



Annual Report

31 December 2020

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CORPORATE DIRECTORY

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 Barry Cahill (Executive Director)
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CHAIRMAN'S LETTER

On behalf of the Board of Directors, I am pleased to present the 2020 Annual Report for Cyprium Metals Limited ("CYM" or "the Company").

When the current Directors became involved with Cyprium in 2019, the intention was to focus on mid to late stage local copper projects which had the potential to be fast-tracked into production of copper metal. In order to achieve this objective, the Board planned to firstly capitalise on the Directors' and management's collective experience gained from establishing, operating and contracting to various mining companies in Australia, secondly use the Directors' knowledge gained in setting up and operating Australian base metal projects, and thirdly and most importantly, to leverage our collective experience and involvement in building and very successfully operating a sulphide copper heap leach project in remote Indonesia. This sulphide heap leach project provided unique knowledge and capability of the correct methodology required to produce low cost/premium value copper metal on site, which is then directly saleable into the global copper metal market.

The outstanding ultimate success of the Indonesian sulphide copper heap leach project strongly motivated the Directors to endeavour to build a mid-tier copper mining company in Australia, based as far as possible on the significant premium value that heap leach production of copper metal would bring to Cyprium. The first step in establishing such an Australian copper production company was to develop a prioritised list of prospective copper projects in Australia which have mineralogy conducive to our sulphide copper heap leach experience and capability. Over the past two years we have acquired two of those prospective targets, and we are now in the process of acquiring the third and fourth copper project on that original target list.

The Cue Project was the first of the target projects acquired. This year, exploration and development activities have continued at the Cue Copper-Gold project, which included producing a JORC 2012 compliant Mineral Resource for the Hollandaire deposits, completion of metallurgical test-work which produced high quality copper metal plate, meeting the earn-in requirements and formation of an 80/20 joint venture with Musgrave Minerals Limited, commencement of a scoping study, and the granting of a mining licence which paves the way for project development.

The second target project, which was acquired during 2020, was the nearby highly prospective Nanadie Well Copper-Gold project which contains a significant JORC 2004 compliant mineral resource. The Nanadie Well Copper-Gold project complements the Cue Copper-Gold project perfectly. This project is being rapidly advanced, commencing with diamond and reverse circulation drilling programmes, for inclusion in the Murchison Copper-Gold scoping study.

The Company has also participated in a number of due diligence reviews of Copper projects across Australia during the year and we were very pleased to announce the potential third and fourth copper project acquisitions by entering into agreement to acquire Metals X Limited's Copper Assets in February 2021, which are located in the Paterson Province of Western Australia. The Paterson Copper Assets comprises firstly the Nifty Copper project, which has been on care and maintenance since November 2019, secondly the Maroochydore Copper Project, plus it also includes Metals X's vast Paterson Exploration Project.

The acquisition of Metals X Copper Assets is a transformational acquisition for Cyprium as the Nifty Copper Project has a JORC 2012 compliant mineral resource of over 650,000 contained tonnes of copper, with onsite infrastructure which will enable the production of copper metal cathode on site in the near term. The nearby Maroochydore copper project has a JORC 2012 mineral resource of almost 500,000 tonnes of contained copper which is an excellent addition to our pipeline of projects, all of which are at differing stages of development.

The Paterson Exploration Project includes an extensive suite of tenements surrounding the Nifty and Maroochydore copper projects, which is subject to a \$32 million farm-in that is sole funded by IGO Limited for a 70% interest over 6.5 years, with a minimum spend of \$11 million over 3.5 years.

The acquisition of the Paterson Copper Assets is perfectly aligned with our experience and management expertise which fast tracks our strategy of building a mid-tier Australian copper business whilst still allowing the flexibility to pursue other growth opportunities. There are still a number of other potential targets on our list.

Despite the turbulent year globally driven by COVID-19, the copper markets have performed strongly and the medium to longer term outlook for copper remains very positive, underpinned by stimulus packages and an increasing world-wide demand for clean energy sources whilst copper supply remains constrained.

We are looking forward to another exciting and productive year ahead as we progress toward establishing Cyprium as a significant mid-tier copper producer.



Gary Comb
Chairman

STRATEGY

1. Strategy Overview

Core Purpose

Growing value by developing and operating mines to produce copper efficiently and sustainably.

Who we are

We are an ASX listed company and have a highly credentialed management team that is experienced in successfully developing and operating sulphide heap leach copper projects in challenging locations.

What we do

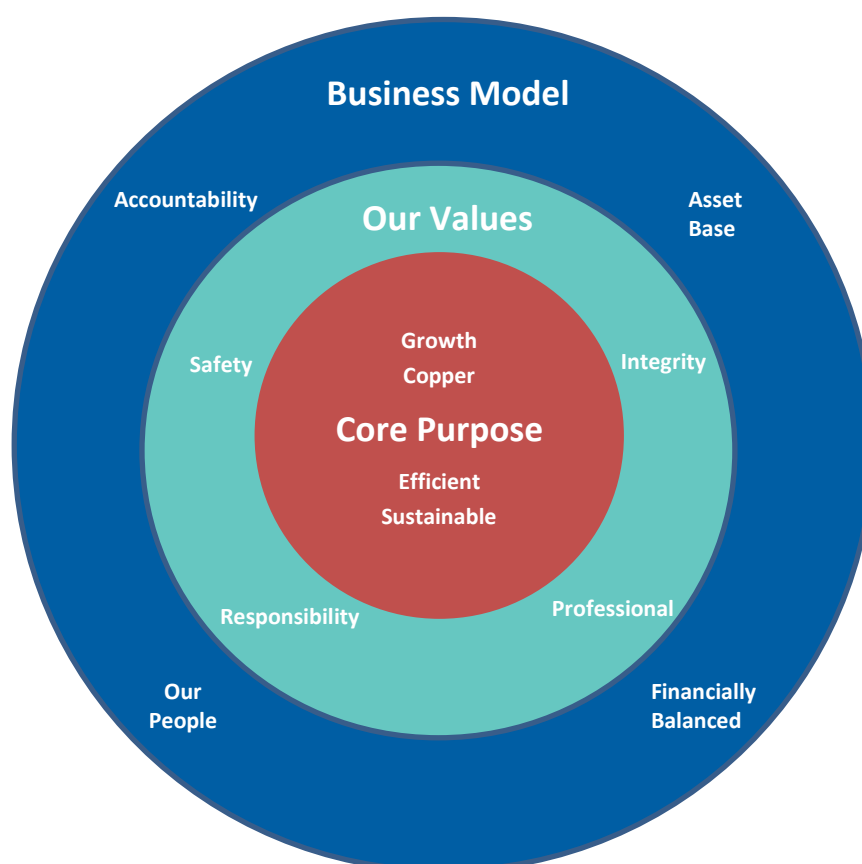
To acquire, develop and operate mineral resource projects in Australia which are optimised by innovative processing solutions to produce copper metal cathode onsite to maximise value.

How we do business

We conduct our activities with integrity, balancing the economic, environmental and social considerations to create value for the mutual benefit of all of our stakeholders.

What we aim to achieve

We are focused on building a mid-tier ASX listed copper mining business which manages a portfolio of Australian projects to deliver strong shareholder returns and sustainable value for all stakeholders.

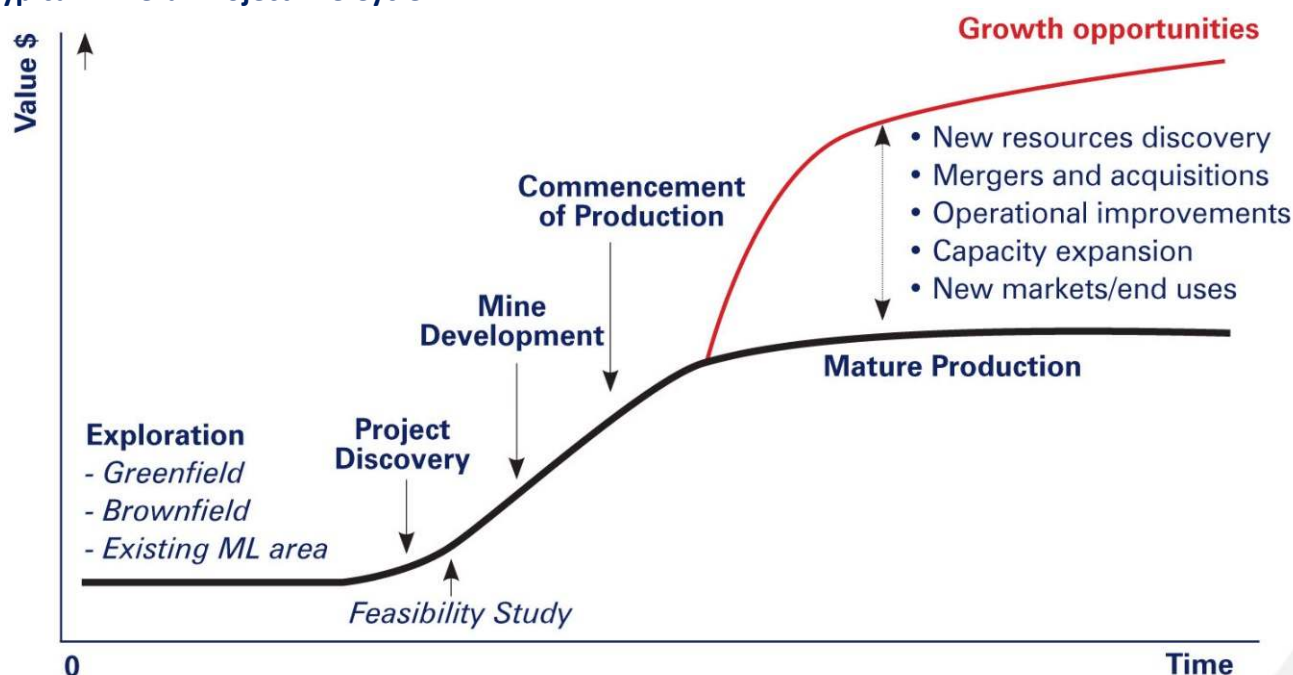


2. Core Purpose

At the centre of our strategy is the generation of value through acquisitions, growth and asset improvements to produce LME Grade A copper cathode metal onsite to build a sustainable business.

Growth

Typical Mineral Project Life Cycle



Acquisitions

To acquire, advance and develop a portfolio of Australian copper projects, taking these through to operations, utilising innovative solutions to produce final metal plates onsite to maximise value.

Organic Growth

To develop a range of organic growth copper projects through disciplined resource allocation to increase production volumes and mine lives whilst reducing average operating costs.

Operational Excellence

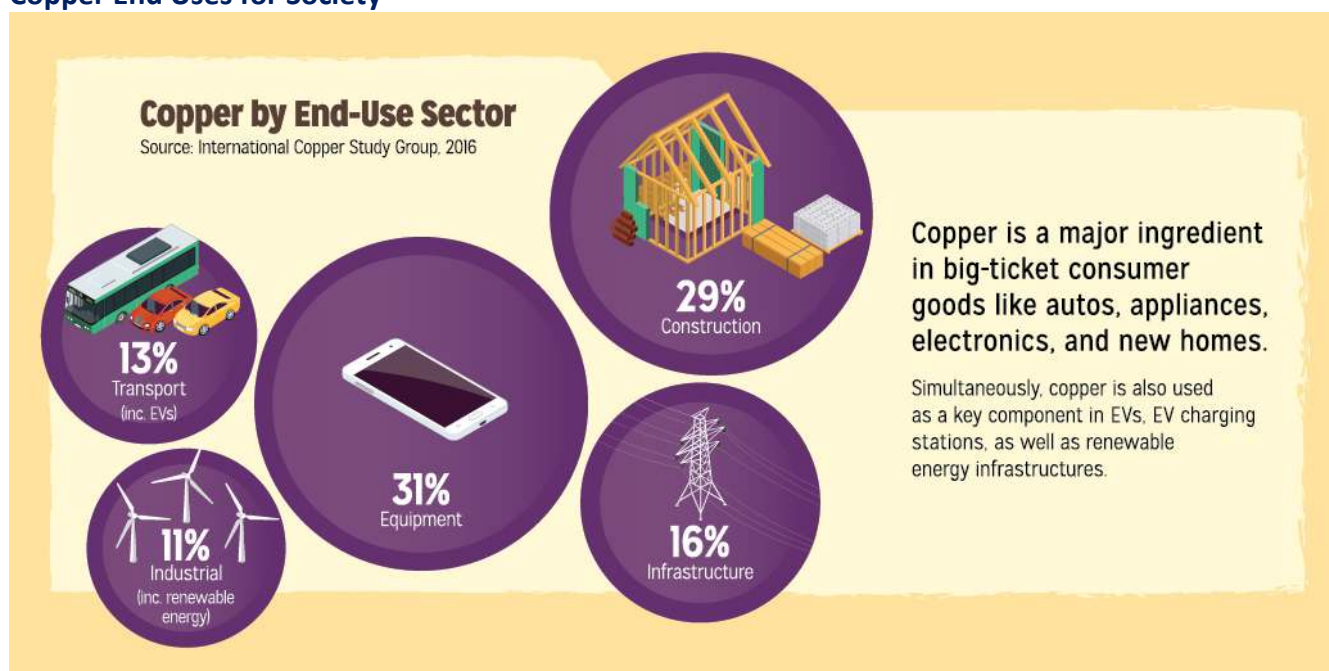
Continually focus on improving the value by optimising operations, positioning them in the lower half of their cost curves with mine lives of at least 10 years, unlocking value that others are not able to.

Copper

Copper, which is also known as the red metal or red gold, is used globally to manufacture a wide variety of goods that are critical for maintaining and improving the standard of living across society, particularly for the BRICS group of major emerging economies. Copper is a key input for widely used consumer goods including motor vehicles, appliances, electronics, and residential housing. Copper is also a critical raw material for many industrial sectors, including telecommunications, utilities, construction, and industrial machinery.

The price of copper is often regarded as a proxy for the strength of the global economy given it is required in a vast array of industrial and technological uses so when economies are strong and production levels are rising, demand increases for the red metal which drives demand and copper prices higher. Many other industrial metals are very specialized in their use so the drivers of their prices are narrower whilst for precious metals, the prices are driven by investor sentiment.

Copper End Uses for Society



Copper is very efficient and nearly as conductive as silver, which is the most conductive metal, but is a fraction of the cost of silver, whilst temperature does not affect copper's conductivity, which makes the red metal ideal for automobiles and infrastructure in all climates. Copper can easily be shaped into wire, an important factor in the efficient use in most electrical applications and it can be recycled.

Copper's key properties of conductivity, ductility, efficiency and recyclability, make it a key commodity for the transition to clean energy. It is these properties that make copper the critical material required for wind and solar technology, energy storage, and electric vehicles, all of which will significantly increase the demand for copper. To put this into perspective:

- Solar and wind power generation uses 4 to 6 times more copper than other sources of power
- Copper wiring and cabling connects renewable power generation with energy storage, whilst the copper in transformer switches allows power to be delivered at the required voltage
- 4 to 6 times more copper is needed for electric vehicles than traditionally powered vehicles mainly due to the power motor coil and copper is also required for the recharging stations
- Healthcare industry demand is rising due to its unique anti-microbial properties where copper alloy surfaces rapidly kill many forms of potentially lethal bacteria

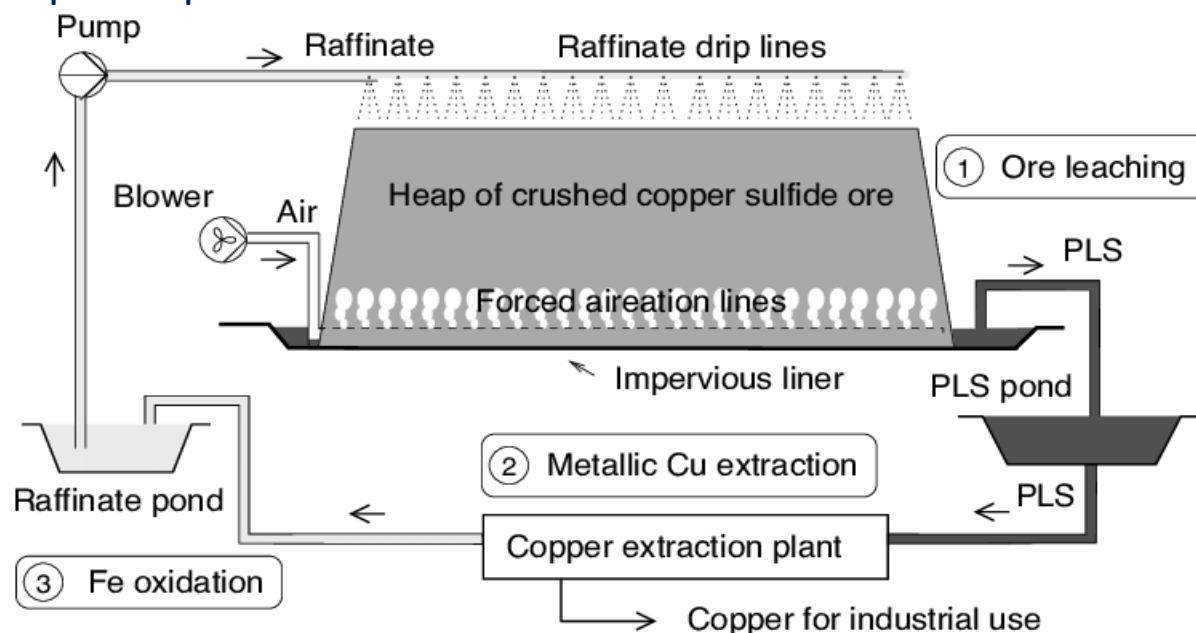
Copper projects typically have been large-scale in size however large deposits are becoming scarcer and the copper head grades of existing operations are falling. This is compounded by a lack of development of new projects that will bring forward the long-anticipated supply crunch which will drive prices higher over the foreseeable medium to long term timeframes.

Efficiency

We have developed unique intellectual property that can optimise the development or restart of copper projects by utilising sulphide heap leach processing methodology, which is ideal for stranded projects, problematic mineralogy, lack of scale, lower average head grade mineral deposits and/or challenging locations.

The advantages of sulphide heap leach processing methodology include the minimisation of environmental impacts, production of a final LME Grade A cathode onsite, no further downstream processing, higher realised sales proceeds, lower capital and operating costs.

Sulphide Heap Leach Process



Conceptually, sulphide heap leach is a straight forward process that has many competitive advantages over the traditional onsite copper in concentrate production methods, including:

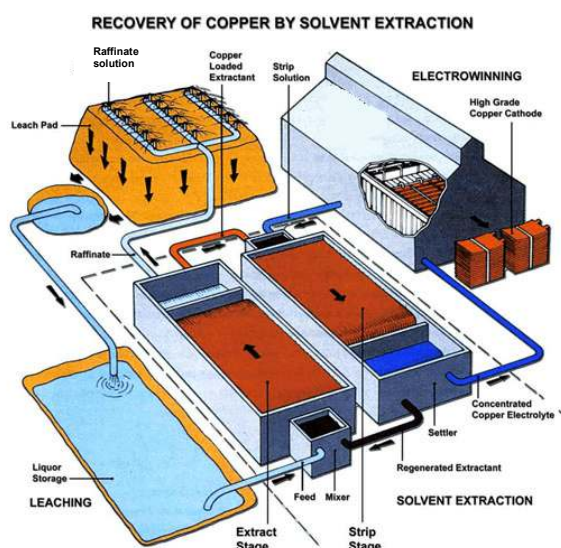
- Sulphide leaching is exothermic, generating its own heat to facilitate leaching of copper
- Air, ground water, acid and electricity are the primary inputs, together with a limited number of other reagents required in the process, which reduces production and maintenance costs
- Acid that leaches the copper is self-generated in the sulphide heaps, reducing operating costs
- Closed circuit process cycle with the raffinate solution, after the extraction of copper, being returned to the heap leach pads to resume the leaching copper into solution
- Reduced size for processing plant and no requirement for tailings dams to store waste materials from a concentrator, decreasing development costs and environmental impacts
- Transport costs are reduced due to less materials being shipped to and from the mine site
- No downstream treatment and refining charge deductions from sales revenue
- Government royalty rates levied on copper in concentrate being up to double than for cathode

The leached copper in solution is then processed by solvent extraction-electrowinning (SX-EW) to produce LME grade A cathode, which has a copper purity of more than 99.99%. All of the LME grade A copper cathode produced onsite is sold at a premium in liquid global markets whereas for concentrate, sales proceeds are normally based on 96.5% of the copper contained in the concentrate, downstream treatment and refining charges are also deducted along with penalty charges for other contaminants contained in the concentrate.

Cyprium's Leached Copper in Solution and Crushed Copper Sulphide Heap Leach Pad Ore



SX-EW Process and Copper Metal Plate from the Hollandaire deposit



Sustainable

We operate our business with integrity and high standards to balance economic, social and environmental considerations over the longer term.

Our activities create lasting social and economic benefits for our regional communities and the broader society which extends beyond providing employment opportunities and taxes to improving skills, health, local business development, social activities, sponsorships and improved infrastructure.

Sulphide heap leach methodology reduces the environmental impacts at copper mine sites. The production of LME Grade A copper cathode onsite eliminates the need for offsite downstream processing associated with concentrate production and also reduces transportation requirements.

We maintain high standards when approaching occupational health, safety and environmental practices, working with our stakeholders for the mutual benefit of everyone.

We encourage best practices and a value add culture throughout our organisation, with appropriate remuneration rewards to include cost savings targets, that underpin the delivery of our strategy and grow value over the longer term in a responsible manner for the benefit of all of our stakeholders.

With each energy transition comes a new need for materials.

The transition to wind and solar energy and electric vehicles will be accelerated by energy storage technologies. Copper is a critical material component for the next great energy transition.



3. Our Values

How we implement our strategy is very important to us, influencing our ability to maximise the delivery of benefits to our stakeholders in a sustainable manner. Our values, supported by a code of conduct and robust governance framework, define what we believe and how we conduct ourselves in the pursuit of our strategy.

Safety

The safety of our employees, contractors, consultants and visitors is paramount. Our target is to achieve zero injuries in the workplace by having a culture of safe behaviour inside and outside of the workplace.

Integrity

Integrity and trust are paramount throughout our organisation. We trust our people to make the right decisions, no matter how difficult, and we value the trust that our stakeholders give us when working together. We earn their trust by being straight forward, open and transparent with all of our stakeholders. Our actions must be congruent with what we say we do.

Professional

We strive for the highest levels of professionalism, to be innovative and encourage a value add approach that inspires our people to conduct themselves responsibly in the best interests our business and stakeholders whilst continuously making improvements that make a difference every day.

Responsibility

We hold ourselves accountable, recognising that our activities will impact the environment and a wide range of stakeholders. We take all of our responsibilities and obligations very seriously to ensure we meet our broad range of commitments.

4. Business Model

We minimise bureaucracy and corporate overheads with responsibility to a project level, where people are best placed to make decisions in a timely manner about their operations, reinforcing accountability across the organisation. We focus on maximising shareholder returns and generating value for our stakeholders in a sustainable manner in accordance with our values and business model.

Accountability

Operations are accountable for all aspects of their business and are required to continuously improve the projects value in a sustainable manner. This structure allows decisions to be made where the best information exists, creating a strong sense of responsibility at the project level.

Our operational management is empowered to take pro-active and prompt decisions at all levels to make lasting value-added initiatives. This provides our workforce with a strong sense of purpose, knowing that they are making a difference and to conduct our business activities with integrity.

Our disciplined approach to making continuous improvements in a responsible manner for the mutual benefit of all stakeholders is underpinned by a robust governance framework across our business.

Asset Base

We develop copper projects in Australia, minimising sovereign risk, that are optimised with our unique sulphide heap leach processing method to produce copper metal onsite which is readily sold into established global markets for maximum value whilst minimising the impact on the environment.

We are focused on growing and rapidly advancing a portfolio of advanced stage projects with significant mineral resources. We develop projects cost effectively and correctly from the outset with a long-term focus to optimise their performance with a low cost-base over the life of the mine.

We aim to continuously improve operations through better improve safety performance and environmental management, increase production volumes and mine lives whilst reducing operating costs, to be positioned in the lower half of the industry cost curve with mine lives of at least 10 years.

Financially Balanced

Commodities are priced in US dollars, as are many of the capital and operating raw material costs required to produce base metals. An appropriate mix of US\$ and AUD denominated borrowings will be used to act as a natural hedge of AUD/US\$ currency movements.

We are focused on producing copper metal cathode efficiently onsite, increasing the sales proceeds whilst lowering selling costs and without incurring downstream treatment and refining costs.

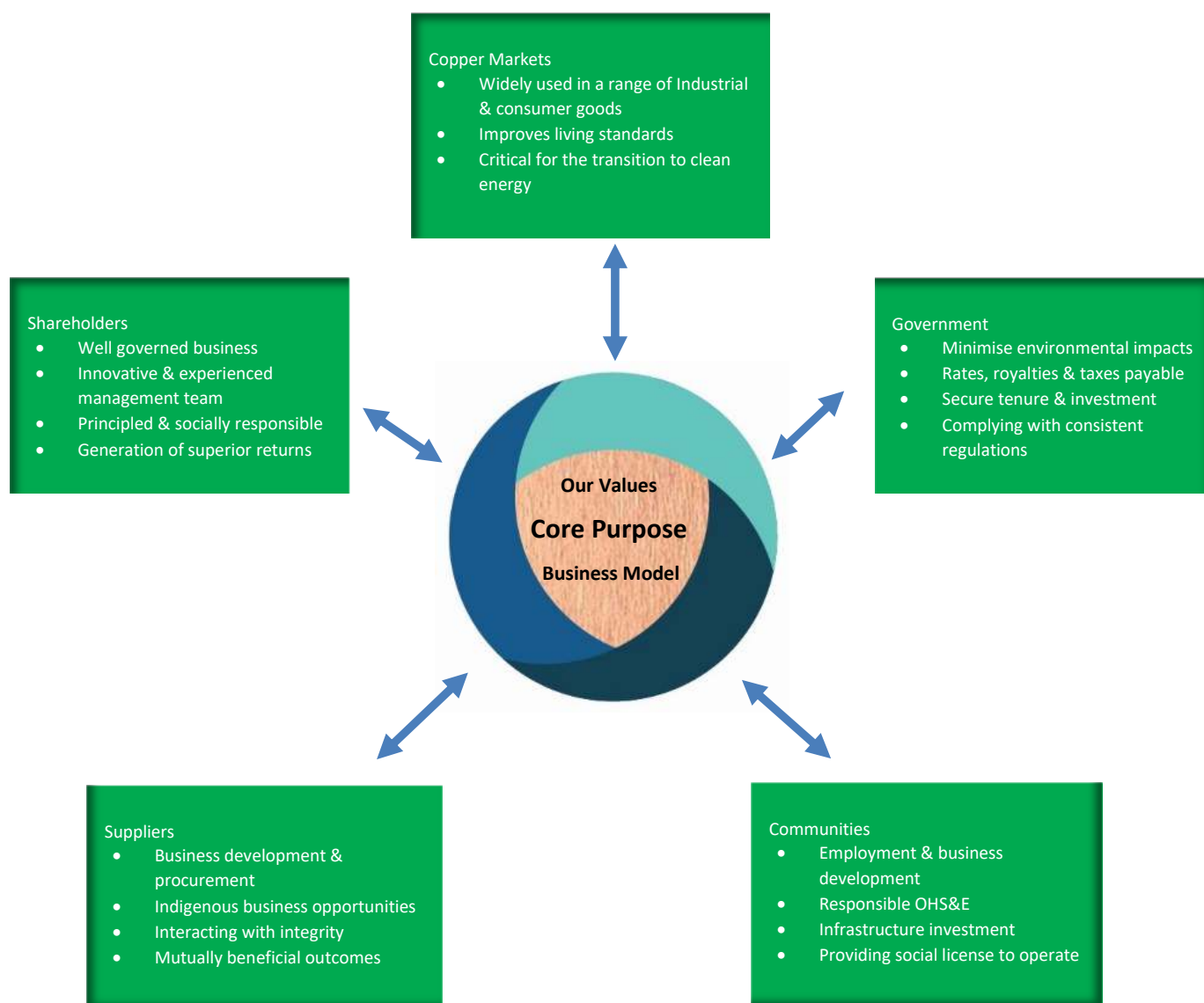
Our competitiveness and maximisation of shareholder returns also relies on reducing our cost base and maintaining efficient operations. Cost control is a measure of the quality of our management, consequently and we seek to continuously make long lasting cost base improvements.

Our People

The right people with the right skills at all levels is essential to the successful implementation of our strategy. We focus on continuously increasing the value and quality of operations, providing a safe, non-discriminatory workplace with a fair and competitive remuneration that rewards high performance, within a lean, non-bureaucratic structure.

The achievement of sustained high performance is driven by a culture of value add, reinforced by cost savings targets within our remuneration structure and meaningful employee equity ownership, to responsibly grow the value of our projects for the benefit of all stakeholders.

5. Sustainable Benefits



We are building a sustainable business in accordance with our values, which balances economic, environmental and social considerations. Responsible environmental management and community engagement enables us to maintain our social licence to operate, attract and retain skilled employees, access various sources of capital, identify business opportunities and optimise operations to add value for all stakeholders. The inter-dependency between our stakeholders includes:

- Providing a safe workplace, creating job opportunities and the development of skills for our employees, together with the employees of suppliers and contractors
- Generating rates, royalties and a range of taxes that are payable to the Local, State and Federal government by Cyprium, our employees and suppliers
- Business development and procurement opportunities for suppliers and local businesses
- Creation of shareholder value through increasing returns from our long-term investments
- Comply with the stable, transparent regulatory regimes that Australian governments provide

REVIEW OF OPERATIONS

Murchison Copper-Gold Projects

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.

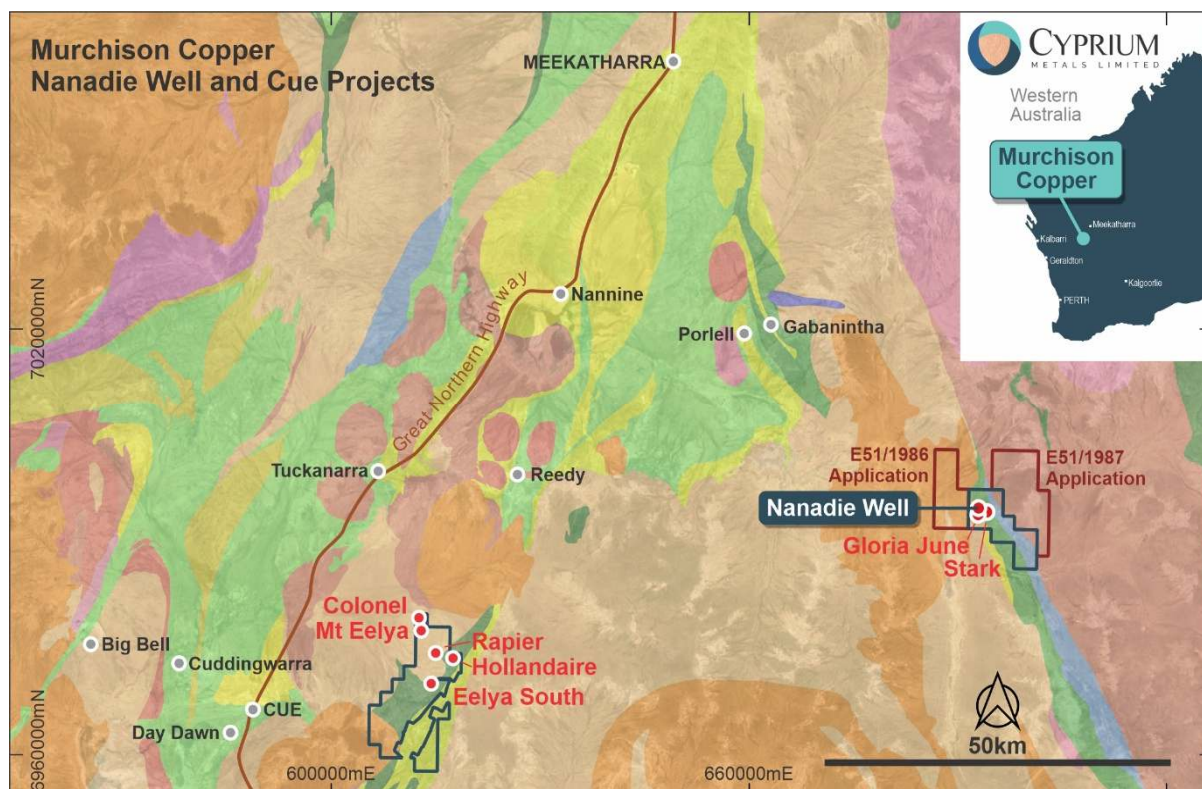


Figure 1 | Location of Cue and Nanadie Well Copper-Gold Projects

Cue Copper-Gold Project

Cyprium has a joint venture with Musgrave Minerals Limited (ASX: MGX) 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 whilst MGX has a 100% interest in primary gold deposits that are not associated with a copper-gold deposit.

The Hollandaire Copper-Gold Mineral Resource forms part of Cyprium's Cue Copper-Gold Project (refer Figure 1). During the year, mining lease M20/526 was granted which replaced the Hollandaire exploration tenement E20/699 and a portion of the Rapier exploration tenement E20/629 (refer Figure 4).

Exploration Drilling and Field Activities

During the year, Cyprium completed 4,902 metres of Reverse Circulation ("RC") drilling at the Cue Copper-Gold Project. RC drilling at the Eelya South prospect returned an intersection of 3.0m @ 3.78% Cu in drill hole 20ESRC014 which also included 6.68 g/t Au and 81.0 g/t Ag from 59m (refer to Figure 2).

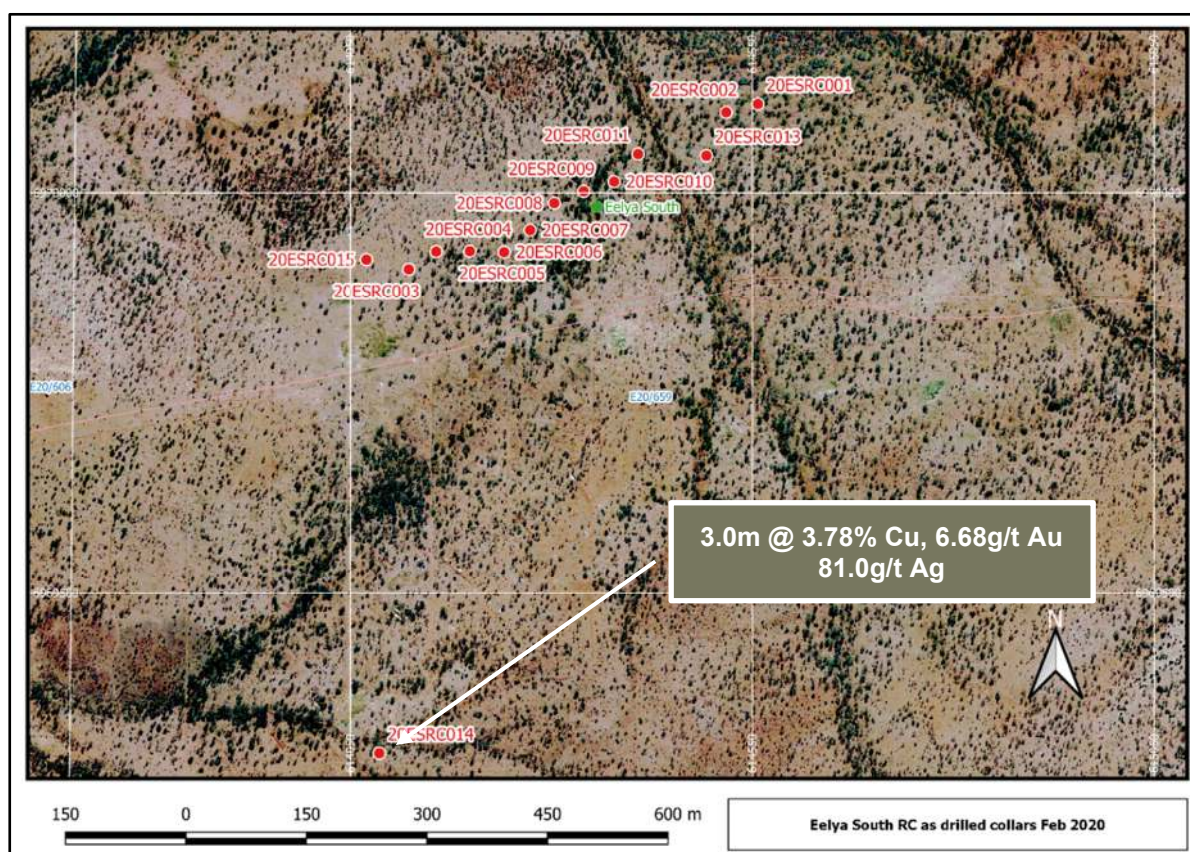


Figure 2 / Eelya South RC drill hole collar locations

This high-grade copper-gold southern Eelya South intersection in drill hole 20ESRC014 was drilled to test a structure, previously identified at Eelya South in the 1990's which returned an intersection of 2.0m @ 10.12% Cu, 3.19 g/t Au and 92.0 g/t Ag from 40m in drillhole ERC19. There was a continuation of the sulphide rich zone in this RC drilling programme however significant copper grades were not intersected.

An RC drilling programme at Hollandaire was conducted around the margins of the existing deposit to test extensions of the mineralisation. The results show continuation of the mineralisation and the intersections are being taken into consideration in the planning for testing of further depth extensions through geophysical and drilling programmes.

Cyprium completed a regional field mapping and surface sampling campaign at the Rapier West and Mt Eelya prospects, to the north-west of the Hollandaire deposits. A review and field inspection has been conducted on the regional prospects to prioritise targets for the next phases of drilling as part of Cyprium's strategy to increase its copper resource base at the Cue Copper-Gold Project. Samples were taken of mineralised quartz/iron gossans at the Rapier West and at Mt Eelya (refer to Figure 1) which included the following assay results:

- 12.3% Copper in Rapier West north costean surface sample
- 13.0% Copper in Mt Eelya Gossan 1 surface sample
- 10.6% Copper in Mt Eelya Gossan 3 surface sample
- 10.2% Copper in Mt Eelya Gossan 8 surface sample

Metallurgical Test-work

Metallurgical column test-work continued during 2020 on the massive and semi-massive sulphides samples from the Hollandaire and Hollandaire West prospects at the Cue Copper-Gold Project. This test-work has been undertaken to determine the optimal copper extraction process for our unique methodology, which has leached copper rapidly into solution.

The primary leach solution ("PLS") produced from the metallurgical column test-work has been processed in an electrowinning ("EW") cell (refer to Image 1) to produce cathode copper metal plates (refer to Image 2), which were then stripped from the cathodes to complete the processing cycle through to its final product of high purity copper metal plate (refer to Image 3).



Image 1 / EW Cell



Image 2 / Cathode Copper



Image 3 / Copper Metal Plate

A full metallurgical processing cycle has been completed starting from drilling the mineralisation, to crushing and leaching through to plating copper as a proof of concept of our low-cost treatment methodology. The Hollandaire material is very suitable for our methodology and it has outperformed the initial expectations.

The metallurgical diamond drill programme that was completed in 2019 consisted of three holes for 320 metres into the mineralised envelope of the Hollandaire Prospect at the Cue Copper-Gold Project to provide representative samples for test-work to be undertaken.

The first hole in the metallurgical diamond drilling programme, 19HOMET001, was drilled into the Hollandaire West deposit and returned disseminated copper sulphide mineralisation. The second and third diamond drill holes in the programme, 19HOMET002 and 19HOMET003, targeted representative sections of the Hollandaire deposit and returned semi-massive to massive sulphide mineralisation.

The results from the metallurgical diamond drill holes included:

- 10.4m @ 14.9% Cu in drill hole 19HOMET003 from 84.5m downhole including:
 - 4.5m @ 21.9% Cu from 90.4m;
- 19.1m @ 1.3% Cu in drill hole 19HOMET002 from 85.9m downhole including:
 - 6.4m @ 2.1% Cu from 98.6m;
- 27.9m @ 1.1% Cu in drill hole 19HOMET001 from 45.7m downhole including:
 - 9.0m @ 1.6% Cu from 63.2m.

At the completion of drilling, core samples from the Cue Copper-Gold Project were received at the metallurgical laboratory which was crushed, split and assayed for multi-element grades. Composites were then created for the Hollandaire deposit and the Hollandaire West deposit.

Hollandaire samples were composited from holes 19HOMET002 and 19HOMET003 to create two column samples, Columns A and B, with copper grades of 5.10% and 5.24% respectively.

Separately, the drill core from Hollandaire West, obtained from drill hole 19HOMET001, was composited for testing in a third column, Column C, with an average grade of 0.76% copper.

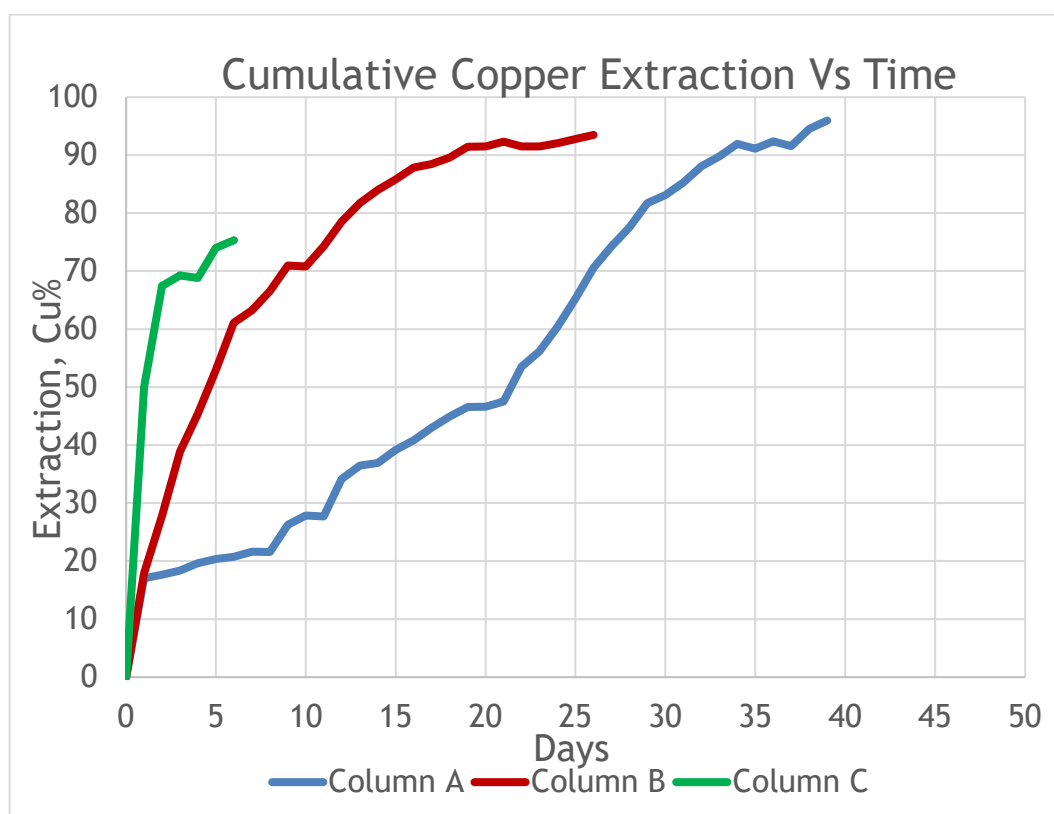
Diagnostic testing and mineralogical analysis were undertaken on the samples to determine the optimal parameters to use to undertake the column test-work.

The composites were then leached in separate columns with the resultant copper recovery over time under leach are presented in Graph 1.

The results to date demonstrate an accelerated leach time for the extraction of copper metal into solution. The test-work on Column C, in particular, has demonstrated an even more rapid leach than Columns A and B.

The effect of the very short leach times on a potential Cue Copper-Gold Project is significant as it decreases the size of the heap leach pads, and consequently reduces the capital and operating cost requirements over the life of the operation.

The completion of the plating of copper from the PLS solution in an EW cell completes the process flow sheet for the extraction method of copper from the Hollandaire mineralisation. This is a very important milestone in the Company's aspirations to build a project at Cue. The proof of concept on the treatment of the mineralisation of Cue Copper-Gold Project to produce copper metal on site has now been completed.



Graph 1 / Copper Extraction

Mineral Resource

Cyprium has completed an update of the Hollandaire Mineral Resource to the JORC 2012 standard, as detailed in Table 1 below and as illustrated in Figure 3.

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

Table 1 / Hollandaire JORC 2012 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 MGCV, has not been modelled or reported in the Hollandaire 2012 JORC Mineral Resource estimate

The Hollandaire Mineral Resource estimate has been based on data compiled from previous drilling, together with the drilling campaigns conducted by Cyprium since mid-2019. The Hollandaire JORC 2012 Mineral Resource estimate was completed by specialist consultants and Cyprium staff, and is included in the ongoing Murchison Copper-Gold scoping study.

The JORC 2012 Mineral Resource, as illustrated in Figure 3, is contained in two shallow deposits, which are adjacent to each other, being the Hollandaire and Hollandaire West deposits, whereby the mineralisation begins from only 20 metres below the surface and extends to a depth of 180 metres at Hollandaire west, and 310 metres at Hollandaire, from surface, where the mineralisation remains open. The Hollandaire Copper-Gold Mineral Resources are located on mining lease M20/526 (refer to Figure 4), which was granted during the year, providing a clear pathway to develop the project.

Over 80% of the mineralisation is less than 160 metres below surface, making it very accessible by conventional open pit mining methods. Furthermore, the mineralogy of the deposits are ideal for our unique low-cost heap leach sulphide treatment methodology, as demonstrated in the metallurgical test-work that was conducted on the deposits, which rapidly achieved copper recoveries in excess of 90%.

The increased size and reporting of a JORC 2012 Mineral Resource together with the grant of a mining lease, are significant milestones in Cyprium's advancement of the project from mid-2019. Cyprium is continuing to advance the Cue Copper-Gold project through the ongoing Murchison Copper-Gold scoping study, which now also includes the 100% Cyprium owned Nanadie Well Copper-Gold Project, on the path towards viable economic extraction.

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 then be drill tested during 2021.

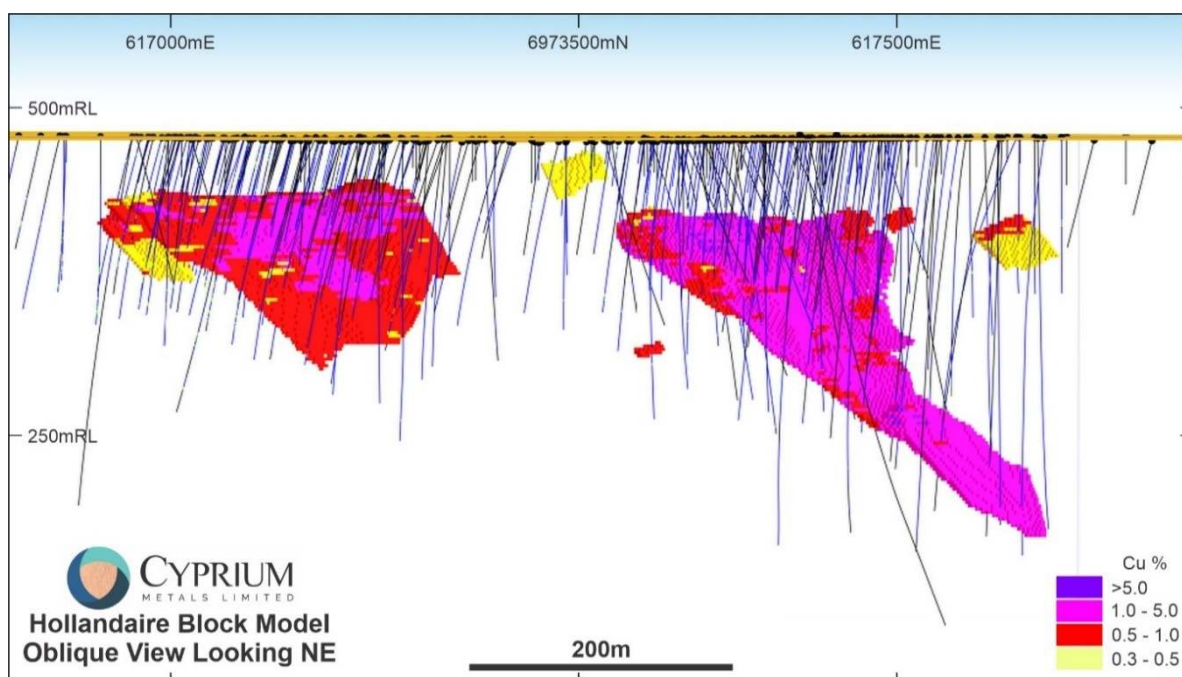


Figure 3 | Hollandaire Block Model

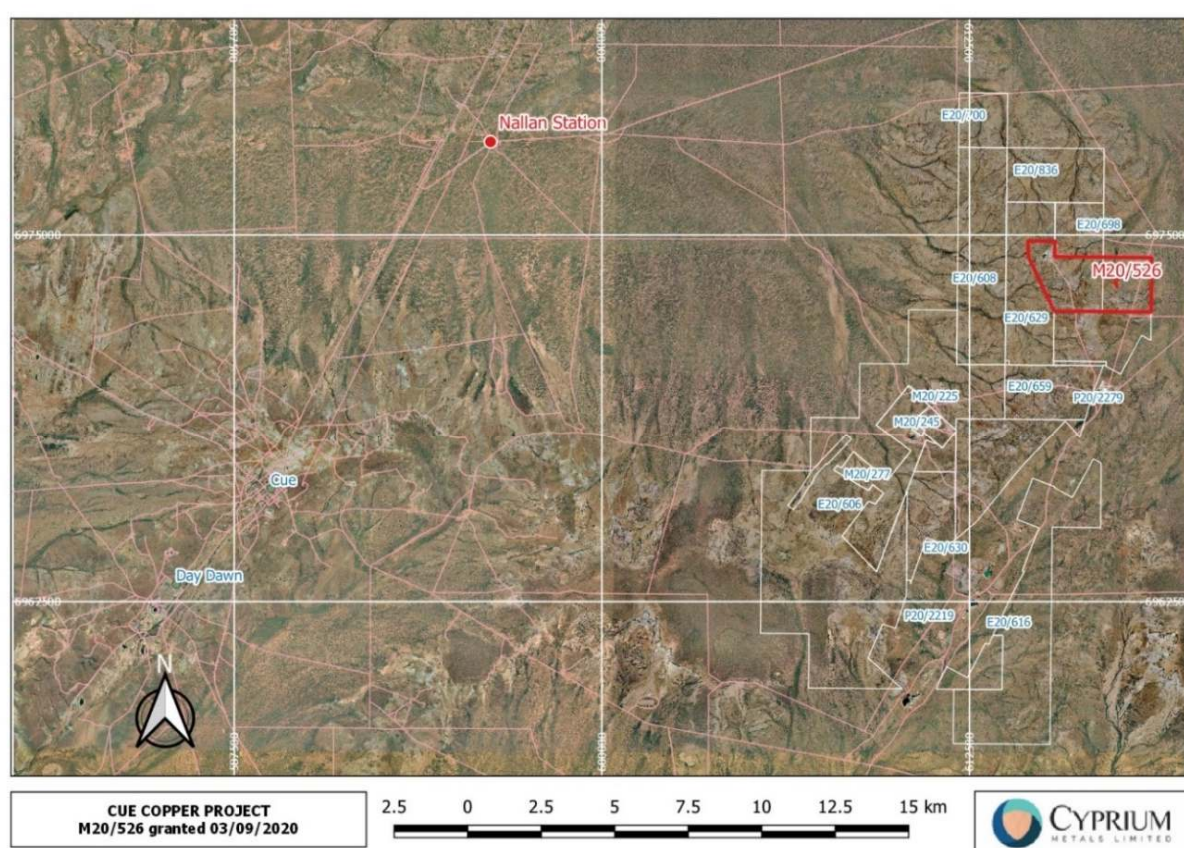


Figure 4 | Cue Copper-Gold Project Tenements

Nanadie Well Copper-Gold Project

During the second half of the year, Cyprium completed the acquisition of tenements E51/1040 and M51/887 from Horizon Minerals Limited (ASX: HRZ, "Horizon"), which includes the Nanadie Well Copper-Gold Project, which is located ~75km to the east-northeast of Cyprium's Holladaire copper deposits and ~75 km south east of Meekatharra in the Murchison District of Western Australia. Cyprium has applied for exploration tenements E51/1986 and E51/1987 to the west and east of the project (refer to Figure 1), to expand our regional presence in the area and increase the projects exploration prospectivity. The project also has the Stark Cu-Ni-PGE prospect along with a number of drill ready targets that offer excellent exploration upside.

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. 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. 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 5). Whilst clearly defined by east and west dipping RC drillholes, Cyprium has conducted a diamond drilling programme to provide further information regarding the orientation and extent of the layered disseminated/stringer sulphide mineralisation.

The diamond drilling programme was commenced 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 4 – 9.



Image 4 | 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 5 below.

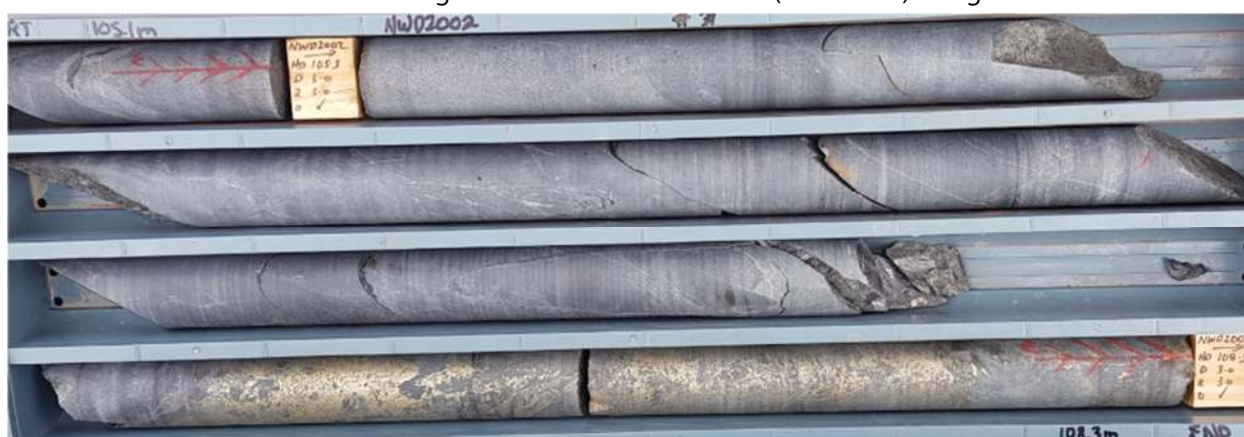


Image 5 | NWD2002 (drill core 107.5m to 108.0m downhole showing chalcopyrite and pyrrhotite mineralisation



Image 6 | 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 5 below.



Image 7 | 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 5 below.



Image 8 | 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 5 below.



Image 9 | NWD2101 drill core 75.3m to 78.3m downhole showing chalcopyrite and pyrrhotite mineralisation

NWD2101 has been collared 693,010 E; 6,994,530 N 475.0 mRL (MGA Zone 50) and has a drilling orientation of -60° to 090 from true north. Refer to designed drill hole NWGDES002 (NWD2101) in Figure 5 below.

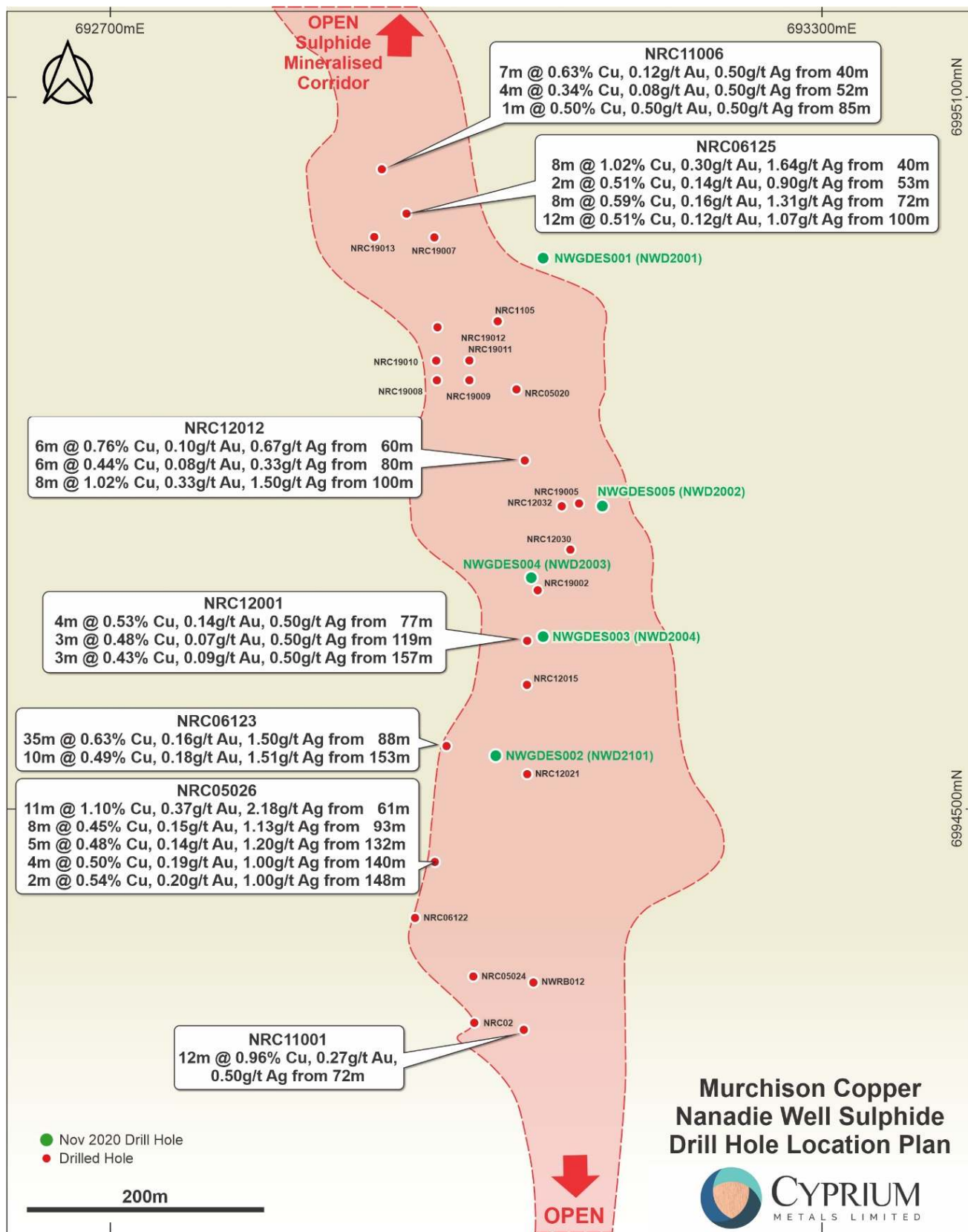


Figure 5 | Nanadie Well Sulphide Drill Hole Location Plan

Nanadie Well Supergene RC Drilling Programme

Cyprium is also targeting the near surface supergene copper-gold system, which is open in three directions, north, south and west (refer to Figure 6). 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 RC drilling rock chips containing oxide copper minerals such as malachite, which is rapidly leachable when treated with sulphuric acid.

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 6 and have intersected strong oxide mineralisation as illustrated in Images 10 to 13. Several drillholes have also intersected sulphide mineralisation, including NWRC21018 from 26m in Image 11. The initial assay results for NWEC21018 are 45.0m @ 0.9% Cu & 0.2g/t Au from 2m, including 11.0m @ 1.8% Cu & 0.4g/t Au from 16m.

The supergene mineralisation is also trending north-west, as tested by NWRC21031. Strong visual copper oxide mineralisation was intersected between 9m to 11m (refer to image 13) and 20m to 21m.

The data from the January 2021 RC drilling programme and subsequent programmes, will be used to prepare a JORC 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 will also be used in the planning of follow up drilling programmes, targeting mineralisation extensions as it remains open at shallow depths, to the north, south and west.



Image 10 | Nanadie Well RC Drilling Rock Chips: NWRC21011 (NWDES152) 25-30m



Image 11 | Nanadie Well RC Drilling Rock Chips: NWRC21018 (NWDES148) 15-20m



Image 12 | Nanadie Well RC Drilling Rock Chips: NWRC21018 (NWDES148) 21-26m



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

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. 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.

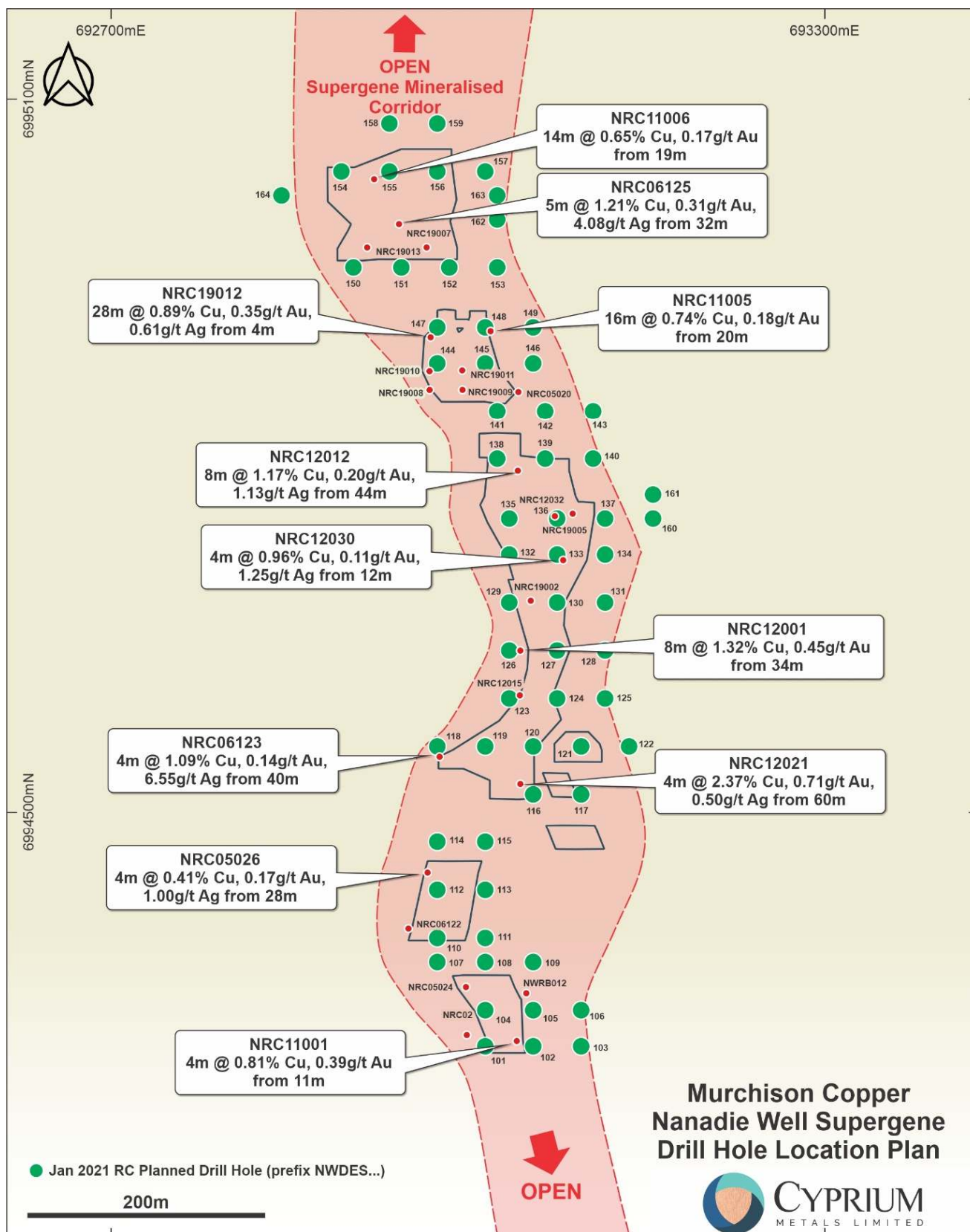


Figure 6 | Nanadie Well Supergene Drill Hole Location Plan

Significant Events After The Reporting Date

On 10 February 2021, Cyprium announced it had entered into a Share Sale Agreement with Metals X Limited (ASX:MLX) ("Metals X") to acquire its 100% owned entity Paterson Copper Pty Ltd, the owner of the Nifty Copper Mine, Maroochydore Copper Project and the Paterson Exploration Project, which includes the farm-in agreement with IGO Limited ("IGO") (together "Copper Assets") (the "Transaction").

This portfolio of copper projects is located in the highly prospective Paterson Province of Western Australia.



Figure 7 | Location of Nifty Copper Mine and Maroochydore Project

Cyprium has agreed to pay Metals X a total \$60 million upon completion of the Transaction ("Completion"), comprising:

- cash payment of \$24 million (inclusive of the \$1 million deposit already paid) ("Upfront Amount"); and
- convertible notes with a face value totalling \$36 million ("Convertible Notes").

Cyprium will also replace the financial assurances relating to Nifty which equate to ~\$6.5 million, with effect from Completion.

Cyprium has received binding commitments to fund the Transaction through a \$90 million placement to professional and sophisticated investors ("Placement").

Completion of the Transaction and Placement is subject to shareholder approval at the general meeting which is to be held on 23 March 2021 with Transaction Completion to occur on 30 March 2021.

Overview of the Copper Assets

The Nifty Copper Mine, Maroochydore Copper Project and the Paterson Exploration Project (which includes the farm-in agreement with IGO), are located in the northeast Pilbara region of Western Australia, approximately 330km east-southeast of Port Hedland.

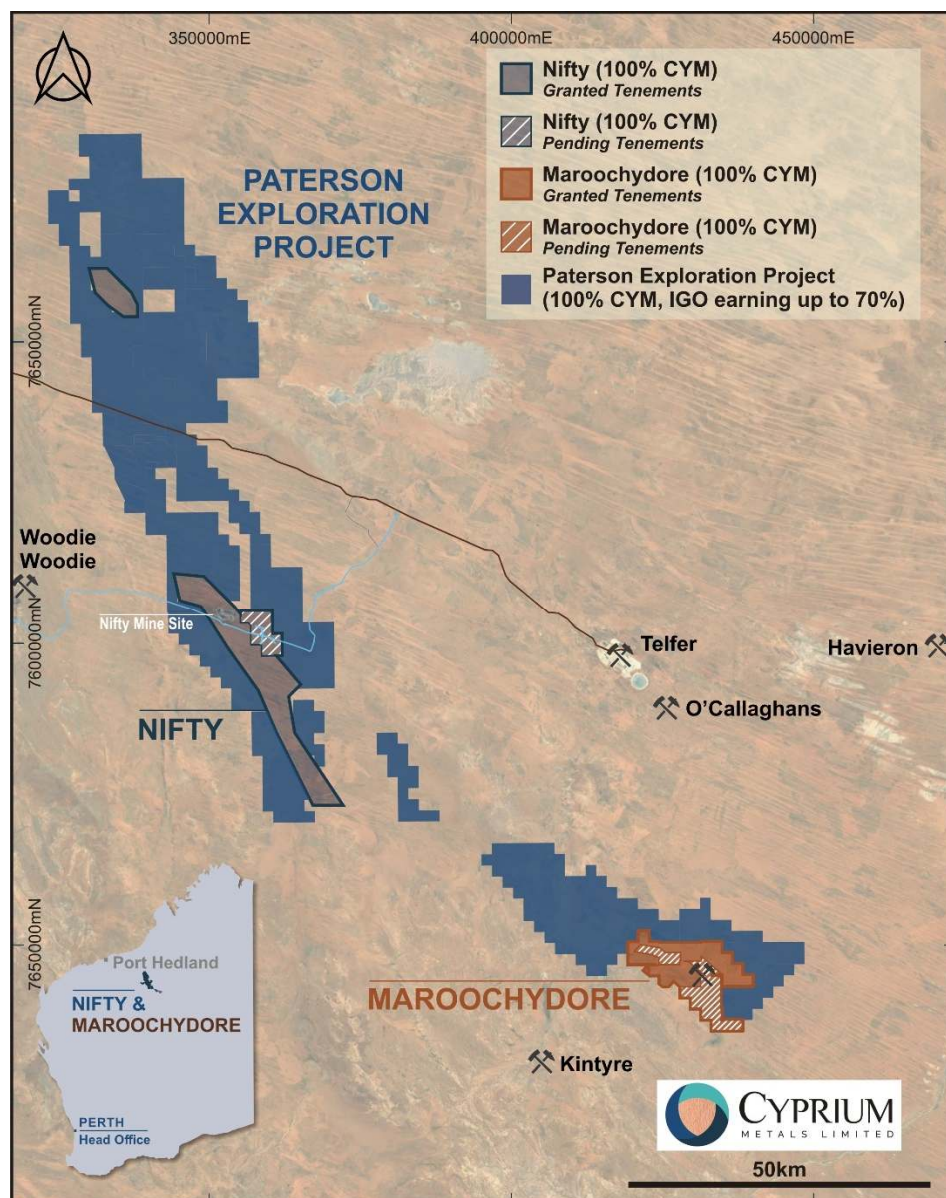


Figure 8 | Location of Nifty Copper Mine and Maroochydore Project

Nifty Copper Mine

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 350 km southeast of Port Hedland. Nifty was initially discovered by WMC and commenced operation in 1993 as an open pit oxide copper mine with processing via heap leaching and solvent extraction-electrowinning ("SX/EW") recovery to produce copper cathodes. From 2006, it transitioned to an underground sulphide mine with processing via standard flotation to produce a copper concentrate at rates of over 50,000 tonnes of contained copper per year. Between commencement of the oxide operation and 26 November 2019, when the mine was placed onto care and maintenance ("C&M"), Nifty has produced more than 700,000 tonnes of copper metal.

The deposit is still ranked in the top twenty copper resources by copper tonnes in Australia, with considerable potential to increase further.

Nifty retains a JORC 2012 compliant Mineral Resources of 658,500 tonnes contained copper, via an open pit and underground mine, with substantial infrastructure including:

- 2.8 Mtpa sulphide concentrator (in care and maintenance since November 2019).
- 25 ktpa copper cathode heap leach SX/EW facility.
- 21 MW gas turbine power station.
- Water supply and reticulation systems including bore field operation.
- Mine village with capacity exceeding 400 persons.
- Jet-capable all-weather airstrip.

During the C&M and the Metals X strategic review process, surface infrastructure including the power station, processing plant and camp have been maintained in a production-ready status.

On 11 June 2020, Metals X prepared and released to ASX a scoping study ("Scoping Study") on Nifty that returned positive results on mining the large copper sulphide resource through an expansion to the historical oxide open pit, using the existing processing plant and site infrastructure. The Scoping Study supported further reviews to be conducted for the recommencement of mining of the oxide open pit and processing via heap leaching and SX/EW recovery, to produce copper cathodes.

Several opportunities were identified by Metals X for future studies including assessing the impact of the additional mineralisation defined by the 31 December 2019 Mineral Resource estimate. Preliminary analysis suggests this may materially extend mine life and improve project economics. Several resource definition targets were identified that have the potential to grow the Mineral Resource base, and to further optimise the mining schedule.

Cyprium intends to immediately prioritise completing its development plans, which takes into consideration the work completed in the Scoping Study, with an aim of establishing an efficient long-term producing copper mine. Initially, this will involve a drill out of near surface mineralisation, completion of design and refurbishment estimates for onsite infrastructure, including the required approvals to recommence operations.

Cyprium will commence with a heap leach SX-EW operation to retreat the current heap leach pads as well as open pit oxide and transitional material and then follow with the restart of the copper concentrator to treat open pit sulphide material.

Concurrently with the recommencement of SX-EW operations, Cyprium will be undertaking comprehensive metallurgical test work to optimise the processing of the open pit sulphide mineral resource.

Maroochydore Copper Project

The nearby Maroochydore deposit is located ~85km south east of Nifty, includes a shallow JORC 2012 compliant Mineral Resources of 486,000 tonnes contained Copper, consisting of a significant oxide Mineral Resource of 43.5 Mt at 0.91% Copper and a primary sulphide Mineral Resource of 5.43 Mt at 1.66% Copper. The resource is in the top thirty copper resources by copper tonnes in Australia.

A number of drilling and geophysical programmes have been completed at Maroochydore, together with metallurgical test work programmes, whilst the primary copper sulphide mineralisation remains open along-strike and down-dip.

Cyprium intends to commence drilling and a metallurgical test work program with the emphasis to unlock the over 400,000 tonnes of copper potential. Whilst the initial development focus will be to support a heap leach SX-EW option, the Company's test work program will be used to optimise the processing flowsheet, unlocking the project's full potential.

Paterson Exploration Project

The Paterson Exploration Project covers over ~2,800km² which is highly prospective and is host to a number of substantial gold, gold-copper, copper and tungsten mines and deposits, including the Telfer gold-copper mine.

Recently, new significant discoveries were made by Rio Tinto at the Winu project, and by the Newcrest-Greatland Gold JV at the Havieron project, which has re-established the Paterson Province as one of the premier copper and gold exploration destinations in Australia and globally.

In mid-2020, Metals X announced an exploration joint venture with IGO 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 before withdrawal of \$11 million over 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.

IGO has significant exploration experience in the Paterson Province and has developed innovative targeting techniques, using large scale magneto-telluric ("MT") geophysical and proprietary geochemical survey techniques, which will be applied to the highly prospective and underexplored Paterson Exploration Project tenements.

Cyprium looks forward to partnering with IGO in this exciting joint venture during the initial expenditure stages.

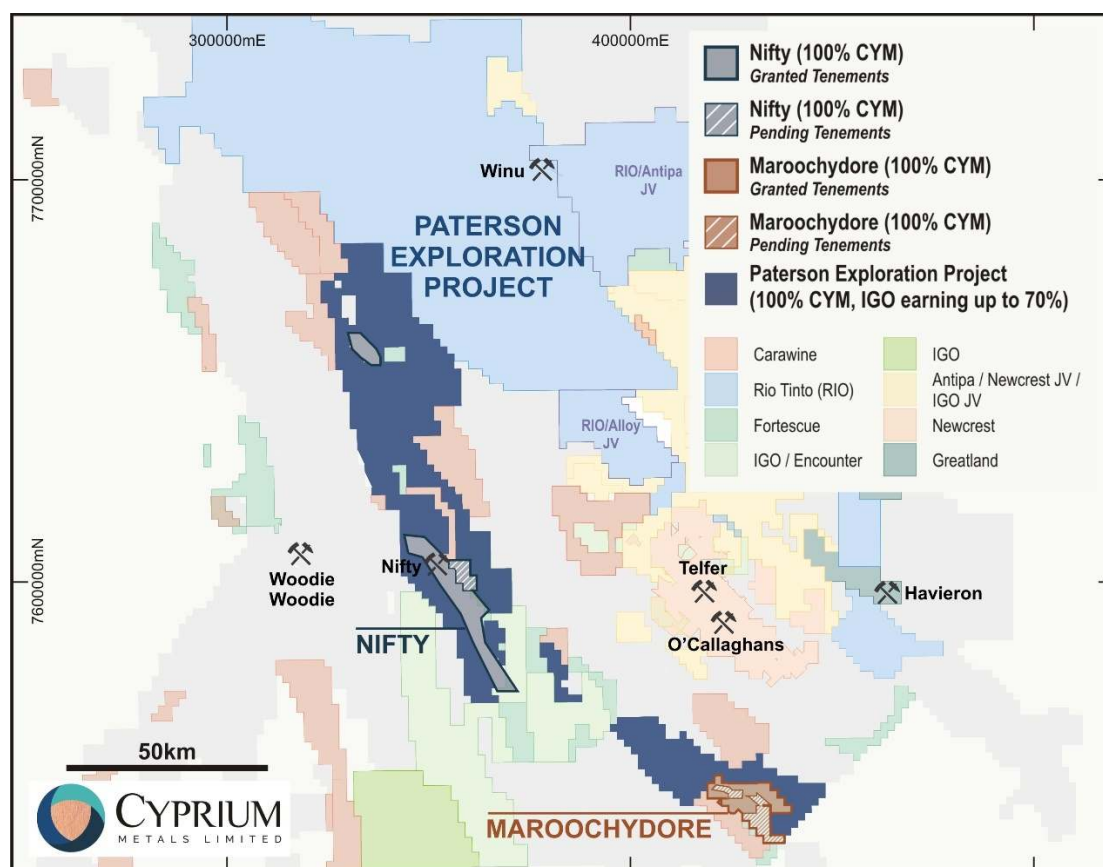


Figure 9 | Paterson Exploration Project

Acquisition Funding

The Transaction and development of the Copper Assets is to be funded from existing cash reserves and a \$90 million Placement. The Company has received binding commitments for the Placement from professional and sophisticated investors in Australia and eligible investors in certain overseas jurisdictions.

The Placement will result in the issue of 450 million fully paid ordinary shares in the Company ("New Shares") at an offer price of \$0.20 per Share ("Offer Price").

The Placement is being made subject to approval by the Company's shareholders ("Shareholders").

The New Shares issued under the Placement will rank equally with existing Cyprium shares.

DIRECTORS' REPORT

The Directors present their report for Cyprium Metals Limited ("CYM" or "the Company") and its subsidiaries ("the Group") for the year ended 31 December 2020.

All amounts are expressed in Australian dollars unless otherwise stated.

DIRECTORS

The following persons were directors of CYM during the year and up to the date of this report:

- Gary Comb (Chairman, Non-Executive Director)
- Barry Cahill (Executive Director)
- Nicholas Rowley (Non-Executive Director)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

DIRECTORS' INFORMATION

Gary Comb

Non-Executive Chairman

Mr Comb is an engineer with over 30 years' experience in the Australian mining industry, with a strong track record in successfully commissioning and operating base metal mines. He was Chairman of Finders Resources Limited from 2013 until its takeover in 2018. Mr Comb was previously the Managing Director of Jabiru Metals Limited and the CEO of BGC Contracting Pty Ltd.

Barry Cahill

Executive Director

Mr Cahill is a mining engineer with over 30 years' experience in exploration, operational mining and management. In particular his experience covers management of project development and construction from exploration drilling through project funding, commissioning and development. He was the Managing Director of Finders Resources Limited from 2013 until its takeover in 2018. Mr Cahill has previously been executive director of a number of public companies including operations director at Perilya Limited and Managing Director of Australian Mines Limited and Norseman Gold Plc.

Nicholas Rowley

Non-Executive Director

Mr Rowley is an experienced corporate executive with a strong financial background with over 15 years' specialising in corporate advisory, M&A transactions and equities markets. He has advised on the equity financings of numerous ASX and TSX listed companies predominantly in the mining and resources sector. Mr Rowley currently serves as an executive at Galaxy Resources Ltd and as a Non-Executive Director of Titan Minerals and Oro X Mining Corp.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by current directors in the 3 years immediately before the end of the financial year are as follows:

Director	Company	Period of Directorship
Gary Comb	Finders Resources Limited Ironbark Zinc Limited Boab Metals Limited	Director from June 2013 to April 2018 Director from January 2012 to November 2019 Director from March 2020
Barry Cahill	Finders Resources Limited	Director from August 2013 to April 2018
Nicholas Rowley	Titan Minerals Limited	Director since August 2016

COMPANY SECRETARY

Wayne Apted

Mr Apted is a Chartered Accountant with over 25 years' experience in the mining industry. He was the Chief Financial Officer of Finders Resources Limited until its takeover in 2018. Mr Apted has previously worked in senior finance roles for Masan Resources Limited, Glencore plc, Xstrata plc, Normandy Mining Limited and Aurora Gold Limited.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Cyprium Metals Limited are:

Director	Ordinary Shares
Gary Comb	2,994,940
Barry Cahill	2,466,370
Nicholas Rowley	1,300,000

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Cyprium Metals Limited for the year ended 31 December 2020 was \$997,366 (2019: \$2,354,202). The 2019 result included a loss of \$1,073,067 from discontinued operations being the Group's Manitou and Trenggalek projects.

DIVIDENDS

No dividends were paid or declared. The directors do not recommend the payment of a dividend.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was identifying and evaluating projects and conducting exploration activities in the resources and mineral exploration sector as outlined in the Review of Operations.

CORPORATE STRUCTURE

Cyprium Metals Limited is a company limited by shares, which is incorporated and domiciled in Australia.

During the year, CYM issued 2.5 million ordinary shares to Horizon Minerals Limited for the acquisition of the Nanadie Well Copper-Gold Project tenements. The up-front consideration that was payable by Cyprium to Horizon was as follows:

- \$250,000 cash; and
- \$400,000 of CYM shares based on a 20-day VWAP.

The following deferred consideration will be payable by Cyprium to Horizon:

- \$350,000 of CYM shares based on a 20-day VWAP and issued in 12 months;
- \$300,000 of CYM shares based on a 20-day VWAP and issued in 24 months; and
- \$200,000 of CYM shares based on a 20-day VWAP upon a decision to mine.

Also during the year, 33.3 million fully paid ordinary shares in the Company were issued to institutional and sophisticated investors to raise \$5.0 million and 6.7 million fully paid ordinary shares in the Company were issued to existing shareholders to raise \$1.0 million.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 10 February 2021, the Company announced it had entered into a Share Sale Agreement with Metals X Limited (ASX: MLX) ("Metals X") to acquire its 100% owned entity Paterson Copper Pty Ltd, the owner of the Nifty Copper Mine, Maroochydore Copper Project and the Paterson Exploration Project, which includes the farm-in agreement with IGO Limited (together "Copper Assets") (the "Transaction").

The Transaction and development of the Copper Assets is to be funded from existing cash reserves and a \$90 million Placement. The Company has received binding commitments for the Placement from professional and sophisticated investors in Australia and eligible investors in certain overseas jurisdictions.

The Placement will result in the issue of 450 million fully paid ordinary shares in the Company at an offer price of \$0.20 per Share.

The Placement is being made subject to approval by the Company's shareholders.

There are no other significant events subsequent to the end of the financial year to the date of this report that are required to be disclosed.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group will continue developing, identifying and evaluating projects together with conducting exploration activities in the Australian resources and mineral exploration sector.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The operations of the Group are subject to environmental regulation under the laws of Australia. The Group is, to the best of its knowledge, at all times in full environmental compliance with the conditions of its licences.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

In accordance with the Constitution of the Company, to the extent permitted by law, the Company indemnifies every director, officer and employee of the Company and each officer of a related body Corporate of the Company against any liability incurred by that person:

- a) in his or her capacity as a director, officer or employee of the Company; and
- b) to a person other than the Company or a related body corporate of the Company.

During the financial year, Cyprium Metals Limited paid an insurance premium in respect of a policy for the benefit of the Directors of the Company, Company Secretary, executive officers and employees of the Company and any subsidiary bodies corporate as defined in the insurance policy, against a liability incurred as such a director, company secretary, executive officer or employee to the extent permitted by the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

INDEMNIFICATION OF THE AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

SHARE OPTIONS

During the year, 6,000,000 options exercisable at \$0.30 each, with an exercise period to December 2022 were issued to Westar Capital and Foster Brokering for services rendered for the capital placement to institutional and sophisticated investors of 33.3 million shares.

PERFORMANCE SHARES

The remaining Manitou Gold Project tenements of 5 km² in North-western Ontario Canada were relinquished during 2020, consequently 1,030,000 performance shares lapsed.

PERFORMANCE RIGHTS

The Company issued 2.5 million performance rights to Directors and 7.1 million performance rights to employees during 2020.

As at the date of this report there were 22,000,000 performance rights on issue, expiring in June and July 2024, and May 2025. The details of the performance conditions relating to the performance rights are as follows:

Performance Condition	Number
Completion of a transaction to acquire or earn into majority ownership interests in projects with exploration and mining tenements	3,775,000
Announcement of the delineation of 80,000t of contained copper (within any Mineral Resource category) upon the Projects	2,875,000
Each Performance Right will vest upon the earlier of: <ul style="list-style-type: none"> Announcement of a Scoping Study that confirms the positive economics of the Projects; or The volume weighted average price of the Shares equals or exceeds \$0.35 per Share for 5 consecutive trading days 	2,875,000
Each Performance Right will vest upon the earlier of: <ul style="list-style-type: none"> Board approval to Proceed with a Project Definitive Feasibility Study; or The volume weighted average price of the Shares equals or exceeds \$0.40 per Share for 5 consecutive trading days 	2,875,000
Total expiring in June and July 2024	12,400,000

Performance Condition	Number
Completion of a transaction to acquire or earn into majority ownership interests in projects with exploration and mining tenements	2,925,000
Announcement of the delineation of 125,000t of contained copper (within any Mineral Resource category) upon the Projects	2,225,000
Each Performance Right will vest upon the earlier of: <ul style="list-style-type: none"> Announcement of a Scoping Study that confirms the positive economics of the Projects; or The volume weighted average price of the Shares equals or exceeds \$0.26 per Share for 20 consecutive trading days 	2,225,000
Each Performance Right will vest upon the earlier of: <ul style="list-style-type: none"> Board approval to Proceed with a Project Definitive Feasibility Study; or The volume weighted average price of the Shares equals or exceeds \$0.30 per Share for 20 consecutive trading days 	2,225,000
Total expiring in May 2025	9,600,000

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Directors' Meetings		Audit Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Gary Comb	4	4	2	2
Barry Cahill	4	4	-	-
Nicholas Rowley	4	4	2	2

As at the date of this report, the Company had an Audit Committee of the Board of Directors. The Audit Committee is comprised of non-executive Directors and Nicholas Rowley is the Chairman of the Audit Committee.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Cyprium Metals Limited support and adhere to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Cyprium Metals Limited complies to the extent possible with those guidelines, which are of importance and add value to the commercial operation of an ASX listed resources company. The Company has established a set of corporate governance policies and procedures and these can be found on the Company's website: cypriummetals.com.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Cyprium Metals Limited with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included within the annual report, and forms part of this directors' report.

During the year the Company's auditors did not perform any other services in addition to their statutory audit duties. The Board considers any non-audit services provided by the auditor and satisfies itself that the provision of those non-audit services is compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are subject to the corporate governance procedures adopted by the Company and are reviewed to ensure they do not impact upon the impartiality and objectivity of the auditor.
- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 code of Ethics for Professional Accountants, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards. Details of the amounts paid to the auditors of the Company, and its related practices for audit and non-audit services provided during the year are set out in note 17 to the financial statements.

AUDITED REMUNERATION REPORT

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel of Cyprium Metals Limited for the financial year ended 31 December 2020. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Details of KMP

- Gary Comb (appointed 14 June 2019)
- Barry Cahill (appointed 14 June 2019)
- Nicholas Rowley (appointed 31 May 2018)

Remuneration Policy

The remuneration policy of Cyprium Metals Limited has been designed by the Board taking into consideration the stage of development of the Group and the activities undertaken. The Board of Cyprium Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The remuneration policy aims to attract, retain and motivate the high-performing individuals that will deliver the business strategy and create long-term value. Performance-related pay to incentivise high performance and rewards are to be linked to and commensurate with performance. As a result, performance-related pay represents a meaningful portion of total remuneration for all KMP and employees that have the ability to influence shareholder value. Shareholder value is created by project acquisition, analysis, expansion, financing, development and operations.

During the pre-decision to construct mine phase, KMP and employees are incentivised deliver the business strategy to acquire and grow our project base.

Fixed remuneration

Fixed remuneration consists of total Directors' fees, salaries, bonus, consulting fees and employer contributions to superannuation funds, excluding performance pay (cash, shares and options). Fixed remuneration levels are reviewed annually by the Board.

Executive remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework has the following components:

- Base salary (which is based on factors such as length of service, performance and experience) and (where applicable) employer contributions to superannuation;
- Consulting fees for executives providing services under a services contract; and
- Long-term incentives through participation in the Performance Rights Plan of Cyprium Metals Limited and as approved by the Board.

Cash base salary or service fees are based on daily rates of pay prior to entering into a Definitive Feasibility Study stage, in order to conserve cash by remunerating employees based on days worked. Upon entering the Definitive Feasibility Study stage, personnel will be employed on a full-time basis.

Non-executive Directors' remuneration

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, directors may receive long-term performance incentives via the Performance Rights Plan of Cyprium Metals Limited.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$450,000.

The annual remuneration for each non-executive director was set in the range of \$36,000 - \$60,000 per annum. These fees have been determined by the Board of the Company, taking into consideration factors such as the market rates of industry peer companies and the current level of activity. Where there is a significant change in the size and scale of Company activities these annual fees will be reviewed. Where approved and at the request of the Board, any of the Non-Executive Directors may from time to time be required to fulfil certain executive functions.

Use of remuneration consultants

The Board may (from time to time) engage the services of external consultants to advise on the remuneration policy and to benchmark director and key management personnel remuneration against comparable entities so as to ensure that remuneration packages are consistent with the market and are appropriate for the organisation. The Group did not employ the services of any remuneration consultants during the year.

Performance Rights Plan

The Performance Rights Plan of Cyprium Metals Limited was last approved by Shareholders at the 2019 Annual General Meeting.

Directors, full and part time employees and contractors of Cyprium Metals Limited are eligible to participate in the Performance Rights Plan. Any issue of Performance Rights to Directors is subject to Shareholder approval pursuant to the provisions of the ASX Listing Rules and the Corporations Act 2001. The Directors consider that the Cyprium Metals Limited Performance Rights Plan represents an appropriate method to:

- Reward Directors, KMP and employees for their performance;
- Provide long-term incentives for participation in the Company's future growth;
- Motivate and retain Directors, KMP and employees;
- Establish a sense of ownership in the Company for Directors and employees;
- Enhance the relationship between the Company and its employees for the long-term mutual benefit of all parties; and
- Enable the Company to attract high calibre individuals who can bring specific expertise to the Company.

Voting on the Remuneration Report - 2020 Annual General Meeting

The Company received approximately 99.9% of "yes" votes on its remuneration report for the year ended 31 December 2019 (2018: 97.9%).

Loans to Directors and Executives

There were no loans to Directors and KMP during the financial year ended 31 December 2020.

Details of Remuneration

Details of the nature and amount of each element of the remuneration of each Director of the Company for the year ended 31 December 2020 are as follows:

2020	Salary or Consulting Fees \$	Share Based Payments ⁶ \$	Other Benefits ⁵ \$	Total \$	Performance related %
Directors					
Gary Comb	60,000	95,509	5,700	161,209	59%
Barry Cahill	310,820	146,416	29,528	486,764	30%
Nicholas Rowley	36,000	73,802	-	109,802	67%
	406,820	315,727	35,228	757,775	42%

Details of the nature and amount of each element of the remuneration of each Director of the Company for the year ended 31 December 2019 are as follows:

2019	Salary or Consulting Fees \$	Share Based Payments \$	Other Benefits ⁵ \$	Total \$	Performance related %
Directors					
Gary Comb ¹	32,500	12,115	3,087	47,702	25%
Barry Cahill ²	147,366	14,538	14,000	175,904	8%
Nicholas Rowley	33,000	9,692	-	42,692	23%
Marcello Cardaci ³	14,460	-	1,373	15,833	-
Simon Taylor ⁴	12,329	-	1,171	13,500	-
	239,655	36,345	19,631	295,631	12%

¹ Gary Comb appointed on 14 June 2019 and the remuneration is from the date appointed.

² Barry Cahill appointed on 14 June 2019 and the remuneration is from the date appointed.

³ Marcello Cardaci resigned on 10 July 2019.

⁴ Simon Taylor resigned on 14 June 2019.

⁵ Other benefit payments related to statutory superannuation.

⁶ These values relate to performance rights issued during the 2019 and 2020 years and have been derived using valuation techniques and inputs as set out in Note 12(d).

Shareholdings of Directors

The number of shares in the Company held during the year by Directors of the Company, either directly or indirectly, is set out below. There were no shares granted during the reporting year as compensation.

2020	Balance at the start of the year or appointment	Granted during the year as compensation	On vesting of performance rights	Other changes during the year	Balance at the end of the year
Gary Comb	2,194,940	-	-	200,000	2,394,940
Barry Cahill	2,066,370	-	-	400,000	2,466,370
Nicholas Rowley	1,100,000	-	-	200,000	1,300,000

All equity transactions with Directors have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

Performance Rights of Directors

The number of performance rights in the Company issued during the year to Directors of the Company, and outstanding at balance date, is set out below.

Vesting Conditions					
2020	1	2	3	4	Total
Barry Cahill	700,000	600,000	600,000	600,000	2,500,000
Total	700,000	600,000	600,000	600,000	2,500,000

Vesting conditions

1. Completion of a transaction to acquire or earn into majority ownership interests in projects
2. Release of a Copper mineral resource of at least 125,000 tonnes
3. Announcement of a Scoping Study or the average share price of \$0.26 per share for 20 consecutive days
4. Board resolves to proceed with a Definitive Feasibility Study or the average share price of \$0.30 per share for 20 consecutive days

Vesting Conditions					
2019	1	2	3	4	Total
Nicholas Rowley	500,000	400,000	400,000	400,000	1,700,000
Barry Cahill	700,000	600,000	600,000	600,000	2,500,000
Gary Comb	700,000	500,000	500,000	500,000	2,200,000
Total	1,900,000	1,500,000	1,500,000	1,500,000	6,400,000

Vesting conditions

1. Completion of a transaction to acquire or earn into majority ownership interests in projects
2. Release of a Copper mineral resource of at least 80,000 tonnes
3. Announcement of a Scoping Study or the average share price of \$0.35 per share for 5 consecutive days
4. Board resolves to proceed with a Definitive Feasibility Study or the average share price of \$0.40 per share for 5 consecutive days

Options Affecting Remuneration

There were no options affecting remuneration in the current reporting year.

Other transactions with key management personnel

Gilbert + Tobin Lawyers, of which Marcello Cardaci is a partner received professional service fees of \$nil during the year ended 31 December 2020 (2019: \$34,621).

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms.

Additional Information

The factors that are considered to affect total shareholders' return are summarised below:

	2020	2019	2018	2017	2016
Loss attributable to owners of the company (\$)	(997,366)	(2,354,202)	(5,892,371)	(894,116)	(722,652)
Dividends paid (\$)	-	-	-	-	-
Share price at financial year end (\$)	0.2050	0.2450	0.1850	0.2650	0.2683

Total shareholders' return is not used to determine the nature and amount of remuneration as the Board does not consider that this indicator is particularly relevant in the junior resource sector which is generally speculative in nature and where exploration success cannot be assured.

While the Group's main activities relate to early stage exploration the nature and amount of remuneration cannot be related to traditional financial measures or to share price performance and shareholder value. If the Group does in due course have exploration success and proves up an economic resource and ultimately develops an economically viable mining project then it is likely that some component of the remuneration of key management personnel would relate to financial performance measures that would be expected to enhance share performance and shareholder wealth.

END OF AUDITED REMUNERATION REPORT

Signed on behalf of the Board in accordance with a resolution of the Directors.



Gary Comb
Chairman, Non-executive Director

Perth, WA
 22 March 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Continuing Operations			
Interest income		22,136	16,781
Other Income		100,000	-
Employee expenses		(733,911)	(518,232)
Management and administrative expenses		(447,855)	(398,662)
Depreciation		(40,353)	(24,280)
Share-based payments – shares issued to corporate advisor		-	(283,500)
Share-based payments – performance rights		(547,371)	(69,662)
Interest expense on lease liabilities		(3,981)	(3,263)
Unrealised foreign exchange loss		-	(317)
Loss before income tax		(1,651,335)	(1,281,135)
Income tax benefit	3	653,969	-
Net loss for the year from continuing operations		(997,366)	(1,281,135)
Discontinued Operations			
Loss after tax from discontinued operations	9	-	(1,073,067)
Net loss for the year		(997,366)	(2,354,202)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(559)	13,879
Other comprehensive (loss)/income for the year net of tax		(559)	13,879
Total comprehensive loss for the year		(997,925)	(2,340,323)
Loss per share			
Basic loss per share (cents per share)			
from continuing operations and discontinued operations	18	(1.65)	(6.40)
Basic loss per share (cents per share)			
from continuing operations	18	(1.65)	(3.48)
Diluted loss per share (cents per share)			
from continuing operations and discontinued operations	18	(1.65)	(6.40)
Diluted loss per share (cents per share)			
from continuing operations	18	(1.65)	(3.48)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Current Assets			
Cash and cash equivalents	4	5,373,820	3,466,183
Receivables	5	199,915	187,266
Current tax assets	3	653,969	-
Other assets	6	53,532	87,207
Total Current Assets		6,281,236	3,740,656
Non-Current Assets			
Right-of-use asset	7	57,830	100,587
Deferred exploration and evaluation expenditure	8	7,106,927	3,164,517
Total Non-Current Assets		7,164,757	3,265,104
Total Assets		13,445,993	7,005,760
Current Liabilities			
Trade and other payables	10	1,013,844	525,717
Lease liabilities	11	42,409	40,011
Total Current Liabilities		1,056,253	565,728
Non-Current Liabilities			
Trade and other payables	10	300,000	-
Lease liabilities	11	18,613	62,853
Total Non-Current Liabilities		318,613	62,853
Total Liabilities		1,374,866	628,581
Net Assets		12,071,127	6,377,179
Equity			
Issued capital	12	164,980,087	159,599,915
Reserves	13	3,307,678	1,996,536
Accumulated losses	14	(156,216,638)	(155,219,272)
Total Equity		12,071,127	6,377,179

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2020

	Issued capital \$	Accumulated losses \$	Share-based payment reserve \$	Foreign exchange translation reserve \$	Total \$
Balance at 1 January 2019	153,680,857	(152,865,070)	1,148,755	764,240	2,728,782
Total comprehensive loss for the year					
Loss for the year	-	(2,354,202)	-	-	(2,354,202)
Foreign currency translation	-	-	-	13,879	13,879
Total comprehensive loss for the year	-	(2,354,202)	-	13,879	(2,340,323)
Transactions with owners in their capacity as owners					
Shares issued – placements	4,560,000	-	-	-	4,560,000
Shares issued to advisor	285,000	-	-	-	285,000
Shares issued as consideration for acquisition	1,342,500	-	-	-	1,342,500
Costs of issue	(268,442)	-	-	-	(268,442)
Share based payments	-	-	69,662	-	69,662
Balance at 31 December 2019	159,599,915	(155,219,272)	1,218,417	778,119	6,377,179
Balance at 1 January 2020	159,599,915	(155,219,272)	1,218,417	778,119	6,377,179
Total comprehensive loss for the year					
Loss for the year	-	(997,366)	-	-	(997,366)
Foreign currency translation	-	-	-	(559)	(559)
Total comprehensive loss for the year	-	(997,366)	-	(559)	(997,925)
Transactions with owners in their capacity as owners					
Shares issued – placements	6,000,000	-	-	-	6,000,000
Shares issued as consideration for acquisition	400,000	-	-	-	400,000
Costs of issue	(1,019,828)	-	627,908	-	(391,920)
Share based payments	-	-	683,793	-	683,793
Balance at 31 December 2020	164,980,087	(156,216,638)	2,530,118	777,560	12,071,127

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees – continuing operations		(1,086,888)	(858,913)
Interest paid on lease liabilities		(3,981)	(3,263)
Interest received		22,136	16,781
Receipts from Government incentives		100,000	-
Net cash used in operating activities	4	(968,733)	(845,395)
Cash flows from investing activities			
Cash acquired on acquisition of subsidiary		-	4,017
Payments for exploration expenditure – continuing operations		(2,687,727)	(1,633,004)
Payments for exploration expenditure – discontinued operations		-	(127,354)
Investment in term deposit		-	(100,000)
Net cash used in investing activities		(2,687,727)	(1,856,341)
Cash flows from financing activities			
Proceeds from issue of shares		6,000,000	4,561,500
Payments for share issue costs		(396,465)	(282,476)
Payment of lease liabilities		(39,438)	(22,002)
Net cash provided by financing activities		5,564,097	4,257,022
Net increase in cash and cash equivalents		1,907,637	1,555,286
Cash and cash equivalents at the beginning of the year		3,466,183	1,910,897
Cash and cash equivalents at the end of the year	4	5,373,820	3,466,183

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

1. Corporate Information

The financial report of Cyprium Metals Limited ("Cyprium Metals" or "the Company") for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 22 March 2021.

Cyprium Metals is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company are described in the Directors' Report and Review of Operations.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements have also been prepared on a historical cost basis. The presentation currency is Australian dollars.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 20.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Cyprium Metals Limited ('the Company') and its subsidiaries as at 31 December each year ('the Group'). Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Company controls another entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-company transactions have been eliminated in full. Unrealised losses are also eliminated unless costs cannot be recovered. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position respectively.

(d) Changes in accounting policies and disclosures

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for future reporting years. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and therefore, no change will be necessary to Group accounting policies.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

(e) New standards, interpretations and amendments

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Directors have determined that there was no material impact on adoption of these new or amended Accounting Standards and Interpretations.

(f) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's controlled entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Cyprium Metals is Australian dollars. The functional currency of the Indonesian subsidiary is the US Dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at balance date;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income, as part of the gain or loss on sale where applicable.

(g) Segment Reporting

The Group determines and presents operating segments based on the information that is internally provided to the Board of Directors who are the Group's chief operating decision makers. An operating segment is a component of the Group that engages in business activities whose operating results are reviewed regularly by the Board and for which discrete financial information is available.

The Group has been involved in exploration activities in Indonesia, Canada and Australia and has three geographical operating segments, that its Board reviews to make decisions about resources to be allocated to the segment and to assess its performance. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and exploration and evaluation expenditure.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

(h) Exploration and evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of minerals resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest, the expenditure is recognised as an exploration and evaluation asset when the following is satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development. Where an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

(i) Income Tax

Income tax expense or benefit for the year is the tax payable on the current year's taxable income or loss based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Current and deferred tax expense attributable to amounts recognised directly in equity is also recognised directly in equity.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(j) Impairment of non-financial assets other than goodwill

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

A reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

(l) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

A provision for estimated credit losses is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated inclusive of the amount of GST receivable and recoverable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Intangible assets

Intangible assets relate to the option right to farm-in on exploration projects measured at cost. As costs are being incurred with respect to the option commitment, it is capitalised and recognised as an exploration and evaluation expenditure asset.

(o) Trade and other payables

Trade and other payable amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are non-interest bearing, unsecured and generally paid within 30 days of recognition. They are recognised initially at fair value less directly attributable transaction costs and subsequently at amortised cost using the effective interest rate method.

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(q) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

(r) Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and any accumulated impairment losses. The cost of self-constructed assets includes the costs of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the initial estimate, where relevant, of the costs of dismantling and removing items, restoring the site and an appropriate proportion of production overheads. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

Depreciation

Plant and equipment, motor vehicles, office equipment, and furniture are recorded at cost and are depreciated over their estimated useful economic lives to their estimated residual values using either straight line or diminishing value methods. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(s) Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses in profit or loss as incurred.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(t) Current and Non-Current Classification

Assets and liabilities are presented in the Statement of Financial Position based on a current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(u) Revenue

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(v) Earnings per share

Basic earnings/loss per share is calculated as net profit/loss attributable to members, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Employee Benefits

(i) Wages, salaries, and annual leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. The amount is measured at the amount expected to be paid, including expected on-costs, when liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

(ii) Long Service Leave

The liability for long service leave is recognised, and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, plus expected on-costs. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(x) Share based payment transactions

(i) Equity settled transactions:

The Company provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share-based payment transactions, whereby individuals render services in exchange for shares, options or rights over shares ('equity settled transactions').

The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a binomial valuation model taking into account the terms and conditions upon which the instruments were granted. The expected price volatility is based on the historic volatility of the Company's share price on the ASX.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Cyprium Metals ('market conditions'). The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 18).

(ii) Cash settled transactions:

The Company may also provide benefits to employees in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of the Company. The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the year until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

(y) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Share-Based Payments:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial valuation model, using the assumptions detailed in Note 12.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using a binomial valuation model taking into account the terms and conditions upon which the instruments were granted.

Deferred Tax

In accordance with the Group's accounting policies for deferred taxes, a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about commodity prices, ore reserves, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

The Group has not recognised a net deferred tax asset for temporary differences and tax losses as at 31 December 2020 on the basis that the ability to utilise these temporary differences and tax losses cannot yet be regarded as probable.

Deferred Exploration and Evaluation Expenditure

Deferred exploration and evaluation expenditure has been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the year in which this determination is made.

(z) Going concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

	2020 \$	2019 \$
3. Income Tax		
(a) Income tax expense		
<i>Numerical reconciliation of income tax expense to prima facie tax payable:</i>		
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:		
Loss before income tax expense	(1,651,335)	(2,354,202)
Tax at the Australian rate of 30% (2019: 30%)	(495,401)	(706,261)
Share issue costs	(62,717)	(31,649)
Non-deductible impairment of exploration	-	291,894
Share-based payments	164,211	105,949
Non-assessable government allowances	(30,000)	-
Non-deductible expenses	1,469	44,245
Research and development allowances	653,969	-
Income tax benefit not brought to account	422,438	259,839
Adjustment for different tax rates	-	35,983
Income tax benefit	653,969	-
(b) Recognised tax assets and liabilities		
Current income tax asset/(liability)	653,969	-
Deferred tax assets and liabilities are attributable to the following:		
Exploration and evaluation expenditure	(1,744,157)	(552,323)
Other	(1,904)	-
Tax losses recognised	1,746,091	552,323
Net deferred tax asset/(liability)	-	-
(c) Unrecognised deferred tax assets		
<i>Deferred tax assets have not been recognised in respect of the following items:</i>		
Accruals and other payables	34,519	8,061
Share issue costs	171,853	79,550
Tax losses Cyprium Metals Limited	3,923,462	812,162
Net deferred tax asset not recognised	4,142,288	899,773

The benefit for tax losses will only be obtained if:

- the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- no changes in tax legislation in Australia adversely affect the Company in realising the benefit from the deductions for the losses.

(d) Tax consolidation

Cyprium Metals Limited and its wholly owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 January 2019. Cyprium Metals Limited is the head entity of the tax consolidated group.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

	2020	2019
	\$	\$

4. Cash and Cash Equivalents

Cash comprises:

Cash at bank and on hand	37,709	166,183
Short term deposits	5,002,111	3,300,000
	5,373,820	3,466,183

Reconciliation of operating loss after tax to net cash from operations

Loss after tax	(997,366)	(2,354,202)
Income tax benefit	(653,969)	-
<i>Non-cash and non-operating items</i>		
Exploration expenditure impaired and written off	-	972,979
Share based payments	547,371	353,162
Net exchange differences	(559)	317
Employee provisions - Indonesia	-	(71,104)
Depreciation	40,353	24,280
<i>Change in assets and liabilities</i>		
(Increase) / decrease in receivables	(3,153)	47,565
Decrease/ (increase) in other assets	33,675	(28,879)
Increase in trade and other payables	64,915	210,487
Net cash used in operating activities	(968,733)	(845,395)

Non-cash investing and financing activities

During the year ended 31 December 2020, the Company issued 2,509,750 ordinary shares as consideration for the acquisition of the Nanadie well tenement. Refer to note 8 for details of the identifiable assets and liabilities acquired.

During the year ended 31 December 2019, the Company issued 7,058,750 ordinary shares as consideration for the acquisition of Cyprium Australia Pty Ltd. Refer to note 8 for details of the identifiable assets and liabilities acquired.

5. Receivables - Current

Diesel Fuel Rebate receivable	6,345	-
GST receivable	93,570	87,266
Term deposits	100,000	100,000
	199,915	187,266

Debtors, other debtors and GST receivable are non-interest bearing and generally receivable on 30-day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

	2020	2019
	\$	\$

6. Other Current Assets

Prepayments	28,782	62,457
Security deposits	24,750	24,750
	53,532	87,207

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

	2020	2019
	\$	\$

7. Right-of-use asset

Leased premises	57,830	100,587
	57,830	100,587

Movements in right-of-use asset:

Opening balance	100,587	-
Additions on adoption of AASB 16	-	124,867
Amortisation for the year	(40,353)	(24,280)
Adjustment - transfer to provision	(2,404)	-
Closing balance	57,830	100,587

8. Deferred Exploration & Evaluation Expenditure

Exploration and Evaluation phase - at cost

Opening balance	3,164,517	946,030
Acquisition of exploration properties – current year ¹	1,388,439	1,309,026
Exploration expenditure written off (refer to note 9)	-	(972,979)
Exploration and evaluation expenditure incurred during the year	2,553,971	1,882,440
Closing balance	7,106,927	3,164,517

¹ In September 2020, the Group acquired a 100% interest in the Nanadie Well Copper-Gold Project from Horizon Minerals Limited ("Horizon"), which has been accounted for as an asset acquisition.

The following up-front consideration was paid by Cyprium to Horizon:

- \$250,000 cash; and
- \$400,000 of CYM shares (2,509,750 fully paid ordinary shares) based on a 20-day VWAP.

The following deferred consideration will be payable by Cyprium to Horizon:

- \$350,000 of CYM shares based on a 20-day VWAP and issued in 12 months (refer to Note 10);
- \$300,000 of CYM shares based on a 20-day VWAP and issued in 24 months (refer to Note 10); and
- \$200,000 of CYM shares based on a 20-day VWAP upon a decision to mine (this portion of the consideration has not been booked yet as the Directors consider it too early to determine that this is payable).

In June 2019, the Group acquired 100% of the share capital of Cyprium Australia Pty Ltd, which holds rights to earn-in and joint venture for an 80% interest in the non-gold rights over the tenements at the Cue Copper-Gold Project in Western Australia. This acquisition did not constitute a business combination and the cost of the acquisition have been allocated to the individual identifiable assets and liabilities on the basis of their respective fair values.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

The identifiable assets acquired upon the acquisition of Cyprium Australia Pty Ltd is as follows:

	\$
Purchase consideration:	
7,058,750 Ordinary shares	1,342,500
Identifiable assets/(liabilities) acquired:	
Cash	4,017
Exploration properties	1,309,026
Other assets	29,457
	1,342,500

9. Discontinued Operations

The Manitou Gold Project tenements held by the Company in North-western Ontario Canada reduced from 245 km² to 5 km² during the year ended 31 December 2019. The Board has impaired the fair value of the Canadian assets to \$nil as at 31 December 2019. An amount of \$972,979 relating to previously capitalised exploration expenditure forms part of the discontinued operation in the previous period. In addition, \$100,088 of exploration costs relating to the Trenggalek Project had also been allocated to discontinued operations in the Statement of Profit or Loss and Other Comprehensive Income in the previous period.

	2020 \$	2019 \$
Manitou Gold Project	-	972,979
Trenggalek Project	-	100,088
Loss after tax from discontinued operations	-	1,073,067

10. Trade and Other Payables

Current:		
Trade payables and accrued expenses	466,926	413,120
Other consumption taxes payable	196,918	112,597
Deferred consideration (refer to note 8)	350,000	-
	1,013,844	525,717
Non-current:		
Deferred consideration (refer to note 8) ¹	300,000	-
	300,000	-

¹This portion of the consideration has not been discounted to present values as the effect would be immaterial.

Trade creditors and other creditors are non-interest bearing and generally payable on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

11. Lease liabilities

Leased premises – current	42,409	40,011
Lease premises - non-current	18,613	62,853
	61,022	102,864
<i>Movement in lease liabilities</i>		
Opening balance	102,864	-
Additions on adoption of AASB 16	-	124,867
Adjustment – transfer to right-of-use asset	(2,404)	-
Principal repayments	(39,438)	(22,003)
Closing balance	61,022	102,864

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

	2020	2019
	\$	\$
12. Issued Capital		
(a) Issued and paid-up capital		
Issued and fully paid	164,980,087	159,599,915

	31 December 2020		31 December 2019	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
Opening Balance	56,059,482	159,599,915	25,250,732	153,680,857
Shares issued and fully paid	-	-	-	-
Shares issued as consideration for acquisition ¹	2,509,750	400,000	7,058,750	1,342,500
Shares issued - placements	39,999,982	6,000,000	22,250,000	4,560,000
Shares issued to corporate advisor ²	-	-	1,500,000	285,000
Transaction costs on share issues ³	-	(1,019,828)	-	(268,442)
	98,569,214	164,980,087	56,059,482	159,599,915

¹ 2,509,750 fully paid ordinary shares were issued to Horizon Minerals Limited for the acquisition of the Nanadie Well Copper Project in September 2020 (refer to note 8).

7,058,750 fully paid ordinary shares were issued to the vendors of Cyprium Australia Pty Ltd and Musgrave Minerals Limited for the acquisition of the Cue Copper-Gold Project in Western Australia in June 2019 (refer to Note 8).

² As approved at the Company's Annual General Meeting on 29 May 2019, 1,500,000 fully paid ordinary shares were issued to a corporate advisor for consideration received of \$1,500. These shares were valued at the Company's share price at that time. The value above the consideration received, namely \$283,500 has been recorded as a share-based payment.

³ As approved at the Company's General Meeting on 3 December 2020, a total of 6,000,000 options were issued to the Joint Lead Managers for a Placement of 33.3 million ordinary shares. These options were valued at \$627,908 which has been recorded as a share issued cost (also refer to note 12(e)).

(c) Performance Shares

As at 31 December 2020, there were nil performance shares on issue. The remaining Manitou Gold Project tenements of 5 km² in North-western Ontario Canada were relinquished during 2020, consequently 1,030,000 performance shares lapsed.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

(d) Performance Rights

As approved at the Company's Annual General Meeting on 29 May 2019, the following performance rights were issued under the Company's Incentive Performance Rights Plan to directors (or their associates) (6,400,000 in June 2019) and senior management (6,000,000 in July 2019). These rights are exercisable at nil cost and expire during June and July 2024 respectively:

Vesting Conditions					
	1	2	3	4	Total
Nicholas Rowley	500,000	400,000	400,000	400,000	1,700,000
Barry Cahill	700,000	600,000	600,000	600,000	2,500,000
Gary Comb	700,000	500,000	500,000	500,000	2,200,000
Other	1,875,000	1,375,000	1,375,000	1,375,000	6,000,000
Total	3,775,000	2,875,000	2,875,000	2,875,000	12,400,000

Vesting conditions

1. Completion of a transaction to acquire or earn into majority ownership interests in projects
2. Release of a Copper mineral resource of at least 80,000 tonnes
3. Announcement of a Scoping Study or the average share price of \$0.35 per share for 5 consecutive days
4. Board resolves to proceed with a Definitive Feasibility Study or the average share price of \$0.40 per share for 5 consecutive days

The performance rights which are subject to vesting conditions 1 and 2 above are valued at \$0.19 each, being the Company's share price at the date of the Company's AGM held on 29 May 2019. The value of these rights are being brought to account as the Directors consider that these vesting conditions are probable of being achieved. At this stage of the Company's development, the Directors consider it appropriate to bring the value of these rights to account. The performance rights which are subject to vesting conditions 3 and 4 above are valued at \$0.124 and \$0.119 each respectively. These valuations are based on a binomial valuation model using the following major inputs:

- Share price at date of approval \$0.19
- Risk free interest rate 1.18%
- Volatility 70.9%
- Expiry date June and July 2024

The value of these rights are brought to account over the vesting period. The expense recorded in the current year was \$538,324, of which \$277,844 related to key management personnel.

As approved at the Company's Annual General Meeting on 28 May 2020, the following performance rights were issued under the Company's Incentive Performance Rights Plan to directors (or their associates) (2,500,000 in May 2020) and senior management (7,100,000 in May 2020). These rights are exercisable at nil cost and expire during May 2025:

Vesting Conditions					
	1	2	3	4	Total
Barry Cahill	700,000	600,000	600,000	600,000	2,500,000
Other	2,225,000	1,625,000	1,625,000	1,625,000	7,100,000
Total	2,925,000	2,225,000	2,225,000	2,225,000	9,600,000

Vesting conditions

1. Completion of a transaction to acquire or earn into majority ownership interests in projects
2. Release of a Copper mineral resource of at least 125,000 tonnes
3. Announcement of a Scoping Study or the average share price of \$0.26 per share for 20 consecutive days
4. Board resolves to proceed with a Definitive Feasibility Study or the average share price of \$0.30 per share for 20 consecutive days

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

The performance rights which are subject to vesting conditions 1 and 2 above are valued at \$0.15 each, being the Company's share price at the date of the Company's AGM held on 28 May 2020. The value of these rights are being brought to account as the Directors consider that these vesting conditions are probable of being achieved. At this stage of the Company's development, the Directors consider it appropriate to bring the value of these rights to account. The performance rights which are subject to vesting conditions 3 and 4 above are valued at \$0.111 and \$0.102 each respectively. These valuations are based on a binomial valuation model using the following major inputs:

- Share price at date of approval \$0.15
- Risk free interest rate 0.41%
- Volatility 110.2%
- Expiry date May 2025

The value of these rights are brought to account over the vesting period. The expense recorded in the current year was \$145,469, of which \$37,883 related to key management personnel.

(e) Options

During the year, 6,000,000 options exercisable at \$0.30 each with an exercise period to December 2022, were issued on 11 December 2020 to the Joint Lead Managers for a Placement of 33.3 million ordinary shares, as approved at the Company's General Meeting on 3 December 2020. These options were valued at 0.105 each or \$627,908 in total. The valuation is based on a binomial valuation model using the following major inputs:

- Share price at date of approval \$0.22
- Risk free interest rate 0.09%
- Volatility 106.0%
- Expiry date December 2022

	2020 \$	2019 \$
13. Reserves		
Foreign exchange translation reserve	777,560	778,119
Share-based payment reserve	2,530,118	1,218,417
	3,307,678	1,996,536
Movements in Reserves		
<i>Foreign exchange translation reserve</i>		
Opening balance	778,119	764,240
Foreign exchange translation difference	(559)	13,879
Closing balance	777,560	778,119

The foreign exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Share-based payment reserve

Opening balance	1,218,417	1,148,755
Share issue costs (refer to note 12)	627,908	-
Share based payments	683,793	69,662
Closing balance	2,530,118	1,218,417

The share-based payments reserve relates to the cumulative expense for share options granted to directors, employees and contractors in prior periods and performance rights granted to directors and employees and options to the Joint Lead Managers in the current year. Upon the exercise of the options or conversion of the performance rights, the balance of the reserve relating to those securities is transferred to issued capital.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

	2020	2019
	\$	\$

14. Accumulated Losses

Movements in accumulated losses were as follows:

Opening balance	(155,219,272)	(152,865,070)
Loss for the year	(997,366)	(2,354,202)
Closing balance	(156,216,638)	(155,219,272)

15. Directors and Key Management Personnel Disclosures

(a) Remuneration of Directors and Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and key management personnel of the Company for the financial year are as follows:

Short-term employee benefits	406,820	239,655
Share-based payments	315,727	36,345
Other benefits	35,228	19,631
Total remuneration	757,775	295,631

16. Related Party Disclosures

(a) Key management personnel

For Director related party transactions please refer to note 15 "Key Management Personnel Disclosures".

Subsidiaries

The consolidated financial statements include the financial statements of Cyprium Metals Limited and the following subsidiaries:

Name of Entity	Country of Incorporation	Equity Holding	
		2020	2019
Cyprium Australia Pty Ltd	Australia	100%	100%
Cyprium Services Pty Ltd	Australia	100%	-
GNR Minerals Pty Ltd	Australia	-	100%
PT Indonusa Mining Services	Indonesia	100%	100%

	2020	2019
	\$	\$

17. Auditor's Remuneration

Audit services:

Amounts received or due and receivable by the auditors of the parent company

HLB Mann Judd:

- Audit and review of financial reports	32,711	36,680
	32,711	36,680

18. Loss per Share

Loss used in calculating basic and diluted EPS:

From continuing and discontinued operations	(997,366)	(2,354,202)
From continuing operations	(997,366)	(1,281,135)

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

	Number of Shares	Number of Shares
Weighted average number of ordinary shares to calculate basic loss per share	60,464,278	36,761,852
Basic loss per share (cps) from continuing and discontinued operations	(1.65)	(6.40)
Basic loss per share (cps) from continuing operations	(1.65)	(3.48)
Weighted average number of ordinary shares to calculate diluted loss per share	60,464,278	36,761,852
Diluted loss per share (cps) from continuing and discontinued operations	(1.65)	(6.40)
Diluted loss per share (cps) from continuing operations	(1.65)	(3.48)

19. Financial Risk Management

Exposure to foreign currency risk, credit risk, liquidity risk and interest rate risk arises in the normal course of the Company's business. The Company uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The responsibility for liquidity risk management rests with the Board of Directors. Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. The Directors expect that present levels of liquidity along with future capital raising will be adequate to meet expected capital needs.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Company manages the risk by investing in short term deposits.

	2020 \$	2019 \$
Cash and cash equivalents	5,373,820	3,466,183

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's Statement of Profit or Loss and Other Comprehensive Income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	Effect on Post Tax Loss (\$)	Effect on equity including Accumulated losses (\$) Increase/(Decrease)	Effect on Post Tax Loss (\$)	Effect on equity including Accumulated losses (\$) Increase/(Decrease)
	2020		2019	
Increase 75 basis points	40,304	40,304	25,996	25,996
Decrease 75 basis points	(40,304)	(40,304)	(25,996)	(25,996)

A sensitivity of 75 basis points has been used as this is considered reasonable given the current level of both short term and long-term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

(c) Credit Risk Exposures

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's maximum credit exposure is the carrying amounts on the statement of financial position. The Company holds financial instruments with credit worthy third parties. At 31 December 2020, the Company held cash at bank with all of the Company's cash being held in financial institutions with a rating from Standard & Poors of AA or above (long term). The Company has no past due or impaired debtors as 31 December 2020.

(d) Fair value measurement

The Directors consider that the carrying value of current receivables and current payables approximate their fair values.

20. Parent Entity Information

The following details information related to the parent entity, Cyprium Metals Limited, at 31 December 2020. The information presented has been prepared using consistent accounting policies with those presented in note 2.

	2020	2019
	\$	\$
Current assets	6,255,522	3,627,016
Total assets	13,397,235	6,804,358
Current liabilities	(1,013,571)	(438,669)
Total liabilities	(1,313,571)	(438,669)
Net assets	12,083,664	6,365,689
Issued capital	165,607,995	159,599,915
Reserves	1,902,210	1,218,417
Accumulated losses	(155,426,541)	(154,452,643)
Total Equity	12,083,664	6,365,689
Loss of the parent entity	(998,899)	(2,399,235)
Total comprehensive loss of the parent entity	(998,899)	(2,399,235)

Other Commitments

The Company had no commitments as at 31 December 2020.

Contingent Liabilities

The Company had no contingent liabilities as at 31 December 2020.

21. Contingent Assets and Liabilities

There are no known contingent assets or liabilities as at 31 December 2020 (2019: nil).

22. Dividends

No dividend was paid or declared by the Company in the year ended 31 December 2020 or the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 31 December 2020.

23. Segment Information

The Group has identified its operating segments based on the internal reports that are reported to the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Group operates predominately in one industry, being the exploration of mineral resources. The main geographic areas that the entity operated in during the year are Australia, Canada and Indonesia.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

The following table present revenue, expenditure and certain asset and liability information regarding geographical segments for the year ended 31 December 2020 and 31 December 2019:

31 December 2020	Continuing Operations Australia / Corporate \$	Discontinued Operations Canada \$	Discontinued Operations Indonesia \$	Total \$
Interest income	22,136	-	-	22,136
Other Income	100,000	-	-	100,000
Segment income	122,136	-	-	122,136
Employee expenses	(733,911)	-	-	(733,911)
Other expenses	(917,414)	-	-	(917,414)
Income tax benefit	653,959	-	-	653,959
Loss for the year after tax	(997,366)	-	-	(997,366)
Asset and liabilities				
Segment assets	13,445,993	-	-	13,445,993
Segment liabilities	(1,374,866)	-	-	(1,374,866)
Other Information				
Acquisition of non-current assets:				
Exploration and evaluation expenditure	1,934,374	-	-	1,934,374

31 December 2019	Continuing Operations Australia / Corporate \$	Discontinued Operations Canada \$	Discontinued Operations Indonesia \$	Total \$
Interest income	16,781	-	-	16,781
Segment income	16,781	-	-	16,781
Employee expenses	(518,232)	-	-	(518,232)
Exploration expenditure	-	-	(100,088)	(100,088)
Other expenses	(762,586)	-	-	(762,586)
Exploration asset impairment	-	(972,979)	-	(972,979)
Unrealised foreign exchange loss	(317)	-	-	(317)
Loss for the year after tax	(1,281,135)	(972,979)	(100,088)	(2,354,202)
Asset and liabilities				
Segment assets	7,005,760	-	-	7,005,760
Segment liabilities	(628,581)	-	-	(628,581)
Other Information				
Acquisition of non-current assets:				
Exploration and evaluation expenditure	3,164,517	-	-	3,164,517
Right-of-use asset	124,867	-	-	124,867

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

24. Significant Events after the Reporting Date

On 10 February 2021, the Company announced it had entered into a Share Sale Agreement with Metals X Limited to acquire its 100% owned entity Paterson Copper Pty Ltd, the owner of the Nifty Copper Mine, Maroochydore Copper Project and the Paterson Exploration Project, which includes the farm-in agreement with IGO Limited (together "Copper Assets") (the "Transaction").

The Transaction and development of the Copper Assets is to be funded from existing cash reserves and a \$90 million Placement. The Company has received binding commitments for the Placement from professional and sophisticated investors in Australia and eligible investors in certain overseas jurisdictions.

The Placement will result in the issue of approximately 450 million fully paid ordinary shares in the Company at an offer price of \$0.20 per Share. The Placement is being made subject to approval by the Company's shareholders.

As the acquisition is not yet complete at the date of issue of this financial report, the Group is not required to disclose information as required by AASB 3 Business Combinations. Once the acquisition is complete, the Directors will determine whether the acquisition constitutes a business combination, and if it does, the Group will then be required to attend to the accounting for the business combination.

There are no other significant events subsequent to the end of the financial year to the date of this report that are required to be disclosed.

Directors' Declaration

In accordance with a resolution of the Directors of Cyprium Metals Limited, I state that:

1. In the opinion of the Directors:

- a) the financial statements and notes of Cyprium Metals Limited for the year ended 31 December 2020 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with sections of 295A of the Corporations Act 2001 for the financial year ended 31 December 2020.

On behalf of the Board



Gary Comb
Chairman, Non-Executive Director

Perth, WA
22 March 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Cyprium Metals Limited for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
22 March 2021



L Di Giallonardo
Partner

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INDEPENDENT AUDITOR'S REPORT

To the members of Cyprium Metals Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of Cyprium Metals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter

How our audit addressed the key audit matter

Carrying value of Deferred Exploration and Evaluation Expenditure (Refer to Note 8)

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises acquisition costs of rights to explore as well as subsequent exploration and evaluation expenditure and applies the cost model after recognition.

Our audit focussed on the Group's assessment of the carrying amount of the deferred exploration and evaluation expenditure, because this is a significant asset of the Group. We planned our work to address the audit risk that the capitalised expenditure might no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the deferred exploration and evaluation expenditure may exceed its recoverable amount.

Our procedures included but were not limited to the following:

- We obtained an understanding of the key processes associated with management's review of the carrying values of deferred exploration and evaluation expenditure;
- We considered the Directors' assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its areas of interest;
- We examined the exploration budget for the year ending 31 December 2021 and discussed with management the nature of planned ongoing activities;
- We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and
- We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Cyprium Metals Limited for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 March 2021



L D Giallonardo
Partner

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 19 March 2021.

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	316	102,860
1,001 - 5,000	296	836,518
5,001 - 10,000	165	1,366,773
10,001 - 100,000	389	15,809,004
100,001 - and over	172	80,454,059
TOTAL	1,338	98,569,214

There were 371 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Share Holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Shares	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,836,072	6.94
ARALAD MANAGEMENT PTY LTD <THE TRK SUPER FUND A/C>	2,700,000	2.74
HORIZON MINERALS LIMITED	2,509,750	2.55
PERSHING AUSTRALIA NOMINEES PT Y LTD <ACCUM A/C>	2,304,240	2.34
BNP PARIBAS NOMINEES PTY LTD	2,145,666	2.18
KYRIACO BARBER PTY LTD	2,016,110	2.05
BLUEDALE PTY LTD <COMB SUPERANNUATION FUND A/C>	1,676,190	1.7
MR MICHAEL HSIAU YUN LAN	1,625,684	1.65
MUSGRAVE MINERALS LIMITED	1,308,750	1.33
JET CAPITAL PTY LTD <THE JET CAPITAL A/C>	1,300,000	1.32
CITICORP NOMINEES PTY LIMITED	1,206,976	1.22
RMVW PTY LTD <RMVW FAMILY A/C>	1,200,000	1.22
RMVW PTY LTD <RMVW FAMILY A/C>	1,187,500	1.2
BIG BEAR NOMINEES PTY LTD <BIG BEAR FAMILY A/C>	1,178,750	1.2
ILWELLA PTY LTD <NO 2 A/C>	1,100,000	1.12
BOTSIS HOLDINGS PTY LTD	1,083,333	1.1
SLAM CONSULTING PTY LTD	1,000,000	1.01
DURBECK PTY LTD <DURBECK SUPER FUND A/C>	1,000,000	1.01
MR WAYNE FRANK APTED	1,000,000	1.01
RED PUMA PTY LTD	1,000,000	1.01
	35,379,021	35.89

Substantial Shareholders

The names of substantial Shareholders who have notified the Company in accordance with Section 671B of the Corporations Act are:

Beneficial Owner	# of Shares*	%*	Date
Ilwella Pty Ltd	5,880,952	5.97	15.12.2020

* Figures as reported on the last Substantial Shareholder notice received by the Company.

On-Market Buy Back

There is no current on-market buy back.

Voting Rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Use of Proceeds

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the financial year ended 31 December 2020.

ASX Additional Information

Share Options

As at the date of this report, there were 6,000,000 options exercisable at \$0.30 each, with an exercise period to December 2022.

Performance Rights

As at the date of this report, there were 22,000,000 performance rights on issue. The details of the performance shares are as follows:

Performance Condition	Number
Completion of a transaction to acquire or earn into majority ownership interests in projects with exploration and mining tenements	3,775,000
Announcement of the delineation of 80,000t of contained copper (within any Mineral Resource category) upon the Projects	2,875,000
Each Performance Right will vest upon the earlier of: <ul style="list-style-type: none"> Announcement of a Scoping Study that confirms the positive economics of the Projects; or The volume weighted average price of the Shares equals or exceeds \$0.35 per Share for 5 consecutive trading days 	2,875,000
Each Performance Right will vest upon the earlier of: <ul style="list-style-type: none"> Board approval to Proceed with a Project Definitive Feasibility Study; or The volume weighted average price of the Shares equals or exceeds \$0.40 per Share for 5 consecutive trading days 	2,875,000
Total expiring in June and July 2024	12,400,000

Performance Condition	Number
Completion of a transaction to acquire or earn into majority ownership interests in projects with exploration and mining tenements	2,925,000
Announcement of the delineation of 125,000t of contained copper (within any Mineral Resource category) upon the Projects	2,225,000
Each Performance Right will vest upon the earlier of: <ul style="list-style-type: none"> Announcement of a Scoping Study that confirms the positive economics of the Projects; or The volume weighted average price of the Shares equals or exceeds \$0.26 per Share for 20 consecutive trading days 	2,225,000
Each Performance Right will vest upon the earlier of: <ul style="list-style-type: none"> Board approval to Proceed with a Project Definitive Feasibility Study; or The volume weighted average price of the Shares equals or exceeds \$0.30 per Share for 20 consecutive trading days 	2,225,000
Total expiring in May 2025	9,600,000

About Cyprium Metals and Schedule of Tenements

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: MGX) 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 MGX 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

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/>).

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: MGX) 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%