

Fura Announces Over-Subscribed CAD\$30.92 Million Private Placement and Acquisition of Australian Sapphire Mining Project

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TORONTO, June 27, 2019 - [Fura Gems Inc.](#) ("Fura" or the "Company") (TSXV: FURA) (OTC: FUGMF) (FRA: BJ43), a new gemstone mining and marketing company with emerald and ruby assets in Colombia and Mozambique, respectively, is pleased to announce that: (i) the non-brokered private placement offering of up to 121,500,000 common shares of the Company for gross proceeds of up to CAD\$30,375,000 that was previously announced on May 15, 2019 (the "Offering") has been over-subscribed by Lord of Seven Hills Holdings FZE ("Seven Hills"); and (ii) the Company has entered into an option agreement to acquire 100% interests in two mining permits (EPM 25973 and EPM 25978) and three mining licences (ML 70419, ML 70447 and ML 70451) (the permits and the licenses are collectively referred to herein as the "Licences") for a sapphire mining project in Queensland, Australia (the "Acquisition").

Dev Shetty, President & CEO of Fura, commented:

"We are pleased with the response to our capital raise and we believe that securing this funding will significantly accelerate our plans in Colombia and Mozambique and move the Company along the path to revenue generating mining operations. In addition, our anticipated entry into sapphire gemstone mining in Australia represents the final leg of Fura's journey to hold properties containing deposits of all the big three coloured gemstones (being, rubies, emeralds and sapphires). We believe this approach adds value to both the gemstone industry and our shareholders. Although the sapphire project in Australia is already a producing mine, we intend to more clearly delineate the deposit during the second half of this year and scale-up operations in 2020."

The Offering

The Company has entered into a subscription agreement with Seven Hills pursuant to which Seven Hills agreed to subscribe for 123,660,000 common shares of the Company at a price of CAD\$0.25 per share for gross proceeds of CAD\$30,915,000. This represents an increase of 2,160,000 common shares of the Company and an additional \$540,000 of gross proceeds. The closing date for the Offering was also extended to August 2, 2019.

Seven Hills is a marketing agent for the supply of high-grade manganese ore and has an investment division which invests and handles a diversified investment portfolio across the industry. Seven Hills is incorporated under the laws of Fujairah Free Zone Authority, Fujairah, United Arab Emirates.

As a result of (i) the number of common shares that the Company intends to issue to Seven Hills under the Offering, and (ii) Seven Hills acting jointly or in concert with Gaurav Gupta, a beneficial shareholder of Fura and one of its directors, the Company must obtain disinterested shareholder approval for:

1. the creation of each of Seven Hills, the sole shareholder of Seven Hills (the "Seven Hills Shareholder") and Gaurav Gupta's wholly owned company, Sesa Global Inpex FZE ("Sesa"), as a "Control Person" (as that term is defined under TSX Venture Exchange ("TSXV") Policy 1.1 – *Interpretation*), in accordance with the applicable policies of the TSXV (each of Seven Hills, the Seven Hills Shareholder and Sesa, a "New Control Person"); and
2. Seven Hills' participation in the Offering as a "related party transaction" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (the "Related Party Transaction").

The Company has set August 2, 2019 as the date on which the Company's annual general and

special meeting will be held. The Company intends to receive majority support from disinterested shareholders for each New Control Person and the Related Party Transaction at the meeting. To the best knowledge of the Company's management, only Seven Hills, the Seven Hills Shareholder and Sesa will be excluded from voting their shares at the meeting for each New Control Person and the Related Party Transaction.

The net proceeds of the Offering are expected to be used for: (i) the advancement of Fura's Coscuez emerald project in Colombia and ruby assets in Mozambique, (ii) the closing of the acquisition first announced on July 26, 2018 of a 100% interest in ruby prospecting licence 5572L in the Montepuez District of Cabo Delgado province in Mozambique, (iii) the closing of the merger of ruby assets transaction first announced on July 16, 2018 respecting the Company's acquisition of (A) 75% of the issued shares of Montepuez Minerals Pty Ltd., which owns a 70% interest in mining licence 5030L, and an 80% interest in mining concession 8921C; and (B) a right to earn a 65% interest in mining concession 8955C under a joint venture agreement, and (ii) general corporate purposes.

The closing date of the Offering is expected to occur on or about August 2, 2019 and remains subject to receipt of all necessary regulatory approvals, including the approval of the TSXV. Fura is not paying any finder's fees in connection with the Offering. The common shares of the Company issued pursuant to the Offering will be subject to a regulatory hold period of four months and one day.

The Acquisition

Fura has entered into an option agreement dated June 26, 2019 with Richland Resources Ltd (the "Agreement"). Pursuant to the Agreement, Fura has been granted an option valid until July 31, 2019 to acquire from Richland Resources Ltd (the "Vendor") (i) all of the issued shares of the Vendor's wholly owned subsidiary, Richland Corporate Ltd, ("Richland Corporate"), and (ii) all of the Vendor's loans to Richland Corporate. Richland Corporate owns 100% of Capricorn Sapphire Pty Ltd ("Capricorn Sapphire"), which in turn holds all of the Licences that make up the Capricorn Sapphire project in Queensland, Australia (the "Project").

The aggregate purchase price pursuant to the Agreement is as follows:

- CAD\$150,000 in cash paid to the Vendor as an option fee payment, CAD\$25,000 payable upon signing the Agreement and the remaining CAD\$125,000 payable within seven days thereafter;
- US\$185,000 in cash to the Vendor on the closing of the Acquisition;
- 4,859,825 common shares of the Company issued to the Vendor on the closing of the Acquisition;
- US\$90,000 in cash to the Vendor on the closing of the Acquisition for certain expenses in respect of the Project incurred by the Vendor;
- such number of common shares of the Company issued to the Vendor equivalent to AUD\$150,000 based on the Canadian dollar-Australian dollar exchange rate published by the Bank of Canada on the day immediately before the closing of the Acquisition, divided by the lower of (i) the 30 day volume weighted average traded price per common share of Fura (calculated to the nearest one-hundredth of one cent) on the TSXV on the day before the closing of the Acquisition; and (ii) the closing share price of Fura's shares on the date before the issue of Fura's shares to the Vendor, to partially refund the Vendor for financial assurance deposits of AUD\$371,911 (the "Financial Assurance Deposits") lodged by the Vendor on behalf of Capricorn Sapphire; and
- 18 months after closing of the Acquisition, Fura is to pay the Vendor a further AUD\$221,911 in cash (less any environmental liability claims made against the Financial Assurance Deposits by the relevant government authorities), being the refund of the balance of the Financial Assurance Deposits.

The common shares of the Company issued to the Vendor in connection with the Acquisition will be subject to a regulatory hold period of four months and one day from the closing of the Acquisition.

The Vendor is liable to pay a termination fee of CAD\$400,000 in the event that: (i) the Vendor's board of directors does not unanimously recommend the Acquisition to the Vendor's shareholders or withdraws its unanimous recommendation and the Vendor's shareholders do not approve the Acquisition; or (ii) the Vendor breaches the exclusivity provisions as summarised in the Agreement.

Fura is liable to pay a termination fee of CAD\$400,000 to the Vendor if it breaches its covenant not to enter

into any potential alternative transaction involving sapphire mining in Australia or any other transaction or action that could prevent the parties from consummating the Acquisition.

The Acquisition is an arm’s length transaction for the purposes of the policies of the TSXV and is subject to the approval of the TSXV. Fura is not paying any finder’s fees in connection with the Acquisition. The closing of the Acquisition is subject to the satisfaction of customary conditions precedent on or before the October 31, 2019 longstop date, including, *inter alia*, the Vendor’s shareholders’ approval, receipt of customary Bermuda Monetary Authority authorizations, completion of the renewals of ML 70419 and ML 70447, approval of the TSXV, approval of AIM and the provision of applicable legal opinions concerning the title to the Licences.

A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/f3def872-4666-4c71-a1f2-add5e95ad474>

For more information about Fura Gems Inc., please contact:

Fura Gems Inc.

Dev Shetty - President & Chief Executive Officer Tel: +971 (0) 4 240 8760

Brad Scharfe – Director Investor Relations Tel: +1+(778)386-1313
brad.scharfe@furagems.com

Public Relations
Tavistock (UK)
Jos Simson / Barney Hayward Tel: +44-207-920-3150
fura@tavistock.co.uk

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 Gold Tower, Dubai. Fura is listed on the TSXV under the ticker symbol “FURA”.

Fura is engaged in the exploration of resource properties in Colombia and owns a 76% interest the Coscuez emerald mine in Boyacá, Colombia. Fura is involved in the exploration and mining of rubies in Mozambique through its 80% effective interest in the four ruby licenses (4392L, 3868L, 3869L and 6811L).

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 Offering and the Acquisition, the use of proceeds of the Offering, the mineralization of the areas covered by the Licences, the prospectivity of the areas covered by the Licences, the Company’s ability to complete the Acquisition, the Company’s ability to complete any other publicly announced acquisitions, the Company’s ability to develop the areas covered by Licences, the market price of rubies and other gemstones, the Company’s exploration activities and mining 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, development and production activities; access to sufficient financing to continue the development of its assets; regulatory risks; risks inherent in foreign operations, uncertainties with respect to the Licences and the Company’s assets; legacy environmental risks, title risks 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.

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