TORONTO, ONTARIO--(Marketwired - Sep 19, 2017) - Fura Gems Inc. ("Fura" or the "Company") (TSX VENTURE:FUR) has entered into an agreement to acquire all of the issued and outstanding shares of Cobadale Ltd. ("Cobadale"), which, on closing of this transaction, will own an 80% effective interest in four ruby licences and has applied for an additional ruby licence (collectively, the "Assets") in the Montepuez District of Cabo Delgado province in Mozambique (the "Transaction").

Upon closing of the Transaction, Fura will hold an 80% effective interest in the Assets with the remaining 20% interest, non-dilutive and free carry, being held by the respective local partners. The Assets cover approximately 394.24 sq. km (39,424.51 hectares).

Fura will purchase from the shareholders of Cobadale (the "Vendors") all of the issued and outstanding shares of Cobadale in consideration for Fura paying to the Vendors USD$800,000 in cash and issuing 15 million common shares of Fura (the "Fura Shares") on the following schedule:

- 10 million Fura Shares on the closing of the Transaction; and
- 5 million Fura Shares if any of the Assets becomes a mining concession pursuant to the laws of Mozambique on or before September 19, 2019.

All of the Fura Shares issued by the Company pursuant to the Transaction will be subject to a lock-up agreement pursuant to which the Vendors shall be restricted from selling or transferring such securities during the twelve months following the date of closing of the Transaction.

The Transaction is an arm's length transaction for the purposes of the policies of the TSX Venture Exchange and is subject to the approval of the TSX Venture Exchange. Fura is not paying any finder's fees in connection with the Transaction.

About Mozambican Rubies

Mozambican rubies have been historically found in the northeastern part of Mozambique in the Montepuez District of Cabo Delgado province. The nearest airport is in Pemba which is also the capital of Cabo Delgado province. The area where rubies have been historically mined is a 200km drive from Pemba to Montepuez.

Although Mozambican rubies were first discovered in 2009 by artisanal miners, geologically they are approximately 500 million years old. Mozambican ruby deposits are much older than Burmese ruby deposits (approximately 60 million years) which, prior to the discovery of Mozambican ruby deposits, had been the major supplier of rubies for centuries. According to the Gemological Institute of America (GIA), Mozambican rubies currently account for approximately 50% of the world's ruby production. The ruby deposits in Mozambique are also considered to be the largest gemstone deposits found in recent decades.

Northeastern Mozambique is located at a geologically critical junction between the north-south trending Mozambique Belt and the east-west trending Zambezi Belt. Both are "treasure-bearing" Neoproterozoic (approximately 500-800 million years old) orogenic belts within the global Pan-African tectonic framework. Several major geologic complexes are separated by major thrusts and shear zones. Complex thermal and deformational events provided ideal temperature and pressure for the formation of ruby, garnet, gold and other minerals of economic importance.

The Montepuez ruby mineralisation belt is located within the wedge-shaped Montepuez Complex. Around the Montepuez Belt, ruby formations seem to have resulted mainly from a metasomatic process, when fluid derived from the parental magma interacted with the host rocks in a low-silica environment. These are defined as primary ruby mineralization.

In Montepuez, there is a potential secondary source of rubies which is of prime interest due to its maturity. Rubies and other minerals were liberated from host rock due to mechanical disintegration during the Ice Age, resulting in deluvial deposits. In some parts, this layer was further remobilized due to fluvial action and entrapped in paleo-channels due to high specific gravity and hardness. These are referred to as secondary deposits.

The Assets

The Assets are strategically located in Cabo Delgado province, Montepuez districts of Mozambique (please see map below) and are comprised of 394.24 sq.km, (39,424.51 hectares in four concessions) of highly prospective ground. The initial finding from the artisanal pits shows the occurrence of both primary and secondary mineralization consisting of both higher and lower quality rubies.

To view a location map for Montepuez District, Cabo Delgado, please visit the following link:
http://media3.marketwire.com/docs/Montepuez_District-map.pdf

Corporate Update

Fura is pleased to announce appointment of Mr. Debananda Tripathy, as the Project Manager for Fura's ruby operations in Mozambique. Mr. Tripathy has more than 20 years of experience in exploration geology, with more than eight years on the African continent, mainly in Mozambique. Prior to joining Fura, Mr. Tripathy was General Manager - Mineral Exploration for Jindal Mining SA Pty. Ltd. Mr. Tripathy has a Masters in Mineral Exploration and Geology with a specialization in remote sensing applications. Mr. Tripathy will be based in Montepuez and will be responsible for the overall running of the Mozambique operations including exploration, bulk sampling and bringing the project to the mining phase. Mr. Tripathy is currently supported by the team consisting of a mining engineer, geologists and other support staff.

Dev Shetty, President & CEO of Fura, commented: "We are delighted to announce Fura's expansion into the ruby sector in Mozambique. Having previously had the opportunity and experience of exploring and developing potentially the world's single largest ruby deposit in the Montepuez District of Mozambique, I am excited about the potential impact that securing assets in the same region will have on the Company and its shareholders. Mozambique is currently the largest producer of rubies in the world and we are excited to enter this jurisdiction. We would like to thank Cobadale, the Mozambican local partners and the government of Mozambique for the opportunity given to Fura. We would also like to welcome Mr. Tripathy to the Fura family and we look forward to his contribution to the business. We will continue to further strengthen the team by bringing the best talent to the business."

Qualified Person

Ricardo A. Valls, M.Sc., P.Geo., of Valls Geoconsultant, Toronto, Ontario, a Qualified Person as defined by National Instrument 43-101, has reviewed the scientific and technical information disclosed in this news release and has approved its dissemination.

About Fura Gems Inc.

Fura Gems Inc. is a gemstone mining and marketing company which is engaged in the mining, exploration and acquisition of gemstone licences. Fura's headquarters are located in Toronto, Canada and its administrative headquarters are located in the Almas Tower, Dubai. Fura is listed on the TSX Venture Exchange under the ticker symbol "FUR".

Fura is currently engaged in the exploration of resource properties in Colombia and owns a 100% interest in the emerald license ECH -121. Fura has also entered into a purchase agreement to enter into the exploration and mining of rubies in Mozambique through the proposed acquisition of an 80% effective interest in four ruby licences (4392, 3868, 3869 and 6811 - see figure above) and the submission of an application for an additional ruby licence.

Regulatory Statements

This press release may contain "forward looking information" within the meaning of applicable Canadian securities legislation. Forward looking information includes, but is not limited to, statements with respect to the agreement to acquire Cobadale, the Company's ability to close the Transaction, the impact of managerial appointees, the prospectivity of the Assets, the Company's ability to acquire additional licenses, the Company's exploration activities and the Company's performance. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of exploration activities; regulatory risks; risks inherent in foreign operations; and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Contact

Dev Shetty
President & Chief Executive Officer
dev.shetty@furagems.com