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Weatherly International PLC
28 July 2017

28th July 2017

This Announcement includes release of insider information

Weatherly International plc
("Weatherly" or "the Company")
Funding Update and Quarterly Operations and Production Update

Weatherly International plc (AIM: WTI) announces its update for the quarter ended 30 June 2017 and an additional US\$10m facility.

Summary

- Tschudi production for the quarter was 3,386 tonnes of copper cathode, 20% below nameplate
- C1 costs for the quarter increased by 7% to US\$6,344 per tonne
- Financial year to June 2017 cathode production and C1 unit costs were within the revised guidance ranges
- Uncommitted US\$10million facility entered into at $\text{libor}+2\%$.

Tschudi Production Performance

Production results for the quarter ended 30 June 2017

	Quarter ended Sep-16	Quarter ended Dec-16	Quarter ended Mar-17	Quarter ended Jun-17
Total (Ore + Waste) Mined (000 tonnes)	5,703	5,546	5,117	6,051
Ore Tonnes stacked (000 tonnes)	670	702	563	726
Ore Stacked grade (per cent)	0.89	0.88	0.86	0.99
Copper Cathode Produced (tonnes)	3,641	4,496	3,236	3,386
C1 Cost (US\$/t)	5,073	4,222	5,907	6,344

Cathode production tonnages improved through the quarter after reaching particularly low levels in March and April. The improvement was due to an increased rate of stacking contained copper metal tonnages rather than any improvement in the rates of leaching on a percentage basis. High mining and stacking volumes for the quarter meant that despite a 5% cathode tonnage improvement, C1 unit costs for the quarter increased by 7% to US\$6,344 per tonne.

For the full financial year cathode production was 14,759 tonnes, within the revised guidance range but 13% below the 17,000 tonnes per annum nameplate for Tschudi. Financial year C1 unit costs were US\$5,288 per tonne, within the revised guidance range of US\$5,250 to \$5,350 per tonne.

Construction of the extended heap leach pad area continues on schedule in order to provide additional time for the leaching of copper from mixed ore currently under irrigation, and also for implementation of changed operating parameters for this ore prior to sealing and over-stacking. As previously announced, investigations continue into how leach rates can be improved under modified operating conditions. To this end, the Company has engaged an independent consultant to provide guidance and advice into leach rates and the ultimate recoveries that can be expected. Further updates will be provided in due course.

Debt Financing

The Company announces that it has entered into an uncommitted US\$10 million facility with Orion Mine Finance. The key terms of this additional uncommitted facility include inter alia an interest rate of $\text{Libor} + 2\%$, a drawdown period up to 30 June 2018, and a due date of 28 February 2020. The facility will be made directly to one of the Company's Namibian subsidiaries with the Company, and certain of its other subsidiaries acting as guarantors.

The proceeds of the US\$10 million facility will be applied to accelerate the building of the leach pads and fund operating costs and general working capital requirements at Tschudi.

Orion is a related party of the Company by virtue of Orion being a substantial shareholder in the Company and consequently the US\$10 million facility is deemed to be a related party transaction under the AIM Rules for Companies. The independent directors of Weatherly (being all of the directors other than Edwin Bennett, by virtue of his association with Orion) consider, having consulted with Weatherly's nominated adviser, RFC Ambrian Limited, that the terms of the US\$10m facility are fair and reasonable insofar as Weatherly's shareholders are concerned.

If copper prices remain at current levels it is unlikely that the Company and its subsidiaries will generate sufficient surplus cash to meet all loan repayments when due. The Company continues to positively engage with Orion on the subject.

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About Weatherly

Weatherly is an AIM listed copper mining company operating in Namibia in southern Africa. Its principal assets are one operating open pit copper mine called Tschudi and two underground copper projects called Otjihase and Matchless.

This information is provided by RNS
The company news service from the London Stock Exchange

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