



Quarterly Report

June 2021

15 July 2021

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

Q2 2021 Production Report

W Resources Plc (AIM:WRES), the tungsten, tin and gold mining company with assets in Spain and Portugal, announces its Q2 2021 quarterly production report for the La Parrilla mine in Spain.

The following highlights the tangible progress the Company is making towards reaching its T2 run rate later this year:

- Completion of the first water dam resulting in regaining access to the higher-grade ore.
- Increased revenues bolstered by increasing prices of both tungsten and tin.
- Higher plant utilisation, with record utilisation in Q2 2021; with high expectations of improvements in Q3.
- More robust tungsten recovery in Q2 2021 with record recoveries for both tungsten and tin during June 2021, with high expectations of improvements continuing in Q3 2021.
- Looking to move to a 24*7 operating basis no later than Q4 2021, subject to staff recruitment and training.
- Expecting significant improvement in production during H2 based upon our progress in late Q2 and the start of Q3 2021.

In Q2, the plant operated on a five-day week for 11 of the 13 weeks. Each working day constituted a three 8-hour shift pattern, up to 11 May, when the mine transitioned to a two 12-hour shift pattern which has resulted in improved efficiencies and communication between the workforce. Having two shift managers rather than three also gives better plant stability as well as better availability and utilisation.

The main priority in Q2 was to resolve the high water levels at the mine in order for the team to safely access high-grade ore. Following completion of the 500,000m³ dam, the dewatering of the open pit was completed on 24 June 2021 and the Company is now mining and processing the higher-grade ore.

The Company identified that it needed to carry out corrective and proactive maintenance prior to regaining access to higher-grade ore. These measures, which were performed successfully, resulted in a 10-day production shutdown, with production recommencing on 8 June 2021.

In Q2, W achieved the highest quarterly tungsten concentrate production to date at 106.4t.

In June 2021, W achieved the highest monthly concentrate production to date (55.6t), notwithstanding the fact the plant restarted on 8 June. In addition, for the month of June 2021, W achieved the highest monthly recovery for both tungsten and tin at 56% and 50% respectively.

Based on the progress now being made the Company reconfirms production guidance of between 880t and 1,000t of concentrate for the year ending December 2021.

Key Metrics

- A total of 231,613 tonnes ("t") of Run of Mine ("ROM") ore fed to the La Parrilla plant in Q2 2021
- Total tungsten and tin concentrate production of 130.2t
- Tungsten ("WO₃") concentrate production of 106.4t
- Tin ("Sn") concentrate production of 23.8 dry metric tonnes ("dmt")

La Parrilla Production Summary

Production for Q2 2021 was impacted by the 2-week closure of the mine at La Parrilla. However due to increasing tungsten recovery rates June has seen the highest monthly production figures to date.

The pro-rata below adjusts for the variance in production days.

	Q2 2021	Q1 2021	Variance	Variance
La Parrilla Production Summary	Actual	Actual	Comparison	Pro rata
WO ₃ contained metal (mtu)	6,919	3,916	76.7%	47%
Sn contained metal (dmt)	12.4	16.3	-24.1%	-20%
Total contained metal (dmt)	81.6	55.5	47.0%	22%

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

Michael Masterman, Chairman of W Resources, commented: "Whilst we faced further challenges due to the impact of having to build a 500,000m³ dam, we were pleased to complete the dewatering of the open pit on 24 June 2021 enabling us to safely regain access to the higher-grade ore. The impact of lack of access to the higher-grade ore was somewhat mitigated with our tungsten recovery rates increasing from 32% to 47% enabling us to produce a record amount of tungsten concentrate in the quarter.

"We are now highly encouraged that we are making tangible progress having achieved our highest monthly production of concentrate in June 2021, notwithstanding this was in a three-week period. Looking ahead we now have access to a better quality and a better grade of ore which should see our production numbers increase towards our T2 target".

Q2 2021 Overview

In Q2, the Company successfully completed the construction of a new water dam at the La Parrilla mine in order to resolve the issue of the high water levels.

Dewatering of the mine pit was completed on Thursday, 24 June and we are now able to safely regain access to high-grade ore areas.

The final phase of the project to provide a permanent solution to the water issues at La Parrilla, comprising of a second dam, is currently at the design stage and is expected to be completed in Q4 2021. This is a cautionary measure and will ensure future production is not adversely affected should we have another very wet winter with high rain fall.

For the month of June 2021, recovery rates for tungsten and tin reached circa 56% and 50% respectively. W achieved consistent ROM feed grade in June 2021, with circa 20% more metal content than expected.

	Q2 2021	Q1 2021	Variance	Variance
La Parrilla Production Summary	Actual	Actual	Comparison	Pro rata
ROM feed: tonnes mined (wmt)	231,613	196,094	18%	-2%
Strip ratio	2.89	5.13	-44%	
Jig plant: tonnes processed (dmt)	173,901	163,866	6%	-12%
WO ₃ feed grade (ppm)	855	744	15%	

WO ₃ recovery (%)	47%	32%	47%	
WO ₃ concentrate (dmt)	106.4	63.5	68%	40%
WO ₃ concentrate grade (%)	65.0	61.6	6%	
WO ₃ contained metal (mtu)	6,919	3,916	77%	47%
Sn feed grade (ppm)	259	228	14%	
Sn recovery (%)	27%	44%	-39%	
Sn concentrate (dmt)	23.8	28.9	-18%	-31%
Sn concentrate grade (%)	51.9	56.6	-8%	-24%
Sn contained metal (dmt)	12.4	16.3	-24%	-37%
Total concentrate (dmt)	130.2	92.4	41%	17%
Total contained metal (dmt)	81.6	55.5	47%	22%

* Q1 2021 production was based on working 5 days a week and Q2 production was also based on working five days a week

* Q1 2021 production consisted of 10 working weeks, Q2 2021 production consisted of 11 working weeks

Recovery

Tungsten recovery increased during Q2 2021 from 32% to 47%, although tin recovery fell from 45% to 27%. Working practices at the mine have been updated to ensure better recovery rates for both tungsten and tin and the benefits of these changes were clearly evidenced in June 2021.

Health and Safety

During the period there were two accidents and two minor injuries. Additional training has been provided to the staff involved. There were no reported Covid-19 incidents.

Plant Utilisation

Plant utilisation increased from 84.8% to 88.2% and this is the best performance to-date.

Shipments

Five shipments of tungsten concentrate totalling 100t and one shipment of tin concentrate totalling 19.3t were completed in Q2

La Parrilla Shipment Summary	Q2 2021 Actual	Q1 2021 Actual	Variance Comparison	Variance Pro rata
Tungsten concentrate (t)	100.0	59.2	68.9%	41%
Tin concentrate (t)	19.3	20	-3.5%	-20%

Commodity Pricing

European ammonium paratungstate ("APT") pricing remains strong and has further increased to US\$287-US\$292 per metric tonne unit ("MTU") - Fastmarkets MB, 9 July 2021.

The LME Tin price continues to strengthen reaching a three-month forward price of US\$33,550 per tonne as per the Fastmarkets MB, 13 July 2021.

Production Guidance

The Company continues to expect that total annual production will be between 880t and 1,000t of concentrate for the twelve months ending 31 December 2021.

Employees

The number of staff employed at La Parrilla mine as at 30 June 2021 was 90 compared to 82 as at 31 March. This number is slightly lower than the guidance given in the Q1 update but recruitment of additional staff is ongoing.

La Parrilla Historic Production Summary	Q1 2020 Actual	Q2 2020 Actual	Q3 2020 Actual	Q4 2020 Actual	Q1 2021 Actual	Q2 2021 Actual
No. of working days			39	52	45	54
ROM feed: tonnes mined (wmt)	273,656	253,256	171,454	261,841	196,094	231,613
Strip ratio	1.07	0.58	1.38	1.19	5.13	2.89
Jig plant: tonnes processed (dmt)	240,926	228,060	148,417	236,677	163,866	173,901
WO ₃ feed grade (ppm)	800	845	857	943	744	855
WO ₃ recovery (%)	17%	16%	30%	31%	32%	47%
WO ₃ concentrate (dmt)	58.9	47.6	54.7	100.0	63.5	106.4
WO ₃ concentrate grade (%)	56.1	57.4	69.8	67.0	61.6	65.0
WO ₃ contained metal (mtu)	3,306	2,756	3,820	6,698	3,916	6,919
Sn feed grade (ppm)	282	307	181	321	228	259
Sn recovery (%)	22%	25%	37%	26%	44%	27%
Sn concentrate (dmt)	23.3	41.2	22.9	33.4	28.9	23.8
Sn concentrate grade (%)	51.9	48.5	42.7	56.3	56.6	51.9
Sn contained metal (dmt)	12.1	20.0	9.8	18.8	16.3	12.4
Total concentrate (dmt)	82.2	88.8	77.6	133.4	92.4	130.2
Total contained metal (dmt)	45.2	47.6	48.0	85.8	55.5	81.6

Shipments

The historic shipments from La Parrilla are as follows:

La Parrilla Historic Shipment Summary	Q1 2020 Actual	Q2 2020 Actual	Q3 2020 Actual	Q4 2020 Actual	Q1 2021 Actual	Q2 2021 Actual
Tungsten concentrate (t)	30.1	58.9	62.1	100.2	59.2	100.0
Tin concentrate (t)	20.2	20.6	38.1	26.1	20.0	19.3

With increasing production and improving recoveries and plant utilisation, W looks forward to updating the market in August 2021 on the excellent progress being made at the mine at La Parrilla.

Information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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