



ASX Announcement | 14 April 2021
Rafaella Resources Limited (ASX:RFR)

Rafaella Completes oversubscribed \$4.25m Private Placement

Announcement Highlights

- Rafaella Resources has successfully closed a \$4.25 million private placement at 10.5c per share, equal to an 8.7% discount to the Company's last traded share price on Friday 9 April. Shares to be issued have a 1 for 2 free attaching option with an exercise price of 20c per share and an expiry date of 29 October 2022.
- The raise was oversubscribed with strategic, long-term sophisticated investors being added to the shareholder register.
- Funds will be used to continue work on the Santa Comba tungsten-tin development and the Canadian nickel-copper assets.
- Vert Capital acted as Lead Manager for the raise. Brokers to the placement have agreed to take their fees in shares.

Rafaella Resources Limited (ASX:RFR) ('Rafaella' or 'the Company') is pleased to announce the successful placement of 40,476,190 shares at a price of \$0.105/share (**'Placement Price'**), an 8.7% discount to the last traded price on 9 April 2022, prior to the trading halt. For every two shares issued under the placement, investors will receive 1 free attaching option, each with an exercise price of \$0.20 expiring on 29 October 2022 (**'Placement Options'**). The Placement Options will be in the same class as the Company's existing unlisted options on issue (RFR04). The raise was lead-managed by Vert Capital Pty Ltd.

The shares will be issued in two tranches. Tranche 1 will comprise the issuance of 31,976,392 shares at the Placement Price to raise \$3.4m under the Company's existing placement capacities. Tranche 2 will comprise 8,499,798 shares at the Placement Price to raise a further \$0.9m. The Tranche 2 issuance will be subject to shareholder approval. The Placement Options and brokers' fees of 6% on the placement, to be paid in shares, will also be subject to shareholder approval.

Santa Comba Tungsten and Tin Project, Spain

Underground development at Santa Comba is progressing rapidly, with underground contractors due to be engaged shortly to commence the installation of services. A small modular process plant has been sourced to allow the early processing of underground ore ahead of the installation of the larger plant, providing early cash flows and an opportunity to further optimise ore processing ahead of the main installation and commissioning.

The Company is currently conducting a resource drilling campaign at the Santa Comba project with the main objectives of: (i) converting near-surface higher grade inferred resources (averaging 0.18% WO₃), into measured/ indicated categories; (ii) expanding current near-surface resources by means of step-out drilling and subsequently through in-fill drilling, converting to measured/indicated categories; and (iii) confirming high-grade mineralisation amenable for underground mining. As at 9 April 2021, total meters drilled amounted to 4,207. Due to the positive progress being observed throughout the campaign, the Company is intending to increase the total campaign meters from the original 4,500m to circa 5,500m. An updated Mineral Resource Estimate is being targeted for the end of Q2 2021.

The current total resource at Santa Comba is 10.61Mt with a grade of 0.17% WO₃ and 154ppm of Sn¹.

The metallurgical test-work on an 8.4t bulk sample, currently being processed by Grinding Solutions in the UK, is progressing well. This test-work, designed to ascertain saleable concentrate specifications to finalise offtake agreements and to enhance recoveries through addressing treatment of the fines, is expected to be completed by the end of May. Along with the results of the current drilling campaign, the metallurgical results will feed into an update to the pre-feasibility study that was released at the end of last year.²

The Company is not aware of any new information or data that materially affects the information included in the Mineral Resource Estimate dated 30 June 2020. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Midrim/Laforce Ni-Cu-PGE Project, Canada

Following the successful VTEM™ Max survey³ the Company is now obtaining quotes for a fixed loop EM ('FLTEM') survey to focus on the high priority anomaly identified. The FLTEM survey will provide a 3D vector/directional target for drill testing.

Rafaella's Managing Director Steven Turner said: *"The level of interest in this capital raise is a strong testament to the market's recognition of the potential for exceptional shareholder returns and the diligent efforts of the Company to deliver its strategy of building an exciting portfolio in the critical metals space. Rafaella Resources is extremely pleased to work with Vert Capital and appreciates its efforts in delivering such a successful placement."*

This announcement has been authorised by the Board of Directors of the Company.

Ends

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¹ Refer to ASX announcement dated 1 July 2020 "Rafaella Resources announces significant Mineral Resource Estimate upgrade."

² Refer to ASX announcement dated 2 December 2020 "Santa Comba PFS demonstrates Exceptional Economics with Assignment of Ore Reserves."

³ Refer to ASX announcement dated 11 March 2021 "Rafaella Identifies New High Priority Anomalies following Heliborne VTEM and Groundfloor EM Survey."

About Rafaella Resources Limited

Rafaella Resources Limited (ASX:RFR) is an explorer and developer of world-class mineral deposits. Rafaella owns the Santa Comba tungsten and tin development project in Spain, as well as the McCleery cobalt and copper project and the Midrim and Laforce high-grade nickel-copper-PGE sulphide projects in Canada. Santa Comba is located in a productive tungsten and tin province adjacent to critical infrastructure. The McCleery project was previously under-explored and holds significant potential. The Midrim and Laforce projects have had extensive drilling with some exciting intersections and offer significant upside for the Company.

To learn more please visit: www.rafaellaresources.com.au

About Vert Capital Pty Ltd

Vert Capital is a boutique investment and corporate advisory firm located in Perth, Western Australia. Vert Capital specialises in providing investment advisory services to high net worth investors and corporate advisory and capital raising services to both private and ASX listed companies. Website: <https://vertcapital.com.au/>

Competent Person Statement

The information in this announcement that relates to Exploration Results and Historical Estimates is based on, and fairly represents, information and supporting documentation compiled under the supervision of Lluís Boixet Martí, a consultant to the Company. Lluís Boixet Martí holds the title of European Geologist (EurGeol), a professional title awarded by the European Federation of Geologists (EFG). EFG is a 'Recognised Professional Organisations' (ROPO) by the ASX, an accredited organisation to which Competent Persons must belong for the purpose of preparing reports on Exploration Results, Mineral Resources and Ore Reserves under the JORC (2012) Code. Lluís Boixet Martí consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.