



[Xtract Resources plc](#) - XTR

Operations Update

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**Xtract Resources Plc
("Xtract" or "the Company")**

Operations update

Xtract Resources Plc (AIM: XTR) is pleased to provide an update on the Chepica Gold and Copper Mine in Chile, ('Chepica'), the Manica gold project acquisition in Mozambique ('Manica') and the Carolusberg and O'Kiep Copper projects in South Africa.

Chepica Gold Mine

On 13 January 2016 it was announced that the Company expected approval by the Inspector of Mines to restart the processing plant by 20 January 2016. All work required by the Inspector of Mines and the Inspector of Works has been agreed and completed. The Company was subsequently informed, however, that the Inspector of Mines will visit the mine to provide final sign off on the changes implemented later this week and as such, Xtract expects approval shortly and will provide an update once received. Underground mining and blasting continues without interruption, with the ore mined continuing to be stockpiled.

Surface drilling at Chepica continues and the first set of samples have been submitted to the laboratory in Santiago. The Company will report on the progress of the drilling as soon as assay results have been received.

Quarterly update presentation

The quarterly update for Q4 of 2015 will take place on 3 February 2016 in London. The Company will report on the results of the quarter, the impact of mine stoppage announced on 29 December 2015 and provide production targets for Q1 2016. Shareholders are invited to the presentation and pre-registration is required, details of which will be announced shortly.

Manica Gold project transaction update

On 29 June 2015 Xtract announced that it had signed an agreement ('acquisition agreement') with Auroch Minerals NL ("Auroch") to acquire a 100% of the Manica Gold project in Mozambique. Revised terms of the acquisition agreement were announced on 10 September 2015 and as part of

this agreement the date for the fulfillment of all conditions regarding the acquisition changed from 31 December 2015 to 29 February 2016.

Xtract is pleased to announce that Auroch has received a final ruling from the Honorable President of the Mozambique Tax Authority, who has determined a total of US\$699,000 due in capital gains tax. This clears the way for the final approval from the Mozambican government in terms of the acquisition. As per the terms of the agreement, Xtract will pay the capital gains tax and a further US\$51,000 to Auroch.

Final approval from the Mozambican government is expected in February 2016, upon which time all conditions will have been fulfilled.

Xtract is on track with the proposed development work at Manica and is making good progress towards finalising the updated gold resource and bankable feasibility study.

Carolusberg and O'Kiep Copper project

Processing of the metallurgical test results is expected to be completed within the next two weeks and an update on results and the Board's intentions in respect of the projects is expected to be included in the quarterly update. As a result of the size of the samples submitted to the laboratory, finalisation of test work has taken longer than expected.

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