

ASX Announcement | 23 December 2020
Rafaella Resources Limited (ASX:RFR)

Rafaella Completes circa \$1.2m Private Placement

Announcement Highlights

- Rafaella Resources has successfully closed a circa \$1.2M million non-brokered private placement at 6.6c per share, equal to the Company's last traded share price on Friday 18 December.
- Strategic, long-term sophisticated investors have been added to the shareholder register.
- Funds will be used to commence work to further advance the Santa Comba tungsten project and the recently acquired Canadian nickel-copper assets.

Rafaella Resources Limited (ASX:RFR) ('Rafaella' or 'the Company') is pleased to announce the successful placement of 17.6 million shares at a price of \$0.066/share, equal to the most recent closing price and a 14% discount to the closing 15-day VWAP as at the time of the trading halt. The issuance was approved by shareholders at the extraordinary shareholder meeting on 29th October 2020. The placement was non-brokered, managed by the Company, and therefore 100% of all funds raised will be used to support the ongoing business activities.

- The Company intends to commence a drilling campaign at the Santa Comba tungsten and tin project (the 'Project') to increase the resource base. The pre-feasibility study for the Project was released on 2 December detailing exceptional financial metrics¹. The aim of the drilling campaign will be to increase the scale of the project by targeting known mineralisation in and around the existing reserves, thereby adding value to the Project and extending its life. The current resource at Santa Comba is 10.61Mt with a grade of 0.17% WO₃ and 154ppm of Sn². An additional exploration target* of between 16.2Mt and 48.6Mt grading between 0.15% WO₃ and 0.23% WO₃ has been defined.³
- Funds will be allocated to conduct an 8 tonne bulk sample of the Santa Comba near-surface ore to focus on enhancing recoveries of the fines and further cleaning the concentrate. The Company has already determined that a 70% recovery is achievable for the disseminated ores⁴. Any enhancement to this will be immediately accretive to the Project.
- Rafaella intends to fly a low frequency heli-EM over its recently acquired Canadian high-grade nickel, copper and platinum group element projects, Midrim and Laforce located in northern Quebec, Canada⁵. Funds from this placement will be allocated to lock in this survey for 1Q 2021.

**The potential quantity and grade of the Exploration Target is conceptual in nature; there has been insufficient exploration work to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of a Mineral Resource*

¹ Refer to ASX announcement dated 2 December 2020 "Santa Comba PFS Shows Exceptional Financial Economics"

² Refer to ASX announcement dated 1 July 2020 "Rafaella Resources announces significant Mineral Resource Estimate upgrade"

³ Refer to ASX announcement dated 12 June 2019 "Rafaella Resources Defines Exploration Target at Newly-Acquired Santa Comba Tungsten Project"

⁴ Refer to ASX announcement dated 2 December 2020 "Santa Comba PFS Shows Exceptional Financial Economics"

⁵ Refer to ASX announcement dated 22 October 2020 "Geophysical data review shows multiple prospects at the Midrim Ni-Cu-PGE deposit"

Rafaella's Managing Director Steven Turner said: *"The support of our investor base and the addition of some new long-term investors is much appreciated as we look to advance two very exciting projects, providing us with a strong programme for the start of 2021. We look forward to providing the market with updates as these activities progress."*

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

Ends

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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

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.