



ASX Announcement | 18 May 2020
Rafaella Resources Limited (ASX:RFR)

Rafaella Resources completes sale of Sandstone exploration project

Announcement Highlights

- On 11 February 2020 the Company announced that it had agreed terms to sell its 100% interest in the Sandstone gold exploration project to Westar Resources Ltd for \$150,000 consideration.
- Rafaella is pleased to confirm that the consideration has been received and that the two parties are now completing the documentation to effect the transfer of ownership.

Rafaella Resources Limited (ASX:RFR) ('Rafaella' or 'the Company') is pleased to announce that it has completed the sale of the Sandstone gold exploration project ('**Sandstone**') located in Western Australia, as announced to the market on 11 February 2020¹. The decision to sell Sandstone followed a review of its portfolio in which the Company decided that the disposal allows the Company to focus its cash resources on fast tracking the development of the flagship Santa Comba tungsten project and progressing its highly prospective McCleery polymetallic exploration project.

Westar Resources Ltd ('**Westar**') is a private gold exploration company with an attractive portfolio in Western Australia. See www.westar.net.au for further details. The original terms of the disposal required a \$50,000 cash deposit followed by the issuance of \$100,000 in Westar shares upon a successful initial public offering. Given the ongoing COVID-19 pandemic and the challenges in completing an IPO, Westar has elected to conduct a private fundraising to undertake the next steps of its strategy. Rafaella has accepted an amendment to the terms of the disposal whereby the full consideration has been met through the issuance of Westar shares at the current private placement pricing. As a result, Rafaella has now received 3,000,000 shares in Westar at the recent fundraising price of \$0.05/share giving the Company a 5% interest.

¹Refer to ASX announcement date 11 February 2020 "Rafaella Resources agrees terms to sell Sandstone exploration project to focus on fast-tracking development of Santa Comba Tungsten Project"

Rafaella's Managing Director Steven Turner said: "The sale of the Sandstone Project is further demonstration of management's ability and determination to deliver its stated objectives. The Company is focussed on the near-term release of an updated JORC Resource Report soon to be followed by the Santa Comba feasibility study. Rafaella Resources is pleased with the completion of the Sandstone sale and the amended terms that give the Company an increased exposure to an exciting junior gold exploration company that has achieved rapid progress in building a credible portfolio."

Ends

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About Rafaella Resources Limited

Rafaella Resources Limited (ASX:RFR) is an explorer and developer of world-class mineral deposits worldwide. Rafaella owns the Santa Comba tungsten and tin development project in Spain and the McCleery cobalt and copper exploration project in Canada. The Santa Comba project is located in a productive tungsten and tin province adjacent to critical infrastructure and the McCleery project was previously under-explored and holds significant potential.

To learn more please visit: www.rafaellaresources.com.au

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 development.