

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

Rafaella Resources commences feasibility study at Spanish tin and tungsten project

Feasibility Study Manager appointed and engineering firms engaged to commence feasibility work alongside drilling campaign

Investment highlights

- Following the successful capital raising of \$2.8 million in connection with its acquisition of the Santa Comba tungsten project Rafaella is moving swiftly to commence a feasibility study
- Appointed John Webster, a highly experienced consultant mining engineer, as Feasibility Study Manager
- Engaged leading ore sorting company Tomra Sorting GmbH and engineering consultancy Grinding Solutions Ltd to advance the feasibility study
- The test-work will be conducted in parallel to the drilling programme to fast track the Feasibility Study, a condition precedent to unlocking the pre-approved development funding via the German government's Untied Loan Guarantee Scheme.

26 August 2019 – Junior exploration company Rafaella Resources Limited (**ASX: RFR**) ("**Rafaella**" or "**the Company**") is pleased to announce that it is moving rapidly to deliver the Santa Comba Project feasibility study (the Feasibility Study').

Rafaella has appointed a highly experienced Feasibility Study Manager to deliver the Feasibility Study and engaged two leading industry engineering firms to assist in the test-work that will form a critical part of the Feasibility Study and the delivery of an optimised process flow sheet and plant design.

Appointment of Feasibility Study Manager

Rafaella has appointed John Webster to the role of Feasibility Study Manager in which he will be responsible for delivering the Feasibility Study and ensuring that the Santa Comba Project optimises the mine plan and process flow sheet.

Mr Webster brings considerable expertise in high grade narrow vein underground mining and the application of gravity processing, all highly relevant to the Santa Comba Project. He has worked in senior operational roles in underground and open pit mines in the UK, Russia, and Kazakstan with a specialisation in gold, copper, tin and tungsten. He graduated from the Camborne School of Mines as a mining engineer in 1980.

Engagement with Tomra Sorting GmbH

Rafaella has engaged Tomra Sorting GmbH ('Tomra') to conduct ore sorting test-work on bulk samples using 1 to 3 tonnes of the Santa Comba ore to validate and quantify the potential benefit to be derived from ore sorting at the mine site. Other benefits that may accrue include the upgrading of sub-grade ores (below cut-off) and highly diluted high-grade veinlets. The review of both open pit and underground ore sorting methods will form part of a review of equipment to lower mining costs. Early test-work has indicated that the Santa Comba ore should be amenable to ore sorting and its benefits.

Tomra is a world-leading German engineering firm that provides ore sorting technology to the mining and other industries. Tomra already successfully provides ore sorting services to the tungsten mining industry. The application of ore sorting allows the mine to deliver a higher-grade pre-concentrate to the process plant, thereby reducing energy and water consumption by requiring a lower throughput plant to produce the same output of end product. Further information on Tomra and the potential benefits of ore sorting, may be found at www.tomra.com/en/sorting/mining.

Engagement with Grinding Solutions Ltd

Rafaella has engaged Grinding Solutions Ltd ('GSL') to assist the Company in the completion of the Feasibility Study by conducting:

- Mineral liberation analysis;
- Coarse and fine gravity concentration and flotation testing and analysis; and
- Calculation of grinding energy to determine the most effective crushing and grinding equipment

GSL is a UK-based mineral processing consultancy and laboratory specialising in mineral liberation and separation. GSL will be instrumental in assisting the Company in optimising the ore sorting and process flow sheet including the separation of tin and tungsten concentrates and overall plant design. Further information on GSL may be found at www.grindingsolutions.com.

A fast track to production

Combined with the drilling programme scheduled to commence within the next 4 weeks, Rafaella is now well-positioned to complete the Feasibility Study in a timely manner. With the German Government development funding already secured, subject to a positive Feasibility Study, and mining approvals in place, the Company intends to fast track the Santa Comba Project through to production and early cash flows.

The terms of the Santa Comba project acquisition and its strategic and financial benefits are detailed in the announcement of 27 May 2019 and Investor Presentation of 29 July 2019.

Rafaella's Executive Director Ashley Hood said: "We are very pleased with the progress that the Company is making towards delivering on its plan to rapidly move the Santa Comba Project through feasibility and into development. Rafaella is determined to deliver clear sight to early cash flows and strong shareholder returns in as short a timeframe as possible whilst still ensuring that the technical and economic risks are fully understood and addressed. We look forward to providing regular market updates on the drilling campaign and feasibility work over the coming months."

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About Rafaela Resources

Rafaela Resources Limited (ASX:RFR) is a junior exploration company which is in the process of completing a transaction to acquire 100% of Galicia Tin & Tungsten SL, the owner of the Santa Comba tungsten project. It also 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.

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.