



RAFAELLA
RESOURCES

ASX Announcement | 12 August 2019
Rafaella Resources Limited (ASX:RFR)

**Rafaella shareholders approve acquisition of Spanish
tin and tungsten project**

Investment highlights

- Rafaella shareholders have approved the acquisition of Galicia Tin & Tungsten SL ('GTT')
- The acquisition is transformational for Rafaella, which will move from being an explorer of gold and copper to a developer of the fully-permitted brownfield tungsten and tin Santa Comba mine
- The scrip-based acquisition is being accompanied by a \$2.6 million capital raise of which Transamine Holdings and Investments has already committed \$1 million
- Post-acquisition, two GTT representatives will join Rafaella's Board amid a restructure of Rafaella's leadership

12 August 2019 – Junior exploration company Rafaella Resources Limited (**ASX: RFR**) ("**Rafaella**" or "**the Company**") is pleased to announce that the Company's shareholders have resoundingly approved the proposed acquisition of Galicia Tin & Tungsten SL ('GTT') ('the Acquisition').

GTT owns the Santa Comba mining licenses comprising the Santa Comba tin and tungsten project ('the Project') in northwest Spain. To support the development of the Project, Rafaella is conducting a share placement to raise a targeted \$2.6 million at \$0.20 per share.

Rafaella shareholders approved the Acquisition at a special meeting held on 9 August 2019. The motion was passed unanimously by a show of hands.

The terms of the Acquisition and its strategic and financial benefits are detailed in the announcement of 27 May 2019 and Investor Presentation of 29 July 2019. Highlights of the Project include but are not limited to:

- Located in a productive tin and tungsten province, the Project is permitted for both underground and open pit mining, with a recent JORC (2012) Inferred Resource in both areas
- Transamine Trading SA has agreed to support the Project with 100% offtake for three years
- GTT recently discovered a large near-surface resource on the property, amenable to open pit mining, which remains mostly undrilled
- The Project is located adjacent to an operating quarry and concrete plant, and close to infrastructure including a sealed road and three deep-water ports
- Significant infrastructure is in place allowing a fast-track to production
- Demand for tungsten, which has many commercial, industrial and military applications, is rising
- Spain is a global mining destination with a supportive regulatory framework

The Acquisition is transformational for Rafaella, which will move from being an explorer of gold and copper to a developer of the fully-permitted brownfield tungsten and tin Santa Comba mine.

Transamine Trading SA (“Transamine”) has agreed with GTT to provide marketing and logistics services to GTT. Furthermore, Transamine Holdings and Investments (“THIL”) has agreed with GTT to support the Company’s proposed minimum \$2.6 million 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.

Board appointments and leadership restructure

Post-acquisition, two GTT representatives – Steven Turner and Robert Wrixon – will join the Company’s Board. Mr Turner will be appointed as Rafaella’s Managing Director and will relocate to Spain to ensure that the Project is diligently managed.

Current non-executive director Peter Hatfull will be appointed as Chairman and the Company’s current Chairman Graham Durtanovich will resign from the Board.

Rafaella’s Executive Director Ashley Hood said: “We are very pleased that our shareholders have showed such strong support for the acquisition of GTT. Once completed, this acquisition will see Rafaella transform from an explorer of gold and copper to a developer of tin and tungsten. We look forward to working with Transamine to ramp up production at the project, which possesses low entry costs and an excellent location with proximity to key infrastructure. There are significant tailwinds in the tungsten market that we hope to capitalise on so that we can deliver value to our shareholders. We hope to update investors soon with the outcome of the capital raising which we are undertaking to support the development of the project.”

Ends

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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

About 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.

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.