



30 June 2021

## Financing and Operations Update

**London, England, Newfoundland and Labrador, Canada** – Rambler Metals and Mining plc (AIM: RMM) (“Rambler” or the “Company”), a copper and gold producer, explorer and developer, today announces that it has agreed financing terms sufficient to fund the completion of its underground development and mine remediation via a combination of a senior secured term loan and an unsecured, subordinated convertible note in an aggregate amount of up to US\$50 million.

The Company has signed a binding term sheet for a 3-year senior secured loan in the amount of US\$20 million subject to customary conditions with Newgen Resource Lending Inc. (“NewGen”), an institutional investor based in Toronto, Canada. The key terms of the secured loan include:

- US\$15 million will be available to the Company upon closing and US\$5 million will be available towards the end of this year after certain conditions are met;
- The loan bears interest at the rate of 8.0% plus the greater of: (i) US Dollar 3 month LIBOR; and (ii) 1.75% per annum, payable monthly;
- The loan matures in three years and principal repayments will commence the month following the first anniversary of the closing date and be paid monthly thereafter (i.e. fully amortized for the remaining 24 months from the date of first principal payment until the end of the third year);
- The loan is subject to arrangement fee of 3% of the gross amount of the loan, payable on the closing date;
- The loan will be secured by first ranking security over all assets of the Company and its material subsidiaries;
- Warrants over 1,500,000 new ordinary shares of the Company will be issued to NewGen (“Warrants”). Warrants will have a term of 4 years from date of grant and an exercise price equal to a 30% premium to the lesser of 20-day VWAP prior to the closing date and the closing price on 29 June 2021 ; and
- A gold equivalent payment in total of 300 ounces over three years.

The senior secured loan is anticipated to be closed by August 31, 2021.

In addition to the senior secured loan, the Company has also signed a binding term sheet for an unsecured, subordinated convertible note of up to US\$30 million subject to customary conditions with Riverfort Global Opportunities PCC Limited, a global investment company headquartered in London, UK, and YA II PN, Ltd (collectively, the “Noteholders”). The key terms of the convertible note include:



- An initial advance of US\$2.0 million will be provided to the Company upon closing;
- 2<sup>nd</sup> and 3<sup>rd</sup> advances of US\$2.0 million (US\$4 million in total) will be available upon the Company's request during the period commencing one month from the date of the agreement with the Noteholders and expiring on December 31, 2021;
- The potential remaining advances of US\$24 million will be subject to the Company and Noteholders' mutual consent and is conditional on necessary shareholder approval to increase the authority to issue shares;
- Each advance is subject to a drawdown fee of 4% of the gross amount advanced and commission of 1.5% payable to SP Angel Corporate Finance LLP;
- the Noteholders have the option to convert the advances into new ordinary shares of the Company at a price ("Conversion Price") which is the lower of:
  - a 40% premium to the five-day volume weighted average price ("VWAP") ("Fixed Conversion Price") of ordinary shares of Rambler immediately prior to the drawdown of each advance; and
  - the average of the five lowest daily VWAPs of ordinary shares of Rambler during the 20 trading days immediately preceding the date of any conversion notice ("Variable Conversion Price").
- The convertible note is non-interest bearing and the advances will be converted to ordinary shares of the Company at the lower of Fixed Conversion Price and the Variable Conversion Price up to 24 months after the drawdown date ("Maturity Date") unless the Company elects to repay the convertible notes in cash.
- The Company can prepay up to 100% of the advances at any time after 30 calendar days from the drawdown date of an advance, in whole or in part, provided:
  - the 10 day VWAP of the ordinary shares of Rambler is less than the Fixed Conversion Price as at the date of the relevant repayment notice; and
  - the 10 day VWAP of the ordinary shares of Rambler is less than the Fixed Conversion Price as at the date of the relevant prepayment date; and
  - the closing price of the ordinary shares of Rambler on the date prior to the proposed prepayment date is less than the Fixed Conversion Price.

The convertible note financing is expected to be closed by July 7, 2021.

The financing package will significantly improve the Company's liquidity and provides flexibility for contingency. The first advance of \$2.0 million from the convertible note will provide sufficient funding for the Company to maintain momentum until NewGen completes its due diligence and satisfaction of



customary conditions precedent to close the US\$20 million debt financing. Furthermore, West Face Capital Inc. ("West Face"), the Company's current senior lender, agreed to provide an early repayment option to Rambler with 5% early repayment fee, which would allow NewGen to become the new senior lender upon repayment of the US\$5 million secured loan with West Face. West Face currently has 8,131,810 warrants expiring in December 2025 ("West Face Warrants"). In return, Rambler has agreed to adjust the exercise price of the West Face Warrants from 20 pence to 14 pence if West Face exercise part or all of its warrants before December 31, 2021. The adjustment to the exercise price reflects a discount rate of approximately 8.5% per annum if West Face exercise its warrants early. The exercise price of the West Face Warrants remains at 20 pence for its any warrants exercised after December 31, 2021. There is no change to the exercise price of any other warrants issued in the equity financing announced on 13 November 2020 and completed in December 2020, which have a two-year term and exercise price of 20 pence.

Even though the convertible note facility allows for an additional US\$28 million following the first drawdown of US\$2 million, management intends to keep the US\$28 million room as contingency only. The need for further advances will depend on operating results, metal prices and currency exchange rates prevailing in H2 2021.

The net proceeds of the financing will be used to pay off existing debts in the amount of US\$6.6 million including West Face's secured loan and the remaining will be used to fund mine development including contractor development required to set up Block 6 of the Lower Footwall Zone ("LFZ"), which will support production through 2021 and 2022.

**Toby Bradbury, CEO commented:**

*"We are pleased to have signed the binding term sheets for the secured debt and convertible note facilities. These funds will enable us to continue the underground development in the lower footwall zone of the Ming Mine that provides the necessary flexibility in mine production sources going forward.*

*I want to take this opportunity to re-emphasise the value in the Ming Mine mineral resources. What is being delivered is a strategy to provide sustainable underground mine production over the medium and long term from an asset that has been under-capitalised and run down in recent years. This is not an instant turn around and our focus is to achieve a developed state that will enable full utilisation of the mill at 1,350 tonnes per day at ~2% copper grade by the end of 2021. The Ming Mine asset will serve as the base for further growth for the Company. We retain our commitment to this objective.*



*The overall program was set back in March/April 2021 when a scheduled high-grade stope did not perform as planned. In May it was apparent that this stope, while recovered, would not provide the high-grade ore anticipated due to dilution and the Company would be unable therefore to meet its then forecast level of production. This stope had been designed and developed based on mine plans implemented in 2020. A revised mine philosophy has been adopted to reduce the likelihood and the consequence of such events in the future. Notwithstanding, the financing secured provides a contingency to ensure that if production is delayed for any reason, the essential development and remedial work can continue. This provides resilience to the mining plan.*

*Given the focus on mine recovery, the anticipated purchase of the Duck Pond Mill has been shelved at this time after the consideration of our financial resources and balance sheet. The establishment of a new mill at Ming Mine will continue to be reviewed.*

*As investors will be aware, the resources sector has boomed in recent months with rejuvenated activity in exploration and operations. The competition for skills is intense and has created a short-term labour and skills shortage in our underground workforce and with contract diamond drillers. Rambler has been successful in attracting new hires to replenish its workforce and we have embarked on a comprehensive training program. The commencement of a mine development contract will help mitigate this risk and we remain committed to achieving full mill utilisation on a sustained basis in 2021 and this is reflected in our mine plan provided below.*

*The diamond drilling that has been completed is visually encouraging and is also returning mineralised intersections in zones previously not identified. A full drilling update will be provided once the assays are returned from the laboratory. We will be continuing our drilling through 2021 although we recognise here that the full drill program is subject to labour availability.*

*On ore sorting, bulk samples have been tested from the massive sulphide and lower footwall zones and assays of the split fractions are currently being performed. An engineering consulting firm has been engaged to perform the required design work for the ore sorting plant with commissioning of the plant expected to commence in H2 2022.*

*I wish to extend my appreciation for the patience and support of our shareholders as we deliver this business turnaround which will capture the true value of our resources”.*

## **2021-2022 Mine Operational and Planning Update**



There are many significant objectives that have been accomplished so far in 2021 to move the operations toward a return to full production status, including:

- completion of pumping at the bottom of the mine enabling development to recommence;
- an upgrade of the mine pumping system;
- upgrade of the underground power distribution system;
- establishment of return airways for ventilation;
- repairs and catch up of maintenance on mining and milling equipment (this is still ongoing);
- While we are predominantly a residential mine with the majority of employees living in the local communities, we are also establishing a camp at the mine site to accommodate people with skills that are not currently available locally;
- As part of the long-term focus that Rambler represents and to enhance our attractiveness as an employer, we have recently implemented a retirement plan to which the Company makes a co-contribution and we have reviewed remuneration and a largely self-funded incentive arrangement to enable us to attract and retain the best employees;
- An update of the NI 43-101 resource statement for Little Deer and Whalesback deposits, located near Springdale, NL, has been commissioned and is anticipated for release in Q3 2021 as the Company prepares to unlock value from these assets. The current NI 43-101 study, with an effective date of November 1, 2011, shows an indicated resource of 1.911 million tonnes grading 2.37% copper (99.8 million pounds of copper contained) and an inferred resource of 3.748 million tonnes grading 2.13% copper (175.9 million pounds of copper contained). Mineralogy of the Little Deer deposit is similar to that of the Lower Footwall Zone of the Ming Mine, and metallurgical testing has shown similar good results with final product grading ~28% copper;
- The Company has selected an enterprise resource planning (“ERP”) system and engaged Deloitte LLP for ERP implementation which is expected to be completed by Q4 2021. The new ERP system along with our commitment to improve our business and reporting processes will allow management to make better-informed decisions with more accurate and timely financial and operational information;
- There remain further optimisation projects around mine design, power and materials handling that warrant further evaluation and these will be undertaken at the appropriate time.
- On Covid, the Company and the province of Newfoundland & Labrador continue to control the incidence of the disease. No cases have been experienced to date at the mine and considerable progress has been made with vaccination;

Table 1 below describes the key deliverables from the mine plan going forward from July 2021 to December 2022. This table includes the use of contractors for mine development. It is important to note





|                |        |        |        |        |        |        |        |         |
|----------------|--------|--------|--------|--------|--------|--------|--------|---------|
| Total Drilling | meters | 18,525 | 32,444 | 50,969 | 54,454 | 32,129 | 86,583 | 137,552 |
| Saleable Metal |        |        |        |        |        |        |        |         |
| Cu             | t      | 1,677  | 3,572  | 5,249  | 4,679  | 5,550  | 10,229 | 15,478  |
| Au             | oz     | 1,395  | 548    | 1,943  | 1,292  | 1,631  | 2,923  | 4,866   |
| Ag             | oz     | 7,568  | 0      | 7,568  | 0      | 0      | 0      | 7,568   |

**Notes to Table 1:**

\*: H1 2021 figures are estimated to end of June 2021.

\*\* : H2 2021 figures are based on a July 1 start of contractor development. There is a potential range of outcomes around these figures of +5% to -10%. This range of outcomes has been utilised for the provision of revised guidance indicated in Table 2 below.

**Table 2: 2021 Production Guidance Update**

| SALEABLE METAL PRODUCTION | RANGES        |
|---------------------------|---------------|
| Copper (tonnes)           | 4,800 – 5,400 |
| Gold (ounces)             | 1,700 – 2,000 |

Abbreviations:

g/t = grammes per tonne

t or dmt = dry metric tonne

wmt = wet metric tonne

tpd = dry metric tonnes per day

**Competent Persons Statement**

Tim Sanford, P.Eng., is the Qualified Person responsible for the technical content of this release and has reviewed and approved it accordingly. Mr. Sanford is an employee of Rambler Metals and Mining Canada Limited. Tim Sanford consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. Tim Sanford has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as a "competent person" as defined by the AIM rules.

**Market Abuse Regulation (MAR) Disclosure**



The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

### **Important Notices**

This announcement is for information purposes only and shall not constitute an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

### **Forward-looking statements**

Certain statements, beliefs and opinions in this announcement are forward-looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Except as required by applicable law or regulation, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document.

**\*\*ENDS\*\***

### **ABOUT RAMBLER METALS AND MINING**

Rambler is a mining and development company that in November 2012 brought its first mine into commercial production. Rambler has a 100 per cent ownership in the Ming Copper-Gold 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.



Rambler's focus is to regain its production profile at 1,350 metric tonnes per day at 2% Cu in the course of 2021 and evaluate expansion opportunities from that base.

Along with the Ming Mine, Rambler also owns 100 per cent of the former producing Little Deer/Whales Back copper mines.

**Rambler is listed in London under AIM:RMM.**

**For further information, please contact:**

Dr. Toby Bradbury  
President and CEO  
Rambler Metals & Mining Plc  
Tel No: +1 (709) 800 1929  
Fax No: +1 (709) 800 1921

Eason Chen, CPA, CA  
CFO  
Rambler Metals & Mining Plc  
Tel No: +1 (709) 800 1929  
Fax No: +1 (709) 800 1921

Tim Sanford, P. Eng.  
Vice President and  
Corporate Secretary  
Rambler Metals & Mining Plc  
Tel No: +1 (709) 532 5736  
Fax No: +1 (709) 800 1921

**Nominated Advisor (NOMAD)**

Ewan Leggat, Caroline Rowe  
SP Angel Corporate Finance LLP  
Tel No: +44 (0) 20 3470 0470

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