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Company and Manica Alluvial Gold Update

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Xtract Resources Plc ("Xtract" or the "Company") Company & Manica Alluvial Gold 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 June 2019 (the "**Period**").

Highlights

- Total alluvial mining contractor gold production of 33.85Kg for the quarter (equivalent to approximately 1,088 ounces) with 14.5Kg produced post-period end in July
- Total of 9.50Kg (equivalent to approximately 305 ounces) attributable to Explorator (including Nexus under the Collaboration Agreement)
- Combined attributable revenue to Explorator from gold sales for the Period amounted to US\$643,586

Colin Bird, Executive Chairman said: "The financial performance numbers show improvements on previous quarters reflecting the strong gold price, cost cutting measures and reduced land compensation costs. Being an alluvial project, the quarterly production was slightly lower mainly due to increased stripping ratios, thin gravels and lower grade. However, total alluvial mining production for the month of July alone is expected to be around 14.50Kg, which is the second best month in terms of production for 2019 and at current gold prices the best month in terms of revenue accrued to Explorator for 2019. Conditions therefore appear to be improving and we look forward to a stronger 3rd quarter. The hard rock contractors are progressing satisfactorily with site visitations from geotechnical engineers and process engineers in order to finalise design parameters. Our partner has assigned permanent staff to the project and we are pleased with the progress both technically and administratively."

Production summary

Preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month periods ended 30 June 2019, 31 March 2019, 31 December 2018 and 30 September 2018 are set out in the table below. In addition to the information included in the table, the table below provides a further breakdown of costs between operational costs, production tax and land resettlement costs:

	2 nd Quarter ended 30 June 2019	1 st Quarter ended 31 March 2019	4 th Quarter ended 31 December 2018	Amended 3 rd Quarter ended 30 September 2018
Production and Sales:				
Total contractor alluvial gold production (<i>equivalent ounces</i>) (<i>Note 4</i>)	1,088	1,293	1,328	1,811
Explorator share of gold produced (<i>equivalent ounces</i>)	305	323	332	453
Explorator share of gold sold (<i>equivalent ounces</i>)	533	340	307	251
Explorator attributable revenue from gold sales	US\$643,568	US\$408,197	US\$310,000	US\$242,000
Xtract share of Explorator attributable revenue from gold sales (<i>Note 1</i>)	US\$321,784	US\$204,099	US\$155,000	US\$121,000 (<i>Note 1</i>)
Direct Operational Production Costs:				
Explorator total direct alluvial operational production costs (<i>Note 2</i>)	US\$125,666	US\$138,634	US\$146,299	US\$129,150
Xtract share of Explorator alluvial direct alluvial operational production costs (<i>Note 2</i>)	US\$62,833	US\$69,317	US\$73,149	US\$64,575 (<i>Note 1</i>)
Total Costs:				
Explorator total direct alluvial production costs (<i>Note 3</i>)	US\$199,595	US\$238,610	US\$254,296	US\$292,181
Cost per ounce of gold produced	US\$655	US\$738	US\$820	US\$645
Xtract share of Explorator alluvial direct alluvial production costs (<i>Note 3</i>)	US\$99,797	US\$119,305	US\$127,148	US\$146,090 (<i>Note 1</i>)

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 was 40%. Under the New Collaboration Agreement, Explorator's gold revenue and costs increased to 50%. The previously announced revenue and costs for the 3rd Quarter ended 30 September 2018 reflect the amended terms under the New Collaboration Agreement.

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:

	2nd Quarter ended 30 June 2019	1st Quarter ended 31 March 2019	4th Quarter ended 31 December 2018	3rd Quarter ended 30 September 2018
Production Tax	US\$67,564	US\$81,571	US\$100,675	US\$115,400
Land resettlement costs	US\$6,365	US\$18,405	US\$7,322	US\$47,631

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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