

COBRE

Funding Term Sheet signed with AIM Listed Metal Tiger plc (AIM:MTR) and Issue of Equity

Australian private copper exploration company, Cobre Pty. Limited is pleased to announce that it has entered into a binding term sheet (the “**Term Sheet**”) with Metal Tiger plc (AIM:MTR), the London Stock Exchange AIM listed investor in strategic natural resource opportunities.



HIGHLIGHTS:

- MTR has executed the Term Sheet, which, subject to the satisfaction of certain conditions precedent, will allow MTR to invest an initial A\$500,000 for approximately 15% of Cobre and a further A\$2,000,000 as part of an IPO fundraise, expected to complete within the next 12 months, to achieve an approximate aggregate 19.99% shareholding upon listing.
- MTR has issued Cobre 1,658,720 new ordinary shares of 0.01 pence each in the capital of the Company (“**Ordinary Shares**”) at a price of 1.45 pence per share (the “**MTR Shares**”) in consideration for Cobre granting MTR an exclusivity period of 30 days in which to complete due diligence and implement formal documentation;
 - MTR has already completed a substantial amount of due diligence and is pleased to obtain exclusivity given the strong level of interest in the market to invest in the Project.
- On completion of an IPO, MTR will obtain a right to appoint a nominee director to the Board of the Cobre IPO entity.
- Circa 1,000m RC drilling programme at Perrivale intersected very high grade volcanogenic massive sulphide (VMS) base metal and gold mineralisation at shallow depth;
 - The best assayed result was **5m @ 9.8% Cu, 3.2g/t Au, 34g/t Ag, 3.1% Zn.**
- Preliminary ground EM survey completed at Perrinvale.

A link to the Cobre Investor Memorandum can be found at the following link: <https://bit.ly/2Yqc7g4>

Martin Holland, Executive Director of Cobre, commented:

"The funding will assist in expediting the company from a private company into a public company with a focus on executing on the IPO of Cobre in the near term. Strategically, having Metal Tiger as a 19.99% cornerstone investor, not only provides the funding required but also validates Cobre's recent high-grade copper VMS discovery in Western Australia. Metal Tiger also comes with the technical expertise of Mr Terry Grammer, (prospector of the year 1999, plus being involved in many other major Australian mineral discoveries). More recently, Metal Tiger sold their share of the Botswana project to Australian copper company Sandfire Resources (SFR.AX), and will become one of the largest shareholders of that company on completion. The Cobre board is pleased to welcome Metal Tiger to the company."

Michael McNeilly, CEO of Metal Tiger, commented:

"We are delighted to enter into this term sheet with Cobre that provides the framework for a near-term investment in Cobre. As a Board, we are truly excited by the encouraging results achieved by Cobre to date as well as by the strong interest that has been shown in the Project. Discovering a potential high-grade VMS system is a major credit to the team at Cobre. Furthermore, the potential exists on the tenement package for an extended VMS system across a large proportion of the tenements. Such deposits are rare globally, so to encounter one in a stable jurisdiction like Australia is significant.

It is a testament to the Metal Tiger team and investment approach that we have managed to secure this term sheet and we look forward to working hard to complete our due diligence, agree definitive documents and complete the investment."

Pre-IPO and IPO Cornerstone Term Sheet

Subject to the Conditions Precedents (described in more detail below) being met, MTR has agreed to make an initial payment of A\$500,000 to Cobre in consideration for being issued with 6.6 million new ordinary shares (the "**Initial Securities**") in the capital of Cobre at an issue price of A\$0.076 per security, which will represent approximately 15% of the issued share capital of Cobre (assuming no other Cobre ordinary shares are issued in the interim).

In addition, subject to the Conditions Precedent being met, MTR agrees to subscribe for, and Cobre (or its listed nominee) (the "**Cobre IPO Entity**") agrees to issue up to 10,000,000 new ordinary shares in the capital of the Cobre IPO Entity at an issue price of A\$0.20 per share (the "**IPO Shares**") under the proposed initial public offer of IPO Shares in conjunction with an application for the quotation of those IPO Shares on a recognised stock exchange (including the ASX), provided that the offer period for the IPO commences within 12 months after the date on which the Term Sheet is executed (or such later date as agreed between the parties in writing).

A condition of the issue of the IPO Shares is that MTR will hold 19.99% of the ordinary shares in the Cobre IPO Entity and will not be required to pay more than A\$2,500,000 (in aggregate) pursuant to the subscription for the Initial Securities and IPO Shares. Cobre will commit to do all things necessary to meet this condition.

Should the IPO occur within 12 months of the execution of the term sheet and should MTR not invest the proposed A\$2,000,000 for the IPO Shares, then the Initial Securities will be forfeited and cancelled for no consideration by appropriate means.

As a condition of the issue of the IPO Shares (and subject to applicable laws and the ASX Listing Rules), MTR will be entitled to nominate a director to the Board of the Cobre IPO Entity, with the details of such nominated director to be included in the IPO prospectus.

Should Cobre raise more than A\$700,000 by way of equity investment, including by way of an issue of convertible securities from any person other than MTR before the IPO then the Initial Securities cannot be redeemed or cancelled. Any equity investment before IPO will not impact MTR's right to hold 19.99% of Cobre following an IPO for a total investment in aggregate of A\$2,500,000.

If an agreement is made before the IPO to sell all or the majority of the assets of Cobre, MTR will be given the right to require that all of the Initial Securities held by it are redeemed (by way of buy back or otherwise) for fair market value as determined (based on the price at which the assets are sold but only where the assets are sold to a bona fide third party on arm's length terms). In the event that all of the shares in Cobre are sold, Cobre must be given the right to require that all of the Initial Securities held by MTR are redeemed, by way of buy back or otherwise at a price per security equal to the sale price per security agreed with the third party purchaser on arm's length terms or if Cobre does not exercise the right then MTR's Initial Securities will be subject to drag and tag rights. However, Cobre cannot redeem the Initial Securities if the sale price with the bona fide third party is less than the amount initial subscription price paid by MTR.

Conditions Precedent

The transaction is conditional upon:

- MTR conducting due diligence on Cobre to its satisfaction;
- The parties agreeing a formal subscription agreement documenting the issue of the Initial Securities within 30 days after the date on which this Term Sheet is executed and proceeding to financial close within seven days after executing the subscription agreement (or such other date as agreed between the parties); and
- Receipt of any waivers and approvals in relation to the transaction that Cobre or MTR considers necessary under Cobre's constitution or the Corporations Act 2001 (Cth) or any other law.

(together, the "**Conditions Precedent**").

Each party must use their best endeavours to ensure that the Conditions Precedent are satisfied as soon as possible.

Exclusivity

In consideration for the issue of the MTR Shares to Cobre, Cobre agrees not to directly or indirectly, negotiate with, solicit offers from, or provide any information to any potential third party investors, or enter into any discussions, negotiations, agreements or understandings concerning any potential investment in Cobre by any third parties, other than MTR, for a period of 30 days after the date on which this Term Sheet is executed or any longer period agreed between the parties in writing for the purposes of finalising the formal subscription agreement.

For further information on Cobre's incoming investor Metal Tiger, please visit: www.metaltigerplc.com