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Company & Manica Alluvial Gold Update

Released 10:57 01-May-2019

RNS Number : 7460X
Xtract Resources plc
01 May 2019

For immediate release
1 May 2019

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 31 March 2019 (the "Period").

Highlights

- Total alluvial mining contractor gold production of 40.20Kg (equivalent to approximately 1,293 ounces)
- Total of 11.26Kg (equivalent to approximately 323 ounces) attributable to Explorator (including Nexus under the Collaboration Agreement)
- Combined attributable revenue to Explorator from gold sales for the Period amounted to US\$408,197
- Discussions advancing favourably with hard rock production plan

Colin Bird, Executive Chairman said: "The results from operations were a little flat due to the rainy season and high stripping ratio against low grade gravel. The recent cyclone did not affect production directly but had a knock-on effect on material transport and in particular diesel. The modest alluvial results are mitigated by the improved percentage the Company receives from operations and in the coming months this could produce improved results notwithstanding the vagaries of gold distribution in the gravel. The hard rock production planning is progressing favourably with a number of options being considered. The Company expects to announce a decision before the end of the second Quarter 2019".

Production summary

Preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month periods ended 31 March 2019, 31 December 2018, 30 September 2018 and 30 June 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:

| | 1 st Quarter ended 31 March 2019 | 4 th Quarter ended 31 December 2018 | Amended 3 rd Quarter ended 30 September 2018 | 2 nd Quarter ended 30 June 2018 |
|--|---|---|---|--|
| Production and Sales: | | | | |
| Total contractor alluvial gold production (<i>equivalent ounces</i>) (<i>Note 4</i>) | 1,293 | 1,328 | 1,811 | 1,703 |
| Explorator share of gold produced (<i>equivalent ounces</i>) | 323 | 332 | 453 | 426 |
| Explorator share of gold sold (<i>equivalent ounces</i>) | 340 | 307 | 251 | 283 |
| Explorator attributable revenue from gold sales | US\$408,197 | US\$310,000 | US\$242,000 | US\$291,000 |
| Xtract share of Explorator attributable revenue from gold sales (<i>Note 1</i>) | US\$204,099 | US\$155,00 | US\$121,000 (<i>Note 1</i>) | US\$116,400 |
| Direct Operational Production Costs: | | | | |
| Explorator total direct alluvial operational production costs (<i>Note 2</i>) | US\$138,634 | US\$146,299 | US\$129,150 | US\$148,696 |
| Xtract share of Explorator alluvial direct alluvial operational production costs (<i>Note 2</i>) | US\$69,317 | US\$73,149 | US\$64,575 (<i>Note 1</i>) | US\$59,478 |
| Total Costs: | | | | |
| Explorator total direct alluvial production costs (<i>Note 3</i>) | U\$238,610 | US\$254,296 | US\$292,181 | US\$315,581 |
| Cost per ounce of gold produced | US\$738 | US\$820 | US\$645 | US\$741 |
| Xtract share of Explorator alluvial direct alluvial production costs (<i>Note 3</i>) | US\$119,305 | US\$127,148 | US\$146,090 (<i>Note 1</i>) | US\$126,232 |

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% for the three-month period ended 30 June 2018. Under the New Collaboration Agreement for the three-month period ended 30 September 2018, 31 December 2018 and 31 March 2019, 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:

| | 1st Quarter ended 31 March 2019 | 4th Quarter ended 31 December 2018 | 3rd Quarter ended 30 September 2018 | 2nd Quarter ended 30 June 2018 |
|-------------------------|---------------------------------------|--|---|-----------------------------------|
| Production Tax | US\$81,571 | US\$100,675 | US\$115,400 | US\$104,448 |
| Land resettlement costs | US\$18,405 | US\$7,322 | US\$47,631 | US\$62,437 |

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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