

For immediate release

27 June 2024

Xtract Resources Plc
("Xtract" or the "Company")
Audited results for the 12 months ended 31 December 2023

The Board of Xtract Resources Plc ("**Xtract**" or the "**Company**") announces its audited financial results for the 12 months ended 31 December 2023. The 2023 Audited Annual Report and Accounts ("Accounts") are in the process of being posted to shareholders and will be available together with this announcement on the Company's website www.xtractresources.com.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (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 the release of this announcement on behalf of the Company was Joel Silberstein, Director.

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Corporate & Operational highlights

- Acquisition of two copper exploration licenses with a further three joint venture licences acquired via an amended joint venture agreement post year-end, bringing a total combined licence area of 173,586 hectares in the highly prospective Western Foreland region of northwestern Zambia
- Xtract entered a phase of exploration in NW Zambia targeting 500Kt of contained copper either for in-house development or through a strategic joint venture agreement
- Post year-end, the Company announced the acquisition of up to a 70% JV interest in an exploration licence over the Silverking prospect in the prospective Mumbwa district of Zambia, inclusive of two high-grade breccia pipe deposits that are open both along strike, and at depth, with reported drill intercepts including 50m @ 5.47% Cu returned from historical exploration drilling
- Exploration is underway at Silverking with a focus firstly on defining a Mineral Resource centered around the high-grade pipe-like structures and secondly, evaluating the substantial area of licence that has never previously been thoroughly explored
- A revised mining study at the Bushranger copper (gold) project in Australia, completed by Optimal Mining Solutions Pty gave positive results, indicating that the Racecourse deposit could be viably mined at copper prices over \$10,000/t and mining rates of over 20mtpa
- Post year end, additional ore pre-concentration studies were initiated at the Bushranger Project including pre-screening, gravity separation and coarse particle floatation, with initial coarse particle floatation results conducted by Novacell appearing promising
- Disposal of Xtract's 23% shareholding in the Manica gold mine project, allowing disposal of risk as the mine entered the complex ore mining phase, securing future income to fund exploration activities at the newly acquired copper projects
- Immediate cash payment of US\$3.325m from the disposal of Manica gold project and up to a further US\$15m to be met via staged payments up until 01 March 2027

Financial highlights

- Cash of £0.63m (2022: £0.19m)

- Net assets of £19.89m (2022: £19.68m)
- Other operating income £1.17m (2022: £0.67m)
- Administrative and operating expenses of £1.05m (2022: £1.35m)

Chairman's Statement

Dear Shareholder,

During the period under review and to the time of writing we have been adjusting the portfolio to align the Company with what we believe to be a robust suite of assets in a commodity and jurisdiction best able to return significant shareholder values.

During the year the Manica gold project continued to build up gold production and stabilise. Overall results suggested that the mine could perform at a rate of +60kg of gold per month, with varying forecasts for the life of the oxide resources for which the original plant was designed. Despite a premature and extended rainy season, the operation continued to perform satisfactorily.

A number of exploration and confirmatory programmes were carried out for short-term pit design and end of life mine planning. Concurrently, metallurgical test work was carried out on selected core as a precursor to the design of the eventual sulphide plant.

The structure of our agreement with MMP was such that we had little contribution to the design of any future plant and also, underground mine design, which inevitably any future sulphide extension will require. The board of Xtract announced on the 24 January 2024, that they had entered into an agreement to dispose of Xtract's 23% net profit share interest for a consideration of up to US\$15million in cash in regular staged payments. At the time of writing the disposal proceeds are being received and the arrangement is proceeding satisfactorily.

The disposal of the Company's interest in Manica, facilitated Xtract's aspirations to commence a small mining campaign together with the key objective of acquiring high potential copper exploration ground. Since the disposal we have acquired a number of licences with a focus on the north-western region of Zambia. Our focus on this area, is based upon the premise that the highly productive Congolese-style copper mineralisation that hosts world class copper deposits and is prevalent in the DRC extends through parts of NW Zambia and continues into neighbouring Angola. The geological architecture necessary for the formation of Kamo-a-type high-grade copper deposits occurs within the Western Foreland domain in NW Zambia and Xtract is among several companies actively seeking Kamo-a-Kakula type mineralisation in the region. The Company is also exploring the Fold and Thrust Belt located immediately east of the projected Western Foreland boundary hosts Kolwezi-type mineralisation, characterised by lower grade bulk tonnage type targets occurring closer to surface or as rafts of mineralisation in a tectonically disturbed terrane. We are currently carrying out fieldwork to determine the optimum site for our first drilling programme, which we expect to commence during the 3rd quarter of 2024.

Our first acquisition was announced on 24 August 2023 and recently on 31 May 2024, we announced that we had entered into an addendum to that agreement, which added a further three exploration licences to the Zambia portfolio.

A further post balance sheet event, announced in early April 2024, was the joint venture agreement with Oval Mining Limited to earn up to a 70% interest in the Silverking copper mine and accompanying exploration licences. Silverking's licence is located immediately adjacent to the Kitumba deposit, which has recently been the subject of M&A activity involving Sinomine Resource Group acquiring a 65% interest in the mine. Historic drilling at Silverking has returned high grade copper intercepts including but not limited to 50m at 5.47% Cu. Two breccia pipes were identified by previous exploration and both structures remain open along strike and at depth. A large part of the exploration licence remains untested to any degree and in addition to evaluating the potential for lower grade stockwork or disseminated mineralisation in the halo around the pipes and the depth and strike extensions, work will be undertaken to test the balance of the area under licence before completing a mineral resource estimate.

On 6 November 2023, we announced the results of the initial Bushranger pit optimisation and financial study on the Racecourse prospect in New South Wales, Australia, which contains 1.1million tonnes of Cu equivalent estimated in accordance with JORC 2012. The study concluded that the project has the potential to be economically mined at a mining rate of 20Mtpa or greater and at copper prices US\$10,000 per tonne and above. The study demonstrated quite clearly that ore upgrade has potential and project economics could be improved by further pre-concentration test work.

We have commissioned a phase 2 pre concentration test programme, aimed at specific techniques to further assess the benefits and contribution of pre-concentration prior to main plant treatment. This work is currently in progress and the test work results will be released during the third quarter 2024 and if considered appropriate further financial and technical optimisation will be carried out.

The Bushranger project is open-ended in several directions and the Ascot section has yet to be defined. If one takes a global view of copper exploration projects, the Bushranger project is well placed in that it is open ended to further discovery, located in a very favourable jurisdiction. The project economics, whilst currently marginal, have the potential to be favourably rerated if the forecasted Cu price is attained and appears sustainable.

The board took the decision to dispose its interest in a pure gold project to be part of the exciting fundamentals for copper in the coming decade.

We were always convinced that the demand fundamentals were present and that motivated our decision for copper focus. What took us completely by surprise was the supply side fundamentals recent deterioration. The media is reporting on an almost daily basis the failure of existing mines to achieve forecasted results and governmental actions

reporting on an almost daily basis the failure of existing mines to achieve forecasted results and governmental actions closing down existing capacity. Chile appears to be underperforming in copper production, with a major copper mining company suffering a closure set back in Panama and a general Latin-American disdain for copper mining. This together with a general global lack of new projects and projects under development, suggests a fearful future for copper supply. Analysts are suggesting a 20% shortfall for the supply against demand, which will inevitably derail mankind's third world development together with renewable energy and EV aspirations.

Despite the volatile copper prices there is still a push-pull debate among those who make the forecast and those who make the decision for new copper mine capacity. In the face of the stark fundamentals, it is difficult to understand how any logical thinking person can be so negative as to predict falling copper prices.

It is apparent that geopolitical tension is at a 30 year high with potentially more to come and that factor could mitigate world growth and development, but if you believe in a bright new future then copper can only outperform against all other metals.

The recently aborted BHP bid for Anglo-American Corporation would not, had it have been successful, produce any more copper. It would have resulted in new ownership of current assets but no new copper, either in exploration or development. Only the majors have the financing power to develop tomorrow's copper mines and their threshold appears to be 1million tonnes of contained copper for a viable project. In my opinion, they need to lower the bar, since these projects do not currently exist. Over the last three years, I have been known to quote "the day of the small miner is back". I firmly believe that this is the case and modest projects previously challenged by grade, location or financing may have a role to play in the short to midterm future. Hence the reason for your company embarking on the mission to identify smaller projects which can be developed quickly in favourable jurisdictions.

In essence, the Company is pursuing the copper mission aggressively in the knowledge that successful exploration will lead either to a mine which can be developed by ourselves or if big enough will be much sought after by the majors.

The perfect storm is brewing for copper and your company is well placed to take advantage.

I would like to thank my fellow directors and management with their untiring and well-focused efforts during a very active and volatile period, which has refocused and transformed the Company.

Colin Bird

Executive Chairman

26 June 2024

Consolidated Income Statement

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Continuing operations			
Revenue from gold sales		-	-
Other operating income		1,173	667
Operating and administrative expenses			
Direct operating		(6)	-
Other operating		(198)	(122)
Administration		(844)	(1,227)
		(1,048)	(1,349)
Project expenses		(322)	(1,416)
Operating loss		(197)	(2,098)
Other gains and (losses)		-	-
Finance (cost)/income	9	25	150
(Loss) before tax	5	(172)	(1,948)
Taxation	10	(1)	(1)
(Loss) from continuing operations		(173)	(1,949)
Discontinued operations			
Profit from discontinued operations		808	120
Profit/(Loss) for the year		635	(1,829)
Attributable to:			
Owners of the Company		635	(1,829)
Net (loss) per share			
Basic and diluted earnings per share loss from continuing operations attributable to owners of the Company (pence)	11	(0.02)	(0.22)
Basic and diluted earnings per share loss attributable to owners of the Company (pence)	11	0.09	(0.22)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Group	
	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Profit/(Loss) for the year	635	(1,829)
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss	-	-
Exchange differences on translation of foreign operations	(431)	343
Other comprehensive (loss)/income for the year	(431)	343
Total comprehensive income/(loss) for the year	204	(1,486)
Attributable to:		
Equity holders of the parent	204	(1,486)

Consolidated and Company Statements of Financial Position

As at 31 December 2023

		Group		Company	
	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Non-current assets					
Intangible assets	13	8,191	19,418	12	80
Property, plant & equipment	14	46	40	-	-
Loans to group companies		-	-	8,011	9,637
Investment in subsidiary	15	-	-	1,291	9,823
Other financial assets	16	-	-	-	-
		8,237	19,458	9,314	19,540
Current assets					
Trade and other receivables	17	1,163	1,342	1,213	1,443
Inventories	18	-	123	-	-
Loans to group companies		-	-	-	-
Cash and cash equivalents		630	192	608	51
		1,793	1,657	1,821	1,494
Non-current assets held for sale and assets of disposal groups		11,898	-	9,963	-
Total assets		21,928	21,115	21,098	21,034
Current liabilities					
Trade and other payables	20	486	759	219	183
Other loans	20	50	50	50	50
Current tax payable	20	-	312	-	-
		536	1,121	269	233
Liabilities of disposal groups		1,506	-	-	-
Net current assets/(liabilities)		1,257	536	1,552	1,261
Non-current liabilities					
Environmental rehabilitation provision	21	-	312	-	-
Loans from group companies	20	-	-	11,591	11,553

Total liabilities		2,042	1,433	11,860	11,786
Net assets		19,886	19,682	9,238	9,248
Equity					
Share capital	22	4,975	4,975	4,975	4,975
Share premium account		71,978	71,978	71,978	71,978
Warrant reserve	23	-	304	-	304
Share-based payments reserve	23	2,106	2,121	2,106	2,121
Fair Value reserve	23	-	-	-	-
Foreign currency translation reserve	23	220	651	-	-
Accumulated losses		(59,393)	(60,347)	(69,821)	(70,130)
Equity attributable to equity holders of the parent		19,886	19,682	9,238	9,248
Total equity		19,886	19,682	9,238	9,248

The financial statements of Xtract Resources Plc, registered number 5267047, were approved by the Board of Directors and authorised for issue. As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year is disclosed in Note 3. It was signed on behalf of the Company by:

Joel Silberstein

Director

26 June 2024

Consolidated Statement of Changes in Equity

Group

	Share Capital	Share premium account	Warrant reserve	Share based payments reserve	Fair value reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Note								
As at 1 January 2022	4,973	71,684	467	1,874	-	308	(58,646)	20,660
As at 31 December 2016	3,355				-			
<i>Comprehensive income</i>								
Comprehensive income								
Loss for the year	-	-	-	-	-	-	(1,829)	(1,829)
Forex currency translation differences	-	-	-	-	-	343	-	343
Total comprehensive income for the year	-	-	-	-	-	343	(1,829)	(1,486)
Transactions with owners								
Issue of shares	23	2	259	-	-	-	-	261

Issue of shares									
Share issue costs		-	-	-	-	-	-	-	-
Issue of share options	23	-	-	-	247	-	-	-	247
Expiry of warrants	23	-	-	(128)	-	-	-	128	-
Exercise of warrants	23	-	35	(35)	-	-	-	-	-
As at 31 December 2022		4,975	71,978	304	2,121	-	651	(60,347)	19,682
As at 31 December 2016		4,955				-			
<i>Comprehensive income</i>									
Comprehensive income									
Profit for the year		-	-	-	-	-	-	635	635
Forex currency translation difference		-	-	-	-	-	(431)	-	(431)
Total comprehensive income for the year		-	-	-	-	-	(431)	635	204
<i>Transactions with owners</i>									
Issue of shares	22	-	-	-	-	-	-	-	-
Share issue costs		-	-	-	-	-	-	-	-
Expiry of share options	23	-	-	-	(15)	-	-	15	-
Expiry of warrants	23	-	-	(304)	-	-	-	304	-
Exercise of warrants		-	-	-	-	-	-	-	-
As at 31 December 2023		4,975	71,978	-	2,106	-	220	(59,393)	19,886
As at 31 December 2016		4,955				-			

Statement of Changes in Equity

Company

Share Capital	Share premium account	Warrant reserve	Share based payments reserve	Fair value reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Note

As at 1 January 2022	4,973	71,684	467	1,874	-	-	(68,920)	10,078
Other Comprehensive income								
Other Comprehensive income								
Loss for the period	-	-	-	-	-	-	(1,338)	(1,338)
Other comprehensive	-	-	-	-	-	-	-	-

income

Total comprehensive								
Total comprehensive								
income for the year	-	-	-	-	-	-	(1,338)	(1,338)
Issue of shares	23	2	259	-	-	-	-	261
Issue of shares								
Share issue costs	-	-	-	-	-	-	-	-
Issue of share options	23	-	-	-	247	-	-	247
Expiry of warrants	23	-	-	(128)	-	-	-	-
Exercise of warrants	23	-	35	(35)	-	-	-	-
As at 31 December 2022	4,975	71,978	304	2,121	-	-	(70,130)	9,248
As at 31 December 2016								
Other Comprehensive								
income								
Other Comprehensive								
income								
Loss for the period	-	-	-	-	-	-	(10)	(10)
Other comprehensive	-	-	-	-	-	-	-	-
income								
Total comprehensive								
Total comprehensive								
income for the year	-	-	-	-	-	-	(10)	(10)
Issue of shares	22	-	-	-	-	-	-	-
Issue of shares								
Share issue costs	-	-	-	-	-	-	-	-
Expiry of share options	23	-	-	-	(15)	-	-	-
Expiry of warrants	23	-	-	(304)	-	-	-	-
Exercise of warrants	-	-	-	-	-	-	-	-
As at 31 December 2023	4,975	71,978	-	2,106	-	-	(69,821)	9,238
As at 31 December 2017								

Consolidated and Company Cash Flow Statement

		Group		Company	
		Year ended	Year ended	Year ended	Year ended
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Net cash generated from/(used in)					
operating activities	24	1,209	(2,530)	255	(948)

Investing activities

Acquisition of subsidiary undertaking	-	-	-	-
Acquisition of intangible fixed assets	13 (57)	(2,868)	-	(191)
Acquisition of tangible fixed assets	14 (44)	(27)	-	-
Loans advanced to group companies	-	-	244	(3,360)
Net cash used in investing activities	(101)	(2,895)	244	(3,551)

Financing activities

Proceeds on issue of shares	-	261	-	261
Repayment of loans from group companies	-	-	58	34
Proceeds from borrowings	-	50	-	50
Net cash from financing activities	-	311	58	345

Net increase/(decrease) in cash and cash equivalents	1,108	(5,114)	557	(4,154)
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Cash and cash equivalents at beginning of year	192	5,389	51	4,205
Cash disclosed as part of disposal group	(770)	-	-	-
Effect of foreign exchange rate changes	100	(83)	-	-
Cash and cash equivalents at end of year	630	192	608	51

Significant Non Cash movements

Notes to the Financial Statements

The financial information set out in this announcement does not constitute the Company's statutory accounts for the year ended 31 December 2023 and period ended 31 December 2022.

Financial statements for the year ended 31 December 2023 and period ended 31 December 2022 will be delivered in due course. The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for 2022.

Whilst the financial statements from which this preliminary announcement has been derived are prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable law, this announcement does not itself contain sufficient information to comply with IFRS. The Annual Report, containing full financial statements that comply with IFRS, are in the process of being sent out to shareholders.

Selected notes from the financial statements are set out below without amendment to the note reference. The full notes are contained in the Audited Annual Report and Accounts

1. General information

Xtract Resources Plc is a Public Company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is 7/8 Kendrick Mews, South Kensington, London, SW7 3HG. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 5 to 21.

The financial statements are presented in pounds sterling (£) which is the functional currency of the Company. Foreign operations are included in accordance with the policies set out in note 3. These annual financial statements were approved by the board of directors on 26 June 2024.

2. Adoption of new and revised Standards

Basis of accounting

The consolidated annual financial statements have been prepared in accordance with UK-adopted international accounting standards and in conformity with the Companies Act 2006. The consolidated annual financial statements have been prepared on the historical cost basis, as modified by financial assets measured at fair value through other comprehensive income. The principal accounting policies are set out below.

On 31 December 2020 IFRS as adopted by the European Union were brought into UK law and became UK-adopted international accounting standards with future changes being subject to endorsement by the UK Endorsement Board.

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and the requirements of the Companies Act 2006. The Company will continue to prepare its financial statements in accordance with FRS 101 on an ongoing basis until such time as it notifies shareholders of any change to its chosen accounting framework.

In accordance with FRS 101, the Company has taken advantage of the following exemptions:

- Requirements of IAS 24, 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2. Adoption of new and revised Standards

New and amended standards adopted by the Group

The most significant new standards and interpretations adopted, none of which are considered material to the Group, are as follows:

Ref	Title	Summary	Application date of standards (periods commencing)
IFRS 17	Insurance Contracts	Establishes new principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and qualifying investment contracts with discretionary participation features issued.	Annual periods beginning on or after 1 January 2023.
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Introduces an exception to clarify that the 'initial recognition exemption' does not apply to transactions that give rise to equal taxable and deductible timing differences.	Annual periods beginning on or after 1 January 2023.
IAS 8	Changes in Accounting Estimates and Errors: Definition of Accounting estimates	Clarifies how to distinguish changes in accounting policies from changes in accounting estimates.	Annual periods beginning on or after 1 January 2023.

New standards and interpretations not yet adopted

Unless material the Group does not adopt new accounting standards and interpretations which have been published and that are not mandatory for 31 December 2023 reporting periods.

No new standards or interpretations issued by the International Accounting Standards Board ('IASB') or the IFRS Interpretations Committee ('IFRIC') have led to any material changes in the Company's accounting policies or disclosures during each reporting period.

The most significant new standards and interpretations to be adopted in the future are as follows:

Ref	Title	Summary	Application date of standards (periods commencing)
IFRS 16	Lease Liability in a Sale and Leaseback	Specifies requirements relating to measuring the lease liability in a sale and leaseback	Annual periods beginning on or

		transaction after the date of the transaction.	after 1 January 2024.
IAS 1	Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting Policies	Changes requirements from disclosing 'significant' to 'material' accounting policies and provides explanations and guidance on how to identify material accounting policies.	Annual periods beginning on or after 1 January 2024.
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants Date	Clarifies that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current.	Annual periods beginning on or after 1 January 2024.
IAS7 IFRS7	Supplier Finance Arrangements	The Amendments complement the existing disclosure requirements in IFRS Accounting Standards and are aimed at providing users of financial statements with information to assess the effect of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk	1 January 2024

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

The directors are evaluating the impact that these standards will have on the financial statements of the Group.

3. Significant accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries). These consolidated financial statements are made up for the year ended 31 December 2023.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 as amended, are recognised at their fair value at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Going concern

The operations of the Group have been financed through operating cash flows as well as through funds which have previously been raised from shareholders. As at 31 December 2023, the Group held cash balances of £0.63 million and an operating profit has been reported.

On 24 January 2024, the Company announced that it had agreed terms for the disposal of the Manica Gold Project with its Mozambique partner, MMP. The Share Purchase Agreement in relation to the sale by the Company of its entire interests in the project for a consideration of up to US\$15 million in cash in regular staged payments by the Buyers over the period to 1 March 2027.

The Directors anticipate net operating cash inflows for the Group for the next twelve months from the date of signing these financial statements.

The Directors have assessed the working capital requirements for the forthcoming twelve months and have undertaken assessments which have considered different scenarios based on exploration spend on its exploration projects in Zambia and Australia until June 2025.

Upon reviewing those cash flow projections for the forthcoming twelve months, the directors consider that the Company is not likely to require additional financial resources in the twelve-month period from the date of approval of these financial statements to enable the Company to fund its current operations and to meet its commitments. The Group will continue to monitor corporate overhead costs on an ongoing basis.

The Directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Parent only income statement

Xtract Resources Plc has not presented its own income statement as permitted by section 408 of the Companies Act 2006. The loss for the year ended 31 December 2023 was £11k (2022: loss £1,338k).

Foreign currencies

The individual financial statements of each Group Company are maintained in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in Pound Sterling, which is the functional currency of the Company, and the presentational currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency differences arising on retranslation into an entity's functional currency are recognised in profit and loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRSs as Sterling denominated assets and liabilities.

Taxation

The tax expense comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the

initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

Land acquisition rights and mine development costs

The costs of land acquisition rights in respect of mining projects and mine development are capitalised as intangible assets. These costs are amortised over the expected life of mine to their residual values using the units-of-production method using estimated proven and probable mineral reserves.

Intangible exploration and evaluation expenditure assets

The costs of exploration properties and leases, which include the cost of acquiring prospective properties and exploration rights, are capitalised as intangible assets. Exploration and evaluation expenditure is capitalised within exploration and evaluation properties until such time that the activities have reached a stage which permits a reasonable assessment of the existence of commercially exploitable reserves. Once the Company has determined the existence of commercially exploitable reserves and the Company decides to proceed with the project, the full carrying value is transferred from exploration and development costs to mining development. Capitalised exploration and evaluation expenditure is assessed for impairment in accordance with the indicators of impairment as set out in IFRS 6 Exploration for and Evaluation of Mineral Reserves. In circumstances where a property is abandoned, the cumulative capitalised costs relating to the property are written off in the year. Capitalised exploration costs are not amortised.

Property, plant and equipment

Tangible fixed assets represent mining plant and equipment, office and computer equipment and are recorded at cost, net of accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life, which is calculated on either a fixed period or the expected life of mine using the unit of production method, as appropriate.

The average life in years is estimated as follows:

Office and computer equipment	3-10
Plant and machinery	7-15

Until they are brought into use, fixed assets and equipment to be installed are included within assets under construction and are not depreciated.

The cost of maintenance, repairs and replacement of minor items of tangible fixed assets are charged to the income statement as incurred. Renewals and asset improvements are capitalised. Upon sale or retirement of tangible fixed assets, the cost and related accumulated depreciation are eliminated from the financial statements. Any resulting gains or losses are included in the income statement.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Classification

The Group classifies its financial assets in the following categories: at amortised cost including trade receivables and other financial assets at amortised cost, at fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Other financial assets at amortised cost

Classification of financial assets at amortised cost

The group and parent company classify its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principle and interest.

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest could be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and repayable within three years from the end of the reporting period.

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Financial assets at fair value through other comprehensive income

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise an investment held. These are carried in the statement of financial position at fair value. Subsequent to initial recognition, changes in fair value are recognised in the statement of other comprehensive income.

Financial liabilities

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Loans to/(from) Group companies

These include loans to and from subsidiaries are recognised initially at fair value plus direct transaction costs.

Loans to Group companies are classified as financial assets at amortised cost. Loans from Group companies are classified as financial liabilities measured at amortised cost.

Inter-company loans are interest bearing.

Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short term highly liquid deposits with a maturity of three months or less.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Inventory

Inventories consist of the Company's share of gold dore bars produced by the Alluvial Mining Contractors, which have been smelted and are available for further processing. All inventories are valued at the lower of cost of operations and net realisable value. Costs include cost, which are closely related to the overall alluvial operations including monitoring and compensation costs. Net Realisable value is the estimated future sales price of the product the Company is expected to realise after the product is processed and sold less costs to bring the product to sale. Where inventories have been written down to net realisable value, a new assessment is made in the following period. In instances where there has been change in circumstances which demonstrates an increase in the net realisable value, the amount written down will be reversed.

Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions, which are not market related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, Group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight-line basis over the vesting period).

If the share-based payments vest immediately the services received are recognised in full.

Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Share-capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share Capital

Share capital represents the amount subscribed for shares at nominal value.

Share Premium

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Share-Based Payment Reserve

The share-based payment reserve represents the cumulative amount which has been expensed in the statement of comprehensive income in connection with share-based payments, less any amounts transferred to retained earnings on the exercise of share options.

Warrant Reserve

The warrant reserve presents the proceeds from issuance of warrants, net of issue costs. Warrant reserve is non-distributable and will be transferred to share premium account upon exercise of warrants.

Finance Income

Finance income comprises interest income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales tax or duty. A receivable is recognised when the goods are delivered, since this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Chairman who is responsible for allocating resources and assessing performance of the operating segments.

Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Financial Assets Fair Value through Comprehensive Income

The Group reviews the fair value of its unquoted equity instruments at each statement of financial position date. This requires management to make an estimate of the fair value of the unquoted securities in the absence of an active market, which has mainly been established by use of recent arm's length transactions, as adjusted by a discount, where required. Uncertainty also exists due to the early stage of development of corporate level investments in subsidiaries.

Impairment of intangible assets

The assessment of intangible assets for any indications involves judgement. Such assets have an indefinite useful life as the Company has a right to renew exploration licences and the asset is only amortised once extraction of the resource commences. Management tests for impairment annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 13. Each exploration project is subject to an annual review by either a consultant or a geologist to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside a decision will be made to discontinue exploration; an impairment charge will then be recognised in the Income Statement.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Group has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model used by the Group is the Black-Scholes model.

6. Expenses by nature

Profit / (loss) from continuing operations and discontinued operations for the year has been arrived at after charging the following under administrative and operating expenses:

		Year ended 31 December 2023	Year ended 31 December 2022
	Note	£'000	£'000
Depreciation of property, plant and equipment	14	11	14
Amortisation of intangible fixed assets	13	-	-
Inventory		19	53
Auditors remuneration	7	25	30
Directors remuneration	8	251	350
Share-based payments expense (non-directors)		-	130

11. (Loss) per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended 31 December 2023 Pence	Year ended 31 December 2022 Pence
Loss per share	0.07	(0.22)
- From continuing operations	(0.02)	(0.23)
- From discontinued operations	0.09	0.01
Total	(0.07)	(0.22)
Profit/(Loss) for the purposes of basic and diluted earnings per share (EPS) being:	£'000	£'000
Net Profit/(loss) for the year attributable to equity holders of the parent		
- From continuing operations	(173)	(1,949)
- From discontinued operations	808	120
Total	635	(1,829)
	2023 Number of shares	2022 Number of shares
Weighted average number of ordinary shares for purposes of basic EPS	856,375,115	849,532,192
Effect of dilutive potential ordinary shares-options and warrants	-	-
Weighted average number of ordinary shares for purposes of diluted EPS	856,375,115	849,532,192

In accordance with IAS 33, the share options and warrants do not have a dilutive impact on earnings per share, which are set out in the consolidated income statement.

20. Trade and other payables

Current	Group		Company	
	As at 31 December 2023 £'000	As at 31 December 2022 £'000	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Trade creditors and accruals	486	759	219	183
Other loans	50	50	50	50
Current tax payable	-	312	-	-
	536	1,121	269	233
Non-Current	Group		Company	
	As at 31 December 2023 £'000	As at 31 December 2022 £'000	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Loans from group companies	-	-	11,591	11,553
	-	-	11,591	11,553

29. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

30. Events after the balance sheet date

Disposal of the Manica Gold Project

On 24 January 2024, the Company announced that it had agreed with its Mozambique partner, MMP, and parties related to MMP terms for the disposal of the Manica Gold Project. The terms agreed were as follows:

The Share Purchase Agreement

The Company agreed to sell its 23% net profit share interest in the Manica Gold Project (by way of a sale of the entire issued share capital of Mistral) to the Buyers for a consideration of up to US\$15 million in cash in regular staged payments by the Buyers over the period to 1 March 2027.

The Settlement and Restructuring Agreement

The termination of Company's mining collaboration agreement with MMP dated 28 May 2019 in relation to the Manica Gold Project under which the Company would be paid US\$3.325 million in cash to settle all monies due under the Mining Collaboration Agreement. All funds have been received by the Company.

On 24 February 2024, the Company announced that it had completed the disposal of the Manica Gold Project.

Zambian Exploration Licence Joint Venture

On 3 April 2024, the Company announced that the Company had entered into an option and joint venture agreement ("Agreement") with Oval Mining Limited ("Oval"), who in cooperation with Cooperlemon Consultancy Limited ("Cooperlemon"), the advisory Company, to earn-in up to a 70% interest in the Silverking copper mine and accompanying exploration licence 26673-HQ-LEL ("Silverking") covering an area of approximately 81.7km² located in the Mumbwa District of the Central Province of Zambia.

Joint Venture Agreement

The Company has an option period of 18 months to earn an initial 51% in the Licence provided it spends US\$0.5 million in exploration over the period.

The Company may withdraw at any time during the option period but will lose its right to earn 51% in the Licence. On completion of the earn in period, or as such other time as the Company has spent US\$0.5 million, it may then advise Cooperlemon of its intention to increase its interest in the Licence to 70% by agreeing to spend a further US\$1 million over two years on exploration and development of the Licence, subject to Cooperlemon's right to maintain its interest in the Licence through an option to earn back up to 70% by participating in such ongoing expenditure.

In the event that an inferred resource in excess of 300,000 tonnes of contained copper is reported, then the Company's beneficial interest shall remain at 70% or if different, its respective interest at the date of the resource estimate. If an inferred resource of greater than 500,000 tonnes of contained copper is reported, then any subsequent sale of the project to a third-party will result in an equal share of the disposal proceeds between the parties, after costs of disposal but such costs to exclude the actual cost of the resource discovery - Cooperlemon will not be responsible for any exploration costs, but will be responsible for any costs incurred during the disposal process, to include local taxes and legal fees.

If the exploration programme demonstrates that the Licence cannot support an inferred resource of 300,000 tonnes or more, then the parties by mutual agreement may elect to commence a small mining project. In the event, that a small mining project is developed then the Company's interest in the project will be 70%. If a small mine is developed, the Company will be responsible for funding the entire project and will not recover from Cooperlemon any share of costs.

Additional Zambian Joint Venture Exploration Licences

On 30 May 2024 the Company announced that it had entered into an addendum to restate the existing joint venture agreement with Cooperlemon Consultancy Limited ("Joint Venture Agreement") in relation to the exploration for copper in Zambia as previously announced on 24 August 2023. The addendum adds three additional large scale exploration licenses in Northwest Zambia (the "Additional Licences") to the joint venture.

Restated Agreement

The restated joint venture agreement with Cooperlemon Consultancy Limited ("Cooperlemon") is in relation to the exploration for copper at the Original Licences and the Additional Licences in Northwest Zambia (together the "Licences"). Under the restated joint venture agreement (the "Restated Agreement"), the Company agreed the following additional key terms in addition to those in the joint venture which was announced on 24 August 2023.

Earn-in and Phase 1 exploration budget for the Additional Licences

The Company will earn a 65% interest in the Additional Licences by funding exploration expenditure of not less than US\$0.5 million on each of the three Additional Licences over an initial two-year period commencing on the date of the Restated Agreement ("Additional Licences Phase 1"). The Company will earn a 65% interest in the Original Licences by funding exploration expenditure over an initial two-year period commencing on 23 August 2023 ("Phase 1") on the Original Licences of not less than US\$2 million and in aggregate therefore, the Company's commitment under the Restated Agreement amounts to US\$3.5 million.

If results are positive at the end of the Additional Licences Phase 1 period a joint venture company ("JV company") in relation to the Additional Licences will be formed and this JV Company will then raise funds to further develop the Additional Licences with the objective of achieving Positive Exploration Results. For this purposes Positive Exploration Results means drilling results that prove continuity of mineralisation at grades suggesting the potential for the future development of a Mineral Resource of not less than 500,000 ("five hundred thousand") tonnes of contained copper at grades consistent with Economic Recovery achievable at the depth of discovery. Economic Recovery is defined as a project which has a minimum IRR ("internal rate of return") of not less than 25% and a payback period not exceeding 42 months including recovery of capital expenditure. Xtract anticipates funding this exploration expenditure from existing resources and current ongoing operational activities.

Consequence of Trade Sale during the Additional Licences Phase 1 period

If there is a trade or any other sale or joint venture of the Additional Licences during the Additional Licences Phase 1 period then the Company will be deemed to have a 50% interest in the Additional Licences. A sale requires the agreement of both the Company and Cooperlemon.

The of the terms and conditions of the original joint venture as announced on 24 August 2023 in respect of the Original Licences otherwise remain unchanged by the Restated Agreement.

Qualified Person

In accordance with AIM Note for Mining and Oil & Gas Companies, June 2009 ("Guidance Note"), Colin Bird, CC.ENG, FIMMM, South African and UK Certified Mine Manager and Director of Xtract Resources plc, with more than 40 years experience mainly in hard rock mining, is the qualified person as defined in the Guidance Note of the London Stock Exchange, who has reviewed the technical information contained in this document.

ENDS

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