



RAFAELLA
resources

ASX Announcement | 29 October 2021
Rafaella Resources Limited (ASX:RFR)

SANTA COMBA TUNGSTEN PROJECT

Feasibility Study Update

Investment Highlights

- ① Feasibility study advancing with most studies now completed.
- ① Metallurgy review caused some delay – these tests are now completed.
- ① Rafaella looking to close out remaining studies and release updated numbers to the market before year end.
- ① Several parties have approached Rafaella regarding funding for the development.
- ① Potential end-users have expressed interest in securing the long-term offtake for the tungsten concentrate pending results from the metallurgical test-work.

Rafaella Resources Limited (ASX:RFR) (“Rafaella” or “the “Company”) would like to provide an update to the market regarding the release of its much anticipated feasibility study for the Santa Comba tungsten and tin mine (the “**Project**”) in Galicia, northwest Spain.

The feasibility study is progressing positively, albeit the metallurgical test-work at Grinding Solutions Ltd in the UK has been slower than scheduled due to the Company’s requirement to understand all aspects of the metallurgy of the deposit. Earlier laboratory scale test-work indicated a very positive response to magnetic separation. The combination of magnetic and gravity concentration is targeted at increasing recovery and reducing wolframite fines losses to tailings. Consequently, the Company commissioned an industrial scale magnetic separation test of both fine crushed ore feed and gravity concentration tailings from bulk sample testing. The specialist SLon WHIMS magnetic separator was held up in UK Customs and then experienced further delays during refurbishment and commissioning. These issues have now been resolved and the magnetic test-work has been completed with results due early November.

Other modules for the feasibility study have advanced as far as possible pending the finalisation of the metallurgical test-work. Updated capital and operating cost estimates along with the mining production schedules will be loaded into the financial model where: (i) the upgraded Mineral Resource Estimate announced in August¹ with 87% of the open pit resource now in Measured and Indicated categories; (ii) substantially higher tungsten prices; and (iii) latest recovery estimates from the metallurgical test-work, are expected to have a positive impact on economics and mine-life.

Rafaella Resources has been approached by several specialist resource funds and commodity traders to provide development capital for the Project. Furthermore, the Company has received expressions of interest from several end users to secure long-term offtake. This interest is due to the Project’s robust project economics, strategic location operating in a stable European jurisdiction with a quality resource, and excellent access to infrastructure, including nearby deep-water ports.

¹ See ASX announcement dated 17 August 2021 “Rafaella Resources announces 42% increase in open pit Measured & Indicated Resources”

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Managing Director Steven Turner said: “The delays to the feasibility study are frustrating however it is critically important that the metallurgy be thoroughly understood. The Company is aware that other projects in the industry have not performed well, and this has typically been due to poor recoveries arising from improper or flawed metallurgical test-work. Rafaella is being particularly diligent in understanding the mineralogy and ensuring the optimisation of recovery, including wolframite fines. As a consequence, we are not prepared to short-cut the feasibility test-work to release numbers before the process flow sheet is robust and properly validated by a comprehensive test programme. The ongoing study work, the preparation of the open pit permit application and the interest from third parties to both provide development funding and to secure long-term offtake demonstrate the ongoing attractiveness of this project.”

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

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.