

**Rafaella Resources  
Limited**

ABN: 49 623 130 987

**ASX: RFR**

## Projects

### SPAIN

- **Santa Comba**  
W-Sn development
- **San Finx**  
W-Sn development

### PORTUGAL<sup>1</sup>

- **Borralha**  
W development
- **Vila Verde**  
W exploration

### CANADA

- **Midrim/Laforce**  
Ni-Cu-PGM exploration
- **McCleery**  
Au-Co-Cu-Ag exploration

<sup>1</sup> Pending Completion

### Registered Address

Level 8  
175 Eagle Street  
Brisbane QLD 4000 AUSTRALIA

### Postal Address

GPO Box 2517 Perth  
WA 6831 AUSTRALIA  
P: +61 8 9481 0389  
F: +61 8 9463 6103  
info@rafaellaresources.com.au  
www.rafaellaresources.com.au

For further information  
please contact:  
Rafaella Resources

**Steven Turner**  
Managing Director  
+61 8 9481 0389  
info@rafaellaresources.com.au

## ASX ANNOUNCEMENT

25 March 2022

## Response to Unauthorised Letter to Shareholders

**Rafaella Resources Limited (ASX:RFR) ('Rafaella' or the 'Company')** has been made aware of a letter dated 4 March 2022 issued to a number of its larger shareholders by two members of the Spanish Congress (Parliament) representing a marginal political party (**Letter**), and would like to offer the following clarification to its shareholders regarding misleading statements made in that Letter.

The Company would also like to highlight that despite the letterhead of the Letter, "*Congreso de los Diputados*", the content of the Letter represents the personal views of the two individual authors and not the Spanish government.

In the Letter, the authors suggest that criminal proceedings have been brought against various "civil servants and public authorities... regarding illegal permitting and associated alleged crimes at the San Finx mine". The Letter states that these proceedings were "presented in Court in December 13 and January 28". The Company confirms that it is not aware of these proceedings, however the Court has dismissed and shelved previous cases submitted by the relevant parties.

The authors of the Letter discuss fines relating to previous "unpaid mandatory discharge control tax payments" amounting to over €30 million. To the Company's knowledge, having regard to the information available to it during the due diligence process for the San Finx acquisition and thereafter, there has been no notification of any such payments due by Tungsten San Finx SL, owner of the San Finx mine. Tungsten San Finx SL is currently processing its water discharge permit and is following due process to ensure that any future operations will remain fully compliant with any and all environmental obligations.

Note that Tungsten San Finx SL has agreed to clean several dams in the area that are not part of the historical mining operations of San Finx (incorrectly referred to in the Letter as the "abandoned tailings dams"). This voluntary treatment will be a positive contribution to the local community and an additional benefit generated from the restart of mining operations at San Finx, which is still pending administrative approval.

The authors of the Letter state that upon the approval of the water discharge permit, the Company will be required to construct "an active acid mine drainage treatment facility to operate in perpetuity" which will "require significant investments", and then suggest that "it does not seem Rafaella Resources or its subsidiaries can meet such obligations in the short-term as expected" As part of the due diligence conducted by the Company during the acquisition of Tungsten San Finx SL, Rafaella reviewed the budget for the construction of the water treatment plant as prepared by leading Spanish experts in the field of water treatment, and full provision has been made for this in the project economics.

The Company strongly denies any wrongdoings and refutes any accusations of any non-compliance, breach of any regulatory or legal obligations, or inability to meet future capital cost obligations associated with the recent acquisition of the San Finx mine.

**Managing Director Steven Turner said:** “The Letter sent directly to shareholders, was unsolicited and not authorised by Rafaella. The Board considers that issues or concerns should be addressed through direct discussion and consultation with the Company so that all shareholders can have the benefit of the Company's response. Rafaella is also aware of similar misleading information to that contained in the Letter being published elsewhere. I urge shareholders to contact the Company directly if they have any further questions regarding the Letter or any future unsolicited and unauthorised communications regarding the matters the subject of the Letter.

Rafaella is committed to a transparent environmental, social and governance reporting framework and is in the process of completing the first internal review of this framework that reports against the World Economic Forum guidelines<sup>1</sup>. In the meantime, the Company continues to advance the San Finx and Santa Comba projects in compliance with its legal and environmental obligations and develop strategically important domestic supplies of critical metals in Europe, where the source of these metals can be traced to conflict-free and responsibly managed operations.”

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

**Ends**

For further information, please contact:

**Rafaella Resources**

Steven Turner  
Managing Director  
P: +61 (08) 9481 0389  
E: [info@rafaellaresources.com.au](mailto:info@rafaellaresources.com.au)

**Media Enquiries**

Giles Rafferty  
FIRST Advisers  
P: +61 481 467 903

**Investor Enquiries**

Victoria Geddes  
FIRST Advisers  
P: +61 (02) 8011 0351

## About Rafaella Resources

Rafaella Resources Limited (ASX:RFR) is an explorer and developer of world-class mineral deposits. Rafaella owns the Santa Comba and San Finx tungsten and tin development projects in Spain, as well as having agreed the acquisition of the Borralha and Vila Verde tungsten projects in northern Portugal. The recently acquired San Finx project lies 50km south from the Company's flagship Santa Comba tungsten and tin mine in Galicia, NW Spain. The Portuguese projects to the south are highly complementary to the Spanish projects, all within the same geological belt, strengthening the Company's strategic position in the Iberian Peninsula and its long-term goal of being a significant supplier of the critically listed metals of tungsten and tin.

Rafaella also holds an exploration portfolio in Canada, comprising the Midrim and Laforce high-grade nickel-copper-PGE sulphide projects in Quebec and the McCleery cobalt-copper project in the Yukon. 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)

## 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.

<sup>1</sup> See ASX announcement dated 1 December 2021 “Rafaella builds on its commitment to ESG with adoption of World Economic Forum metrics – MOU signed with leading Spanish renewables developer to supply green energy to its Santa Comba tungsten and tin project.”