

ASX RELEASE

9 April 2024

COOLABAH METALS LIMITED

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DIRECTORS

Cameron Provost
Steve Woodham
David Ward

TICKER

ASX:CBH

SHARES ON OFFER

71,550,001

LOCATION: Mundi Mundi, NSW

EXPOSURE TO GROWING DEMAND FOR FLUORINE IN BATTERY TECHNOLOGY AND CAPITAL RAISING

Highlights

- **Coolabah Metals is expanding its exposure to battery minerals with an increased focus on the increasing demand for fluorine**
- **Grant has been offered for the Mundi Mundi Project, a Group 2 (Non-metallic minerals) exploration license 40km north-west of Broken Hill covering two historic mines exploited previously for fluorite (the ore mineral of fluorine)**
- **Fluorine is a fundamental component of electrolytes in existing lithium-ion batteries**
- **Fluorite (CaF₂) is used to produce fluorine, which the Federal Government added to Australia's Critical Minerals List in December 2023. The Federal Government added fluorine to Australia's Critical Minerals List in recognition of its role in the energy transition and a lack of production in Australia**
- **Fluoride-ion batteries also have the potential to displace lithium-ion batteries as they have a potential 8-fold increase in energy density relative to lithium-ion batteries¹**
- **In addition, Coolabah have received firm commitments for a placement of approximately \$715,500, with the Company also undertaking a fully underwritten non-renounceable rights issue to raise an additional \$1,788,750 (\$2,504,250 total) on the same terms**

Coolabah Metals Limited (ASX: CBH) (Company) is pleased to announce that it is continuing its battery minerals focus via the grant of the Mundi Mundi Project, a Group 2 (non-metallic minerals) exploration license. The total area covers 35.1km² with two historic fluorite mines, Mount Eltie and Mount Robe 40km north-west of Broken Hill, NSW.

Fluorite (CaF₂) is predominantly extracted from hydrothermal veins deposits like Mount Eltie and Mount Robe. Fluorite has numerous industrial and metallurgical uses from flux in iron and steel production through to next generation lithium-ion batteries.

1. Fluoride-ion batteries: State-of-the-art and future perspectives
Sumol V. Gopinadh, Peddinti V.R.L. Phanendra, Bibin John
Energy Systems Division, PCM Entity, Vikram Sarabhai Space Centre, Thiruvananthapuram 695022, India

INVESTOR UPDATE

Coolabah Metals Limited Managing Director, Cameron Provost stated:

“The Company is pleased to announce that the application for group 2 minerals in the Broken Hill region of NSW has been approved.

In conjunction with key stakeholders, the Company has instigated first mover advantage in the Australian fluorite market, securing a significant position on the Broken Hill block which has significant potential for fluorite production.

The Company believes the fluorite market is primed for growth and this is the perfect time to position itself within this growing sector.

Exciting times ahead for the renewable sector, with alternative energy storage technologies evolving rapidly, opening new resource possibilities including fluorite as an emerging staple within the battery manufacturing industry.

Field assessment will commence in the coming months, in line with our plan to pursue a battery minerals focus that contribute to the renewables sector. Coolabah has continued with an aggressive project acquisition approach.

Coolabah will continue to pursue opportunities in the Broken Hill region.”

The Department of Regional NSW (**Department**), MEG has issued a notice of proposed decision to grant ELA 6706. The Company has accepted the proposed terms and have paid the required security bond, the first year’s rent and administration levy. The Department will now prepare the formal grant documents and the Company will be issued with the formal Exploration Licence number within the next two weeks.

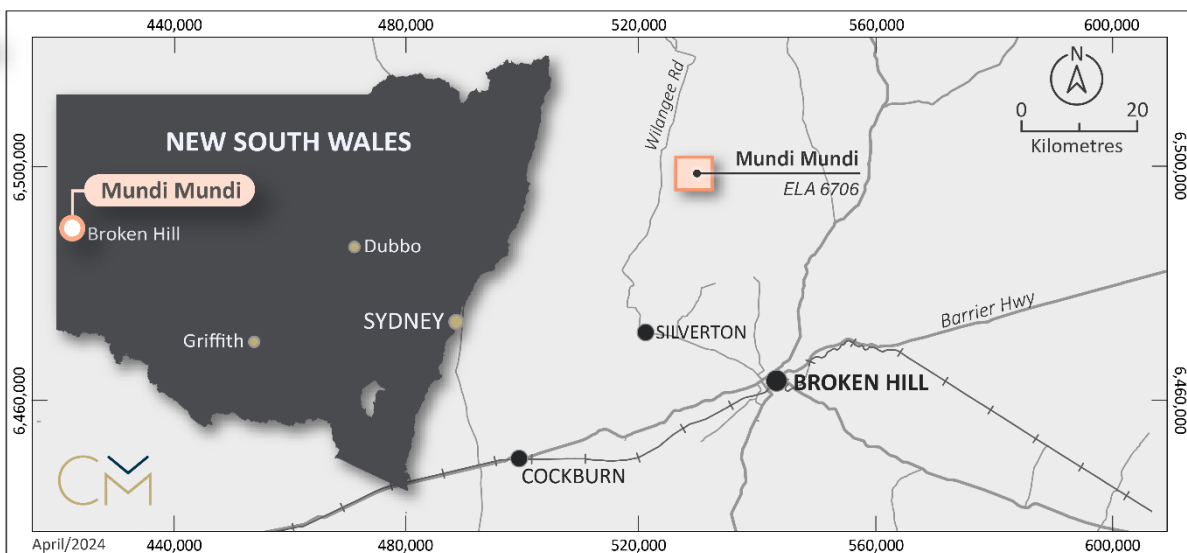


Figure 1: Mundi Mundi ELA 6706 Location 40km north-west of Broken Hill

Recent advances in research have highlighted fluoride-ion batteries (FIBs) as a potential stable candidate to displace lithium-ion batteries (LIBs) as the global standard for the rapidly growing energy storage demand.

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INVESTOR UPDATE

“Recently, anions such as hydroxide ions (OH⁻), chloride ions (Cl⁻) and fluoride ions (F⁻) were identified to offer more options and opportunities in the arena of electrochemical energy storage as these are more mobile and stable charge carriers. Among the anionic candidates, F⁻ ion, which is lying at the top of the reactivity series has been identified to outperform all other anionic charge carrier based batteries and even today’s LIBs, particularly in terms of energy density.”¹

Fluoride is a monatomic anion of fluorine with the chemical formula F⁻.

Fluorite (also referred to as fluorspar) is the mineral form of calcium fluoride (CaF₂) and the dominant ore mineral of fluorine.

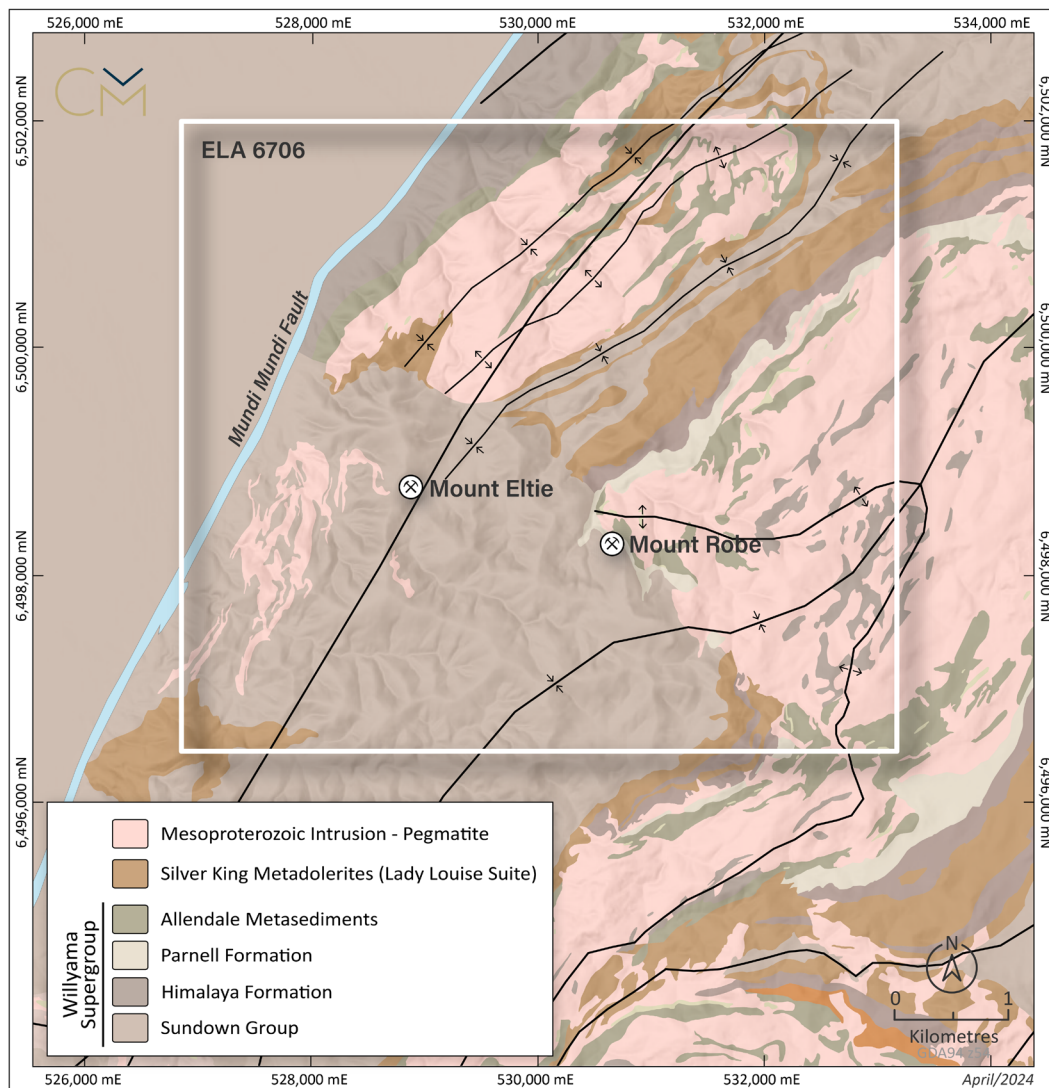


Figure 2: Mundi Mundi historic fluorite mines on NSW Government Seamless Geology

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INVESTOR UPDATE

PLACEMENT AND NON-RENOUNCEABLE RIGHTS ISSUE

The Company is pleased to announce it is conducting a capital raising of approximately \$2,504,250 (before costs) through a placement to sophisticated and professional investors and a subsequent fully underwritten non-renounceable entitlement issue to eligible shareholders.

Placement

The Company has received firm commitments from sophisticated and professional investors to raise \$715,500 (before costs) through the issue of 17,887,500 shares (**Placement Shares**) at an issue price of \$0.04 per share, together with one (1) free-attaching listed option (exercisable at \$0.12 and expiring five (5) years from the date of issue) (**Placement Options**) for every four (4) Placement Shares subscribed for and issued (a total of 4,471,875 Placement Options) (**Placement**).

The Placement Shares will be issued without shareholder approval and pursuant to the Company's existing capacity under Listing Rules 7.1 and 7.1A. The Placement Options will be issued subject to prior shareholder approval.

Rights Issue

In conjunction with the Placement, the Company is undertaking a pro-rata non-renounceable entitlement issue of one (1) share (**New Share**) for every two (2) existing shares held by eligible shareholders at an issue price of \$0.04 each to raise up to \$1,788,750 (**Rights Issue**). Each subscriber will also be entitled to receive one (1) free-attaching listed option (exercisable at \$0.12 and expiring five (5) years from the date of issue) for every four (4) New Shares subscribed for under the Rights Issue representing a total of approximately 11,179,688 options (**New Options**).

The Rights Issue is being made to all shareholders of the Company named on its register of members at 5:00pm (WST) on 24 April 2024 (**Record Date**), whose registered address is in Australia or New Zealand. A total of 44,718,750 New Shares will be issued pursuant to the Rights Issue (assuming no shares are issued prior to the Record Date other than the Placement Shares).

All New Shares issued will rank equally with existing shares on issue. The Company will apply to the ASX for quotation of the Placement Options and New Options, subject to being able to satisfy the quotation requirements under the ASX Listing Rules.

A transaction specific prospectus in relation to the Rights Issue will be lodged with ASIC on 18 April 2024 (**Prospectus**).

The Company has engaged CPS Capital Group Pty Ltd (ABN 73 088 055 636) (**CPS Capital** or **Underwriter**) to act as lead manager of the Placement and underwriter to the Rights Issue. CPS Capital will receive:

- a management fee of 2% (plus GST) and placement fee of 4% (plus GST) of the funds raised under the Placement;
- an underwriting fee of 6% (plus GST) of the funds raised under the Rights Issue; and
- subject to shareholder approval, a total of 9,500,000 listed options (exercisable at \$0.12 and expiring five (5) years from the date of issue).

The Company has entered into an underwriting agreement with CPS Capital to fully underwrite the Rights Issue (**Underwriting Agreement**). The material terms and conditions of the Underwriting Agreement are as follows:

- the Underwriter has agreed to fully underwrite the Rights Issue up to a value of \$1,788,750 (being the total amount to be raised under the Rights Issue);
- the Underwriter may appoint sub-underwriters to sub-underwrite the Rights Issue. The Underwriter will be responsible for any fees payable to any sub-underwriters or other parties involved in the Rights Issue introduced by the Underwriter; and

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- the obligations of the Underwriter to fully underwrite the Rights Issue are subject to satisfaction of certain conditions precedent that are customary for an agreement of this nature (as set out in Annexure A). If those conditions are not satisfied or if certain termination events occur, the Underwriter may terminate the Underwriting Agreement.

Further details regarding the terms and conditions of the Underwriting Agreement are set out in the Prospectus and accompanying Appendix 3B to this announcement.

Use of Funds

The funds raised from the Placement and Rights issue will be used towards:

- Mundi Mundi Fluorite Project;
- existing Projects;
- future acquisitions;
- working capital; and
- expenses of the Placement and Rights Issue.

Timetable

The proposed timetable for the Placement and Rights Issue is set out below:

EVENT	DATE ^{1,2}
Announcement of Placement and Rights Issue and lodgement of Appendix 3B with ASX	9 April 2024
Issue of Placement Shares	16 April 2024
Lodgement of Prospectus with ASIC and ASX	18 April 2024
Ex Date	23 April 2024
Record Date for determining shareholder entitled to participate in the Rights Issue	24 April 2024
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders, and Company announces that this has occurred	30 April 2024
Opening date of the Rights Issue	30 April 2024
Last day to extend Closing Date of the Rights Issue	6 May 2024
Closing Date (5:00pm WST)	9 May 2024
Securities quoted on a deferred settlement basis	10 May 2024
Last day for Company to announce the results of the Rights Issue, issue the New Shares under the Rights Issue and lodge an Appendix 2A	16 May 2024
Deferred settlement trading ends	17 May 2024
Commencement of trading of New Shares and New Options on ASX	20 May 2024

Notes:

- These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.
- The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the New Shares are expected to commence trading on ASX may vary.

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

For further information contact:

Cameron Provost
Managing Director
Coolabah Metals Limited

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Annexure A – Underwriting Agreement

The obligations of the Underwriter are subject to certain events of termination. The Underwriter may, in its sole discretion, terminate its obligations under the Underwriting Agreement if:

- (a) **(Offer Withdrawn)**: the Offer is withdrawn by the Company;
- (b) **(No Listing Approval)**: the Company fails to lodge an Appendix 2A in relation to the Underwritten Shares with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (c) **(Corrective Disclosure)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in clause 10.2(j)(4), forms the view on reasonable grounds that a corrective document should be lodged with ASX and ASIC to comply with the Corporations Act and the Company fails to lodge a corrective document in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a corrective document without the prior written agreement of the Underwriter (which agreement the Underwriter may not unreasonably withhold).
- (d) **(Misleading Documents)**: subject always to clause 10.3, it transpires that there is a statement in the Offer Document that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Offer Document or if any statement in the Offer Document becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Offer Document is or becomes misleading or deceptive or likely to mislead or deceive;
- (e) **(Restriction on issue)**: the Company is prevented from issuing the Underwritten Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (f) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer, provided that the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (g) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and is not withdrawn or disposed of by the Shortfall Notice Deadline Date, either of which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (h) **(Indictable offence)**: subject always to clause 10.3, a director or senior manager of the Company is charged with an indictable offence;
- (i) **(Market Movement)**: the S&P/ASX Small Ordinaries index falls by 10% or more below the level of the S&P/ASX Small Ordinaries index on the Execution Date at the close of trading:
 - (i) for at least two consecutive Business Days in the period between the Execution Date and the Business Day prior to the Settlement Date; or
 - (ii) on the Business Day immediately prior to the Settlement Date; or
- (j) **(Default)**: default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking and the default or breach is either incapable of remedy or is not remedied within 10 Business Days after the Underwriter notifies the Company of the default or breach or by the Shortfall Notice Deadline Date, whichever is earlier;
- (k) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect to a material respect;

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- (l) **(Contravention of constitution or Act):** a material contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (m) **(Adverse change):** an event occurs which gives rise to a Material Adverse Effect in relation to the assets, liabilities, financial position, trading results, profits, losses, prospects, business or operations of the Company;
- (n) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (o) **(Prescribed Occurrence):** a Prescribed Occurrence occurs;
- (p) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (q) **(Event of Insolvency):** an Event of Insolvency occurs in respect of the Company;
- (r) **(Judgment against the Company):** a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within seven days;
- (s) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are brought after the Execution Date commenced against the Company;
- (t) **(Board and senior management composition):** there is a change in the composition of the Board or a change in the senior management of the Company before the Issue without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (u) **(Change in shareholdings):** a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (v) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 3 Business Days, without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (w) **(Force Majeure):** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of seven days occurs;
- (x) **(Certain resolutions passed):** the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (y) **(Hostilities):** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand the United States of America, the United Kingdom any member state of the European Union, Indonesia, Japan, Russia or the Peoples Republic of China or Indonesia, or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries; or
- (z) **(Adverse Change in Financial Markets):** there occurs any material adverse change or material adverse disruption to the political or economic conditions of financial markets in Australia, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions, including but not limited to the collapse of a major bank or financial institution.

Capitalised words that are not defined above have the meaning set out in the Underwriting Agreement. The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.



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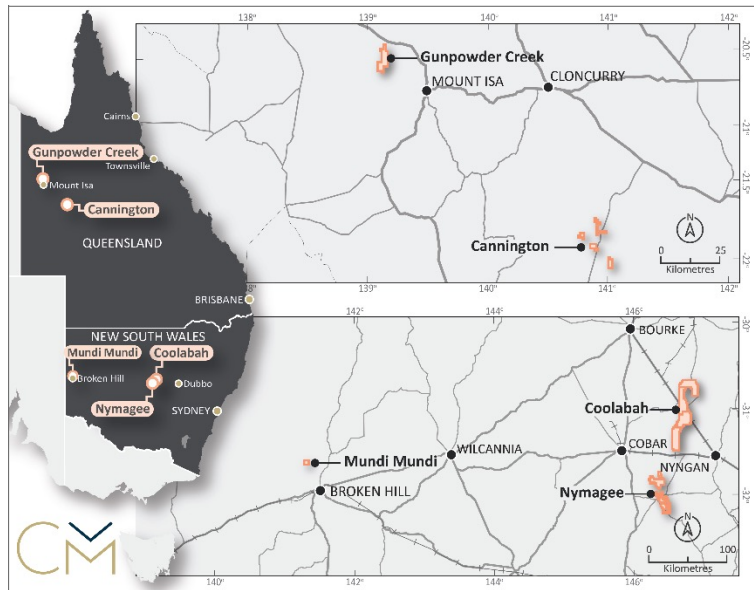
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About Coolabah Metals Limited

Coolabah Metals Limited (ASX:CBH) is an ASX-listed minerals explorer with a focus on copper, gold, base metal assets and group two (2) Non-Metallic minerals throughout Australia. Coolabah Metals is also active in exploring lithium projects located in Canada. Positioning Coolabah as a player in the fast-growing renewables exploration sector. CBH aims to build shareholder wealth through the discovery and development of mineral deposits across various Australian and Canadian projects, being the Mundi Mundi Project, Coolabah Project, Nymagee Project, Gunpowder Creek Project, Cannington Project and the Hampden and McCoy Lake Projects.



Coolabah Project

The Coolabah Project area comprised of 1,177km², lies adjacent to the Girilambone copper deposits including Avoca Tank, Tritton and the newly discovered Constellation Deposit. The Coolabah Project is highly prospective given that geology structures / regional settings are similar to known deposits.

Nymagee Project

The Nymagee Project area totals 533.3km² and is located amongst significant discoveries at Federation, Hera and Nymagee and is highly attractive for Cobar Style Deposits. The Nymagee Project lies on a major north-easterly structure prospective for gold, copper, lead, and zinc mineralisation.

Gunpowder Creek Project

The Gunpowder Creek Project is located within the world class Mt Isa block, only 40km northwest of Mt Isa and is home to numerous historic workings over 5km and highlights high-grade rockchips up to 32g/t gold. The Gunpowder Creek Project is prospective for vein/fault hosted high grade gold and Mt Isa Copper-Lead-Zinc type mineralisation.

Cannington Project

The Cannington Project is located 130km SSE of Cloncurry comprised of two exploration licences that covers a total area of 113.4km². The main prospect within the Project is Brumby, being a copper-gold project spatially related to a strong magnetic high and interpreted to be an Iron Oxide Copper Gold (IOCG) style target.

Mundi Mundi Project

The Mundi Mundi Project is located 33km NNE Broken Hill comprised of one exploration licence that covers a total area of 35.1km². The main prospect within the Mundi Mundi Project is for Group 2 Non-Metallic minerals, the new exploration license covers two historic fluorite mines Mount Eltie and Mount Robe last mined in the 1930's.



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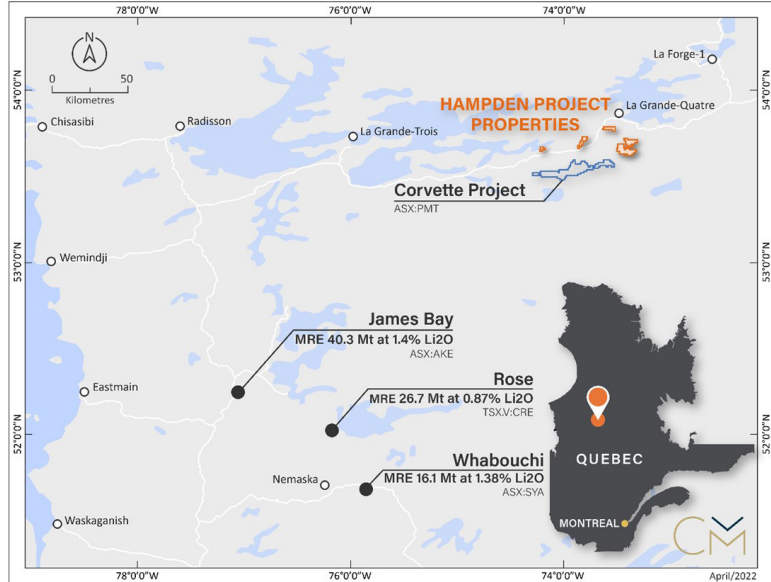
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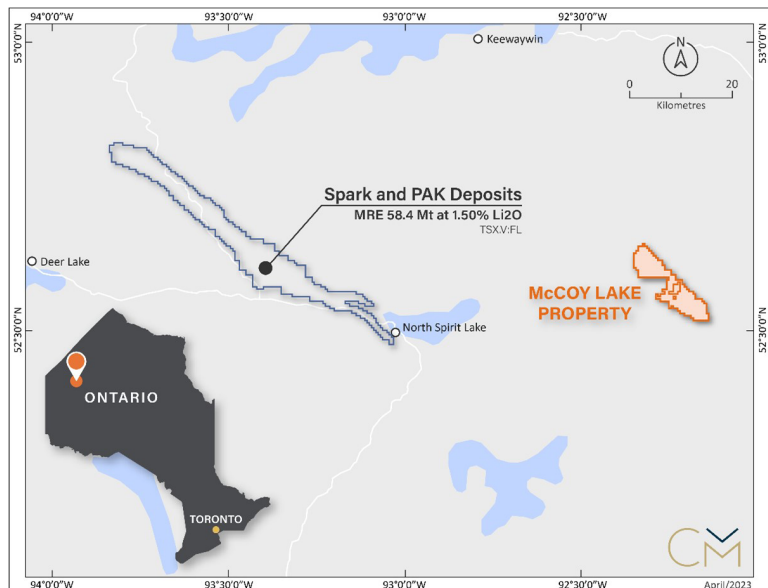
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Hampden Project

The Hampden Project area totalling 113km² is located near Patriot Battery Metals Corvette Project, which is a potential world class spodumene deposit. The Hampden Project is located within the James Bay Region of Quebec, Canada and is known for containing significant resources of lithium and is a prime investment opportunity for lithium exploration and production hosting several known spodumene bearing pegmatite projects.



McCoy Lake Project

The McCoy Lake Project is located in the Red Lake Region of north-western Ontario, Canada, covering a vast area of 70km². The project area is situated approximately 75km east of the Frontier Lithium PAK and Spark deposits and targets an underexplored greenstone assemblage, situated near fertile granite systems. The project is located remotely in north-western Ontario, however year-round access is available through float or ski-equipped aircraft from Red Lake, Ontario, which is approximately 180km away.

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Competent Persons Statement

The information in this document that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by David Ward BSc, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM), (Member 228604). David Ward is a Director and shareholder of Coolabah Metals Ltd. David Ward has over 25 years of experience in metallic minerals mining, exploration and development and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ward consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Cautionary Statement

Visual estimates described in the announcement are a guide only and should never be considered a proxy or substitute for laboratory analysis. Only subsequent laboratory geochemical assay can be used to determine grade of mineralisation. CBH will always update shareholders when laboratory results become available.

Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. No representation is made that, in relation to the tenements the subject of this presentation, the Company has now or will at any time the future develop resources or reserves within the meaning of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Any forward-looking statements in this presentation speak only at the date of issue of this document. Subject to any continuing obligations under applicable law, the Company does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions, or circumstances on which any such forward looking statement is based.