

12th August 2009**Weatherly International Plc
("Weatherly" or the "Company")****Corporate and Trading Update**

Weatherly is pleased to provide the following update with respect to its recent activities. Weatherly operates two subsidiaries in Namibia, Namibian Custom Smelters ('NCS') and Weatherly Mining Namibia.

Namibian Custom Smelters

Weatherly's focus during the first six months of 2009 was on achieving the forecast smelter performance. During the 3 months to 30 June 2009 the smelter treated 29,994 tonnes of concentrate compared with 29,546 tonnes in the previous quarter. The majority of concentrates were sourced from the Chelopech mine in Bulgaria which is operated by Dundee Precious Metals Ltd ('DPM') and the EL Brocal mine in Peru, which supplies concentrate to NCS under a contract with Louis Dreyfus Commodities.

NCS has been successfully transformed from a tied, downstream processing plant to a standalone tolling business. During 2008 Weatherly was a buyer and seller of copper products from its mines and was severely impacted by metal price declines. From January 2009, the smelting company became a custom smelter, paid on a dollar per tonne of concentrate basis, and as such, has no ownership of any products nor exposure to metal prices.

Adverse exchange rate variations between the US and Namibian dollars resulted in profit margins being reduced from 23% in the first quarter of 2009 to 4% in the second quarter. However, the Chelopech contract, which accounts for 60% of our throughput, allows all costs to be passed through including the impact of exchange rate movements. As the Chelopech contract provides for the impact of exchange rate movements to be calculated on a 3 month rolling average basis, the benefits of this to NCS will begin to flow through in the third quarter of 2009.

As announced on 31 July 2009, The Company has completed a placement of 40,468,000 ordinary shares (approximately 9% of the enlarged issued share capital) to DPM to raise proceeds of US\$2 million. Under the terms of a subscription agreement, the placement proceeds are to be applied to NCS and will be used to complete the construction of a new residue disposal site which is required to meet the exacting environmental standards set by the Company. NCS is a major producer of arsenic trioxide, a substance which is sold in increasing quantities to the agri-chemical industry, and negotiations are underway to

increase the volumes supplied under the current contract with Amcrop, the Malaysian company.

The placement will also provide additional working capital to NCS when the Ausmelt furnace ceases production for approximately two weeks in order to reline the furnace and connect the oxygen plant presently under construction. The oxygen plant is now expected to be commissioned in January 2010, with the exact timing to be set such that the furnace re-bricking and the oxygen plant connection occur simultaneously.

Pursuant to the subscription agreement, DPM has also agreed to subscribe for further ordinary shares at the option of the Company for maximum proceeds of US\$5 million. If the Company elects to take up this option, the ordinary shares would be subscribed for at the higher of prevailing market price or 3p per ordinary share. As a condition of the subscription agreement, Chelopech EAD, a subsidiary of DPM, and NCS have entered into a new agreement to extend the existing concentrate supply agreement through to 2020 on terms which the Company considers more favourable than those of the existing supply agreement.

The other major concentrate supply contract with Louis Dreyfus is scheduled to expire in mid 2014. We are currently in discussion with Louis Dreyfus to extend the contract as part of discussions over the terms and conditions for concentrate shipments in 2010 and the finalisation of outstanding positions from 2008. These discussions are expected to be concluded by the end of September 2009.

Weatherly Mining Namibia

Weatherly currently has five copper mines and a zinc lead project on care and maintenance. The company's stated strategy is to divest the smaller, higher cost assets and focus on those that will make a significant impact in the future. The development of an open pit project at Tschudi, which is located 26km by road from the Tsumeb concentrator and smelter, in particular has significant potential and is likely to be our future focus.

An open pit operation at Tschudi would be based on a shallow dipping tabular orebody. As at 30 June 2008, including underground resources, Tschudi represented an in situ resource of 356,385t Cu. However, it would not be our intention to recommence underground mining activities at Tschudi until the open pit mine under consideration had been exhausted. Weatherly completed a major drilling program in 2008 of approximately 28,066 metres and this data is now being incorporated into a new JORC compliant resource by our consultants, Coffey & Partners which is expected to be completed in September 2009. This will be followed by detailed mine planning and optimisation of the metallurgical process. Final feasibility work is expected to be completed by mid 2010 with development possible thereafter, subject to financing, and a positive outcome to these studies.

The Company has completed an internal evaluation of the viability of re-opening the Otjihase and Matchless mines, given the recent increase in copper prices. We have also received expressions of interest from a number of parties potentially interested in acquiring our mining

assets. Weatherly is currently reviewing the various alternatives open to it and will take a decision to divest or to place these mines back into production in due course. Any funds raised from the potential sale of these assets would in the first instance be required to be paid to the Company's Noteholders, who are owed a total of US\$12 million plus interest, payable over the next three years.

Corporate

Following the receipt of proceeds from the sale of Weatherly's entire holding of shares in Emerging Metals Ltd and other asset sales as previously announced, as at 30 July 2009 the Company had cash reserves of approximately US\$2million. This excludes the funds now held by NCS for the development of the Tsumeb smelter.

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