

Quarterly Activities Report

For the period ending 30 June 2023

Highlights

- Work underway on +15-year large scale open pit mine life development at Nifty, based on the current Mineral Resource Estimate of 940,200 tonnes of contained Copper
- Firm commitments received for a conditional placement to raise \$24M
- Additional pro rata non-renounceable entitlement offer to raise up to \$5M
 - 1 new share for every 10.64 shares held on the record date
 - Offer will be open to all eligible Cyprium shareholders
- Investor support for the Placement provides a strong endorsement of Cyprium's strategy to restart the Nifty operation as a long life integrated large scale open pit mine
- Leading private equity firm Pacific Road Capital Management (PRCM) has subscribed for \$4.05 million in the Placement to hold a 9.9% interest in the Company post Placement
- Mr Clive Donner, an experienced mining industry executive, to be appointed as Managing Director upon the issue of Placement Shares
- Upon completion of the Placement, PRCM will have the right to appoint a nominee to the Company's board of directors
- Cyprium has entered into a Secured Loan Deed for up to USD14.5 million
- Timetable for readmission and shareholders meeting is expected to be in early September 2023, subject to ASX reinstatement requirements

Clive Donner, proposed Managing Director commented:

"We were pleased to receive firm commitments for a \$24 million Share Placement. There was strong support for the Equity Raising from current shareholders and the Board is looking forward to welcoming a number of new institutional investors onto our register.

Once this Equity Raising has been completed, Cyprium will be able to continue advancing the Nifty technical studies and funding package to enable the delivery and execution of our strategy as an integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit operation.

We have also secured financing with Nebari, who are a highly respected and experienced financier of mining projects globally. We look forward to working with Nebari in relation to this facility and also potential future facilities associated with the development of the large open pit project at Nifty."



Cyprium Metals Limited (ASX: CYM) (CYM, Cyprium or the Company) provides the following overview of the Company's activities.

Nifty Strategy

The immediate task is to restart the Nifty operation with lower capital intensity and risk by developing a large-scale open pit mine utilising the significant sunk capital infrastructure.

The Nifty development strategy includes the integration of a Copper Oxide Heap Leach SX-EW starter open pit operation that will be complemented by the larger scale sulphide open pit, which together is expected to provide a significant +15-year mine life based on +900,000 tonne contained copper resource.¹

Cyprium has finalised a detailed Restart Study for the Oxide Heap Leach starter operation and is currently refreshing the cost inputs that was released in the March 2022 Study¹. The Company is concurrently completing a technical study which will lead into a detailed open pit life of mine study, to integrate the oxide heap leach with the large sulphide resource inventory. This will reflect the large scale and longer life of the Nifty project and demonstrate the economic metrics of the larger scale open pit mine.

Nifty has substantial infrastructure already in place to treat both oxide and sulphide mineral inventory.

The integrated business plan for Nifty is expected to produce a long-life production profile with two product streams which will provide a lower risk operating approach with maximum processing flexibility. This plan is expected to ultimately produce annualised production between 48,000 to 65,000 tpa of copper production.² It is anticipated that the Oxide Heap Leach SX-EW will produce approximately 20,000 - 25,000 tpa of copper cathode for over 6 years with expected additional oxide feed from the larger open pit.² The Oxide leach SX-EW project is expected to provide the required funding to restart the Sulphide Concentrator. The Concentrator is expected to produce between 28,000 tpa (2.8Mtpa) and 40,000 tpa (4.0 Mtpa) of copper in concentrate.²

These assets support a long mine life project in excess of 15 years.¹

Nifty's prospectivity is excellent and the mineral inventory is relatively shallow, is open along strike in multiple directions and at depth, giving good potential to increase the current resource endowment.

In addition, Cyprium's other exploration assets at Maroochydore and in the Murchison represent an attractive portfolio of exploration projects that will over the next 12 months be assessed and reviewed for additional expenditure along with the commencement of the development of Nifty. These projects together with Nifty, contain more than 1.6 million tonnes of contained copper.

Placement and Proposed Entitlement Offer

During the quarter, Cyprium announced a capital raising via a placement and a proposed pro rata non-renounceable entitlement offer to raise up to approximately \$29 million before costs (Equity Raising).

The Company has received firm commitments in respect of a conditional placement to issue approximately 600 million new shares (Placement Shares) at an offer price of \$0.04 per share (Offer Price)

¹ Refer to CYM ASX announcement "Nifty Copper Project Restart Study" dated 11 March 2022.

² Production targets based on internal technical studies and past external studies (refer to CYM ASX announcement "Nifty Copper Project Restart Study" dated 11 March 2022, MLX ASX announcement "Nifty Scoping Study Identifies Long Life Open Pit with Positive Economics", dated 11 June 2020 and CYM ASX announcement "AGM Presentation") The Company confirms that all material assumptions underpinning the production targets continue to apply and have not materially changed.



to raise \$24 million (Placement) from sophisticated and institutional investors, which is subject to shareholder approval to be sought at a General Meeting (General Meeting).

The Placement was strongly supported by sophisticated and professional investors, including numerous new and existing high quality domestic and offshore natural resources focused institutions.

Leading private equity firm and existing shareholder, Pacific Road Capital Management (PRCM), has agreed to subscribe for approximately A\$4.05 million in the Placement, which will result in them holding a 9.9% interest in the Company post-Placement.

Subscribers for the Placement Shares will be entitled to participate in the proposed Entitlement Offer, which will proceed following the issue of the Placement Shares and reinstatement of the Company's Shares to trading on the ASX.

The pro rata entitlement offer is non-renounceable and will result in the issue of up to 125 million new shares (Entitlement Shares) at the Offer Price, representing 1 new share for every 10.64 shares held by eligible shareholders on the record date to raise up to \$5 million (Entitlement Offer).

Cyprium will release a prospectus detailing the terms of the Entitlement Offer following the General Meeting and issue of the Placement Shares, including details as to whether shareholders are eligible to participate in the Entitlement Offer and key risks (Prospectus). The Prospectus will include a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full entitlement will have the opportunity to apply for additional shares from a pool of those not taken up by other eligible shareholders (Top Up Facility). In addition to the Top Up Facility, there will also be a general shortfall offer pursuant to which the Company may place any shares to non-eligible shareholders within 3 months from the closing date of the Entitlement Offer.

Each participant in the Placement and Entitlement Offer will receive 1 free attaching option for every 2 Shares to be issued under the Placement and Entitlement Offer (Options). The Options will be exercisable at \$0.06 each, on or before 31 December 2024.

Use of Funds and Lifting of Voluntary Suspension

The Company has requested that the ASX lifts the voluntary suspension of trading in its Shares following the General Meeting and the issue of the Shares under the Placement. Reinstatement to trading on the ASX will be subject to ASX conditions which are not yet confirmed.

Following successful reinstatement to trading, the Company will undertake the Entitlement Offer to enable eligible shareholders to subscribe for Shares at the same Offer Price as Shares offered under the Placement and to raise additional funds for working capital purposes.

Proceeds from the Equity Raising will primarily be used for the completion of the Nifty project technical studies, Nifty site costs and for working capital purposes. Cyprium will have sufficient funding to complete the Nifty life of mine study on the integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit and provide significant runway to pursue the updated Nifty strategy.



Secured Loan Agreement

During the quarter, the Company entered into an 18-month, A\$21.0 million¹ equivalent USD-denominated Senior Secured Loan Facility (Loan Facility) with Nebari Natural Resources Credit Fund II, LP. The facility has refinanced a short term Secured Loan Deed facility and provides additional working capital to advance the development of Nifty. The Loan Facility provides up to USD14.5 million in two Tranches, with USD7.5 million drawn during the quarter and USD7.0 million available to be drawn, subject to a limited number of conditions precedent.

Key terms of the Loan Facility

The material terms of the Loan Facility are as follows:

- Funded amount: up to USD14.5 million, net of original issue discounts (OID)
- Facility term: until 31 December 2024
- Coupon: Secured Overnight Financing Rate (SOFR) +6.5% p.a. payable monthly
- OID: 5.0% on Tranche 1 and 10.0% on Tranche 2
- Amortisation: 100% bullet on maturity
- Warrants: 2-year, 1 for 5.5 warrants which will be priced at either a 20% premium to the share price of a future equity raise or, if no equity raise is completed by 31 December 2023, the warrant strike price shall be priced at A\$0.088 per share
- Security: over the assets of Cyprium and its projects

The Loan Facility contains other terms and conditions that are customary for an agreement of this nature.

This facility could be rolled into a larger, longer term development financing facility in the near term (likely within 12 months), pending the finalisation of the Nifty life of mine study on the integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit, outlined above. These studies are currently underway and anticipated to be completed by Q1 2024.

Board and Management Changes

The Company is pleased to announce that upon the issuance of shares under the Placement, Mr Clive Donner will be appointed to the Cyprium Board as the Managing Director.

Mr Donner is an experienced mining private equity and financing expert who has financed over 50 mines globally. He founded 2 private equity funds which focussed on emerging and mid-tier mining companies. Previously a Director of Rothschild Australia responsible for mine development financing. Mr Donner has been engaged to lead the raising the required capital, developing the assets of the Company and building the Company into a mid-tier copper producer.

Mr Barry Cahill will resign from the Board upon Mr Donner's appointment to the Board as the Managing Director. Mr Cahill will continue as an executive of the Company as the Chief Development Officer to focus on the technical studies to implement the Nifty Strategy.

Mr Jerkovic, an experienced mining executive will be appointed as Chief Operating Officer to build a technical team and deliver the execution of Nifty and other projects.

Upon completion of the Placement, PRCM will have the right to appoint a nominee to the Company's board of directors.



Capital Structure

The capital structure of the Company Limited as at 31 July 2023 is summarised as follows:

| Security | Number |
|--|-------------|
| Fully Paid Ordinary Shares | |
| Issued Ordinary Shares | 730,198,300 |
| Performance Rights | |
| Unvested performance rights at a nil exercise price, subject to performance conditions | 50,450,000 |
| Convertible Notes | |
| Unlisted Convertible Notes at 4% per annum, maturing 30 March 2025 | 101,373,777 |

There were no changes during the quarter.

The effect of the Placement and Entitlement Offer on the capital structure of Cyprium will be as follows:

| Shares on Issue ¹ | Minimum Subscription (Assumes 0% Participation in Entitlement Offer) | Full Subscription (Assumes 100% Participation in Entitlement Offer) |
|--|--|---|
| Current shares on issue | 730,198,300 | 730,198,300 |
| Placement Shares | 600,000,000 | 600,000,000 |
| Entitlement Offer Shares | - | 125,000,000 |
| Shares on issue post Placement and Entitlement Offer | 1,330,198,300 | 1,455,198,300 |
| Placement Options² | 300,000,000 | 300,000,000 |
| Entitlement Offer Options² | Nil | 62,500,000 |
| Lead Manager Options² | 26,603,966 | 26,603,966 |
| Options on issue post Placement and Entitlement Offer² | 326,603,966 | 389,103,966 |
| Nebari Warrants³ | 80,328,290 | 80,328,290 |

1. Subject to rounding.
2. Exercisable at \$0.06 each on or before 31 December 2024.
3. Subject to shareholder approval, to be issued pursuant to the terms of the Loan Agreement with Nebari Natural Resources Credit Fund II LP. Exercisable at \$0.048 each on or before 2 years from issue.

The new shares issued under the Placement and Entitlement Offer will rank pari passu with existing shares on issue.

Equity Raising Key Dates

| Event | Date |
|--|-------------------|
| ASX Announcement of the Placement and Entitlement Offer (ASX suspension continues) | 12 July 2023 |
| Dispatch of Notice of Meeting | 3 August 2023 |
| Date of General Meeting | 1 September 2023 |
| Anticipated Lodgement of Prospectus with the ASIC & ASX | 4 September 2023 |
| Settlement Date for Shares under the Placement | 5 September 2023 |
| Quotation of the Shares issued under Placement and expected date for lifting of suspension of Shares ^{1, 2} | 6 September 2023 |
| Entitlement Offer open | 8 September 2023 |
| Entitlement Offer close | 29 September 2023 |
| Quotation of Shares issued under the Entitlement Offer ¹ | 2 October 2023 |

1. Dates and times are indicative only and subject to change without notice. Cyprium reserves the right to alter the dates at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth) and other applicable laws. The commencement and trading of New Shares is subject to confirmation from ASX.
2. The Company has requested that the ASX lifts the voluntary suspension of trading in its Shares upon the issue of Shares under the Placement (which, subject to Shareholder approval being obtained at the General Meeting, is expected to occur at the beginning of September 2023). The lifting of the voluntary suspension is subject to ASX's discretion and the satisfaction of reinstatement conditions imposed by ASX. Accordingly, the Company will remain in voluntary suspension until such conditions are satisfied.

Financial Commentary

The cash flow report (Appendix 5B) for the June 2023 quarter provides an overview of Cyprium's financial activities. Expenditure for Nifty care and maintenance costs, administration and personnel costs were AUD3.4 million during the June 2023 quarter, including AUD41,000 paid for Directors fees (refer to item 6.1 of appendix 5B), whilst exploration expenditure for the June 2023 quarter was AUD0.4 million, including geological analysis and fieldwork.

Proceeds from the drawdown of the Nebari Loan Facility was \$10.8 million, which was used to repay the short-term loan facility and working capital purposes.

September 2023 Quarter Plans

Complete the \$24 million Share Placement and \$5 million Entitlement Issue to enable reinstatement to trading on the ASX.

Continue work on a technical study which will lead into a detailed Nifty open pit life of mine study, which includes the large sulphide resource inventory, to reflect the large scale and longer life of the Nifty project and demonstrate the economic metrics of the larger scale open pit mine.

Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“JORC Code, 2012”). Further details (including JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

- 23 May 2023 Cyprium Metals Corporate Update
- 31 May 2023 AGM Presentation
- 31 May 2023 Results of AGM
- 26 Jun 2023 Cyprium Metals Secures A\$21million of Funding
- 12 Jul 2023 \$24M Placement and \$5 Entitlement Issue
- 13 Jul 2023 Investor Presentation

These announcements are available on the Company’s website, <https://cypriummetals.com/investor-centre/asx-announcements/>.

Tenement Information

| Tenement | Location | Interest |
|--|-----------------------|----------|
| Cyprium has an 80% joint venture interest in the Cue Copper-Gold project’s copper, gold and silver mineralisation however Musgrave Minerals Limited (ASX Code: MGV) has a 100% interest in primary gold deposits that are not associated with copper-gold deposits, for the following tenements at the Cue Copper Project, WA: M20/0225, M20/0245, M20/0277, M20/526, E20/0606, E20/0608, E20/0616, E20/0629, E20/0630, E20/0659, E20/0698, E20/0700, E20/0836 and P20/2279 | Murchison region, WA | 80% |
| Cyprium has a 100% interest in the Nanadie Well Copper-Gold Project, WA, which comprises the following tenements: M51/887, E51/1040, E51/1986 and E51/1987 | Murchison region, WA | 100% |
| Cyprium has a 100% interest in the Paterson Copper Project (Nifty Copper Mine and Maroochydore Copper Project), WA, which comprises the following tenements: E45/1018, E45/1840, E45/1841, E45/3011, E45/4318, M45/314, M45/315, M45/317, M45/318, M45/492, P45/2924, P45/2925, P45/2926, P45/2927, P45/3055, P45/3177, P45/3150, P45/3151, L45/102, L45/128, L45/143, L45/148, L45/74, L45/91, M271SA, E45/4319, E45/5705, E45/6263, M45/752, M45/753, M45/754, M45/711, M45/712, M45/713, M45/745 and M45/746 | Paterson Province, WA | 100% |
| Cyprium has a 100% interest in the Paterson Exploration Project, WA (IGO earning up to 70%), which comprises the following tenements: E45/1839, E45/2280, E45/2415, E45/2771, E45/2772, E45/2773, P45/2792, P45/2793, P45/2794, P45/2801, P45/2802, P45/2803, P45/2804, P45/2805, P45/2806, P45/2807, P45/2808, E45/3573, E45/3574, E45/3575, E45/3576, E45/3577, E45/4151, E45/4205, E45/4234, E45/4862, E45/5199, E45/5300, M45/1109, M45/1110, M45/1111, M45/1112, M45/1113 and M45/1114 | Paterson Province, WA | 100% |

There were no changes during the quarter.



This ASX announcement was approved and authorised by the Board.

For further information:

Clive Donner
Executive

Wayne Apted
Chief Financial Officer
& Company Secretary

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Competent Person

The information in this report that relates to the estimation and reporting of the Nifty Mineral Resource Estimate dated 16 May 2022 is an accurate representation of the recent work completed by CSA Global Pty Ltd. Ms. Felicity Hughes has compiled the work for CSA Global and is an Associate of CSA Global Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy (106498). Ms. Hughes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person (CP). Ms. Hughes consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Exploration Targets, Exploration Results and the estimation and reporting of the Hollandaire Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, in which he is also a shareholder. Mr. van Luyt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP). Mr. van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Targets, Exploration Results and the estimation and reporting of the Maroochydore Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, in which he is also a shareholder. Mr. van Luyt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP). Mr. van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Targets, Exploration Results and the estimation and reporting of the Nanadie Well Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, in which he is also a shareholder. Mr. van Luyt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP). Mr. van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Cyprium confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.



About Cyprium Metals Limited

Cyprium Metals Limited (ASX: CYM) is an ASX listed Australian copper company. Cyprium has a vision to become a significant mid-tier copper producer with a multi-asset strategy set to capitalise on the global electrification thematic. The Company's strategy is to acquire, develop, operate and explore mineral resource projects using modern responsible methods to minimise environmental impact and optimise resource recovery and utilisation. Cyprium will make use of past investment to minimise capital intensity and lower risk to maximise the risk adjusted value of its projects.

The Company has projects in the Paterson and Murchison regions of Western Australia that are host to multiple base metals deposits.

Paterson Copper Projects

This portfolio of copper projects comprises the Nifty Copper Mine, Maroochydore Copper Project and Paterson Exploration Project.

The Nifty Copper Mine ("Nifty") is located on the western edge of the Great Sandy Desert in the north-eastern Pilbara region of Western Australia, approximately 330km southeast of Port Hedland. Nifty contains a 2012 JORC Mineral Resource of 940,200 tonnes of contained copperⁱ. Cyprium is focussed on a business plan to develop a large open pit mine. Initially to provide ore to an existing heap leach SX-EW operation and to retreat the current heap leach pads. The restart of the existing copper concentrator to treat open pit sulphide material will commence once technical studies and approvals have been obtained for the larger operating footprint expected within 4 years. Combined target production rate is 65,000 tonnes of copper in cathode and concentrate.

The Maroochydore deposit is located ~85km southeast of Nifty and includes a shallow 2012 JORC Mineral Resource of 486,000 tonnes of contained copperⁱⁱ. Cyprium will commence scoping studies targeting development of a +10 year 20,000 to 30,000 tonne per year copper metal producing leach-SXEW operation to commence once Nifty is fully developed and achieves stable profitable production.

An exploration earn-in joint venture has been entered into with IGO Limited on ~2,400km² of the Paterson Exploration Project. Under the agreement, IGO is to sole fund \$32 million of exploration activities over 6.5 years to earn a 70% interest in the Paterson Exploration Project, including a minimum expenditure of \$11 million over the first 3.5 years. Upon earning a 70% interest, the Joint Venture will form and IGO will free-carry Paterson Copper to the completion of a pre-feasibility study (PFS) on a new mineral discovery.

Murchison Copper-Gold Projects

The Nanadie Well Project is located ~650km northeast of Perth and ~75km southeast of Meekatharra in the Murchison District of Western Australia, within mining lease M51/887, includes the Nanadie Well Copper-Gold Mineral Resources of 162,000 tonnes contained copper^{iv}, which is open at depth and along strike to the north. Exploration will continue to define the scale and potential of this large prospective multi element geological footprint.

Cyprium has an 80% attributable interest in a joint venture with Musgrave Minerals Limited (ASX: MGV) at the Cue Copper-Gold Project, which is located ~20km to the east of Cue and includes the Hollandaire Copper-Gold Mineral Resources of 51,500 tonnes contained copperⁱⁱⁱ.

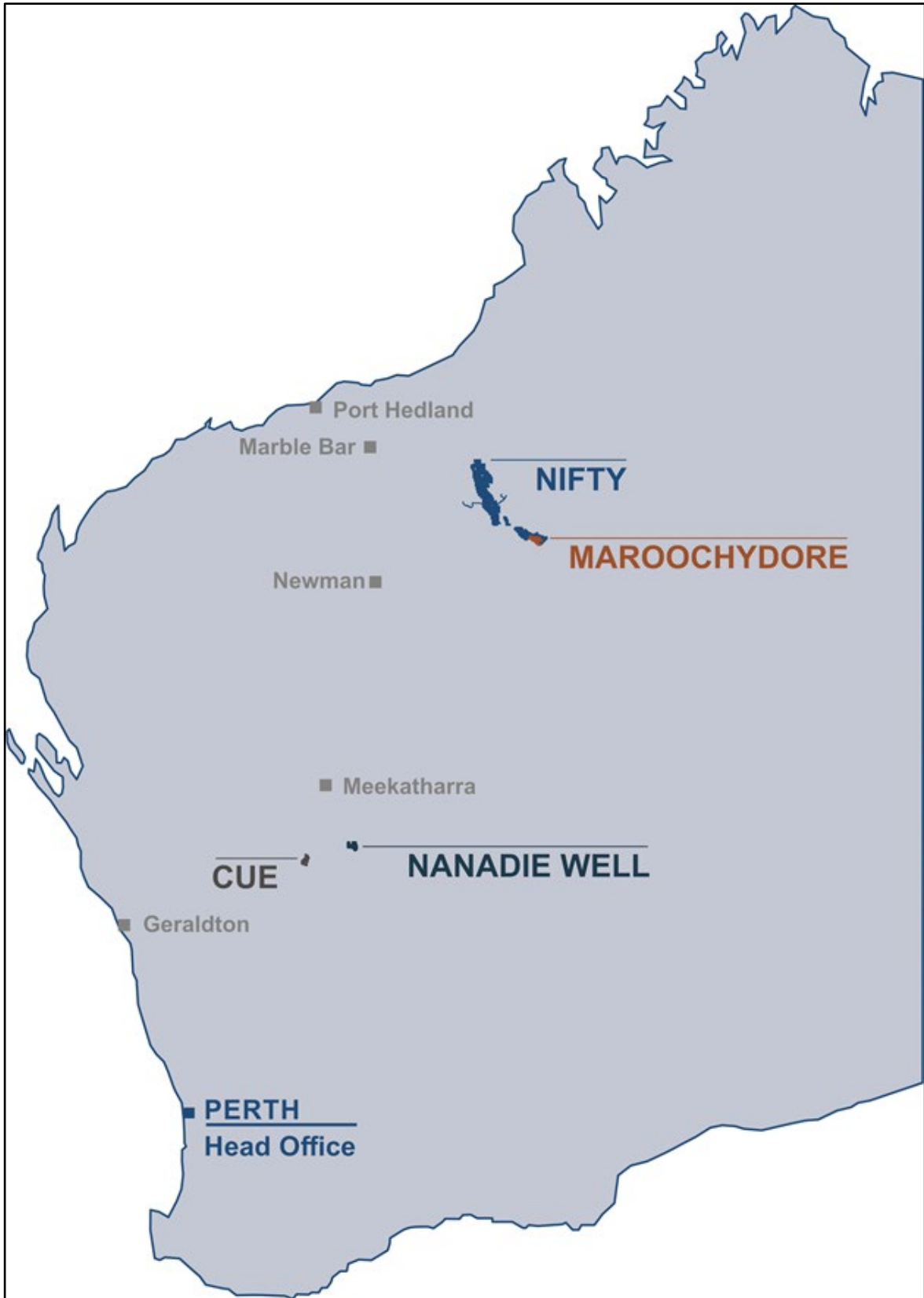
Nanadie Well and Cue Copper-Gold projects are included in an ongoing scoping study, to determine the parameters required to develop a copper project in the region which will determine optimal resource development and exploration work going forward.

ⁱ Refer to CYM ASX announcement dated 16 May 2022 "28.4% increased Nifty Copper MRE to 940,200t copper metal"

ⁱⁱ Refer to MLX ASX announcements: 10 March 2020, "Nifty Copper Mine Resource Update" and 18 August 2016, "Annual Update of Mineral Resources and Ore Reserves"

ⁱⁱⁱ Refer to CYM ASX announcement: 29 September 2020, "Hollandaire Copper-gold Mineral Resource Estimate"

^{iv} Refer to CYM ASX announcement: 19 July 2022, "Nanadie Well Mineral Resource Estimate"



Cyprium Metals project locations

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