

23 July 2020

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

W Resources (AIM:WRES), the tungsten, tin and gold mining company with assets in Spain and Portugal, announces its Q2 2020 quarterly production update for the La Parrilla mine in Spain and an update on its tungsten, tin and gold projects in Portugal. The quarter was significantly impacted by the COVID-19 state of emergency in Spain.

- A total of 253,256 tonnes ("t") of Run of Mine ("ROM") ore fed to the La Parrilla plant in Q2 2020.
- Total tungsten and tin contained metal production increased by 0.5% to 47.6 tonnes during the quarter, mostly as a result of strong tin recoveries.
- Tin ("Sn") metal production was the highlight increasing 65% to 20.0 dry metric tonnes ("dmt").
- Tungsten ("WO₃") metal production decreased 17% to 2,756 metric tonne unit ("mtu") (27,560 kg) during the quarter as a result of the temporary mine closure and weaker than expected plant performance.
- Combined shipments of tungsten concentrate (58.9t) and tin concentrate (40.8t) increased to nearly 100t in Q2 2020, taking total shipments to offtake partners to 89.0t of tungsten concentrate and 40.8t of tin concentrate for the half year. A further 20.4t of tungsten concentrate and 39.0t of tin concentrate has been shipped from 1 July to date.

Production Summary

La Parrilla Production Summary	Q4 2019	Q1 2020	Q2 2020	Var %
ROM feed (wmt)	113,322	273,656	253,256	-7%
Strip ratio	0.56	1.07	0.58	-46%
Jig plant feed (dmt)	105,579	240,926	228,060	-5%
Concentrator feed (dmt)	32,042	98,726	129,021	31%
WO ₃ concentrate (dmt)	21.4	58.9	47.6	-19%
WO ₃ contained metal (mtu)	968	3,306	2,756	-17%
Sn concentrate (dmt)	7.9	23.3	41.2	77%
Sn contained metal (dmt)	3.9	12.1	20.0	65%
Total concentrate (dmt)	29.3	82.2	88.8	8%
Total contained metal (dmt)	13.6	45.2	47.6	5%
Tungsten & Tin Shipments (t)	9.1	30.1	99.7	231%

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

Michael Masterman, Chairman of W Resources, commented: "The second quarter was challenging with the State of Emergency shutdown in April, followed by constrained operations as a result of the ongoing COVID-19 pandemic. This was further impacted by operational challenges relating to EPC contractor equipment primarily in the jig and mill plant and in the concentrator rod mill. Short-term solutions including a replacement mill have been implemented and procurement of longer lead items initiated to further improve operations. While tin recoveries have been high, tungsten recoveries have lagged and extensive metallurgical and geometallurgical test work as well as plant modifications are underway with the aim to lift production.

“Spanish operating capability has been substantially enhanced with experienced Director Pablo Neira moving to an executive leadership role running the Spanish operation and the appointment of Danilo Diaz from Anglo American as Plant Manager. We are seeing material improvements in plant utilisation and operation hours which should translate into higher production in the coming quarters.

”With a strengthened Spanish operations team, implementation of improvement programmes and advancement in metallurgical work to lift tungsten recoveries we now have the fundamentals in place to increase production.”

Q2 2020 Overview

Q2 production was impacted by various factors and operationally the team has made good progress to mitigate this going forward.

- The Spanish State of Emergency shut down operations in April. The mine and main plant reopened in May under the continuing COVID-19 protocol and in the face of supply change logistics challenges that the Spanish industry has faced.
- Plant improvements made in order to rectify early-stage operational challenges at La Parrilla have been completed. This included several improvements to the jig plant and also replacement of the mill as a result of the vendor not providing fit for purpose plant and rolls.
- Operating costs were carefully managed throughout the quarter and further cost reductions have been implemented.
- The operational team has been strengthened with Director Pablo Neira moving to an executive leadership role in Spain and the appointment of Danilo Diaz from Anglo American as Plant Manager.
- Significant new test work programmes have been completed to support decision making on improving tungsten recoveries.
- Whilst there were good tin recoveries the operational focus on tungsten recoveries is the key focus.

COVID–19 - Spanish State of Emergency

- The spread of COVID-19 has been controlled in Spain during the quarter and no cases of COVID-19 have been reported by employees or contractors. There has been a gradual return to normal working conditions with appropriate prevention and controls.
- The State of Emergency was lifted in Spain on 21 June and the Spanish Government continues to closely monitor the situation.

Operations

- Safety performance continues to be a top priority for the Company. There were two minor lost time injuries at La Parrilla in May and June, which have increased the total recordable injury frequency rate (TRIFR) to 32.6; whilst any incident, whatever the circumstance, is regrettable, we note that this value is below the Spanish mining industry average of 45.2.
- ROM feed has stabilised towards the end of the period, mostly due to a very low feed tonnage in April caused by the compulsory closure of non-essential operations imposed by the Spanish Government.
- Mining operations continue to perform well and deliver the required ore feed to the plant at a low waste/ore strip ratio (0.58 in the quarter), while maintaining the required grades in line with the plan to feed ore to the plant. Blasting has reached the more competent ore reducing fines in the processing operations.
- Effective utilisation of the plants has increased to over 80% at the end of the period.
- Key initiatives completed in the quarter include the installation of four hydrocyclones to feed the spiral banks, which has resulted in a much more precise control and stability over the density of the feed and a better operation of pumps, or the change of one of the roll mills in the jig plant by a Vertical Shaft Impactor (VSI), which has proven successful.
- Despite lower tungsten production, W has benefited from higher grades of tin delivered from the mine and high metal recoveries to increase total production to 65%.

Shipments and Marketing

- Shipped 58.9t of tungsten concentrate and 40.8t of tin concentrate in Q2 2020, taking total shipments to offtake partners to 89.0t of tungsten concentrate and 40.8t of tin concentrate for the half year. A further 20.4t of tungsten concentrate and 39.0t of tin concentrate has been shipped from 1 July to date.
- Market prices for European ammonium paratungstate (“APT”) fell from 240-245 USD/mtu to 205-215 USD/mtu during the quarter.
- London Metal Exchange (“LME”) tin prices increased 15.46% from 14,591 USD/t to 16,847 USD/t during the quarter. The LME Sn spot price is now at US\$17,485 USD/t (21/7/2020).
- Demand for APT in Europe and the United States has been affected by the effects of COVID-19 however market experts expect tungsten prices to be trending stable to higher in the near term. (Source: Fastmarkets)

Tungsten and Tin Projects

- Mining operations at the Régua tungsten mine in northern Portugal commenced in March 2020 in the first of two adits with skarn ore zones intersected in the initial development. Mining activities were then paused following the COVID-19 related restrictions implemented by the Portuguese Government.
- Now that the COVID-19 crisis has eased, construction activities at Régua have been rescheduled to commence in Q3 2020. Plant design and procurement activities are near completion.
- The application to extend the period of the trial mine licence as a result of the COVID-19 emergency has been made to the Portuguese mining authorities and is progressing.

Gold and Tungsten Exploration

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

Corporate

- Documentation is advanced to allow Payment in Kind (“PIK”) of the May 2020 interest payments totalling US\$1.6m to BlackRock Financial Management Inc.
- Spanish government guaranteed bank facilities have been put in place with major Spanish banks for a total of €1.82m, which includes €800k of rollover of existing credit lines.
- The Atlas Capital Markets facility of £4m remains in place and there have been no drawings during the quarter.

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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