

8 October 2018

## **Weatherly International plc (In Administration)**

### **("Weatherly" or "the Company")**

#### **Launch of Strategic Review**

Weatherly International plc (in Administration), the copper mining group operating in Namibia, announces that following significant operational progress at Weatherly's Tschudi mine, the Company has restarted the process of reviewing its strategic options (the "Process"). The Process is being led by Numis Securities Limited ("Numis") and Treadstone Resource Partners Pty Ltd ("Treadstone"). This follows the Company's announcement on 1 June 2018, detailing the appointment of Administrators.

Since June 2018, there have been material improvements to the dewatering capabilities and a strategy enabling stable path to growth has been implemented.

The scope of the options being considered by Weatherly include, but are not limited to, the sale of certain subsidiaries of Weatherly, or the disposal of certain assets of the Company (or of its subsidiary undertakings).

The Company has a diverse portfolio of base metal production and development assets with multiple low capital spend growth opportunities. These include the Tschudi Mine ("Tschudi"), the Otjihase ("Otjihase") and Matchless ("Matchless") mines (together, "Central Operations") and the Berg Aukas project ("Berg Aukas") in Namibia. Key highlights of the Company's main assets are provided below.

#### **Tschudi**

- Producing copper mine located in Tsumeb, northern Namibia
- Currently running at 17ktpa (the SX-EW plant's minimum design capacity)
- Ore Reserves<sup>1</sup> of 15.6Mt at 0.89% Cu for 138.2kt and Mineral Resources<sup>1</sup> of 51.0Mt at 0.76% Cu for 387.7kt
- Materially improved dewatering capabilities and strategy enabling stable path to growth
- Strong Resource base could support further production enabling potential mine life extensions
  - Underexplored project area
  - Modern processing facilities and robust infrastructure base

#### **Central Operations**

- Three underground mines and an 800ktpa copper concentrator, currently on care and maintenance
- The operations were in production until September 2015, producing high quality concentrate sought after for blending
- Mineral Resources<sup>2</sup> of 4.40Mt at 2.27% Cu for 99.7kt (Otjihase) and 1.34Mt @ 2.40% for 31.8kt (Matchless)
- Otjihase and Matchless mines represent a significant low capital intensity restart opportunity with substantial cash flow enhancing opportunities including:
  - Capital realisation through optimised design
  - Improvement of exploration target through expansion and access to neighbouring compartments
  - Backfill optimisation to increase recovery

#### **Berg Aukas**

- Past-producing zinc-lead-vanadium project located near Tsumeb, Namibia
- Shafts and access development to 800m depth

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<sup>1</sup> Total as at 30 June 2017. 100% basis.

<sup>2</sup> 100% basis. Mineral Resource statement for the Otjihase Mine is declared in terms of the JORC Code (2012 Edition) with an effective date of 31 March 2018. Matchless estimated tonnage based on Bara polygonal calculation.

- Ore Reserves<sup>3</sup> of 1.69Mt at 11.16% Zn, 2.76% Pb and 0.23% V<sub>2</sub>O<sub>5</sub> (Cut off 5% Zn eq) and Mineral Resources<sup>3</sup> of 1.26Mt at 15.47% Zn, 3.84% Pb and 0.33% V<sub>2</sub>O<sub>5</sub> (Cut off 3.0% Zn)
- Significant value enhancing opportunities including:
  - Shaft stripping / decline addition options allowing for larger equipment and mill expansion
  - Unlocking value from metal recovery from stock of historical tailings
  - Favourable vanadium pricing environment

Parties with an interest in making a proposal should contact Numis or Treadstone through the contact details set out at the end of this announcement. It is currently expected that any party interested in participating in the Process will, at the appropriate time, enter into a non-disclosure agreement with Weatherly. The Company then intends to provide such interested parties with certain information on the business, following which interested parties shall be invited to submit their proposals.

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<sup>3</sup> As at April 2013.