
CYPRIMUM METALS LIMITED
ACN 002 678 640
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 1:00pm (AWST)
DATE: 23 March 2021
PLACE: AICD Meeting Room
Level 1, 77 St Georges Terrace
Perth WA 6000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 1:00pm (AWST) on 21 March 2021.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE PLACEMENT SHARES UNDER LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 450,000,000 Placement Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – APPROVAL TO ISSUE CONVERTIBLE NOTES AND OPTIONS TO METALS X IN CONSIDERATION FOR THE TRANSACTION UNDER LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue four (4) Convertible Notes, each with a face value of \$9,000,000, together with the free attaching Options, to Metals X Limited in part consideration for the Transaction, on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – DIRECTOR PARTICIPATION IN PLACEMENT – MR GARY COMB

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Placement Shares to Mr Gary Comb (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO MR BARRY CAHILL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4), Section 200B and 200E of the Corporations Act, Listing Rule 10.14, Listing Rule 10.19 and for all other purposes, approval is given for the Company to issue up to 6,250,000 Performance Rights to Barry Cahill (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO MR GARY COMB

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4), Section 200B and 200E of the Corporations Act, Listing Rule 10.14, Listing Rule 10.19 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Performance Rights to Gary Comb (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 22 February 2021

By order of the Board

A handwritten signature in black ink, appearing to read 'Wayne Apted', is written over a light blue horizontal line.

**Wayne Apted
Company Secretary**

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Approval to issue Placement Shares under Listing Rule 7.1	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Placement Participants) or an associate of that person (or those persons).
Resolution 2 – Approval to issue Convertible Notes and Options to Metals X in Consideration for the Transaction under Listing Rule 7.1	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, Metals X) or an associate of that person (or those persons).
Resolution 3 – Director Participation in Placement – Mr Gary Comb	Mr Gary Comb (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 4 – Issue of Performance Rights to Mr Barry Cahill	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Barry Cahill or his nominee/s) or an associate of that person or those persons. A director of the Company.
Resolution 5 – Issue of Performance Rights to Mr Gary Comb	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Gary Comb or his nominee/s) or an associate of that person or those persons. A director of the Company.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statements

Resolution 4 – Issue of Performance Rights to Mr Barry Cahill	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either: (a) a member of the Key Management Personnel; or (b) a Closely Related Party of such a member, and the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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**Resolution 5 – Issue of
Performance Rights to Mr Gary
Comb**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member,

and the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6169 3050.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO THE RESOLUTIONS

1.1 Background to the Transaction

As announced on 10 February 2021, Cyprium Metals Limited (ACN 002 678 640) (**Cyprium** or the **Company**) entered into a share sale agreement with Metals X Limited (ACN 110 150 055) (**Metals X**) on 7 February 2021 (**SSA**), pursuant to which Metals X agreed to sell, and the Company agreed to purchase, 100% of the legal and beneficial interest in Paterson Copper Pty Ltd (ACN 103 515 037) (**Paterson Copper**), the owner of:

- (a) the Nifty Copper Mine;
- (b) the Maroochydore Copper Project; and
- (c) the Paterson Exploration Project (which includes the farm-in agreement with IGO Limited),

(together, the **Copper Assets**) (considered as a whole, the **Transaction**).

1.2 Consideration

In consideration for the Transaction, under the SSA, the Company has agreed to, at completion of the Transaction (**Completion**), issue/pay to Metals X:

- (a) a cash payment of \$24,000,000 (inclusive of the A\$1 million deposit (**Deposit**) already paid to Metals X by Cyprium) (**Upfront Amount**); and
- (b) four (4) convertible notes in the Company (**Convertible Notes**) with an aggregate face value of \$36,000,000 (\$9,000,000 each), approval for which is the subject of Resolution 2 of this Notice.

Under the terms of the Convertible Notes, Metals X will also be issued unlisted Options on the Completion Date, as set out in further detail below and in Schedules 2 and 3.

The Upfront Amount will be funded by the Placement (which is the subject of Resolution 1). The Deposit paid by Cyprium is being held in escrow, pending Completion. The Deposit may be returned to Cyprium in certain circumstances if Completion does not occur, namely if Metals X fails to satisfy the conditions precedent under the SSA for which it is responsible, or if Metals X defaults under the SSA before Completion occurs.

Refer to Schedule 1 for the material terms and conditions of the SSA. Please also refer to the announcement made on the Company's ASX platform on 10 February 2021 for further details of the Transaction (including the Placement).

2. RESOLUTION 1 – APPROVAL TO ISSUE PLACEMENT SHARES – LISTING RULE 7.1

2.1 General

The background to the Transaction is set out above in Section 1.

In connection with the Transaction, subject to Shareholder approval under this Resolution 2, the Company is proposing to complete a placement to professional and sophisticated investors (**Placement**) of 450,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at \$0.20 per Share (**Placement Shares**) to raise \$90,000,000 (before costs). As stated in the Company's announcement of 10 February 2021, firm commitments have been received in relation to the full amount of the Placement.

The Company has engaged Longreach Capital Pty Ltd (ACN 618 027 651) to act as corporate adviser (**Corporate Advisor**), and Canaccord Genuity (Australia) Limited and Euroz Hartleys Limited to act as joint lead managers (**Joint Lead Managers**) to the Placement. The Corporate Advisor and Joint Lead Managers are to be paid the following fees in connection with the Placement:

- (a) (**Corporate Advisor**): a transaction fee equal to 1% of the gross proceeds of all capital raised as part of the Placement.
- (b) (**Joint Lead Managers**): a capital raising fee of 5% of the gross proceeds of the Placement, comprising:
 - (i) a 2% management fee; and
 - (ii) a 3% selling fee,

except for gross proceeds introduced to the Placement by other brokers, who will be paid a 4% selling fee with the Joint Lead Managers instead paid a 1% management fee. The Joint Lead Managers will split the fees equally after payment by the Joint Lead Managers of any agreed selling fees to other brokers, as applicable.

2.2 Proposed Use of Funds

The Company intends to apply the funds raised through the Placement to:

- (a) fund the Transaction, including to pay the Upfront Amount to Metals X;
 - (b) develop the Copper Assets, including to accelerate development studies for the near-term oxide heap leach production opportunity and early works on the SX-EW plant);
 - (c) general working capital in respect of the Copper Assets; and
 - (d) pay associated fees and expenses of the Placement,
- (together, the **Funding Purposes**).

2.3 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

2.4 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Placement Shares. In addition, the issue of the Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Placement Shares, thereby affecting the Company's ability to (among other things) fund the Transaction in accordance with the terms of the SSA. The conditions to the SSA (as set out in paragraph 4 of Schedule 1) include that the Company receives valid applications under the Placement to allow it to complete the Transaction and that the Company obtains Shareholder approval under ASX Listing Rule 7.1 to give effect to the Transaction (including for the purposes of issuing the Placement Shares). If the issue of the Placement Shares is not approved by Shareholders under this Resolution, the Company will not be able to satisfy those conditions to the SSA and, accordingly, the SSA would likely be terminated in accordance with its terms.

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Shares.

2.5 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Placement Shares will be issued to professional and sophisticated investors identified by the Joint Lead Managers and approved by the Company. The recipients were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the Placement. None of the Participants are related parties of the Company (other than the participating Director for which approval is sought under Resolution 3);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients (other than the participating Director in respect of which approval is sought pursuant to Resolution 3) will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Placement Shares to be issued is 450,000,000. The Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any

ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Shares will occur on the same date;

- (e) the issue price of the Placement Shares will be \$0.20 per Placement Share. The Company will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares is to raise capital, which the Company intends to apply towards the Funding Purposes set out in Section 2.2 above;
- (g) the Placement Shares are not being issued under an agreement; and
- (h) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.2850	19 Jan 2021
Lowest	\$0.1000	20 April 2020
Last	\$0.2550	19 Feb 2021

2.6 Board recommendation

The Board recommends that Shareholders vote in favour of this Resolution. Additionally, the Board intend to vote in favour of this Resolution (save for Mr Comb who, as a Placement Participant, is excluded from voting on this Resolution).

3. RESOLUTION 2 – APPROVAL TO ISSUE CONVERTIBLE NOTES AND OPTIONS TO METALS X IN CONSIDERATION FOR THE TRANSACTION – LISTING RULE 7.1

3.1 General

The background to the Transaction is set out above in Section 1.1.

As set out in that Section, the Company is proposing, subject to Shareholder approval, to issue four (4) Convertible Notes to Metals X on Completion with an aggregate face value of \$36,000,000 (\$9,000,000 each) in part consideration for the Transaction (**Convertible Notes**).

Under the terms of the Convertible Notes, for every five (5) Shares that could be issued to Metals X on conversion of each Convertible Note, the Company will also issue to Metals X two (2) free attaching unlisted Options at Completion. Accordingly, under this Resolution 2, the Company is seeking approval for:

- (a) the issue of four (4) Convertible Notes to Metals X with an aggregate face value of \$36,000,000, at Completion; and
- (b) the issue of the Options, the number of which is to be calculated once the Conversion Price is known at Completion (refer below to Section 3.4 for indicative numbers).

Refer to Schedules 1, 2 and 3 respectively for summaries of the terms of the SSA, Convertible Notes and Options.

3.2 Listing Rule 7.1

As summarised in Section 2.3 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Convertible Notes and Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. They therefore require the approval of Shareholders under Listing Rule 7.1.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, then, subject to the satisfaction of the conditions' precedent to Completion, the Company will be able to proceed with the issue of:

- (a) the Convertible Notes (and the issue of any Shares on conversion of the Convertible Notes); and
- (b) the free attaching Options under the terms of the Convertible Notes (and the issue of any Share on exercise of the Options).

In addition, the issue of the Convertible Notes and Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Convertible Notes, thereby affecting the Company's ability to (among other things) fund the Transaction in accordance with the terms of the SSA. The conditions to the SSA (as set out in paragraph 4 of Schedule 1) include that the Company obtains Shareholder approval under ASX Listing Rule 7.1 to give effect to the Transaction (including for the purposes of issuing the Convertible Notes and Options). If the issue of the Convertible Notes and Options is not approved by Shareholders under this Resolution, the Company will not be able to satisfy that condition to the SSA and, accordingly, the SSA would likely be terminated in accordance with its terms.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Convertible Notes.

3.4 Dilution

The Convertible Notes have an aggregate face value of \$36,000,000 (\$9,000,000 each). Set out below is a worked example of the number of securities that may be issued on under the terms of the Convertible Notes under Resolution 2, using an assumed low, mid and high-range Conversion Price and hypothetical worked examples of 25%, 50%, 75% and 100% of the Convertible Notes being converted.

Assumed Conversion Price	Number of Shares and Options that may be issued on conversion of the Convertible Notes ¹				Shares on issue following the Meeting ⁴	Dilution effect on existing Shareholders	
	Convertible Notes converted	Shares issued to Metals X on Conversion	Interest Shares issued to Metals X on Conversion ²	Options issued to Metals X on Completion ³		Undiluted (Shares only) (%)	Fully diluted (Shares and Options) (%)
\$0.260 (Low-range)	25% (\$9m)	34,615,385	5,538,462	55,384,615	548,569,214	7.32%	17.42%
	50% (\$18m)	69,230,769	11,076,923	55,384,615		14.64%	24.74%
	75% (\$27m)	103,846,154	16,615,385	55,384,615		21.96%	32.06%
	100% (\$36m)	138,461,538	22,153,846	55,384,615		29.28%	39.38%
\$0.325 (Mid-range)	25% (\$9m)	27,692,308	4,430,769	44,307,692		5.86%	13.93%
	50% (\$18m)	55,384,615	8,861,538	44,307,692		11.71%	19.79%
	75% (\$27m)	83,076,923	13,292,308	44,307,692		17.57%	25.64%
	100% (\$36m)	110,769,230	17,723,077	44,307,692		23.42%	31.50%
\$0.390 (High-range)	25% (\$9m)	23,076,923	3,692,308	36,923,077		4.88%	11.61%
	50% (\$18m)	46,153,846	7,384,615	36,923,077		9.76%	16.49%
	75% (\$27m)	69,230,769	11,076,923	36,923,077		14.64%	21.37%
	100% (\$36m)	92,307,692	14,769,231	36,923,077		19.52%	26.25%

Notes:

1. Rounded to the nearest whole number.
2. 4% interest on the Convertible Notes is to be paid annually to Metals X in cash, unless Metals X elects to receive interest in Shares at the Conversion Price. The above table assumes that Metals X elects to receive 25%, 50%, 75% and 100% of total interest in Shares instead of cash at the assumed Conversion Prices.
3. For every five (5) Shares that could be issued on conversion of each Convertible Note, Metals X shall be issued two (2) free attaching unlisted Options on the Completion Date, the terms of which are set out in Schedule 3. The exact number of Options is to be calculated once the Conversion Price is known at Completion. The table assumes that each Option converts to one (1) Share and the copper price is equal to or below US\$7,000 per tonne as at the date of exercise of the Option (please refer to the copper price adjustment factors in Schedule 2). However, the following worked example illustrates the impact of the copper price adjustment factor on the exercise of Options, depending on the assumed Conversion Price:

Assumed Conversion Price	Options	Copper Price per Tonne	Adjustment Factor	Shares on Exercise of Options
\$0.260 (Low-range)	55,384,615	≤ US\$7,000	1 Share	55,384,615
	55,384,615	> US\$7,000 to US\$7,999.99	1.1 Shares	60,923,077
	55,384,615	> US\$8,000 to US\$8,999.99	1.2 Shares	66,461,538
	55,384,615	> US\$9,000	1.3 Shares	72,000,000
\$0.325 (Mid-range)	44,307,692	≤ US\$7,000	1 Share	44,307,692
	44,307,692	> US\$7,000 to US\$7,999.99	1.1 Shares	48,738,461
	44,307,692	> US\$8,000 to US\$8,999.99	1.2 Shares	53,169,230
	44,307,692	> US\$9,000	1.3 Shares	57,600,000
\$0.390	36,923,077	≤ US\$7,000	1 Share	36,923,077

(High-range)	36,923,077	> US\$7,000 to US\$7,999.99	1.1 Shares	40,615,385
	36,923,077	> US\$8,000 to US\$8,999.99	1.2 Shares	44,307,692
	36,923,077	> US\$9,000	1.3 Shares	48,000,000

4. There are currently 98,569,214 Shares on issue as at the date of this Notice. This table assumes:
- (a) 450,000,000 Placement Shares are issued under Resolution 1 (bringing the total number of Shares following the Meeting to 548,569,214 Shares);
 - (b) with no other Options or convertible securities are exercised (save for the Options under this Resolution);
 - (c) no convertible securities are converted (save for the Convertible Notes the subject of this Resolution); and
 - (d) no other additional Shares are issued.

The Company notes that the above workings are an example only and that the dilutive effect upon conversion of the Convertible Notes is unknown at the date of this Notice as it depends on the actual Conversion Price and the extent (if any) to which Metals X elects to convert the Convertible Notes to Shares, or whether the Convertible Notes are instead redeemed for cash in accordance with their terms. Conversion may only occur in accordance with the terms of the Convertible Notes, the timing of which is set out in Schedule 2.

Accordingly, the Company notes that the above workings are an example only and the actual number of Options and Shares (if any) may differ. This will result in the maximum number of Options and Shares to be issued and the dilution percentage to also differ.

If conversion of any of the Convertible Notes or Options would result in Metals X acquiring a relevant interest in 20% or more of the Shares, the Company must first convene a general meeting to seek Shareholder approval in accordance with section 611 of the Corporations Act before those Convertible Notes or Options can be converted, so as to avoid the 20% relevant interest threshold being exceeded. Please refer to paragraph 5 of Schedule 1.

3.5 Technical information required by Listing Rule 7.3 and ASX

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Convertible Notes will be issued to Metals X, who is not a related party of the Company;
- (b) the maximum number of Convertible Notes to be issued is four (4) Convertible Notes;
- (c) the Convertible Notes have an aggregate face value of \$36,000,000 (being a value of \$9,000,000 per Convertible Note);
- (d) the maximum number of Shares and Options that could be converted/issued is currently unknown as the Conversion Price is currently unknown pending Completion. However, please refer to Section 3.4 for a hypothetical worked example of the potential number of Shares and Options that could be issued, using an assumed low, mid and high-range Conversion Price at different conversion amounts;
- (e) the terms and conditions of the Convertible Notes and Options to be issued at Completion are set out in Schedules 2 and 3 respectively;

- (f) the Convertible Notes are convertible into Shares prior to or at the Redemption Date, with the Options issuable on Completion (based on the total number of Shares that could be converted as at Completion, on a 2:5 basis), as further described in Schedule 2. If elected to be converted by Metals X, the principal sum and interest of the Convertible Notes shall convert to Shares at the Conversion Price;
- (g) the Convertible Notes and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Convertible Notes and Options will be issued on the same date on Completion;
- (h) any Shares issued on conversion of the Convertible Notes, or on exercise of the Options, will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (i) the Convertible Notes and Options will be issued at a nil issue price, in consideration for the Transaction. The Company has not and will not receive any other consideration for the issue of the Convertible Note or the Options (other than in respect of funds received on exercise of the Options);
- (j) the purpose of the issue of the Convertible Notes and Options is to satisfy the Company's obligations under the SSA on Completion (refer to Schedule 1 for a summary of the material terms and conditions of this agreement);
- (k) the Convertible Notes and Options are being issued under the SSA (refer to Schedule 1 for a summary of the material terms and conditions of this agreement); and
- (l) the Convertible Notes and the Options are not being issued under, or to fund, a reverse takeover.

In accordance with the ASX Listed Entity Update 05/20 from 1 May 2020, the Company notes the following:

- (a) the terms for the Transaction which contemplate (amongst other things) the issue of the Convertible Notes were negotiated on an arm's length basis by the Company and Metals X over a 12 month period; and
- (b) as part of the negotiation process, a number of alternate acquisition structures were considered. These alternate structures were either not determined to be commercially appropriate to the parties or would have required additional up-front cash consideration resulting in significant dilution to existing Shareholders.

3.6 Board recommendation

The Board recommends that Shareholders vote in favour of this Resolution. Additionally, the Board intend to vote in favour of this Resolution.

4. RESOLUTION 3 - DIRECTOR PARTICIPATION IN PLACEMENT – MR GARY COMB

4.1 General

Mr Gary Comb, a Director, wishes to participate in the Placement on the same terms as unrelated participants in the Placement (**Participation**).

Accordingly, Resolution 3 seeks Shareholder approval for the issue of up to a total of 1,000,000 Placement Shares to Mr Comb as a result of the Participation on the terms set out below.

4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Mr Comb is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Mr Comb on the same terms as those Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

4.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 3 seeks Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Placement Shares to Mr Comb under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 2.2 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Placement Shares to Mr Comb will not use up any of the Company's 15% annual placement capacity.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Placement Shares to Mr Comb under the Participation (i.e. Mr Comb will not be entitled to participate in the Placement and will not be required to subscribe for Placement Shares, despite his firm commitment to participate in the Placement).

4.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) the Shares will be issued to Mr Comb (or his nominee/s), who falls within the category set out in Listing Rule 10.11.1 as Mr Comb is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued to Mr Comb (or his nominee/s) is 1,000,000 Shares;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (being the same terms and conditions as the Placement Shares);
- (d) the Shares will be issued to Mr Comb no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price will be \$0.20 per Share, being the same issue price as Shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of Shares under the Participation is to raise \$200,000, which will be applied toward the Funding Purposes set out in Section 2.2 above;

- (g) the Shares to be issued to Mr Comb are not intended to remunerate or incentivise him as a Director;
- (h) the Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in Resolution 3 of the Notice.

5. RESOLUTIONS 4 AND 5 – ISSUE OF PERFORMANCE RIGHTS TO MESSRS BARRY CAHILL AND GARY COMB

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue:

- (a) up to 6,250,000 Performance Rights to Mr Barry Cahill (being the subject of Resolution 4); and
- (b) up to 5,000,000 Performance Rights to Mr Gary Comb (being the subject of Resolution 5),

(together, the **Performance Rights**), on the terms and conditions set out below.

The Performance Rights are subject to certain performance milestones (**Performance Milestones**), which are set out below. Upon achievement of the Performance Milestones prior to the relevant expiry date, the Performance Rights will vest in the amounts as set out below to the relevant Directors. The Company has elected to restrict vesting of the Performance Rights for a period of 2.5 years from the date of their issue to Messrs Cahill and Comb.

Class	Performance Milestone	Performance Rights on satisfaction of the milestone – Mr Cahill	Performance Rights on satisfaction of the milestone – Mr Comb	Expiry Date	Applicable voluntary escrow period
A	Commence mining of the Nifty Copper open-pit	1,250,000	1,000,000	5 years from the date of issue	2.5 years from the date of issue
B	Commissioning of the SX/EW processing plant at Nifty, or a minimum 40 cent 20-day VWAP	1,250,000	1,000,000	5 years from the date of issue	2.5 years from the date of issue
C	Expand Cyprum's copper equivalent resource inventory to 1.5mt contained copper metal, or a minimum 45 cent 20-day VWAP	1,250,000	1,000,000	5 years from the date of issue	2.5 years from the date of issue
D	Copper production exceeding 25,000 tonnes of contained copper metal from the Nifty Copper mine, or a minimum 47.5 cent 20-day VWAP	1,250,000	1,000,000	5 years from the date of issue	2.5 years from the date of issue
E	Cyprum's quarterly production of at least 50,000 tonnes per annum copper equivalent, or a minimum 50 cent 20-day VWAP	1,250,000	1,000,000	5 years from the date of issue	2.5 years from the date of issue

Class	Performance Milestone	Performance Rights on satisfaction of the milestone – Mr Cahill	Performance Rights on satisfaction of the milestone – Mr Comb	Expiry Date	Applicable voluntary escrow period
	VWAP				
Total	-	6,250,000	5,000,000	-	-

The Performance Rights will be issued pursuant to the Company's Incentive Performance Rights Plan (the **Plan**). A summary of the Plan is set out in Schedule 4.

Resolutions 4 and 5 seeks Shareholder approval for the issue of the Performance Rights to Messrs Cahill and Comb (or their respective nominee/s).

5.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 4.2 above.

The issue of Performance Rights to Messrs Cahill and Comb (or their nominee/s) constitutes giving a financial benefit and Messrs Cahill and Comb are both related parties of the Company by virtue of being Directors.

The Directors (other than Mr Cahill (in respect of Resolution 4) and Mr Comb (in respect of Resolution 5) who have a material personal interest in their respective Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Performance Rights because the agreement to issue the Performance Rights, reached as part of the remuneration package for Messrs Cahill and Comb, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

5.3 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (although the Board does not believe it to be the case) that two of the three Directors comprising the Board have a material personal interest in the outcome of Resolutions 4 and 5 as an issue of Performance Rights is proposed for those Directors. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 4 and 5 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for the purposes of section 195(4) of the Corporations Act for the issue of Performance Rights proposed under Resolutions 4 and 5 and in respect of the Board decision to apply the reasonable remuneration and arm's length exceptions under section 211 of the Corporations Act to these issues.

5.4 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Rights falls within Listing Rule 10.14.1 and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolutions 4 and 5 seeks the required Shareholder approval to the issue of the Performance Rights under and for the purposes of Listing Rule 10.14.

5.5 Technical information required by Listing Rule 14.1A

If Resolutions 4 and 5 are passed, the Company will be able to proceed with the issue of the Performance Rights to Messrs Cahill and Comb within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 and 5 are not passed, the Company will not be able to proceed with the issue of the Performance Rights.

5.6 Technical Information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolutions 4 and 5:

- (a) the Performance Rights will be issued to Messrs Cahill and Comb (or their nominee/s), both of whom fall within the category set out in Listing Rule 10.14.1 as Messrs Cahill or Comb are related parties of the Company by virtue of being Directors;
- (b) the maximum number of Performance Rights to be issued is a total of 11,250,000, comprising:
 - (i) 6,250,000 Performance Rights to be issued Mr Cahill (or his nominee/s); and
 - (ii) 5,000,000 Performance Rights to be issued Mr Comb (or his nominee/s);
- (c) the current total remuneration package for each of the Directors receiving the Performance Rights is as follows:

- (i) for Mr Cahill, \$594,600, comprising of salary of \$450,000 per annum, a superannuation payment of \$25,000 per annum and share-based payments of \$119,600 per annum. Subject to Shareholder approval being obtained for this Resolution, Mr Cahill will also receive 6,250,000 Performance Rights under the Plan; and
- (ii) for Mr Comb, \$148,550, comprising of directors' fees of \$70,000 per annum, a superannuation payment of \$6,650 per annum and share-based payments of \$71,900 per annum. Subject to Shareholder approval being obtained for this Resolution, Mr Comb will also receive 5,000,000 Performance Rights under the Plan;
- (d) Please refer to Schedule 4 for a summary of the material terms of the Plan pursuant to which the Performance Rights are being issued and the table above in Section 5.1 for the specific vesting conditions applicable to the Performance Rights;
- (e) the issue price of the Performance Rights will be nil. The Company will not receive any other consideration in respect of the issue of the Performance Rights;
- (f) Mr Cahill has previously received a total 5,000,000 Performance Rights under the Plan. Details of the previous issues are as follows:
 - (i) 2,500,000 Performance Rights were issued to Mr Cahill on 17 June 2019 as part of his remuneration package. These Performance Rights have not yet vested and have an expiry 5 years from the date of issue (being 17 June 2024). The following vesting conditions apply to the previously issued performance rights:

Vesting conditions attaching to the Performance Right	Number of Performance Rights
Each Performance Right will vest upon completion of a transaction to acquire or earn into majority ownership interests in projects with exploration and mining tenements (Project)	700,000
Each Performance Right will vest upon public announcement of the delineation of 80,000t of contained copper (within any Mineral Resource category) upon the Projects	600,000
Each Performance Right will vest upon the earlier of: (a) public announcement of a Scoping Study that confirms the positive economics of the Projects; or (b) the volume weighted average price of the Shares equals or exceeds \$0.35 per Share for 5 consecutive trading days	600,000
Each Performance Right will vest upon the earlier of: (a) Board resolves to proceed with a Definitive Feasibility Study in respect of the Projects; or	600,000

(b)	the volume weighted average price of the Shares equals or exceeds \$0.40 per Share for 5 consecutive trading days	
Total		2,500,000

- (ii) 2,500,000 Performance Rights were issued to Mr Cahill on 28 May 2020 as part of his remuneration package, following receipt of Shareholder approval at the Company's annual general meeting held on 28 May 2020. The following vesting conditions apply to these Performance Rights:

Vesting conditions attaching to the Performance Right	Number of Performance Rights
The Performance Rights will vest upon completion of more than one transaction to acquire or earn into majority ownership interests in projects with exploration and mining tenements, excluding the Option Agreement (Projects)	700,000
Each Performance Right will vest upon public announcement of the delineation of 125,000t of contained copper (within any Mineral Resource category) upon the Projects	600,000
Each Performance Right will vest upon the earlier of: (a) public announcement of a Scoping Study that confirms the positive economics of the Projects; or (b) the volume weighted average price of the Shares equals or exceeds \$0.26 per Share for 20 consecutive trading days	600,000
Each Performance Right will vest upon the earlier of: (a) Board resolves to proceed with a Definitive Feasibility Study in respect of the Projects; or (b) the volume weighted average price of the Shares equals or exceeds \$0.30 per Share for 20 consecutive trading days	600,000
Total	2,500,000

- (g) Mr Comb has previously received a total 2,200,000 Performance Rights under the Plan. Details of the previous issues are as follows:
- (i) 2,200,000 Performance Rights were issued to Mr Comb on 17 June 2019 as part of his remuneration package. These Performance Rights have not yet vested and have an expiry 5 years from the date of issue (being 17 June 2024). The following vesting conditions apply to the previously issued performance rights:

Vesting conditions attaching to the Performance Right	Number of Performance Rights
Each Performance Right will vest upon completion of a transaction to acquire or earn into majority ownership interests in projects with exploration and mining tenements (Project)	700,000
Each Performance Right will vest upon public announcement of the delineation of 80,000t of contained copper (within any Mineral Resource category) upon the Projects	500,000
Each Performance Right will vest upon the earlier of: (c) public announcement of a Scoping Study that confirms the positive economics of the Projects; or (d) the volume weighted average price of the Shares equals or exceeds \$0.35 per Share for 5 consecutive trading days	500,000
Each Performance Right will vest upon the earlier of: (c) Board resolves to proceed with a Definitive Feasibility Study in respect of the Projects; or (d) the volume weighted average price of the Shares equals or exceeds \$0.40 per Share for 5 consecutive trading days	500,000
Total	2,200,000

- (h) refer to Schedule 4 for a summary of the material terms of the Plan pursuant to which the Performance Rights are being issued and the table in Section 5.1 for the specific vesting conditions applicable to the Performance Rights;
- (i) the Company has chosen to issue the Performance Rights to Messrs Cahill and Comb for the following purposes:
- (i) the Performance Rights are unquoted and, therefore, the issue of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of the Performance Rights to Messrs Cahill and Comb provides an incentive to satisfy the vesting conditions, which the Company expects to correlate with an increase in the value of the Company and therefore increase in Shareholders value;
 - (iii) by virtue of the above reasoning, the issue of the Performance Rights to Messrs Cahill and Comb will align the interests of Messrs Cahill and Comb with those of Shareholders;
 - (iv) the issue of the Performance Rights is a reasonable and appropriate method to provide a performance linked incentive component in the remuneration packages for Messrs Cahill and Comb to motivate and reward their performance as Directors and to provide cost effective non-cash form remuneration, enabling the Company to spend a greater proportion of its

cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Cahill and Comb;

- (v) because of the deferred taxation benefit which is available to Messrs Cahill and Comb in respect of an issue of Performance Rights. This is also beneficial to the Company as it means Messrs Cahill and Comb is not required to immediately sell the Performance Rights to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
- (vi) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed;
- (j) the Company values the Performance Rights to be issued to Messrs Cahill and Comb at a total of \$2,563,830. Specifically, the Company values the Performance Rights:
 - (i) to be issued to Mr Cahill at \$1,424,350 (being \$0.2279 per Performance Right) based on the Trinomial Option Pricing Model valuation methodology; and
 - (ii) to be issued to Mr Comb at \$1,139,480 (being \$0.2279 per Performance Right) based on the Trinomial Option Pricing Model valuation methodology.

Please refer to Schedule 5 for further details of the Trinomial Option Pricing Model valuation;

- (k) the Performance Rights will be granted on a date, being no later than 3 years after the date Shareholder approval is obtained for Resolutions 4 and 5;
- (l) all Directors, or their permitted nominees, are entitled to participate in the Plan. However, at this time, the Company is only seeking to grant Performance Rights to Messrs Cahill and Comb under Resolutions 4 and 5;
- (m) no loan is provided in connection with the acquisition or conversion of the Performance Rights;
- (n) details of any securities issued under the Plan will be published in the Company's annual report for the period in which those securities were issued and approval for the issue was obtained under Listing Rule 10.14; and
- (o) voting exclusion statements and voting prohibition statements are included in Resolutions 4 and 5 of the Notice.

5.7 Section 200E of the Corporations Act

Under the terms of the Plan, the Board in its absolute discretion may waive any vesting conditions attaching to a Performance Right if "Special Circumstances" (which relevantly includes redundancy, retirement, total and permanent disablement or death) arise in relation to an Eligible Participant (which will include the Participating Directors).

Shareholder approval of the benefits that may become payable to the Participating Directors as a result of the Board's discretion to allow unvested Performance Rights to vest for example if "Special Circumstances" arise in relation to that Participating Director, is sought under section 200E of the Corporations Act.

Section 200B of the Corporations Act prevents a company from giving a benefit to a person retiring or being removed from a managerial or executive, office or position (**Retiree**), unless the company's shareholders approve that benefit under section 200E or unless the benefit falls within certain exceptions set out in the Corporations Act.

A payment will only fall within the exceptions set out in the Corporations Act if the amount of the payment is less than a prescribed multiple of the Retiree's remuneration or if the nature of the payment falls within one of a number of categories set out in the Corporations Act (for example, a payment by way of damages for breach of contract or a payment for past services).

The possible accelerated vesting of Performance Rights does not fall within any of the categories of exception set out in the Corporations Act and accordingly Shareholder approval is sought.

Section 200E of the Corporations Act requires that where shareholders are asked to approve a payment or other benefit to a Retiree that would otherwise be prohibited by section 200B, shareholders must be given details of the amount of the payment, or, if the amount cannot be ascertained at the time of the disclosure, the manner in which the amount is to be calculated and any matter, event or circumstance that will, or is likely to affect the calculation of the amount.

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting and the number of Performance Right that will vest. The following additional factors may also affect the benefit's value:

- (a) the Participating Director's length of service and the status of the vesting conditions attaching to the relevant Performance Right at the time the Participating Director's employment or office ceases; and
- (b) the number of unvested Performance Right that the Participating Director holds at the time they cease employment or office.

5.8 Listing Rule 10.19

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

As set out above, under the terms of the Plan (as summarised in Schedule 4), the Board may in its absolute discretion waive any vesting conditions attaching to a Performance Right if "Special Circumstances" (which relevantly includes redundancy, retirement, total and permanent disablement or death) arise in relation to an Eligible Participant. Messrs Cahill and Comb are both Eligible

Participants and the term "benefit" has a wide operation and would include any accelerated vesting of Performance Rights upon termination or cessation of employment in accordance with their terms.

The exercise of this discretion by the Board in relation to the grant of Performance Rights to Messrs Cahill and Comb may constitute a "benefit" for the purposes of ASX Listing Rule 10.19. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of Messrs Cahill and Comb.

The Company's equity interests as set out in its accounts for the period ended 30 June 2020 (being the latest accounts given to ASX) was \$5,838,388 and 5% of this figure is \$291,919. Whilst the termination payments are unlikely to exceed this amount, the Company is unable to give an indication of the value of any Shares issued upon conversion of Performance Rights (given certain Performance Rights vest upon completion of a termination vesting event occurring).

Accordingly, Shareholder approval is being sought under Listing Rule 10.19 in respect of the termination payments in case the aggregate value of the termination benefits to be paid to either of Messrs Cahill and Comb exceeds the 5% threshold in ASX Listing Rule 10.19.

Voting exclusion statements and voting prohibition statements are included in Resolutions 4 and 5 of the Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **Cyprium** means Cyprium Metals Limited (ACN 002 678 640).

Completion means completion of the Transaction.

Completion Date means the date of Completion, which will be no later than 5 Business Days after satisfaction of the conditions precedent to the SSA.

Constitution means the Company's constitution.

Conversion Price means the 20-day VWAP immediately prior to the Completion Date, multiplied by 1.3. (30% premium).

Copper Assets has the meaning given to that term in Section 1.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

First Option has the meaning given to that term in paragraph (b) of Schedule 3.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Maroochydore Copper Project means the Maroochydore copper project held by Paterson Copper's subsidiary Maroochydore Copper Pty Ltd (ACN 103 844 471).

Metals X means Metals X Limited (ACN 110 150 055).

Nifty Copper Mine or **Nifty** means the Nifty copper mine held by Paterson Copper's subsidiary Nifty Copper Pty Ltd (ACN 074 145 636).

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Paterson Copper means Paterson Copper Pty Ltd (ACN 103 515 037).

Paterson Exploration Project means the Paterson exploration project held by Paterson Copper, which includes the farm-in agreement with IGO Limited.

Placement Participants means subscribers under the Placement as detailed in Section 2.1.

Proxy Form means the proxy form accompanying the Notice.

Redemption Date has the meaning given to that term in paragraph 4 of Schedule 2.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Second Option has the meaning given to that term in paragraph (b) of Schedule 3.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

VWAP means volume weighted average price of Shares actually traded on the ASX.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1- TERMS OF THE SHARE SALE AGREEMENT

	Term	Summary
1.	Outline of Proposed Transaction	The Company agrees to acquire 100% of the shares on issue held by Metals X in Paterson Copper, the holder of the Copper Assets which comprise: • Nifty Copper Mine; • Maroochydhore Copper Project; and • Paterson Exploration Project. Completion will occur on Completion Date.
2.	Consideration	The Company has agreed to acquire Paterson Copper for A\$60 million payable at the Completion Date, comprising: 1. an upfront cash payment of A\$24 million (inclusive of the A\$1 million deposit already paid to Metals X by Cyprium (Deposit)) (Upfront Amount)¹; plus 2. four (4) convertible notes with an aggregate face value of A\$9 million each, totalling A\$36 million (Convertible Notes). Under the terms of the Convertible Notes, Metals X will also be issued unlisted Options on the Completion Date, as set out in further detail below and in Schedules 2 and 3. The Upfront Amount will be funded by the Placement to raise A\$90,000,000 million. The Deposit paid by Cyprium is held in escrow, pending Completion. The Deposit may be returned to Cyprium in certain circumstances if Completion does not occur, namely if Metals X fails to satisfy its conditions precedent under the SSA for which it is responsible or if Metals X defaults under the SSA before Completion occurs.
3.	Convertible Notes	The Convertible Notes are to be issued by Cyprium to Metals X on the terms set out in Schedule 2.
4.	Conditions Precedent	Completion of the Transaction is subject to the following conditions precedent: • Change of control consents for key contracts. • Valid applications received by the Company under the Equity Raising of at least \$30 million. • Cyprium obtaining Shareholder approval under ASX Listing Rule 7.1 to give effect to the Transaction. Each condition above is to be satisfied within 60 days of the date of the SSA (unless otherwise agreed by the parties).
5.	Conditions Subsequent	If conversion of any of the Convertible Notes or Options would result in Metals X acquiring a relevant interest in 20% or more of the Shares: • the Company must convene a general meeting to seek approval from the Shareholders of the Company in accordance with section 611 of the Corporations Act before those Convertible Notes or Options, which if

¹ The Upfront Amount is subject to a post-completion working capital adjustment.

	Term	Summary
		converted, would cause the 20% threshold to be exceeded; and in the meeting materials, the Company must procure that the directors unanimously recommend a vote in favour of the resolution and procure that each director declares his or her intention to vote in favour of the resolutions in respect of which they have power to vote.
6.	Obligations Between Signing and Completion	- Cyprium management permitted site access from execution of the SSA (including to conduct any project works on the Copper Assets approved by a joint operating committee established by the parties up to Completion). - Metals X and Paterson Copper carry on the business in the usual and ordinary course. - Metals X to procure that, on or before Completion, all inter-company loans owed by Paterson Copper are repaid or otherwise discharged and extinguished in full. - Cyprium to replace Metals X with regard to: (1) financial assurances relating to Nifty which equate to \$6.0 million; and (2) cash-backed parent guarantees relating to commercial contracts which bonds total ~\$0.5 million, both with effect from Completion. - The Upfront Amount is subject to a working capital adjustment, to be prepared by the Company as at 12.00am on 31 December 2020. - Cyprium to take responsibility for all site expenditures, including ongoing care and maintenance costs, effective from 1 January 2021, subject to completion of the Transaction.
7.	Warranties	The SSA contains a number of warranties given by Metals X and the Company to each other which are typical for the nature of the Transaction.
8.	Timing	The parties are targeting a closing of the Transaction within 2 months of executing the SSA, subject to Shareholder approvals.

SCHEDULE 2 - TERMS OF CONVERTIBLE NOTES

	Term	Summary
1.	Face Value	\$9,000,000 per Convertible Note.
2.	Issue Date	On the Completion Date.
3.	Interest	Annual coupon of 4% to be capitalised and paid annually. Annually accrued interest on the Convertible Notes will be paid to Metals X in cash, unless Metals X elects in writing to receive the interest in Shares at the Conversion Price.
4.	Redemption Date	Four (4) years from the date the Company issues the Convertible Notes.
5.	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 (see 'Redemption Price' below).
6.	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 (see 'Redemption Price' below). Within seven business days of receipt of an early redemption notice from Cyprum, Metals X can elect instead to convert the amount of the Convertible Notes proposed to be redeemed early into Shares at the Conversion Price.
7.	Redemption Price	If redeemed early, the Principal Sum of the relevant Convertible Note, multiplied by 1.15. If redeemed on the Redemption Date, the Principal Sum Outstanding of the relevant Convertible Note.
8.	Conversion	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 principal sum and interest of the Convertible Notes shall be converted at the Conversion Price.
9.	Conversion Price	The 20-day VWAP immediately prior to the Completion Date, multiplied by 1.3.
10.	Free attaching Options on conversion and copper price adjustment factor	For every five (5) Shares that could be issued on conversion of each Convertible Note, Metals X shall on the same date as the issue of the Convertible Notes be issued two (2) free attaching unlisted Options. The Options will be issued on the following terms: (a) the First Option will be exercisable for a period of one (1) year from the Completion Date at a 15% premium to the 20-day VWAP to the Business Day prior to the Completion Date; and (b) the Second Option will be exercisable for a period of 2 years from the Completion Date at a 30% premium to the 20-day VWAP to the Business Day prior to the

		Completion Date. The Shares to be issued from each Option exercise include copper price adjustment factors as follows: (a) 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; (b) 1.1 Shares for each Option if the copper price is above US\$7,000 to US\$7,999.99 per tonne at the date of exercise of the Option; (c) 1.2 Shares for each Option if the copper price is above US\$8,000 to US\$8,999.99 per tonne at the date of exercise of the Option; and (d) 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. All references to copper prices are to London Metals Exchange daily quoted prices.
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SCHEDULE 3 - TERMS OF OPTIONS

(a) **Entitlement**

The attaching Options to the Convertible Notes pursuant to this Deed shall be issued for no cash consideration.

Each Option entitles the holder to, upon exercise of the Option, subscribe for:

- (i) if the copper price is equal to or below US\$7,000 per tonne as at the date of exercise of the Option (**Exercise Date**), 1 Share;
- (ii) if the copper price is above US\$7,000 to US\$7,999.99 per tonne as at the Exercise Date, 1.1 Shares;
- (iii) if the copper price is above US\$8,000 to US\$8,999.99 per tonne as at the Exercise Date, 1.2 Shares; and
- (iv) if the copper price is above US\$9,000 per tonne as at the Exercise Date, 1.3 Shares.

All references to copper prices in this section are to London Metals Exchange daily quoted prices.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be:

- (i) in respect of one Option (the **First Option**), a 15% premium to the 20-day VWAP of the Company's Shares on the ASX to the Business Day prior to the Completion Date; and
- (ii) in respect of the other Option (the **Second Option**), a 30% premium to the 20-day VWAP of the Company's Shares on the ASX to the Business Day prior to the Completion Date.

(c) **Expiry Date**

The Options expire at 5:00 pm (AWST) on the date that is:

- (i) for the First Option, one (1) year from the Completion Date; and
- (ii) for the Second Option, two (2) years from the Completion Date,

(each respectively, an **Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on their respective Expiry Dates.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to their respective Expiry Dates (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Required Approvals on Exercise**

Notwithstanding any other paragraph in this Schedule, the Options may not be converted into Shares in accordance with this Schedule if such exercise would cause the holder or the Company to breach any applicable law, including under the Corporations Act and/or the ASX Listing Rules, and the Company and the holder shall use their best endeavours to obtain any required approvals (including Shareholder approvals) to allow exercise of the Options.

(h) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (i) (ii) give ASX a notice within 5 Business Days of the issue that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC within 5 Business Days of issue of the Shares pursuant to a conversion a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (ii) (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction, subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options. The Company will, where required pursuant to the ASX Listing Rules, provide optionholders with notice prior to the books record date (to determine entitlements to any new issue of Securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.

(l) **Change in exercise price**

Subject to paragraph (j), an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(a) **Quotation**

Notwithstanding paragraph (h)(iii), the Options are unquoted and application will not be made to the ASX for official quotation of the Options.

SCHEDULE 4 - TERMS OF PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Plan, which was approved by Shareholders on 29 May 2019.

(a) **Eligibility**

Participants in the Performance Rights Plan may be:

- a Director (whether executive or non-executive) of the Company or any associate Group Company;
- a full or part time employee of any Group Company;
- a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or
- a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).

(b) **Offers**

The Board may, from time to time, at its absolute discretion, make an offer to grant Performance Rights to an Eligible Participant under the Performance Rights Plan and on such additional terms and conditions as the Board determines.

(c) **Plan limit**

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(d) **Consideration**

Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.

(e) **Performance Rights**

Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

(f) **Not transferrable**

Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to the participant's legal

personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(g) **Vesting Conditions**

The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests, and the date by which a vesting condition must be satisfied (**Vesting Condition**).

(h) **Vesting**

A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

- the participant ceasing to be an Eligible Participant due to certain special circumstances (e.g. due to death, severe financial hardship, total and permanent disability, retirement or redundancy) as set out in the Plan;
- the Company undergoing a change of control; or
- the Company being wound up.

(i) **Conversion of vested Performance Right**

Unless the Board decides otherwise or the Performance Right has lapsed, any vested Performance Right may be exercised by the Eligible Participant, following which the Company will issue the participant with the applicable number of Shares.

(j) **Shares**

Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.

(k) **Sale Restrictions**

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights (**Restriction Period**).

(l) **Quotation of Shares**

If Shares of the same class as those issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.

(m) **Lapse of a Performance Right**

Subject to the terms of an Offer otherwise providing, a Performance Right will lapse upon the earlier to occur of:

- an unauthorised dealing in, or hedging of, the Performance Right;

- a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;
- a vested Performance Right is not converted within 60 days of becoming vested;
- a participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, and the Board exercises its absolute discretion for the Performance Right to lapse;
- the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Right; and
- the expiry date of the Performance Right,

the five (5) year anniversary of the date of grant of the Performance Right.

(n) No Participation Rights

There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(o) No Change

A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(p) Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(q) Inconsistency with Offer

Notwithstanding any other provision in the Plan, to the extent that any covenant or provision contained in an Offer document is inconsistent with any covenant or provision under the Plan, the deemed covenant or provision under the Offer document shall prevail.

SCHEDULE 5 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to Mr Barry Cahill (or his nominee/s) and Mr Gary Comb (or his nominee/s) pursuant to Resolutions 4 and 5 have been valued independently by HLB Mann Judd.

Using the Trinomial Option Pricing Model valuation model and based on the assumptions set out below, the Performance Rights were ascribed the following value:

Assumptions:	
Valuation date	19 February 2021
Market price of Shares	\$0.25
Exercise price	Nil
Expiry date (length of time from issue)	5 years from the date of issue
Risk free interest rate	0.48%
Volatility (discount)	86.5%
Dividend yield	Nil
Indicative value per Performance Right	\$0.2279
Value of Performance Rights to be issued to Barry Cahill (Resolution 4)	\$1,424,350
Value of Performance Rights to be issued to Gary Comb (Resolution 5)	\$1,139,480