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Company & Manica Alluvial Gold Update

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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 December 2018 (the "Period").

Highlights

- Total alluvial mining contractor gold production of 41.29Kg (equivalent to approximately 1,328 ounces)
- Total of 10.32Kg (equivalent to approximately 332 ounces) attributable to Explorator (including Nexus under the Collaboration Agreement)
- Combined attributable revenue to Explorator from gold sales for the Period amounted to US\$310,000
- Xtract continue to review the alluvial operations and introduce more equipment
- Plans being made to concurrently work the upper terraces
- Test work carried out over the border in Zimbabwe to extend alluvial income
- DFS revised to accommodate less complex ore with the technical and financial study to be released shortly

Colin Bird, Executive Chairman said: "The quarter under review produced modest results compared to previous quarters and reflects the lower grade areas having been ceded back to the Company together with compensation paid to local farmers. The areas mined during this quarter were marginal but considered appropriate for processing, despite lower grades. We expect to see improving production against an improving gold price. We recognise the inconsistency of alluvials, but over the last year have gained considerable insights into the intricacies of alluvial mining and this has moved up into test work programme in neighbouring countries. We now have a very clear vision how to effectively mine the hard rock occurrences which are less metallurgically challenging. The Company is talking to potential partners and investors to develop the Manica project and the board intend to release revised scoping numbers in the near future".

Production summary

Preliminary unaudited results for alluvial mining contractors for the Manica Concession for the three-month periods ended 31 December 2018, 30 September 2018, 30 June 2018 and 31 March 2018 are set out in the table below. In addition to the information included in the table set out in the announcement dated 16 July 2018, the table below provides a further breakdown of costs between operational costs, production tax and land resettlement costs:

	4 th Quarter ended 31 December 2018	Amended 3 rd Quarter ended 30 September 2018	2 nd Quarter ended 30 June 2018	1 st Quarter ended 31 March 2018
Production and Sales:				
Total contractor alluvial gold production (<i>equivalent ounces</i>) (Note 4)	1,328	1,811	1,703	1,200
Explorator share of gold produced (<i>equivalent ounces</i>)	332	453	426	297
Explorator share of gold sold (<i>equivalent ounces</i>)	307	251	283	314
Explorator attributable revenue from gold sales	US\$310,000	US\$242,000	US\$291,000	US\$333,000
Xtract share of Explorator attributable revenue from gold sales (Note 1)	US\$155,00	US\$121,000 (Note 1)	US\$116,400	US\$133,200
Direct Operational Production Costs:				
Explorator total direct alluvial operational production costs (Note 2)	US\$146,299	US\$129,150	US\$148,696	US\$155,882
Xtract share of Explorator alluvial direct alluvial operational production costs (Note 2)	US\$73,149	US\$64,575 (Note 1)	US\$59,478	US\$62,352
Total Costs:				
Explorator total direct alluvial production costs (Note 3)	US\$254,296	US\$292,181	US\$315,581	US\$268,000
Cost per ounce of gold produced	US\$820	US\$645	US\$741	US\$902
Xtract share of Explorator alluvial direct alluvial production costs (Note 3)	US\$127,148	US\$146,090 (Note 1)	US\$126,232	US\$107,200

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 two three-month periods ended 30 June 2018. Under the New Collaboration Agreement for the three-month period ended 30 September 2018 and 31 December 2018, Explorator's gold revenue and costs increases to 50%. The previously announced revenue and costs for the 3rd Quarter have therefore been updated for 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:

	4th Quarter ended 31 December 2018	3rd Quarter ended 30 September 2018	2nd Quarter ended 30 June 2018	1st Quarter ended 31 March 2018
Production Tax	US\$100,675	US\$115,400	US\$104,448	US\$76,118
Land resettlement costs	US\$7,322	US\$47,631	US\$62,437	US\$36,000

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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