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Xtract Resources plc
23 October 2023

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Xtract Resources Plc
("Xtract" or the "Company")
Manica Q2 2023 Gold Production Update

Xtract Resources Plc ("**Xtract**" or the "**Company**") announces the preliminary unaudited results for gold production for the Fair Bride deposit and other mining within the Manica Concession in Mozambique, for the three-month period ended 30 June 2023 ("**Q2 2023**").

Highlights

Fair Bride:

- Fair Bride, where Xtract has a 23% share of net profit, is now moving towards target production. Fair Bride gross gold production continued to increase during Q2 2023 and was reported to be 192Kg (equivalent to approximately 6,456 ounces) by the operator
- Fair Bride's average gold sales price for Q2 2023 was US$1,989 per ounce as per the operator's accounts
- Month-on-month, gold production has increased from 35.4kg in December Q4 2022 to 82.9kg in July (Q3 2023) as reported by the operator
- Project performance indicators for Q2 2023 have again improved across the board with gains in ore production, mill throughput, and ounces gold produced.
- The impact of a new grade control programme has resulted in a further improvement in recovered grade
- An intense in-pit drilling programme for grade control purposes has increased costs and therefore cost per ounce in Q2 2023.

Other Manica Projects:

- For the other projects at the Manica Concession, including the Alluvial and other hard rock production, Xtract is entitled to a percentage share of the gold produced ("**Other Manica Projects**")
- The total gold production for the Other Manica Projects in Q2 2023 was 12.3Kg (equivalent to approximately 395 ounces) of which the Xtract's share was 84 ounces
- Other Manica Projects' average gold sales price for Q2 2023 was US$1,963 per ounce

Colin Bird, Executive Chairman said: *"During the first half of the year the Fair Bride operation progressed in every aspect of production with financial control and reporting systems being modified and developed by the Operator to meet international reporting standards. Similarly, mining and processing was managed by the Operator moving towards an operation which will satisfy the requirements necessary for the reporting and management of a small gold operation not withstanding its remoteness. We continue to work with and encourage the Operator to achieve sustainability and excellence with a view to reducing mine costs to below US$1,000 per ounce which we feel is achievable against all of the critical parameters of the operation. The Company continues to monitor the operation and where appropriate insist on statutory and legal adherence and similarly to improve administrative and financial reporting and contractual obligations where appropriate to the benefit of all stakeholders."*

Fair Bride Operation

The Fair Bride gold deposit is within the Manica concession situated 270km NW of the city of Beira within Licence 3990C in the Odzi-Mutare-Manica Greenstone Belt of Mozambique.

Mutapa Mining and Processing, LDA ("MMP"), is the Operator of the Manica carbon-in-leach plant (CIL).

Table 1 shows the quarterly gold production and sales prices for Quarters 1 & 2 2023 for the Fair Bride project and year to date figures for 2023. The production statistics for Fair Bride are provided by Contract miner, MMP.

	Table 1: Operator's Report - Total Gold production and sales prices - Fair Bride *(Xtract 23% share of net profit)*		
	Q2 2023	**Q1 2023**	**Year to date 2023**
Tonnes Mined & Processed (tons)	124,523	107,023	231,547
Average grade (g/t)	1.74	1.51	-
Au Production (ounces)	6,456	4,522	10,978
Au recovery (%)	89.05	87.70	-
Average sales price per ounce in US$	1,989	1,859	-
Cost per oz of Au (US$)	1,215	1,185	-

Gross monthly mine production from Fair Bride has increased month-on-month as the operation has bedded down and typical post-commissioning issues have been resolved. Steady improvement has been reported in throughput tonnes processed, run of mine grade, mill throughput rate and mill availability as set out in table 2-4 below

Xtract and its subsidiary, Explorator, continued and will continue to monitor and make recommendations for all safety aspects of the operation and where necessary make proposals regarding future operations.

Table 2: Ore Tonnes Processed Q3 2022 to Q2 2023	
Month	Ore Processed (tpm)
September 2022	21,300
December 2022	28,200
March 2023	40,800
June 2023	42,000

Table 3: Mill throughput Rate Q3 2022 to Q2 2023	
Month	Ore Tonnes Milled per hour (t/hr)
September 2022	39.3
December 2022	48.9
March 2023	69.2
June 2023	72.5

Table 4: Fine Gold Poured Q3 2022 to Q2 2023	
Month	Fine Gold Poured (kg)
September 2022	28.70
December 2022	36.20
March 2023	50.99
June 2023	62.60

At the start of the first rainy season it took time for the Project operating team to adapt to the wet clay-rich mined material being fed to the plant and by the end of Q2 2023, month-on-month ore processing and throughput had risen from 28,200 tonnes per month in December Q4 2022 to approximately 42,000 throughput had risen from 28,200 tonnes per month in December Q4 2022 to approximately 42,000 tonnes in June Q2 2023, an increase of approximately 49%.

A significant amount of additional close-spaced drilling was completed during Q1 2023 specifically to improve grade control and the ability to better predict the Run of Mine grade that could be anticipated by the processing plant. This work had an almost immediate impact on improvement in the run of mine grade with the average grade rising to a reported grade for Q2 2023 of approximately 1.74g/t Au.

Xtract Resources and Manica Project Revenue Stream and Reporting

Production at Manica is now dominated by Fair Bride. The gold mined at Manica projects other than Fair Bride is now significantly scaled down as the mineable resource for these projects is significantly reduced. Accordingly, the Company has adopted a new format for quarterly reporting. Xtract will report production and gold price statistics only for Fair Bride on a quarterly basis. Xtract's 23% net profit share will be reported on semi-annually in Xtract's annual and interim financial accounts.

The Net Profit share due to Xtract for the 6 months ended 30 June 2023 is estimated to be US$2.1 million. Xtract receives 23% of the net profit at Fair Bride when the prevailing price of Gold is greater than US$1,250 per ounce. Xtract's share reduces to 21.5% if the prevailing gold price is greater than US$1,175 but less than US$1,250 and to 20% if the prevailing price of Gold is less than US$1,100 per ounce. Profit is defined as: Revenue on Sale less deductible costs (excluding non-cash items) and corporation tax of 32% after utilising any tax losses. At the current gold price Xtract is due 23% of the net profit.

Other Manica Projects production will no longer be reported quarterly.

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

Enquiries:

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").

The person who arranged for the release of this announcement on behalf of the Company was Colin Bird, Executive Chairman and Director.

Qualified Person:

The technical information contained in this announcement has been reviewed, verified, and approved by Colin Bird, C.Eng, FIMMM, South African and UK Certified Mine Manager and Director of African Pioneer plc, with more than 40 years' experience mainly in hard rock mining.

Glossary

Au	Gold
oz	Ounces
Kg	Kilogrammes (there are 32.1507 ounces in a Kilogramme

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