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21 April 2016

## **Rambler Metals & Mining PLC**

### **Proposed Subscription by CEII Roma of 261,363,636 new Ordinary Shares and issue of Warrants**

#### **Proposed Approval of a waiver under Rule 9 of the City Code**

#### **Board Changes**

#### **Notice of General Meeting**

**London, UK & Newfoundland and Labrador, Canada** – Rambler Metals & Mining PLC (TSXV: RAB, AIM: RMM) ('Rambler' or the 'Company') is pleased to announce proposals to raise approximately £10.45 million (gross) (approximately C\$19.05 million) by way of an issue of 261,363,636 new Ordinary Shares at a subscription price of 4 pence per Subscription Share by CEII Roma, 100 per cent owned by CEII GP on behalf of CE II, a specialized mining and mineral investment fund, advised by Plinian.

#### **TRANSACTION HIGHLIGHTS**

**Subscription** – Conditionally agreed the issue of 261,363,636 new Ordinary Shares to CEII Roma at a subscription price of 4 pence per Subscription Share to raise approximately £10.45m (approximately C\$19.05 million) before expenses

**Subscription Price** – The Subscription Price represents a discount of 3.0 per cent to the closing price per Ordinary Share as at 20 April 2016, the last practicable date prior to the announcement of the Proposals, and a premium of 13.6 per cent above the 60 day VWAP prior to such date

**Issue of Warrants** – Conditionally agreed the issue of Warrants to CEII Roma over 200,000,000 new Ordinary Shares for an aggregate exercise price of £10 million (approximately C\$18.22 million)

**Exercise Price of Warrants** – The Exercise Price represents a premium of 21.2 per cent to the closing price per Ordinary Share as at 20 April 2016, the last practicable date prior to the announcement of the Proposals, and a premium of 42.0 per cent above the 60 day VWAP prior to such date

**Total Funding Package** – The Subscription and the Warrants, if exercised, together would raise approximately £20.45 million (gross) (approximately C\$37.27 million) in aggregate

**Board Changes** – Under the terms of the Subscription Agreement, the composition of the Board will change. The Proposed New Directors will join the Board, and certain Directors will leave the Board. Details of the change of directors will be outlined in the circular

**Notice of General Meeting** – Due to the size of the Subscription, Shareholder approval is required which will be sought at the General Meeting on 27 May 2016

**Rule 9 Waiver** – Given the level of investment by CEII Roma in the proposed Subscription, assuming the Subscription receives all necessary approvals (including final acceptance by the TSX Venture Exchange), it will result in CEII Roma owning more than 30 per cent of the total voting rights of the Company. This investment requires a waiver by the Takeover Panel under Rule 9 of the City Code and must be approved by Independent Shareholders under Rule 9 of the Code and such approval will be sought at the General Meeting

**Directors Recommendation** – the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own holdings.

**Irrevocable Undertakings** – Certain Directors who hold Ordinary Shares and certain other shareholders have irrevocably undertaken to vote in favour of the Resolutions in respect of their aggregate shareholding of 79,628,482 Ordinary Shares, representing approximately 52 per cent of the Existing Ordinary Shares.

The proposed Subscription, issue of Warrants and Rule 9 Waiver are conditional, inter alia, on Shareholder approval of the Resolutions, which will be sought at the forthcoming General Meeting to be held at 2 p.m. BST on 27 May 2016 at the offices of Cantor Fitzgerald Europe, One Churchill Place, Level 20, Canary Wharf, London E14 5RB, notice of which is contained in a circular, which is being posted to shareholders shortly ('Circular'). The definitions set out in the Circular apply in this announcement unless the context otherwise requires.

The Circular and this announcement have been posted on the Company's website at [www.ramblermines.com](http://www.ramblermines.com). The Circular will also be filed on SEDAR.

**Norman Williams, Rambler's President and CEO commented,**

*"Since the release of the pre-feasibility results in July of last year, and subsequent technical report filing in September 2015, we have been actively engaged in discussions with a number of potential financing partners. Having covered a wide range of financing options we believe that the equity investment presented to CEII by Plinian offers the best financing solution for our shareholders, both now and into the future.*

*"As previously stated, the PFS proposed the least risk, least capital expansion option and did not include refurbishing the existing shaft or the use of ore pre-concentration in the production stream. The financing strategy proposed by CEII is twofold. The first placement of £10.5 million will allow the operation to expand, as per the PFS, with production anticipated to increase to a minimum of 1,250 metric tonnes per day over the next few years. Secondly, during the initial construction phase further*

*engineering and assessment work will be completed on re-establishing the shaft for hoisting with the integration of dense media separation. Should this expanded case be robust enough, CEII will have the option to invest further through the exercise of the Warrants to execute this plan.*

*“The mining sector as a whole, and copper markets in particular, continue to show extreme volatility. With this volatility the Ming Copper-Gold Mine continues to be at risk with depressed copper prices. With this working capital and capital injection the Group intends to fully optimize the operation while aiming to move its cash cost towards the lower quartile of base metal producers. In doing this the Company will solidify its position as a stable long term producer with a mine life of 21 years, thereby strengthening its ability to grow the Company externally as well as internally with other past producing mines in its portfolio.”*

**Brad Mills, Proposed New Director and Managing Director of CEII’s Investment Adviser, Plinian, commented:**

*“We believe that Rambler Metals and Mining and its Ming Copper-Gold Mine represents an excellent opportunity for CEII to gain exposure to North American Copper and gold mining.*

*“The Ming Mine has all of the elements necessary to become a long term, low cost producer of copper. Stated simply, we believe that it has;*

- (a) a large, high grade reserve and resource capable of supporting at least 20 years of operations with excellent exploration prospects;*
- (b) highly favorable metallurgy that produces high quality, clean concentrates at good recoveries;*
- (c) Established and underutilized plant and logistic infrastructure that will allow for low cost expansion;*
- (d) an established customer base; and,*
- (e) an experienced and capable management team.*

*“The investment by CEII will enable Rambler to immediately start expansion of the project with the goal of tripling production over the next 2 years while significantly lowering cash and all-in costs. We look forward to working with Norm and his team and the rest of the board of directors to achieve this outcome.”*

## **ABOUT RAMBLER METALS AND MINING**

Rambler is a mining and development company that in November 2012 brought its first mine into commercial production. The group has a 100 per cent ownership interest in the Ming Mine, a fully operational base and precious metals processing facility and year round bulk storage and shipping facility; all located on the Baie Verte peninsula, Newfoundland and Labrador, Canada.

**The Company's vision** is to be Atlantic Canada's leading mine operator and resource developer through growth and expansion of its existing assets; discovering new deposits; strategic partnerships; mergers and acquisitions. In addition to the Ming Mine, Rambler also has additional exploration assets and strategic investments in Newfoundland and Labrador including a 100 per cent (indirect) ownership interest in the former producing Little Deer / Whales Back copper mine and a strategic investment in the former producing Hammerdown gold mine.

**For further information, please contact:**

Norman Williams, CPA,CA  
President and CEO  
Rambler Metals & Mining Plc  
Tel No: 709-800-1929  
Fax No: 709-800-1921

Peter Mercer  
Vice President, Corporate Secretary  
Rambler Metals & Mining Plc  
Tel No: +44 (0) 20 8652-2700  
Fax No: +44 (0) 20 8652-2719

Stewart Dickson /  
Carrie Drummond / David Porter  
Cantor Fitzgerald Europe  
Tel No: +44 (0) 20 7894 7000

Tim Blythe/ Megan Ray  
Blytheweigh  
Tel No: +44 (0) 20 7138 3204

Website: [www.ramblermines.com](http://www.ramblermines.com)

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## **Proposed Subscription of 261,363,636 New Ordinary Shares and Issue of Warrants**

### **Proposed Approval of a waiver under Rule 9 of the City Code**

#### **Board Changes**

#### **Notice of General Meeting**

### **1. Introduction**

The Company is pleased to announce proposals to raise approximately £10.45 million (gross) (approximately C\$19.05 million) by way of an issue of 261,363,636 new Ordinary Shares at a subscription price of 4 pence per Subscription Share by CEII Roma. The Subscription Price represents a discount of 3.0 per cent to the closing price per Ordinary Share as at 20 April 2016, the last practicable

date prior to the announcement of the Proposals, and a premium of 13.6 per cent above the 60 day VWAP prior to such date.

In connection with the Subscription, the Company has conditionally agreed to issue Warrants to CEII Roma over 200,000,000 new Ordinary Shares for an aggregate exercise price of £10 million (approximately C\$18.22 million). The Warrants can be exercised at any time prior to the date falling two years from the date of the Warrant Instrument and grant the right to subscribe for new Ordinary Shares at an exercise price of 5 pence per Warrant Share. The Exercise Price represents a premium of 21.2 per cent to the closing price per Ordinary Share as at 20 April 2016, the last practicable date prior to the announcement of the Proposals, and a premium of 42.0 per cent above the 60 day VWAP prior to such date.

The Company operates the wholly-owned Ming Copper-Gold Mine Project in Newfoundland and Labrador, Canada. On 20 July 2015, the Company announced the results of the PFS on the expansion of the Ming Copper-Gold Mine Project up to 1,250 metric tonnes per day (**mtpd**) over a 3 year period. The PFS estimated a five-year, C\$66 million capital plan, partially self-funded by the current operation. During the initial expansion the operation will require additional working capital funding to execute the plan contemplated in the PFS. During the first year a shortfall of C\$8.43 million dollars is projected with a net cash position of -C\$650,000 over the five year period at an average 5 year copper price of US\$2.81 per pound at a \$US to \$CDN foreign exchange rate of 1:0.88.

Whilst the Company continues to generate revenue from the Ming Mine operation, the Company does require external funding in order to reach full production capacity as outlined in the PFS. The Subscription will allow the Company to begin its LFZ capital development plan immediately. It will also cover the anticipated working capital shortfall and provide an additional buffer should commodity prices be lower than estimated in the PFS. The Subscription will provide a strategic injection of capital together with new Board expertise, which will allow the Company to pursue the Ming Copper-Gold Mine Project expansion plans now to, the Directors believe, better position the Company for the future. If the Warrants are exercised by CEII Roma, the Directors believe that this may provide further opportunities for the Company to execute a more expansive development plan by incorporating ore pre-concentration and re-establishing the shaft for hoisting.

Under the terms of the Subscription Agreement, the Proposed New Directors will join the Board of Directors of the Company on completion of the Subscription. Further details of the changes to the Board are set out below.

The Proposals are conditional, inter alia, on the passing of the Resolutions by Shareholders at the General Meeting, notice of which is set out at the end of the Circular. Should Shareholder approval not be obtained at the General Meeting, the Proposals will not proceed.

In the event that the Proposals do proceed, D&D Securities, as broker in respect of the Proposals, shall be entitled to certain commission payments including (i) a payment representing 2 per cent of the gross proceeds of the Subscription and (ii) a payment representing 1 per cent of the aggregate exercise price of the Warrants (payable following exercise).

On completion of the Proposals, CEII Roma's maximum interest in the Further Enlarged Share Capital will be 75.1 per cent, assuming that the Warrants are exercised in full. Without a waiver of the obligations under Rule 9 of the City Code, the subscription for the Subscription Shares and the exercise of the Warrants would require CEII Roma to make a general offer for the entire issued and to be issued share capital of the Company. As is customary, the Panel has agreed to such a waiver, subject to the Whitewash Resolution being approved at the General Meeting (on a poll) by "Independent Shareholders," such that any Shareholder who is involved in the Proposals will be disenfranchised from voting. As neither CEII nor CEII Roma currently hold any Ordinary Shares, the "Independent Shareholders" for the purposes of the Whitewash Resolution will be all of the Shareholders of the Company.

## **2. Background to and reasons for the Proposals**

Rambler is a copper-gold mining and development company with the primary objective of increasing shareholder value through the acquisition, exploration and further development of mineral projects in Atlantic Canada. The Company operates the wholly-owned Ming Copper-Gold Mine Project, which commenced commercial production in November 2012. The milling facility of the project, the Nugget Pond Milling Facility, is capable of processing both gold and copper-bearing ore types. The Nugget Pond Milling Facility is located 40 kilometres from the Ming Mine but is currently underutilized with its gold circuit under care and maintenance and its copper circuit averaging 600-800 mtpd of its 1,250 mtpd capacity. In addition, the Company also operates the Goodyear's Cove Bulk Trans-shipment Facility

which provides access to seaborne shipping lanes and 15,000 wet metric tonnes of concentrate storage. No further upgrades are being considered for the Goodyear's Cove Bulk Trans-shipment Facility in connection with the Subscription.

On 20 July 2015, the Company announced the results of the PFS on the development of the LFZ of the Ming Mine. The PFS was based on an optimisation of the current high grade massive sulphide (Phase 1) operation by blending increasing amounts of LFZ ore with the massive sulphides as production ramps up to 1,250 mtpd. Under the PFS, increases are planned in mill throughput from the current 700 mtpd to 850 mtpd in 2016; 1,180 mtpd in 2017 and finally 1,250 mtpd in 2018. Highlights of the PFS as announced are as follows:

- Net cash flow from operations of C\$273 million, undiscounted. Net after-tax cash flow of C\$110 million (before-tax C\$128 million).
- Five year, C\$66 million LFZ capital plan. During the initial expansion, the operation will require additional working capital funding to execute the plan. Under the described copper prices, the first year of the expansion is projecting a shortfall of C\$8.43 million dollars with a net cash position of -C\$650,000 over the five year period.
- During the 21 year mine life (ending 2036), after milling and recovery, approximately 536,000 tonnes of copper concentrate (337 million pounds of copper) is estimated to be produced with 89,600 ounces of gold and 527,800 ounces of silver.
- Average annual cash operating cost of C\$1.97 per equivalent pound copper (US\$1.71).

Whilst the Company continues to generate revenue from current operations, the Company requires external funding for the development of the LFZ given the aforementioned shortfall in the initial five years of the expanded operation. The Subscription allows the Company to fund the development of the LFZ together with allowing the Board to consider a more expansive development plan that is anticipated to produce improved operating and financial results relative to the base case PFS. The Subscription provides a strategic injection of capital together with new Board expertise which, in the prevailing market conditions, the Directors believe positions the Company favourably for the future and, if the Warrants are exercised, also provides an opportunity to pursue additional opportunities as noted above.

Due to lower copper prices, the Company has experienced a fall in the free cash flow generated from its operations. Consequently, the Company has a requirement to raise short-term working capital as well as the strategic capital to develop the LFZ. Subject to the Proposals being approved, the Company would

use certain net proceeds for general working capital purposes. Should the Proposals be rejected, there would be material uncertainty over the financial condition and future of the Company.

**Table 1: Mineral Reserve Estimate Summary for the Ming Mine**

Classification	Quantity	Grades				Contained Metal			
	tonnes	Copper	Gold	Silver	Zinc	Copper	Gold	Silver	Zinc
		%	g/t	g/t	%	M lbs	K oz	K oz	M lbs
<b>Total Proven Reserve</b> (undiluted, unrecovered)	<b>5,205,300</b>	<b>1.98</b>	<b>0.43</b>	<b>3.08</b>	<b>0.07</b>	<b>226.9</b>	<b>71.6</b>	<b>515.5</b>	<b>8.4</b>
<b>Total Probable Reserve</b> (undiluted, unrecovered)	<b>3,050,100</b>	<b>1.99</b>	<b>0.76</b>	<b>3.19</b>	<b>0.10</b>	<b>133.8</b>	<b>74.2</b>	<b>312.4</b>	<b>6.6</b>
<b>Dilution (all sources)</b> (unrecovered)	<b>1,374,500</b>	<b>0.61</b>	<b>0.06</b>	<b>0.70</b>	<b>0.01</b>	<b>18.5</b>	<b>2.6</b>	<b>31.0</b>	<b>0.3</b>
<b>Mineral Reserve</b> (diluted and recovered)	<b>8,666,900</b>	<b>1.79</b>	<b>0.48</b>	<b>2.77</b>	<b>0.07</b>	<b>341.2</b>	<b>133.5</b>	<b>772.8</b>	<b>13.8</b>

**Notes:**

1. All figures are rounded to reflect the accuracy of the estimate; numbers may not total due to this rounding. This reserve statement reflects changes to reserves in the massive sulphides based on depletion due to mining and additions due to new exploration drilling results. The net smelter return for the reserve material was calculated using an all-in cost of C\$147 per tonne of ore milled for the massive sulphides and C\$118 per tonne of ore milled for the lower footwall zone.
2. Forecast long term metal prices of US\$2.79 per pound copper, US\$1,100 per ounce gold, and US\$15.50 per ounce silver with a long term US\$/C\$ foreign exchange rate of 1:0.88.

**Table 2: Mineral Resource Estimate Summary for the Ming Mine**

Classification	Quantity	Grades				Contained Metal			
	('000) t	Copper	Gold	Silver	Zinc	Copper	Gold	Silver	Zinc
		%	g/t	g/t	%	M lbs	K oz	K oz	M lbs
<b>Measured Total</b>	19,127	1.50	0.23	1.90	0.05	632.0	141.8	1,167.9	19.9
<b>Indicated Total</b>	9,199	1.53	0.39	2.07	0.07	310.5	115.3	613.5	14.3
<b>M&amp;I Total</b>	<b>28,326</b>	<b>1.51</b>	<b>0.28</b>	<b>1.96</b>	<b>0.05</b>	<b>942.5</b>	<b>257.1</b>	<b>1,781.4</b>	<b>34.2</b>
<b>Inferred Total</b>	5,086	1.51	0.66	3.75	0.21	169.7	107.8	613.4	23.6

**Notes:**

1. Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect the accuracy of the estimate. Cut-off grades of 1.0 per cent copper for the massive sulphides, 1.25 grams per tonne gold for any gold zones and 1.00 per cent copper for the stringer sulphides have been used in the estimate.
2. Cut-offs are based on a net smelter return model and forecast long term metal prices of US\$2.79 per pound copper and US\$1,100 per ounce gold, and US\$15.50 per ounce silver with a long term US\$/C\$ foreign exchange rate of 1:0.88. Zinc does not contribute to the revenues. Resources are inclusive of reserves.



The Company also has additional exploration assets and strategic investments in Newfoundland and Labrador, including the past producing Little Deer Mine, located 10 km north of Springdale, Newfoundland (**Little Deer**), and the Whalesback mine, located approximately 800 metres northeast from the Little Deer mine (**Whalesback**) (in each case, 100% indirect ownership, through the acquisition of Thundermin, as per the Company's announcements dated 3 September 2015 and 13 January 2016). Together these have an indicated mineral resource of 129.1 million pounds of copper and an inferred mineral resource of 191.3 million pounds of copper according to the Little Deer Technical Report and mineral resource estimates undertaken by P&E Mining Consultants Inc. of Toronto, Ontario, which were produced in accordance with NI 43-101.

**Table 3: Summary of Whalesback and Little Deer Mineral Resources at 1.0% Copper Cut-Off (P&E, July 9, 2012 (Whalesback) and the Little Deer Technical Report)**

<b>Resource Classification/Zone</b>	<b>Quantity tonnes</b>	<b>Cu %</b>	<b>Cu M lbs</b>
<i>Indicated Mineral Resources</i>			
Whalesback	797,000	1.67	29.3
<i>Inferred Mineral Resources</i>			
Whalesback	443,000	1.57	15.3
<i>Indicated Mineral Resources</i>			
Little Deer Zone	1,911,000	2.37	99.8
<i>Inferred Mineral Resources</i>			
Little Deer Zone	1,240,000	1.93	52.8
Little Deer Footwall Zone	1,711,000	2.04	77.0
Little Deer Footwall Zone Splay	797,000	2.64	46.2
<b>Total Indicated Resources</b>	<b>2,708,000</b>	<b>2.16</b>	<b>129.1</b>
<b>Total Inferred Resources</b>	<b>4,191,000</b>	<b>2.07</b>	<b>191.3</b>

**Notes:**

1. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
2. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
3. The mineral resources in this announcement were estimated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
4. Ordinary Kriging was used for Cu grade interpolation.
5. Grade capping of 5% and 15% Cu, respectively, utilized on composites for Whalesback and Little Deer.
6. A variable bulk density based on numerous field measurements was used for tonnage calculations. Whalesback: A copper price of US\$3.82/lb (June 30, 2012 two year trailing average) and an exchange rate of US\$0.99=C\$1.00 was utilized to derive the 1% Cu cut-off grade. Mining costs were C\$45/t, process costs were C\$16/t and G&A was C\$6/t. Concentrate freight and smelter treatment charges were C\$10/t mined. Concentrate mass pull was 7%, process recovery was 97%, smelter payable was 96% and Cu refining was US\$0.07/lb.
7. Little Deer: A copper price of US\$3.42/lb (May 31, 2011 24 two year trailing average) and an exchange rate of US\$0.95=C\$1.00 was utilized to derive the 1% Cu cut-off grade. Mining costs were C\$40/t, process costs were C\$15/t and G&A was C\$5/t. Concentrate freight and smelter treatment charges were C\$10/t mined. Concentrate mass pull was 7%, process recovery was 97%, smelter payable was 96% and Cu refining was US\$0.07/lb.

8. All assays were analyzed at Eastern Analytical Limited of Springdale Newfoundland. A QAQC program of field and lab duplicates, certified standards and blanks was put in place.
9. The mineral resource estimate for Whalesback is based on diamond drill hole records from 316 surface and underground drill holes totalling 37,163 m of drilling. Fourteen of these holes were drilled recently by Thundermin and Cornerstone Resources Inc (see Thundermin news releases dated October 20, 2011 and February 23 and May 10, 2012) and the remainder were drilled by British Newfoundland Exploration Company between 1961 and 1970.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

### 3. Current Trading and Prospects

On 30 March 2016, the Company announced its unaudited financial results and operational highlights for the quarter ended 31 January 2016, which contained the following statements:

#### KEY FINANCIAL HIGHLIGHTS (C\$, 000's):

	<b>Q2 2016</b>	<b>Q1 2016</b>	<b>YTD 2016</b>	<b>Q2 2015</b>	<b>YTD 2015</b>
Revenue	<b>8,327</b>	11,203	19,530	10,527	22,825
Profit/(loss) after tax	<b>(1,544)</b>	364	(1,180)	(4,343)	(4,067)
Earnings/(loss) per share (\$)	<b>(0.011)</b>	0.003	(0.008)	(0.030)	(0.028)

#### FINANCIAL HIGHLIGHTS

- A total of 3,770 dmt (Q1/16: 4,879 dmt, Q2/15: 5,005 dmt) of concentrate was provisionally invoiced during the period at an average price of C\$2.89 (Q1/16: C\$3.10, Q2/15: C\$3.39) per pound copper;
- Revenue for the quarter was C\$8.3 million (Q1/16: C\$11.2 million, Q2/15: C\$10.5 million) after adjustments arising from second provisional invoices and final settlement of provisional invoices;
- Cash flows generated from operating activities were C\$1.8 million (Q1/16: C\$2.2 million, Q2/15: C\$2.2 million);
- Net cash direct costs per pound of copper net of by-product credits ('C1') for the quarter were C\$2.46 (Q1/16: C\$1.99, Q2/15: C\$2.97). Copper produced in the same quarter was 2.1 million pounds (Q1/16: 2.8 million, Q2/15: 2.8 million) which accounts for the increase in C1 costs compared to Q1/16. The decrease compared to Q2/15 is due to increased productivity in Q2/16;
- Earnings before interest, taxes, depreciation and amortisation were C\$0.75 million for the three months ended January 31, 2016 compared to C\$2.9 million in Q1/16 and C\$(4.4) million in Q2/15;
- Loss before tax for the quarter was C\$2,079,000 (Q1/16: profit of C\$554,000, Q2/15: loss of C\$5,960,000). The loss in the second quarter of 2016 was mainly the result of reduced copper grade and depressed copper prices together with a non-cash foreign exchange loss of C\$1,146,000 on the retranslation of the Gold Loan;

- Cash flows generated from operating activities for Q2/16 were C\$1.8 million compared with cash generated of C\$2.2 million in Q1/16 and C\$2.2 million in Q2/15. The generation of cash from operations for the three months is from a cash operating profit offset by changes in working capital;
- The Group recorded an unrealised gain of C\$1,369,000 on the movement in the differences between anticipated commodity prices upon final settlement of concentrate in the Group's warehouse at period end and shipments delivered pending final settlements;

## **OPERATIONAL HIGHLIGHTS**

- Production of 56,548 dmt (Q1/16: 58,053 dmt, Q2/15: 54,869 dmt) was in line with the previous quarters and the fiscal guidance. Copper concentrate grade averaged 26% (Q1/16: 26%, Q2/15: 28%);
- Rambler maintained the same production level as the previous quarter of ~56,458 dmt. During the second half, the operation will continue to increase mill throughput with a target of 850 mtpd by the end of the fiscal year;
- Phase II optimisation strategy was initiated with LFZ development ore blended with ongoing production from the high grade massive sulphide zones;
- Operating loss of C\$1,659,000 (Q1/16: profit of C\$872,000, Q2/15: loss of C\$1,628,000);
- Head grades of copper 2.07%, gold 1.40 g/t and silver 10.20 g/t with recoveries to concentrate for copper 96.4%, gold 75.3% and silver 75.4%;

## **STRATEGIC OBJECTIVES**

- Continue with the implementation pre-feasibility optimisation strategy with a goal to fully optimize all available infrastructure at the mine and mill sites;
- Maintaining focus on continuing to reduce operating costs at the operation;
- Increasing available resources and reserves through further exploration both within the Ming Mine and current land holdings.

## **SHORT-TERM LIQUIDITY**

The Company's financial position is highly leveraged to copper prices. Due to the prolonged lower copper price environment, the Company's financial position has continued to weaken. As at 20 April 2016, being the latest practicable date prior to the publication of this document, the Company had cash of C\$1.02 million and receivables of C\$1.12 million. The Company has trade and other payables of C\$5.2 million. Consequently, the Company has a requirement to raise short-term working capital as well as the strategic capital to develop the LFZ. Subject to the Proposals being approved, the Company would use certain net proceeds for general working capital purposes. Should the Proposals be rejected, there would be material uncertainty over the financial condition of the Company and its ability to deliver against the three strategic objectives outlined immediately above.

See “Forward-Looking Statements”.

#### **4. Reasons for the Subscription and Use of Proceeds**

The Directors have considered the best way to finance the Company’s capital and working capital requirements, having regard to, among other things, the Company’s present financial position and future prospects, copper prices, US\$:C\$ exchange rates, current equity market conditions and access to capital. After considering these factors and having considered a wide range of alternative financing solutions, the Directors concluded that this Subscription was the best option available to the Company and its Shareholders as a whole.

The net proceeds of the Subscription, when added to the existing resources available to the Company, will be used to:

- fund the development of the LFZ and associated expansion of the plant;
- increase working capital; and
- fund matters approved by the Board following completion of the Subscription, in accordance with a detailed budget to be agreed between the Company and CEII Roma.

#### **5. Information on the Subscription and the Warrants**

The Subscription is to be made pursuant to a conditional subscription agreement dated 20 April 2016 between the Company and CEII Roma, whereby CEII Roma agreed to subscribe for 261,363,636 Subscription Shares (at the Subscription Price) and the Company agreed to issue the Warrants (to subscribe for a maximum number of 200,000,000 Warrant Shares at the Exercise Price) to CEII Roma. Completion of the Subscription is conditional upon a number of conditions including, amongst other things, the passing of the Resolutions and Admission. The Subscription Agreement also contains a lock-in in relation to the Subscription Shares and any Warrant Shares for a period of six months following Admission, subject to certain customary exceptions.

Following completion of the Subscription, CEII Roma will hold, in aggregate, 261,363,636 Ordinary Shares, representing approximately 63.1 per cent of the Enlarged Share Capital (assuming that no further Ordinary Shares are issued between the date of this announcement and Admission). Following the exercise of the Warrants in full, CEII Roma will hold, in aggregate, 461,363,636 Ordinary Shares, representing 75.1 per cent of the Further Enlarged Share Capital (assuming that, save for the Subscription Shares, no further Ordinary Shares are issued between the date of this announcement and Second Admission). CEII Roma’s maximum potential controlling position is therefore 461,363,636 Ordinary Shares, representing just over 75 per cent of the Further Enlarged Share Capital.

#### **6. Information on CEII and CEII Roma**

##### **CEII Roma**

CEII Roma was incorporated in the Cayman Islands on 12 April 2016 as an exempted company with limited liability with registered number 310428. CEII Roma’s registered office is at the offices of Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands. The directors of CEII Roma are Simon Palmer and Russell Burt. CEII

Roma was incorporated with a share capital of one ordinary share of US\$1 and is 100 per cent owned by CEII GP on behalf of CEII, which has paid up that share in full. CEII Roma has not yet filed accounts. CEII Roma has no subsidiaries, and has only one shareholder. CEII Roma has no trading business and was incorporated and capitalised for the sole purpose of investing in the Company. Following the Proposals, the only assets held by CEII Roma will be (i) 261,363,636 Ordinary Shares representing approximately 63.1 per cent of the Enlarged Share Capital and (ii) the Warrants. Other than the Subscription Agreement, the Equity Commitment Letter and the Relationship Agreement, CEII Roma has not entered into any material contracts. With effect from completion of the Proposals, the Subscription Shares and the Warrants and the rights and advantages attached or accruing to them will therefore represent all or substantially all of CEII Roma's earnings, assets and liabilities (other than the liabilities assumed by CEII Roma in connection with completion of the Subscription).

## **CEII**

CEII is a specialised investment fund, established in 2015 to invest in hard asset mining and mineral projects. It is organised as a Cayman Islands exempted limited partnership, with CEII GP as its general partner. CEII GP is established as an exempted company registered in the Cayman Islands and takes all investment and divestment decisions and carries out the administration, portfolio management and marketing functions relating to CEII. CEII GP receives a management fee from CEII and is administered by Augentius (Guernsey) Limited. A diagram summarising the fund structure of CEII is set out below.

## **CEII GP and CEII GP Holdco**

CEII GP's directors are (i) David Dorey, (ii) Simon Palmer and (iii) Russell Burt. CEII GP is wholly owned by CEII GP Holdco. CEII GP Holdco is a Guernsey incorporated limited liability company. Its shareholders are:

- (i) Bradford Mills;
- (ii) Generation Resources Limited, which is affiliated with Cyril Le Tonqueze;
- (iii) Mark Sander;
- (iv) Anton Mauve; and
- (v) Sanjay Swarup.

CEII GP Holdco's directors are (a) Cyril Le Tonqueze, (b) Mark Sander and (c) Anson Limited, a corporate director incorporated in Guernsey. CEII GP receives advice and investment recommendations from its investment adviser, Plinian. Plinian has no power or authority to make any investment decision or any other decision on behalf of CEII GP, nor to bind CEII GP.

## **Plinian**

Plinian is an appointed representative of Generation Asset Management (UK) Limited (**Generation**), which is currently authorised and regulated by the FCA. Plinian is a limited company incorporated in England and its directors and shareholders are:

- (i) Bradford Mills;

(ii) Anton Mauve;

(iii) Mark Sander; and

(iv) Sanjay Swarup.

Bradford Mills and Mark Sander are Proposed Directors, and accordingly brief biographies of them and the other Proposed New Directors are set out in paragraph 10 below.

#### **CEII Carried Interest Partner**

The CEII Carried Interest Partner is a carried interest partnership which will participate in income and realisation proceeds arising from CEII's investments after a preferred return has been distributed to the limited partner investors in CEII. The partners in the CEII Carried Interest Partner (**CEII Carried Interest Partner LPs**) are:

(i) Bradford Mills;

(ii) Anton Mauve;

(iii) Mark Sander;

(iv) Riviera Properties Holdings Limited, affiliated with Cyril Le Tonqueze;

(v) Sanjay Swarup;

(vi) Beacon Consulting UK Limited, which is affiliated with Christopher Davies (a consultant of Plinian); and

(vii) Duncan Bowker (an employee of Plinian).

#### **CEII Portfolio Companies**

CEII currently holds minority equity interests in three mining companies, in each case via wholly-owned exempted companies incorporated in the Cayman Islands with limited liability for the sole purpose of investing in the relevant portfolio company:

(i) Circum

Circum owns a 100% interest in the 365km<sup>2</sup> potash project, the Danakil Project, which is situated in the Danakil Basin of the Afar Region of north-eastern Ethiopia. Since taking control of the Danakil Project in January 2013, Circum has developed the project through further exploration and investment in infrastructure, including 11,000 metres of drilling and assays, a seismic programme, water exploration, and drilling of a test well for trial solution mining.

(ii) CNM

CNM is a nickel-focused development vehicle that is restarting the Munali Nickel mine in Southern Zambia. Mining operation commenced in 2011 and stopped in 2013. The operation is currently on a high-level care and maintenance programme.

(iii) Helio

Helio, which is traded on the TSX Venture Exchange (symbol HRC.V), is an advanced stage gold exploration and development company with exploration licenses and operations in Tanzania, comprising the SMP Project, and in Namibia, the Damara Gold Project (currently optioned out).

In each case, CEII is co-invested with CE Mining, a company established by the beneficial owners of CEII GP in April 2013 as a predecessor investment vehicle to CEII. On its formation, CEII acquired a package of warrants from CE Mining to provide CEII with an initial investment pipeline. These warrants were originally acquired by CE Mining in connection with its equity financing of its own portfolio companies.

**Persons acting in concert with CEII**

In addition to the CEII Roma Directors, CEII, CEII GP and the CEII GP Directors, the persons who, for the purposes of the City Code, are acting, or deemed to be acting, in concert with CEII Roma in respect of the Subscription are:

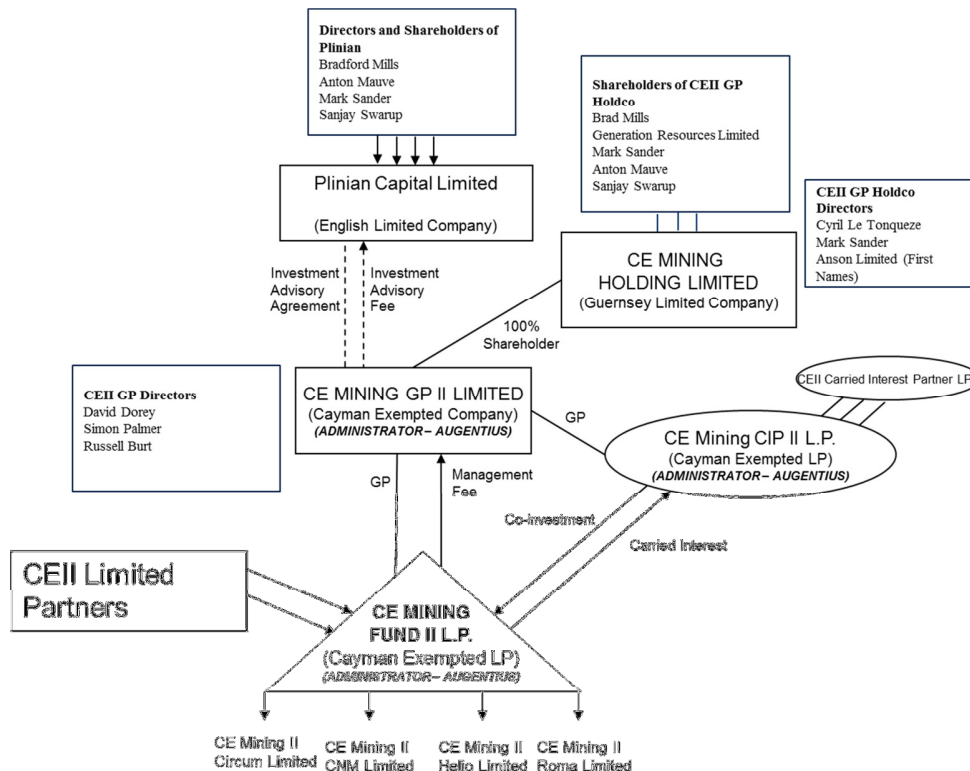
<b>Party</b>	<b>Type</b>	<b>Registered Office</b>	<b>Relationship with CEII Roma</b>
CEII GP Holdco	A company incorporated and registered in Guernsey	Anson Court, La Route des Camps, St. Martin, Guernsey GY4 6AD	Parent company of CEII GP
Bradford Mills	N/A	N/A	Shareholder of CEII GP and Plinian; CEII Carried Interest Partner LP
Cyril Le Tonqueze and his affiliated companies Generation Resources Limited and Riviera Properties Holdings Limited	N/A	N/A	Shareholder of CEII GP; CEII Carried Interest Partner LP; affiliated to Generation
Anton Mauve	N/A	N/A	Shareholder of CEII GP and Plinian; CEII Carried Interest Partner LP
Mark Sander	N/A	N/A	Shareholder of CEII GP and Plinian; CEII Carried Interest Partner LP
Sanjay Swarup	N/A	N/A	Shareholder of CEII GP and Plinian; CEII Carried Interest Partner LP

Plinian	Private limited company incorporated and registered in England	88 Chester Square, London, SW1W 9HJ	Investment adviser to CEII
Generation	Private limited company incorporated and registered in England	7th Floor, 7 Old Park Lane, London W1K 1QR	Affiliated to Cyril Le Tonqueze; Plinian is its appointed representative for the purposes of its role as investment adviser to CEII
CEII Carried Interest Partner	A Cayman Islands exempted limited partnership	c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands	Limited partner in CEII
Christopher Davies and his affiliated company Beacon Consulting UK Limited	N/A	N/A	CEII Carried Interest Partner LP
Duncan Bowker	N/A	N/A	CEII Carried Interest Partner LP
CE Mining	A company incorporated and registered in Guernsey	Anson Court, La Route des Camps, St. Martin, Guernsey GY4 6AD	Under common control with CEII GP
CEII Limited Partners	N/A	N/A	Limited partner investors in CEII
CNM	Private limited company incorporated and registered in England	180 Piccadilly, London W1J 9HF	Portfolio company of CEII
Helio	A company incorporated under the laws of British Columbia	Suite 580, 625 Howe Street, Vancouver, British Columbia, Canada	Portfolio company of CEII



## Fund structure of CEII

The fund structure of CEII is summarised in the following structure chart:



## 7. City Code, Rule 9 Waiver and Whitewash Resolution

The Proposals give rise to certain considerations under the City Code. Brief details of the Panel, the City Code and the protections they afford are described below.

The City Code is issued and administered by the Panel. The City Code applies to all takeover and merger transactions, however effected, where the offeree company is, among other things, a listed or unlisted public company resident in the United Kingdom (and to certain categories of private limited companies). The Company is a public company registered in England and Wales whose Ordinary Shares are admitted to trading on AIM, and its Shareholders are therefore entitled to the protections afforded under the City Code.

Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. An offer under Rule 9 of the City Code must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the Company during the 12 months prior to the announcement of the offer.

Shareholders should be aware that, under the City Code, if a person (or group of persons acting in concert) holds interests in shares carrying more than 50 per cent of the Company's voting rights, that person (or any person(s) acting in concert with him) will normally be entitled to increase their holding or voting rights without incurring any further obligations under Rule 9 to make a mandatory offer, although individual members of any concert party will not be able to increase their percentage shareholding above a Rule 9 threshold without Panel consent. Such persons should however consult with the Panel in advance of making such further acquisitions. Shareholders should be aware that should the Whitewash Resolution be passed, and all the conditions to the Subscription be satisfied including Admission, CEII Roma will hold, in aggregate, 261,363,636 Ordinary Shares, representing approximately 63.1 per cent of the Enlarged Share Capital (assuming that no further Ordinary Shares are issued between the date of this announcement and Admission). Further, Shareholders should be aware that following exercise of the Warrants in full, CEII Roma will hold, in aggregate, 461,363,636 Ordinary Shares, representing 75.1 per cent of the Further Enlarged Share Capital (assuming that, save for the Subscription Shares, no further Ordinary Shares are issued between the date of this announcement and Second Admission). The Warrants could be exercised immediately following Admission, expected to take place at 8.00 a.m. on 31 May 2016, at any time up to the date falling two years from the date of the Warrant Instrument. CEII Roma's maximum potential controlling position is therefore 461,363,636 Ordinary Shares, representing 75.1 per cent of the Further Enlarged Share Capital, and CEII Roma could reach this maximum potential controlling position shortly following completion of the Subscription.

Subject to the approval of Independent Shareholders at the General Meeting, the Panel has agreed to waive the obligation to make a general offer that would otherwise arise as a result of the Proposals. Accordingly, the Whitewash Resolution is being proposed at the General Meeting and will be taken by means of a poll of Independent Shareholders attending and voting at the General Meeting. As explained above, the "Independent Shareholders" will comprise all Shareholders of the Company.

#### **8. Potential voting rights of CEII Roma**

If the Resolutions are passed at the General Meeting and Admission is effective, but prior to any Warrant Shares being issued and on the assumption that no further Ordinary Shares are issued between the date of this announcement and Admission, CEII Roma's holding would constitute 63.1 per cent of all the voting rights in the Company, enabling it to pass ordinary shareholder resolutions unilaterally. Additionally, following exercise of the Warrants and on the assumption that no further Ordinary Shares are issued between the date of this announcement and Second Admission, CEII Roma's holding would constitute 75.1 per cent of all the voting rights in the Company, enabling it to pass special resolutions unilaterally. Accordingly, CEII Roma would, through the votes it will be able to exercise at general meetings of the Company, be able to exercise a significant degree of influence over the outcome of certain matters to be considered by Shareholders, including:

- (a) the election of Directors (although this would be subject to the provisions of the Relationship Agreement which are summarised below);
- (b) a change of control in the Company, which could deprive Shareholders of an opportunity to earn a premium for the sale of their Ordinary Shares over the then prevailing market price;
- (c) substantial mergers or other business combinations;
- (d) the acquisition or disposal of substantial assets;
- (e) the issuance of equity securities; and
- (f) the payment of any dividends on the Ordinary Shares.

The concentration of ownership in CEII Roma may have the effect of delaying, deferring or preventing a change of control, merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have an adverse effect on the trading price of the Ordinary Shares. There can be no assurance that the interests of CEII Roma will in all cases be aligned with those of the Company or of other Shareholders.

The voting rights of CEII Roma would, following the passing of Resolution 5 in the Notice of General Meeting, be restricted in relation to resolutions to delist the Company from trading on AIM for as long as it held more than 50 per cent of the issued Ordinary Shares as more fully described in paragraph 12 below.

### **9. Intentions of CEII Roma**

CEII Roma has confirmed that it is not proposing, following the Subscription or any increase in its proportionate shareholding as a result of the exercise of the right to subscribe for new Ordinary Shares under the Warrants, to seek any change in the general nature of the Company's business, and has confirmed that it does not intend to take any action (whether through its Director appointees or as Shareholder) to alter the management of the Company, the continued employment of the Group's employees (including any material change in conditions of employment), employer contributions into the Company's pension schemes, the location of the Company's places of business and the deployment of the Company's fixed assets.

CEII Roma intends to conduct the business of the Company in the same manner as it is currently conducted and there are no plans to introduce any material change to the business of the Company.

CEII Roma has no intention to cause the Company to cease to maintain any of the trading facilities in respect of the Ordinary Shares. It is proposed that any future proposal to delist the Company will be subject to the Minority Protection Provisions, as described in paragraph 12 below.

In the event that the Proposals are approved at the General Meeting, CEII Roma will not be restricted from making an offer for the Company.

### **10. Proposed Board Composition**

Under the terms of the Subscription Agreement, the composition of the Board will change. The Proposed New Directors will join the Board, and certain Directors will leave the Board. On Admission, the Board will be comprised of the following:

<b>Name</b>	<b>Appointment</b>	<b>Remarks</b>
Bradford Mills	Non-Executive Director	Proposed New Director
Mark Sander	Non-Executive Director	Proposed New Director
Belinda Labatte	Non-Executive Director	Proposed New Director
Terrell Ackerman	Non-Executive Director	Proposed New Director

Norman Williams	Executive Director	Director
Glenn Poulter	Non-Executive Director	Director
Eason Cong Chen	Non-Executive Director	Director

Brief biographies of the Proposed New Directors are set out below:

*Bradford Alan Mills, Non-Executive Director aged 63*

Mr. Mills has over 30 years of experience in the resource industry. He is the founder and managing director of Plinian, a private equity firm whose principal business is investment in natural resources projects and companies. Mr. Mills formerly held the position of Chief Executive Officer of Lonmin Plc. Prior to that, Mr. Mills served as President of BHP Billiton's copper group. Mr. Mills is a member of the advisory board to the Stanford University School of Earth, Energy and Environmental Sciences.

Mr. Mills is a current or past director of the following companies:

<b>Present</b>	<b>Past five years</b>
Circum	Lonmin Plc
CNM	
Helio	
Jiva Capital Projects Limited	
Mandalay Resources Corporation	
Plinian	
West African Minerals Corporation	

*Mark Vandyke Sander, Non-Executive Director, aged 61*

Dr. Sander holds a PhD in Ore Deposits and Exploration from Stanford University (USA) and has been active in the mineral resource industry for over 25 years in operations, strategy and exploration, with a focus on copper, gold and platinum projects. Prior to joining Mandalay Resources Corporation, Dr. Sander's industry experience included serving as Vice President of Strategy and Planning for BHP Billiton's copper group. He is a co-founder of Plinian and President of Mandalay Resources Corporation.

Mr. Sander is a current or past director of the following companies:

<b>Present</b>	<b>Past five years</b>
CE Mining Limited	Stillwater Mining Company
CE Mining Holding Limited	
Helio	
Integrity Leadership Group LLC	
Mandalay Resources Corporation	
Nimini Mining Ltd.	
Plinian	
Sander Commercial Real Estate LLC	
Sander LLC	

*Belinda Elaine Labatte, Non-Executive Director, aged 41*

Ms. Labatte holds an MBA from the Rotman School of Management, University of Toronto and is a CFA charterholder. She worked with Mandalay Resources in the capacity of Corporate Secretary from 2010 to the present, and in the capacity of Head of Stakeholder Engagement and Corporate Affairs from 2015 to the present. She is the founder of The Capital Lab Inc. Ms. Labatte has worked on global investor relations advisory mandates, transaction support and implementing corporate responsibility and crisis management strategies within the extractive sector. In 2014, Ms. Labatte was awarded the Professional of the Year Award from the Canadian Investor Relations Institute. She was nominated to the Board of Directors of the Prospectors & Developers Association of Canada in March 2015.

Ms. Labatte is a current or past director of the following companies:

<b>Present</b>	<b>Past five years</b>
The Capital Lab Inc	No additional companies
Elgin Mining Inc.	
Mandalay Elgin Holdings Inc	
Bonito Capital Corp.	
Lupin Mines Incorporated	
Prospectors and Developers Association of	

Canada

*Terrell Iver Ackerman, Non-Executive Director, aged 62*

Mr. Ackerman was interim Chief Executive Officer of Stillwater Mining Company until 2013, having joined the Company in March 2000 as Director of Corporate Planning. During 1998 and 1999, Mr. Ackerman conducted feasibility studies, operational and mine planning reviews for various underground operations. Prior to this time, Mr. Ackerman was Vice President and General Manager of BHP Copper's San Manuel Operation in Arizona. Mr. Ackerman held increasing roles of accountability for Magma Copper Company starting as an underground engineer in training in 1976. Mr. Ackerman received a Bachelor of Science degree in Mine Engineering from the University of Idaho College of Mines.

Mr. Ackerman is a current or past director of the following companies:

<b>Present</b>	<b>Past five years</b>
Hard Rock Mining Solutions LLC	
TI Ackerman & Associates Ltd	

As at the date of this announcement, none of the Proposed New Directors have a beneficial interest in the issued share capital of the Company.

There are no other matters under paragraph (g) of Schedule 2 of the AIM rules to be disclosed in connection with the Proposed New Directors.

### **11. Relationship Agreement**

It is now compulsory for a premium listed company with a controlling shareholder to have a written and legally binding agreement in place regulating their relationship. Whilst the Company is not admitted to the Official List of the UK Listing Authority, and is instead admitted to AIM (in addition to being listed on the TSX-V), it is nevertheless now considered to be good market practice to have a relationship agreement in place where a Company has a controlling shareholder. As a result the Company and CEII Roma have agreed that it would be appropriate for them to enter into such an agreement.

The Relationship Agreement will take effect on Admission and will be binding on CEII Roma until it ceases to be interested in (together with its associates and any concert parties) at least 30 per cent of the total voting rights of the Company. Pursuant to the Relationship Agreement, CEII Roma undertakes, amongst other things, that it will procure (and will procure that each of its associates will procure): (i) that all transactions with the Group are conducted on an arm's length basis; (ii) that no arrangement between it and any member of the Group is entered into or varied without the prior approval of a majority of Directors who are independent of CEII Roma; (iii) that the Company is able to carry on its business independently of CEII Roma and its associates; and (iv) that the audit, remuneration and nomination committees of the Board will be constituted entirely of Non-Executive Directors at least two of whom shall be independent and no more than one of whom may be a representative director of CEII

Roma unless otherwise agreed by a majority of directors who are independent of CEII Roma. CEII Roma also undertakes that it will not, and will procure that its associates will not, seek to de-list the Ordinary Shares from trading on AIM (other than in accordance with the Minority Protection Provisions proposed to be added to the Company's articles of association.

CEII has undertaken to the Company that it will procure, so far as it is able, that CEII Roma will not take any action which would, or is reasonably likely to, give rise to a breach by CEII Roma of its obligations under the Relationship Agreement.

The Relationship Agreement also contemplates the changes to the composition of the Board. Following completion under the Subscription Agreement taking place:

George Ogilvie, John Thomson, Tat Sze Chan and Leslie Goodman shall resign as Directors; and

Bradford Mills, Mark Sander, Belinda Labatte and Terrell Ackerman shall be appointed by CEII Roma as representative directors of the Company.

## **12. Proposed amendment to the Articles of Association**

In order to delist the Company from trading on AIM, the AIM Rules for Companies require a special resolution of the Shareholders approving the delisting to be passed (**Delisting Resolution**). Following Second Admission, and assuming, save in relation to the Subscription, no Ordinary Shares are issued between the date of this announcement and Second Admission, CEII Roma will own just over 75 per cent of the Further Enlarged Share Capital and could therefore approve a Delisting Resolution unilaterally. The Company is therefore asking its shareholders to approve an amendment to its articles of association to include an article (the **Minority Protection Provisions**) which provides that any Shareholder who, together with persons acting in concert with it, holds more than 50 per cent of the issued Ordinary Share capital of the Company (**Majority Shareholder**) cannot vote in relation to a Delisting Resolution unless they have first made a "Qualifying Offer" to the remaining Shareholders. A **Qualifying Offer** means an offer made at price per share which is the higher of: the highest price paid by the Majority Shareholder (or any person acting in concert with it) for any share in the last 12 months preceding the date of the Qualifying Offer; the 60 day VWAP per share in the Company plus a 30 per cent premium at the date of such Qualifying Offer. Any Qualifying Offer would need to be made in accordance with the City Code.

## **13. Approval of CEII Roma as a Control Person**

The TSX Venture Exchange requires that the Company seeks approval from Disinterested Shareholders (as defined below) with respect to the creation of a new Control Person (as defined below).

Under the policies of the TSX Venture Exchange, a **Control Person** includes any person that has 20% or more of the equity share capital of the Company or any person that has the superior right to nominate more than one third of the directors of the Company. As a result of the issue of the Subscription Shares and the appointment of the Proposed New Directors in connection with the Subscription, the TSX Venture Exchange considers CEII Roma to be a new Control Person and requires that Disinterested Shareholders (as defined below) of the Company approve and ratify CEII Roma as a new Control Person.

Disinterested Shareholders (as defined below) will be asked to consider and, if deemed advisable, approve the ordinary resolution in the following form:

**“THAT, subject to and conditional upon the passing of Resolutions 1 and 2, CEII Roma be hereby approved and ratified as a new “Control Person” of the Company, as such term is defined under the policies of the TSX Venture Exchange and that any one Director or officer of the Company be and is hereby authorised and directed to do all such further acts and things and to execute and deliver or sign (as the case may be) all such further agreements, instruments, notices, certificates and other documents for and on behalf of the Company, whether under its corporate seal or otherwise, as such Director or officer may consider necessary or advisable having regard to this Resolution.”**

Disinterested Shareholder approval is the approval by a simple majority of votes cast by Shareholders excluding those votes attaching to shares beneficially owned by the proposed Control Person, its affiliates, associates and joint actors (collectively, **Disinterested Shareholders**). As neither CEII Roma nor its affiliates, associates and joint actors hold any Ordinary Shares in the Company, the Disinterested Shareholders at the date of this announcement will be all Shareholders of the Company.

#### **14. Independent Advice**

The City Code requires the Board to obtain competent independent advice regarding the merits of the transaction which is the subject of the Whitewash Resolution, the controlling position which it will create, and the effect which it will have on the Shareholders generally.

Cantor Fitzgerald, as the Company’s financial adviser, has provided formal advice to the Board regarding the Proposals and in providing such advice, Cantor Fitzgerald has taken into account the Directors commercial assessments as well as, but not limited to, the confirmations of the future intentions of CEII Roma.

Cantor Fitzgerald confirms that it is independent of CEII Roma and CEII and has no commercial relationship with CEII Roma or CEII.

#### **15. Related Party Transaction**

The possible subscription for Warrant Shares by CEII Roma may constitute a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies, as the subscription by CEII Roma would exceed 5 per cent in certain class tests (as that term is defined in the AIM Rules for Companies).

Accordingly, the Directors confirm that, having consulted with the Company’s nominated adviser, Cantor Fitzgerald, they consider the terms of the subscription for Warrant Shares and Second Admission to be fair and reasonable insofar as Shareholders are concerned.

#### **16. General Meeting**

A notice convening a General Meeting of the Company, to be held at the offices of Cantor Fitzgerald, One Churchill Place, Level 20, Canary Wharf, London E14 5RB at 2p.m. BST on 27 May 2016 is set out in the Circular. At the General Meeting, the following Resolutions will be proposed:

- (a) Resolution 1, which will be proposed as an ordinary resolution, seeks the approval of the Independent Shareholders (being all Shareholders of the Company) to waive the obligation on CEII Roma which would otherwise arise under Rule 9 of the City Code as a result of the Proposals;



- (b) Resolution 2, which will be proposed as an ordinary resolution, and is subject to the passing of Resolution 1, is to authorise the Directors to allot equity securities up to an aggregate nominal value of (i) £4,613,636 in connection with the Proposals; and (ii) £1,379,585 otherwise than pursuant to the Proposals;
- (c) Resolution 3, which will be proposed as an ordinary resolution, and is subject to the passing of Resolutions 1 and 2, is to approve and ratify CEII Roma as a Control Person of the Company;
- (d) Resolution 4, which will be proposed as a special resolution and which is subject to the passing of Resolutions 1, 2 and 3, disappplies statutory pre-emption rights, provided that such authority shall be limited to, *inter alia*, the allotment of equity securities in connection with the Proposals and otherwise the allotment of equity securities up to an aggregate nominal amount of £414,290; and
- (e) Resolution 5, which will be proposed as a special resolution and which is subject to the passing of Resolutions 1, 2, 3 and 4, amends the articles of association of the Company to add the Minority Protection Provisions.

Resolution 2 authorises the allotment of such number of Ordinary Shares as are necessary for the Proposals, as well as providing the Directors with a standing authority to allot equity securities up to an aggregate nominal value of £1,379,585 (being 33.3 per cent of the Enlarged Share Capital). Similarly, Resolution 4 authorises the disapplication of statutory pre-emption rights in respect of such number of Ordinary Shares as are necessary for the Proposals, as well as providing the Directors with a standing authority to allot equity securities otherwise than in accordance with statutory pre-emption rights up to an aggregate nominal value of £414,290 (being 10 per cent of the Enlarged Share Capital). It is considered prudent to maintain the flexibility that such authorities provide and therefore to refresh the authorities that were approved at the Company's last annual general meeting.

Only the Independent Shareholders will be entitled to vote on Resolution 1 which will be conducted on a poll at the General Meeting. Only the Disinterested Shareholders will be entitled to vote on Resolution 3.

#### **17. Irrevocable undertakings**

Certain of the Directors who hold Ordinary Shares and certain other shareholders have irrevocably undertaken to vote in favour of the Resolutions in respect of their aggregate shareholding of 79,628,482 Ordinary Shares, representing approximately 52 per cent of the Existing Ordinary Shares.

#### **18. Action to be taken**

Shareholders will find enclosed with the Circular a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, Shareholders are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it:

*in the UK:* to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or

*in Canada:* to Computershare Investor Services Inc. at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1,

as soon as possible and, in any event, so as to arrive at the appropriate office no later than 2 p.m. BST (9 a.m. Eastern Standard Time for Canadian Shareholders) on 25 May 2016. Completion and return of the Form of Proxy by a Shareholder will not affect that Shareholder's right to attend and vote in person at the General Meeting.

#### **19. Directors' recommendation**

The Directors, who have been so advised by Cantor Fitzgerald, consider the Proposals to be fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own holdings.

**Definitions** The following definitions apply throughout this announcement unless the context otherwise requires:

<b>Act</b>	the Companies Act 2006 (as amended)
<b>Admission</b>	means:  (i) the admission to trading on AIM of the Subscription Shares taking place in accordance with the AIM Rules for Companies; and  (ii) the listing of the Subscription Shares on the TSX Venture Exchange taking place
<b>AIM</b>	the market of that name operated by the London Stock Exchange
<b>AIM Rules for Companies</b>	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
<b>Articles</b>	the existing articles of association of the Company as at the date of this announcement
<b>Board</b>	the board of directors of the Company from time to time
<b>Business Day</b>	any day (excluding Saturdays and Sundays) on which banks are open in London and Toronto for normal banking business and the London Stock Exchange and TSX Venture Exchange are open for trading
<b>C\$ or Canadian Dollars</b>	Canadian dollars, being the lawful currency of Canada
<b>Cantor Fitzgerald</b>	Cantor Fitzgerald Europe of One Churchill Place, London E14 5RB
<b>CE Mining</b>	CE Mining Limited, a company incorporated and registered in Guernsey with company number 54969 whose registered office is at

Anson Court, La Route des Camps, St. Martin, Guernsey GY4 6AD

<b>CEII</b>	CE Mining Fund II L.P., a Cayman Islands exempted limited partnership with its registered office at c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands
<b>CEII Carried Interest Partner</b>	CE Mining CIP II L.P., a Cayman Islands exempted limited partnership with its registered office at c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands
<b>CEII GP</b>	CE Mining GP II Limited, an exempted company registered in the Cayman Islands with its registered office at c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands
<b>CEII GP Directors</b>	David Dorey, Simon Palmer and Russell Burt
<b>CEII GP Holdco</b>	CE Mining Holding Limited, a Guernsey incorporated company limited by shares with company number 60598 whose registered office is at Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD
<b>CEII Roma</b>	CE Mining II Roma Limited, a company incorporated in the Cayman Islands with registered number 310428, a wholly owned subsidiary of CEII
<b>CEII Roma Directors</b>	Simon Palmer and Russell Burt
<b>CIM</b>	means the Canadian Institute of Mining, Metallurgy and Petroleum
<b>Circum</b>	Circum Minerals Ltd., a company incorporated and registered in the British Virgin Islands with company number 1669880 whose registered office is ABM Chambers, PO Box 2283, Road Town, Tortola VG 1110, British Virgin Islands
<b>City Code</b>	the City Code on Takeovers and Mergers
<b>CNM</b>	Consolidated Nickel Mines Limited, a company incorporated and registered in England with company number 08017765 whose registered office is at 180 Piccadilly, London W1J 9HF
<b>Company or Rambler</b>	Rambler Metals and Mining PLC
<b>Continuing Directors</b>	means Norman Williams, Glenn Poulter and Eason Cong Chen, being the Directors who it is proposed will continue as directors of the Company

<b>D&amp;D Securities</b>	D&D Securities Inc. of 602 - 133 Richmond Street West, Toronto, ON M5H 2L3
<b>Directors</b>	the directors of the Company at the date of this announcement
<b>Enlarged Share Capital</b>	the issued ordinary share capital of the Company immediately following Admission (assuming that no additional Ordinary Shares are issued between the date of this announcement and Admission)
<b>Exercise Price</b>	means 5 pence per Warrant Share, as adjusted in accordance with the terms of the Warrant Instrument
<b>Existing Ordinary Shares</b>	the existing issued Ordinary Shares as at the date of this announcement
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom
<b>Form of Proxy</b>	the form of proxy relating to the General Meeting being sent to Shareholders
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended)
<b>Further Enlarged Share Capital</b>	the issued ordinary share capital of the Company immediately following Second Admission (assuming that the Warrants are exercised in full and that, save for the Subscription Shares, no additional Ordinary Shares are issued between the date of this announcement and Second Admission)
<b>General Meeting</b>	the general meeting of the Company convened for 2 p.m. BST on 27 May 2016 (or any adjournment of it), notice of which is set out in the Circular
<b>Gold Loan</b>	the amount paid to the Group in connection with the agreement entered into in March 2010 between Rambler, RMMC and Sandstorm Gold Ltd and subsequently amended in August 2010
<b>Goodyear's Cove Bulk Trans-shipment Facility</b>	the Goodyear's Cove Trans-shipment Facility situated at the head of Halls Bay, Newfoundland, and located approximately 1.4 kilometres west of the community of South Brook in the Green Bay District, geographic co-ordinates 49° 25' N latitude, and 56° 05' W longitude. The facility is located 142 km by an all-weather road from the Nugget Pond Mill Facility
<b>Group</b>	the Company and its subsidiary undertakings including Rambler Mines Ltd., RMMC and Amalgamation Subco
<b>Helio</b>	Helio Resource Corp., a company incorporated under the laws of British Columbia whose registered office is at Suite 580, 625 Howe

Street, Vancouver, British Columbia, Canada

<b>Independent Shareholders</b>	has the meaning given to such term in Appendix I of the City Code, and in relation to the Proposals, means all Shareholders of the Company
<b>LFZ</b>	Lower footwall zone of the Ming Mine
<b>Little Deer Technical Report</b>	means the technical report titled <i>Technical Report and Resource Estimate Update on the Little Deer Copper Deposit Newfoundland, Canada</i> with a signing date of November 1, 2013 and an effective date of July 4, 2011 prepared by P&E Mining Consultants Inc. at the joint request of Mr. John Heslop, President and CEO of Thundermin, and Mr. George Ogilvie, President of RMMC; the Little Deer Technical Report complies with the standards set in NI 43-101 and the CIM guidelines
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Ming Copper-Gold Mine Project</b>	the Ming Mine, the Nugget Pond Mill Facility and the Goodyear's Cove Bulk Trans-shipment Facility
<b>Ming Mine</b>	the Ming copper-gold mine, located approximately 17 kilometres by road east of the town of Baie Verte on the north coast of Newfoundland, geographic coordinates 49°54' N latitude and 56°05' W longitude. The site is approximately 360 kilometres by air northwest of St. John's, and 165 kilometres by road northeast of Deer Lake
<b>mtpd</b>	metric tonnes of ore per day
<b>NI 43-101</b>	National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators
<b>NI 51-102</b>	National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators
<b>NI 54-101</b>	National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators
<b>Notice of General Meeting</b>	the notice convening the General Meeting appearing at the end of the Circular
<b>Nugget Pond Mill Facility</b>	the Nugget Pond Base and Precious Metals milling facility located approximately six kilometres west of the community of Snook's Arm in the provincial district of Baie Verte, White Bay, geographic coordinates 49°50' N latitude and 55°45' W longitude. The facility is

	located 44 kilometres by an all weather road from the Ming Mine
<b>Ordinary Shares</b>	ordinary shares of 1 penny each in the capital of the Company
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>PFS</b>	means the pre-feasibility study titled <i>Pre-Feasibility Study – Ming Copper-Gold Mine Phase 2A</i> , with an issue date of September 3, 2015, a report effective date of July 20, 2015, a Ming mass sulphide resource statement effective date of June 1, 2015 and a LFZ resource estimate effective date of December 2, 2014 prepared by WSP Canada Inc., in conjunction with Thibault & Associates Inc., Pakalnis & Associates and West Coast Engineering Ltd. at the request of RMMC; the PFS complies with the standards set in NI 43-101 and the CIM guidelines
<b>Plinian</b>	Plinian Capital Limited, a company incorporated and registered in England with company number 7010245 whose registered office is 88 Chester Square, London, SW1W 9HJ
<b>Proposals</b>	means the Subscription and the proposed issue of the Warrants
<b>Proposed Directors</b>	means the Continuing Directors and the Proposed New Directors, being all of the persons proposed to be directors of the Company
<b>Proposed New Directors</b>	means Bradford Mills, Mark Sander, Belinda Labatte and Terrell Ackerman, being the proposed new directors of the Company
<b>Prospectus Rules</b>	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
<b>Registrars or Computershare</b>	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE or Computershare Investor Services Inc. at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (as applicable)
<b>Relationship Agreement</b>	the relationship agreement to be entered into on completion of the Subscription between CEII, CEII Roma and the Company in connection with the Proposals
<b>Resolutions</b>	the resolutions set out in the Notice of General Meeting
<b>RMMC</b>	Rambler Metals and Mining Canada Limited
<b>Rule 9 Waiver</b>	the waiver granted by the Panel (subject to the passing of the Whitewash Resolution as set out in the Notice of General Meeting) in respect of the obligation of CEII Roma to make a mandatory offer under Rule 9 of the City Code in connection with the issue of the

	Subscription Shares and the potential issue of the Warrant Shares,
<b>Second Admission</b>	means, assuming that all the Warrants are exercised at the same time:  (i) the admission to trading on AIM of the Warrant Shares taking place in accordance with the AIM Rules for Companies; and  (ii) the listing of the Warrant Shares on the TSX Venture Exchange taking place
<b>Shareholders</b>	holders of Ordinary Shares
<b>Subscription</b>	the conditional subscription for Subscription Shares pursuant to the Subscription Agreement
<b>Subscription Agreement</b>	the conditional subscription agreement dated 20 April 2016 entered into between CEII Roma and the Company in connection with the Subscription and the issue of the Warrants
<b>Subscription Price</b>	4 pence per Subscription Share
<b>Subscription Shares</b>	261,363,636 Ordinary Shares to be issued pursuant to the Subscription
<b>subsidiary</b>	a "subsidiary undertaking" as that term is defined in the Act
<b>Thundermin</b>	Thundermin Resources Inc.
<b>Thundermin Amalgamation Documentation</b>	means the Master Agreement and the Amalgamation Agreement
<b>Transamine</b>	Transamine Trading S.A
<b>TSX Venture Exchange or TSX-V</b>	the Toronto Stock Exchange Venture Exchange
<b>UK Listing Authority</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>£ or Pounds</b>	UK pounds sterling, being the lawful currency of the United Kingdom
<b>United States, USA or US</b>	the United States of America, its territories and possessions and any state of the United States of America and the District of Columbia
<b>US\$ or US Dollars</b>	United States dollars, being the lawful currency of the USA

<b>VWAP</b>	daily volume weighted average price
<b>Warrants</b>	means the up to 200,000,000 warrants to subscribe for Ordinary Shares, to be issued by the Company to CEII Roma at the time of the Subscription each of which will entitle CEII Roma to subscribe for one Warrant Share at the Exercise Price in accordance with the Warrant Instrument
<b>Warrant Instrument</b>	means the instrument to be entered into on completion of the Subscription relating to the creation by the Company over 200,000,000 Warrants
<b>Warrant Shares</b>	up to 200,000,000 Ordinary Shares to be issued following exercise of the Warrants, as adjusted in accordance with the terms of the Warrant Instrument
<b>Whitewash Resolution</b>	the ordinary resolution to approve the Rule 9 Waiver, which is set out at Resolution 1 of the Notice of General Meeting, and is required to be passed on a poll at the General Meeting by the Independent Shareholders

**Currency:**

*In the announcement, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom, references to "Canadian dollars", "C\$" and "\$CDN" are to the lawful currency of Canada. and references to "US Dollars" and "US\$" are to the lawful currency of the United States.*

**Qualified Person Statement:**

*Larry Pilgrim, P.Ge., is the Qualified Person responsible for the scientific and technical disclosure contained in this release and has reviewed and approved it accordingly. Mr. Pilgrim is an independent consultant contracted by RMMC.*

**Forward Looking Statements:**

*Certain information included in this announcement, including information relating to future financial or operating performance and other statements that express the expectations of the Directors or estimates of future performance constitute "forward-looking statements". Such forward-looking statements include, without limitation, statements regarding copper, gold and silver forecasts, the financial strength of the Company, estimates regarding timing of future development and production, statements concerning the optimisation of the mining and mill infrastructure, the reduction of operating costs, potential increases in resources and reserves and statements concerning possible expansion opportunities for the Company. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is based on assumptions made in good faith and believed to have a reasonable basis. Such assumptions include, without limitation, the price of and anticipated costs of recovery of, copper concentrate, gold and silver, the presence of and continuity of such minerals at modelled grades and values, the capacities of various machinery and equipment, the availability of personnel, machinery and equipment at estimated prices, mineral recovery rates and others. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, interpretation and implications of drilling and geophysical results; estimates regarding timing of future capital expenditures and costs towards profitable commercial operations. Other factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, increases/decreases in production; volatility in metals prices and demand; currency fluctuations; cash operating margins; cash operating cost per pound sold; costs per ton of ore; variances in ore grade or recovery rates from those*



*assumed in mining plans; reserves and/or resources; the ability to successfully integrate acquired assets; operational risks inherent in mining or development activities and legislative factors relating to prices, taxes, royalties, land use, title and permits, importing and exporting of minerals and environmental protection. Accordingly, undue reliance should not be placed on forward-looking statements and the forward-looking statements contained in this announcement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained herein are made as at the date hereof and the Company does not undertake any obligation to update publicly or revise any such forward-looking statements or any forward-looking statements contained in any other announcements whether as a result of new information, future events or otherwise, except as required under applicable law or regulations.*