



ASX Announcement | 9 August 2019 Rafaella Resources Limited (ASX:RFR)

Grant of Waiver of ASX Listing Rule 7.3.2

Junior exploration company **Rafaella Resources Limited (ASX: RFR)** (“Rafaella” or “the Company”) is pleased to advise that the Company has been granted a waiver from ASX Listing Rule 7.3.2 (**Waiver**) as set out **below**.

1) Waiver Decision

Based solely on the information provided, ASX Limited (‘ASX’) grants Rafaella Resources Limited (the ‘Company’) a waiver from listing rule 7.3.2 to the extent necessary to permit the notice of meeting (‘Notice’, ‘Meeting’) seeking shareholder approval for the issue of up to 30,000,000 fully paid ordinary shares in the Company, comprising 15,000,000 Milestone 1 waiver securities (‘Milestone 1 Waiver Securities’) and 15,000,000 Milestone 2 waiver securities (‘Milestone 2 Waiver Securities’) to the vendors of Galicia Tin & Tungsten SL (‘Vendors’) upon the Company satisfying the milestones in relation to the Santa Comba Project (‘Milestone 1’ and ‘Milestone 2’) not to state that the Waiver Securities will be issued within 3 months of the date of the shareholder meeting, on the following conditions:

- a) The Waiver Securities must be issued no later than 25 months from the date of the Meeting in the case of the Milestone 1 Waiver Securities, and 49 months from the date of the Meeting in the case of the Milestone 2 Waiver Securities.
- b) For any annual reporting period during which any of the Waiver Securities have been issued or any of them remain to be issued, the Company’s annual report sets out in detail the basis on which the Waiver Securities may be issued.
- c) In any half year or quarterly report for a period during which any of the Waiver Securities have been issued or remain to be issued, the Company must include a summary statement of the number of Waiver Securities that have been issued (or remain to be issued) during the reporting period.
- d) The Milestones which must be satisfied for the Waiver Securities to be issued is not varied.
- e) The Company immediately releases the terms of this waiver to the market.

ASX has considered Listing Rule 7.3.2 only and makes no statement as to the Company’s compliance with other listing rules

2) Basis for Waiver Decision

2.1) Listing Rule 7.3.2

Listing rule 7.1 protects a listed entity's security holders against dilution of their voting and economic interests in the listed entity by imposing a limit on the number of equity securities that may be issued by the entity without prior security holder approval. This limit is not applicable if security holders' approve the issue of the securities at a general meeting. Listing rule 7.3 sets out the information required to be included in the Notice seeking approval for the issue of the securities. In particular, listing rule 7.3.2 requires the notice to state the date by which the entity will issue the securities and this date must be no later than 3 months after the date of the meeting, or, for court approved reorganisation of capital, no later than 3 months after the date of the court approval. This rule ensures that an issue of securities that has been approved by security holders is made within a reasonable timeframe following the approval, so that it is less likely that the circumstances in which the issue is made will have changed materially.

2.2) Facts/Reasons for granting the waiver

Upon the Transaction being completed and performance based Milestones being achieved, the Company is proposing to issue the Waiver Securities to the Vendors of Galicia Tungsten & Tin SL. The degree of dilution is ascertainable given that the maximum number of Waiver Securities to be issued is fixed. The Notice seeking shareholder approval for the issue of the Waiver Securities contains details of the maximum number that may be issued and the relevant Milestone to be reached to trigger their issue, with the Waiver Securities to be issued no later than 24 months after the date of the Meeting (in the case of the Milestone 1 Consideration Securities) and 48 months after the date of the Meeting (in the case of the Milestone 2 Consideration Securities). There is a sufficient degree of certainty about the maximum number of Waiver Securities that may be issued in order for shareholders to be able to give their informed consent to their future issue within the relevant period.

2.3) Conditions of waiver

The waiver(s) is subject to certain conditions. Under Listing Rule 18.1.1, these conditions must be complied with for the waiver(s) to be effective.

2.4) ASX's power to vary or revoke waiver

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke the waiver(s) at any time.

Shareholders seeking further information regarding the Waiver should contact the Company Secretary on +61 8 9481 0389.

Ends

For further information, please contact:

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