



13 February 2015

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

## **La Parrilla Mine and Tailings Update** **Focus on fast tracking mines to production**

W Resources Plc (AIM:WRES), the tungsten, copper and gold mining, exploration, development and production company with assets, in Spain and Portugal, is carrying out a strategic review of operations in order to maximise managements focus on bringing the La Parrilla and Régua Mines into production.

### **Summary**

- Interim results of strategic operations review highlight the need to prioritise on La Parrilla and Régua mine developments
- La Parrilla fast track mine environmental approval advancing with approval expected Q4 2015
- La Parrilla tailings operation will transition to be run on a campaign basis in order to integrate with fast-track mine
- New finance facility in place with BBVA Bank in Spain and large VAT refunds expected Q2 2015

### **La Parrilla and Régua**

The previously announced detailed evaluation of the La Parrilla Mine and Tailings Project has produced interim findings which have determined a course of action to ensure that the Company is on track to achieve production from the La Parrilla Mine in 2016.

The interim review confirmed, from the positive feedback from La Parrilla Tailings Project sales, that the Company can expect to produce a high quality tungsten product. This, combined with the benefit of being able to have rigorously tested the technical processes and onsite operational logistics, has provided a platform from which the development of the main La Parrilla and Régua Mines can confidently move ahead.

The La Parrilla and Régua Mines have higher expected feed grades of 0.2% WO<sub>3</sub> and 0.3% WO<sub>3</sub> respectively, compared with 0.06% for the Tailings Project, which provides robust economics due to the low cost of extraction from the open pit mines, even at the lower prices the market is currently experiencing in tungsten. These lower prices make the Tailings Project more economically challenging, combined with the benefits to be gained by using the processing facilities to facilitate early mine production, management have concluded that the plant is best used to test both the La Parrilla and Régua Mine ore with a medium-term plan to integrate this into the fast track mining operations. As a result, the Company has switched to running the tailings on a campaign basis with short 5-15 day runs to streamline the metallurgical process. The Company operated on this basis through most of January (after the late December maintenance shut was completed) and the sale of the eight tonnes of January production of WO<sub>3</sub> has just been shipped.

In 2014, W Resources exported 113 tonnes of 60% WO<sub>3</sub> concentrate for sales of €1.24 million – a solid result as it commissioned and ramped up the plant.

La Parrilla Mine is expected to have a run of mine of 2.2m tonnes per annum, with target production of 2,300 tonnes per annum at 63% WO<sub>3</sub>, which would deliver revenue at US\$55 to US\$60m. This resource positions La Parrilla Mine as one of the largest tungsten deposits in the western world, which has exceptional infrastructure now in place, significantly reducing overall Capital expenditure costs, which provides a major competitive advantage.

The priority for 2015 is to work towards fast tracking the La Parrilla mine into mining in 2016, expanding to full production in 2017. The key steps to achieving this include:

- La Parrilla environmental approval, which is expected mid-2015;
- testing La Parrilla and Régua Mine ore at the tailings facility;
- infill drilling;
- testing of the state-of-the-art metallurgical equipment;
- installation of electrostatic separator sized for mine production; and
- testing fine spirals for better operation.

It is this use of the tailings facility that dictates it being optimised between campaign production and mine testing and planning.

### **Financing**

A new finance facility with leading Spanish bank BBVA of €225,000 has been put in place in order to provide support for working capital as required. In addition, the Company expects VAT refunds in excess of €0.5m in the Q2 2015. These factors combined will significantly improve the Company's working capital position, which has enabled the Company to agree a deferral of drawings on the Bergen facility.

In parallel, the Board continues to look at financing options, the first milestone of which has been achieved with the recent investment from Hansource Investments Limited (which currently holds 11.5% of the issued ordinary share capital), with early stage discussions commencing with other strategic investors and potential joint venture partners.

**Michael Masterman, Chairman of W Resources, commented:** "The board is very focussed on achieving its target to bring La Parrilla and Régua into production in the next two years. We believe that the low cost of the mine and the progress made to date at La Parrilla will deliver strong shareholder value as we progress towards bringing one of the largest Tungsten mines in the western world into production.

"We appreciate the support of shareholders to date and look forward to growing the Company into a significant European producer. Discussions with regard to financing are positive and we look forward to providing further detail on this as progress is made on the target funding for the La Parrilla mine."

### **Enquiries:**

#### **W Resources Plc**

Michael Masterman  
T: +44 (0) 20 7193 7463  
[www.wresources.co.uk](http://www.wresources.co.uk)

#### **Grant Thornton UK LLP**

Colin Aaronson / Jen Clarke / Harrison Clarke  
T: +44 (0) 20 7383 5100

#### **SI Capital**

Andy Thacker / Nick Emerson  
T: +44 (0) 1483 413500  
[www.sicapital.co.uk](http://www.sicapital.co.uk)

#### **Gable Communications**

John Bick / Justine James  
T: +44 (0) 20 7193 7463  
M: +44 (0) 7872 061007

### **About La Parrilla**

The La Parrilla project site is situated in the Extremadura region of southwest Spain, in the Provinces of Caceres-Badajoz, approximately 310 km southwest of Madrid. The site is accessed directly from the highway along a 3 km asphalt road and is serviced by electricity and water. The project comprises a tungsten mine and a tungsten tailings project. The mine resource estimated by Golder in June 2013 is 46.92 million tonnes at 0.09% WO<sub>3</sub>, making it one of the largest tungsten deposits in the western world.