ASX Announcement | 27 May 2019

Rafaella Resources Limited (ASX:RFR)

Rafaella Resources Signs Heads Of Agreement To Acquire 100% Interest In Spanish Tungsten And Tin Project

Investment highlights

- Rafaella Resources has entered a conditional Heads of Agreement (HoA) to acquire Galicia Tin & Tungsten S.L. (GTT), which owns the Santa Comba project (Project) in northwestern Spain (Acquisition)
- Located in a historically productive tungsten and tin province and close to deep-water ports, the Project is permitted for both underground and open pit mining, with a recent JORC (2012) Inferred Mineral Resource in both areas. Furthermore, the recently discovered, large, near-surface resource on the property, amenable to open pit mining, remains mostly undrilled.
- An offer of offtake and associated 100% project debt financing has been secured via a leading global German based consumer, H.C. Stark Tungsten GmbH, subject to completion of a positive feasibility study
- Significant infrastructure is in place, including an underground access ramp and an existing process plant which is near completion
- The proposed scrip-based purchase will be accompanied by a capital raising (subject to shareholder approval) targeting $2.6 million via a share placement at an issue price of 20 cents per share (Capital Raising)
- Subject to shareholder approval, and the satisfaction of other conditions, the consideration payable for the proposed Acquisition is the issuance of 17.5 million Rafaella shares to the Vendors at a deemed price of 20 cents per share. An additional 30 million shares will be issued to the Vendors over two equal tranches, subject to critical value accretive milestones being fulfilled
- Funds raised from the Capital Raising will support further drilling to upgrade and extend the near-surface resource, as well as the feasibility study to unlock access to the committed project financing from the German government
- Global tungsten fundamentals are increasingly positive, on top of strong recent pricing, as China continues to reduce supplies.

27 May 2019 – Junior exploration company Rafaella Resources Limited (ASX: RFR) ("Rafaella" or "the Company") is pleased to announce it has entered into a conditional binding Heads of Agreement ("HoA") to acquire 100% of the shares of the private Spanish company Galicia Tin & Tungsten ("GTT"), which owns the mining licences comprising the Santa Comba tin and tungsten project ("Santa Comba" or "the Project") in northwest Spain. To support the development of Santa Comba, Rafaella also proposes to conduct a share placement to raise a targeted $2.6 million at 20c per share.

Galicia Tin & Tungsten (GTT)
GTT holds 15 granted mining licences, valid until 2068, in the province of La Coruña (part of the autonomous community of Galicia; *Fig. 1*). Galicia is a top-tier mining jurisdiction and the region is known as a rich tungsten and tin province. The mining licences cover the 7km long Santa Comba mineralised granite massif (*Fig. 2*). Management intends to focus on developing the newly discovered near-surface mineralisation, potentially as an open pit, and restarting the high-grade Mina Carmen underground mine.

Santa Comba Project History
The Santa Comba underground was mined in commercially significant quantities between 1980 and 1985, before becoming uneconomic due to low tin and tungsten prices. However surging demand and prices for tungsten and tin – valued for their varied industrial uses including construction, automotive, aerospace and electronics – means the Company believes there is a compelling opportunity to re-commission the mine. In addition, the recent discovery by GTT of the near-surface resource at Santa Comba suggests significant additional shallow tonnage could be developed via open pit mining.

Figure 1. Location of the Santa Comba Project, Galicia, north Spain.

Mineral Resources
The Project is fully permitted for underground and partial open pit mining. GTT defined maiden JORC (2012) mineral resource estimates (MRE) in 2016 for both near-surface disseminated and underground vein-style mineralisation following its maiden drilling program and assessment of historical data (Wheeler, 2016[1]) (*Figs. 2 & 3*).

[1] *Wheeler, A., 2016. Resource Estimation for the Santa Comba Project, Spain. Prepared for Galicia Tin & Tungsten SL.*

The near-surface disseminated and veinlet JORC (2012) Inferred MRE is based on 23 drill holes (2,275m) conducted over less than 10% of the prospective endogranite lithology (*Fig. 2*). 5.1 million tonnes with an average grade of 0.203% WO_3 (*0.05% WO_3 cut-off; Table 1 & 2*) has been defined. Individual lode widths range from 2m to 30m. As part of the feasibility studies, the Company will assess this style of mineralisation for potential open pit mining.

Table 1. Inferred Mineral Resource Estimate (JORC, 2012) – near-surface disseminated mineralisation and veinlets. Refer to Appendix 1 for further detail on the MRE.

Classification	Tonnes	Grade	
	Kt	WO_3%	Sn%
Inferred	**5,114**	**0.203**	**0.014**

** Cur-off = 0.05% WO_3. Maximum extrapolation distance = 70m;*

Table 2. Near-surface Inferred Mineral Resource reported at range of cut-off grades.

WO_3% cut-off	Tonnes Kt	WO_3 %	Sn %
0.03	5,426	0.194	0.014
0.04	5,422	0.194	0.014
0.05	**5,114**	**0.203**	**0.014**
0.06	4,886	0.210	0.014
0.07	4,602	0.219	0.015

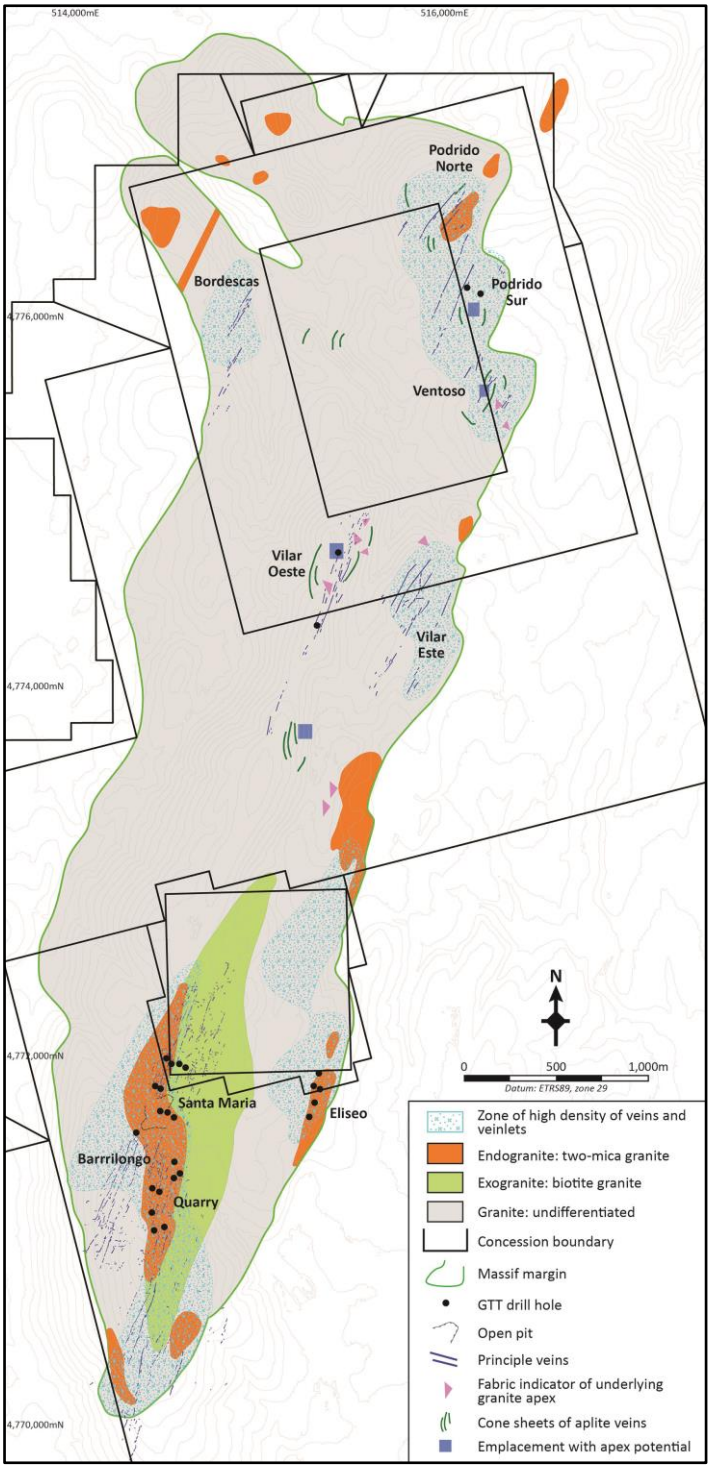

Figure 2. Schematic geological map of Santa Comba massif highlighting spatial extent of endogranite lithology and high density veinlet zones that are prospective for near-surface tungsten mineralisation. Drill holes previously completed also shown.

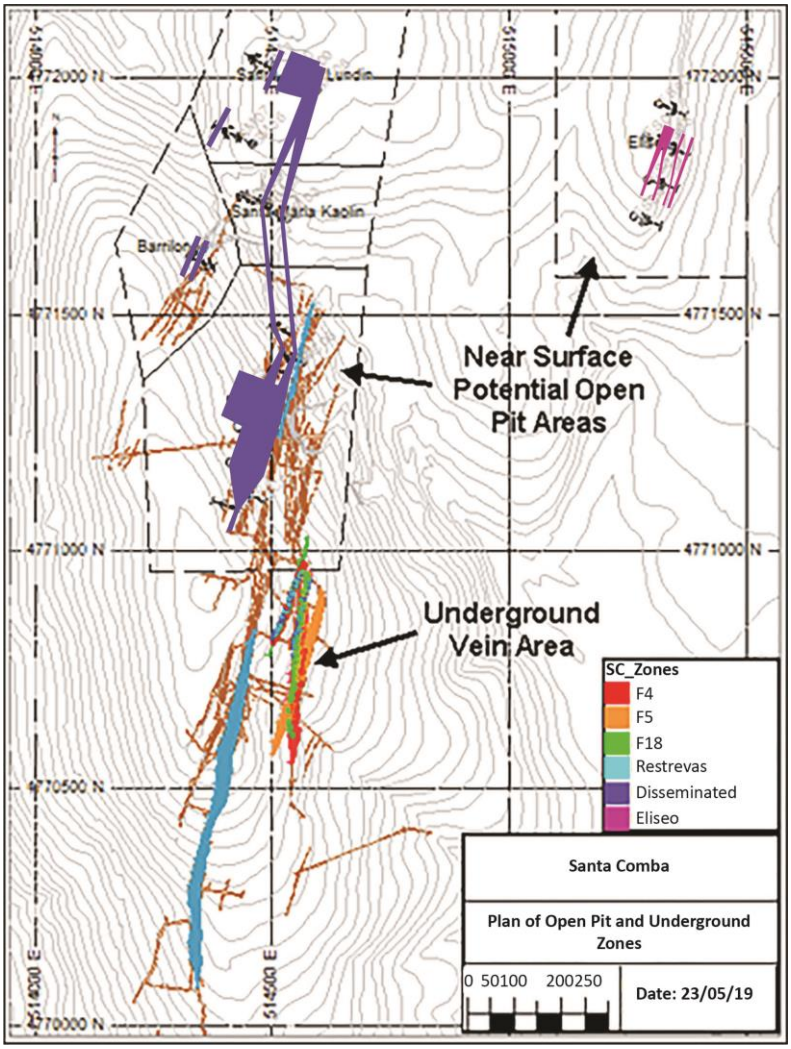

Figure 3. Overall Plan of mineralised areas with GTT drill holes and underground workings (Level 0).

The Project also hosts a high-grade, vein-hosted underground JORC (2012) Inferred Mineral Resource estimate of 234,000 tonnes at 0.95% WO_3 and 0.28% Sn contained within 4 primary veins within the historic Mina Carmen underground mine (*Table 3*). Extensive underground development (~7km), vein and gallery (stope) exploitation records and mine planning information from the Coparex historical operations enabled GTT to build up detailed 2D and 3D models of the primary mineralised underground veins. This information was used in the estimation of the MRE.

Table 3. Inferred Mineral Resource Estimate (JORC, 2012) – underground veins. Refer to Appendix 1 for further detail on the MRE.

Classification	Volume m^3	Tonnes Kt	Grade WO_3 %	Grade Sn %
Inferred	**38,185**	**234,313**	**0.95**	**0.280**

** Cur-off = 0.53% WO_3 (10kg/m^2); diluted to mining width of 0.7m; maximum extrapolation distance = 100m.*

Historical Estimates

Historic resource estimates (not reported according to the 2012 guidelines of the Australasian JORC Code) have been completed by Coparex for the Mina Carmen mine after mine closure in 1987. The historical estimates were based on the same aforementioned historical data that was used in the estimation of the underground JORC (2012) Inferred MRE. *Table 4* summarises this historic resource estimate.

The estimates are historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC Code; and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be reported as mineral resources or ore reserves in accordance with the JORC Code.

The historical estimate is based on mineralisation estimated for 8 primary veins that were the focus of mining prior to mine closure. Ongoing work by GTT will be required to substantiate historically applied cut-off criteria and extrapolation distances to determine the proportion of the deposit that is likely to meet reasonable prospects of eventual economic extraction.

Table 4. Historic estimate for the Mina Carmen underground mine (Coparex, 1987). Refer to Appendix 1 for further details.

Classification	Tonnes	Grade	
	Kt	WO_3 %	Sn %
Historical Estimate	**738.2**	**0.81**	**0.18**

** Cut-off = 0.53% WO_3 (10kg/m^2); diluted to mining width of 0.7m; excludes stocks of 19,156 @ 0.34% WO_3 & 0.14% Sn.*

Further Exploration Potential

The drilling and subsequent resource modelling has identified a substantial near-surface Inferred Mineral Resource. Considerable exploration potential has been identified both along strike and at depth at the primary prospects of the Quarry and Eliseo where mineralisation is still open. These prospects will be the main focus of a proposed resource extension and infill drilling program (*Fig. 4*). Furthermore, the Company will investigate near-surface and underground mineralisation identified elsewhere in the massif which offer the potential for additional near-mine resources. Evidence of historical workings identified from aerial photography and satellite data will be used to prioritise targets. Drilling and resource modelling has covered only a fraction of the prospective host rocks (<10%), providing further encouragement for additional near-surface mineralisation.

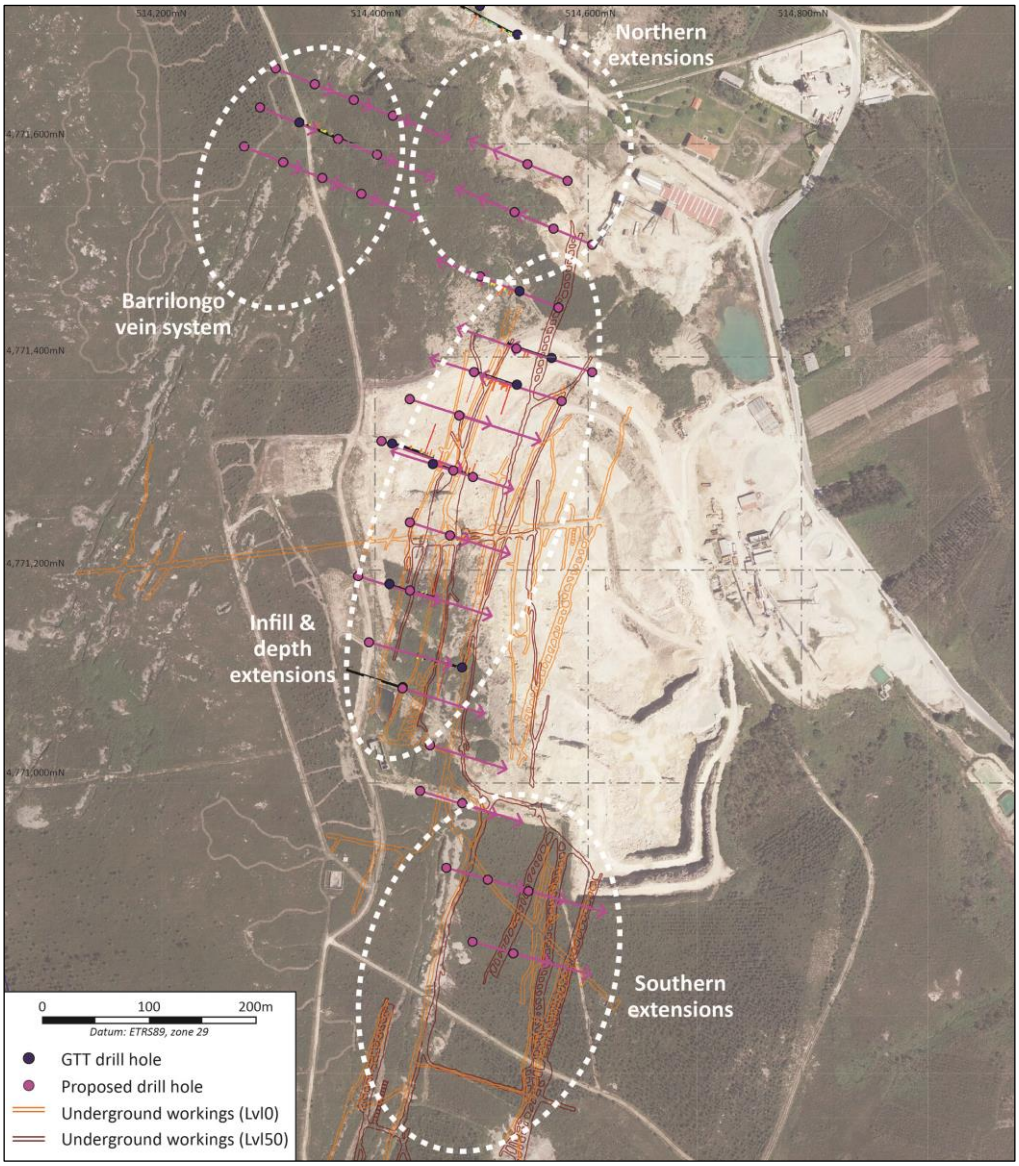

Figure 4. Plan view of Quarry prospect showing interpreted extension areas to near-surface mineralisation.

Infrastructure and Logistics

Located seven kilometres from the town of Santa Comba, the Project is accessed by sealed road and is close to three deep-water port options. Due to significant investment by former owners, key infrastructure at the Project includes 7,000m of underground development including decline access and a processing plant estimated to be approximately 70% complete, consisting of, *inter alia*, a process building, a dense media separator, jaw crusher and conveyor belts (*Figs. 5, 6, 7*).

Figure 5. Primary crushing, screening and dense media separation plant constructed in 2012.

Figure 6. Plant, warehouse and workshop building constructed in 2012.

Figure 7. Conveyor belt, crusher and ROM pad

Project Strategy
Based on the shallow near-surface resource and the sunk capital expenditure, the Company is targeting a low capex, high margin tungsten-tin mining operation. The project is subject to an offer for offtake with leading global supplier H.C. Starck Tungsten GmbH which in turn has also obtained pre-approval for a Federal German Government Untied Loan Guarantee Scheme of up to €11 million to fund pre-production development capex.

Post-Acquisition, Rafaella plans to spend $1.3 million on a circa 8,000 metre drilling campaign; both to upgrade the Inferred Resource and increase the overall resource base. The Company also intends to carry out a $1 million feasibility study, a precursor to accessing the German Untied Loan Guarantee Scheme. Rafaella has current cash reserves of $3.59 million.

Deal Summary
GTT currently is 75% owned by the private Australian company Biscay Minerals Pty Ltd, with the remainder held by private Spanish entity Ulex Recursos SL (together the "Vendors"). Subject to the Company obtaining shareholder approval and the satisfaction of the other conditions precedent, including the Company completing its due diligence on GTT, obtaining all necessary regulatory, third party and shareholder approvals necessary to give effect to the Acquisition and to undertake the Capital Raising, the consideration payable to the Vendors for the Acquisition will be the issuance of 17.5 million Rafaella shares at a deemed price of 20c a share. The Vendors shall earn an additional 15 million shares once GTT achieves a JORC compliant resource (Measured and Indicated categories) of a minimum 10,000 tonnes contained WO_3, grading at least 0.18%. A further 15 million shares will be issued to the Vendors upon Santa Comba securing debt funding, subject to a mineral reserve of at least 7,000 tonnes of contained WO_3. This second milestone must occur within nine months of the completion of the feasibility study.

Post-Acquisition, Rafaella proposes to invite two GTT representatives – Steven Turner and Robert Wrixon – to join the Company's Board. Mr Turner will become Rafaella's Managing Director and will relocate to Spain to ensure that the Project is diligently managed. Current non-executive director Peter Hatfull will become Chairman. The Company's current Chairman Graham Durtanovich will resign from the Board.

Before proceeding with the Acquisition, Rafaella Resources' Board proposes to conduct up to 30 days of final due diligence on the Acquisition. Following that, Rafaella shareholders will vote on the Acquisition, specifically the issuance of the consideration shares to the Vendors, at an extraordinary general meeting which will be announced at a later date.

Rafaella Resources Executive Director Ashley Hood says: "The proposed deal is a transformative one for the company, which currently holds copper-cobalt and gold projects in Canada and Western Australia. I believe the project represents an attractive tungsten opportunity with low entry costs and the prospect of exceptional returns for shareholders".

"Peer companies require many times more capex to yield similar results. Furthermore, low development capital, easy access to near-surface resources and simple processing allows favourable operating environments irrespective of the macro conditions. Globally, the project economics are supported by the positive outlook for tungsten. Currently China accounts for 85% of global tungsten concentrate supply and 50% of demand, but with the continuing reduction of concentrate exports, non-Chinese supply will become severely limited."

Summary of JORC 2012 Table 1

A summary of JORC Table 1 (included as Appendix 1) is provided below for compliance with the Mineral Resource Estimate and in-line with requirements of ASX listing rule 5.8.1.

Geology and geological interpretation	The geological setting is the Galicia-Tras-Os-Montes Zone in the NW Iberian peninsula, western Variscan Orogen. The Galicia-Tras-Os-Montes Zone is a complex zone represented by an allochthonous crustal block thrusted over the Central Iberian Zone. Exposed rocks include the basal units of the Malpica-Tui metamorphics, allochthonous complexes including ophiolitic units and parautocthonous and Variscan granitoids. Tungsten-tin mineralisation at Santa Comba is hosted within a 7.5km long by 1-2km wide massif composed of syn- to post-tectonic Variscan granitoids. The main tungsten mineral of economic interest is wolframite ([Fe,Mn]WO_4). Tungsten mineralisation at Santa Comba has been subdivided into two styles: *Near-surface disseminated and veinlet mineralisation:* this style of mineralisation is exclusively hosted by the two-mica granite (endogranite). Disseminated wolframite mineralisation typically occurs as isolated grains of 1-2mm in size and exceptionally in clusters up to 5cm in diameter. Narrow (up to 5cm) quartz-wolframite veinlets were also intersected in the near surface mineralised zones. *Underground vein-style mineralisation:* mineralisation consists of wolframite associated with steeply dipping quartz veins. Four main vein orientations have been recognised (N35E, N30E, N20E and N15E). Veins F4, F5 and Restrevas were the main focus of historic mining. Vein widths vary from a few centimetres up to approximately 30cm and historical working have been developed over 1,600m in strike.
Drilling techniques	Diamond core drilling: SPI (Sondeos y Perforaciones Industriales del Bierzo (Asturias)). Drill rig SPI DRILL 160-D (made by SPI); 24 diamond drill holes for 2,481m. Reverse Circulation (RC) drilling: EDASU (Madrid). Drill rig: EDASU RCG 2500 (made by EDASU); 3 RC drill holes for 255m. The primary sample database contains data from 27 surface drill holes drilled during 2015-2016. 23 of these drill holes were used in the MRE (3 RC drill holes for 255m; 20 diamond drill holes for 2,020m). Full collar table detailed in Appendix 1.
Sampling and sub-sampling techniques	Core samples were sawn longitudinally such that one ½ core was sent to the laboratory. ¼ core was sampled from PQ core. Sample length maximum is 3m, then smaller for lithological changes. 3m length samples of ½ HQ core weighed approximately 15kg. RC samples were collected at 1m intervals and passed through a standard splitter and the sub-samples combined into 3m composites. Surface rock chip and underground channel sampling completed by GTT were collected using either pick and shovel or a portable air-driven jackhammer. Samples were crushed on site with a jaw crusher to *ca.* -10mm and then passed through a standard splitter. Approximately 2kg sub-samples were collected for analysis.
The criteria used for classification including drill and data spacing and distribution	The Mineral Resource is classified as Inferred on the basis of confidence in geological and grade continuity, taking into account the data quality (including QAQC data and sampling methods), data density and confidence in estimation of the tungsten-tin content. The near-surface MRE includes material that has been extrapolated up to a maximum distance of 70m from drilling intersections. Reference was made to all available drillhole, surface point data and veins mined underground. Drill hole spacing was nominally 80m. For the vein-style MRE a maximum extrapolation distance of

	100m was used which is approximately double the underground development level spacing. Reference was made to adjacent exploited stope production data and development drift (drive) channel sampling and pilot plant treatment.
Estimation methodology	A computerised (Datamine) block modelling approach was applied for resource estimation and to provide the basis for subsequent planning. A 3D estimation modelling approach using inverse-distance weighting (ID) was used for WO_3 and Sn grades. Parent estimation block dimensions were 10m x 10m x 10m. In the near surface modelling, mineralised sub-blocks were generated with a 5m x 5m x 5m size. For potential underground resources, historical data stored on long sections for each main vein have been used to develop 3D block models of the different veins, so as to enable an updated estimation of these potential underground resources.
Sample analysis method	Samples were sent to ALS in Seville for sample preparation (DRY-21, CRU-31, SPL-22Y, PUL-32). Pulps were sent to ALS's Canadian facilities for analysis by multi-element ICP (ME_MS81). For returned ICP assays greater than 10,000 ppm W, fused disks were created and analysed by XRF (ME_XRF10).
Cut-off grades	The near-surface MRE is reported at 0.05% WO_3 cut-off. The underground vein-style MRE is reported at 0.53% cut-off. Both these reflect current commodity prices and proposed mining methods.
Mining and metallurgical methods and parameters, and other material modifying factors considered to date	The near-surface tungsten mineralisation would be suitable to open pit mining. The underground vein-style mineralisation would be suitable to underground narrow vein mining methods (e.g. resuing). Although detailed metallurgical information is available for the vein-style mineralisation, and its processing and recovery well understood, no modern metallurgical work has been conducted to date.

Summary of Historical Estimates

A summary of assumptions relating to the historical estimates is provided below in-line with requirements of ASX listing rule 5.12. Additional information is contained within JORC Table 1 (Appendix 1).

Source and date of the historical estimate	Coparex, 1987. Evaluacion de Reservas, al cierre, adaptado a camaras c/ autorelleno, Diciembre 1987. *Translation: Coparex, 1987. Evaluation of Reserves, at closure, adapted for galleries with autofill, December, 1987.*
Whether the historical estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences	The historic estimate uses categories not recognised according to the guidelines of the JORC Code (2012). However, the available historic records and exploration methods employed by Coparex, as detailed in JORC Table 1 (Appendix 1), were sufficient to allow Inferred Mineral Resources to be estimated for Mina Carmen. It is uncertain that following further evaluation and/or further exploration work that the entire historic estimate will be able to be reported as Mineral Resources in accordance with JORC Code (2012). It is also important to note that the historic resource estimates report the in-situ grade and tonnage of mineralisation above an applied cut-off criteria. Ongoing work by GTT will be required to substantiate historically applied cut-off criteria and understand the proportion of the deposit that is likely to meet reasonable prospects of eventual economic extraction. Further refinement of historic resource estimates is expected with additional infill drilling, refinement of current geological and structural models and changes in search criteria, estimation parameters and estimation technique.
The relevance and materiality of the historical estimates to the entity	The historic estimate is material to GTT as it provides detailed information on underground mineral resources that were in the Coparex mine plan in 1987 after mine closure. This information has been used by GTT in assessing the potential to reopen Mina Carmen and in making investment decisions that are material to GTT. The

	historic estimate also is material to GTT as it establishes the wider prospectivity of Mina Carmen mine area and the wider Santa Comba Project.
The reliability of the historical estimate, including by reference to any of the criteria in Table 1 of Appendix 5A (JORC Code) which are relevant to understanding the reliability of the historical estimates	The historical estimate cannot be considered wholly reliable under the guidelines of the JORC Code (2012). No resources were categorised as Measured or Indicated, owing to lack of quality control data associated with the samples, as well as limited sample coverage. Notwithstanding, an Inferred resource classification was used for all of the underground resources reported in the current study, and were limited to a maximum extrapolation distance of 100m, which is approximately double the underground level spacing utilised by Coparex. The resource classification criteria have taken into account all relevant factors.
The extent known, a summary of the work programs on which the historical estimates are based and a summary of the key assumption, mining and processing parameters and methods used to prepare the historical estimates	Multiple data sets and work programs were completed by Coparex to prepare the historical estimates. This include: production data from exploited stopes, channel sampling of development drives and exploitation fronts, geological mapping of the mineralised structure, batch processing of development material and drilling (primarily for vein geometry control). Diluted mining widths were calculate assuming 0.7m mining width using the resuing mining method. Bulk density = 2.7 t/m^3.
Any more recent estimates or data relevant to the reported mineralisation available to the entity	GTT confirms that it is not aware of any new information or data that materially affects the historic estimate and confirms that all material assumptions and parameters underpinning the 1987 historic estimate continue to apply and have not materially changed.
The evaluation and/or exploration work that needs to be completed to verify the historical estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code)	A considerable amount of drilling would be required to convert the entire historic estimate to a JORC (2012) mineral resource. Furthermore, tungsten grades exhibit extreme nugget effect which implies that high density drilling will be required to convert the mineral resource to Measured and Indicated categories. GTT will implement a staged approach to proving-up the historic resources to JORC standards. Initial activities will focus on the resource blocks where there is the highest degree of certainty about tungsten grade. Consideration will also be given to how the resource blocks fit into the mine plan.
The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work	The Company's main focus is on advancing the near-surface resource potential at Santa Comba but it also intends to progressively advance the re-evaluation of Mina Carmen as part of a larger feasibility studies. Preliminary activities will include mine dewatering and confirmation of historic channel sample assays. A portable drill rig will also be used to confirm depth extensions of the mineralised structures. Future work programs will be funded under terms outlined in this release.

Ends.

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About Rafaella Resources

Rafaella Resources Limited (ASX:RFR) is a junior exploration company which owns the McCleery cobalt and copper project in the Yukon territory Canada, and the Sandstone gold project in Western Australia. To learn more please visit: www.rafaellaresources.com.au

About Galicia Tin & Tungsten

Galicia Tin & Tungsten (GTT) is a Spanish registered company formed in June 2014 by Starboard Global Limited (SGL) in conjunction with other seed investors and local joint venture partners to acquire ownership of the physical assets, land leases, licences and mineral rights of the formerly producing Santa Comba mine. To learn more please visit: www.galiciatinandtungsten.com

Competent Persons 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 Dr Lachlan Rutherford, a consultant to the Company. Dr Rutherford is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Rutherford consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources defined at Santa Comba is based on information compiled by Mr Adam Wheeler who is a professional fellow (FIMMM), Institute of Materials, Minerals and Mining. Mr Wheeler is an independent mining consultant. Mr Wheeler has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Wheeler consents to the inclusion of this information in the form and context in which it appears in this report.

GTT confirms that it is not aware of any new information or data that materially affects the information included in this report and confirms that all material assumptions and parameters underpinning the 2016 Mineral Resource Estimate continue to apply and have not materially changed.

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.

Cautionary Note Regarding Mineral Estimates

The mineral estimates reported in this release are historical estimates and are not reported as Mineral Resources or Ore Reserves in accordance with the guidelines of the JORC Code (2012). A competent person has not completed sufficient work to classify these mineral estimates as Mineral Resources or Ore Reserves in accordance with the guidelines of the JORC Code (2012). It is uncertain that following evaluation and/or further exploration work that the mineral estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with JORC Code (2012).

Appendix 1.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Principal sample in 2015-2016 was diamond drill core. Other sample types include RC drill chips, surface rock chip (GTT & Incremento Grupo Inversor (IGI)) and underground channel sampling along adits (GTT) and historic underground channel sampling completed by Coparex during sublevel development and gallery exploitation. • Drilling was oriented as far as possible, according to local geography and access, to be perpendicular to the mineralised structures. • Drill collar locations located using a GPS accurate to +/-3m. • Mineralisation was determined using lithological changes. Disseminated mineralisation being associated with a two-mica endogranite and vein mineralisation predominantly associated with quartz veins or as pure wolframite veins. • UV light has been run over all core to pick up any occurrences of scheelite. • In the Coparex era of underground mining, the principal method of sampling was by channel sampling of development or stope faces. Channels were cut by hand across the mineralised width, approximately 5cm in height, 1cm in depth, giving typically 2kg samples.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling contractors: SPI (Sondeos y Perforaciones Industriales del Bierzo (Asturias)). Drill rig SPI DRILL 160-D (made by SPI); 24 holes for 2,481m. • Reverse Circulation (RC) contractors: EDASU (Madrid). Drill rig: EDASU RCG 2500 (made by EDASU); 3 drill holes for 255m. • The primary sample database contains data from 27 surface drill holes drilled during 2015-2016. 23 of these drill holes were used in the MRE (3 RC drill holes for 255m; 20 diamond drill holes for 2,020m). • Diamond core mostly HQ size. Holes were collared using PQ size. Only HQ where no voids encountered. • Diamond core was oriented with spear marks every 9m. • In the Coparex era of underground mining, no information is known about

Criteria	JORC Code explanation	Commentary
		the drilling techniques.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recovery measured directly from drilled length by a geologist. • Core recovery was very high, generally greater than 95%. • Sample collection was supervised by a site geologist who ensured samples were representative and recovery was acceptable for resource estimation. • There was no evidence of sample bias or any relationship between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The core was logged to a level of detail to support the MRE. • All core was orientated with a spear mark intervals of 9m. Orientation lines were marked on the core. • Logging was completed recording lithology, mineralogy, veining, textures and alteration features. A coded logging procedure was implemented. UV light was run over all core in order provide an indication of scheelite. • Logging was both qualitative and quantitative. • All drill core was photographed. • In the current drillhole database, 99% of the core & RC chips from the drilling (2,736m) has been logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• For the 2016 drill core, selected core samples were sawn longitudinally such that one ½ core was sent to the laboratory. Core oriented so that the same side taken for sampling down each hole. ¼ core was only taken from PQ core. Sample length maximum is 3m, then smaller for lithological changes. The majority of samples were 3m in length. 3m length samples of ½ HQ core weighed approximately 15kg. • Limited Reverse Circulation drilling was undertaken at Eliseo and Santa Maria prospects. 1m samples were passed through a standard splitter and the sub-samples combined into 3m composites. • Samples were sent to ALS in Seville for sample preparation (DRY-21, CRU-31, SPL-22Y, PUL-32). Pulps were sent to ALS's Canadian facilities for analysis. • Surface rock chip and underground channel sampling completed by GTT were collected using either pick and shovel or a portable air-driven jackhammer. Samples were crushed on site with a jaw crusher to *ca.* -10mm and then passed through a standard splitter. Approximately 2kg sub-samples were collected for analysis. • Control samples were submitted (1 control sample for every 5 samples or 20% of total analyses), in the form of standard samples (GW-02, GW-03), blanks and coarse duplicates. ALS also submitted their own internal control samples, in the form of standards, pulp duplicates and wet chemical blanks

Criteria	JORC Code explanation	Commentary
		for assay. • Course duplicates, produced by ALS using a Boyd rotary splitter, show a good correlation between original and duplicate samples. • It is considered that the sample sizes used are appropriate for the mineralisation at Santa Comba.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Primary assaying was completed by multi-element ICP (ALS code ME_MS81). For returned ICP assays greater than 10,000 ppm W, fused disks were created and analysed with XRF (ME_XRF10). The analytical methods are considered total and appropriate for the style of mineralisation (predominantly wolframite). • The samples produced by the Coparex underground channel sampling by Coparex were subsequently analysed gravimetrically in an on-site laboratory as wt% WO_3. These grade values was used with the mineralised width to determine an accumulation value for WO_3 in term of kg/m^2. Tin grades were also determined in the same way. The kg/m^2 grades were then generally plotted on long section for subsequent stope planning purposes. Geologists also made detailed face maps. As Coparex geologists gained more experience with mine production, they also estimated grades directly in kg/m^2, based on the observed veins and wolframite crystals. These were also recorded with position, and used for estimation purposes. In addition to channel samples and estimated grades, the contents of complete rounds would also be mined separately, and treated at a small pilot plant facility on-site. This also enabled a check grade estimate at these positions. • No geophysical tools were used. • Control samples were submitted (1 control sample for every 5 samples or 20% of total analyses), in the form of standard samples (GW-02, GW-03), blanks and coarse duplicates. ALS also submitted their own internal control samples, in the form of standards, pulp duplicates and wet chemical blanks for assay. • For the standards, no two standards in any batch varied by more than 2σ from the analysed mean implying a good level of analytical precision. Certified blanks were used and analysis at acceptable levels. Course duplicates show a good correlation between original and duplicate samples. • Results of the control sample analysis are considered acceptable and lack of bias.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No external verification done. All the QC data was reviewed by Dr Lachlan Rutherford (Project/Country Manager, GTT) who is a Competent Person under the JORC Code (2012) and was full-time employee of GTT. • No specific twin holes were drilled. • Primary data for the 2016 campaign has been entered and maintained in an Excel database. Any problems encountered during the hole data import, combination and desurveying process were resolved with GTT geologists. • The only adjustment made to assay were applied top-cuts during the compositing process.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collar locations were determined by GPS accurate to +/-3m. • Downhole survey taken using REFLEX EZ-SHOT nominally every 40m and at end of hole. • Grid: ETRS TM Zone 29 (epsg: 3041). Datum EU ref 89. • No procedural documentation on surveying data points exists from the Coparex era. The precise location of data points cannot be accurately determined. • Topography: Lidar satellite data and from digitised Coparex plans. In the opinion of the Competent Person, the quality of the topographic data is adequate for the current study being described.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Nominally 80m, restricted by quarry access. • It is considered that the spacing of samples used is sufficient for the Mineral Resources evaluated in the current study. • Drill hole data were composited to 5m lengths, but honouring the ZONE flag differences. The composite length applied was flexible, so as to allow equal sized composites within each intercept. A minimum composite length of 0.5m was applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Holes oriented at 60˚ to get as near perpendicular to the lode orientation as possible and collect meaningful structural data. • It is not considered that the sampling orientations have introduced any sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Sample security was managed by the Company. Each composite sample was triple-bagged, cable-tied and then inserted into a polyweave bag and cable tied again. Each batch of samples was sent directly to Seville by courier.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• None.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The following table lists the concessions and extensions that make up the Santa Comba Project. The licences were fully transferred into the name of GTT by the Mines Department in November 2015. The licences have an expiry date of 2068. • The licences are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Santa Comba was mined intermittently between 1940 – 1985 with considerable underground infrastructure developed (*ca.* 7,000m). Much of the understanding about deposit and vein geometry was developed between 1980 - 1985 by French company Coparex. • There is a list from the Coparex era of 230 diamond drillholes. For these holes, 79 vein intersections have recorded WO_3 and Sn assays. However, this database does not contain any collar coordinates or survey data, and so cannot be processed or included in the mineral resource estimate. The working long sections of each vein used by the mine in the Coparex era do show drillhole intersections, with intersected thicknesses and grades. They are also shown in plan projections, but there are no complete sets of sections showing the drillhole data. The log section intersection data have

Type	Name	Number	Grant date	Consolidation date	Expiration date	Area (m^2)
Concession	San Antonio	1789	3/02/1944	24/02/1978	24/02/2068	1,500,000
Concession	Santa María	1790	6/09/1943	24/02/1978	24/02/2068	1,000,000
Concession	Oportuna	1792	6/09/1943	24/02/1978	24/02/2068	4,000,000
Concession	Carballeira	1801	4/10/1943	24/02/1978	24/02/2068	3,000,000
Concession	Santa Bárbara	1802	4/10/1943	24/02/1978	24/02/2068	6,380,000
Concession	Carmen	1807	13/07/1944	24/02/1978	24/02/2068	14,890,000
Concession	Ampliación a Oportuna	2912	28/05/1949	24/02/1978	24/02/2068	180,000
Excesses	Demasía a Santa María	1790	12/03/1990		24/02/2068	178,560
Excesses	Primera Demasía a Oportuna	1792	12/03/1990		24/02/2068	471,210
Excesses	Segunda D^a a Oportuna	1792	12/03/1990		24/02/2068	226,450
Excesses	Demasía a Carballeira	1801	12/03/1990		24/02/2068	2,004,912
Excesses	Demasía a Santa Bárbara	1802	12/03/1990		24/02/2068	654,852
Excesses	Primera Demasía a Carmen	1807	12/03/1990		24/02/2068	1,238,810
Excesses	Segunda Demasía a Carmen	1807	12/03/1990		24/02/2068	239,298
Excesses	Demasía a Ampliación a Oportuna	2912	12/03/1990		24/02/2068	94,795
						36,058,887

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>been used in historic resource calculations.
• There is no proper database of historical drillhole data. Discussions with a Coparex geologist confirmed that during the period of underground production, the drillholes were logged and mineralised zone intersections were assayed gravimetrically using the on-site laboratory. However, the principal use of drillholes was using quartz intersections to help with vein interpretation and subsequent underground development and exploration.
• In 2012, IGI assessed the open pit potential of Santa Comba using rock chip sampling. Channel sampling and single site sampling showed elevated tungsten concentrations. Channel sampling in the quarry area assayed 14m @ 0.11% WO_3 and highlighted the near-surface tungsten potential. It is considered that the sample methods and analytical methods utilised by IGI were appropriate for the mineralisation at Santa Comba.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• The main mineral of economic interest at Santa Comba is wolframite ([Fe,Mn]WO_4) mineralisation contained within, and adjacent to, a two-mica granite (endogranite). Quartz-vein hosted mineralisation is also prevalent throughout the area and was the main focus of historic mining.
• The geology is the Galicia-Tras-Os-Montes Zone in the NW Iberian peninsula, western Variscan Orogen. The Galicia-Tras-Os-Montes Zone is a complex zone represented by an allochthonous crustal block thrusted over the Central Iberian Zone. Mineralisation is hosted within a 7.5km long by 1-2km wide massif composed of syn- to post-tectonic Variscan granitoids.
• Tungsten-tin mineralisation at Santa Comba occurs in two primary forms: quartz vein-hosted and disseminated in the endogranite. The quarz vein-hosted style is the most prevalent, occurring throughout the majority of the massif. The vein mineralisation was the main focus of historic mining. Disseminated tungsten mineralisation is hosted exclusively within the endogranite and is the main focus of GTT.</td></tr>
<tr><td>Drill hole Information</td><td>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
○ easting and northing of the drill hole collar
○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
○ dip and azimuth of the hole
○ down hole length and interception depth
○ hole length.
• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from</td><td>• Drill collar table (Datum: ETRS89 [EPSG: 3041], zone 29):
<table>
<tr><th>Hole_ID</th><th>MGA_East</th><th>MGA_North</th><th>Elevation</th><th>Hole_Type</th><th>Azi</th><th>Dip</th><th>EOH_Depth</th></tr>
<tr><td>15RC0001</td><td>514562.0</td><td>4771992.8</td><td>467.7</td><td>RC</td><td>295</td><td>-60</td><td>70.00</td></tr>
<tr><td>15RC0002</td><td>515289.8</td><td>4771873.6</td><td>459.6</td><td>RC</td><td>108</td><td>-60</td><td>115.00</td></tr>
<tr><td>15RC0003</td><td>514460.7</td><td>4771858.9</td><td>461.3</td><td>RC</td><td>295</td><td>-60</td><td>70.00</td></tr>
<tr><td>15DD0001</td><td>514498.2</td><td>4771729.8</td><td>438.8</td><td>DD</td><td>295</td><td>-60</td><td>115.80</td></tr>
<tr><td>15DD0002</td><td>514459.0</td><td>4771737.3</td><td>444.2</td><td>DD</td><td>295</td><td>-60</td><td>46.55</td></tr>
<tr><td>15DD0003</td><td>514596.3</td><td>4771972.9</td><td>466.4</td><td>DD</td><td>295</td><td>-60</td><td>122.10</td></tr>
<tr><td>15DD0004</td><td>514519.0</td><td>4771993.0</td><td>469.2</td><td>DD</td><td>295</td><td>-60</td><td>115.00</td></tr>
<tr><td>15DD0005</td><td>514492.1</td><td>4772023.0</td><td>466.8</td><td>DD</td><td>295</td><td>-60</td><td>115.80</td></tr>
<tr><td>15DD0006</td><td>514431.8</td><td>4771872.7</td><td>458.8</td><td>DD</td><td>295</td><td>-60</td><td>116.00</td></tr>
<tr><td>15DD0007</td><td>514416.0</td><td>4771318.8</td><td>488.9</td><td>DD</td><td>108</td><td>-60</td><td>80.00</td></tr>
<tr><td>16DD0001</td><td>514454.2</td><td>4771299.5</td><td>476.5</td><td>DD</td><td>108</td><td>-60</td><td>88.20</td></tr>
<tr><td>16DD0002</td><td>514565.5</td><td>4771399.1</td><td>455.1</td><td>DD</td><td>288</td><td>-60</td><td>85.30</td></tr>
</table></td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	the understanding of the report, the Competent Person should clearly explain why this is the case.	<table><tr><td>16DD0003</td><td>514533.0</td><td>4771374.1</td><td>460.6</td><td>DD</td><td>288</td><td>-60</td><td>80.30</td></tr><tr><td>16DD0004</td><td>514413.4</td><td>4771187.0</td><td>509.0</td><td>DD</td><td>108</td><td>-60</td><td>85.10</td></tr><tr><td>16DD0005</td><td>514481.5</td><td>4771108.7</td><td>501.0</td><td>DD</td><td>288</td><td>-60</td><td>85.00</td></tr><tr><td>16DD0006</td><td>514425.9</td><td>4771090.2</td><td>515.8</td><td>DD</td><td>288</td><td>-60</td><td>100.15</td></tr><tr><td>16DD0007</td><td>515295.1</td><td>4771782.7</td><td>455.3</td><td>DD</td><td>108</td><td>-60</td><td>115.95</td></tr><tr><td>16DD0008</td><td>515318.0</td><td>4771942.0</td><td>459.7</td><td>DD</td><td>108</td><td>-60</td><td>120.15</td></tr><tr><td>16DD0009</td><td>514533.4</td><td>4771702.9</td><td>434.4</td><td>DD</td><td>295</td><td>-60</td><td>115.00</td></tr><tr><td>16DD0011</td><td>515423.2</td><td>4774765.7</td><td>466.3</td><td>DD</td><td>113</td><td>-60</td><td>115.25</td></tr><tr><td>16DD0012</td><td>515307.8</td><td>4774370.6</td><td>478.0</td><td>DD</td><td>113</td><td>-60</td><td>115.30</td></tr><tr><td>16DD0013</td><td>516121.0</td><td>4776202.0</td><td>425.3</td><td>DD</td><td>298</td><td>-60</td><td>115.10</td></tr><tr><td>16DD0014</td><td>516193.6</td><td>4776169.1</td><td>432.6</td><td>DD</td><td>118</td><td>-60</td><td>115.10</td></tr><tr><td>16DD0015</td><td>515266.2</td><td>4771705.9</td><td>443.9</td><td>DD</td><td>108</td><td>-60</td><td>115.25</td></tr><tr><td>16DD0016</td><td>515324.1</td><td>4771856.0</td><td>457.7</td><td>DD</td><td>108</td><td>-60</td><td>118.10</td></tr><tr><td>16DD0017</td><td>514535.5</td><td>4771461.9</td><td>455.2</td><td>DD</td><td>288</td><td>-60</td><td>85.00</td></tr><tr><td>16DD0018</td><td>514328.9</td><td>4771620.3</td><td>481.7</td><td>DD</td><td>115</td><td>-60</td><td>115.10</td></tr></table> • No information has been excluded.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not relevant – Mineral Resource is defined • No equivalent grades have been calculated.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Holes inclined so as to get as near to perpendicular intersections as possible. • No downhole lengths or individual intersections being reported. • The mineralised drill hole intersection were modelled in 3D in Datamine to interpret the spatial nature and distribution of the mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to figures in body of this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not relevant when reporting Mineral Resources. • All information considered material to understanding the database, estimation procedure and classification of the Mineral Resource has been reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No meaningful and material exploration data, apart from the drillhole database, surface rock chip sampling and underground channel sampling completed by GTT (2015-2016), and historical underground channel sampling by IGI (2012) have been included in the report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• An 8,000m infill and extensional drill program has been planned as part of proposed prefeasibility studies. • See figure in body of this announcement. The mineralisation appears to be open along strike and at depth.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The Competent Person undertook the following validation procedures: Inspection of drillhole collars and surface outcrops, inspection of core storage and handling facility on site; verification of 2016 diamond drilling QC data, plotting of imported underground vein data, to compare with original long sections. • Checks during import, combination and desurveying of data. Check sections and plans also produced. • Historic data management and data validation procedures from the Coparex era are unknown. Checks on the calculated resource block grades from averaging of the individual channel samples along sublevel development drives indicate the correct values have been applied to the majority of resource blocks.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Adam Wheeler visited the Santa Comba site and core processing facilities from May 27th-28th, 2016.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.*	• The general overall interpretation of vein structures is very clear, due to historic underground mining and outcrops. The diamond drilling campaign has shown clear evidence of disseminated structures associated with the near surface vein structures.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>The effect, if any, of alternative interpretations on Mineral Resource estimation.
The use of geology in guiding and controlling Mineral Resource estimation.
The factors affecting continuity both of grade and geology.</td><td>In the estimation of Inferred resources for the underground vein structures, a maximum extrapolation distance of 100m has been applied, which vertically is approximately equivalent to 2 underground levels.
Effects of alternative geologic models were not tested.
The impact of geology on mineralization has been applied through the use of dynamic anisotropy controlling search envelopes during grade estimation, such that high and low grades are projected sub-parallel to the edges of the defined mineralised structures.
The main factors affecting continuity and grade is the general sub-parallel and steeply dipping structure of the high grade veins at Santa Comba.</td></tr>
<tr><td>Dimensions</td><td>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</td><td><table><tr><th></th><th></th><th colspan="3">Vertical Limits</th><th colspan="2">Horizontal Width</th><th></th></tr><tr><th>Strike Length</th><th>Overall Width of Mineralised Areas</th><th>Minimum Base Elevation</th><th>Maximum Outcrop Elevation</th><th>Max. depth</th><th>Individual Vein Structures</th><th>Disseminated Mineralisation</th><th>Dip Range</th></tr><tr><td>m</td><td>m</td><td>m RL</td><td>m RL</td><td>m</td><td></td><td></td><td>(°)</td></tr><tr><td>2,000</td><td>500</td><td>0</td><td>515</td><td>515</td><td>10-20 cm</td><td>2-30 m</td><td>70 - 90</td></tr></table></td></tr>
<tr><td>Estimation and modelling techniques</td><td>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.
The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.
The assumptions made regarding recovery of by-products.
Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).
In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.
Any assumptions behind modelling of selective mining units.
Any assumptions about correlation between variables.</td><td>The Mineral Resource was estimated by the Competent Person in August, 2016.
Two forms of resource estimation have been completed in the current study:
a) Near-Surface Block Model. A conventional 3D block model has been generated for the disseminated material which has been drilled during the recent surface drilling campaigns.
Logging data sheets were imported into Datamine and then combined and desurveyed. This process provided error checking, with reports of any errors with downhole sequences or mismatches between hole data. Surface chip and underground channel samples were also imported, based on imported survey points, combined with lab assay data. There were 95 rock chip and 174 channel samples.
The data covers different logical areas that have been used primarily for evaluation purposes. Two resource blocks models have been developed, one covering the western Quarry, Barrilongo, Santa Maria Kaolin and Santa Maria Lundin zones; and the other covering the eastern Eliseo zone.
Interpretation of near-surface mineralisation was done by the definition of west and east mineralisation contacts, based on a cut-off of 0.05% WO_3. Maximum distances of extrapolation used were 50m along-strike and 70m down-dip. These distances were based on reasonable assumptions corresponding to the known continuity of the previously mined veins in the area. To assist with interpretation work, surface sample data and underground development data were also overlain on the working sections. However, it is acknowledged that the elevations of the assumed underground level data were not accurate. Wireframe models of</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	• *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	these west and east contacts were then generated. The interpreted wireframe models were used to select and allocate the drilling data according to mineralised zones. An analysis of outlier grades was done using observation of log-probability plots and decile analyses. From these analyses, the following top-cut levels were selected: WO_3 top-cut level = 1.6% Sn top-cut level = 0.06% For subsequent estimation work, the selected samples were composited, according to the following different steps: 1. Top-Cuts. Any sample grades greater than the applied top-cut levels (described above) were set to that level. 2. Waste Flagging. A flag was set for those samples within intercept (ZONE=0), with a grade lower than 0.02% WO_3, representing the internal waste component(s) within each intercept. The higher grade parts were flagged with a ZONE ID according to the different wireframe structures. 3. Compositing. Downhole composites were then created, with a nominal length of 5m, but honouring the ZONE flag differences. The composite length applied was flexible, so as to allow equal sized composites within each intercept. A minimum composite length of 0.5m was applied. Two block models were set up for the western and eastern (Eliseo) areas. The parent block size of 10m x 10m x 10m was selected. The initial volumetric block model was set up using topographical and mineralised zone wireframe models as controls. During this generation of the volumetric model sub-blocks were generated, with splitting down to 2m in the Y and Z directions. In the X direction the sub-block size was variable with a resolution down to 1m. In the near surface modelling, mineralised sub-blocks were generated with a 5m x 5m x 5m size. The grade estimation process went through the following steps: 1. Separation of the waste and mineralised parts of the volumetric block model. Blocks were split into 5m x5m x 5m structure for the mineralised part. 2. Use of dynamic anisotropy to determine local orientation angles of the mineralisation, based on the interpreted wireframe models. 3. Modelling of internal waste zones, for material lower than a cut-off of 0.02% WO_3. These waste zones were generated with sub-cells, down to a minimum width of 1m. 4. Estimation of grades, using inverse-distance weighting (ID), of WO_3 and Sn grades. For validation purposes, alternative grades were also estimated by nearest –neighbour weighting (NN).

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5. The search volumes and distances to nearest sample were then used to assist with resource classification.

b) Underground Vein Block Models. These models have been built up from supplied data in the form of Autocad long-sections of the main veins that stem from previous work when the mine used to be in underground production. A summary of the data imported for the 4 main veins in the current analysis is shown below:

Vein	No. of levels	Number of channel samples	Drillholes
4	5	111	5
5	5	95	3
18	3	62	8
Restrevas	5	128	13

The imported level strings, representing each vein's approximate geometry, were used to create a digital terrain model (DTM). When the vein DTMs were created, they were extrapolated outwards at the same general orientation as the level vein data. The imported long-section and channel data were transformed into the projected long-section (vertical) plane, and then were projected perpendicularly onto the vein DTM, so as to get all the available data in their estimated 3D position. For reference purposes, the diamond drillhole intersections imported from Autocad were also overlaid. Based on outliers apparent from decile analyses, WO_3-accumulation values were capped at:

Vein	WO_3 top-cut Kg/m^2
4	60
5	45
18	25
Restrevas	45

The available sample data, mined outlines and level development for each vein were viewed in long section. In this long section orientation, resource limit perimeters were defined. Based on this limit, and the zone orientation, volumetric block models were generated for each vein with an assumed thickness of 0.7m. This width was used as it is the effective mining thickness that can be applied in the envisaged resuing mining method. The mined portions of each vein were removed.

Separate rotated block models were set up for each vein, as each vein has a different orientation. The block size used were 5m along-strike and 5m down-dip. The accumulated grade values from the imported channel sampled were estimated into the volumetric block models, using inverse–distance weighting. Based on the assumed minimum mining width of 0.7m, percentage (%) grades of

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		WO_3 and Sn were then back-calculated. Drillhole intercepts have not been used in this estimation, owing to lack of confidence associated with them. • The two types of resource estimation done are covering different resource volumes which do not overlap. • As the near-surface disseminated material has not been evaluated before, checks with previous estimates are not possible. • It is considered that tungsten is the principal product, with tin as a secondary product. There are no other by-products. • No deleterious elements have been considered, and have therefore not been estimated. • The 3D block models for the near-surface modelling were based on a parent block size of 10m x 10m x 10m, with sub-blocks generated down to a resolution of 1m, to reflect low grade extensions. • For the underground vein modelling, blocks were size 5m x 5m along-strike and down-dip. A mining thickness of 0.6m has used for the cross-strike direction. • In the underground vein modelling, a 0.7m mining thickness has been applied. • There appears to be no particular correlation between Sn and WO_3 grades. • The interpretation of mineralised zones subsequently controlled selected samples and zone composites, and then the resource block models. For the underground vein modelling, the modelling was primarily controlled level strings from galleries developed along strike, following the vein structures. • Grade capping was applied as described above. • Model grades were compared with samples and composites on long sections and cross-sections. A set of cross-sections through the near-surface block model, showing WO_3 grades, were generated. A global comparison was also made for each zone. These comparison showed acceptable results. • A local comparison of grades was also made, in the form of swath plots, which compare the average grades on each 100m thick west-east slice. Separate plots were generated for each vein. These plots compare for each slice: the average inverse-distance model grades; the average nearest neighbour model grades; the average channel sample grades; and for reference, the total tonnage on each slice. The swath plots produce show an acceptable comparison. • In the historical estimates, Coparex calculated resources using a combination of estimating the grade at the base of a stope, estimating grades within development drives and finally processing the ore extracted from the development drifts in a pilot plant and back-calculating the grade. Depending on the amount of information that was available and collected, Coparex extrapolated the resource and subdivided the mineral inventory into categories (stocks, secured ore, probable ore, possible ore,

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		potential ore). • The historic resources quoted have not been reported according to the guidelines of the JORC Code (2012) and are unclassified. It is uncertain that following further evaluation and/or further exploration work that the historic resource estimates will be able to be reported as Mineral Resources in accordance with JORC Code (2012). • It is also important to note that the historic resource estimates report the in-situ grade and tonnage of mineralisation above an applied cut-off criteria. Ongoing work by GTT will be required to substantiate historically applied cut-off criteria and understand the proportion of the deposit that is likely to meet reasonable prospects of eventual economic extraction. • Further refinement of historic resource estimates is expected with additional infill drilling, refinement of current geological and structural models and changes in search criteria, estimation parameters and estimation technique.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The main reference cut-offs used for resource estimation were: 0.05% and 0.07% WO_3 for near-surface modelling, as appropriate for potential open pit mining. For underground modelling evaluation a cut-off of 10 kg/m^2 (0.53% WO_3) was applied, selected as being appropriate for potential underground mining. • The Coparex historic estimate utilised a cut-off of 10 kg/m^2 (0.53% WO_3). This was based on the economic cut-off grade of underground operations at the time.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Conventional open pit mining was considered for potential mining of near-surface resources. Mining factors of dilution and ore loss have not been applied. • Underground mining using the resuing method (0.7m mining width) was considered for potential mining of underground resources. • The historic estimate was calculated assuming underground mining using the resuing method (0.7m mining width).
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to*	• No metallurgical assumptions have been built into the resource model. • Extensive tests and processing information was completed by Coparex for the underground vein-hosted mineralisation ultimately achieving recoveries of *ca.* 70%.

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	consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions have been made regarding waste and process residue. • If the project is further developed, environmental impact monitoring will be required.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Density measurements have been made from core samples, using water immersion. • No voids present. • From density values estimated from actual drillhole measurements, a global density of 2.6 t/m^3 was applied for near-surface modelling. For underground modelling a global density of 2.7 t/m^3 was applied based on that used by Coparex (1987) and vein density measurements.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data,*	• All resources evaluated have been classified as an Inferred category. • **Near-Surface mineral resource:** Taking into account all of the available data, it was decided that there is inadequate data to define any Measured or Indicated resources. The intersections provided by the drilling done do not provide a close enough grid of sample data to assess the grade continuity and be able to delineate

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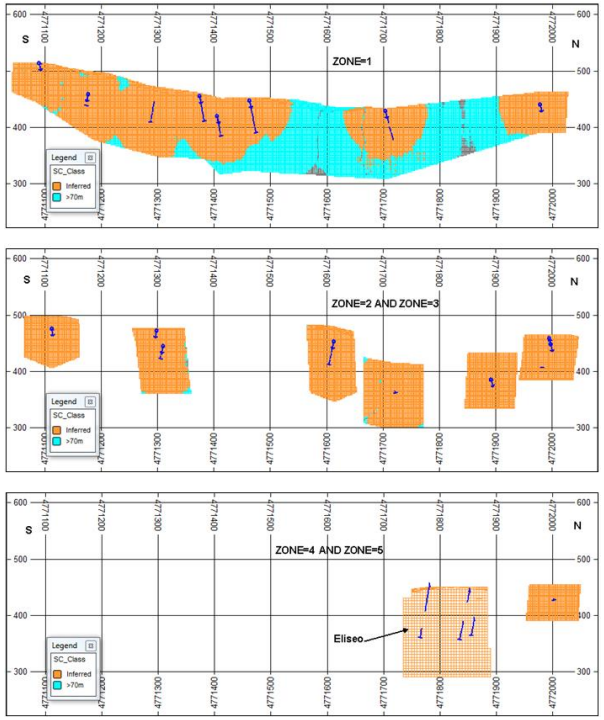
	confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	any areas with sufficient confidence for Measured or Indicated resource assignments. However, it has been decided that Inferred resources can be estimated, up to a maximum extrapolation distance of 70m. This distance was decided by reference to all available drillhole, surface point data and reference to veins which have been mined from underground. With this 70m limit, the extent of Inferred resources modelled is depicted in the long section below (coloured orange).  • **Underground mineral resource:** No resources were categorised as Measured or Indicated, owing to lack of quality control data associated with the samples, as well as limited sample coverage. An Inferred resource classification was used for all of the underground resources reported in the current study, and were limited to a maximum extrapolation distance of 100m, which is approximately double the underground level spacing. Reference was made to adjacent exploited stope production data and development drive channel sampling. • The resource classification criteria have taken into account all relevant factors.

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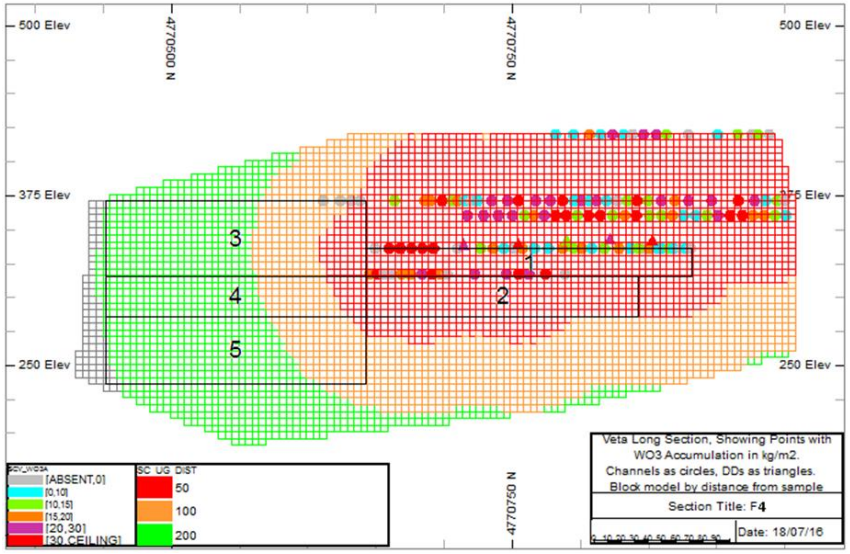
		• The resource estimation results reflect the Competent Person's view of the deposit. • Long sections showing the extent of Inferred Resources (coloured red and orange) are shown below. • 

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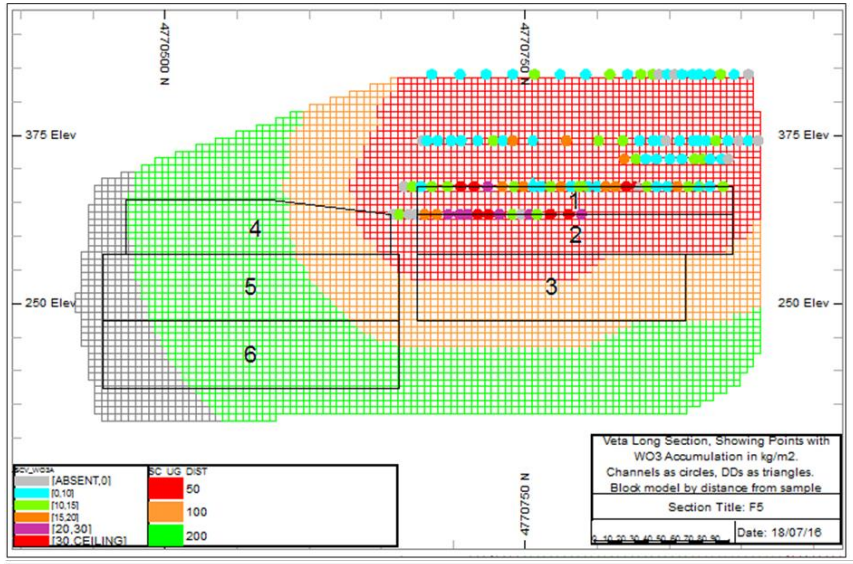
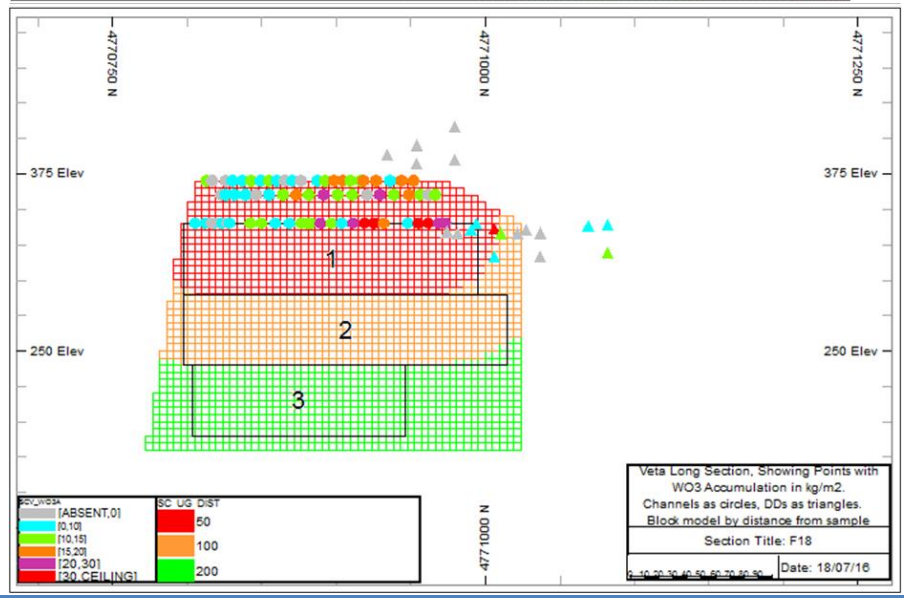
		•  • 

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		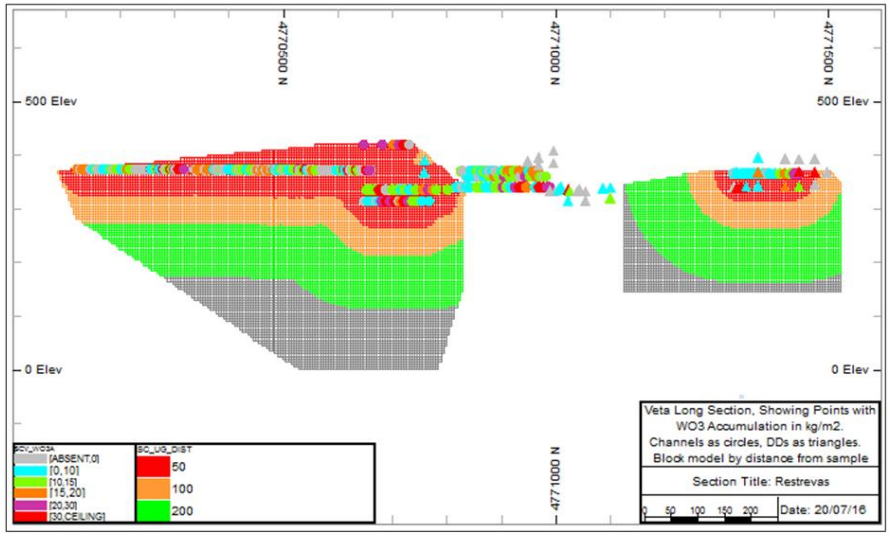 • The Coparex historical estimate utilised the following categories: Stocks: in-situ or blasted mineralised material in a gallery and ready for exploitation. Secured ore: constructed upper drive and geological studies including panel grade estimates. Probable ore: there are panel grade surveys at the drive front and assumes possibility of exploitation to 50m depth. Depth extensions are booked at same grade value and sterile percentage as in drive. Possible ore: isolated drill holes and geological studies. Reserve grade estimated at average of reserves in secured and probable classes. Potential ore: isolated drill holes and geological studies, outside the main operating area of the time (e.g. North Zone, including Vilar East and West). • The historic resources quoted have not been reported according to the guidelines of the JORC Code (2012). • It is uncertain that following further evaluation and/or further exploration work that the historic resource estimates will be able to be reported as Mineral Resources in accordance with JORC Code (2012). • It is also important to note that the historic resource estimates report the in-situ grade and tonnage of mineralisation above an applied cut-off criteria. Ongoing work by GTT will be required to substantiate historically applied cut-off criteria and understand the proportion of the deposit that is likely to meet reasonable prospects of eventual economic extraction.

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		• Further refinement of historic resource estimates is expected with additional infill drilling, refinement of current geological and structural models and changes in search criteria, estimation parameters and estimation technique.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audit or review of the Mineral Resource estimates has been completed by an independent external individual or company. • The Competent Person has conducted an internal review of all available data.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resources as per the guidelines of the 2012 JORC code. • The resource statement relates to global estimates of tonnes and grade. • No mining has taken place since 1985. Historical production data is not in a form that enables comparisons.