



RAFAELLA
RESOURCES

ASX Announcement | 30 October 2018
Rafaella Resources Limited (ASX:RFR)

Rafaella Resources Progresses Wholly-Owned Canadian and Western Australia Projects: September 2018 Quarterly Report

Company Highlights

- **Secured new claims adjoining wholly-owned McCleery Project in Yukon, Canada**
- **Discovered new copper sample at McCleery Project**
- **Completed first airborne geophysics VTEM survey at McCleery Project**
- **Commenced gold exploration at wholly-owned Sandstone Project in Western Australia**
- **Proposed loyalty option entitlement issue to eligible shareholders**

Rafaella Resources Limited (ASX:RFR) (“Rafaella” or “the Company”) is pleased to provide an overview of activities for the quarter ended 30 September 2018.

Rafaella was established to explore and develop gold, cobalt, copper and other mineral opportunities. The Company wholly owns the McCleery Project, a highly prospective mineral exploration project in Canada’s Yukon Territory and the Sandstone Project, a gold and base metals exploration project in Western Australia.

New claims, copper discovery and airborne survey at the McCleery Project

The McCleery Project is located within the Yukon Territory, Canada. The Project is approximately 170km southeast of Whitehorse, the territorial capital of the Yukon. Teslin, the nearest town, with a population of 2,000 is approximately 40km southwest of the Project.

In August 2018, Rafaella announced that had secured an additional 142 prospective claims immediately adjoining the McCleery Copper/Cobalt Skarn style project. Following the results of a study carried out by a Canadian geological firm, Rafaella decided to perform an airborne VTEM survey of the area, including neighbouring claims.

The Canadian firm also discovered a small previously unmapped area of outcropping bornite and minor chalcopyrite with malachite staining in calcareous siltstone adjoining the McCleery Copper/Cobalt Skarn style project. As discussed in the ASX Announcement of 6 August 2018, the reports of this very style of mineralisation represent the mineralisation type that the Company was drawn to when investing in the McCleery Project.

In September 2018, Rafaella announced the completion of the first airborne VTEM geophysics survey at McCleery. The survey was flown from the nearby town of Teslin, Yukon across a project area of 440-line kilometres. The Company is awaiting data modelling and processing and will release the results to the market in due course.



The entire McCleery Project, including the promising new area of talus float hosting fine-grained bornite and minor chalcopyrite with moderate to strong malachite staining in calcareous siltstone is being tested. Rafaella is also in the final process of having the entire geochemistry history at the McCleery project compiled into one database, and mapped and modelled. As discussed in the ASX Announcement of 7 September 2018, the geochemistry database will be integrated with the recently completed airborne VTEM data and obvious and discrete anomalies will then be ranked and drilled.

Commencement of gold exploration at the Sandstone Project

The Sandstone Project is located 640km north-east of Perth and 700km north north-west of Kalgoorlie and is centrally located between the towns of Sandstone to the south, Meekatharra to the northwest and Wiluna to the northeast.

In September 2018, Rafaella announced that it had commenced its first soils geochemistry program at the Sandstone Project, a project that previously had received limited recent modern exploration.

Soil geochemistry is being utilised across the Sandstone Project as a rapid and relatively cheap method to generate near-surface gold drill targets. Three historically generated gold geochemical targets were included in this geochemistry survey, and confirmation of anomalies will be immediately followed by AC drilling, as discussed in the ASX Announcement of 4 September 2018.

Drilling by Horizon Gold (ASX:HRN), which owns the adjacent Gum Creek Project, has demonstrated that IP is effective within the region in further developing and refining targets for follow-up drill testing and the subsequent locating of sulphide mineralisation. Rafaella will further update the market on the results of this geochemistry program when they come to light.

Loyalty Option Entitlement Issue

In August, Rafaella announced an entitlement issue of one (1) option for every three (3) shares held to eligible shareholders ('the Offer').

The Options will have an issue price of \$0.01 per option, exercisable at \$0.30 within 3 years of issue. The entitlement issue will be non-renounceable and the Company will apply for quotation of the Options. EverBlu Capital Pty Ltd (ACN 612 793 683) (AFSL 499601) is the lead manager for the Offer.

Post the quarter, Rafaella dispatched the Prospectus for the Offer. Acceptance for the non-renounceable pro rata offer of shares will close at 5:00pm WST on October 31 2018.

Rafaella Managing Director Ashley Hood: "We are very pleased with the progress we made this quarter. We achieved major milestones at both our McCleery and Sandstone projects, with new claims, discoveries, surveys and exploration activities. I would like to thank all the shareholders for their continued support and encourage you all to take advantage of our loyalty option. Rafaella is currently processing the data it has collected from the research conducted at the projects and is looking forward to sharing the results with the market soon."

Ends



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About Company

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. The Company was established with the purpose of exploring and developing gold, cobalt, copper and other mineral opportunities. Rafaella sees the McCleery and Sandstone projects as having excellent potential due to being under-explored, with limited drilling and exploration completed at the sites to date.



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Schedule of Exploration Tenements

Project	Tenement Number	Interest Held: 30-Jun-18	Interest Held: 30-Sep-18
Sandstone	E53/1920	0%	100%
Sandstone	E57/1055	0%	100%

Project	Claim Name & Number	Grant Number	Interest Held: 30-Jun-18	Interest Held: 30-Sep-18
McCleery	MM 1	YD81304	0%	100%
McCleery	MM 2	YD81305	0%	100%
McCleery	MM 3	YD81306	0%	100%
McCleery	MM 4	YD81307	0%	100%
McCleery	MM 5	YD81308	0%	100%
McCleery	MM 6	YD81309	0%	100%
McCleery	MM 7	YD81310	0%	100%
McCleery	MM 8	YD81311	0%	100%
McCleery	MM 9	YD81312	0%	100%
McCleery	MM 10	YD81313	0%	100%
McCleery	MM 11	YD81314	0%	100%
McCleery	MM 12	YD81315	0%	100%
McCleery	MM 13	YD81316	0%	100%
McCleery	MM 14	YD81317	0%	100%
McCleery	MM 15	YD81318	0%	100%
McCleery	MM 16	YD81319	0%	100%
McCleery	MM 17	YD81320	0%	100%
McCleery	MM 18	YD81321	0%	100%
McCleery	MM 19	YD81322	0%	100%
McCleery	MM 20	YD81323	0%	100%
McCleery	MM 21	YD81324	0%	100%
McCleery	MM 22	YD81325	0%	100%
McCleery	MM 23	YD81326	0%	100%
McCleery	MM 24	YD81327	0%	100%
McCleery	MM 25	YD81328	0%	100%
McCleery	MM 26	YD81329	0%	100%
McCleery	MM 27	YD81330	0%	100%
McCleery	MM 28	YD81331	0%	100%
McCleery	MM 29	YD81332	0%	100%
McCleery	MM 30	YD81333	0%	100%
McCleery	MM 31	YD81334	0%	100%
McCleery	MM 32	YD81335	0%	100%
McCleery	MM 33	YD81336	0%	100%
McCleery	MM 34	YD81337	0%	100%
McCleery	MM 35	YD81338	0%	100%
McCleery	MM 36	YD81339	0%	100%
McCleery	MM 37	YD81340	0%	100%
McCleery	MM 38	YD81341	0%	100%
McCleery	MM 39	YD81342	0%	100%
McCleery	MM 40	YD81343	0%	100%
McCleery	MM 41	YD81344	0%	100%
McCleery	MM 42	YD81345	0%	100%
McCleery	MM 43	YD81351	0%	100%
McCleery	MM 44	YD81352	0%	100%
McCleery	MM 45	YD81353	0%	100%
McCleery	MM 46	YD81354	0%	100%
McCleery	MM 47	YD81355	0%	100%



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McCleery	MM 48	YD81356	0%	100%
McCleery	MM 49	YD81357	0%	100%
McCleery	MM 50	YD81358	0%	100%
McCleery	MM 51	YD81359	0%	100%
McCleery	MM 52	YD81360	0%	100%
McCleery	MM 53	YD81361	0%	100%
McCleery	MM 54	YD81362	0%	100%
McCleery	MM 55	YD81363	0%	100%
McCleery	MM 56	YD81364	0%	100%
McCleery	MM 57	YD81365	0%	100%
McCleery	MM 58	YD81366	0%	100%
McCleery	MM 59	YD81367	0%	100%
McCleery	MM 60	YD81368	0%	100%
McCleery	MM 61	YD81369	0%	100%
McCleery	MM 62	YD81370	0%	100%
McCleery	MM 63	YD81371	0%	100%
McCleery	MM 64	YD81372	0%	100%
McCleery	MM 65	YD81373	0%	100%
McCleery	MM 66	YD81374	0%	100%
McCleery	MM 67	YD81375	0%	100%
McCleery	MM 68	YD81376	0%	100%
McCleery	MM 69	YD81377	0%	100%
McCleery	MM 70	YD81378	0%	100%
McCleery	MM 71	YD81379	0%	100%
McCleery	MM 72	YD81380	0%	100%
McCleery	MM 73	YD81381	0%	100%
McCleery	MM 74	YD81382	0%	100%
McCleery	MM 75	YD81383	0%	100%
McCleery	MM 76	YD81384	0%	100%
McCleery	MM 77	YD81385	0%	100%
McCleery	MM 78	YD81386	0%	100%
McCleery	MM 79	YD81387	0%	100%
McCleery	MM 80	YD81388	0%	100%
McCleery	MM 81	YD81389	0%	100%
McCleery	MM 82	YD81390	0%	100%
McCleery	MM 83	YD81391	0%	100%
McCleery	MM 84	YD81392	0%	100%
McCleery	MM 85	YD81393	0%	100%
McCleery	MM 86	YD81394	0%	100%
McCleery	MM 87	YD81395	0%	100%
McCleery	MM 88	YD81396	0%	100%
McCleery	MM 89	YD81397	0%	100%
McCleery	MM 90	YD81398	0%	100%
McCleery	MM 91	YD81399	0%	100%
McCleery	MM 92	YD81400	0%	100%
McCleery	MM 93	YD81449	0%	100%
McCleery	MM 94	YD81450	0%	100%
McCleery	MM 95	YD81451	0%	100%
McCleery	MM 96	YD81452	0%	100%
McCleery	MM 97	YD81453	0%	100%
McCleery	MM 98	YD81454	0%	100%
McCleery	MM 99	YD81455	0%	100%
McCleery	MM 100	YD81456	0%	100%
McCleery	MM 101	YD81457	0%	100%
McCleery	MM 102	YD81458	0%	100%



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McCleery	MM 103	YD81459	0%	100%
McCleery	MM 104	YD81460	0%	100%
McCleery	MM 105	YD81461	0%	100%
McCleery	MM 106	YD81462	0%	100%
McCleery	MM 107	YD81463	0%	100%
McCleery	MM 108	YD81464	0%	100%
McCleery	MM 109	YD81465	0%	100%
McCleery	MM 110	YD81466	0%	100%
McCleery	MM 111	YD81467	0%	100%
McCleery	MM 112	YD81468	0%	100%
McCleery	MM 113	YD81469	0%	100%
McCleery	MM 114	YD81470	0%	100%
McCleery	MM 115	YD81471	0%	100%
McCleery	MM 116	YD81472	0%	100%
McCleery	MM 117	YD81473	0%	100%
McCleery	MM 118	YD81474	0%	100%
McCleery	MM 119	YD81475	0%	100%
McCleery	MM 120	YD81476	0%	100%
McCleery	MM 121	YD81477	0%	100%
McCleery	MM 122	YD81478	0%	100%
McCleery	MM 123	YD81479	0%	100%
McCleery	MM 124	YD81480	0%	100%
McCleery	MM 125	YD81481	0%	100%
McCleery	MM 126	YD81482	0%	100%
McCleery	MM 127	YD81483	0%	100%
McCleery	MM 128	YD81484	0%	100%
McCleery	MM 129	YD81485	0%	100%
McCleery	MM 130	YD81486	0%	100%
McCleery	MM 131	YD81487	0%	100%
McCleery	MM 132	YD81488	0%	100%
McCleery	MM 133	YD81489	0%	100%
McCleery	MM 134	YD81490	0%	100%
McCleery	MM 135	YD81491	0%	100%
McCleery	MM 136	YD81492	0%	100%
McCleery	MM 137	YD81493	0%	100%
McCleery	MM 138	YD81494	0%	100%
McCleery	MM 139	YD81495	0%	100%
McCleery	MM 140	YD81496	0%	100%
McCleery	MM 141	YD81497	0%	100%
McCleery	MM 142	YD81498	0%	100%
McCleery	MM 143	YD81499	0%	100%
McCleery	MM 144	YD81500	0%	100%
McCleery	MM 145	YD81501	0%	100%
McCleery	MM 146	YD81502	0%	100%
McCleery	MM 147	YD81259	0%	100%
McCleery	MM 148	YD81260	0%	100%
McCleery	MM 149	YD81261	0%	100%
McCleery	MM 150	YD81262	0%	100%
McCleery	MM 151	YD81263	0%	100%
McCleery	MM 152	YD81264	0%	100%
McCleery	MM 153	YD81265	0%	100%
McCleery	MM 154	YD81266	0%	100%
McCleery	MM 155	YD81267	0%	100%
McCleery	MM 156	YD81268	0%	100%
McCleery	MM 157	YD81269	0%	100%



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McCleery	MM 158	YD81270	0%	100%
McCleery	MM 159	YD81271	0%	100%
McCleery	MM 160	YD81272	0%	100%
McCleery	MM 161	YD81273	0%	100%
McCleery	MM 162	YD81274	0%	100%
McCleery	MM 163	YD81275	0%	100%
McCleery	MM 164	YD81276	0%	100%
McCleery	MM 165	YD81277	0%	100%
McCleery	MM 166	YD81278	0%	100%
McCleery	MM 167	YD81279	0%	100%
McCleery	MM 168	YD81280	0%	100%
McCleery	MM 169	YD81281	0%	100%
McCleery	MM 170	YD81282	0%	100%
McCleery	MM 171	YD81283	0%	100%
McCleery	MM 172	YD81284	0%	100%
McCleery	MM 173	YD81285	0%	100%
McCleery	MM 174	YD81286	0%	100%
McCleery	MM 175	YD81287	0%	100%
McCleery	MM 176	YD81288	0%	100%
McCleery	MM 177	YD81289	0%	100%
McCleery	MM 178	YD81290	0%	100%
McCleery	MM 179	YD81291	0%	100%
McCleery	MM 180	YD81292	0%	100%
McCleery	MM 181	YD81293	0%	100%
McCleery	MM 182	YD81294	0%	100%
McCleery	MM 183	YD81295	0%	100%
McCleery	MM 184	YD81296	0%	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Rafaella Resources Limited

ABN

49 623 130 987

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(183)	(183)
(b) development	-	-
(c) production	-	-
(d) staff costs	(36)	(36)
(e) administration and corporate costs	(253)	(253)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(472)	(472)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(40)	(40)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(40)	(40)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	74	74
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(446)	(446)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	(372)	(372)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,136*	5,136*
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(472)	(472)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(40)	(40)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(372)	(372)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	4,252	4,252

Mining exploration entity and oil and gas exploration entity quarterly report

*of which \$4.926m was restricted cash related to the IPO capital raising received up to 30 June 2018 which shares were yet to be allotted as of 30 June 2018.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,252	210
5.2	Call deposits	3,000	-
5.3	Bank overdrafts	-	-
5.4	Other (restricted cash)	-	4,926
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,252	5,136

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

36

-

Includes director salaries, fees and superannuation, inclusive of GST.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

402

-

Includes lead manager fees (being management fee and capital raising fee) and corporate advisory fees paid to EverBlu Capital Pty Ltd, inclusive of GST.

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	310
9.2 Development	-
9.3 Production	-
9.4 Staff costs	68
9.5 Administration and corporate costs	90
9.6 Other	-
9.7 Total estimated cash outflows	468

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Refer to Activities Report		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Ashley Hood
(Director)

Date: 30 October 2018

Print name: Ashley Hood

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.