

# Surge Copper Announces C\$3.8 Million Strategic Investment by African Rainbow Minerals Limited

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Vancouver, April 02, 2024 - [Surge Copper Corp.](#) (TSXV: SURG) (OTCQB: SRGXF) (Frankfurt: G6D2) ("Surge" or the "Company") is pleased to announce that it has entered into a subscription agreement for a private placement financing (the "Strategic Placement") with a new cornerstone strategic investor, [African Rainbow Minerals Ltd.](#) (JSE: ARI) ("ARM").

Under the terms of the Strategic Placement, ARM, through its wholly-owned subsidiary ARM Copper Company Proprietary Limited ("ARM Copper"), will subscribe for 39,608,708 common shares (the "Strategic Placement Common Shares") of Surge at C\$0.095 per Strategic Placement Common Share, representing an approximately 18% premium to the 20-day volume weighted average price of the Company's common shares on the TSX Venture Exchange as at April 1, 2024, for gross proceeds of approximately C\$3,762,827. Upon completion of the Strategic Placement, ARM (through ARM Copper) will own 15.0% of Surge's issued and outstanding common shares on a non-diluted basis.

Leif Nilsson, Chief Executive Officer, commented: *"We are excited to be welcoming ARM as a strategic investor into Surge. They bring significant experience in the development and operation of large-scale mines, with a foundational commitment to operational efficiency and fostering strong community ties. We look forward to leveraging this expertise as we advance our wholly owned Berg project and surrounding exploration targets in this emerging critical minerals district."*

Concurrent with the closing of the Strategic Placement, the Company, ARM and ARM Copper will enter into an investor rights agreement (the "IRA"). The IRA will grant ARM certain rights in the event it maintains minimum ownership thresholds in the Company, including the right to maintain its ownership position through future equity financings, and the right to appoint a member to a technical advisory committee to be formed following closing of the Strategic Placement. Additionally, the IRA will include a covenant from ARM Copper, for a period of two years, to vote in favour of management's recommendations on routine matters to be approved by the shareholders of the Company. Furthermore, ARM Copper will agree in the IRA to a two-year standstill with respect to the acquisition of additional securities of the Company which would result in ARM Copper owning greater than 19.9% of the then issued and outstanding common shares of the Company on a non-diluted basis, subject to exceptions customary for a standstill of this nature. So long as ARM Copper's ownership interest is at least 19.9% of Surge's issued and outstanding common shares on a non-diluted basis, ARM Copper will have the right to nominate one director to the Company's board of directors.

The net proceeds from the Strategic Placement will be used to fund the advancement of the Berg Project, exploration, and for working capital and general corporate purposes. Closing of the Strategic Placement is subject to certain customary conditions, including acceptance by the TSX Venture Exchange and is also subject to receipt by ARM of South African Reserve Bank approval. The Strategic Placement is expected to close in approximately four to six weeks. The Strategic Placement Common Shares will be subject to a statutory hold period of four months and one day from the date of issuance.

## Qualified Person

Dr. Shane Ebert P. Geo., is the Qualified Person for the Ootsa and Berg projects as defined by National Instrument 43-101 and has approved the technical disclosure contained in this news release.

## About ARM

ARM is a leading South African diversified mining and minerals company with long-life operations in key commodities in South Africa and Malaysia. ARM, its subsidiaries, joint ventures, joint operations, and associates explore, develop, operate, and hold interests in the mining and minerals industry. Its business has grown through a series of operating partnerships with a wide range of international mining enterprises. ARM's current operational focus is on precious metals, base metals, ferrous metals and alloys, which include platinum group metals, nickel, coal, iron ore, manganese ore, and ferromanganese. ARM also has an investment in Harmony Gold Mining Company Limited. In ARM's fiscal 2023 year, it employed approximately 23,000 employees and contractors, and generated total revenue of ZAR 16.1 billion (approximately US\$906 million) and profit of ZAR 9.3 billion (approximately US\$525 million).

### About the Berg Project

The Berg deposit is situated in the northwestern portion of the Company's 100%-owned 125,499 hectare contiguous land package in the Berg-Huckleberry-Ootsa district. Surge announced an NI 43-101 compliant Preliminary Economic Assessment ("PEA") and an accompanying Mineral Resource Estimate ("MRE") on the Berg Project in June 2023 (see June 13, 2023 Press Release)<sup>1</sup>. The PEA outlined a large-scale, stand-alone greenfield development project with a simple design and high outputs of critical metals located in a safe jurisdiction with world-class infrastructure. Highlights from the PEA include:

- Base case after-tax NPV<sub>8%</sub> of C\$2.1 billion and IRR of 20% based on long-term commodity price assumptions of US\$4.00/lb copper, US\$15.00/lb molybdenum, US\$23/oz silver, and US\$1,800/oz gold plus foreign exchange of 0.77 USDCAD
- 30-year mine life with total payable production of 5.8 billion pounds (2.6 million tonnes) of copper equivalent (CuEq<sup>2</sup>), including 3.7 billion pounds (1.7 million tonnes) of copper
- Updated mineral resource estimate includes combined Measured & Indicated resource of 1.0 billion tonnes grading 0.23% copper, 0.03% molybdenum, 4.6 g/t silver, and 0.02 g/t gold, containing 5.1 billion pounds of copper, 633 million pounds of molybdenum, 150 million ounces of silver, and 744 thousand ounces of gold, plus an additional 0.5 billion tonnes of material in the Inferred category grading 0.17% copper, 0.02% molybdenum, 3.71 g/t silver, and 0.02 g/t gold.

### About Surge Copper Corp.

[Surge Copper Corp.](#) is a Canadian company that is advancing an emerging critical metals district in a well-developed region of British Columbia, Canada. The Company owns a large, contiguous mineral claim package that hosts multiple advanced porphyry deposits with pit-constrained NI 43-101 compliant resources of copper, molybdenum, gold, and silver - metals which are critical inputs to the low-carbon energy transition and associated electrification technologies.

The Company owns a 100% interest in the Berg Project, for which it announced a maiden PEA in June 2023 outlining a large-scale, long-life project with a simple design and high outputs of critical minerals located in a safe jurisdiction near world-class infrastructure. The PEA highlights base case economics including an NPV<sub>8%</sub> of C\$2.1 billion and an IRR of 20% based on long-term commodity prices of US\$4.00/lb copper, US\$15.00/lb molybdenum, US\$23.00/oz silver, and US\$1,800/oz gold. The Berg deposit contains pit-constrained 43-101 compliant resources of copper, molybdenum, silver, and gold in the Measured, Indicated, and Inferred categories.

The Company also owns a 100% interest in the Ootsa Property, an advanced-stage exploration project containing the Seel and Ox porphyry deposits located adjacent to the open pit Huckleberry Copper Mine, owned by Imperial Metals. The Ootsa Property contains pit-constrained NI 43-101 compliant resources of copper, gold, molybdenum, and silver in the Measured, Indicated, and Inferred categories.

On Behalf of the Board of Directors

"Leif Nilsson"  
Chief Executive Officer

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*This News Release contains forward-looking statements, which relate to future events. In some cases, you can identify forward-looking statements by terminology such as "will", "may", "should", "expects", "plans", or "anticipates" or the negative of these terms or other comparable terminology. All statements included herein, other than statements of historical fact, are forward-looking statements, including but not limited to, statements regarding the Strategic Placement, including closing and the timing thereof, including receipt of TSX Venture Exchange and South African Reserve Bank approvals; execution of the IRA; the use of proceeds of the Strategic Placement; future acquisition of common shares by ARM or ARM Copper; the nomination and appointment to the Company's board of directors; statements regarding the PEA; mineral resource estimates; and the Company's plans regarding the Berg Property and the Ootsa Property. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, level of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. Such uncertainties and risks may include, among others, actual results of the Company's exploration activities being different than those expected by management, delays in obtaining or failure to obtain required government or other regulatory approvals, the ability to obtain adequate financing to conduct its planned exploration programs, inability to procure labour, equipment, and supplies in sufficient quantities and on a timely basis, equipment breakdown, impacts of the current coronavirus pandemic, and bad weather. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggestions herein. Except as required by applicable law, the Company does not intend to update any forward-looking statements to conform these statements to actual results. These statements speak only as of the date of this release, or as of the date specified in the documents referred to in this release, as the case may be.*

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End Notes:

- 1) See "Berg Project 43-101 Technical Report and Preliminary Economic Assessment" Effective Date June 12, 2023 filed on SEDAR+. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty the PEA will be realized.
- 2) Copper equivalent (CuEq) refers to recovered and payable metals converted into copper equivalent based on each metal's respective price ratio using metal prices of US\$4.00/lb copper, US\$15.00/lb molybdenum, US\$23.00/lb silver, and US\$1,800/oz gold using the formula  $CuEq (lbs) = Cu (lbs) + 3.75 * Mo (lbs) + 5.75 * Ag (oz) + 450 * Au (oz)$ .
- 3) See "A Mineral Resource Estimate Update for the Seel and Ox Deposits - Ootsa Property, August 2022" Effective Date February 18, 2022 filed on SEDAR+. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.?

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