BARRUECOPARDO
Putting into operation a world class tungsten mine
- at the right time
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Barruecopardo is a permitted, fully-funded brown-field tungsten mining project located in western Spain

Feasibility Study (DFS) completed with initial nine-year open pit mine life (2,600t WO$_3$ or 260,000 MTU/year, steady state)

Simple and cost-efficient project design - Low Capex and Opex:
- Open pit mining and straight forward processing based on proven technology
- Opportunity exists to expand plant capacity by 40% with no additional Capex (increase from 5 to 7 day operation)
- Expected cash production costs of c. €104/mtu (USD 119*/mtu) will place Barruecopardo at the lower end of the global tungsten production curve

Full development schedule now being implemented:
- Majority of equipment orders now placed and in manufacture
- Dams and civils constructions commenced onsite
- Commissioning of a mine scheduled for end Q3 2018

Extension of resources and reserves planned with the target of developing an underground mine and evaluating satellite deposits on prospective local ground holdings

*Assumes EUR/USD exchange rate of ~1.15
Barruecopardo mining history

- Initial mining operations at Barruecopardo are believed to have been active during 1914-1919 (WW1), then ceasing until re-commencing in 1942 (WW2)

- Mining was by selective open pit methods of narrow higher grade zones in the 1940s-1960

- Moved to larger scale bulk open pit mining from 1960

- Mine production peaked at ~800,000 tonnes per year in the 1970s

- All material mined from the main open pit was processed through the gravity plant – no waste mining

- Tungsten was recovered by gravity processing, using jigs and shaking tables, following three stage crushing

- High quality and much sought after concentrate produced throughout the periods of operation

- Mining ceased in early 1980s due to requirement for a significant capital investment in the open pit at a time of low tungsten prices caused by China’s then low tungsten requirements.
Project location – Good infrastructure
Operations - Low risk

- **DFS Completed, Permits/Funding in place, Land access completed:**
  - Initial 9 yr mine life (2,600t WO₃ or 260,000 mtu/year steady state)
  - Environmental and Mining Permits in place
  - Access to all land required to commence mining activities achieved
  - Process Plant, Mine and Water Dams etc. in construction

- **Simple Mining:**
  - Open-pit, contract mining, utilising and benefiting from experienced mining contractors in the region

- **Simple Processing:**
  - Simple gravity processing (proven technology) provides for an efficient plant (nominal 1.1mtpa) with added benefit of ~40% spare capacity
    - Reduces startup risk
    - Considerable flexibility to increase/decrease production

*Cleaner Concentrate from Jig Testwork*
Crush to maximum liberation size of 5mm

Reject 98% of feed by Jigs/Spirals circuits

Upgrade circuits very small

Gravity upgrade to reject silicates

Flotation upgrade to reject sulphides

Final product dried and bagged

Simple Processing Plant based entirely on proven technology
Global cost curve – Well positioned

Tungsten concentrate cost curve, China vs. ROW producers, 2016 (US$/mtu)

Barruecopardo production cost

On the move – Achievements 2017

✓ **Engineering:** Detailed process plant engineering work – Nearing completion
✓ **Procurement:** Priority 1 and 2 equipment purchases – In manufacture
✓ **Procurement:** Priority 3 equipment ordering – Ongoing
✓ **Procurement:** Civil works contract - Awarded
✓ **Services:** Potable water plant – Under installation
✓ **Services:** Main HT Transformer supply – Under award
✓ **Services:** Barruecopardo substation improvements - Underway
✓ **Construction Readiness:** Compensating by-pass road, site access roads, perimeter access road and site fencing, laydown areas and principle drainage controls – Completed
✓ **Construction Readiness:** Preliminary environmental works – Well advanced
✓ **Construction:** Dams construction – Underway
✓ **Construction:** Site facilities (workshops etc) - Underway
On the move – On the ground activities
## Project schedule

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H2 2017</th>
<th>H1 2018</th>
<th>H2 2018</th>
<th>H1 2019</th>
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<td><strong>PLANT ENGINEERING AND CONSTRUCTION</strong></td>
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<td>Detailed Engineering</td>
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<td>Commissioning</td>
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<td><strong>WATER MANAGEMENT</strong></td>
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<td>Construction and Pit Dewatering</td>
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<td><strong>MINING PREPARATION</strong></td>
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<td>Mining and Fill for ROM, haulage roads, contractor mob</td>
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<td>Commence Open Pit Mining</td>
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<td><strong>OTHER</strong></td>
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<td>Site Services</td>
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<td>Environmental Compensating Measures</td>
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<td><strong>PRODUCTION</strong></td>
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## Mineral Resources and Ore Reserves

### Total Mineral Resources

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnes (millions)</th>
<th>Grade (WO3%)</th>
<th>Contained WO3 (mtu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>5.47</td>
<td>0.34</td>
<td>1.86 million</td>
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<tr>
<td>Indicated</td>
<td>12.33</td>
<td>0.26</td>
<td>3.20 million</td>
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<tr>
<td>Inferred</td>
<td>9.59</td>
<td>0.23</td>
<td>2.20 million</td>
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<td><strong>Total</strong></td>
<td><strong>27.39</strong></td>
<td><strong>0.26</strong></td>
<td><strong>7.12 million</strong></td>
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</table>

### Ore Reserves within the Open Pit

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnes (millions)</th>
<th>Grade (WO3%)</th>
<th>Contained WO3 (mtu)</th>
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<tbody>
<tr>
<td>Proven</td>
<td>4.96</td>
<td>0.33</td>
<td>1.64 million</td>
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<tr>
<td>Probable</td>
<td>3.73</td>
<td>0.26</td>
<td>0.98 million</td>
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<td><strong>Total</strong></td>
<td><strong>8.69</strong></td>
<td><strong>0.30</strong></td>
<td><strong>2.61 million</strong></td>
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</tbody>
</table>

*Source: CSA Global*
Expansion - onsite

**Significant potential to extend life of mine:**

- The planned open pit captures only ~40% of the current total resources; pit optimisation potential
- Drilling and relevant studies underway extend the mine life
- The deposit is open along strike and at depth (deposit only drilled to average depth of ~200m)
- Clear potential to extend the mine life considerably post-commencement of mine production

**Processing plant has 40% inbuilt spare capacity**
Expansion - 2000m drilling program completed May’16:

- **Aim:** Confirm mineralisation extensions at depth beneath central part of planned pit, plus follow-up on potentially expanded zone under shallow Northern end of pit.

- **Key Results:**
  - BAR83: 23m @ 0.26% WO$_3$ from 172m and 5m @ 1.95% WO$_3$ from 404m
  - BAR85: 25m @ 0.21% WO$_3$ from 334m
  - BAR86: 6m @ 2.59% WO$_3$ from 253m
Expansion – First results

Drill rig operating during drilling program

Coarse grained tungsten mineralisation from recent drilling program

Core logging during recent drilling program
Expansion – Underground (stage 2)
Expansion - offsite

Satellite Mineralisation on Mining Concession & Surrounding Permits
Growth Strategy

1. Deliver on budget stable production based on the Barruecopardo DFS

2. Increase production and mine life at Barruecopardo through the investigation and evaluation of depth extensions to current resource with objective of establishing an underground (Stage 2) mine

3. Develop further Barruecopardo expansion through investigation of known satellite mineralisation within Mining Concession (Valdegallegos), and multiple potentially significant satellite mineralisation outside Mining Concession

4. Focused consolidation with attractive upstream tungsten assets