

Cyprium Metals Ltd: \$24M Placement and \$5 Entitlement Issue

12.07.2023 | [ABN Newswire](#)

Perth, Australia - [Cyprium Metals Ltd](#) (ASX:CYM) is pleased to announce a capital raising via a placement and a proposed pro rata non-renounceable entitlement offer to raise up to approximately \$29 million before costs (Equity Raising).

HIGHLIGHTS

- Firm commitments received for a conditional placement to raise \$24M
- Additional pro rata non-renounceable entitlement offer to raise up to \$5M
 - o 1 new share for every 10.64 shares held on the record date
 - o Offer will be open to all eligible Cyprium shareholders
- Placement bookbuild received significant demand from numerous new and existing high quality domestic and offshore institutions
- Investor support for the Placement provides a strong endorsement of Cyprium's strategy to restart the Nifty operation as a long life integrated large scale open pit mine
- Mr Clive Donner, an experienced mining industry executive, to be appointed as Managing Director upon the issue of Placement Shares
- Leading private equity firm Pacific Road Capital Management (PRCM) has subscribed for \$4.05 million in the Placement to hold a 9.9% interest in the Company post Placement
- Upon completion of the Placement, PRCM will have the right to appoint a nominee to the Company's board of directors

Clive Donner, proposed Managing Director commented:

"The Board is very appreciative of the strong support shown from current shareholders and is looking forward to welcoming a number of new institutional investors onto the register. Once this Equity Raising has been completed, Cyprium will be able to continue to advance the Nifty technical studies and funding package enabling the delivery and execution of our strategy as an integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit operation."

Placement and Proposed Entitlement Offer

The Company has received firm commitments in respect of a conditional placement to issue approximately 600 million new shares (Placement Shares) at an offer price of \$0.04 per share (Offer Price) to raise \$24 million (Placement) from sophisticated and institutional investors, which is subject to shareholder approval to be sought at a General Meeting currently expected to take place before the end of August 2023 (General Meeting).

The Placement was strongly supported by sophisticated and professional investors, including numerous new and existing high quality domestic and offshore natural resources focused institutions.

Leading private equity firm and existing shareholder, Pacific Road Capital Management (PRCM), has agreed to subscribe for approximately A\$4.05 million in the Placement, representing a pro forma 9.9% interest in the Company post-Placement.

Mr John Featherby (current Non-Executive Director) has agreed to subscribe for 5,000,000 Shares under the Placement and Mr Clive Donner (incoming Managing Director) has agreed to subscribe for 12,500,000 Shares. Mr Milan Jerkovic (incoming Chief Operating Officer) and associates have agreed to subscribe for 12,500,000 Shares.

Subscribers for the Placement Shares will be entitled to participate in the proposed Entitlement Offer, which will proceed following the issue of the Placement Shares and reinstatement of the Company's Shares to trading on the ASX.

The Offer Price represents a 63.6% discount to the last traded price of \$0.11 on 20 February 2023.

The Company is also pleased to announce a proposed non-renounceable pro rata entitlement offer to issue approximately 125 million new shares (Entitlement Shares) at the Offer Price, representing 1 new share for every 10.64 shares held by eligible shareholders on the record date to raise up to \$5 million (Entitlement Offer).

Cyprium will release a prospectus detailing the terms of the Entitlement Offer following the General Meeting and issue of the Placement Shares, including details as to whether shareholders are eligible to participate in the Entitlement Offer and key risks (Prospectus). The Prospectus will include a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable.

Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full entitlement will have the opportunity to apply for additional shares from a pool of those not taken up by other eligible shareholders (Top Up Facility). In addition to the Top Up Facility, there will also be a general shortfall offer pursuant to which the Company may place any shares to non-eligible shareholders within three (3) months from the closing date of the Entitlement Offer.

Each participant in the Placement and Entitlement Offer will receive 1 free attaching option for every 2 Shares to be issued under the Placement and Entitlement Offer (Options). The Options will be exercisable at \$0.06 each, on or before 31 December 2024.

Canaccord Genuity (Australia) Limited is acting as the Lead Manager to the Placement. Steinepreis Paganin is acting as legal adviser to Cyprium.

Use of Funds and Lifting of Voluntary Suspension

The Company has requested that the ASX lifts the voluntary suspension of trading in its Shares following the General Meeting and the issue of the Shares under the Placement (which is expected to occur in late August). Reinstatement to trading on the ASX will be subject to ASX conditions which are not yet confirmed.

Following successful reinstatement to trading, the Company will undertake the Entitlement Offer to enable eligible shareholders to subscribe for Shares at the same Offer Price as Shares offered under the Placement and to raise additional funds for working capital purposes.

Proceeds from the Equity Raising will primarily be used for the completion of the Nifty project technical studies, Nifty site costs and for working capital purposes. Cyprium will have sufficient funding to complete the Nifty life of mine study on the integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit (refer to CYM ASX announcement dated 23 May 2023 "Cyprium Metals Corporate Update").

Funds from the Equity Raising will provide the Company with significant runway to pursue its updated Nifty strategy, as detailed below.

Nifty Strategy

The immediate task is to restart the Nifty operation with lower capital intensity and risk by developing a large-scale open pit mine utilising its significant sunk capital infrastructure.

The Nifty development strategy includes the integration of a Copper Oxide Heap Leach SX-EW starter open pit operation that will be complemented by the larger scale sulphide open pit, which together will provide a significant +15-year mine life based on +900,000 tonne contained copper resource.

Cyprium has finalised a detailed Restart Study for the Oxide Heap Leach starter operation. The Company is completing a scoping study which will lead into a detailed open pit life of mine study, which includes the large sulphide resource inventory. This will reflect the large scale and longer life of the Nifty project and demonstrate the economic metrics of the larger scale open pit mine.

Cyprium has substantial infrastructure already in place to treat both oxide and sulphide mineral inventory.

The integrated business plan for Nifty is expected to produce a long-life production profile with two product streams which will provide a lower risk operating approach with maximum processing flexibility. This plan is expected to produce annualised production between 48,000 to 65,000 tpa of copper production.² It is anticipated that the Oxide Heap Leach SX-EW will produce approximately 20,000 - 25,000 tpa of copper cathode for over +6 years with expected additional oxide feed from the larger open pit.² The Oxide leach SX-EW project is expected to provide the required funding to restart the Sulphide Concentrator. The Concentrator is expected to produce between 28,000 tpa (2.8Mtpa) and 40,000 tpa (4.0 Mtpa) of copper in concentrate.

These assets would support a long mine life project in excess of 15 years.

Nifty's prospectivity is excellent and the mineral inventory is shallow, is open along strike in multiple directions and at depth, giving good potential to increase the current resource endowment.

There also continues to be strong interest from investors in Cyprium's medium- and long-term strategy for the development of its Maroochydore and Murchison exploration copper projects. Cyprium has an attractive portfolio of West Australian Copper projects which have more 1.6 million tonnes of contained copper.

Board and Management Changes

The Company is pleased to announce that upon the issuance of shares under the Placement, Mr Clive Donner will be appointed to the Cyprium Board as the Managing Director.

Mr Donner is an experienced mining private equity and financing expert who has financed over 50 mines globally. He founded 2 private equity funds which focussed on emerging and mid-tier mining companies. Previously a Director of Rothschild Australia responsible for mine development financing.

Mr Donner has been engaged to lead the raising the required capital, developing the assets of the Company and building the Company into a mid-tier copper producer.

The material terms of Mr Donner's employment agreement are provided in Appendix A.

Mr Barry Cahill will resign from the Board upon Mr Donner's appointment to the Board as the Managing Director. Mr Cahill will continue as an executive of the Company as the Chief Development Officer to focus on the technical studies to implement the Nifty Strategy.

Upon completion of the Placement, PRCM will have the right to appoint a nominee to the Company's board of directors.

Mr Jerkovic is an experienced mining executive who will build a technical team and deliver the execution of Nifty and other projects. He will be appointed Chief Operating Officer.

About Cyprium Metals Ltd:

[Cyprium Metals Ltd.](#) (ASX:CYM) is poised to grow to a mid-tier mining business and manage a portfolio of Australian copper projects to deliver vital natural resources, strong shareholder returns and sustainable value for our stakeholders. We pursue this aim, in genuine partnerships with employees, customers, shareholders, local communities and other stakeholders, which is based on integrity, co-operation, transparency and mutual value creation.

Source:
[Cyprium Metals Ltd.](#)

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