

## Quarterly Operations and Production Update

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Weatherly International PLC  
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This announcement includes release of inside information

**Weatherly International plc  
("Weatherly" or the "Company")**

**Quarterly Operations and Production Update**

Weatherly International plc (AIM: WTI) announces its update for the quarter ended 31 March 2018.

**Summary**

- Tschudi copper cathode production of 4,161 tonnes, bringing year to date production to 13,005 tonnes Cu, being 2% ahead of nameplate
- Tschudi C1 costs increased to US\$5,608 per tonne for the quarter, due largely to strengthening of the Namibia dollar
- Dewatering in the open pit continues to be managed and work is ongoing to assess the life of mine beyond 2020

**Tschudi Production Performance**

Production results for the quarter ended 31 March 2018:

	Quarter ended Jun-17	Quarter ended Sep-17	Quarter ended Dec-17	Quarter ended Mar-18
Total (Ore + Waste) Mined (000 tonnes)	6,051	6,314	5,869	4,395
Ore Tonnes stacked (000 tonnes)	726	666	733	775
Ore Stacked grade (per cent)	0.99	0.78	0.65	0.73
Copper Cathode Produced (tonnes)	3,386	4,105	4,739	4,161
C1 Cost* (US\$/t)	6,344	5,402	4,551	5,608

*\* C1 costs means direct operating cash costs including costs incurred in mining and processing (labour, power, reagents, materials) plus local G&A, and distribution costs. Excluded from C1 costs are Group overheads, care and maintenance costs at Otjihase, deductions from gross sales price (offtake fees and government royalties), depreciation and interest.*

Tschudi production for the March 2018 quarter was 4,161 tonnes of copper cathode, or 98% of nameplate. This brings year to date production to 13,005 tonnes Cu or 2% ahead of nameplate after three quarters of the financial year. Mining and stacking of slower leaching mixed ore resumed as planned, with mining volumes being reduced due to seasonal rains, as expected. Stacking was largely unaffected by the rains due to stacking on new leach pads rather than upon previously leached ore and because healthy levels of

stockpiled ore had been placed on the ROM pad in preparation for the wet season.

Tschudi C1 unit costs for the quarter increased to US\$5,608 per tonne as a result of the expected lower quarterly cathode production plus the stronger Namibia dollar compared to the previous quarter. Tschudi C1 unit costs stand at US\$5,145 per tonne for the financial year to date.

Forced aeration of some panels has commenced, as part of ongoing testing of how leach rates for mixed and sulphide ore may be improved under modified operating conditions, designed to increase bacterial activity in the heap. However, it is expected to take to the end of the financial year until any conclusions can be drawn.

#### **Dewatering Update**

As described in Weatherly's Interim Results announced on 19 March 2018, open pit groundwater inflows in the Tschudi open pit, and the costs of dealing with them, continue to increase as pit mining proceeds to greater depths. However, the flow rates are currently being managed adequately, to ensure a reliable supply of ore for stacking.

Updated estimates of likely water inflow rates for the Pit 5 stage, which is currently being mined, have been produced by independent consultants from Strategic Water Management WA and RPS Group plc. The Company is continuing to work on quantifying the impact of the costs of dealing with these inflows upon Tschudi's economic reserve and life of mine. At this stage, it is expected that the costs of dealing with the escalating volumes of water may have a significant impact upon the economic life of mine.

At current copper prices, the bulk of the remaining economic value of the Tschudi project is contained within Pit 5 due to relatively high strip ratios and generally lower grades in the pit pushbacks that make up the rest of the current reserve. Mining and stacking of the current Pit 5 will be largely complete by the middle of calendar year 2020. A modified design for Pit 5 is being examined which may extend this to the end of 2020.

As more information is gained on the additional groundwater inflow rates into the expanded pit, it may prove to be the case that the cost of pumping the increasing volumes of groundwater increases to such a degree that much, or possibly even all, of the ore beyond Pit 5 cannot be economically mined and processed at current copper prices.

Additional studies will be conducted to determine how water management costs may be reduced and how inflow rates for mining beyond Pit 5 can be best predicted in order to assess what portion of the balance of the current reserves can be economically mined. These studies will be completed ahead of any decisions being made.

#### **Orion Loan Repayments**

Further to the Company's confirmation on 3 April 2018 that it had rescheduled debt repayments that were due on 31 March 2018, Weatherly confirms that remains unlikely to generate sufficient surplus cash to meet all loan repayments when due, particularly in the near term, and continues to be involved in negotiations with Orion to agree a long-term restructuring of the Company's secured debt facilities, which includes instigating the strategic review announced by the Company today.

For further information please contact:

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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, the Company announced that it had signed an agreement to purchase a further 65% of CARN subject to regulatory approval.

This information is provided by RNS  
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