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Company Announcements Platform

ASX Limited

Federation Mining announces funding package for Blackwater Gold project

Fitzroy River Corporation Limited (ASX: FZR, **Fitzroy** or **Company**) congratulates Federation Mining Pty Ltd (**Federation**) on its announcement on 7 August 2020 that Federation has secured initial funding to progress the Blackwater Gold Project (**Blackwater**) near Reefton, located on the north east coast of the South Island of New Zealand. The funding includes a NZ\$15m loan from the New Zealand Provincial Growth Fund (subject to final documentation) and co-funding from AustralianSuper.

Fitzroy holds a variable 1.5% to 3% royalty (**Royalty**) over Blackwater. Federation also has a buy-out option (**Option**) to purchase the Royalty at any time up to making a Decision To Mine (**DTM**). The exercise price of the Option is A\$5m plus GST (if any) inflated annually from 14 May 1991 to the exercise date based on movements in the consumer price index since 1991. An indicative calculation of the value of the Option is in excess of A\$9.5m.

The announcement by Federation is a key step in the development of Blackwater. Federation has also noted that the mining permit was approved in December 2018 and Environmental and Resource Consents have been granted. Federation currently expects that the DTM will occur in Q4 2023.

Commenting on Federation's funding announcement, Malcolm McComas, Chair of Fitzroy said:

"The initial funding of Blackwater is very pleasing news for Federation and for Fitzroy and increases the probability that Blackwater will be developed into a substantial new gold project. Fitzroy's royalty over production at Blackwater is 3.0% of the first one million ounces of gold if the gold price is above NZ\$900 and 1.5% thereafter, subject to an option for Federation to buy back the royalty. We congratulate the Federation team and look forward to following progress at Blackwater."

This ASX release was authorised by the Fitzroy Board.

For more information about this announcement:

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