

AIM: EMED

TSX: EMD

15 August 2014

Subscription to raise approximately £13.1 million (approximately US\$22 million) through the issue of 181,200,000 new ordinary shares (the "Subscription")

EMED Mining Public Limited ("**EMED Mining**" or the "**Company**"), the Europe-based minerals development and exploration company, announces that it has entered into a subscription agreement with two of its cornerstone investors, Yanggu Xiangguang Copper Co. Ltd ("**XGC**") and Orion Mine Finance (Master) Fund I LP ("**Orion**") in relation to a proposed equity fundraising. The agreement sets out the basis on which XGC, through its wholly owned subsidiary Hong Kong Xiangguang International Holdings Limited, and Orion have conditionally agreed to provide additional financing to the Company by way of the issue of in aggregate 181,200,000 new ordinary shares of 0.25 pence of the Company ("**Ordinary Shares**") at 7.25 pence per Ordinary Share ("**Issue Price**") to raise approximately £13.1 million (approximately US\$22 million).

Background to the Subscription

In its AGM statement on 11 June 2014, EMED Mining announced that it was in advanced negotiations with major international financial institutions for senior debt facilities of \$200 million. These discussions are ongoing, however, the Company continues to optimise the right balance of debt to equity for the Rio Tinto Copper Project and this may include a reduction in the senior debt facilities being sought.

The Company had entered into negotiations with certain parties, including XGC and Orion, in respect of an equity financing to support an altered debt and equity structure. As part of these negotiations the period of exclusivity granted by EMED Mining in respect of the proposed equity financing arrangements was extended and has continued to the date of this announcement. However, these discussions have taken considerably longer to conclude than originally anticipated and in the interim, the Board of Directors ("**Board**") has determined, in order to ensure that the Company has sufficient working capital, that the Company requires an immediate injection of capital and has decided to proceed with the Subscription to enable it to ease its short term cashflow issues under which funds are required by the Company by the end of the current month, and to fund its activities up to the end of 2014, and thus enable the Company to finalise its plans for the full financing of the Rio Tinto Copper Project.

The Subscription will be used for general working capital purposes and to continue activities on site, including continuing with final permitting and drilling activities at the Rio Tinto Copper Project. It is anticipated that the proceeds of the Subscription will finance the Company up to the end of 2014, which the Directors believe will enable the Company to finalise the optimal plans for the financing of the Rio Tinto Copper Project.

Further details of the Subscription are set out below.

Isaac Querub, the CEO of EMED Mining said: "EMED Mining continues to steadily move towards commencing production at the Rio Tinto Copper Project. We appreciate the continued support from XGC and Orion as we work towards restart activities. We have initiated our planned drilling campaign, which will help us develop our mining plan and extend the current resource. In addition, plant refurbishment is ongoing as we work closely with local authorities to progress the permitting process."

Subscription terms

The Company, XGC and Orion have entered into a subscription agreement (the "**Subscription Agreement**") pursuant to which Orion has conditionally agreed to subscribe for 140,000,000 Ordinary Shares at the Issue Price and XGC has conditionally agreed to subscribe for 41,200,000 Ordinary Shares at the Issue Price (together, the "**Subscription Shares**"). The Issue Price represents a 6.3% discount to the VWAP of the Ordinary Shares on AIM for the 5 consecutive trading days prior to the execution of the Subscription Agreement and a 9% discount to the mid-market closing price on 14 August 2014.

The issue of the Subscription Shares pursuant to the Subscription Agreement is subject to a number of customary conditions including the warranties made by the Company under the Subscription Agreement remaining true and accurate, admission of the Subscription Shares to trading on AIM ("Admission") and TSX conditional approval. These conditions are required to be satisfied (or where possible, waived) on or before 27 August 2014 (the "**Long Stop Date**"). The parties may terminate the Subscription if the conditions are not satisfied by the Long Stop Date.

Upon completion of the Subscription, Orion will hold 207,954,787 Ordinary Shares of EMED, representing approximately 14.48% of the issued capital of the Company (as enlarged by the Subscription) and XGC will hold 178,826,181 Ordinary Shares, representing approximately 12.45% of the issued capital of the Company (as enlarged by the Subscription).

For so long as Orion or XGC has a beneficial interest in Ordinary Shares equal to or greater than 5% of the total issued share capital of the Company from time to time (excluding any shares issued pursuant to Exempt Issuances (as defined below)), Orion or XGC (as applicable) shall: (i) have a pre-emptive right to participate on a pro-rata basis on all further issuances of Ordinary Shares or securities convertible into Ordinary Shares by the Company ("**Pre-emption Right**") (subject to certain exceptions such as the issue of shares in connection with compensation arrangements, stock options and convertible securities outstanding as at the time of completion of the Subscription and certain issues of shares for non-cash consideration ("**Exempt Issuances**"); and (ii) have the right to appoint a director to the Board of the Company. As at the date of this announcement, Harry Liu is the XGC appointed director and Orion has yet to exercise its right.

Each of the parties will bear its own fees, costs and expenses relating to the Subscription and no commission is due to any parties in respect of the Subscription.

Related Party Transaction

As XGC currently holds over 10% of the Company's issued Ordinary Share capital, the Subscription is deemed to be a related party transaction under the AIM Rules for Companies. With the exception of Harry Liu, who is involved in the Subscription as a Vice

President of XGC only, and was not involved in discussions with respect to the transactions at the board level in his capacity as a director of EMED Mining, the directors of EMED Mining consider, having consulted with its nominated adviser RFC Ambrian Limited, that the terms of the proposed transaction are fair and reasonable insofar as its shareholders are concerned.

Furthermore, the transaction with XGC is a "related party" transaction as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The transaction with XGC is exempt from the requirement to obtain a formal valuation and minority shareholder approval pursuant to MI 61-101 as the value of the transaction is less than 25% of the market capitalisation of the Company.

Permitted Acquisition under the Articles

The Company's Articles of Association (the "**Articles**") contain provisions in respect to share control limits which include, inter alia, a restriction on a person acquiring voting rights which (when taken together with the voting rights held or acquired by persons determined by the board of directors (the "**Board**") to be acting in concert with such person) carry 20% or more of the voting rights attributable to the ordinary shares. The Board, excluding for these purposes Harry Liu, has determined however, in accordance with its discretion under the Articles that XGC and Orion are not acting in concert with each other or any other person at the current time.

The conversion of the outstanding convertible notes which are currently held by each of the XGC and Orion (the "**Conversion**") or exercise of the Pre-emption Right, may result in either XGC or Orion being subject to the restriction set out in the Articles. The Board, excluding for these purposes Harry Liu, has deemed that the subscription of the Subscription Shares, any Conversion or any acquisition of shares or other equity securities pursuant to any exercise of the Pre-emption Right by either XGC or Orion would in each case be treated and irrevocably approved as a Permitted Acquisition for the purposes of the Articles.

Admission of Subscription Shares to Trading on AIM and Total Shares in Issue

Application has been made for admission of the Subscription Shares to trading on AIM which is expected to take place on 20 August 2014. The Subscription Shares will be issued pursuant to an existing authority to issue Ordinary Shares approved by the Shareholders at the previous annual general meeting of the Company.

Following the issue of the Subscription Shares, the Company will have a total of 1,435,865,948 ordinary shares in issue. The Subscription Shares will represent approximately 12.62 per cent. of the enlarged issued share capital of the Company.

Designated Foreign Issuer Status

The Company has determined that as at the beginning of the financial year January 1, 2014, it is a "designated foreign issuer" as defined in National Instrument 71-102 - *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, and subject to the foreign regulatory requirements of the AIM, a market operated by London Stock Exchange plc. If the foregoing disclosure is made annually by the Company in a document that is required by foreign disclosure requirements to be sent to its security holders, including its security holders in Canada, the Company would in any event be exempt from MI 61-101 entirely.

Enquiries

EMED Mining	Isaac Querub/Alberto Lavandeira	+34 959 59 28 50
RFC Ambrian	Samantha Harrison	+44 203 440 6800
Fox-Davies Capital	Oliver Stansfield	+44 203 463 5061
Walbrook Communications	Nick Rome	+44 207 933 8783

Cautionary Notes

This announcement contains "forward looking information" which may include, but is not limited to, statements with respect to the completion of the issue of the Subscription Shares, the use of proceeds, TSX approval of the transactions and the satisfaction or waiver of conditions to the definitive documentation in respect of the Subscription. "Forward looking information" may also include statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future price of metals, the estimation of ore reserves and resources, the conversion of estimated resources into reserves, the realisation of ore reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations (including negative 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. Accordingly, readers should not place undue reliance on forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; the future costs of capital to the Company; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, terrorist attacks, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in the Company's annual information form.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward looking statements contained herein are made as of the date of this announcement and the Company disclaims any obligation to update any forward looking statements, whether as a result of new information, future

events or results or otherwise. There can be no assurance that forward looking statements 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 statements.