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Rapier Gold Inc. (TSX VENTURE:RPR) (the "Company") is pleased to announce that it has increased and closed its non-brokered private placement of non-flow through units (the "NFT Units"), the first tranche of which closed on July 27, 2016. Details of the financing can be found in the news release of the same date.

Subject to regulatory approval, the Company has completed the second and final tranche of its private placement and raised an additional \$304,500 through the issuance of 6,090,000 common shares and 6,090,000 share purchase warrants with an expiry date of August 5, 2018. Finder's fees on this tranche are payable as to \$10,250, and 170,000 compensation warrants at an exercise price of \$0.08 cents, and an expiry date of August 5, 2017. All shares and warrants issued in this tranche are subject to a four-month hold period expiring December 6, 2016. Gross proceeds raised in the financing were \$680,000, resulting in the issuance of a total of 13,600,000 common shares and 13,600,000 share purchase warrants.

The use of proceeds includes completing the acquisition of the Pen South property as announced July 14th, ongoing exploration on the Pen Gold Project and general working capital.

The Pen South property covers 10,848 hectares and the acquisition replaces the option to explore for gold on the property entered into at the time of listing the Company. These claims are part of a contiguous block with the Pen Gold North claims, which total 5,600 hectares, which were acquired from Rio Tinto Plc. The final terms of the share purchase agreement with Rio Tinto were met in February, 2016.

Subject to regulatory approval, the Company has also acquired a claim, consisting of five units, located on the Porphyry Hill trend to the west of the Talc Mine Area. Consideration consists of the issuance of 100,000 shares to the vendors and a 2% NSR with an option to buy back 1% for \$1 million.

Pen Gold Project Summary

- The Company's activities are exclusively focused on exploring the Pen Gold Project, comprising approximately 16,400 hectares (approximately 160 sq km) located on Highway 101, 75 km south west of Timmins, Ontario. Appendix 1. The project is approximately 45 km southwest of Tahoe Resources Timmins West Mine and the recently discovered 144 Exploration Area.
- Tahoe Resources (former Lakeshore Gold) are conducting an extensive exploration program on 144 Exploration Area, which is outlined in a very comprehensive section of the company's website <http://www.lsgold.com/Mines-Projects-Properties/Review-of-Properties/Timmins-West-complex/144-Gap-Zone-Discovery/default.aspx>
- The Pen Gold Project is located approximately 85 km northeast of Goldcorp's Borden Gold Project. In March 2015 Goldcorp acquired this project in the takeover of Probe Mines for \$526 million. Goldcorp are actively advancing the Borden Gold Project as a source of ore for the 11,000 tpd Dome Mill, located 160 km away in Timmins. Appendix 1 shows the locations of the 144 Exploration Area and Borden Gold projects in relation to Pen Gold Project.
- The Pen Gold Project appears to be on the western extension of the Porcupine-Destor Fault Zone (PDFZ), one of the most productive gold structures in the world. This fault zone extends east into Quebec and hosts many of the largest and most famous gold mines in Canada. The Timmins Camp has produced approximately 72.5 million ounces to date.
- Probe Metals recently acquired the Ivanhoe Project located to the west of Rapier's Pen Gold Project and the West Porcupine and Ross Properties to the east of the Pen Gold Project. The location of these properties in relation to Pen Gold Project is outlined in Appendix 1.

ON BEHALF OF THE BOARD OF DIRECTORS

Roger Walsh, President & CEO

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This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or the benefit of,

any person in the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

Cautionary Note Regarding Forward Looking Statements: Certain disclosure in this release constitutes forward-looking statements. In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company, including that the Company is able to procure personnel, equipment and supplies required for its exploration activities in sufficient quantities and on a timely basis and that actual results of exploration activities are consistent with management's expectations. Although the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, that actual results of the Company's exploration activities will be different than those expected by management and that the Company will be unable to obtain financing, or will experience delays in obtaining any required government approvals or be unable to procure required equipment and supplies in sufficient quantities and on a timely basis. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

To view Appendix 1. Location of Pen Gold Project between Tahoe Resources (Lake Shore Gold) 144 Project and Goldcorp's Borden Project please visit the following link: <http://media3.marketwire.com/docs/1065188a.pdf>

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