

Rescheduling of repayment

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Weatherly International PLC

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This announcement includes release of inside information

Weatherly International plc (AIM:WTI)

("Weatherly" or "the Company")

Rescheduling of repayment

Weatherly announces that debt repayments due to Orion Mine Finance (Master) Fund I LP ("Orion") have been rescheduled.

Debt financing and rescheduling of repayments

Weatherly has entered into a further amendment and restatement agreement in relation to its existing facility with Orion (the "Amendment and Restatement Agreement"). The first repayment of Facility B, previously due on 31 March 2018 is now due on 30 June 2018 and payable quarterly until 31 December 2019 with a final payment due on 28 February 2020. The Facility B Final Maturity Date remains unchanged at 28 February 2020. Facility B will be repayable in 8 equal repayments of capital and accrued interest of US\$14.1m. Repayment of capital and accrued interest of US\$11.0m under Facilities C and D of the Amended Facility has been deferred until 30 June 2018. Orion has agreed, effective until 30 June 2018, to limit its acceleration and enforcement rights on the terms set out in the Amended Facility.

In addition, the Amendment and Restatement Agreement introduces a new clause that gives Orion approval rights on expenditure outside of the Board's comprehensive agreed budget and includes several amendments to existing clauses that, over time, will result in the Company having reduced flexibility on cash generated from copper sold to Orion, the Company's sole customer, via a cash sweep mechanism and tightened offtake credit arrangements.

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. All directors of the Company are independent of Orion and consider, having consulted with Weatherly's nominated adviser, Strand Hanson, that the terms of the Amendment and Restatement Agreement are fair and reasonable insofar as Weatherly's shareholders are concerned.

As previously advised on 28 April 2017 as a loan rescheduling fee, Orion has the right (but not the obligation) to buy, if available, up to 700 tonnes of unhedged cathode each month from Weatherly until 30 April 2018 at a price of US\$6000 per tonne. Orion can only exercise its option to the extent of unhedged tonnes produced in the month. So far this financial year, Orion has not elected to exercise their option.

Loan draw downs and hedges

Weatherly advises that it has made no further drawdown on the US\$10 million uncommitted loan from Orion announced on 28 July 2017, with US\$3 million drawn down under that facility to date, and no further hedges of copper or currency.

The Company and its subsidiaries are unlikely to generate sufficient surplus cash to meet all loan repayments when due, particularly in the near term. 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 the Tschudi Mine and the Otjihase Project. The Tschudi Mine is an operating open pit mine producing refined copper cathode on site. The key assets of the Otjihase Project are the Otjihase underground copper mine and concentrator and the Matchless West underground copper mine. The Otjihase Project assets are currently under care & maintenance while in the Project Development stage. Weatherly also owns 25% of China Africa Resources Namibia (CARN), a private Namibian company which owns the high-grade Berg Aukas underground zinc-lead-vanadium project. On 5 February 2018 it announced that it had signed an agreement to purchase a further 65% of CARN subject to regulatory approval. On 12 December 2017, Weatherly announced that it had entered into an agreement to purchase the Kitumba copper development project in Zambia. The transaction has subsequently been approved by the vendors shareholders and is only subject to regulatory approval.

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