

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019  
FOR  
W RESOURCES Plc**

**W RESOURCES PLC  
INDEX TO THE INTERIM RESULTS  
FOR THE SIX MONTHS TO 30 JUNE 2019**

	<b>Page</b>
<b>Chairman's Statement</b>	1
<b>Group Comprehensive Income</b>	6
<b>Group Financial Position</b>	6
<b>Group Changes in Equity</b>	7
<b>Group Cash Flow Statement</b>	8
<b>Notes to the Interim Results</b>	9
<b>Appendix I</b>	10

## **W RESOURCES PLC CHAIRMAN'S STATEMENT**

The core priority of W Resources has been to complete the construction of the T2 stage, two million tonnes per annum ("mtpa") La Parrilla Mine as well as the tungsten and tin production plant in South Western Spain. Construction of the La Parrilla plant is complete and we are now in the critical commissioning and ramp-up phase to move on to large-scale tungsten and tin concentrate production and sales. La Parrilla, with its large-scale production capacity and low-cost structure will form the base of our cash generation and expansion.

Expansion in tungsten and tin production will be delivered in three key phases: the first will be driven by the ramp-up of La Parrilla T2; the second by the commencement of initial mining operations at our Régua mine and processing plant in Northern Portugal; and the third from the planned expansion of La Parrilla to 3.5 million tonnes (T3.5 stage) of Run of Mine ("ROM") feed. Régua has trial mine approval and is advancing toward initial production in 2020. Extremadura mines department approval for the T3.5 stage is advanced and expected in the first half of 2020.

In addition to our core focus on tungsten and tin, we have advanced our São Martinho gold discovery through a successful drilling programme and the application for a trial mine and gold production licence. The trial mine licence will allow W to pursue a drilling programme to expand the resource and resolve the geological interpretations of a flat lying structure (Golder) and a deeply dipping structure (SRK). Importantly, a trial mine is a key level of licence tenure and will provide the authority to mine shallow ore and produce gold on a pilot basis. We will actively explore opportunities to bring in Joint Venture parties and monetise the gold discovery in 2020.

### **TUNGSTEN & TIN**

#### **La Parrilla - Spain**

La Parrilla is a large-scale, low-cost, long-life tungsten and tin project, located approximately 310km southwest of Madrid. It has Australasian Joint Ore Reserves Committee ("JORC") compliant resources totalling 49 million tonnes ("mt") at a grade of 998 parts per million ("ppm") of tungsten trioxide ("WO<sub>3</sub>") and JORC compliant reserves of 29.8mt (of which 1.2mt is proven and 28.6mt is probable) at a diluted grade of 931ppm WO<sub>3</sub>.

The project is now on target to mine 2mtpa of ROM and produce approximately 2,500 tonnes ("t") of tungsten concentrate and 200t of tin ("Sn") concentrate per annum ("T2").

From production start-up, we envisage a nine-month period to reach capacity of 2,500tpa. which is anticipated to deliver EBITDA of cUS\$20.0m per annum at projected prices and USD:EUR exchange rate levels (August 2017 FID estimated US\$32.6m per annum for first 6 years production at 2,700 tpa concentrate).

The project comprises four components – mine, crusher plant, jig and mill plant and the concentrator plant supported by critical Non-Plant Infrastructures ("NPI"), comprising power, water, tailings dam, laboratory and control systems infrastructure. W Resources has ensured that all mine crushing and NPI infrastructure is complete and fully commissioned and tested at design capacity. The mine, crusher plant and jig and mill plant have been commissioned and are ready to underpin the ramp-up of the concentrator plant, which is currently undergoing commissioning, to targeted tungsten and tin concentrate production levels.

We have now completed construction of the T2 phase at La Parrilla, which has been delivered within budget, including contingency. Whilst the schedule has run a quarter later than we targeted, which ultimately had a knock-on effect on production start-up, we are delighted to complete construction of this impressive large-scale, long-life tungsten and tin project.

## **W RESOURCES PLC CHAIRMAN'S STATEMENT**

### **Grant Update**

In March 2018, the Junta de Extremadura Government in Spain awarded a grant of €5.3m to W's 100% owned subsidiary, Iberian Resources Spain SL. The conditions set, in order to be able to receive the Grant, were a minimum investment in plant and equipment of €16.6m and the creation of at least 20 full time positions. With these conditions now successfully met, W is now progressing documentation to formally apply to receive this Grant.

The team continues to maintain and build on their great on-the-ground relationships and appreciate the Government's support.

### **Offtake Agreements**

W has two major long-term offtake agreements in place with investment grade counterparties; the first with Wolfram Bergbau und Hütten AG, ("WBH"), the largest tungsten processing company in Europe and the second is directly with a leading supplier to the USA tungsten markets.

W will supply both with approximately 65-66% tungsten concentrate on competitive pricing terms. The offtake agreements cover the initial T2 development of the La Parrilla Mine and will account for approximately 80% of the planned production tonnage from this phase. There is significant demand for the balance of production which W plans to secure in additional offtake agreements following T2 production start-up.

### **Production and Shipments**

In the first half of 2019, W completed produced and shipped tungsten concentrate from the older existing concentrator plant. Given the stop start nature of commissioning and testing, the existing concentrator plant produced 29.3 tonnes of concentrate. The existing concentrator plant has been used to optimise and provide guidance to improve the large-scale commercial operation.

Production is now moving towards a larger-scale operation as the start-up of the new concentrator plant and shipments will now be accelerated with the commencement of production.

## **PORTUGUESE PROJECTS**

### **Régua Tungsten Project**

Progress at Régua continues apace. The high-grade, development-ready tungsten project with low capital cost has a trial mine licence, with a current JORC compliant mineral resource of 5.46mt at a grade of 0.28% WO<sub>3</sub>, including an indicated resource of 3.76mt at a grade of 0.304% WO<sub>3</sub>.

In Q1, the Company completed over 2.73km of drilling, comprised of 916 metres ("m") of diamond core drilling plus 1,809m of RC drilling. The results (News release 1 April, 2019) confirmed thick higher-grade zones closer to the planned mine portals chosen for initial mining operations including 29m at 0.75% WO<sub>3</sub> from hole RGR015 and 6m at 0.43% WO<sub>3</sub> from hole RGR020.

In June, the Company signed a contract for ore haulage and crushing with Francisco Pereira Marinho Imaos SA ("FPMI"). Under the contract, once mining has commenced, ore from Régua will be hauled 27km to the FPMI crushing plant and crushed to a range of 5-10mm. As part of the service contract, FPMI will use the waste ore for rehabilitation of their existing quarry providing local environmental benefits. The estimated crushing and haulage cost is cUS\$40-45/mtu and W will pay €50,000 to expand access roads for haulage.

## **W RESOURCES PLC CHAIRMAN'S STATEMENT**

The Régua deposit remains open at depth and on all sides, with significant potential to boost the resource growth to the northeast including a 10m thick tungsten intersection. Golder Associates Pty Ltd ("Golder"), who completed the JORC Compliant Mineral Reserves and Resource Estimate in 2015 are working on the updated Reserves and Resource estimate and have advised it will be completed in October 2019. Once the updated Resource estimate has been received, planning for the preparatory mine works will commence.

### **Tarouca Tungsten Project**

In 2015, trench sampling at the Tarouca project showed high grade tungsten results, which together with the 15 holes drilled in 2014, confirmed an outstanding exploration target in the north-eastern area of the licence.

In April 2018, the technical team carried out a month-long reverse circulation drilling programme which, as announced on 7 June 2018, identified very high tungsten grade intersections

At Tarouca, following the successful exploration extension drilling, we have applied for a new exploration license (Tarouca-Mões) covering the studied sector and prospective ground to the south.

### **CAA Portalegre - Gold**

São Martinho currently has a JORC gold resource of over 110,000oz. Results from the drilling campaigns in 2017 and 2018 provided a solid base to drive extension drilling with the potential for a materially larger resource.

SRK Consulting (UK) Ltd ("SRK") continues to evaluate the project with a view to finalising the increased resource estimate which the Company. In initial estimates, there is a large increase in the modelled volumes, but differences exist in geological opinion as to whether the deposit is flat lying as in the Golder Associates Pty Ltd and W Resources assessment or deeply dipping as in the current SRK interpretation.

We have advanced São Martinho through a successful drilling programme and the application for a trial mine and gold production licence submitted in September 2018 continues to progress through the regulatory process. The trial mine licence will allow W to pursue a drilling programme to expand the resource and resolve the geological interpretations of a flat lying structure (Golder) and a deeply dipping structure (SRK) which have partly arisen due to the combination of structural complexity and multistage mineralising events.

Importantly, a trial mine is a key level of licence tenure and will provide the authority to mine shallow ore and produce gold on a pilot basis. We will actively explore opportunities to bring in Joint Venture parties and monetise the gold discovery in 2020.

### **Finance**

The Company secured a €3m loan facility with Caja Rural de Extremadura to provide an advance of funding against the €5.3m grant awarded by the Junta de Extremadura Government, which is expected to be paid to the Company in late Q4 2019 and recently announced a €1m placing at 0.5p from supportive Spanish investors. In addition, the Company will need to raise additional funding prior to the expected receipt of the grant funding.

The €3m loan has an interest rate of 1.75% per annum for a term of 15 months, providing an efficient low-cost source of funds to W Resources.

In August 2019, BlackRock Financial Management Inc. ("BlackRock") agreed to capitalise an additional six months of interest payments of the BlackRock term loan, which equated to US\$1.29m, and was added to the final loan balance.

**W RESOURCES PLC  
CHAIRMAN'S STATEMENT**

**Outlook**

We are delighted to have completed the build of the T2 expansion at La Parrilla, which is a world class tungsten project. This project was delivered on budget and whilst, due to certain delivery delays, the ramp-up was later than we had planned for, we are delighted to have now commenced operations in the new mine and fully integrated process plant.

Régua in Portugal is advancing and will follow closely behind the development of La Parrilla. Exploration success at Tarouca will feed into and further enhance Régua hub development economics.

The team with the strong support of the Board is executing development well and this is a credit to the calibre of the management team.

**Michael Masterman  
Chairman**

30 September 2019

**W RESOURCES PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS TO 30 JUNE 2019**

	<b>Unaudited six Months to 30 June 2019 €(000's)</b>	<b>Unaudited six Months to 30 June 2018 €(000's)</b>	<b>Year to 31 December 2018 €(000's)</b>
<b>Continuing Operations</b>			
Revenue	293	-	219
Cost of Sales	(293)	-	(219)
Gross Loss	-	-	-
Administrative Expenses	(561)	(723)	(899)
<b>Operating Loss</b>	<b>(561)</b>	<b>(723)</b>	<b>(899)</b>
Exceptional Items	-	-	165
Finance Costs	(533)	(315)	(1,082)
Exchange Gain / (loss)	45	(1,226)	(2,423)
Impairment charge	-	-	(353)
<b>Loss before Income Tax</b>	<b>(1,049)</b>	<b>(2,264)</b>	<b>(4,592)</b>
Income Tax	-	77	76
<b>Loss for the Period</b>	<b>(1,049)</b>	<b>(2,187)</b>	<b>(4,516)</b>
<b>Other Comprehensive Income</b>			
Translation Reserve Movement	-	119	913
<b>Total Comprehensive Income for the period</b>	<b>(1,049)</b>	<b>(2,068)</b>	<b>(3,603)</b>
<b>Basic and Diluted Loss per Share</b>	<b>(0.02c )</b>	<b>(0.04c)</b>	<b>(0.08c)</b>

**W RESOURCES PLC**  
**GROUP FINANCIAL POSITION**  
**30 JUNE 2019**

	Unaudited 30 June 2019 €(000's)	Unaudited 30 June 2018 €(000's)	31 December 2018 €(000's)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible Fixed Assets	34,261	20,084	26,609
Tangible Fixed Assets	21,913	8,306	18,552
	<u>56,174</u>	<u>28,390</u>	<u>45,161</u>
<b>CURRENT ASSETS</b>			
Inventories	-	53	181
Trade and Other Receivables	6,238	4,565	6,579
Cash and Cash Equivalents	1,037	17,028	6,786
	<u>7,275</u>	<u>21,646</u>	<u>13,546</u>
<b>TOTAL ASSETS</b>	<u>63,449</u>	<u>50,036</u>	<u>58,707</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS EQUITY</b>			
Called up share capital	6,733	6,195	6,449
Share premium account	30,361	28,654	29,531
Retained earnings	(22,344)	(19,204)	(21,295)
Merger Reserve	1,014	1,028	1,014
Translation Reserve	1,783	1,001	1,783
Share based Payment Reserve	1,622	68	1,622
<b>TOTAL SHAREHOLDERS EQUITY</b>	<u>19,169</u>	<u>17,742</u>	<u>19,104</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4,911	1,441	5,857
	<u>4,911</u>	<u>1,441</u>	<u>5,857</u>
<b>NON-CURRENT LIABILITIES</b>			
Loan Capital	39,369	30,853	33,746
<b>TOTAL LIABILITIES</b>	<u>44,280</u>	<u>32,294</u>	<u>39,603</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>63,449</u>	<u>50,036</u>	<u>58,707</u>

**W RESOURCES PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2019**

	Called Up Share Capital €(000's)	Retained earnings €(000's)	Share Premium €(000's)	Merger Reserve €(000's)	Translation Reserves €(000's)	Share Based Payment Reserve €(000's)	Total Equity €(000's)
Balance at 1 January 2019	6,449	(21,295)	29,531	1,014	1,783	1,622	19,104
Issue of Share Capital	284		830	-	-	-	1,114
Total Loss for the Period	-	(1,049)	-	-	-	-	(1,049)
Total Comprehensive Income	-	(1,049)	-	-	-	-	(1,049)
<b>Balance at 30 June 2019 (unaudited)</b>	<b>6,733</b>	<b>(22,344)</b>	<b>30,361</b>	<b>1,014</b>	<b>1,783</b>	<b>1,622</b>	<b>19,169</b>
<b>6 Months to 30 June 2018</b>							
Balance at 1 January 2018	5,750	(16,778)	26,920	1,014	870	67	17,843
Translation difference on restatement of opening reserves	81	(239)	384	14	12	1	253
Issue of Share Capital	364	-	1,350	-	-	-	1,714
Total Loss for the Period	-	(2,187)	-	-	-	-	(2,187)
Unrealised Foreign Exchange Gain	-	-	-	-	119	-	119
Total Comprehensive Income	-	(2,187)	-	-	119	-	(2,068)
<b>Balance at 30 June 2018 (unaudited)</b>	<b>6,195</b>	<b>(19,204)</b>	<b>28,654</b>	<b>1,028</b>	<b>1,001</b>	<b>68</b>	<b>17,742</b>
<b>Year to 31 December 2018</b>							
Balance at 1 January 2018	5,750	(16,778)	26,920	1,014	870	67	17,843
Issue of Share Capital	699	-	2,611	-	-	-	3,310
Total Loss for the Period	-	(4,516)	-	-	-	-	(4,516)
Transactions with Owners	-	-	-	-	-	1,555	1,555
Unrealised Foreign Exchange Loss	-	-	-	-	913	-	913
Total Comprehensive Income	-	(4,516)	-	-	913	-	(3,603)
<b>Balance at 31 December 2018</b>	<b>6,449</b>	<b>(21,294)</b>	<b>29,531</b>	<b>1,014</b>	<b>1,783</b>	<b>1,622</b>	<b>19,105</b>

**W RESOURCES PLC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS TO 30 JUNE 2019**

	Unaudited Six Months to 30 June 2019 €(000's)	Unaudited Six Months to 30 June 2018 €(000's)	Year to 31 December 2018 €(000's)
<b>Cash Flows from Operating Activities</b>			
Cash Created/ absorbed by Operations	1,276	(5,147)	5,989
Interest Paid	-	-	(109)
Finance Costs paid	-	(315)	(5,311)
Tax Paid	-	-	(65)
	<u>1,276</u>	<u>(5,462)</u>	<u>504</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of Intangible Fixed Assets	(7,683)	(4,286)	(10,439)
Purchase of Tangible Fixed Assets	(3,456)	(5,912)	(14,313)
	(11,139)	(10,198)	(24,752)
<b>Cash Flows from Financing Activities</b>			
New Loans in Period	3,000	30,853	27,606
Loan Repayments in Period	-	(389)	(384)
Share Issue	284	363	699
Share Premium	919	1,435	2,746
Share Issue Costs	(89)	(85)	(135)
<b>Net Cash for Financing Activities</b>	4,114	32,177	30,532
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	(5,749)	16,518	6,284
Cash and Cash Equivalent at Beginning of Period	<u>6,786</u>	<u>510</u>	<u>502</u>
<b>Cash and Cash Equivalent at end of Period</b>	<u>1,037</u>	<u>17,028</u>	<u>6,786</u>
<b>Reconciliation of Cash Flows from Operations</b>			
Loss Before Tax	(1,049)	(2,264)	(4,592)
Depreciation	126	120	252
Exchange Gains & Losses	171	(303)	727
Increase in Capitalised Finance Costs	2,888	315	1,083
Exchange Losses on New Loans	-	-	2,952
Share Warrants Issued	-	-	264
Share Options Issued	-	-	115
Impairment of Intangible Asset	-	-	353
	<u>2,136</u>	<u>(2,132)</u>	<u>1,154</u>
(Increase) / Decrease in Trade and Other Receivables	(95)	(3,372)	(127)
Increase / (Decrease) in Trade and Other Payables	(946)	357	111
(Increase) / Decrease in Inventories	181	-	4,851
<b>Cash Created / Absorbed by Operations</b>	<u>1,276</u>	<u>(5,147)</u>	<u>5,989</u>

**W RESOURCES PLC**  
**NOTES TO THE INTERIM RESULTS**  
**FOR THE SIX MONTHS TO 30 JUNE 2019**

**1. BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention.

As an AIM listed Company the company is entitled to exemption from adopting IAS 34 and this exemption has been taken to the effect that segment information is not disclosed.

The financial statements have been prepared using the accounting policies used in the audited Financial Statements for the year ended 31 December 2018, and which will continue to be used for the financial statements for the year ended 31 December 2019.

The interim results are unaudited. The financial statements herein do not amount to full statutory accounts within the meaning of Part 15 of the Companies Act 2006.

The presentational currency was changed to Euros prospectively from 1 January 2019. All comparative figures have been converted at a rate of 1.1149 at 31 December 2018.

These financial statements were approved on 30 September 2019.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the period ended 30 June 2019, the Group has recorded a loss after tax from continuing operations of €1,049k; it had a cash balance of €1,037k, current liabilities of €4,911k and had net cash outflows of €5,749k.

The Directors are currently reviewing a range of financing options which may include the increase in current debt facilities, convertible debt, additional equity, bank overdraft facilities and other funding instruments and options. The Directors have reviewed the Group's cashflow requirements for the 6 months ended 31 March 2020 and are of the opinion that sufficient funds will be available in order to meet its ongoing obligations.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Directors Responsibilities

The Directors are responsible for preparing the Interim Review and the Financial Statements in accordance with applicable law and regulations. The Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards as adapted for use in the European Union.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group.

**2. INCOME TAX**

There is no income tax arising on the loss on ordinary activities for the six months ended 30 June 2019.

**3. LOSS PER ORDINARY SHARE**

<u>Basic and Diluted Loss Per Share</u>	<b>Loss (€000's)</b>	<b>Weighted Average Number of Shares (millions)</b>	<b>Per Share Amount Cents</b>
6 Months to 30 June 2019 (unaudited)	(1,049)	6,601	(0.02c)
6 Months to 30 June 2018 (unaudited)	(2,187)	5,316	(0.04c)
Year to 31 December 2018 (Audited)	(4,516)	5,423	(0.08c)

**W RESOURCES PLC**  
**APPENDIX I**  
**JORC COMPLIANT MINERAL RESERVES AND RESOURCE ESTIMATES**

**La Parrilla Proven and Probable Mineral Reserves - JORC 2012**

	Tonnes '000	Grade WO <sub>3</sub> (ppm)	Metal Content WO <sub>3</sub> (t)	Grade Sn (ppm)	Metal Content Sn (t)
<b>Proven</b>	1,177	995	1,171	251	295
<b>Probable</b>	28,577	928	26,511	111	3,156
<b>Total</b>	<b>29,754</b>	<b>931</b>	<b>27,683</b>	<b>116</b>	<b>3,451</b>

*Note: The La Parrilla mine reserves are set out in the following table based on the optimal LOM Pit. Estimate for La Parrilla Deposit using a 330 ppm WO<sub>3</sub> Cut-Off Grade and 5% dilution. All tonnes quoted are dry tonnes. Differences in the addition of tonnes to the total displayed is due to rounding.*

The La Parrilla JORC-compliant mineral reserves update was fully disclosed, with JORC Table 1 in a Company news release on 14 June 2017. Mr Adén Muñoz of AYMA Mining Solutions SL, a Spanish Mining Engineering company based in Seville was the Competent Person responsible for the La Parrilla Proven and Probable Mineral Reserves. The mineral reserves are based on indicated and measured resources prepared by Golder Associated in March 2017 (RNS, 11 May 2017). The Company is not aware of any information or data which would materially affect this previously announced reserve estimate, and all assumptions and technical parameters relevant to the estimate remain unchanged.

**La Parrilla JORC Compliant Mineral Resource Estimate**

Category	Tonnes	WO <sub>3</sub> (ppm)	Sn (ppm)	Cut-off
<b>Measured</b>	1 mt	1,115	278	0.04% WO <sub>3</sub>
<b>Indicated</b>	35 mt	1,004	110	0.04% WO <sub>3</sub>
<b>Inferred</b>	13 mt	974	97	0.04% WO <sub>3</sub>
<b>Total</b>	<b>49 mt</b>	<b>998</b>	<b>110</b>	<b>0.04% WO<sub>3</sub></b>

The La Parrilla JORC-compliant mineral resource update was fully disclosed, with JORC Table 1 in a Company news release on 11 May 2017. Mr Andrew Weeks (Golder Associates Pty Ltd) was the Competent Person responsible for the Mineral Resource Estimate for the La Parrilla deposit. The Company is not aware of any information or data which would materially affect this previously announced resource estimate, and all assumptions and technical parameters relevant to the estimate remain unchanged.

**Régua JORC Compliant Mineral Resource Estimate**

Category	Tonnes	WO <sub>3</sub> %	Cut-off
<b>Indicated</b>	3.76 mt	0.304	0.1% WO <sub>3</sub>
<b>Inferred</b>	1.70 mt	0.227	0.1% WO <sub>3</sub>
<b>Total</b>	<b>5.46 mt</b>	<b>0.280</b>	<b>0.1% WO<sub>3</sub></b>

The Régua JORC-compliant mineral resource update was fully disclosed, with JORC Table 1 in a Company news release on 27 October 2015. Mr Sia Khosrowshahi (Golder Associates Pty Ltd) was the Competent Person responsible for the Mineral Resource Estimate for the Régua deposit. The Company is not aware of any information or data which would materially affect this previously announced resource estimate, and all assumptions and technical parameters relevant to the estimate remain unchanged.

**São Martinho Maiden JORC Compliant Mineral Resource Estimate**

Category	Tonnes	Au (g/t)	Au Content (Oz)	Cut-off
<b>Indicated</b>	0.48 mt	1.03	17,363	0.5 g/t Au
<b>Inferred</b>	2.56 mt	1.05	94,624	0.5 g/t Au
<b>Total</b>	<b>3.04 mt</b>	<b>1.04</b>	<b>111,987</b>	<b>0.5 g/t Au</b>

The São Martinho maiden JORC-compliant mineral resource update was fully disclosed, with JORC Table 1 in a Company news release on 8 June 2016. Mr Jorge Peres (Golder Associates Pty Ltd) was the Competent Person responsible for the Mineral Resource Estimate for the São Martinho deposit. The Company is not aware of any information or data which would materially affect this previously announced resource estimate, and all assumptions and technical parameters relevant to the estimate remain unchanged.