



STONE RESOURCES AUSTRALIA LIMITED

ABN - 44 100 727 491

10 September 2020

Stone Resources Australia announces executive refresh

- Three of SRAL's current directors, Yong Han, Fang Lu and Kaiye Shuai, to resign on completion of the DECA
- Respected Perth corporate lawyer Josh Hunt to be appointed as an independent non-executive director of SRAL on completion of the DECA
- Mr Hunt to assist SRAL with recapitalisation and corporate governance during SRAL's transition to gold development junior
- Long-term SRAL non-executive director Bill Hobba to assume additional responsibility as executive director to assist in planning renewed exploration and development strategies
- SRAL executed 12-month retainer with leading Perth-based corporate advisory firm PCF Capital Group to assist with implementation of DECA, corporate strategy and exploration and development plan

Stone Resources Australia Limited (**ASX: SHK**) (**SRAL** or the **Company**) is pleased to announce its plans for an executive refresh and board changes in light of the progress of its recapitalisation strategy and renewed interest in the junior gold exploration and development space.

The executive refresh will comprise:

- (a) Resignation of three of SRAL's current directors, Yong Han, Fang Lu and Kaiye Shuai, conditional upon and effective at DECA completion;
- (b) Appointment of Josh Hunt to the SRAL Board as an independent non-executive director, conditional upon and effective at DECA completion; and
- (c) William (Bill) Hobba taking on a new role as executive director of SRAL.

Retirement of current directors

Yong Han, Fang Lu and Kaiye Shuai have announced their intention to resign as directors upon completion of the Debt Equity Compromise Agreement announced 25 March 2020 (as amended as announced on 29 June 2020) (**DECA**).

Mr Han, Mr Lu and Mr Shuai's resignations are conditional upon completion of the DECA. If the DECA does not complete, then they will continue to serve on SRAL's board.

Appointment of Josh Hunt as independent non-executive director

Josh Hunt is an experienced capital markets and M&A partner with HopgoodGanim Lawyers and has extensive experience in all aspects of mining and energy project acquisitions and disposals and general mining legislation compliance throughout Australia. He has advised on numerous IPOs and fundraisings and acquisitions by both public and private companies. In addition, Josh provides stock

錯誤! 無法識別文件摘要資訊名稱。

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exchange and listing rule compliance advice, capital markets, corporate and strategic advice, general securities and commercial law advice.

Prior to their merger with HopgoodGanim in 2017, Josh was a partner for seven years with boutique mining law firm Hunt & Humphry and has worked throughout the Western Australian mining space. Josh is currently the Non-Executive Chairman of ASX listed company Ziptel Limited (ASX:ZIP).

Mr Hunt's appointment will take place on completion of the DECA (concurrent with the resignations of Mr Han, Mr Lu and Mr Shuai), and is conditional upon completion of the DECA.

Appointment of Bill Hobba as executive director

In light of Bill Hobba's ongoing work and success in driving the Company's recapitalisation process, the SRAL board have resolved to appoint Mr Hobba as an executive director, effective 10 September 2020.

Mr Hobba has been a director of SRAL for the past seven years and brings 40 years of operational and technical experience in developing mine sites to his new executive role. He is familiar with the Brightstar operations and will oversee PCF Capital Group and SRAL's other advisors in developing and implementing a renewed exploration strategy in respect of SRAL's Cork Tree Well, Alpha and Beta deposits, which together contain a combined JORC 2012 Mineral Resource of 7.2Mt @ 1.9g/tAu for 445,000 ounces (as announced today on ASX in the separate announcement entitled "Auralia Review").

The material terms of Mr Hobba's contract of employment as an executive director of SRAL (**Employment Contract**) are as follows:

- (a) Mr Hobba to receive as remuneration:
 - i. a base annual salary of \$120,000.00 plus \$11,400.00 in annual superannuation contributions; and
 - ii. reimbursement of travel and other expenses reasonably incurred by Mr Hobba in connection with the course of his employment;
- (b) the Employment Contract commences on 10 September 2020 for a term of three years; and
- (c) the Employment Contract may be terminated by either SRAL or Mr Hobba upon giving one month's written notice to the other party.

PCF Capital Group retained as corporate advisor

On Wednesday 8 September 2020, SRAL executed a 12-month retainer with leading Perth-based corporate advisory firm PCF Capital Group (**PCF**).

PCF previously negotiated and facilitated both the Debt Equity Compromise Agreement (**DECA**) with SRAL's major shareholders, and SRAL's SPA with Regis Resources Limited (as announced on 12 August 2020) to secure \$10M in funding for SRAL plus a 1% NSR (capped at \$5M, commencing after the first 100,000 ounces of gold mined).

PCF Managing Director Liam Twigger, Senior Manager Callum Twigger and Technical Director Mike Sperinck will continue to assist SRAL in completing the DECA and preparing a post-recapitalisation corporate strategy, including an exploration and development plan for the South Brightstar project.

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This announcement is authorised by Executive Director William Hobba on behalf of the Board of the Company.

For further information, please contact:

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COMPETENT PERSON'S STATEMENT

The information presented here relating to the Mineral Resources of the Alpha, Beta and Cork Tree Well (Delta) deposits is based on information compiled by Mr Richard Maddocks of Auralia Mining Consulting Pty Ltd. Mr Maddocks takes overall responsibility for the Mineral Resource Estimate. Mr Maddocks is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he has undertaken to qualify as a "Competent Person" as that term is defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)". Mr Maddocks consents to the inclusion in this announcement of the matters based in this information in the form and context in which it appears. Mr Maddocks was employed as a contractor of SRAL.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Announcement contains forward-looking statements and forward-looking information within the meaning of applicable Australian securities laws, which are based on expectations, estimates and projections as of the date of this Announcement.

This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or

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implied in the forward-looking information. These factors, including, but not limited to, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Indonesia and Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information.

Although the forward-looking information contained in this Announcement is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this Announcement

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