

ASX Announcement | 26 June 2019
Rafaella Resources Limited (ASX:RFR)

Rafaella Resources Secures Strategic Support of Transamine Trading SA through Marketing Services & Offtake Agreement and Equity Investment of up to A\$1.5 million

Investment highlights

- Transamine Trading SA (“**Transamine**”), the world's oldest independent and privately held commodities trading company, has conditionally agreed to provide both financial and operational support to the development of the Santa Comba Tungsten Project (“**Project**”)
- Transamine has conditionally agreed to purchase 100% of the Project tungsten and tin concentrate production, including managing logistics for tungsten concentrate delivery to HC Stark Tungsten GmbH contemplated under its existing offer for offtake
- Transamine Holdings and Investments (a Hong Kong entity) (“**THIL**”) has conditionally agreed to subscribe for \$1 million worth of shares in the proposed minimum \$2.6 million equity raising to be undertaken by RFR in connection with the acquisition of the Project, with THIL agreeing to subscribe for an additional \$500,000 worth of shares upon delivery of a positive feasibility study and the grant of any project financing that allows the Project to proceed to construction

26 June 2019 – Junior exploration company Rafaella Resources Limited (**ASX: RFR**) (“**Rafaella**” or “**the Company**”) is pleased to announce the strategic support of Transamine Trading SA (“**Transamine**”) in the development of the Santa Comba Tungsten Project (“**Project**”).

Transamine has agreed with Galicia Tin & Tungsten S.L. (“**GTT**”) (the 100% owner of the mining licences comprising the Project) to provide marketing and logistics services to GTT. As announced on 25 May 2019, Rafaella has signed a binding agreement to acquire the entire issued capital of GTT from its shareholders, subject to the satisfaction of certain conditions¹. As part of a proposed services agreement, Transamine will assist in facilitating the logistics for the delivery of the tungsten concentrate already under an offer by HC Stark Tungsten GmbH (“**HCS**”) and will acquire any additional concentrate not subject to the HCS offer, on standard market terms.

Furthermore, Transamine Holdings and Investments (a Hong Kong entity) (“**THIL**”) has agreed with GTT to support the Company’s proposed minimum \$2.6 million equity raising at 20 cents per share with an initial commitment of \$1 million followed by a further \$500,000 upon the delivery of a positive Project feasibility study and the grant of any project financing that allows the Project to proceed to construction.

The agreements with Transamine and THIL remain subject to final documentation.

A condition precedent to the acquisition of GTT is that Rafaella raises not less than \$2.6 million at 20 cents per share via a share placement. The placement is subject to Rafaella shareholders’ approval. Transamine’s commitment of \$1 million toward the placement means that a remaining amount of \$1.6 million shall be raised from other institutional and sophisticated investors.

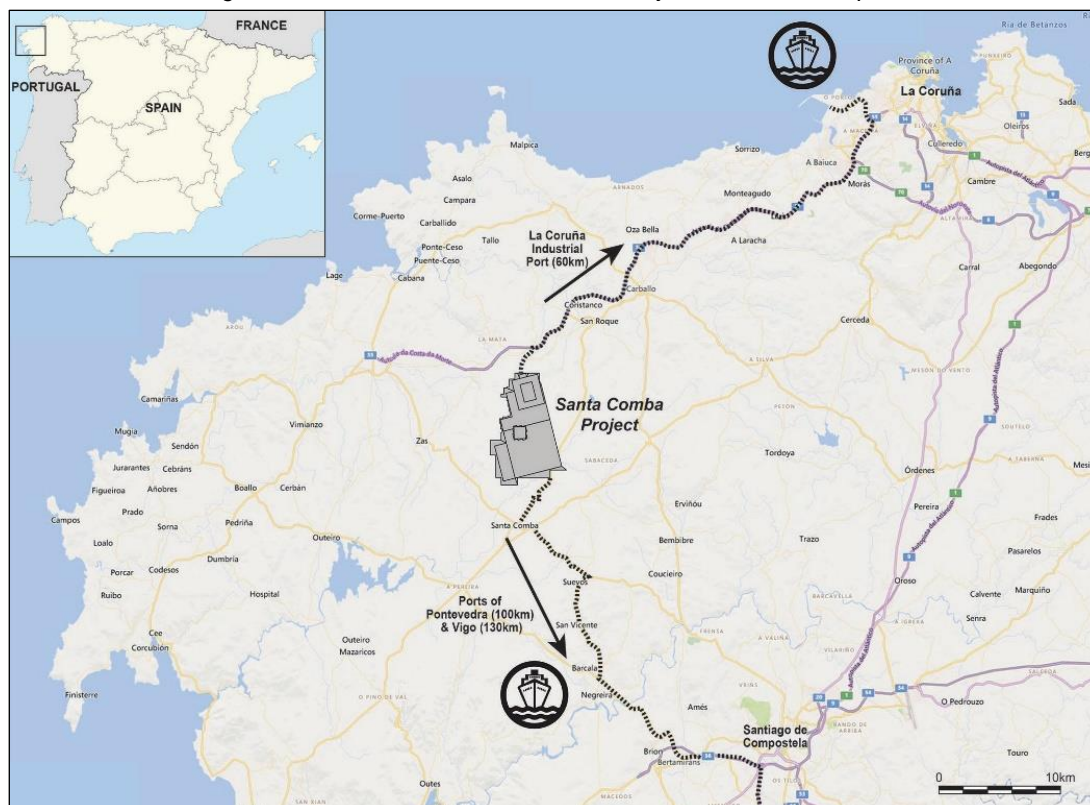
¹ RFR ASX announcement 27/05/19 “Rafaella Resources Signs Heads of Agreement to Acquire 100% Interest In Spanish Tungsten and Tin Project”.

Santa Comba Tungsten and Tin Project

The Project, which is already permitted for underground and open pit mining, is located near the township of Santa Comba in Galicia, northwest Spain (*Fig. 1*), and covers the 7km long Santa Comba granite massif.

Rafaela is targeting Santa Comba as a development project capable of being fast tracked to production and GTT has already received an offtake offer from HCS, with associated development funding from the German Government. The Project also boasts proximity to deep-water ports and has considerable infrastructure already in place, including a partially completed process plant.

Figure 1. Location of the Santa Comba Project, Galicia, NW Spain.



The Project comprises several known prospects with a maiden near-surface Mineral Resource Estimate² of 5.1Mt of Inferred Resource grading at 0.203% WO₃ and 0.014% Sn, and an underground Inferred Resource of 234Kt grading at 0.95% WO₃ and 0.28% Sn located at the historic Mina Carmen underground mine².

Furthermore, the Project contains significant upside potential with a recently announced near-surface Exploration Target of between 16.2Mt and 48.6Mt of prospective rock grading between 0.15% and 0.23% WO₃³.

** The potential quantity and grade of the Exploration Target is conceptual in nature; there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of a Mineral Resource.*

² Refer to RFR ASX announcement 27/05/19 "Rafaela Resources Signs Heads of Agreement to Acquire 100% Interest In Spanish Tungsten and Tin Project" (pages 2 & 3, Table 1).

³ Refer to RFR ASX announcement 13/06/19 "Rafaela Resources Defines Exploration Target at Newly-Acquired Santa Comba Tungsten Project".

Transamine Trading SA.

Founded in 1953, Transamine (www.transaminetrading.com) is the world's oldest independent and privately held commodities trading company specializing in non-ferrous raw materials. Transamine is headquartered in Geneva, Switzerland, and specialises in all aspects of non-ferrous raw materials production and trade.

Rafaella's Executive Director Ashley Hood said: "Rafaella is delighted to secure the financial and strategic endorsement of such a well-respected and venerable trading house as Transamine.

Transamine's support represents a significant vote of confidence for the Santa Comba Project and its potential and validates our acquisition of the Project.

Transamine's marketing and logistical support will be vital as the Santa Comba Project ramps up production during early stages and we look forward to working with Transmine to advance the Project."

Ends

For further information, please contact:

Rafaella Resources

Ashley Hood, Executive Technical Director

Ph: +61 427 268 999

E: ashley.hood@rafaellaresources.com.au

Media & Investor Enquiries

Julia Maguire, The Capital Network

Ph: +61 419 815 386

E: julia@thecapitalnetwork.com.au

Corporate Enquiries

EverBlu Capital

Ph: +61 8249 0000

E: info@everblucapital.com

About Rafaella Resources

Rafaella Resources Limited (ASX:RFR) is a junior exploration company which owns the McCleery cobalt and copper project in the Yukon territory Canada, and the Sandstone gold project in Western Australia. To learn more please visit: www.rafaellaresources.com.au

About Galicia Tin & Tungsten

Galicia Tin & Tungsten (GTT) is a private Spanish registered company that holds the ownership of the physical assets, land leases, licences and mineral rights of the formerly producing Santa Comba mine. To learn more please visit: www.galiciatinandtungsten.com

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Historical Estimates is based on, and fairly represents, information and supporting documentation compiled under the supervision of Dr Lachlan Rutherford, a consultant to the Company. Dr Rutherford is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Rutherford consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources and Exploration Targets defined at Santa Comba is based on information compiled by Mr Adam Wheeler who is a professional fellow (FIMMM), Institute of Materials, Minerals and Mining. Mr Wheeler is an independent mining consultant. Mr Wheeler has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Wheeler consents to the inclusion of this information in the form and context in which it appears in this report.

GTT confirms that it is not aware of any new information or data that materially affects the information included in this report and confirms that all material assumptions and parameters underpinning the 2016 Mineral Resource Estimate continue to apply and have not materially changed.

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.