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Fura Gems Inc.
("Fura" or "the Company")

FURA TO MERGE RUBY ASSETS WITH MUSTANG AND REGIUS

For Immediate Release: **July 16, 2018**

Toronto, Ontario – 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 it has entered into a merger of ruby assets agreement, pursuant to which the Company will acquire controlling ownership in the issued and outstanding shares of entities and interests in joint ventures that collectively own interests in nine additional ruby licenses (collectively, the "Assets") in the Montepuez District of Cabo Delgado province in Mozambique (the "Acquisition").

Key Highlights:

- Acquisition of nine ruby assets in Mozambique from ASX listed Mustang Resources Ltd ("Mustang") and Regius Resources Group Ltd ("Regius") for a total consideration of A\$15 million (approximately C\$14.6 million), payable in A\$3m (approximately C\$3 million) cash and approximately 12.7 million Fura shares on the schedule below;
- On completion of the Acquisition, Fura will hold the largest ruby land package in Mozambique of 1,104 sq. km;
- Acquisition breakdown:
 - On completion of the Acquisition, Fura will pay A\$3 million (approximately C\$3 million) in cash and an additional A\$4 million in Fura shares at C\$0.50 per share;
 - 12 months after completion of the Acquisition, Fura will issue A\$4 million in shares at C\$1.40 per share; and
 - 20 months after completion of the Acquisition, Fura will issue A\$4 million in shares at C\$1.80 per share.
- Fura is acquiring the Assets free of debt and will also acquire the related infrastructure, which includes two wash-plants, security set-up, mine camps and other related infrastructure;
- Fura expects to commence bulk sampling activities of rubies by the end of 2018 and commence auction sales from Q3 2019;
- Acquisition is expected to be completed by 30th November 2018;
- Fura's Mozambique operations to be run by its newly formed team of gemstone experts who were previously involved with discovering and successfully building the world's largest ruby mine in Mozambique; and

- Fura is exploring the benefits of pursuing a dual listing of its common shares on the London Stock Exchange.

Dev Shetty, Fura's President and CEO, commented:

"I am pleased to announce the merger of these ruby assets with those of our existing licenses in Mozambique transforming Fura into the largest ruby group by licence area in the country. Our team has in-depth experience in the Mozambique ruby sector having previously worked in Mozambique since 2011 where they were instrumental in discovering and developing what is largely considered the world's largest ruby deposit.

Based on our extensive work in-country, we believe these combined licenses to be some of the highest quality ruby licenses available in Mozambique.

The initial ground work has already been done by Mustang and Regius, which includes significant exploration and the construction of two wash-plants. Following completion of the Acquisition, we plan to commence a significant bulk sampling project within these licenses in the next few months with the mid-term objective of creating another world class, cash generative ruby mine to complement our iconic Coscuez emerald mine in Colombia."

Merger of Assets Agreement

Fura and a wholly owned subsidiary of the Company have entered into a merger of ruby assets agreement (the "Merger of Assets Agreement") dated July 16, 2018 with Mustang, a publicly traded company on the Australian stock exchange, Montepuez Minerals Pty Ltd., a subsidiary of Mustang, and Regius. Pursuant to this agreement, Fura will acquire the controlling ownership in various entities owned by both Mustang and Regius, that together own nine mineral exploration licenses (license numbers 9307C, 7083L, 6106, 8188L, 6064L, 7251L, 5030L, 8955C and 8921C) in Mozambique. A table with further details of the licences is provided below.

The aggregate purchase price pursuant to the Merger of Assets Agreement is A\$15,000,000 and shall be payable as outlined below.

- Cash consideration of A\$3 million payable at closing of the Acquisition (the "Closing");
- Common shares in the capital of the Company (the "Fura Shares") with a value equal to A\$4 million with such Fura Shares to be issued at C\$0.50 per share, to be issued at Closing;
- Fura Shares with a value equal to A\$4 million, with such Fura Shares to be issued at C\$1.40 per share to be issued on the day that is twelve months following Closing; and
- Fura Shares with a value equal to A\$4 million, with such Fura Shares to be issued at \$1.80 per share, to be issued on the day that is twenty months following Closing.

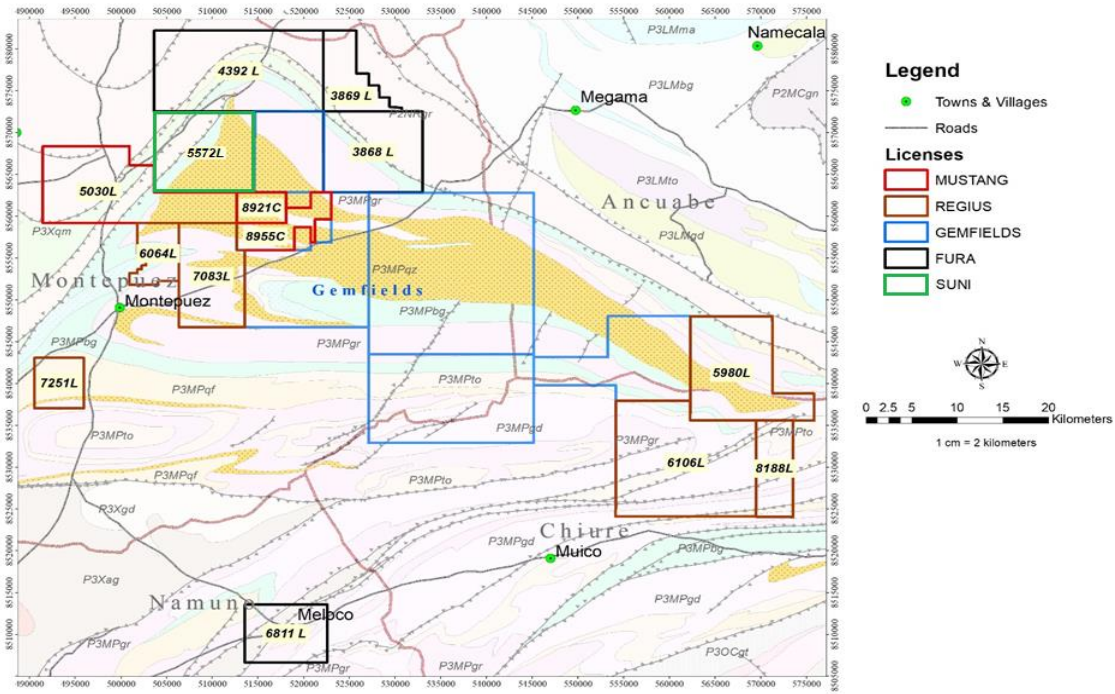
Upon closing of the Acquisition, Fura will hold effective interests in the Assets of between 65% and 80% with the remaining interests, non-dilutive and free carried, being held by the respective local partners. The Assets cover approximately 711sq. km (71,100 hectares).

Fura intends to invest up to C\$25 million (subject to operational success) over a period of three years, in a programme of drilling, bulk sampling and production mining on the properties comprising the Assets. Other initiatives that Fura intends to launch include: the reconfiguration of the existing wash plant to increase efficiencies; extension and/or consolidation, where appropriate, of certain of the ruby licences; and the implementation of grading and marketing systems via Fura’s existing marketing platform.

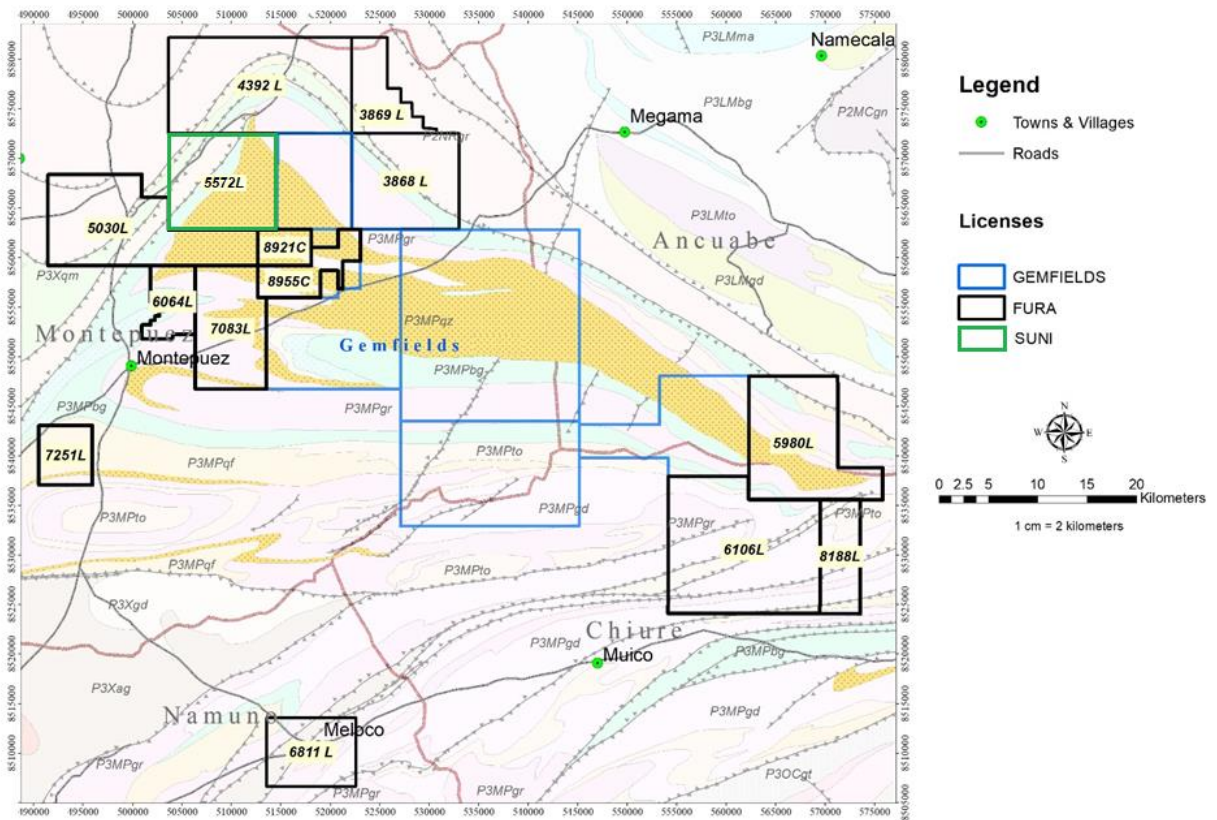
All of the Fura Shares issued by the Company pursuant to the Acquisition will be subject to lock-up agreements pursuant to which the vendors shall be restricted from selling or transferring such securities during the twelve months following the date of the issuance of the Fura Shares to the vendors.

The Acquisition is an arm’s length transaction for the purposes of the policies of the TSX Venture Exchange (“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, including, *inter alia*, receipt of ministry and joint venture authorizations, approval of the TSXV and the provision of applicable legal opinions concerning the title to the Assets.

The maps showing Fura’s existing portfolio and post-merger of ruby licenses are given below



Map 1: FURA’s existing ruby licenses



Map 2: FURA's ruby licenses post merger with Mustang and Regius

Hannam & Partners Advisory Limited acted as sole financial adviser to Fura in relation to the Mustang and Regis acquisition.

Corporate Update

Fura is exploring the benefits of pursuing a dual listing of its common shares on the London Stock Exchange by the end of 2018, with a potential concurrent fundraise in order to continue the development and production of its emerald and ruby operations, as part of a strategy to expand its international profile and capitalise on substantial UK investor interest given management's previous position at former London listed Gemfields plc.

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

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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 “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). Fura has entered into merger agreement with Mustang and Regius to acquire nine ruby licenses.

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. Mr. Valls is considered independent of Fura.

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 mineralization of the Assets, the prospectivity of the Assets, the Company’s ability to complete the Acquisition, the Company’s ability to complete the bulk sampling programs and drilling programs, the Company’s ability to develop the Assets, 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 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. In addition, the timing and/or completion of the any dual listing on the London Stock Exchange may be influenced by a number of factors, including but not limited to market conditions and there can be no guarantee that the dual listing will occur within an anticipated timetable or at all. 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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