



## ASX Announcement | 26 March 2021 Rafaella Resources Limited (ASX:RFR)

### Santa Comba Tungsten Project – Underground Recommissioning Update

#### Investment Highlights

- ① The Company has brought forward its production plans and intends for first concentrate from underground resources to be produced in September 2021.
- ① Existing plant to be dismantled and removed. Site to be cleared in preparation for installation and commissioning of more efficient modular process plant with smaller environmental footprint.
- ① Underground contractors appointed with installation of services underway.
- ① Contractors specialising in high grade vein mining have been contacted to install systems and train locals in their advanced raise mining methods.
- ① Early commissioning of underground operations will give access to previously stockpiled ores and significant mineable ore above flooded levels ahead of finalising commercial agreement to access near surface material.
- ① Drilling campaign currently underway to increase the Mineral Resource and extend the mine life<sup>1</sup>. Both near surface and underground resources are being targeted. First assay results are due next week.

**Rafaella Resources Limited (ASX:RFR) (“Rafaella” or “the “Company”)** is pleased to announce that the ongoing underground development of the Santa Comba tungsten project (the “**Project**”) is being accelerated with first tungsten concentrate targeted for early September.

Further to the ASX announcement on 5 February 2021<sup>2</sup> the Company is accelerating development of its underground mining and processing operations. The underground was last operated in 1985 by Coparex Minera and there are close to 7,000m of workings with visible access to high-grade wolframite veins.



**Figure 1: Example of Underground Vein**

<sup>1</sup> See ASX announcement 28 January 2021 “Rafaella signs drilling contract for Santa Comba resource expansion. Rig mobilised and drilling commenced.”

<sup>2</sup> See ASX announcement 5 February 2021 “Santa Comba Tungsten Project - Advancing rapidly to early cashflow.”

In August, Galicia Tin and Tungsten S.L. (GTT) the 100% subsidiary of Rafaela and owner of the Project, commissioned an engineering study for the safe restart of the underground with IGAN Consultores. Since then, GTT has:

- engaged underground contractors Perforaciones del Noreste to install services,
- undertaken steps to improve access to the Mina Carmen adit,
- made safe redundant stopes and rises, and
- acquired ventilation equipment.

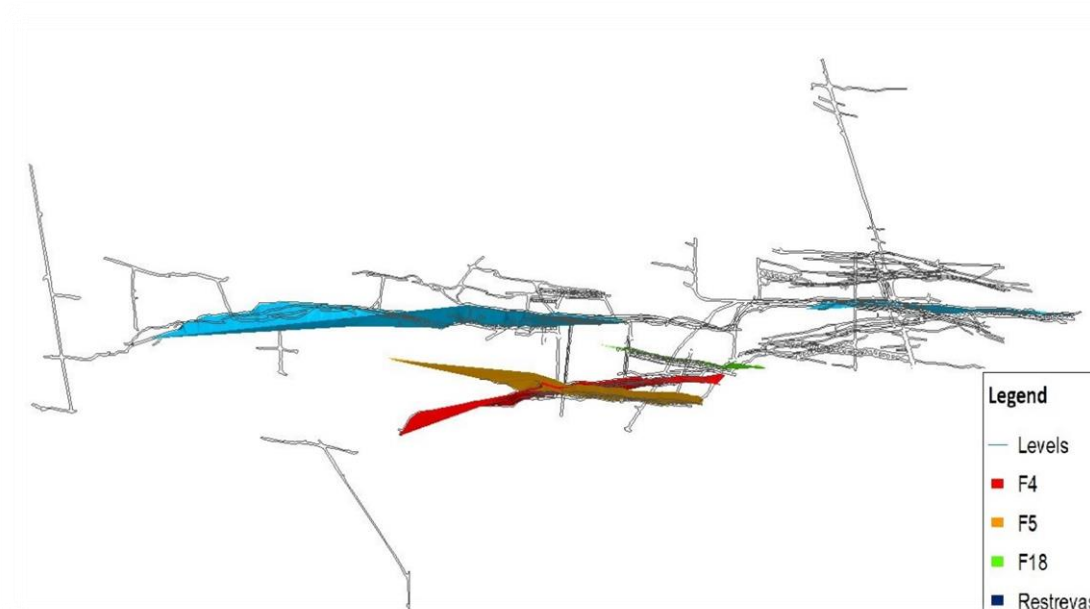
The current drilling programme underway has included a number of deeper holes that are targeting the underground resource. Note that the economics of the underground development have not been included in the pre-feasibility study (“PFS”).<sup>3</sup>

Initial concentrate will be generated from blasted stocks recorded as 18,000t remaining from previous underground operations. Once the stocks have been retrieved, further ore will be accessed via raise mining, a mining methodology designed to access narrow vein mineralisation with minimal dilution. However, previous ore sorting testing has determined the parameters for rejection of sub-economic ores and eliminate mining dilution in recovery of contact ores and stockpiles.

The early access to underground ore will allow the Company to generate near term cash flows and stagger the commencement of operations such that the smaller volume underground will come on-stream ahead of the expected future larger volume surface exploitation.

The underground resource consists of 4 main veins that combined have 234,313t of JORC (2012) compliant Inferred Resources at 0.95% WO<sub>3</sub> and 0.28% Sn for a total metal inventory of 2,221t WO<sub>3</sub> and 655t of Sn (0.53% WO<sub>3</sub> cut-off)<sup>4</sup>.

*The Company is not aware of any new information or data that materially affects the information included in the Mineral Resource Estimate dated 30 June 2020. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.*



**Figure 2: Plan View of Modelled Veins**

<sup>3</sup> See ASX announcement 2 December 2020 “Santa Comba PFS Demonstrates Exceptional Economics with Assignment of Ore Reserves.”

<sup>4</sup> See ASX announcement 1 July 2020 “Rafaela Resources announces significant Mineral Resource Estimate upgrade.”

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**Managing Director Steven Turner said:** “Rafaella has an existing underground permit and process plant construction permit. This allows the Company to stagger the commencement of operations and generate early cash flows. The Project benefits from substantial existing infrastructure in terms of access to power, extensive underground workings and historic stockpiles. The decision to accelerate the underground development is a strong vote of confidence by the Company in its ability to become the next producer of tungsten in Europe.”

This announcement has been authorised by the Board of Directors of the Company.

**Ends**

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**About Rafaella Resources**

Rafaella Resources Limited (ASX:RFR) is an explorer and developer of world-class mineral deposits. Rafaella owns the Santa Comba tungsten and tin development project in Spain, as well as the McCleery cobalt-copper project and the Midrim and Laforce high-grade nickel-copper-PGE sulphide projects in Canada. Santa Comba is located in a productive tungsten and tin province adjacent to critical infrastructure. The McCleery project was previously under-explored and holds significant potential. The Midrim and Laforce projects have had extensive drilling with some exciting intersections and offer significant upside for the Company.

To learn more please visit: [www.rafaellaresources.com.au](http://www.rafaellaresources.com.au)

**Competent Person Statement**

The information in this announcement that relates to Exploration Results and Historical Estimates is based on, and fairly represents, information and supporting documentation compiled under the supervision of Lluís Boixet Martí, a consultant to the Company. Lluís Boixet Martí holds the title of European Geologist (EurGeol), a professional title awarded by the European Federation of Geologists (EFG). EFG is a ‘Recognised Professional Organisations’ (ROPO) by the ASX, an accredited organisation to which Competent Persons must belong for the purpose of preparing reports on Exploration Results, Mineral Resources and Ore Reserves under the JORC (2012) Code. Lluís Boixet Martí consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

**Forward Looking Statements Disclaimer**

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.