



COOLGARDIE

MINERALS LIMITED

ASX: CM1

COMPANY PROFILE

CM1 is a gold producer and explorer with a 549km² tenement area in the Bullabulling goldfield near Coolgardie, Western Australia. The company has a goal to become a 100,000oz gold producer within three years.

PROJECT PORTFOLIO

Producing: Geko

Advanced prospects: First Find, Endeavour, Bungarra, Sunchaser-Reservoir, and Ubini.

DIRECTORS

Neil Warburton
Non-executive Chairman

Bradd Granville
Managing Director

Antony Middleton
Non-executive Director

Gregory Martin
Non-executive Director

MARKET ANNOUNCEMENT

Grant of Waiver by ASX

Coolgardie Minerals Limited (ASX: CM1) (**CM1**) refers to its Australian Securities Exchange (**ASX**) announcement dated 17 December 2018 (“Funding and Operations Update”). As noted in that announcement (and to assist with CM1’s working capital position) CM1 has borrowed monies from Mr Neil Warburton and Mr Bernard Martin (the father of Mr Gregory Martin, a Non-executive Director of CM1) totalling \$1,060,000 in aggregate. CM1 has also agreed to grant security over CM1’s assets to secure the repayment of those monies subject to, and conditional on, receipt of an ASX waiver of (or shareholder approval under) ASX listing rule 10.1.

CM1 advises that ASX has granted CM1 a waiver from ASX listing rule 10.1 which permits it to grant security to Mr Warburton and Mr Martin over CM1’s assets without the need to seek shareholder approval under listing rule 10.1, subject to certain conditions. The terms of the waiver are set out in the Annexure to this announcement.

As required by the waiver, CM1 advises that:

- (a) it plans to repay the funds advanced (and applicable interest) under the loan agreements with Mr Warburton and Mr Martin by the repayment date of 31 October 2019 in accordance with the terms of those loan agreements, and it proposes to discharge the associated security immediately once the loans and applicable interest have been repaid; and
- (b) it sought to obtain financial accommodation from Mr Warburton and Mr Martin (rather than a lender that is not a related party falling within the scope of listing rule 10.1) after having considered the potential sources of funds available to CM1 at the time and the costs of those funds to CM1. The independent members of the board of CM1 determined that the loans from these related party lenders were on no worse terms for CM1 than terms available from third-party lenders at the time, and those directors therefore consider the terms of the loans to be reasonable in the circumstances, on arm’s length terms and fair and reasonable to CM1’s security holders. Similarly, with respect to the security granted, in light of the security required to be granted to other financiers (including the convertible noteholders and SMS Mining Services (**SMS**) and noting that the security granted to Mr Warburton and Mr Martin would rank behind the security for the convertible notes and behind any further amounts which become owing to SMS) the independent members of the CM1 board considered that the grant of security to Mr Warburton and Mr Martin was on arm’s length terms and was fair and reasonable to CM1’s security holders in the circumstances.

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About Coolgardie Minerals Limited (ASX: CM1)

Established in 2010 and ASX-listed in August 2018, Coolgardie Minerals (**CM1**) is a gold producer and explorer with over 549km² of tenements in the proven gold-producing districts near Coolgardie, Western Australia, surrounding the Bullabulling Gold Project.

CM1 has secured a large, high-quality ground position made up of the Geko Project, which the company has brought into rapid production, and five other advanced prospects: First Find, Endeavour, Bungarra, Sunchaser-Reservoir and Ubini together with a large under explored tenement package.

The projects are along strike or near the Bullabulling goldfield, with access to a highly trained local workforce and excellent regional infrastructure.

CM1 plans to expand its exploration and development footprint while striving to achieve its strategic plan of being a 100,000oz gold producer within three years via organic growth and mergers and acquisitions.

SHAREHOLDER / GENERAL ENQUIRIES

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MEDIA ENQUIRIES

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Annexure – Terms of ASX Waiver

1. *Based solely on the information provided, ASX Limited (“ASX”) grants Coolgardie Minerals Limited (the “Company”) a waiver from listing rule 10.1 to the extent necessary to permit the Company to grant security over the assets of the Company in favour of each of Neil Warburton and Bernard Martin (each a “Lender”), pursuant to a general security deed to be entered into between each Lender and the Company (“Security”) to secure the Company’s obligations under loan agreements under which the Lenders have in aggregate advanced to the Company \$1,060,000 (“Loan Agreements”) without obtaining shareholder approval, on the following conditions.*
 - 1.1. *The Security includes a term that if an event of default occurs and the Lenders (or either of them) exercises their rights under the Security, neither the Lenders nor any of their associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company’s obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by the Lenders (or either of them) exercising their power of sale under the Security and selling the assets to an unrelated third party on arm’s length commercial terms and conditions and distributing the cash proceeds to the Lender or any of its associates in accordance with their legal entitlements.*
 - 1.2. *A summary of the material terms of the Security is made in each annual report of the Company during the term of the Security.*
 - 1.3. *Any variations to the terms of the Security which is:*
 - 1.3.1. *not a minor change; or*
 - 1.3.2. *inconsistent with the terms of the waiver,**must be subject to shareholder approval.*
 - 1.4. *The Company and the Lenders must seek to discharge the Security when the funds advanced to the Company are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further period.*
 - 1.5. *The Company immediately releases to the market an announcement which sets out the terms of this waiver, and:*
 - 1.5.1. *the Company’s plans with respect to the repayment of the funds advanced under the Loan Agreements, and discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur; and*
 - 1.5.2. *a statement of the reasons why the Company has chosen to obtain a financial accommodation from a listing rule 10.1 party rather than a lender that is not a related party or substantial holder, and the steps the Company’s board has taken to satisfy itself that the transaction is being entered into on arms’ length terms and is fair and reasonable from the perspective of the Company’s security holders.*