

ASX ANNOUNCEMENT

28 January 2021

Quarterly Activities Report
For the period ending 31 December 2020

HIGHLIGHTS

Nanadie Well Copper-Gold Project

- **Phase 1 diamond drilling programme consistently intersecting sulphide mineralisation at shallow depths ranging from 45m to 290m**
- **A 3,500 metre RC drilling programme was commenced in January 2021 to define the extensive supergene mineralisation**
- **Shallow supergene mineralisation remains open to the north, south and west**
- **Aeromagnetic survey completed at Nanadie Well**

Cue Copper-Gold Project

- **Geophysical programs undertaken to prioritise drill testing during 2021**
- **Gravity survey completed at Eelya South**
- **Ground Resistivity surveys ongoing at Hollandaire, Eelya South and Mt Eelya**

Corporate

- **Cyprium secures \$6.0 million in a highly oversubscribed Placement and SPP**
- **Funds will be used to accelerate activities at the Company's Murchison Cu-Au projects**

Executive Director Barry Cahill commented: *"The Phase 1 diamond drilling programme at the Nanadie Well Copper-Gold project has consistently intersected thick zones of sulphide mineralisation along strike and at shallow depths.*

The Phase 1 RC drill programme at Nanadie Well has visible copper supergene mineralisation in the RC chips, such as malachite, azurite and chrysocolla. Supergene mineralisation is generally, easily leachable with acid, which complements the nearby acid generating massive sulphide orebody at Hollandaire.

We have been impressed from what we have seen in the diamond and RC drill holes completed to date. We look forward to providing details of the assays results and the geophysical programmes, as they become available.

The assay results will also be used to generate a JORC 2012 compliant mineral resource at the Nanadie Well Copper-Gold project.

Cyprium is continuing to work on expanding our mineral resource base for inclusion in the Murchison Copper-Gold scoping study."

Cyprium Metals Limited (ASX: CYM) (“Cyprium” or the “Company”) is pleased to provide an overview of the Company’s activities for the 3 months ending 31 December 2020 (“Quarter”).

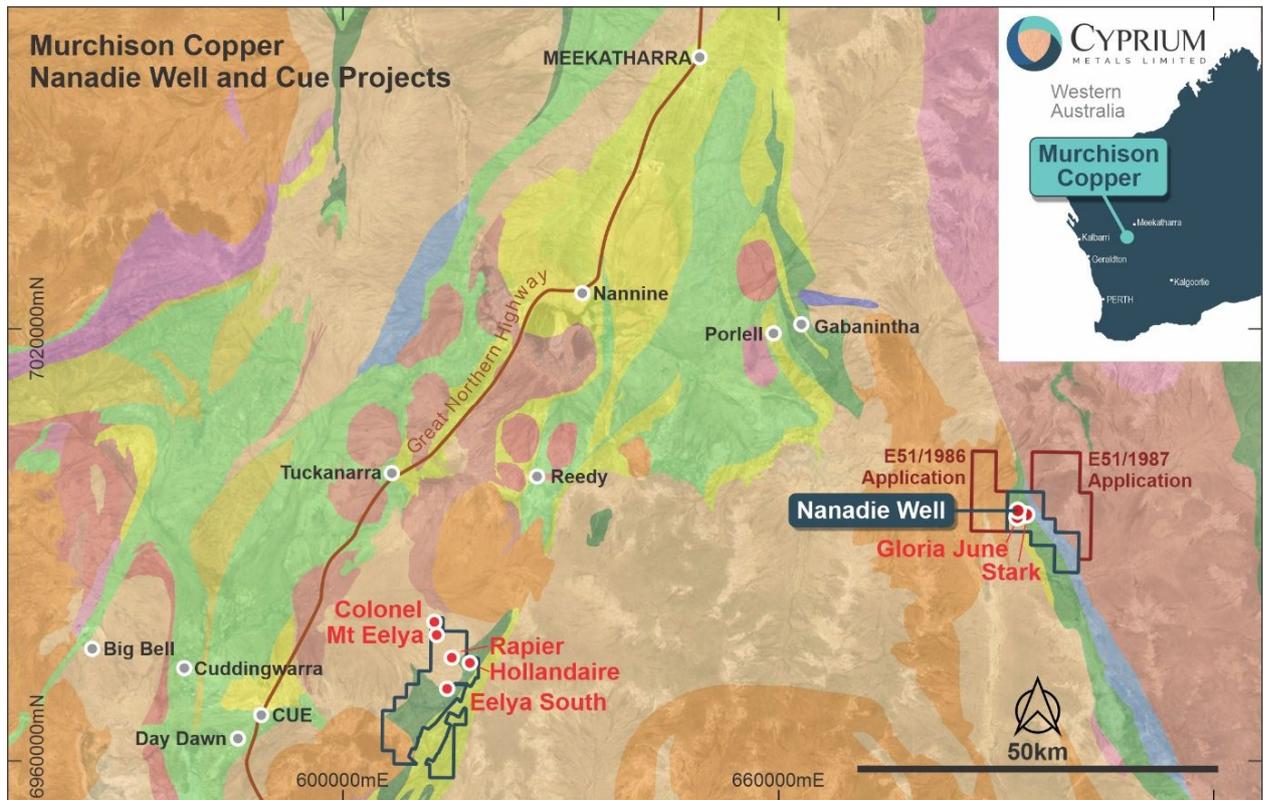


Figure 1 | Location of Cue Copper-Gold Project and Nanadie Well Copper-Gold Project

Nanadie Well Copper-Gold Project

Copper-gold sulphide mineralisation has been identified below the shallow and broad supergene mineralisation at the Nanadie Well Copper-Gold project, which is open along strike and at depth (also refer to CYM ASX Release of 9th October <https://cypriummetals.com/high-grade-cu-au-supergene-potential-at-nanadie-well-amended/>).

The layered mafic magmatic hosted disseminated/stringer sulphide mineralisation consists of pyrrhotite, pyrite and chalcopyrite as the dominant copper sulphide. It has previously been drilled in a wide-spaced pattern of 1 diamond and 88 reverse circulation (“RC”) drillholes over a strike length of 750 metres, to a maximum depth of 234 metres and an average depth of 100 metres, with numerous drill holes finishing in mineralisation.

Cyprium has observed that higher grade mineralisation occurs as fractionated layers in the host metagabbros and metanorites, as is normally the case with magmatic copper deposits. Drilling to date has intersected disseminated/stringer sulphide layers only – a massive sulphide basal contact, which may be a feature of magmatic copper deposits should it have remained in-situ, is a high priority exploration target for Cyprium.

The orientation of the disseminated/stringer sulphide fractionated layers is flat lying to shallow east dipping in the northern section of the deposit up to 30° east dipping in the southern section of the deposit.

Nanadie Well Sulphide Diamond Drilling Programme

Cyprium is targeting two separate, but interrelated, styles of mineralization at Nanadie Well, both of which provide very attractive copper mineralised targets. Firstly, the shallow sulphide copper-gold system, is open to the north and south (refer to Figure 2). While clearly defined by east and west dipping RC drillholes, Cyprium has been conducting a diamond drilling programme to provide further information regarding the orientation and extent of the layered disseminated/stringer sulphide mineralisation (also refer to CYM announcement of 13 October 2020 <https://cypriummetals.com/high-grade-copper-gold-sulphide-potential-at-nanadie-well/>).

Cyprium commenced the diamond drilling programme in December 2020 to better define the geology of the mineralisation and to obtain metallurgical samples. The Phase 1 diamond drilling programme is serving a number of purposes in the definition of the Nanadie Well Copper-Gold mineralisation:

- Provide core for geological logging and mapping, in both supergene and sulphide material, to gain a better understanding of the mineralisation;
- To assay for a broad range of payable metals in the mineralisation, including copper, gold, silver, nickel, cobalt and PGE's, that are normally associated with magmatic deposits;
- Test the geological model of the flat fractionated layers and the higher-grade sections of the layers;
- Provide metallurgical sample material to commence test work for the optimal extraction method in both the supergene and sulphide mineralisation; and
- Enable downhole geophysics to be performed to target the orebodies higher grade zones, together with extensions along strike and below the currently defined mineralisation.

This diamond drill programme will assist in the definition of a mineral resource to a JORC 2012 standard and test depth extensions of the mineralisation, as it is open at depth and along strike.

All of the drill holes into the Nanadie Well have been consistently intersecting disseminated sulphide mineralisation at shallow depths ranging from 45m up to 290m, including chalcopyrite and pyrrhotite, as illustrated in Images 1 – 12.



Image 1 | NWD2001 drill core 137.9m to 140.7m downhole showing chalcopyrite copper sulphide mineralisation



Image 2 | NWD2001 drill core 278.2m to 279.3m downhole showing chalcopyrite and pyrrhotite mineralisation

NWD2001 has been collared at 693,050 E, 6,994,950 N 476.4Mrl (MGA Zone 50) and has a drilling orientation of -60° to 270 from true north. Refer to designed drill hole NWGDES001 (NWD2001) in Figure 2 below.

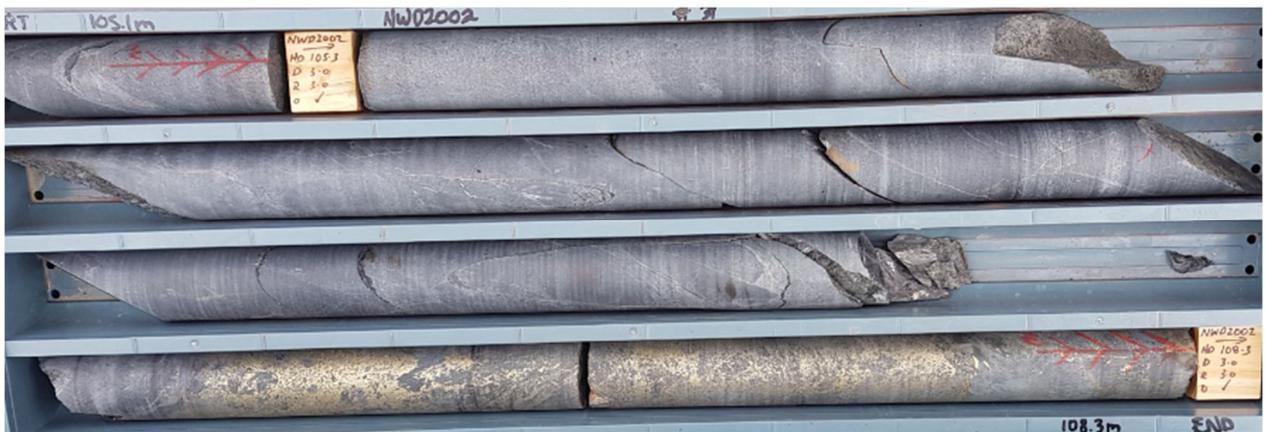


Image 3 | NWD2002 (drill core 107.5m to 108.0m downhole showing chalcopyrite and pyrrhotite mineralisation



Image 4 | NWD2002 drill core 108.0m to 108.8m downhole showing chalcopyrite and pyrrhotite mineralisation

NWD2002 has been collared 693,100 E: 6,994,740 N 475.4 mRL (MGA Zone 50) and has a drilling orientation of -80° to 270 from true north. Refer to designed drill hole NWGDES005 (NWD2002) in Figure 2 below.



Image 5 | NWD2003 drill core 168.1m to 168.3m downhole showing chalcopyrite and pyrrhotite mineralisation



Image 6 | NWD2003 drill core 95.5m to 99.0m downhole showing chalcopyrite and pyrrhotite mineralisation

NWD2003 has been collared 693,040 E: 6,994,680 N 475.3 mRL (MGA Zone 50) and has a drilling orientation of -60° to 090 from true north. Refer to designed drill hole NWGDES004 (NWD2003) in Figure 2 below.



Image 7 | NWD2004 drill core 92.5m to 96.3m downhole showing chalcopyrite copper sulphide mineralisation

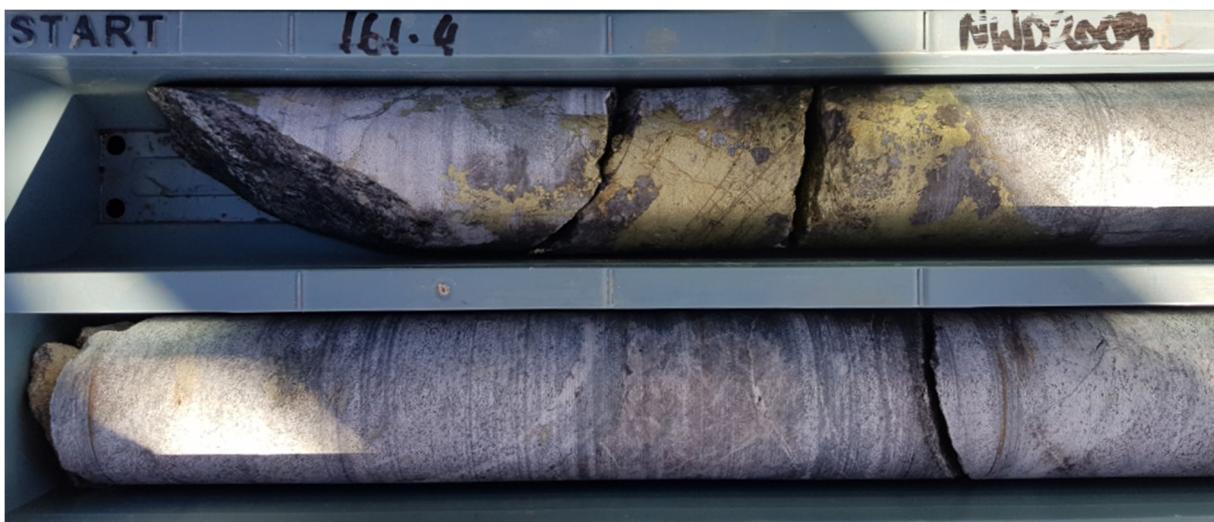


Image 8 | NWD2004 drill core 161.4m to 161.6m downhole showing chalcopyrite copper sulphide mineralisation

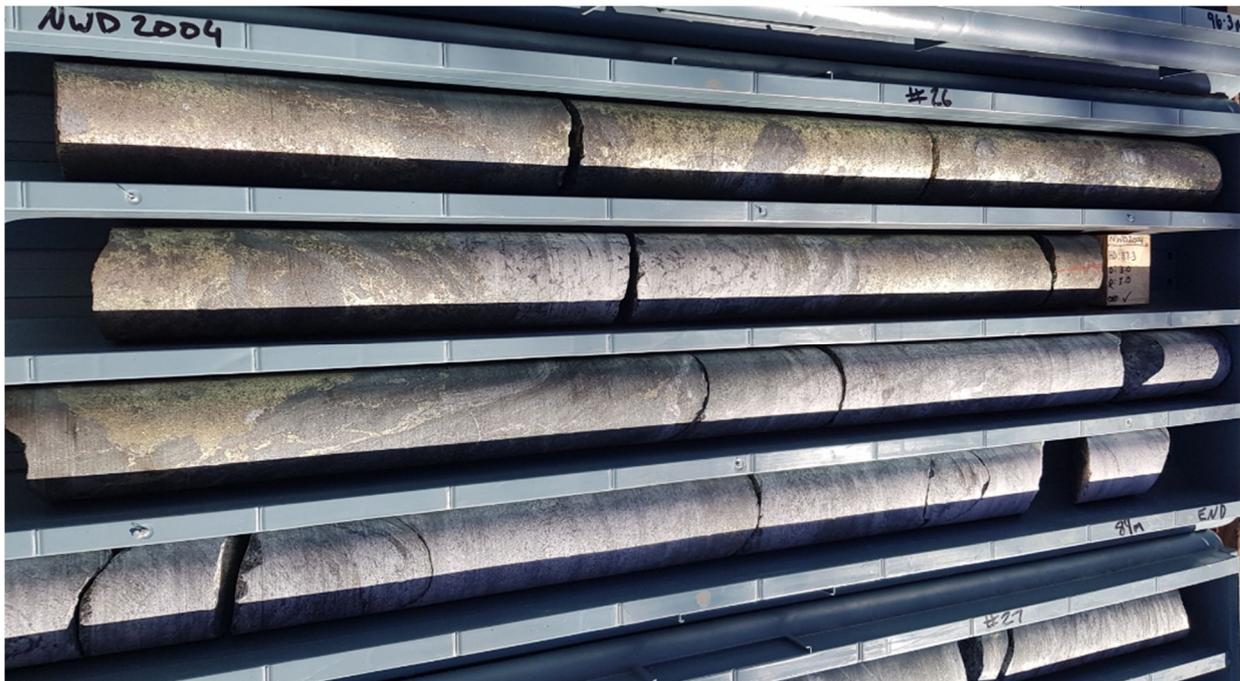


Image 9 | NWD2004 drill core 85.5m to 89.0m downhole showing chalcopyrite copper sulphide mineralisation



Image 10 | NWD2004 drill core 92.5m to 96.3m downhole showing chalcopyrite copper sulphide mineralisation

NWD2004 has been collared 693,050 E: 6,994,630 N 475.2 mRL (MGA Zone 50) and has a drilling orientation of -60° to 090 from true north. Refer to designed drill hole NWGDES003 (NWD2004) in Figure 2 below.



Image 11 | NWD2101 drill core 223.3m to 225.3m downhole showing chalcopyrite copper sulphide mineralisation

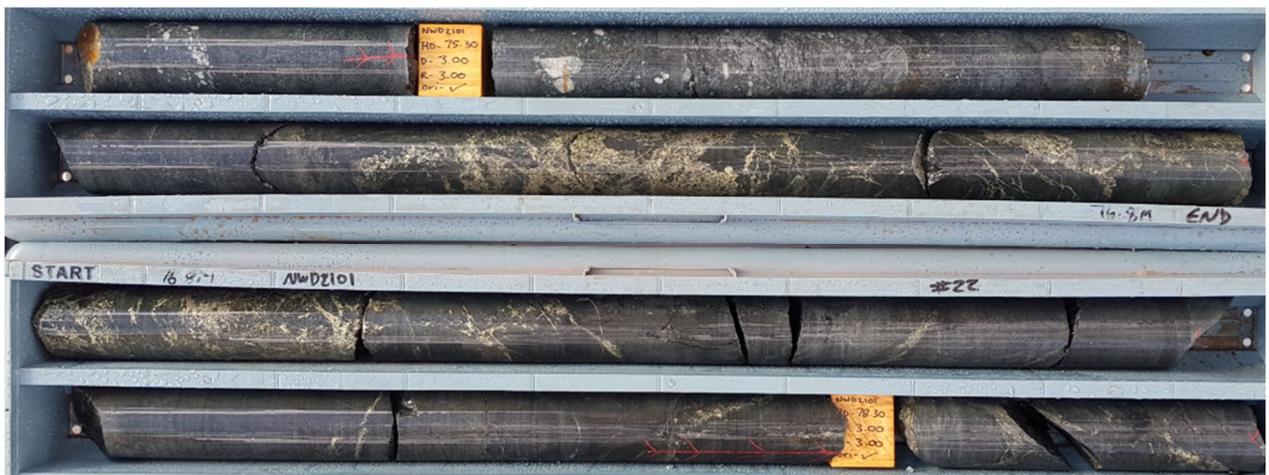


Image 12 | NWD2101 drill core 75.3m to 78.3m downhole showing chalcopyrite and pyrrhotite mineralisation

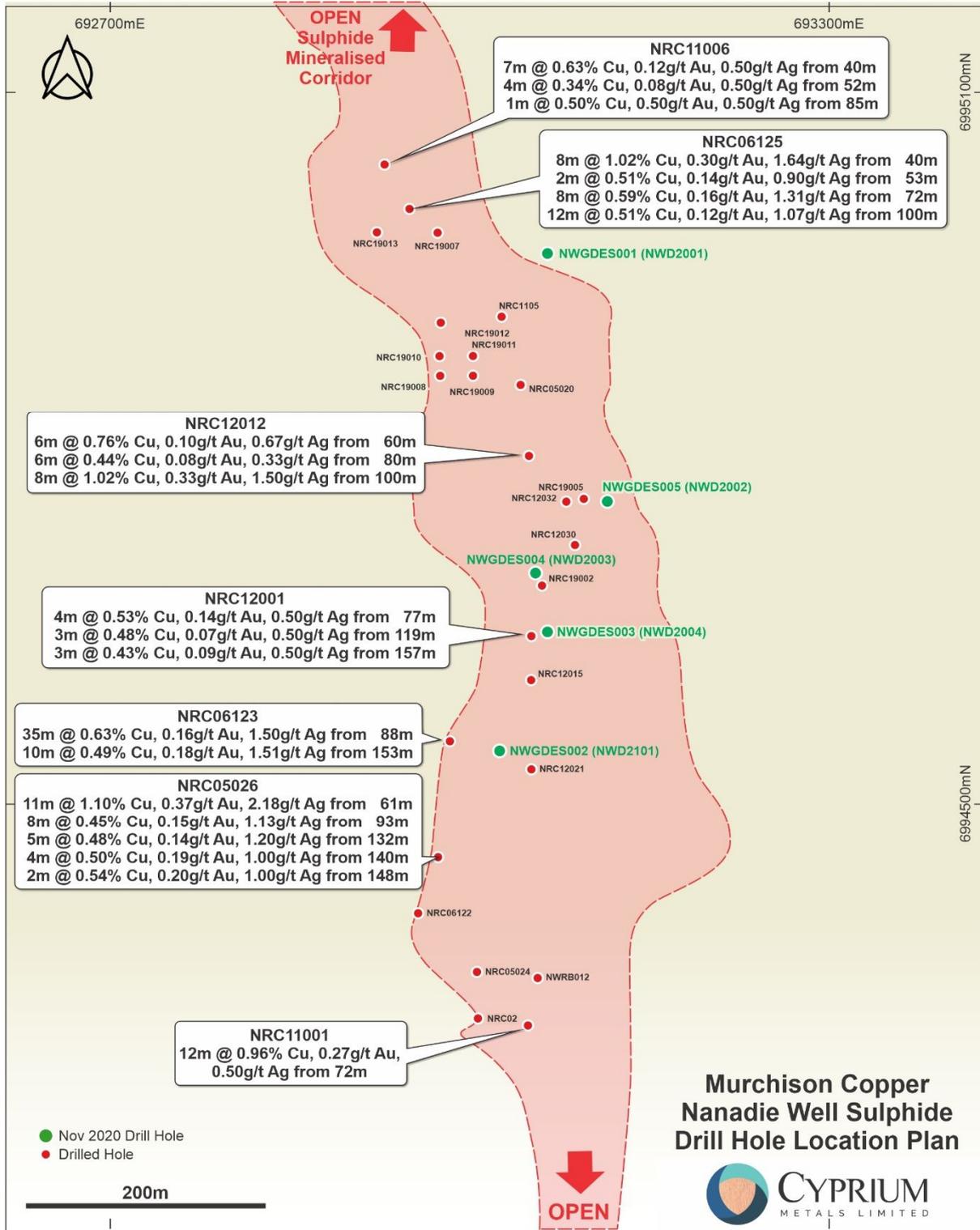


Figure 2 | Nanadie Well Sulphide Drill Hole Location Plan

Nanadie Well Supergene RC Drilling Programme

Cyprium is also targeting the near surface supergene copper-gold system that is open in three directions, north, south and west (refer to Figure 3). Delineation of the supergene has been the target of the RC drilling program, as outlined below.

The supergene mineralisation does not outcrop and is covered by 1m to 25m of transported and unconsolidated sediments in the project area. Preliminary investigations of the Nanadie Well deposit data indicates potential for supergene mineralisation over the full 750 metres of strike that is currently defined. The supergene has mineralised intersections for copper, gold and silver, with the previously drilled RC rock chips containing oxide copper minerals such as malachite, which is rapidly leachable when treated with sulphuric acid (also refer to CYM ASX release “copper metal plated” dated 9 March 2020 (<https://cypriummetals.com/copper-metal-plated/>)).

The Company’s initial 3,500 metre Nanadie Well Phase 1 RC drilling programme has been designed to test the supergene mineralisation of the deposit. The planned drill hole locations are detailed in Figure 3 and have intersected strong oxide mineralisation as illustrated in Images 13 to 18. Several drillholes have also intersected sulphide mineralisation, including NWRC21018 from 26m in Image 15.

The supergene mineralisation is also trending north-west, as tested by NWRC21031. Strong visual copper oxide mineralisation was intersected between 9m to 11m and 20m to 21m as detailed in images 16 and 17.

Strong visual copper oxide mineralisation was intersected between 23m to 28m as illustrated in image 18, with sulphide mineralisation from 36m.

The data from the January 2021 RC drilling programme and subsequent programmes, will be used to prepare a JORC Code 2012 compliant mineral resource for the Nanadie Well deposit, which is expected to be released during the second half of 2021.

The mineral resource delineated by these programmes will be included in the ongoing Murchison Copper-Gold Project scoping study. The results from these programmes will be also be used in the planning of follow up drilling programmes, which will target mineralisation extensions as it remains open at shallow depths, to the north, south and west.



Image 13 | Nanadie Well RC Drilling Rock Chips: NWRC21011 (NWDES152) 25-30m



Image 14 | Nanadie Well RC Drilling Rock Chips: NWRC21018 (NWDES148) 15-20m



Image 15 | Nanadie Well RC Drilling Rock Chips: NWRC21018 (NWDES148) 21-26m



Image 16 | Nanadie Well RC Drilling Rock Chips: 8-13m NWRC21031



Image 17 | Nanadie Well RC Drilling Rock Chips: 20m-26m NWRC21031



Image 18 | Nanadie Well RC Drilling Rock Chips: 23m-28m NWRC21038 (NWDES130)

Geophysical Programmes and Preparation for Stark RC Drilling Programme

Cyprium's geological team have been active on the ground at the adjacent Stark deposit (refer to Figure 1) to mark up the RC drill holes that are targeting the potential for supergene copper above the Nickel-Copper-PGE mineralisation at depth. Multiple copper rich gossan samples were taken from oxidised copper samples that were obtained from surface expressions (also refer to CYM ASX Announcements dated 6 and 15 October 2020, <https://cypriummetals.com/high-grade-cu-ni-co-potential-from-surface-at-stark/> and <https://cypriummetals.com/high-grade-sulphide-copper-nickel-potential-at-stark/>). The RC drilling at Stark will follow the RC drilling of the supergene mineralisation at Nanadie Well.

Geophysical programmes were also undertaken to assist in the definition of further copper mineralisation at Cyprium's Murchison Copper-Gold project areas.

Airborne magnetics were flown at Nanadie Well during the last quarter of 2020. The areas surveyed historically were wide spaced, having coarse lithology and structure resolution. The interpretation of the data from this aeromagnetic survey will assist in identifying drill targets to be undertaken during 2021.

Cyprium will conduct downhole geophysics to assist in locating the high grade zones of the Nanadie Well mineralisation and to refine drilling targets, once the phase 1 diamond drilling programmes have been completed.

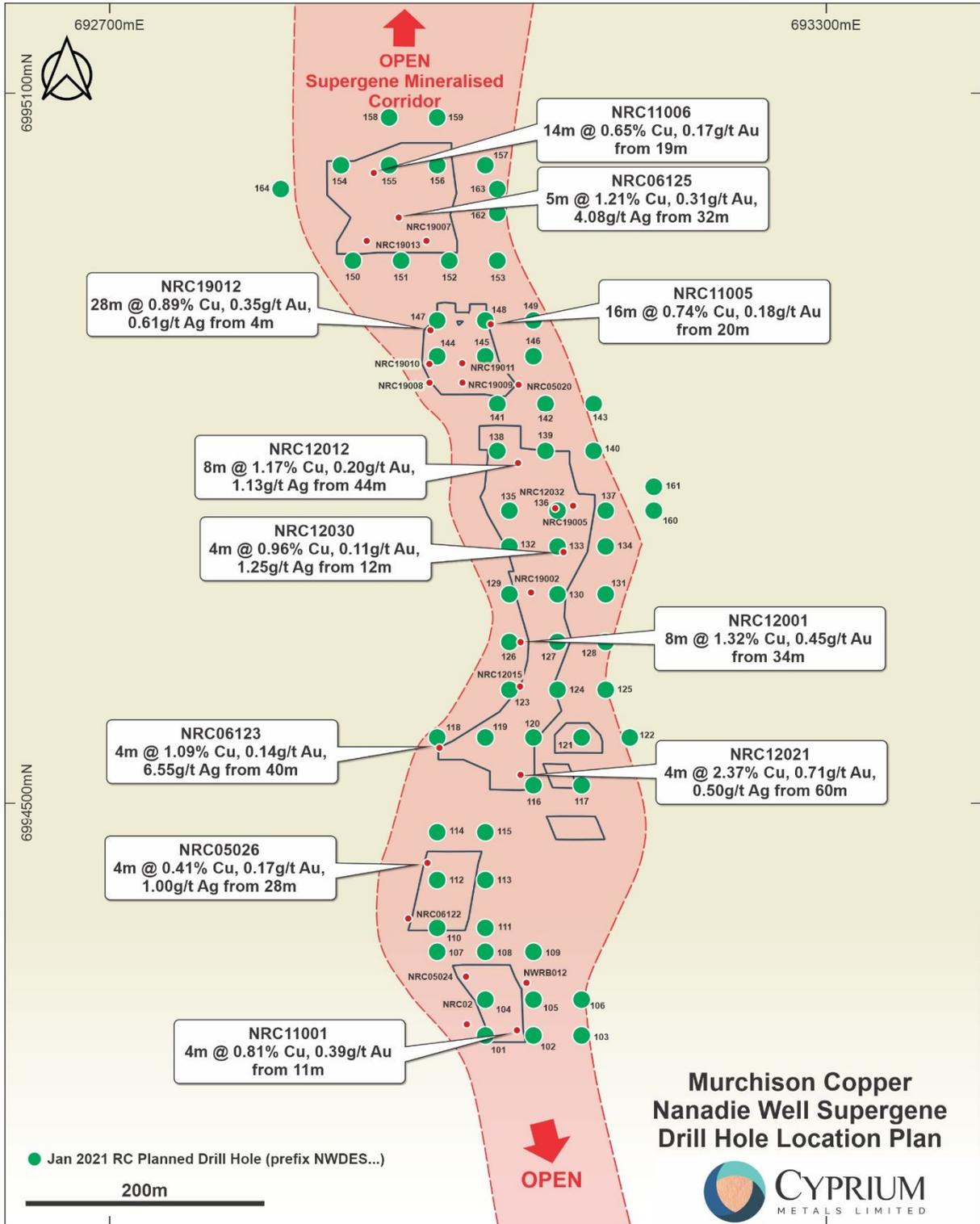


Figure 3 | Nanadie Well Supergene Drill Hole Location Plan



Cue Copper Project

Geophysical Programmes

Cyprium completed several geophysical programmes at the Cue Copper-Gold Project following the results of the drilling undertaken in late 2019 and early 2020, as well as taking into consideration the characteristics of the mineralisation in the Hollandaire resource, to determine the optimal methods to target further mineralisation in the system.

The completed Eelya South gravity survey will extend the 2019 gravity survey conducted over identified bedrock anomalies, adjacent to the Hollandaire West deposit and the Rapier prospect. The survey was designed to outline bedrock responses that are associated with mineralising events. Cyprium is awaiting the processing of the data and anomalies identified from the survey, which will be drill tested during 2021.

Whilst Cyprium's previous drilling, geological and metallurgical programmes have provided a very good understanding of the mineralogy of the system, the copper sulphide mineral chalcocite does not respond to geophysics as strongly as other minerals, particularly pyrite and chalcopyrite. The minerals also do not identify as clearly as chalcopyrite, bornite or pyrite in RC rock chips as they can be washed away from the logging chip tray samples and often occurs as disseminated fine grains through the rock mass at the Cue Copper-Gold project.

The Hollandaire West copper mineralisation is characterised by chalcocite and chalcopyrite which can be amenable to Ground Resistivity ("IP") geophysical techniques. The survey is intended to detect weak conductors and chargeable bodies associated with copper zinc mineralisation that are not detectable by other geophysical techniques, such as electromagnetic ("EM") methods.

The 2.0 x 1.5 km survey includes Hollandaire to test the deposit's IP response and it also covers the gravity high and low anomalies previously detected in a 2019 survey west of Hollandaire. The survey will be completed in early 2021, with the conductors at depth from the survey to be drill tested following the processing of the data that is generated.

Eelya South has encountered significant mineralisation, including several high-grade copper intersections (such as 3.0m @ 3.8% Cu, 6.7 g/t Au & 81.0 g/t Ag in 20ESRC014 from 59m, refer to CYM ASX announcement on 25 March 2020) in the 2019 and 2020 drilling programmes. Gossans have been mapped and assayed at the surface which have also returned several high-grade copper results. EM surveys in the past provide limited information due to strong ground polarising effects in the area however the use of IP is expected to return better information to identify suitable targets to a depth of 200 metres. The survey will be conducted in early 2021 with promising conductors being drill tested later in the year.

EM techniques have been used previously at the Mt Eelya prospect. The prospect has returned significant drill intercepts of copper, zinc, gold and silver underneath mapped and assayed gossans. Several small EM conductor plates have also returned sulphide intersections in the Mt Eelya area. The IP techniques that have been carried out during the last quarter of 2020 are intended to identify conductors and chargeable bodies associated with iron poor copper/zinc mineralisation that are not detectable using EM techniques.



Next Quarter's Plans

Continuation of the diamond and RC drilling programmes at Nanadie Well deposit and Stark prospect, to focus in on the high grade portions of the mineralisation, firstly in the near surface supergene zone and then in the deeper sulphide zone, whilst concurrently drilling to expand the identified mineralisation at both Nanadie Well and Stark.

The diamond drilling at Nanadie Well Copper-Gold project and Stark Copper-Nickel prospect will also be used for geological interpretation, geophysical logging downhole and metallurgical test-work purposes. The intent of this work is to ensure that the next and following phases of drilling, target the higher grade copper mineralisation.

Continuation of the Hollandaire, Eelya South and Mt Eelya IP geophysics survey programmes at the Cue Copper-Gold Project. The geophysical surveys undertaken at various prospects at Cue will assist in targeting the higher grade copper mineralisation, particularly chalcocite mineralisation, as found in the Hollandaire West resource. There are also a number of drilling programmes to follow up high grade intersections at the various prospects, however the larger targeted programmes will be undertaken after the results of the geophysical work.

Geological data analysis at the Cue and Nanadie Well Copper-Gold Projects to target drilling priorities.

Ongoing analysis and reviews of copper projects that can be optimised through our unique processing methodology.

Tenement Information

Tenement	Location	Interest
AUSTRALIA		
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%

Changes during the December 2020 Quarter:

There were no changes during the quarter.



Cash

The company closed the quarter with cash at bank of \$5.4 million.

Capital Structure

During the quarter, Cyprium received \$5.0 million (before costs) through a highly oversubscribed placement from sophisticated, professional and institutional investors of 33,333,333 fully paid ordinary shares (“**Shares**”) in the Company at \$0.15 per Share (the “**Placement**”). A Share Purchase Plan (“**SPP**”) was also completed during the quarter, which raised a further \$1.0 million, at the same issue price of \$0.15 per Share. These capital raisings will be used to fund exploration, resource drilling, metallurgical test-work and scoping study at the Company’s Murchison Copper-Gold Projects, and for general working capital purposes.

The capital structure of the Company Limited as at 31 December 2020 is summarised as follows:

Type of Security	Number
Fully Paid Ordinary Shares	
Issued Ordinary Shares as at 31 December 2020	98,569,214
Unlisted Performance Rights	
Unvested Director and employee performance rights issued at a nil exercise price and subject to performance-based vesting conditions	22,000,000

Financial Commentary

The cash flow report (appendix 5B) for the quarter ended 31 December 2020 provides an overview of Cyprium’s financial activities. Cyprium closed the quarter with cash at bank of \$5.4 million following the completion of the Placement and SPP (refer above).

Exploration expenditure on a cash basis for the December 2020 quarter was \$654,000, including, diamond drilling, geophysics activities, geological analysis and fieldwork.

There was also \$202,000 of expenditure spent on corporate, administrative and personnel costs, including \$25,000 paid for Directors fees (refer to item 6.1 of appendix 5B), together with analysis and reviews of Australian copper projects.

Competent Person

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.



Announcements

Investors are directed to the following announcements (available at www.cypriummetals.com) made by Cyprium Metals Limited for full details of the information summarised in the September 2020 Quarterly Report:

- 2 November 2020 Notice of General Meeting
<https://cypriummetals.com/notice-of-general-meeting/>
- 2 November 2020 Security Purchase Plan
<https://cypriummetals.com/security-purchase-plan/>
- 9 November 2020 Drill Campaign to Commence at Nanadie Well Cu-Au Project
<https://cypriummetals.com/drill-campaign-to-commence-at-nanadie-well-cu-au-project/>
- 10 November 2020 CYM Noosa Presentation
<https://cypriummetals.com/cym-noosa-presentation-november-2020/>
- 19 November 2020 \$1.0m Share Placement Plan Completion
<https://cypriummetals.com/1-0m-share-placement-plan-completion/>
- 24 November 2020 Geophysics Programmes Commencing at Murchison Projects
<https://cypriummetals.com/geophysics-programmes-commencing-at-murchison-cu-au-projects/>
- 3 December 2020 Results of Meeting
<https://cypriummetals.com/results-of-meeting-6/>
- 8 December 2020 Diamond Drilling Commenced at Nanadie Well Project
<https://cypriummetals.com/diamond-drilling-commenced-at-nanadie-well-project/>
- 22 December 2020 Thick Mineralisation Intersections from Shallow Depths
<https://cypriummetals.com/thick-mineralisation-intersections-from-shallow-depths/>
- 4 January 2021 Geophysics Programmes Completed at Murchison Cu-Au Projects
<https://cypriummetals.com/geophysics-programmes-completed-at-murchison-cu-au-projects/>
- 6 January 2021 RC Drilling Commenced at Nanadie Well Copper-Gold Project
<https://cypriummetals.com/rc-drilling-commenced-at-nanadie-well-copper-gold-project/>
- 14 January 2021 Thick Mineralisation Intersections Continue, Shallow Depths
<https://cypriummetals.com/thick-mineralisation-intersections-continue-shallow-depths/>
- 25 January 2021 Widespread, Shallow Copper Oxide Minerals in Supergene RC Drilling
<https://cypriummetals.com/wp-content/uploads/WidespreadShallowCopperOxideMineralsInSupergene25Jan21.pdf>

This ASX announcement was approved and authorised by the Board.

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Follow the Company developments through our website and social media channels:

<https://twitter.com/CypriumMetals>

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About Cyprium Metals Limited

Cyprium Metals Limited (ASX: CYM) is an ASX listed company with projects in Australia. The Company has a highly credentialed management team that is experienced in successfully developing sulphide heap leach copper projects in challenging locations. The Company's strategy is to acquire, develop and operate mineral resource projects in Australia which are optimised by innovative processing solutions to produce copper metal on-site to maximise value.

The Company has projects in the Murchison region of Western Australia, that is host to a number of base metals deposits with copper and gold mineralisation. The Cue and Nanadie Well Copper-Gold projects are included in an ongoing scoping study, to determine the parameters required to develop a copper project in the region, which provides direction for resource expansion work.

Cue Copper-Gold Project

Cyprium has a joint venture with Musgrave Minerals Limited (ASX: MGV) at the Cue Copper-Gold Project, which is located ~20km to the east of Cue, in the Murchison region of Western Australia. Cyprium has an 80% attributable joint venture interest in the project's copper, gold and silver mineralisation however MGV has a 100% interest in primary gold deposits that are not associated with a copper-gold deposit.

The Cue Copper-Gold Project includes the Hollandaire Copper-Gold Mineral Resource (<https://cypriummetals.com/hollandaire-copper-gold-mineral-resource-estimate/>), which is open at depth. Metallurgical test-work has been undertaken to determine the optimal copper extraction methodology, which resulted in rapid leaching times (refer to 9 March 2020 CYM announcement, "Copper Metal Plated", <https://cypriummetals.com/copper-metal-plated/>).

Resource category	Material type	Volume	Tonnes	Cu %	Cu Tonnes	Au g/t	Au Ounces	Ag g/t	Ag Ounces
Indicated	Oxide	5,000	10,000	1.20	100	0.09	0	4.16	1,300
	Transitional	95,000	275,000	1.80	5,000	0.24	2,100	5.06	44,700
	Fresh	638,000	1,894,000	2.00	37,100	0.31	18,900	6.64	404,400
Sub Total		738,000	2,179,000	2.00	42,200	0.30	21,000	6.43	450,400
Inferred	Transitional	4,000	12,000	0.40	0	0.02	0	0.98	400
	Fresh	194,000	593,000	1.60	9,300	0.41	7,800	6.46	123,200
Sub Total		198,000	605,000	1.60	9,300	0.40	7,800	6.35	123,600
TOTAL		936,000	2,784,000	1.90	51,500	0.32	28,800	6.41	574,000

Hollandaire 2012 JORC Mineral Resource Estimate (values are rounded)

Notes: Differences in sum totals of tonnages and grades may occur due to rounding

Nominal cut-off at 0.3% Cu

Cyprium has an 80% attributable interest in the copper, gold and silver

Gold mineralisation not associated with the copper resource that is 100% attributable to MGV, has not been modelled or reported in the Hollandaire 2012 JORC Mineral Resource estimate

Nanadie Well Copper-Gold Project

The Nanadie Well Project is located ~650km north east of Perth and ~75 km south east of Meekatharra in the Murchison District of Western Australia, within mining lease M51/1040.

Nanadie Wells' basement geology consists of Meeline Suite layered igneous intrusive rocks and amphibolites which are part of the GSWA mapped Murchison Supergroup. Details of the Nanadie Well Copper-Gold Project are available in the announcement made on the Company's ASX platform (ASX: CYM) on 14 July 2020, ("Nanadie Well Copper Project Acquisition", <https://cypriummetals.com/nanadie-well-copper-project-acquisition/>).