



NEWS RELEASE

Symbol: RZL-TSX.V

Rizal Resources Financial Update

May 3, 2019 - Vancouver, British Columbia: Rizal Resources Corporation (TSXV: RZL) (“Rizal” or the “Company”) Rizal today announced that due to a shortfall in grade from recent trial mining and delays in expected financing options the company is experiencing liquidity and subsequently operational issues.

Although the Company has been and remains in discussion with potential lenders, Rizal has continued with trial mining, albeit a drop in the average grade mined in December has resulted in the project operating at a working capital deficit since that date.

Over the last 2 years management have made significant efforts to source additional debt and equity funding with the objective of providing adequate funding to enable Rizal to appropriately finance the development of the T’Boli Project in the Philippines. However, due to external factors, market conditions and the Company’s existing financial structure such efforts have had limited success. More recently Rizal has been working with existing lenders with the objective of providing additional financing to meet working capital deficiencies and liquidity issues.

The delay in sourcing much needed working capital has put significant financial pressure on Rizal. Up until very recently the company had expected existing financiers would continue to provide additional capital, however at this point that has not materialised. Therefore, since December the T’Boli project has underperformed and missed trial mining and cashflow targets resulting in the company is experiencing liquidity and cashflow restrictions.

The Company and existing financiers and lenders are continuing discussions, with the objective of strengthening the balance sheet through restructuring the existing debt. In addition, Rizal has formalised a sale process of its non-core assets, that process is ongoing.

Peter Main, President and CEO stated: “An inability to raise adequate capital to fully fund the T’Boli project over an extended period continues to restrict development and trial mining at the T’Boli Project. This has resulted in the project continuing to under-perform and therefore makes it difficult for the management team to get the best out of the asset. The company is now undertaking a full review and examining all strategic options with the objective of moving the project forward”

Peter Main
President and CEO

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