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Manica Concession Alluvial Gold Quarterly Update

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**Xtract Resources Plc
("Xtract" or the "Company")
Manica Concession Alluvial Gold Quarterly Update**

The Board of Xtract Resources Plc ("**Xtract**" or the "**Company**") announces preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month period ended 30 June 2018 (the "**Period**").

Highlights

- Total alluvial mining contractor gold production of 52.98Kg (equivalent to approximately 1,703 ounces) (increase of 41.93% from previous quarter).
- Total of 13.24Kg (equivalent to approximately 426 ounces) attributable to Explorator (including Nexus under the Collaboration Agreement).
- Combined attributable revenue to Explorator from gold sales for the Period amounted to US\$291,000.
- Xtract are constantly reviewing alluvial operations and are currently in discussions to separate the higher topography alluvials (terraces) from the river side alluvials and anticipate making new arrangements shortly.

Colin Bird, Executive Chairman said: "These results demonstrate an increasing trend in quarterly production. The 1st quarter was adversely affected by the rainy season and difficult processing conditions in the West. The 2nd quarter was rid of the rains but was affected by difficult processing conditions as a result of fine gold and erratic gold occurrence. We have taken the decision to employ different contractors for the terraces and adjacent to the river alluvials and the appointment is expected to be announced shortly. Since alluvial production commenced in 2017, Explorator has been self-funding and we are encouraged by production levels being maintained by one contractor."

Production summary

Preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month periods ended 30 June 2018, 31 March 2018 and 31 December 2017 are set out in the table below. In addition to the information included in the table set out in the announcement dated 27 April 2018, the table below provides a further breakdown of costs between operational costs, production tax and land resettlement costs:

	2nd Quarter ended 30 June 2018	1st Quarter ended 31 March 2018	4th Quarter ended 31 December 2017
Production and Sales:			
Total contractor alluvial gold production (<i>equivalent ounces</i>) (Note 1,703 4)		1,200	1,279
Explorator share of gold produced (<i>equivalent ounces</i>)	426	297	319
Explorator share of gold sold (<i>equivalent ounces</i>)	283	314	210
Explorator attributable revenue from gold sales	US\$291,000	US\$333,000	US\$218,000
Xtract share of Explorator attributable revenue from gold sales (Note 1)	US\$116,400	US\$133,200	US\$87,200
Direct Operational Production Costs:			
Explorator total direct alluvial operational production costs (Note 2)	US\$148,696	US\$155,882	US\$141,466
Xtract share of Explorator alluvial direct alluvial operational production costs (Note 2)	US\$59,478	US\$62,352	US\$56,586
Total Costs:			
Explorator total direct alluvial production costs (Note 3)	US\$315,581	US\$268,000	US\$254,000
Xtract share of Explorator alluvial direct alluvial production costs (Note 3)	US\$126,232	US\$107,200	US\$101,600

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 is 40%, with the balance being attributable to Nexus.

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 2018	1st Quarter ended 31 March 2018	4th Quarter ended 31 December 2017
Production Tax	US\$104,448	US\$76,118	US\$84,534
Land resettlement costs	US\$62,437	US\$36,000	US\$28,000

Note 4: Presence of gold in alluvial deposits is unpredictable and therefore operational results will vary month-to-month.

As previously announced on 25 June 2018, Moz Gold had halted production on the Western Half and Xtract continues to review new contractor proposals and expects to be able to announcement a new appointment shortly. Xtract has security over Moz Gold's processing plant and no decision has yet been taken by Company whether to utilise the plant for its own account or, alternatively make it available to new contractors who would be responsible for all necessary modifications.

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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