



19 January 2017

**W Resources Plc**  
("W" or the "Company")

**La Parrilla Equipment Finance, Grants and Development**

W Resources Plc (AIM:WRES), the tungsten, copper and gold mining, production, exploration and development company with assets in Spain and Portugal, is pleased to provide an update on equipment finance, grants and development for its flagship La Parrilla Tungsten mine in Spain.

Significant progress has been made on financing for the next development phase at the La Parrilla FTM mine to achieve 1.95mtpa ROM and 2,500 tonnes of tungsten concentrate production. Terms have now been agreed with leading vendors for the financing, supply and installation for two of the three core equipment packages: the Crusher and the Jig / Mill Plant.

It is expected that vendor finance of 50% will be provided on the Crusher and the Jig / Mill Plant and formal contracts are expected to be awarded in the next month. For both of these equipment packages, W has applied for grants from the Extremadura Regional Government in Spain for between 20% and 30% of the value of this equipment. W will also apply for grants for the third core equipment package, the La Parrilla concentrator. Arrangements for the financing of La Parrilla are advancing well and are expected to include a convertible note to fund the balance of the plant packages.

The new state of the art Sandvik crusher is expected to be installed by mid-2017 which should result in a very substantial reduction in crusher costs of the order of \$50/mtu compared with the current mobile plant crushing costs. The crusher package is designed to minimise the production of tungsten fines, which are harder to recover than more coarse material. Given the potential for very significant operating cost reductions and recovery improvements from a new fixed crushing circuit, the Board and operations team have evaluated the most strategic production options and elected to temporarily halt production, with a view to restarting operations following installation of the new more cost-efficient crushing circuit.

During the 2016 production runs, the Company made substantial progress improving the design of its primary plant and looks forward to restarting later in 2017 with a significantly lower cost structure.

In addition, the significant engineering effort that has gone into the design of both the Crusher and Jig / Mill Plants will allow both Plants to be expanded from 1.95mtpa ROM mine ore feed to 3.5mtpa ROM at low incremental cost and with minimum plant shut down time.

Overall financing of La Parrilla is advancing well:

- The equipment finance packages will provide 50% funding for key plant
- Grants have been applied for and have the potential to fund a further 20-30% of these packages
- Funding negotiations have advanced to provide a convertible note to fund the balance of funding for the plant packages

W will update the market on each of these important initiatives with a specific update on the vendor packages once these arrangements have been finalised.

**Michael Masterman, Chairman** of W Resources commented: "It is very encouraging to see tangible progress on both the development and finance fronts at La Parrilla. Our suppliers and engineers have made significant progress to greatly enhance the integrity and expansion potential of our core equipment. We are in a strong position to significantly advance financing and development in the first half of 2017."

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*The information contained within this RNS is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release.*

**About La Parrilla**

The La Parrilla project site is situated in the Extremadura region of southwest Spain, in the Provinces of Caceres-Badajoz, approximately 310 km southwest of Madrid. The site has exceptional infrastructure in place, which is accessed directly from the highway along a 3 km asphalt road and is serviced by electricity and water. The project comprises a tungsten mine and a tungsten tailings project. The mineral resource estimated by Golder in February 2016 at 0.04% WO<sub>3</sub> cut-off grade is 51 million tonnes at 0.096% WO<sub>3</sub> and 0.108 Sn, making it one of the largest tungsten deposits in the western world.