

## Tulla Resources Funding Announcement

Tulla Resources Plc (**ASX: TUL**) (“**TUL**”, the “**Company**”) is pleased to advise that the Company has executed an investment committee approved term sheet (“**Term Sheet**”) through Nebari Partners, LLC (“**Nebari**”) for US\$21.5m secured credit facility.

The credit facility is comprised of a Debenture Loan Facility of US\$13.5m and a Convertible Loan Facility of US\$8m (collectively, the “**Loan Facilities**”). The Loan Facilities, combined with the Company’s existing cash and liquid investments, provide the Company with sufficient liquidity to cover its contribution to the current forecasted costs associated with bringing the Central Norseman Gold Project (“**Project**”) into commercial production.

The Term Sheet has been approved by Nebari’s investment committee and the Loan Facilities are subject to final documentation and other conditions precedent typical for this type of transaction, including in relation to the grant of security over the Company’s joint venture interest in the Project, among other collateral.

**Tulla Resources’ Executive Director, Mark Maloney, said:** “*We are delighted that Nebari has agreed to fund the Company, which will enable us to meet our JV obligations through to production and positive cash flows. This commitment by Nebari following their extensive due diligence is further validation of the Norseman Gold Project. We look forward to developing a strong relationship with Nebari.*”

### Highlights:

- US\$21.5m (A\$30.2m<sup>1</sup>) in debt funding as set out in the Term Sheet. The Loan Facilities consist of a US\$13.5m Debenture Loan and a US\$8m Convertible Loan
- Weighted average coupon rate of approximately 7.5% plus Term SOFR Delta
  - Debenture Loan coupon rate of 9% plus Term SOFR Delta
  - Convertible Loan coupon rate of 5% plus Term SOFR Delta
- Limited financial covenants relating to cash and working capital balances
- Attractive amortisation profile of the Debenture Loan with no amortisation payable until the 12<sup>th</sup> month from closing and a bullet repayment for the Convertible Loan
- No hedging required, allowing shareholders of the Company to retain full exposure to the gold price
- The Loan Facilities, combined with existing cash on hand and liquid investments means that, based on current forecasts, the Company is funded to contribute its share of the expected costs associated with bringing the Project into commercial production

### Debenture Loan Facility key terms

- US\$13.5m funds available secured on a first lien basis
- The principal amount available of the Debenture Loan Facility is net of a 10% original issue discount

<sup>1</sup>Based on USD/AUD FX of 0.71255 as at 27 April 2022

- Loan term of 36 months from the closing date
- Debenture Coupon of 9.0% per annum plus three-month Term SOFR reference rate (“**Term SOFR**”<sup>2</sup>) less 1.0% (“**Term SOFR Delta**”<sup>3</sup>) payable monthly in arrears
- An arrangement fee will be payable by the borrower of 1.0% of the available amount
- The first 8 months of interest payments will be eligible for payment in kind treatment and will amortise over the remaining life of the loan
- The Company has the right to make early repayments, subject to applicable make whole payments
- Fixed straight line amortisation commencing from the 12<sup>th</sup> month after closing at a rate of 2.5% per month of the principal amount outstanding on the date that amortisation starts until the maturity of the loan facility, with the balance paid on maturity
- No hedging requirements

### **Convertible Loan Facility key terms**

- US\$8m funds available secured on a first lien basis
- The principal amount of the Convertible Loan Facility is net of a 5.5% original issue discount
- Loan term of 36 months from the closing date
- Convertible Coupon of 5.0% per annum plus Term SOFR Delta payable monthly in arrears
- An arrangement fee will be payable to the borrower of 1.0% of the available amount
- Amortised via a bullet repayment on the maturity date of the loan (subject to conversion)
- Up to 100% of the principal funds plus any accrued and unpaid interest will be convertible into TUL CDIs at the Conversion Price at the Lender’s election
- The Conversion Price for the Convertible Loan Facility is equal to a 30% premium to the 20-day Volume Weighted Average Price of the Company’s share price at the lower of the date of signing the Term Sheet or the date of this public announcement of the Loan Facilities, subject to anti-dilution adjustments
- The Company has the right to make early repayments, subject to the issue of warrants at a strike price equal to the conversion price
- No hedging requirements

Treadstone Resource Partners acted as financial advisor and Herbert Smith Freehills acted as legal adviser to the Company in respect of the Loan Facilities.

### **About Nebari**

Nebari is a United States-based manager of privately offered pooled investment vehicles including Nebari Natural Resources Credit Fund I, LP and Nebari Gold Fund 1, LP, which are funding this transaction. The leadership team has deep experience with leading global mining companies and financial institutions. Nebari is known for partnering with motivated and capable management teams focused on achieving clear plan targets. Nebari Managing Partner Roderik van Losenoord states “We are very pleased to be supporting Tulla as it advances the Norseman Gold Project with its joint venture partner.”

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<sup>2</sup> Term SOFR rate referenced by CME Group Benchmark Administration Limited

<sup>3</sup> Term SOFR Delta is subject to a minimum of 0.0%

Additional information about NEBARI PARTNERS, LLC is available on the United States Securities and Exchange Commission's ("SEC") website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). NEBARI PARTNERS, LLC is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## About Tulla Resources Plc

Tulla Resources is a diversified Resources House whose primary asset is its 50% interest in the flagship Norseman Gold Project.

In 2007 Norseman Gold Plc acquired Central Norseman Gold Corporation Pty Ltd (CNGC), the operating entity of the Gold Project. Norseman Gold Plc changed its name to Tulla Resources Plc on 30 December 2020.

On 17 March 2021, Tulla Resources Plc was admitted to the Official List of ASX and the Company commenced trading on 18 March 2021.

The focus of Tulla Resources is to continue to work closely with its joint venture partner to bring the Gold Project back into production scheduled for August 2022. The Norseman Gold Project also provides an excellent opportunity for exploration and future production growth as demonstrated by the excellent results from the exploration program centred on the Scotia Mining Centre.

Tulla Resources has an experienced and well credentialed Board. The Company has a strategy of developing and acquiring other resource assets to provide commodity and geographical diversity. In December 2021 with its JV Partner, Pantoro South, the Company entered into a binding term sheet with a subsidiary of Mineral Resources Limited (MIN) in respect to its lithium deposits at Norseman.

In January 2022 Tulla Resources entered into a non-binding heads of agreement with Koch Metals Limited for an off-take and funding arrangement in respect to its iron ore asset at Norseman.

### **Authorised by the Board.**

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