

ASX ANNOUNCEMENT

31 March 2021

Completion of Paterson Copper Portfolio Acquisition from Metals X

Highlights

- Cyprium is pleased to announce completion of the acquisition of Metals X's portfolio of Western Australian Copper Assets comprising:
 - Nifty Copper Mine (currently in care and maintenance);
 - Maroochydore Copper Project; and
 - Paterson Exploration Project (which includes a farm-in agreement with IGO Limited).
- Metals X has received A\$60 million worth of consideration, comprising:
 - Cash payment of A\$24 million;
 - 4 Convertible Notes for an aggregate value of A\$36 million; and
 - 40.6 million options issued free attaching to the convertible notes, comprising:
 - 20.3 million options exercisable at A\$0.3141 per option before 30 March 2022;
 - 20.3 million options exercisable at A\$0.3551 per option before 30 March 2023.

Cyprium Metals Limited (“CYM”, “Cyprium” or “the Company”) is pleased to announce that each of the conditions precedent to completion of the Company’s acquisition from Metals X Limited of the Paterson Copper Portfolio have been satisfied, and that completion has therefore occurred (“Completion”), effective 30 March 2021 (“Completion Date”).

Executive Director Barry Cahill commented:

“We look forward to leveraging our many years of combined team experience, to position Cyprium to establish itself as a significant Australian mid-tier copper producer.

We have a clear strategy to execute our simplified development plan initially at Nifty, which consists of an open pit mining operation, feeding a heap leach and SX-EW process plant.”

Consideration Paid

Cyprium confirms that at Completion, Metals X received:

- a cash payment of A\$24 million (inclusive of the A\$1 million deposit previously paid);
- four (4) convertible notes with a value of A\$9 million each, for an aggregate value of A\$36 million (“Convertible Notes”); plus
- 40.6m options, issued free attaching to the Convertible Notes (Completion Options).

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Terms of the Convertible Notes

The Convertible Notes were issued by Cyprium on the following terms:

- four (4) convertible notes with a face value of A\$9 million each;
- 4-year maturity from the Completion Date ("**Redemption Date**"); and
- annual coupon of 4% to be capitalised and paid annually, payable in cash unless Metals X elects to receive the interest in fully paid ordinary shares in the capital of Cyprium ("**Shares**") at the Conversion Price (refer below).

Redemption

To the extent all or part of the Convertible Notes are not converted or redeemed early before the Redemption Date, the Company shall pay to Metals X the principal sum and interest of the Convertible Notes on the Redemption Date.

Conversion on the Redemption Date

On the Redemption Date, Metals X may elect that each Convertible Note shall be convertible into **Shares** (less any amounts already repaid by the Company).

If elected to be converted by Metals X, the conversion price of the principal sum and interest of the Convertible Notes shall be A\$0.3551 per Share ("**Conversion Price**"), which was calculated based on the 20-day volume weighted average price ("**VWAP**") of the Shares on the ASX immediately prior to the Completion Date, multiplied by 1.3 (30% premium).

Early Redemption

Within twenty business days prior to each annual anniversary from the Completion Date, the Company may elect at its discretion to redeem the full or part amount of the principal sum and interest outstanding of each Convertible Note, multiplied by 1.15 (15% premium) of the principal sum ("**Early Redemption Value**").

The Early Redemption Value of the four Convertible Notes is A\$41.4 million.

Within seven business days of receipt of an early redemption notice from Cyprium, Metals X can elect instead to convert the face value and accrued interest of the Convertible Notes proposed to be redeemed early into Shares at the Conversion Price.

Options Issued on Completion ("**Completion Options**")

For every five (5) Shares that could be issued on conversion of each Convertible Note, Metals X on the Completion Date was issued two (2) free attaching unlisted options ("**Options**") on the following terms:

- the first Option is exercisable for 1 year from the Completion Date at a 15% premium to the Company's 20-day VWAP on the ASX to the business day prior to the Completion Date; and
- the second Option is exercisable for 2 years from the Completion Date at a 30% premium to the Company's 20-day VWAP on the ASX to the business day prior to the Completion Date.

Cyprium's 20-day VWAP on the ASX to the business day prior to the Completion Date was A\$0.273 per share.

Cyprium has therefore issued Metals X:

- 20.3 million options exercisable at A\$0.3141 per option before 30 March 2022; and
- 20.3 million options exercisable at A\$0.3551 per option before 30 March 2023.

Each Share to be issued from exercise of an Option is subject to copper price adjustment factors¹, as follows:

- 1 Share for each Option if the copper price is equal to or below US\$7,000 per tonne as at the date of exercise of the Option;
- 1.1 Shares for each Option if the copper price is between US\$7,000 and US\$7,999.99 per tonne at the date of exercise of the Option;
- 1.2 Shares for each Option if the copper price is between US\$8,000 and US\$8,999.99 per tonne at the date of exercise of the Option; and
- 1.3 Shares for each Option if the copper price is above US\$9,000 per tonne at the date of exercise of the Option.

Capital Structure and Post Completion Information

	Securities	Amount
Ordinary shares	546,059,464	
Ordinary shares restricted to 11 September 2021	2,509,750	
Performance rights (11,250,000 to be issued)	33,250,000	
Unlisted Options (ex. price \$0.30, exp. 11 December 2022)	6,000,000	
Metals X – 1 Year Options (ex. price \$0.3141, exp. 30 March 2022)	20,274,755	
Metals X – 2 Year Options (ex. price \$0.3551, exp. 30 March 2023)	20,274,755	
Market Capitalisation (A\$0.23)		A\$126.2 million
Convertible notes issued to Metals X	4	A\$36.0 million
Cash		A\$56.0 million
Enterprise value		A\$106.2 million

This ASX announcement was approved and authorised by the Board.

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



¹ All references to copper prices are to London Metals Exchange daily quoted prices.

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