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Xtract Resources plc**

8 December 2020

Xtract Resources Plc

("Xtract" or the "Company")

Manica Alluvial Gold & Corporate 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 September 2020 (the "Period").

Highlights

- Total alluvial mining contractor gold production of 24.48 Kg for the quarter (equivalent to approximately 787 ounces)
- Total of 6.85 Kg (equivalent to approximately 220 ounces) attributable to Explorator
- Combined attributable revenue to Explorator from gold sales and other income for the Period amounted to US\$250,968
- Cost per ounce decrease on previous quarters
- Good progress on additional production sources on the Manica concession

Colin Bird, Executive Chairman said: "The total production for the quarter has increased moderately compared to previous quarters. The cost per ounce was lower and it appears that the operation has stabilised around these stated levels. Our activities regarding increased production around Manica are all advancing satisfactorily, with the Guy Fawkes plant having been built and hard rock access mining commencing. Our second alluvial concession is making good progress with equipment on site, the camp erected and production to commence later this week.

The Fair Bride hard rock open pit project continues to progress on all fronts with the tailings dam in construction, plant earthworks in progress and heavy plant being completed in South Africa.

Overall, we expect consistent gold production in December, advancing in January with a target for Fair Bride production being towards the latter part of the first half of 2021."

Production summary

Preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month periods ended September 2020, 30 June 2020, 31 March 2020, 31 December 2019 and 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. The Company currently expects that at current rates of activity, the alluvial mining contractors will conclude their operations during the first half of the next year. The Company's current focus is to progress the Manica hard rock operations.

	3rd Quarter ended 30 September 2020	2nd Quarter ended 30 June 2020	3rd Quarter ended 30 September 2020	4th Quarter ended 31 December 2019
Production and Sales:				
Total contractor alluvial gold production (equivalent ounces) (Note 3)	787	566	467	1,045
Explorator share of gold produced (equivalent ounces)	220	158	131	293
Value of Explorator share of gold produced (value in US\$)(Note 3)	US\$426,916	US\$274,959	US\$208,396	US\$438,119
Explorator share of gold sold (equivalent ounces)	145	162	354	163
Explorator attributable revenue from gold sales	US\$250,968	US\$261,679	US\$508,573	US\$241,284
Direct Operational Production Costs:				
Explorator total direct alluvial operational production costs (Note 1)	US\$72,630	US\$75,158	US\$147,575	US\$173,419
Total Costs:				
Explorator total direct alluvial production costs (Note 2)	US\$134,688	US\$109,898	US\$175,982	US\$239,470
Cost per ounce of gold produced	US\$611	US\$694	US\$1,346	US\$818

Note 1: Direct operational production costs include and not limited to Explorator salaries, rent, vehicles expenses and utilities.

Note 2: 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:

	3rd Quarter ended 30 September 2020	2nd Quarter ended 30 June 2020	1st Quarter ended 31 March 2020	4th Quarter ended 31 December 2019
Production Tax	US\$30,136	US\$18,854	US\$16,109	US\$42,066
Land resettlement costs	US\$31,922	US\$15,887	US\$12,297	US\$23,985

Note 3: Calculation based on the number of ounces produced during each month of the quarter multiplied by the closing month end spot rate.

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

As announced on 12 August, negotiations to introduce further mining and processing for alluvial production was progressing and the Company subsequently agreed an alluvial processing agreement with Omnia Mining Limitada ("Omnia") over the Company's existing licence 7569L at Manica. The contract covers an area of 1,727 hectares. Good progress has been made by Omnia with equipment on site, the camp erected and production is expected to commence later this week.

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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