chepica Mine

Further to the notification by Xtract Resources Plc (AIM:XTR) on 20 July 2016 the Company provides an update regarding the Company's Manica gold project in Mozambique ("Manica") and the Chepica gold and copper mine in Chile ("Chepica").

#### Manica update

The Company previously announced that it had reached agreement with Nexus Capital Limited and Mineral Technologies International Limited ("MTI") (together the "Purchasers"), to amend the terms of the proposed acquisition of Manica by the Purchasers (the "Transaction"), subject to certain conditions. The revised terms included the Purchasers making an initial payment of US\$2 million (the "Initial Payment") to Xtract by 12 August 2016 in return for a reduction in the total cash consideration for the Transaction.

The Company confirms that the Purchasers have not yet made the Initial Payment and, furthermore, the parties are currently in discussions regarding the structure of the Transaction. These discussions may result in further revisions to the terms of the Transaction, and also amendments to the terms of the Company's existing joint venture agreement with MTI to mine the alluvial gold deposit at Manica, to ensure that all parties are able to focus resources on their principal objectives at Manica.

The Company also announced on 20 July 2016 that it had reached agreement with Auroch Minerals NL ("Auroch") that the remaining US\$2.5 million due to Auroch, pursuant to the Company's acquisition of Manica in June 2015, would be settled in full by a payment of US\$750,000 to Auroch on 20 July 2016 and a final payment of US\$1.75 million on 12 August 2016, once the Initial Payment had been received by the Company.

The Company confirms that it has paid Auroch US\$750,000 and has today made a further payment of US\$100,000 to Auroch. The parties are in discussions with regards to the final settlement of US\$1.65 million.

The review of the Bankable Feasibility Study ("BFS") at Manica is continuing and is now expected to be completed in September 2016. The Company is currently in discussions with the Purchasers regarding an extension to the deadline for completion of the BFS.

#### Chepica update

At Chepica, the refurbishment of the crushing plant and construction of a new floatation plant have both commenced and these activities are progressing on schedule.

The Company has made an initial payment of US\$150,000 to the optionholder pursuant to the outstanding options payments at Chepica and discussions are on-going regarding payment of the balance of US\$3.5 million due to the optionholder. A further update will be provided in due course.

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