

04 August 2022

ASX Limited

Company Announcements Platform

COBRE COMPLETES A\$7 MILLION PLACEMENT TO CAPITALISE ON EARLY EXPLORATION SUCCESS IN BOTSWANA

Highlights:

- Placement attracted significant demand from both existing and new sophisticated and International and domestic institutional investors
- Firm commitments received to raise A\$7 million
- The equity raise comprises a two-tranche placement – A\$5.5 million to be raised under the first tranche, with Metal Tiger plc, the Company's largest shareholder, and related parties to participate in the second tranche to raise a further A\$1.5m (the second tranche being subject to shareholder approval)
- Metal Tiger plc will maintain its pro rata ~21% shareholding via a further ~A\$1.5 million investment under the second tranche of the placement, subject to shareholder approval
- Cobre's drilling service provider in Botswana, Mitchell Services Limited (ASX: MSV) (**Mitchell**), has separately subscribed for US\$300,000 worth of shares in Cobre to be set-off against drilling services delivered, subject to shareholder approval
- Combined with existing cash reserves, Cobre is well capitalised for significant exploration in Botswana with more than A\$9 million in cash and ~A\$2M in listed equities.

Cobre Limited (ASX: **CBE**, **Cobre** or **Company**) is pleased to announce it has successfully completed a two-tranche placement of A\$7 million¹ (before costs) at \$0.15 per share to sophisticated and institutional investors with the funds raised to be used to fast-track exploration on the tenement package held by Kalahari Metals Limited (**KML**) in Botswana (**Placement**). Cobre has recently signed a Share Purchase Deed to acquire the remaining 49% of KML which it does not already own, subject

¹ Note: MTR's ~A\$1.5 million investment in the second tranche of the Placement is subject to Cobre obtaining shareholder approval for this to occur.

to shareholder approval at a meeting to be convened in the near future (*refer ASX announcement of 16 June 2022*).

Cobre received significant demand for the Placement from high quality International and domestic institutional and high net worth investors. The Placement was conducted at a price of \$0.15 per share representing a:

- 16.7 % discount to the close price of \$0.18 on 2 August 2022;
- 7.4% discount to the 5- day Volume Weighted Average Price (**VWAP**) of \$0.162; and
- 5.7% discount to the 15- day VWAP of \$0.159.

The Placement will be undertaken in two tranches. Shareholder approval is not required for the first tranche of the Placement which was undertaken within the Company's existing capacity pursuant to ASX Listing Rules (**LR**) 7.1 and 7.1A (**First Tranche**). Cobre will be issuing a total of 18,651,224 new shares pursuant to LR 7.1 and 16,540,701 shares pursuant to LR 7.1A. All new shares issued under the Placement will rank *pari passu* with the existing ordinary shares on issue in the capital of the Company.

Cobre will issue ~9.8 million new ordinary shares to MTR at a price of \$0.15 per share under the second tranche of the Placement, subject to shareholder approval which Cobre will seek to obtain at a shareholders' meeting later this year (**Second Tranche**). Andrew Sissian, a director of the Company has also subscribed for a total of ~0.2 million shares, also subject to shareholder approval.

Settlement of the First Tranche is expected to occur on Thursday, 11 August 2022, with allotment and issue of the First Tranche shares expected on Friday, 12 August 2022.

The shares issued under the Placement will rank equally with existing ordinary shares from the date of issue.

Canaccord Genuity (Australia) Limited acted as lead manager, and HWL Ebsworth as legal advisor, to the Placement.

Placement to Mitchell

Cobre and Mitchell have separately entered into a subscription deed (**Subscription Deed**) under which Mitchell, or a related party nominee of Mitchell, has agreed to subscribe for US\$300,000 worth of fully paid ordinary shares in the capital of Cobre at an issue price of A\$0.15 per share, subject to shareholder approval. Shareholder approval will be required for the issue of shares to Mitchell (or its related party nominee) in the event Cobre doesn't have capacity under LR 7.1 and 7.1A to issue these shares following the Placement. It is expected that shareholder approval to issue the shares to Mitchell (or its related party nominee) will be obtained at the same time as the approval for the Second Tranche.

Under the terms of the Subscription Deed, rather than paying cash for these shares, Mitchell may set off an amount that is equal to US\$300,000 against 45% of any invoices (exclusive of VAT) that have been rendered by Mitchell to KML, for any drilling completed after the current drilling program which has been agreed by the parties to be paid in cash, that become due and payable on and from the date on which the shares are issued to Mitchell.

Following the issue of shares to Mitchell (or its related party nominee), Cobre has agreed to grant Mitchell an exclusive right to provide drilling services in relation to any of Cobre's projects in Botswana, provided that the fees charged by Mitchell for those services are consistent with the fees charged for comparable drilling services in the market.

Commenting on the successful capital raising, *Martin Holland, Cobre's Executive Chairman and Managing Director*, said:

"The Cobre team is pleased to have secured the funds required to continue to rapidly progress exploration on KML's tenement package in the Kalahari Copper Belt in Botswana following on from the successful results of the first 3 diamond holes announced over the past ten days. The announcement of the third drill hole further illustrates the strike length of intersected copper mineralisation in this exciting target which remains open-ended. The footprint of mineralisation, which now extends over more than 3km, is very much in-line with known deposits in the Kalahari Copper Belt. I would like to extend a vote of thanks for the support from existing and new shareholders into this placement which we see as a vote of confidence in the strategy the Board is developing to fast track exploration with the aim to unlock this new potential discovery in Botswana. In addition, a shout out to Mitchells drilling and our in-country technical and operation team, the alignment between us all is what it takes to find new discoveries in Africa".

This ASX release was authorised on behalf of the Cobre Board by: Martin C Holland, Executive Chairman and Managing Director.

For more information about this announcement, please contact:

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