

# RB Energy Provides Results of Technical Review of Lithium Process Plant and Announces Proposed Private Placement

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Sept. 15, 2014) - [RB Energy Inc.](#) (the "Company" or "RBI") (TSX:RBI) (OTCQX:RBEIF) is pleased to report the results of an independent technical process audit of the Quebec Lithium Inc. ("QLI") operation located near Val d'Or, Quebec, Canada and to announce a proposed private placement with a syndicate of agents co-led by BMO Capital Markets Inc. and Dundee Securities Ltd. (together, the "Agents") to complete, on a best efforts basis, an offering (the "Offering") of a minimum of C\$78 million and a maximum of C\$88 million in secured convertible debentures (the "Debentures"). The Offering is expected to close on or about September 30, 2014.

## Independent Technical Process Review

The Company is pleased to report the results of an independent technical audit of the QLI process operation located near Val d'Or, Quebec, Canada. The Company commissioned SGS Canada Inc. ("SGS") to conduct an engineering review and capability assessment of the processing operations at QLI to achieve name-plate production. The technical audit, dated September 5, 2014, reviewed the commissioning progress of the process plant, confirming design parameters and optimizing operational performance.

The audit concluded that there are no 'fatal flaws' and that, with the implementation of all improvements and modifications identified by QLI and SGS, QLI can achieve name-plate production levels of 20,000 tonnes per annum of lithium carbonate.

## Terms of the Proposed Offering & Lead Order

The Debentures will mature on October 31, 2019 ("Maturity") and pay a coupon of between 9.0-11.0% per annum from the closing date of the Offering, payable semi-annually in cash in arrears on the last day of June and December of each year.

The Debentures will be convertible at the holder's option into RBI common shares at any time prior to the close of business on the earlier of Maturity and the business day immediately preceding the date fixed for redemption of the Debentures. The Debentures will convert at a conversion price of C\$0.50 per RBI common share (the "Conversion Price"), being a ratio of 2,000 RBI common shares per C\$1,000 principal amount of Debentures, subject to adjustment in certain events.

At any time prior to Maturity, the Company may, at its option, at any time and from time to time, subject to providing not more than 60 and not less than 30 days' prior notice, redeem up to 50% of the principal amount of the Debentures, in whole or in part, at par plus accrued and unpaid interest provided that the weighted average closing price of RBI common shares on the Toronto Stock Exchange (the "TSX") during the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is not less than between 140-175% of the Conversion Price.

The Company is in discussions with a potential significant investor (the "Lead Investor") for a lead order in the range of approximately C\$39.1 - \$44.1 million (where in any event, the Lead Investor would hold not less than 50.1% of the outstanding principal amount of Debentures upon closing of the Offering), with the remainder of the Debentures to be sold by the Agents. There can, however, be no assurance that the Lead Investor will participate in the Offering in such amount or at all. The Agents will receive a customary cash commission on the gross proceeds from the sale of such Debentures other than to the Lead Investor. The Agents will also be granted broker warrants giving the Agents the right to acquire that number of RBI common shares equivalent to 5% of the total number of RBI common shares that may be issued upon conversion of the Debentures, other than Debentures held by the Lead Investor, at an exercise price equal to the Conversion Price for a period of 24 months following closing of the Offering (the "Agent Warrants").

The Company intends to utilize the proceeds from the Offering for: (i) settlement of existing debentures in the approximate principal amount of C\$18 million; (ii) repayment of recent operational short-term loans and

advances and to pay outstanding trade payables; (iii) satisfying the scheduled senior bank credit facility principal repayments for the balance of 2014; (iv) commissioning activities and capital upgrades of the QLI operation; (v) working capital expenditures at the Quebec Lithium Project; and (vi) general corporate purposes.

The Debentures will be secured by a perfected second priority security interest in all of the Company's Quebec Lithium assets, including a pledge of all of the issued and outstanding shares of QLI, a wholly-owned subsidiary of the Company. In addition, the Debentures will be secured by a first priority pledge of all of the issued and outstanding shares of Sirocco Mining Inc., a wholly-owned subsidiary of the Company. Certain of the Company's material subsidiaries will also act as guarantors under the Offering.

All securities issued pursuant to the Offering will be subject to a hold period of four months plus one day from the closing of the Offering. The Offering is subject to a number of customary conditions, including receipt of the approval of the TSX and the execution of definitive agreements by all parties.

### **TSX Exemption**

The Company has applied to the TSX for, and expects to receive, an exemption from the requirement to seek shareholder approval for the Offering in accordance with Section 604(e) of the TSX Company Manual (the "Exemption") on the basis that the Company finds itself in a state of financial hardship and that the Offering is designed to address these financial difficulties in a timely manner. Shareholder approval of the Offering would otherwise be required by the TSX because: (i) the aggregate number of RBI common shares issuable pursuant to the Offering (if the holders convert their Debentures and the Agents exercise their Agent Warrants) would be greater than 25% of the number of RBI common shares which are issued and outstanding, on a non-diluted basis, prior to the date of closing of the Offering; (ii) the Conversion Price or exercise price of the Agent Warrants may be less than the market price of the RBI common shares at the time of such potential conversion or exercise, as applicable; and (iii) assuming completion of the Offering for the maximum gross proceeds and assuming participation in the Offering by the Lead Investor and that such participation is for C\$44.1 million, and assuming that only the Lead Investor exercises its conversion right, the conversion of the Lead Investor's Debentures could result in the Lead Investor holding greater than 20% of RBI's outstanding common shares and thereby would materially affect control of the Company pursuant to the TSX Company Manual. In such a scenario, the Lead Investor would hold approximately 88,176,000 common shares, or approximately 25.1% of the Company's issued and outstanding common shares.

A committee of directors of RBI, who are independent of management, free from any interest in the Offering and unrelated to the parties involved in the Offering, has unanimously recommended to the board of directors of the Company that the Company apply to the TSX for the Exemption on the basis that (i) the Company is in serious financial difficulty, (ii) the Offering is designed to improve RBI's financial situation, and (iii) the terms of the Offering are reasonable to the Company in the circumstances. The board of directors unanimously agreed with this recommendation.

The TSX has advised RBI that reliance on the Exemption will automatically result in a review by the TSX of RBI's compliance with the continued listing requirements. RBI believes that, upon completion of the Offering, it will be in compliance with all of the continued listing requirements of the TSX. There are currently 263,289,877 issued and outstanding RBI common shares. After completion of the Offering, assuming that all of the Debentures are converted and all of the Agent Warrants are exercised into RBI common shares to the maximum extent possible, up to 180,391,200 additional RBI common shares will be issued, or approximately 68.5% of the Company's current issued and outstanding common shares.

Subject to certain conditions, including giving effect to a conversion price formula contingent on the number of days remaining to maturity, all as to be set out in the Debentures, if RBI undergoes a change of control for which cash consideration is greater than 10% of total consideration and the Debentures are subsequently converted by their holders, such conversion may result in further additional common shares being issued. Assuming (i) all of the Agent Warrants are exercised into RBI common shares to the maximum extent possible; (ii) the Offering closes on September 30, 2014; (iii) on closing of the Offering the market price of RBI's common shares is equal to the closing market price on Friday, September 12, 2014, of C\$0.35 resulting in an initial conversion price premium of approximately 42.9%; and (iv) such change of control occurs on October 1, 2014, then upon such change of control, a maximum of up to 271,056,667 additional RBI common shares would be issued, or approximately 102.9% of the Company's current issued and outstanding common shares.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

The technical contents of this release have been reviewed by Mr. Kevin Ross, Eur. Ing., a Qualified Person pursuant to NI 43-101 and the Chief Operating Officer of the Company.

### **About RB Energy Inc.**

RBI is a Canadian company formed pursuant to the arrangement involving Sirocco Mining Inc. and Canada Lithium Corp. It currently owns Aguas Blancas, an iodine producing mine in northern Chile, and the Québec Lithium Project near Val d'Or, the geographical heart of the Québec mining industry. The Aguas Blancas mine is currently in production. The Québec Lithium Project has completed construction and is in the commissioning phase. For more information regarding RBI, please refer to its public filings available at [www.sedar.com](http://www.sedar.com).

### **Forward-Looking Statements**

*Certain information contained in this news release, including any information relating to the completion of the Offering, the participation by the Lead Investor, anticipated use of proceeds, reliance on the Exemption and statements regarding our ability and the timing to implement all improvements and modifications identified by SGS and to complete commissioning activities, achieve and sustain commercial production and name-plate production levels of Lithium are "forward-looking statements". These forward-looking statements relate to future events or future performance and reflect the Company's expectations regarding the future growth, results of operations, business prospects and opportunities of RBI. These forward-looking information also reflect the Company's current internal projections, expectations or beliefs and are based on information currently available to the Company. In some cases forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "budget" or the negative of those terms or other comparable terminology. The estimates and assumptions of RBI underlying the forward-looking statements in this news release may prove to be incorrect. Assumptions upon which such forward looking information is based include, among other things, completion of the Offering; the participation by the Lead Investor, anticipated use of proceeds; reliance on the Exemption; successful and timely commissioning; ramp-up and production at the Québec Lithium Project; the lack of any further significant capital expenditures during the commissioning stage or to bring the hydrometallurgical process plant into production; the continuing support and cooperation of RBI's off-take partners; the Company's ability to achieve and sustain name-plate commercial production; as well as financial predictions premised on such assumptions. Although the Company believes that the forward-looking information contained in this news release is based on reasonable assumptions, readers cannot be assured that actual results will be consistent with such statements. Accordingly, readers are cautioned against placing undue reliance on forward-looking information. RBI expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.*

On behalf of the Board,

Richard P. Clark, President and CEO

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