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12 July 2023

ASX ANNOUNCEMENT

## **Firm Commitments received for \$24M Conditional Placement and announcement of \$5M Entitlement Offer**

### **HIGHLIGHTS**

- Firm commitments received for a conditional placement to raise \$24M
- Additional pro rata non-renounceable entitlement offer to raise up to \$5M
  - 1 new share for every 10.64 shares held on the record date
  - Offer will be open to all eligible Cyprium shareholders
- Placement bookbuild received significant demand from numerous new and existing high quality domestic and offshore institutions
- Investor support for the Placement provides a strong endorsement of Cyprium's strategy to restart the Nifty operation as a long life integrated large scale open pit mine
- Mr Clive Donner, an experienced mining industry executive, to be appointed as Managing Director upon the issue of Placement Shares
- Leading private equity firm Pacific Road Capital Management (PRCM) has subscribed for \$4.05 million in the Placement to hold a 9.9% interest in the Company post Placement
- Upon completion of the Placement, PRCM will have the right to appoint a nominee to the Company's board of directors

Clive Donner, proposed Managing Director commented:

*"The Board is very appreciative of the strong support shown from current shareholders and is looking forward to welcoming a number of new institutional investors onto the register.*

*Once this Equity Raising has been completed, Cyprium will be able to continue to advance the Nifty technical studies and funding package enabling the delivery and execution of our strategy as an integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit operation."*

### **Placement and Proposed Entitlement Offer**

Cyprium Metals Limited (**CYM, Cyprium or the Company**) is pleased to announce a capital raising via a placement and a proposed pro rata non-renounceable entitlement offer to raise up to approximately \$29 million before costs (**Equity Raising**).

The Company has received firm commitments in respect of a conditional placement to issue approximately 600 million new shares (**Placement Shares**) at an offer price of \$0.04 per share (**Offer Price**) to raise \$24 million (**Placement**) from sophisticated and institutional investors, which is subject to shareholder approval to be sought at a General Meeting currently expected to take place before the end of August 2023 (**General Meeting**).



The Placement was strongly supported by sophisticated and professional investors, including numerous new and existing high quality domestic and offshore natural resources focused institutions.

Leading private equity firm and existing shareholder, Pacific Road Capital Management (**PRCM**), has agreed to subscribe for approximately A\$4.05 million in the Placement, representing a pro forma 9.9% interest in the Company post-Placement.

Mr John Featherby (current Non-Executive Director) has agreed to subscribe for 5,000,000 Shares under the Placement and Mr Clive Donner (incoming Managing Director) has agreed to subscribe for 12,500,000 Shares. Mr Milan Jerkovic (incoming Chief Operating Officer) and associates have agreed to subscribe for 12,500,000 Shares.

Subscribers for the Placement Shares will be entitled to participate in the proposed Entitlement Offer, which will proceed following the issue of the Placement Shares and reinstatement of the Company's Shares to trading on the ASX.

The Offer Price represents a 63.6% discount to the last traded price of \$0.11 on 20 February 2023.

The Company is also pleased to announce a proposed non-renounceable pro rata entitlement offer to issue approximately 125 million new shares (**Entitlement Shares**) at the Offer Price, representing 1 new share for every 10.64 shares held by eligible shareholders on the record date to raise up to \$5 million (**Entitlement Offer**).

Cyprium will release a prospectus detailing the terms of the Entitlement Offer following the General Meeting and issue of the Placement Shares, 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.

Each participant in the Placement and Entitlement Offer will receive 1 free attaching option for every 2 Shares to be issued under the Placement and Entitlement Offer (**Options**). The Options will be exercisable at \$0.06 each, on or before 31 December 2024.

Canaccord Genuity (Australia) Limited is acting as the Lead Manager to the Placement. Steinepreis Paganin is acting as legal adviser to Cyprium.

### **Use of Funds and Lifting of Voluntary Suspension**

The Company has requested that the ASX lifts the voluntary suspension of trading in its Shares following the General Meeting and the issue of the Shares under the Placement (which is expected to occur in late August). Reinstatement to trading on the ASX will be subject to ASX conditions which are not yet confirmed.

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Following successful reinstatement to trading, the Company will undertake the Entitlement Offer to enable eligible shareholders to subscribe for Shares at the same Offer Price as Shares offered under the Placement and to raise additional funds for working capital purposes.

Proceeds from the Equity Raising will primarily be used for the completion of the Nifty project technical studies, Nifty site costs and for working capital purposes. Cyprium will have sufficient funding to complete the Nifty life of mine study on the integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit (refer to CYM ASX announcement dated 23 May 2023 “Cyprium Metals Corporate Update”).

Funds from the Equity Raising will provide the Company with significant runway to pursue its updated Nifty strategy, as detailed below.

### **Nifty Strategy**

The immediate task is to restart the Nifty operation with lower capital intensity and risk by developing a large-scale open pit mine utilising its significant sunk capital infrastructure.

The Nifty development strategy includes the integration of a Copper Oxide Heap Leach SX-EW starter open pit operation that will be complemented by the larger scale sulphide open pit, which together will provide a significant +15-year mine life based on +900,000 tonne contained copper resource.<sup>1</sup>

Cyprium has finalised a detailed Restart Study for the Oxide Heap Leach starter operation. The Company is completing a scoping study which will lead into a detailed open pit life of mine study, which includes the large sulphide resource inventory. This will reflect the large scale and longer life of the Nifty project and demonstrate the economic metrics of the larger scale open pit mine.

Cyprium has substantial infrastructure already in place to treat both oxide and sulphide mineral inventory.

The integrated business plan for Nifty is expected to produce a long-life production profile with two product streams which will provide a lower risk operating approach with maximum processing flexibility. This plan is expected to produce annualised production between 48,000 to 65,000 tpa of copper production.<sup>2</sup> It is anticipated that the Oxide Heap Leach SX-EW will produce approximately 20,000 - 25,000 tpa of copper cathode for over +6 years with expected additional oxide feed from the larger open pit.<sup>2</sup> The Oxide leach SX-EW project is expected to provide the required funding to restart the Sulphide Concentrator. The Concentrator is expected to produce between 28,000 tpa (2.8Mtpa) and 40,000 tpa (4.0 Mtpa) of copper in concentrate.<sup>2</sup>

These assets would support a long mine life project in excess of 15 years.<sup>1</sup>

Nifty’s prospectivity is excellent and the mineral inventory is shallow, is open along strike in multiple directions and at depth, giving good potential to increase the current resource endowment.

There also continues to be strong interest from investors in Cyprium’s medium- and long-term strategy for the development of its Maroochydore and Murchison exploration copper projects. Cyprium has an attractive portfolio of West Australian Copper projects which have more 1.6 million tonnes of contained copper.

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<sup>1</sup> Refer to CYM ASX announcement “Nifty Copper Project Restart Study” dated 11 March 2022.

<sup>2</sup> Production targets based on internal technical studies and past external studies (refer to CYM ASX announcement “Nifty Copper Project Restart Study” dated 11 March 2022, MLX ASX announcement “Nifty Scoping Study Identifies Long Life Open Pit with Positive Economics”, dated 11 June 2020 and CYM ASX announcement “AGM Presentation”) The Company confirms that all material assumptions underpinning the production targets continue to apply and have not materially changed.



## Board and Management Changes

The Company is pleased to announce that upon the issuance of shares under the Placement, Mr Clive Donner will be appointed to the Cyprium Board as the Managing Director.

Mr Donner is an experienced mining private equity and financing expert who has financed over 50 mines globally. He founded 2 private equity funds which focussed on emerging and mid-tier mining companies. Previously a Director of Rothschild Australia responsible for mine development financing. Mr Donner has been engaged to lead the raising the required capital, developing the assets of the Company and building the Company into a mid-tier copper producer.

The material terms of Mr Donner's employment agreement are provided in Appendix A.

Mr Barry Cahill will resign from the Board upon Mr Donner's appointment to the Board as the Managing Director. Mr Cahill will continue as an executive of the Company as the Chief Development Officer to focus on the technical studies to implement the Nifty Strategy.

Upon completion of the Placement, PRCM will have the right to appoint a nominee to the Company's board of directors.

Mr Jerkovic is an experienced mining executive who will build a technical team and deliver the execution of Nifty and other projects. He will be appointed Chief Operating Officer.

## 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>	Minimum Subscription (Assumes 0% Participation in Entitlement Offer)	Full Subscription (Assumes 100% Participation in Entitlement Offer)
Current shares on issue	730,198,300	730,198,300
Placement Shares	600,000,000	600,000,000
Entitlement Offer Shares	-	125,000,000
<b>Shares on issue post Placement and Entitlement Offer</b>	<b>1,330,198,300</b>	<b>1,455,198,300</b>
Placement Options <sup>2</sup>	300,000,000	300,000,000
Entitlement Offer Options <sup>2</sup>	Nil	62,500,000
Lead Manager Options <sup>2</sup>	26,603,966	26,603,966
<b>Options on issue post Placement and Entitlement Offer<sup>2</sup></b>	<b>326,603,966</b>	<b>389,103,966</b>
Nebari Warrants <sup>3</sup>	80,328,290	80,328,290

1. Subject to rounding.
2. Exercisable at \$0.06 each on or before 31 December 2024.
3. Subject to shareholder approval, to be issued pursuant to the terms of the Loan Agreement with Nebari Natural Resources Credit Fund II LP. Exercisable at \$0.048 each on or before 2 years from issue.

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

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## Equity Raising Key Dates

Event	Date
ASX Announcement of the Placement and Entitlement Offer (ASX suspension continues)	12 July 2023
Dispatch of Notice of Meeting	25 July 2023
Date of General Meeting	24 August 2023
Anticipated Lodgement of Prospectus with the ASIC & ASX	25 August 2023
Settlement Date for Shares under the Placement	28 August 2023
Quotation of the Shares issued under Placement and expected date for lifting of suspension of Shares <sup>1, 2</sup>	29 August 2023
Entitlement Offer open	01 September 2023
Entitlement Offer close	22 September 2023
Quotation of Shares issued under the Entitlement Offer <sup>1</sup>	25 September 2023

1. Dates and times are indicative only and subject to change without notice. Cyprium reserves the right to alter the dates at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth) and other applicable laws. The commencement and trading of New Shares is subject to confirmation from ASX.
2. The Company has requested that the ASX lifts the voluntary suspension of trading in its Shares upon the issue of Shares under the Placement (which, subject to Shareholder approval being obtained at the General Meeting, is expected to occur by the end of August 2023). The lifting of the voluntary suspension is subject to ASX's discretion and the satisfaction of reinstatement conditions imposed by ASX. Accordingly, the Company will remain in voluntary suspension until such conditions are satisfied.

This ASX announcement was approved and authorised by the Board.

### For further information:

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### Disclaimer

References may have been made in this announcement to certain ASX announcements, including references regarding exploration results, mineral resources and ore reserves. For full details, refer to said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and the mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Exploration Target(s) or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



**Appendix A: Material Terms of Clive Donner's Employment Agreement**

Position	Managing Director
Commencement	From Completion of the issue of Placement Shares.
Term	No fixed term. Employment will be ongoing until terminated by either party in accordance with the agreement.
Salary	\$450,000 per annum, exclusive of superannuation contributions at the Superannuation Guarantee Contribution rate.
Short-term Incentive (STI) and Long-term Incentive (LTI) Plans	The STI and LTI are to be determined by the Board. The vesting conditions applicable for the STI and LTI are to be set for the current year and will be in accordance with market related terms.
Notice	The employment agreement can be terminated by either party on 3 months' notice or in the case of termination by the Company, payment in lieu of notice.
Post Employment Restraint	3 months restraint period from the end of employment.

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## About Cyprium Metals Limited

Cyprium Metals Limited (ASX: CYM) is an ASX listed Australian copper company. Cyprium has a vision to become a significant mid-tier copper producer with a multi-asset strategy set to capitalise on the global electrification thematic. The Company's strategy is to acquire, develop, operate and explore mineral resource projects using modern responsible methods to minimise environmental impact and optimise resource recovery and utilisation. Cyprium will make use of past investment to minimise capital intensity and lower risk to maximise the risk adjusted value of its projects.

The Company has projects in the Paterson and Murchison regions of Western Australia that are host to multiple base metals deposits.

### 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 business plan to develop a large open pit mine. Initially to provide ore to an existing heap leach SX-EW operation and to retreat the current heap leach pads. The restart of the existing copper concentrator to treat open pit sulphide material will commence once technical studies and approvals have been obtained for the larger operating footprint expected within 4 years. Combined target production rate is 65,000 tonnes of copper in cathode and concentrate.

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>. Cyprium will commence a scoping studies targeting development of a +10 year 20,000 to 30,000 tonne per year copper metal producing leach-SXEW operation to commence once Nifty is fully developed and achieves stable profitable production.

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

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, includes the Nanadie Well Copper-Gold Mineral Resources of 162,000 tonnes contained copper<sup>iv</sup>, which is open at depth and along strike to the north. Exploration will continue to define the scale and potential of this large prospective multi element geological footprint.

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 and includes the Hollandaire Copper-Gold Mineral Resources of 51,500 tonnes contained copper<sup>iii</sup>.

Nanadie Well and Cue Copper-Gold projects are included in an ongoing scoping study, to determine the parameters required to develop a copper project in the region which will determine optimal resource development and exploration work going forward.

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

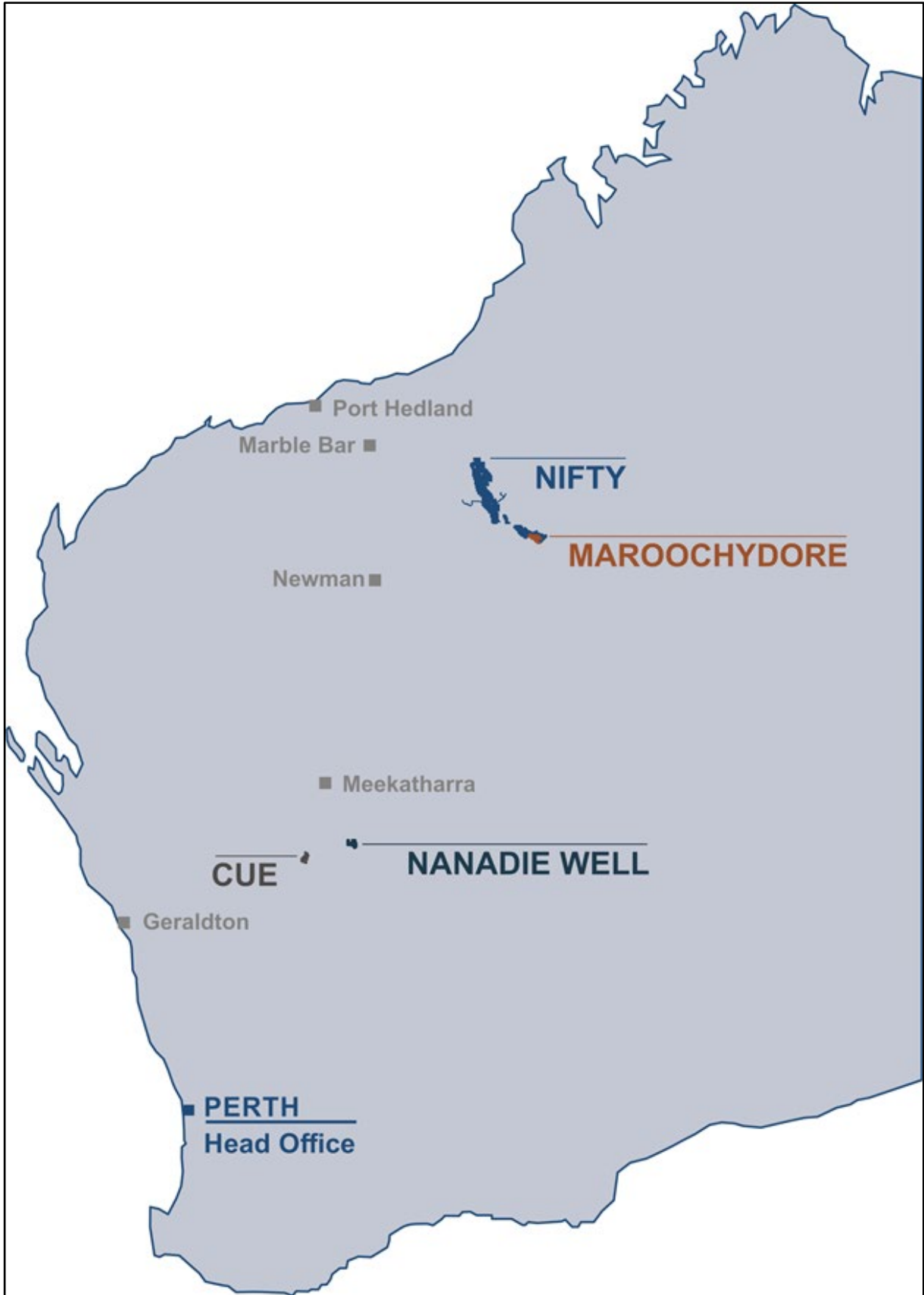
<sup>ii</sup> Refer to MLX ASX announcements: 10 March 2020, "Nifty Copper Mine Resource Update" and 18 August 2016, "Annual Update of Mineral Resources and Ore Reserves"

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

<sup>iv</sup> Refer to CYM ASX announcement: 19 July 2022, "Nanadie Well Mineral Resource Estimate"



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*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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