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Weatherly International PLC
30 June 2017

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

On 27th and 28th April, the Company announced that copper cathode production rates at Tschudi had fallen to 24% below nameplate due to slower than anticipated leach rates for mixed oxide / sulphide ore, and that debt repayments due to Orion Mine Finance (Master) Fund I LP ("Orion") had been rescheduled.

Investigations continue into whether or not leach rates can be accelerated to match those predicted in the 2012 Bankable Feasibility Study (BFS) by varying site operating parameters. In the meantime, mining and stacking rates have been accelerated to compensate and production rates have improved in May and June as expected, such that full year copper production guidance is unchanged at 14,500 to 15,000 tonnes.

Capital construction of the stage two leach pads is underway and permanent loss of recoverable copper metal by sealing and over-stacking of partially leached ore is expected to be minimised as a result.

As previously indicated, the Company is unable to generate sufficient surplus cash at current copper prices to fund the pad construction capital plus the additional working capital required for accelerated mining and stacking of slower-leaching ore as well as all loan repayments to Orion when due. The Company believes it will need US\$10m additional funding to construct the new pads and deal with the working capital issues that have arisen from the slower leaching at Tschudi.

Orion has agreed to further amendments to the terms of its funding arrangements as described below and have also agreed to enter into a new uncommitted US\$10m facility to cover the additional funding requirement, the terms for which are at an advanced stage of discussion. Details of the new facility will be announced when it is executed.

Debt Financing

Weatherly has entered into a further amendment and restatement agreement in relation to its existing facility with Orion (the "Amendment and Restated Agreement"). Under the facility as amended by the Amendment and Restatement Agreement (the "Amended Facility"), the first repayment of Facility B Loan has been deferred to 31 August 2017 and Orion has agreed, effective until 31 August 2017, to limit its acceleration and enforcement rights on the terms set out in the Amended Facility. The Facility B Final Maturity Date has been changed to 28 February 2020, and each Facility B repayment will be increased so that the Facility B Loans will be repayable in 11 equal repayments.

The repayment of the US\$8.6 million lent under Facilities C and D of the Amended Facility has been deferred until 31 August 2017.

Orion is a related party of the Company by virtue of Orion being a substantial shareholder in the Company and consequently the execution of the Amendment and Restatement Agreement 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 Amendment and Restatement Agreement 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 under the revised Amended Facility 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
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