

Cobre Limited A.C.N. 626 241 067 (ASX: CBE)

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30 November 2022

ASX Limited

Company Announcements Platform

COBRE COMPLETES ACQUISITION OF 100% OF KALAHARI METALS LIMITED

Cobre Limited (ASX: **CBE**, **Cobre** or **Company**) is pleased to announce that, following the approval of shareholders at the Company's Extraordinary General Meeting (**EGM**) held on 22 November 2022, it has today completed the acquisition of the remaining 49% interest in Kalahari Metals Limited (**KML**) (**Transaction**), moving to 100% ownership of KML.

KML owns the second largest tenure, covering a total area of approximately 5,348 km² in the Kalahari Copper Belt (**KCB**) in Botswana. The KCB is regarded as one of the most prospective areas globally for copper exploration by the US Geological Survey (**USGS**), with a number of copper-silver deposits currently under development by both Sandfire Resources Limited (ASX: **SFR**) and Cupric Canyon Capital.

Under the terms of the Transaction, originally announced to the ASX on 16 June 2022, Cobre Kalahari Pty Ltd (**Cobre Kalahari**), a wholly owned subsidiary of Cobre and as Cobre's nominee:

1. Acquired 24.5% of the shares in KML from ASX and AIM listed Metal Tiger PLC (ASX: **MTR**, AIM: **MTR**) for a total cash consideration of £750,000;
2. Exercised the 12-month call option up-front that was granted by MTR (**Call Option**) and acquired the remaining 24.5% of the shares in KML in consideration for the issue of 4,632,155 Cobre shares (**Consideration Shares**) at a deemed issue price of \$0.29 per Consideration Share; and
3. Repaid the outstanding 5-year loan of US\$1,295,071 by issuing 6,602,183 Cobre shares at a deemed issue price of \$0.29 per Share.

The issue price of the Consideration Shares was calculated by dividing £750,000 (converted into Australian dollars) by the agreed relevant 90-trading day VWAP of Cobre's shares of AUD\$0.29 per Cobre share.

In addition, Cobre has repaid in full the existing and outstanding shareholder loans made by MTR to KML (being an amount of US\$1,295,071) by issuing 6,602,183 Cobre shares to MTR (**Exchange Shares**) also at a deemed issue price of \$0.29 per Exchange Share. The issue price of the Exchange Shares was calculated by dividing the total outstanding amount of the loan by the agreed relevant 90-trading day VWAP of Cobre's shares. The Board considered it prudent to extinguish the loan now which would otherwise carry a 7% compounding annual interest rate.

In addition to the shares issued upon completion of the Transaction and extinguishment of the shareholder loans by KML to MTR, Cobre will also issue 9,808,076 at a price of \$0.15 per share following shareholder approval and receipt of the placement funds from MTR of \$1.471m. MTR now currently holds approximately 20.58% of the issued shares in Cobre.

Commenting on the Completion of the Transaction, Cobre Executive Chairman and Managing Director, Martin Holland, said:

“We are extremely pleased to have completed the acquisition of KML to acquire its full ownership. This transaction represents a strategic milestone for Cobre to fully exploit the exploration potential of KML, which we believe will continue to unlock considerable value for our shareholders.

Moving forward, Cobre is well positioned to capitalise on what we believe is one of the most exciting copper districts in the world. Our recent announcements to the ASX over the past five months indicate that the drilling program is going extremely well. With the KML transaction now complete, Cobre is ready to take advantage of this incredible opportunity in the Kalahari Copper Belt.

We aim to unlock the full value of these Botswana assets through a strategic and well-planned exploration program using our strong Africa-based technical team, and we look forward to continuing to update the market as the program progresses.”

In addition to completion of the KML acquisition, Cobre is also pleased to advise that, following shareholder approval at the EGM, it has today also issued a total of 2,956,800 shares to Mitchell Drilling pursuant to the Subscription Deed announced to the ASX on 4 August 2022 as part of a drill for equity swap.

Cobre also advises that it has today completed the issuance of 447,900 shares to various non-related parties of Triprop Pty Ltd, in order to take KML's holding in Triprop Pty Ltd to 80%. Cobre is in the final stages of moving towards 100%-ownership of Triprop Pty Ltd in the coming weeks. These shares are subject to a 12 month escrow period commencing today.

To finalise the issue of shares today, the Company has also issued the 166,667 shares to Andrew Sissian as approved by shareholders at the EGM.

A cleansing notice in respect of the various share issuances is attached.

Cobre advises that total shares on issue following the above allotments is now 228,323,216.

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:

Martin C Holland

Executive Chairman and Managing Director

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CLEANSING NOTICE – ISSUE OF SHARES

Cobre Limited (ASX: **CBE**, **Cobre** or **Company**) advises that the Company has issued a total of 24,613,781 ordinary shares today as follows:

- 21,042,414 shares to Metal Tiger PLC (**MTR**), with 9,808,076 issued for a price of \$0.15 per share as part of the second tranche of the placement announced to the ASX on 4 August 2022. A further 4,632,155 shares were issued at a deemed consideration of \$0.29 per share on the exercise of the call option granted by MTR to acquire the remaining 24.5% of the shares in KML and the balance of 6,602,183 shares were issued at a deemed consideration of \$0.29 per share as satisfaction of the repayment in full of the existing and outstanding shareholder loans made by MTR to KML (being an amount of US\$1,295,071. All shares were issued following the approval of shareholders at the Extraordinary General Meeting held on 22 November 2022 (**EGM**);
- 166,667 shares were issued to one of the Company's directors, Andrew Sissian, at a price of \$0.15 per share following the approval of shareholders at the EGM;
- 2,956,800 shares were issued to Mitchell Drilling, at a deemed consideration of \$0.15 per share following the approval of shareholders at the EGM; and
- 447,900 shares were issued for a deemed consideration of \$0.24 per share to non-related parties of the Company in relation to the Triprop agreement as referred to in the Company's announcement to the ASX of 30 November 2022.

CBE gives notice, under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**), that:

- 1) CBE issued the Shares without disclosure to the recipients under Part 6D.2 of the Corporations Act;
- 2) as at the date of this notice CBE has complied with:

- a) the provisions of Chapter 2M of the Corporations Act as they apply to CBE; and
 - b) section 674 of the Corporations Act; and
- 3) as at the date of this notice, there is no excluded information (within the meaning of sections 708A(7) and 708A(8) of the Corporations Act) which is required to be set out in this notice under Section 708A(6)(e) of the Corporations Act.

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:

Martin C Holland

Executive Chairman and Managing Director

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