

17 April 2020

**W Resources Plc**  
("W" or the "Company")**March 2020 Quarterly Production Report**

W Resources (AIM:WRES), the tungsten, copper and gold mining company with assets in Spain and Portugal announces its Q1 2020 quarterly production update for the La Parrilla mine in Spain and an update on its tungsten, tin and gold projects in Portugal.

- A total of 274,000 tonnes ("t") of Run of Mine ("ROM") ore fed to the La Parrilla plant in Q1 2020
- Tungsten ("WO<sub>3</sub>") metal production increased 242% to 3,306 metric tonne unit ("mtu") (33,060kg)
- Tin ("Sn") metal production increased from 207% to 12.1 dry metric tonnes ("dmt")
- Combined Tin and Tungsten contained metal increased 232% to 45.2t
- Mining costs and the strip ratio remained low and below the budgeted mine plan with grade in line with the plan
- Shipped 48.8t of Tungsten Concentrate and 20.2t of Tin Concentrate to offtake partners from January 2020 to date
- Full-scale operations were put on hold in late March due to Spanish State of Emergency COVID-19 shutdown which has now been lifted for mining operations
- Crusher plant and Jig plant are now in full operation and the Concentrator plant to be restarted imminently following installation of new cyclones on the spirals to improve density control and desliming which should materially increase concentrator plant recovery

**Production Summary**

<b>La Parrilla Production Summary</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Var %</b>
ROM feed (wmt)	113,322	273,656	<b>141%</b>
Strip ratio	0.56	1.07	<b>91%</b>
Jig plant feed (dmt)	105,579	240,926	<b>128%</b>
Concentrator feed (dmt)	32,042	98,726	<b>208%</b>
WO <sub>3</sub> concentrate (dmt)	21.4	58.9	<b>175%</b>
WO <sub>3</sub> contained metal (mtu)	968	3,306	<b>242%</b>
Sn concentrate (dmt)	7.9	23.3	<b>195%</b>
Sn contained metal (dmt)	3.9	12.1	<b>207%</b>
Total concentrate (dmt)	29.3	82.2	<b>181%</b>
Total contained metal (dmt)	13.6	45.2	<b>232%</b>

(*'dmt'* – dry metric tonnes, *'wmt'* – wet metric tonnes, *'mtu'* – metric tonne unit (1 mtu = 10kg of metal))

**Michael Masterman, Chairman of W Resources, commented:** "Production at La Parrilla is building, albeit not at the pace we had anticipated due to early stage plant challenges having an impact on production levels for Q1 2020, as a result of a combination of unplanned downtime with mechanical issues with the jig and the

crusher plants, which have now been resolved, and planned shut downs to implement important production improvement initiatives.

“The mining and processing operations expanded in Q1 2020 with key initiatives implemented including construction of a pre-concentrate stockpile area to allow continued operation of the concentrator plant when the jig or crusher plants are down, installation of deslime cyclones ahead of the fines circuit and a hydrosizer ahead of the shaking tables which are complete and operational. Production and export of both tin and tungsten concentrate through the purification FME circuit continued during April in accordance with the Spanish Mining Authority guidance and allowances for export operation under the State of Emergency. Following the expiry of the restrictions, the crusher and jig plants are now in operation and the full concentrator plant circuit will restart imminently following installation of cyclones on the spirals.

“We are mindful that production levels are not where we or our stakeholders expected them to be, however we are still very much in the early stages of the ramp-up and the team is well set to achieve significantly stronger results in the June quarter as a result of the improvement initiatives implemented in Q1. The increase in tungsten and tin production demonstrates progress in a very difficult external environment and we remain focussed on the works in hand and are confident of making the solid progress needed in order to reach design capacity.”

## **COVID-19 - Spanish State of Emergency**

- With the spread of COVID-19 in Spain, operations in Q1 2020 have been challenging with the priority being the safety of our employees and contractors.
- The closure of non-essential services which limited operations has now been lifted.
- In early April following clarification from the mining authorities, W has, with a limited workforce, focused on processing existing tungsten and tin intermediate product to produce shipment tonnages and revenue. In addition, the team has proceeded to install cyclones on the spirals to enable greater density control and increase concentrator plant recoveries.
- The plan (subject to Spanish State of Emergency restrictions) is to restart the concentrator plant operations imminently on completion of the key works.
- No W Resources personnel or contractors have been affected by COVID-19 and strict workplace procedures remain in place.

## **Operations**

- Strong safety performance continues with no Lost Time Injuries during the last 12 months and a total recordable injury frequency rate (TRIFR) of 16.1 which is well below the Spanish mining industry average of 45.2.
- Mining and processing operations expanded during Q1 2020 as the ramp-up of the La Parrilla mine progressed and plant enhancement modifications were completed.
- Mining operations continued at low-strip ratios (waste:ore) averaging 1.07 to 1 during the quarter, well below budget levels and the mine is delivering the required grade to the plant.
- Production was lower than planned during the quarter as a result of unplanned downtime with mechanical issues with the jig and the crusher plants and planned shutdowns to implement important production improvement initiatives.
- Key initiatives implemented include the construction of a pre-concentrate stockpile area to allow continued operation of the concentrator plant when jig or crusher plants are down, the installation of deslime cyclones ahead of the fines circuit and a hydrosizer ahead of the shaking tables which are complete and operational. Work is underway to install cyclones ahead of all spirals to improve density control and desliming which should materially increase concentrator plant recovery.
- Tin production was a highlight with higher grades delivered from the mine and high metal recoveries through the process plant and 12.1t of contained tin metal produced up from 3.9t in the prior quarter.

## **Shipments and Marketing**

- W Resources is shipping all its Tungsten and Tin concentrate to customers but the volatility and changes in COVID-19 regulations in Spain and Europe have led to longer lead times to organise and effect delivery.

- The Company shipped 48.8t of Tungsten Concentrate and 20.2t of Tin Concentrate in the March quarter and to the date of this report.
- Market prices for European ammonium paratungstate (“APT”) remained at 240-245 USD/mtu throughout the quarter.
- LME tin prices decreased from 16,850 USD/t to 14,591 USD/t during the quarter.
- Supply disruptions appear to have reduced Chinese exports of APT to Europe and the US providing some solid support to prices.

## Tungsten and Tin Projects

- Mining operations commenced early March 2020 at the Régua tungsten mine in northern Portugal with the commencement of mining in the first of two adits with skarn ore zones intersected in the initial development. Following an extension in Portugal of COVID-19 related restrictions mining activity has been paused.
- Plant design and procurement activities are near completion in advance of construction activities which have been rescheduled to later in the year after the COVID-19 crisis has hopefully passed.
- An application to extend the period of the trial mine licence as a result of the COVID-19 emergency has been requested to the Portuguese mining authorities.

## Gold and Tungsten Exploration

- The application for the São Martinho gold trial mine licence continues to advance towards grant with the issue of the licence expected in late 2020. New expenditure on this project is pending grant.

## Corporate

- BlackRock Financial Management Inc. (“BlackRock”) interest payments were made on schedule during the quarter and BlackRock has agreed, subject to documentation, to allow Payment in Kind (or roll up) of June quarter interest payments.
- A £4m facility was put in place with Atlas Capital Markets to provide a strong buffer of funds to W Resources.
- W Resources has applied to four banks for Spanish Government guaranteed loan facilities and expects to receive feedback during April on these applications. Timing on receipt of the existing approved €5.3m grant is likely to be delayed with the Extremadura government sensibly focussed on the COVID-19 crisis.

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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