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Manica Update

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Xtract Resources Plc

Manica Update

The Board of Xtract Resources Plc ("Xtract" or the "Company") announces that, further to the notification by the Company on 17 August 2016, the conditional sale and purchase agreement between the Company, Nexus Capital Limited and Mineral Technologies International Limited ("MTI") through which the Company was to dispose of its 100% interest in the Manica gold project for US\$17.5 million, has lapsed due to certain conditions precedent not being met and will therefore not be effected.

The Company confirms that its discussions with MTI, regarding revisions to the existing joint venture agreement between the parties, to mine the alluvial gold deposit at Manica, are progressing well and the Company anticipates that a satisfactory conclusion for both parties can be announced soon.

Colin Bird, Executive Chairman, said: "The ending of the sale and purchase agreement brings clarity and certainty to our ownership of the Manica gold project. Manica is one of the more advanced low cost open pit projects in Southern Africa and is well placed in the population of emerging gold mines. The discussions with MTI, regarding the alluvial project are ongoing and progressing satisfactorily. The Company has commissioned the final leg of the environmental study which is required to complete the full bankable feasibility study. We anticipate delivery of the bankable feasibility study no later than the end of November 2016, which will provide us with flexibility when assessing our strategic options".

Enquiries:

Xtract Resources Plc Colin Bird, Executive Chairman +44 (0)20 3416 6471

Cenkos Securities plc Derrick Lee +44 (0)131 220 6939

Beth McKiernan

Beaufort Securities Jon Belliss +44 (0)207 382 8300

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