COOLABAH METALS

BROKEN HILL MINES

PUBLIC LISTING

ASX Release 24 April 2025

Broken Hill Mines Acquisition & Public Listing Update

Coolabah Metals Limited (**Coolabah** or the **Company**, to be renamed Broken Hill Mines Limited, ASX: BHM) is pleased to provide an update in relation to the acquisition of Broken Hill Mines Pty Ltd (**BHM**) and its recompliance with Chapters 1 and 2 of the ASX Listing Rules (**Transaction**).

In response to very strong investor demand the Company plans to undertake an upsized public offering at an offer price of $0.35 per share (post-Consolidation) to raise a minimum of $15 million (before costs) and up to a maximum of $20 million (before costs) (**Public Offer**).

Additionally, the Company proposes to further consolidate its issued capital on a 4 to 3 basis (**Consolidation**). The Consolidation is in addition to the consolidation completed by the Company in December 2024. It is being undertaken to comply with the ASX Listing Rules and to more closely align the effective consolidated share price (based on the last traded share price of $0.07) with the Public Offer price.

A notice of meeting will be released in the coming weeks to convene a general meeting at which the required shareholder approvals will be sought for the revised Transaction (**Meeting**).

The Public Offer and Consolidation are subject to shareholder approval to be sought at the Meeting.

The BHM SPA has been amended and restated by mutual agreement to accommodate for the revised Transaction, the key terms of which are summarised in Annexure A. The remaining material terms of the Transaction are consistent with those announced by the Company to ASX on 17 September 2024.

Further details of the Transaction will be provided in the Notice of Meeting to be released shortly.

-Ends-

The Board of Directors of Coolabah Metals Limited authorised the release of this announcement.

Further information:

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Annexure A – Amended and Restated BHM SPA

The key terms of the amended and restated BHM SPA are summarised below.

(a) **Consideration**

The total consideration to be provided by the Company remains as previously announced, comprising the issue of the following securities (on a post-Consolidation basis):

(i) 125,000,000 Shares in the Company;

(ii) 65,000,000 unquoted options in the capital of the Company with an expiry date of 5 years from the date of issue, comprising:

(A) 25,000,000 Options with a revised exercise price of $0.36 each; and

(B) 40,000,000 Consideration Options with a revised exercise price of $0.50 each,

(together, the **Consideration Securities**).

As previously announced, in addition to the Consideration Securities, the Company will issue an additional package of shares to reflect the aggregate value of cash or cash equivalents within BHM and its subsidiary, Broken Hill Operations Pty Ltd (**BHOPL**) (**Cash Conversion Consideration Shares**). The number of Cash Conversion Consideration Shares has been fixed at 20,000,000, according to an agreed value of cash or cash equivalents of $8,000,000 held in BHM and BHOPL as at 31 December 2024, and a deemed issue price of $0.40 per Share (representing a premium to the $0.35 price under the Public Offer).

(b) **Royalty**

As previously announced, as part of the transaction a 2% net smelter royalty has been granted to BHM RoyaltyCo Pty Ltd in respect of BHM's interests in the Rasp and Pinnacles Mines, which will be deemed to have commenced from a revised effective date of 1 January 2025 (**BHM Royalty**). The BHM Royalty is not payable unless and until the Transaction completes.

(c) **Conditions Precedent**

The BHM SPA is subject to certain conditions precedent, including:

(i) Company shareholders approving all resolutions required to give effect to the Transaction;

(ii) the Company raising not less than $15,000,000 (before costs) under the Public Offer;

(iii) the Pinnacles HOA remaining in full force and effect; and

(iv) receipt of a letter from the ASX confirming that the Company's securities will be reinstated to quotation following completion of the Transaction, subject to satisfying certain conditions precedent, with such terms being acceptable to the Company and BHM, acting reasonably,

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

In the event that the BHM Conditions Precedent are not satisfied by 31 July 2025 (unless extended by written agreement between the parties), any party may terminate the BHM SPA by giving two business days' written notice.

(d) **Converting Notes**

As previously announced, BHM has issued Converting Notes which are proposed to be converted into Coolabah Shares as part of the Transaction. BHM will seek to enter amendment deeds to amend the terms of the existing Converting Notes to increase the exercise price of the free attaching options (outlined in sub-

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paragraph (d)(i)(B) below) from $0.24 to $0.36, and to extend the maturity date of the Converting Notes to 31 July 2025.

Key terms of the amended Converting Notes are as follows:

(i) (**Conversion**): upon Coolabah receiving the ASX Conditional Reinstatement Letter, the Converting Notes automatically convert into:

(A) Shares in the capital of Coolabah at a conversion price of $0.20 per Share (**Conversion**), resulting in the issue of an aggregate total of 25,000,000 Converting Note Conversion Shares; and

(B) one free attaching unquoted option received in the capital of Coolabah for every 10 Converting Note Conversion Shares issued as per sub-paragraph (A) above, with a revised exercise price of $0.36 and an expiry date of 5 years after the date of issue, resulting in the total issue of 2,500,000 Converting Note Conversion Options;

(ii) (**Extension of Maturity Date**) if the Conversion does not occur before the extended deadline of 31 July 2025, the Converting Notes will mandatorily convert into Shares in the capital of BHM;

(iii) (**Interest**): the Converting Notes accrue interest at a rate of 10% per annum, payable to the BHM Noteholders in cash on Conversion;

(iv) (**Cash Conversion Consideration Shares**): the BHM Noteholders will be entitled to a pro-rata allocation of the Cash Conversion Consideration Shares. Each individual Converting Note will receive approximately 0.0835% of the total number of Cash Conversion Consideration Shares; and

(v) (**Unsecured**): the Converting Notes are unsecured.

(e) **Board nominees**

The BHM Vendors have the right to nominate up to four Directors to the Board of Coolabah, with one Director to remain from the existing Board.

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