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30 June 2022

ASX ANNOUNCEMENT

## **\$16M Placement and \$10M Entitlement Issue to Support Nifty Copper Project Development**

### **HIGHLIGHTS**

- **Firm commitments received for a Placement to raise \$16M at 11.5 cents per share**
- **Additional pro rata non-renounceable entitlement offer to raise up to \$10M**
  - **1 new share for every 8 held on the record date at 11.5 cents per share**
  - **Offer will be open to all eligible Cyprium shareholders**
- **Funds raised will place Cyprium in a strong financial position to continue progressing the development of the Nifty Copper Project**
- **Equity raise supports recently announced \$50M Offtake Prepayment Facility with Glencore**
- **Advanced discussions are continuing with Senior Debt counterparties**

Managing Director Barry Cahill commented:

*"The Board is very appreciative of the strong support shown from current shareholders and is pleased to welcome a number of new investors to the register.*

*Cyprium has made significant advances in the past 15 months both in terms of increasing the mineral resource estimate but also particularly in the areas of SX/EW and infrastructure refurbishment, government approvals and metallurgical optimisation.*

*With the completion of this capital raising, Cyprium will be able to continue to advance the senior debt financing, with the finalisation of the funding package enabling our construction plans and the production of copper metal plate on site in the second half of 2023."*

### **Placement and Entitlement Issue**

Cyprium Metals Limited ("**CYM**", "**Cyprium**" or "**the Company**") is pleased to announce a capital raising via a placement and a pro rata non-renounceable rights issue to raise up to approximately \$26 million before costs.

The Company has received firm commitments in respect of a placement to issue approximately 139.1 million new shares (**Placement Shares**) at 11.5 cents each (**Offer Price**) to raise \$16 million (**Placement**) from sophisticated and institutional investors.

The Company is also pleased to announce a non-renounceable pro rata entitlement offer at the Offer Price of one (1) new share for every eight (8) shares currently held by eligible shareholders to raise up to \$10 million (**Entitlement Offer**).

The new shares to be issued under the Entitlement Offer will be issued at the same price as the Placement Shares.



## Use of Funds

The Placement and Entitlement Offer proceeds will be applied as part of the funding strategy to finance the restart of the Nifty Copper Project which will aim to provide a sustainable, secure, and stable supply of copper metal at 25,000tpa.

As announced on 27 June 2022, Cyprium has entered into an exclusive Letter of Intent (**LOI**) with Glencore International AG for \$50 million in respect of a copper cathode offtake secured prepayment facility, as part of the debt financing package for the restart of the Nifty Copper Project, which includes capital expenditure, contingencies, working capital, and financing costs. The LOI is a non-binding term sheet for both offtake arrangement and project funding and is part of the targeted AUD240 million to AUD260 million debt funding package to finance the restart of the Nifty Copper Project. The Company continues to advance discussions with senior debt providers who are undertaking due diligence activities and reviewing financing documentation.

## Details of Placement

Pursuant to the terms of the Placement, the Company has agreed to issue approximately 139.1 million Placement Shares in the Company at the Offer Price of 11.5 cents per share to raise \$16 million before costs, under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 (82,648,514 Placement Shares) and 7.1A (56,481,921 Placement Shares).

Subscribers for the Placement Shares will be entitled to participate in the Entitlement Offer.

## Entitlement Offer

Under the Entitlement Offer, eligible shareholders will be able to subscribe for one (1) new ordinary share for every eight (8) existing fully paid ordinary shares held as at 5.00 pm (AEST time) on Friday, 8 July 2022 (**Record Date**) at the Offer Price.

The Offer Price represents a:

- 28.1% discount to last close on 27 June 2022;
- 19.6% discount to the 10-day VWAP up to and including 27 June 2022;
- 23.9% discount to the 15-day VWAP up to an including 27 June 2022; and
- 25.8% discount to the theoretical ex-rights issue price (TERP) to last close on 27 June 2022.

Cyprium will release a prospectus detailing the terms of the Entitlement Offer shortly, including details as to whether shareholders are eligible to participate in the Entitlement Offer and key risks (**Prospectus**). The Prospectus will include a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full entitlement will have the opportunity to apply for additional shares from a pool of those not taken up by other eligible shareholders (**Top Up Facility**). In addition to the Top Up Facility, there will also be a general shortfall offer pursuant to which the Company may place any shares to non-eligible shareholders within three (3) months from the closing date of the Entitlement Offer.

## Capital Structure

The effect of the Placement and Entitlement Offer on the capital structure of Cyprium will be as follows:

| Shares on Issue <sup>1</sup>  | Placement          | Entitlement Offer<br>(Assumes 100% Participation) |
|---|--------------------|---|
| <b>Current shares on issue</b>  | 564,819,214        | 564,819,214                                       |
| <b>Placement Shares <sup>2</sup></b>  | 139,130,435        | 139,130,435                                       |
| <b>Entitlement Offer <sup>3</sup></b>                                       | -                  | 87,993,706  |
| <b>Shares on issue post Placement and Entitlement Issue<sup>4,5,6</sup></b> | <b>703,949,649</b> | <b>791,943,355</b>                                |

1. Subject to rounding
2. Assumes ~A\$16 million Placement @ A\$0.115/share.
3. Assumes maximum raise under the Entitlement Offer of ~A\$10 million @ A\$0.115/share.
4. Assumes that none of the 57M unvested Director and employee performance rights issued at a nil exercise price and subject to performance-based vesting conditions are converted into Shares.
5. Assumes that none of the options currently on issue (26.27M unlisted options with varying exercise prices and expiry dates) are exercised.
6. Assumes that none of the convertible notes currently on issue (\$36M worth of unlisted Convertible Notes at 4% per annum, maturing 30 March 2025) are converted.

The new shares issued under the Placement and Entitlement Offer will rank pari passu with existing shares on issue.

## Equity Raising Key Dates

| Event   | Date                    |
|---|-------------------------|
| Announcement of the capital raising   | Thursday, 30 June       |
| Lodgement of Prospectus with ASIC & ASX   | Monday, 4 July 2022     |
| Placement Settlement Date (DVP)   | Tuesday, 5 July 2022    |
| Expected date of ASX Quotation of Placement New Shares  | Wednesday, 6 July 2022  |
| Shares traded on an "ex" entitlement basis  | Thursday, 7 July 2022   |
| Record Date for determining Entitlements (5.00pm AEST)  | Friday, 8 July 2022     |
| Entitlement Offer opening date, dispatch of Prospectus and Entitlement and Acceptance Form to eligible shareholders | Wednesday, 13 July 2022 |
| Last day to extend Closing Date   | Wednesday, 20 July 2022 |
| Entitlement Offer closes (5.00pm AEST)  | Monday, 25 July 2022    |
| Securities quoted on a deferred settlement basis from market open   | Tuesday, 26 July 2022   |
| Announcement of results of issue  | Thursday, 28 July 2022  |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time) | Friday, 29 July 2022    |



*All dates are indicative only and subject to change. All times and dates refer to Australian Eastern Standard Time. Cyprium reserves the right to amend any or all of these dates and times, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, Cyprium reserves the right to extend the closing date of the Entitlement Offer, to accept late applications (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date may have a consequential impact on the date that new shares are issued. Applicants are encouraged to submit their acceptance forms as soon as possible after the Entitlement Offer opens. The information in this announcement does not constitute financial product advice and does not take into account the financial objectives, personal situation or circumstances of any shareholder. If you are in any doubt as to how to proceed, please contact your financial, tax or other professional adviser.*

Eligible shareholders should read the Prospectus carefully before making any investment decision regarding the Entitlement Offer. If you are in any doubt about the Entitlement Offer, you should consult your financial or other professional adviser.

Canaccord Genuity (Australia) Limited and Euroz Hartleys Limited are acting as Joint Lead Managers to the Placement. The fees payable to the Joint Lead Managers will be set out in further detail in the Prospectus.

Longreach Capital is acting as financial advisor and Steinepreis Paganin is acting as legal advisor to Cyprium.

This ASX announcement was approved and authorised by the Board.

**For further information:**

Barry Cahill  
Managing Director

T +61 8 6374 1550

Wayne Apted  
Chief Financial Officer  
& Company Secretary  
E info@cypriummetals.com

Lexi O'Halloran  
Investor and Media Relations  
lexi@janemorganmanagement.com.au  
T +61 404 577 076

**Follow the Company developments through our website and social media channels:**





## About Cyprium Metals Limited

Cyprium Metals Limited (ASX: CYM) is an ASX listed company with copper projects in Australia. The Company has a highly credentialed management team that is experienced in successfully developing sulphide heap leach copper projects in challenging locations. The Company's strategy is to acquire, develop and operate mineral resource projects in Australia which are optimised by innovative processing solutions to produce copper metal on-site to maximise value.

The Company has projects in the Murchison and Paterson regions of Western Australia that is host to a number of base metals deposits with copper and gold mineralisation.

### Paterson Copper Projects

This portfolio of copper projects comprises the Nifty Copper Mine, Maroochydore Copper Project and Paterson Exploration Project.

The Nifty Copper Mine ("Nifty") is located on the western edge of the Great Sandy Desert in the north-eastern Pilbara region of Western Australia, approximately 330km southeast of Port Hedland. Nifty contains a 2012 JORC Mineral Resource of 940,200 tonnes of contained copper<sup>i</sup>. Cyprium is focussed on a heap leach SX-EW operation to retreat the current heap leach pads as well as open pit oxide and transitional material. Studies will investigate the potential restart of the copper concentrator to treat open pit sulphide material.

The Maroochydore deposit is located ~85km southeast of Nifty and includes a shallow 2012 JORC Mineral Resource of 486,000 tonnes of contained copper<sup>ii</sup>. Aeris Resources Limited (ASX: AIS, formerly Straits Resources Limited) holds certain rights to "buy back up to 50%" into any proposed mine development in respect of the Maroochydore Project, subject to a payment of 3 times the exploration expenditure contribution that would have been required to maintain its interest in the project.

An exploration earn-in joint venture has been entered into with IGO Limited on ~2,400km<sup>2</sup> of the Paterson Exploration Project. Under the agreement, IGO is to sole fund \$32 million of exploration activities over 6.5 years to earn a 70% interest in the Paterson Exploration Project, including a minimum expenditure of \$11 million over the first 3.5 years. Upon earning a 70% interest, the Joint Venture will form and IGO will free-carry Paterson Copper to the completion of a pre-feasibility study (PFS) on a new mineral discovery.

### Murchison Copper-Gold Projects

Cyprium has an 80% attributable interest in a joint venture with Musgrave Minerals Limited (ASX: MGV) at the Cue Copper-Gold Project, which is located ~20km to the east of Cue in Western Australia. Cyprium will free-carry the Cue Copper Project to the completion of a definitive feasibility study (DFS). The Cue Copper-Gold Project includes the Hollandaire Copper-Gold Mineral Resources of 51,500 tonnes contained copper<sup>iii</sup>, which is open at depth. Metallurgical test-work has been undertaken to determine the optimal copper extraction methodology, which resulted in rapid leaching times (refer to 9 March 2020 CYM announcement, "*Copper Metal Plated*", <https://cypriummetals.com/copper-metal-plated/>).

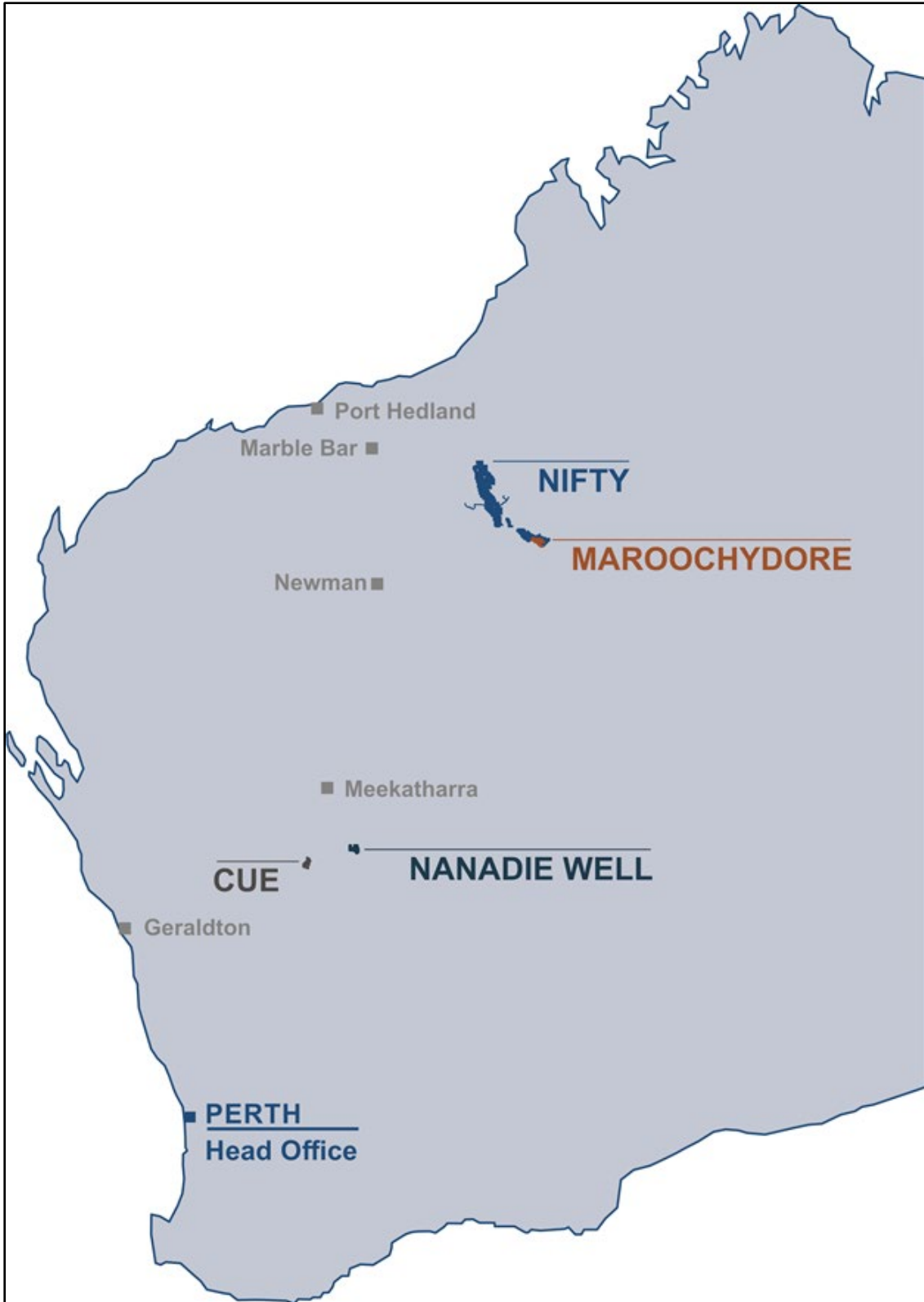
The Nanadie Well Project is located ~650km northeast of Perth and ~75km southeast of Meekatharra in the Murchison District of Western Australia, within mining lease M51/887.

The Cue and Nanadie Well Copper-Gold projects are included in an ongoing scoping study, to determine the parameters required to develop a copper project in the region, which provides direction for resource expansion work.

<sup>i</sup> Refer to CYM ASX announcement dated 16 May 2022 "28.4% increased Nifty Copper MRE to 940,200t copper metal"

<sup>ii</sup> Refer to MLX ASX announcements: 10 March 2020, "Nifty Copper Mine Resource Update" and 18 August 2016, "Annual Update of Mineral Resources and Ore Reserves"

<sup>iii</sup> Refer to CYM ASX announcement: 29 September 2020, "Hollandaire Copper-gold Mineral Resource Estimate"



*Cyprium Metals project locations*



## **FORWARD LOOKING STATEMENTS**

All dollar amounts are in Australian dollars unless otherwise indicated.

This announcement may contain certain statements and projections provided by or on behalf of Cyprium Metals Limited with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Cyprium.

Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with the mining industry which may be beyond the control of Cyprium which could cause actual results or trends to differ materially, including but not limited to price and currency fluctuations, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries, approvals and cost estimates, environmental risks, ability to meet funding requirements, share price volatility. Accordingly, there can be no assurance that such statements and projections will be realised. Cyprium makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

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## **NOT AN OFFER**

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