

VANCOUVER, Feb. 27, 2017 /CNW/ - Delbrook Capital Advisors Inc. ("Delbrook" or the "Concerned Shareholder") responds to the press release from [Rapier Gold Inc.](#) ("Rapier" or the "Company") dated February 25, 2017, titled "Rapier Announces Q1 Financial Highlights; Necessity for Private Placement" (the "Rapier Press Release").

Delbrook strongly objects to the overly dilutive proposed entrenching private placement announced by Rapier on February 20, 2017 (the "Entrenching Private Placement"). In response to the significant working capital deficit reported by the Company in the Rapier Press Release, Delbrook made an offer to Rapier on February 26, 2017 to purchase 950,000 common shares of Rapier ("Rapier Shares") at a price of \$0.16 per share (the "Superior Financing Offer") which represents a 68.4% premium to last Friday's closing price and a 33.3% premium to the Entrenching Private Placement. Delbrook believes that with the support of Rapier shareholders holding over 40% of the outstanding Rapier Shares, it has the necessary votes to change the board and management of Rapier. The premium offer price of the Superior Financing Offer is justifiable in view of the pressing need to change board and management of Rapier.

The Superior Financing Offer was rejected by Rapier this morning. Instead, Rapier provided a counter proposal to permit participation in the dilutive and lower priced Entrenching Private Placement subject to the execution an 18 months support agreement. The support agreement condition is further evidence of the blatant attempts of management to entrench themselves rather than seeking financing terms which would be in the best interests of the Company. The Superior Financing Offer is the second financing offer rejected by Rapier that are at premiums and less dilutive than the Entrenching Private Placement.

The Superior Financing Offer would provide a sufficient capital injection for Rapier's needs between now and Rapier's annual general shareholder meeting scheduled for March 30, 2017 (the "AGM"). Additionally, in contrast to the Entrenching Private Placement, the Superior Financing Offer did not require the Company to issue dilutive warrants or to pay brokerage commissions.

## WHY THE ENTRENCHING PRIVATE PLACEMENT NEEDS TO STOP

The Entrenching Private Placement does not appear to be a bona fide business strategy but instead appears to be aimed directly at undermining the slate of independent director nominees proposed by Delbrook by materially diminishing the voting power of existing shareholders to exercise their voting rights to appoint the directors of Rapier.

Additionally, as the AGM remains scheduled for March 30, 2017, the only purpose of changing the record of the AGM from February 17 to February 28 would be to dilute the existing shareholder's voting rights at the AGM and not for any legitimate business purpose. It is clear that the timing of the Entrenching Private Placement is an artificial and tactical response to the overwhelming support of existing shareholders to exercise their voting rights to effect a change of directors of Rapier.

The Entrenching Private Placement confirms our previous concern that Rapier would take action that would undermine Delbrook's voting rights and the voting rights of existing shareholders by conducting a private placement of voting shares. Additionally, as Rapier has committed unnecessary funds to engage an expensive firm as its strategic shareholder advisor, proxy solicitation agent and communication advisor, in addition to legal fees in connection with the AGM, it would appear that a portion of the proceeds of the Entrenching Private Placement are being used to obstruct the ability for existing shareholders to vote for directors of Rapier and instead, to entrench the existing board and management of Rapier, rather than for legitimate business reasons.

Delbrook currently exercises control or direction over 12,500,000 Rapier Shares, representing approximately 17.6% of the outstanding Rapier Shares. As shareholders holding over 40% of the outstanding Rapier Shares support the Concerned Shareholder, there is a high likelihood of a significant change in direction at Rapier and we do not believe it to be wise for the existing Board of Rapier to be funding operating activities beyond March 30, 2017.

Although there may be legitimate business reasons for raising capital in Rapier, given the concern of certain existing shareholders of Rapier in the ability of management and the board to effectively operate Rapier such that there is overwhelming support to effect a change of directors of Rapier, such decisions should be determined by a board of directors that have the support of the existing shareholders of Rapier.

In response to Rapier's rejection of the Superior Financing Offer and its proposal to proceed with the Entrenching Placement, the Concerned Shareholder intends to commence legal proceedings in the Supreme Court of British Columbia in respect of oppressive conduct by Rapier and its directors. If Rapier proceeds with the Entrenching Placement, the Concerned Shareholder will seek to, at minimum, have any shares issued as part of the Entrenching Placement cancelled or restrained from voting at the Meeting. In addition, the Concerned Shareholder intends to commence a derivative action regarding breach of fiduciary duties by Rapier's directors as they are looking out for their own interests, and not acting in the best interests of Rapier.

## ABOUT DELBROOK CAPITAL ADVISORS INC.

Delbrook Capital Advisors Inc. is an independent investment manager which focuses on alternative strategies. Delbrook Capital

Advisors Inc. manages the Delbrook Resource Opportunities Fund, an alternative investment fund, focused on identifying and investing in unique growth opportunities within the metals and mining sector

## Disclaimers

Delbrook has not sought or obtained consent from any third party to the use herein of previously published information. Any such information should not be viewed as indicating the support of such third party for the views expressed herein.

Except for the historical information contained herein, the matters addressed in these materials are forward-looking statements that involve certain risks and uncertainties. You should be aware that actual results could differ materially from those contained in the forward-looking statements. Delbrook does not assume any obligation to update the forward-looking information.

## Information in Support of Public Broadcast Solicitation

Delbrook is relying on the exemption under section 9.2(4) of National Instrument 51-102 &#8211; Continuous Disclosure Obligations ("NI 51-102") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations.

This solicitation is being made by Delbrook, and not by or on behalf of the management of Rapier.

The head and registered address of Rapier is #2270-1055 West Georgia Street, Vancouver, BC Canada, V6E 3P3.

Rapier has announced that it has called the AGM, to be held on March 30, 2017. Delbrook may file a dissident information circular (the "Dissident Circular") in connection with the AGM, or any adjournment or postponement thereof, in due course in compliance with applicable securities and corporate laws.

This press release and any solicitation made by Delbrook in advance of the AGM is, or will be, as applicable, made by Delbrook and not by or on behalf of the management of Rapier. All costs incurred for any solicitation will be borne by Delbrook, provided that, subject to applicable law, Delbrook may seek reimbursement from Rapier for Delbrook's out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful reconstitution of the Company's board of directors.

Any proxies solicited by Delbrook may be solicited by way of public broadcast, including through press releases, speeches or publications and by any other manner permitted under applicable laws, including pursuant to a Dissident Circular sent to shareholders of Rapier. Solicitations may be made by or on behalf of Delbrook, by mail, telephone, fax, email or other electronic means, and in person by directors, officers and employees of Delbrook or by the proposed nominees. Delbrook has engaged the service of Laurel Hill as communication advisor and as proxy advisor to assist with solicitation on behalf of Delbrook. Pursuant to the agreement with Laurel Hill, Laurel Hill will receive a fee of \$10,000 plus disbursements. In addition, Laurel Hill will be entitled to a success fee of \$50,000 on the successful completion of Delbrook's solicitation.

It is expected that any proxies solicited by Delbrook in connection with the AGM may be revoked by instrument in writing by the shareholder giving the proxy or by its duly authorized officer or attorney, or in any other manner permitted by law.

Delbrook has filed this press release and the press release dated February 14, 2017, which contains the information required by section 9.2(4)(c) of NI 51-102 and Form 51-102F5 Information Circular in respect of the proposed nominee directors under Rapier's company profile on SEDAR at <http://www.sedar.com>.

SOURCE Delbrook Capital Advisors Inc.

## Contact

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