



Interim Financial Report

30 June 2021

ABN 48 002 678 640

cypriummetals.com

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CORPORATE DIRECTORY

Directors

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

Auditors

HLB Mann Judd
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 Perth WA 6000

Company Secretary

Wayne Apted

Website

www.cypriummetals.com

Registered Office & Principal Place of Business

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 Telephone: +61 8 6374 1550

Share Registry

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 Telephone: 1300 288 664 or +61 2 9698 5414

Stock Exchange

Australian Securities Exchange
 ASX Code: CYM

Overview

Cyprium Metals Limited (ASX: CYM) ("Cyprium") is a copper development company with a portfolio of advanced stage exploration and development projects located in Western Australia. Cyprium's current portfolio of assets includes >1.3Mt of contained copper and >100koz of contained gold.

We conduct our activities with integrity, striving to balance the economic, environmental and social considerations to create value for the mutual benefit of all stakeholders. Cyprium's preferred processing methodology, heap leach, reduces the environmental footprint of copper mines. The production of LME Grade A copper cathode onsite eliminates the need for further downstream processing associated with copper concentrate production and also benefits from reduced transportation costs due to lower shipping volumes.

Cyprium is focused on delivering an expedited development timeframe of its flagship Nifty Copper Mine, with first copper production expected in late 2022 / early 2023. Cyprium's project portfolio provides several advanced stage opportunities that are also potential production assets, which will enable Cyprium to continue growing into a multi-asset, mid-tier copper producer.

Cyprium's current portfolio includes:

- Nifty Copper Mine (100%), an advanced re-start heap-leach project;
- Maroochydore Copper Project (100%), one of Australia's largest undeveloped copper deposits;
- Paterson Exploration Project (100%, diluting to 30%), a highly prospective tenement package on which IGO Ltd (ASX: IGO) is spending A\$32 million over 6.5 years to earn-in up to 70%;
- Murchison Copper Project, an early stage development opportunity that collectively refers to the:
 - Cue Copper Project (80%), containing a smaller scale, high grade copper resource; and
 - Nanadie Well Copper Project (100%), containing a larger scale, lower grade copper gold deposit.

Strategy

Core Purpose

To grow shareholder value by acquiring, advancing and developing a portfolio of projects to produce copper efficiently and sustainably, focusing on copper projects in Australia to minimise sovereign risk.

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. We minimise bureaucracy and corporate overheads by facilitating responsibility at a project level, where people are best placed to make decisions in a timely manner about the operation, reinforcing accountability across the organisation.

What we do

We use heap leach processing methods to produce copper metal cathode onsite. Cyprium is pursuing opportunities that are capable of operating in the lower half of the cost curve with a mine life of >10 years.

How we do business

We conduct our activities with integrity, balancing 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.

DIRECTORS' REPORT

The Directors present their report for Cyprium Metals Limited ("CYM", Cyprium or "the Company") and its subsidiaries ("the Group") for the 6 months ended 30 June 2021.

All amounts are expressed in Australian Dollars unless otherwise stated.

DIRECTORS

The persons who were directors of CYM during the half-year and up to the date of this report are:

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

REVIEW OF OPERATIONS

The Company has projects in the Murchison and Paterson regions of Western Australia, that are host to a number of base metals deposits with copper and gold mineralisation.



Figure 1 | Location of Murchison and Paterson Projects

Paterson Copper Projects

The acquisition of the Paterson Copper Projects from Metals X Limited was completed on 30 March 2021. This portfolio of copper projects comprises the Nifty Copper Mine, Maroochydore Copper Project and Paterson Exploration Project.

The Nifty Copper Mine ("Nifty") is located on the western edge of the Great Sandy Desert in the north-eastern Pilbara region of Western Australia, approximately 350 km southeast of Port Hedland. Nifty has 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 SX-EW plant (in care and maintenance since January 2009)
- 21 MW gas turbine power station
- Water supply and reticulation systems including bore field operation
- Full heavy vehicle workshops and accommodation village
- Fully sealed all weather airstrip

Cyprium is focussed on a heap leach SX-EW operation to retreat the current heap leach pads as well as open pit oxide and transitional material.

The Maroochydore deposit is located ~85km southeast of Nifty and includes a shallow 2012 JORC Mineral Resources of 486,000 tonnes of contained copper. The resource is in the top thirty copper resources by copper tonnes in Australia. Cyprium will conduct drilling and a metallurgical test work programmes 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.

An exploration earn-in joint venture has been entered into 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 of \$11 million over the first 3.5 years. Upon earning a 70% interest, the Joint Venture will form and IGO will free-carry Paterson Copper to the completion of a pre-feasibility Study on a new mineral discovery.

Nifty Copper Project

Cyprium is focussed on rapidly advancing Nifty towards production and completed the following works at the Nifty Copper Project:

- Mineral resource infill drilling review which has identified priority targets
- Reverse circulation sterilisation drilling to confirm location of key site infrastructure
- Trenching of heap leach pad for metallurgical test-work bulk samples
- Sonic drilling of heap leach pads to gain core samples
- 3,000m resource expansion drill program on eastern end of the open pit
- Undertake flora and fauna surveys
- Appointment of key management for site and technical roles

Other works streams currently underway include:

- Engineering report and cost estimate for replacement vs refurbishment for SX-EW plant
- 16,000m resource expansion drill program on western end of the pit
- Column test with bulk samples to optimise the metallurgical parameters
- Review of site communications and camp upgrade
- Engagement with traditional owners and government authorities

Resource Definition Drilling

A reverse circulation ("RC") drill rig was mobilised to site immediately upon Cyprium taking control of the site. The drill rig has been focused on completing several time critical activities to enable the project to move forward to construction and production.

The initial estimated RC resource drilling programme has been increased to approximately 19,000 metres. Cyprium maintains its view that more mineral resources exist higher up in the mineralised envelope of the orebody and, subject to the result of the initial programmes, will require further drilling to quantify a potential increase to the existing Nifty resource.

Eastern Drilling

An RC drilling programme of over 3,000 metres has been completed on the Eastern limb. Drilling was undertaken to increase density of existing drilling and test the potential for transitional and supergene ore extensions from the eastern end of the Nifty open pit. The previously identified oxide and transitional mineralisation is being drilled to an appropriate density to add to the base load in-situ resource for Cyprium's heap leach restart strategy.



Figure 2 | Drilling Locations and Survey Area

Western Drilling

A 16,000 metre RC drilling campaign has been undertaken to test the potential up-plunge extensions of the oxide and transitional mineralisation's at the western extremity of the Nifty open pit. Historically, mineralisation in this region has been of lower confidence, being in the inferred resource category, due to the sparse drilling density.

Sterilisation Drilling

Sterilisation drilling was undertaken on the western end of the current heap leach pad which potentially lay over a portion of the Nifty mineralisation. This drilling has now been completed with all holes intersecting the footwall sequences of the Nifty rock formations, which effectively sterilises the area. This is positive for the project as it allows the more detailed planning and investigation to be commenced on the location designated for the required infrastructure.

Metallurgical Test-work

Heap Leach Pad Drilling

A sonic drill rig was mobilised to site to obtain specialised core samples for metallurgical test-work. The rig has been very effective in producing complete core samples from the existing heap leach pads, for column leach metallurgical test-work.



Image 1 | Sonic Rig at the Heap Leach Pads



Image 2 | Metallurgical test-work sample from Sonic Rig

Diamond Drilling

A diamond rig is obtaining diamond core samples of in-situ mineralisation around the open pit for column leach tests on the copper mineralisation. Whilst over 200,000 tonnes of copper metal plate have been produced at Nifty historically and the metallurgy is well understood, it has been over a decade since new methods have been tested, particularly the unique methodology utilised by Cyprium on its Hollandaire resource. Once the diamond rig has completed the program at Nifty, it will complete some preliminary geotechnical drilling before mobilising to the Maroochydore Copper Project to drill core samples for similar metallurgical test-work.



Image 3 | Heap Leach Pads at the Nifty Copper Project

Bulk Samples

Samples taken from the trenching of the heap leach pads have been prepared to undergo laboratory column test-work leaching analysis. The initial test-work is in line with Cyprium's internal expectations for the heap leach re-treat studies. The preliminary leaching results have been excellent in the short period to date.

The initial stages of this test-work are confirming both the improved leaching rates that Cyprium's proprietary methods can produce, and the parameters used in the proof-of-concept studies.



Image 4 | Trenching of the heap leach at the Nifty Copper Project

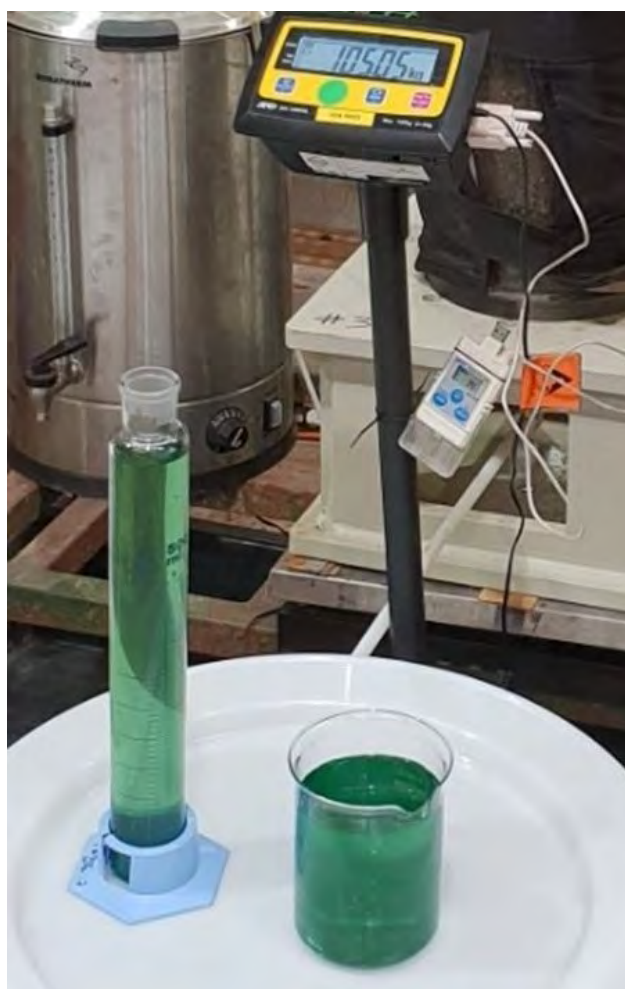


Image 5 | Copper sulphate solution from Nifty test-work column 1

Site Surveys and Studies

SX-EW Studies & Geotechnical

The studies into the SX-EW plant are ongoing, particularly regarding the determination of the full cost to the battery limits and to the timing of commissioning of either facility.

Reporting and costing of various components for inclusion in the study to finance the construction phase are continuing. Since the Heap Leach and SX-EW operations ceased, there has been material improvements in technology and process methods and Cyprium believes these will further enhance the project's value.

Site Infrastructure

Communications upgrades are underway for both mobile and satellite services. The camp refurbishment programme has been approved and a dedicated team will manage this project. Discussions are ongoing for contractor tender, selection and mobilisation. The camp upgrade will involve a mix of new and refurbished rooms with some of the older areas of the accommodation being scrapped due to the age and deteriorated condition.

Site surveys and baseline studies

Several flora and fauna surveys (part of the approval and permitting process) have been conducted. All surveys are expected to be completed and finalised in accordance with the project timeline.

Water management planning is continuing, and the reporting is expected on time, including the initial considerations of water extraction from the underground voids below the open pit.

Preliminary site visits have been conducted with government, traditional owners and investors to showcase in a broad sense the current state of the facilities and the plans for the restart of the project. All visits have been well received with follow up meetings being undertaken. Further site visits are being planned with various parties to continue to engage with stakeholders regarding our plans. The Cyprium Board has held a Board meeting on site in conjunction with a detailed site visit.



Image 6 | Commencement of the Nifty Geotechnical test pit with a 20t Excavator

Murchison Copper-Gold Projects

Cyprium has an 80% attributable interest in the Cue Copper-Gold Project, which is located ~20km to the east of Cue in Western Australia. The Cue Copper-Gold Project includes the Hollandaire Copper-Gold 2012 JORC compliant Mineral Resources of 51,500 tonnes contained copper, which is open at depth.

The Nanadie Well Project is located ~650km northeast of Perth and ~75 km southeast of Meekatharra in the Murchison District of Western Australia, within mining lease M51/887.

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.

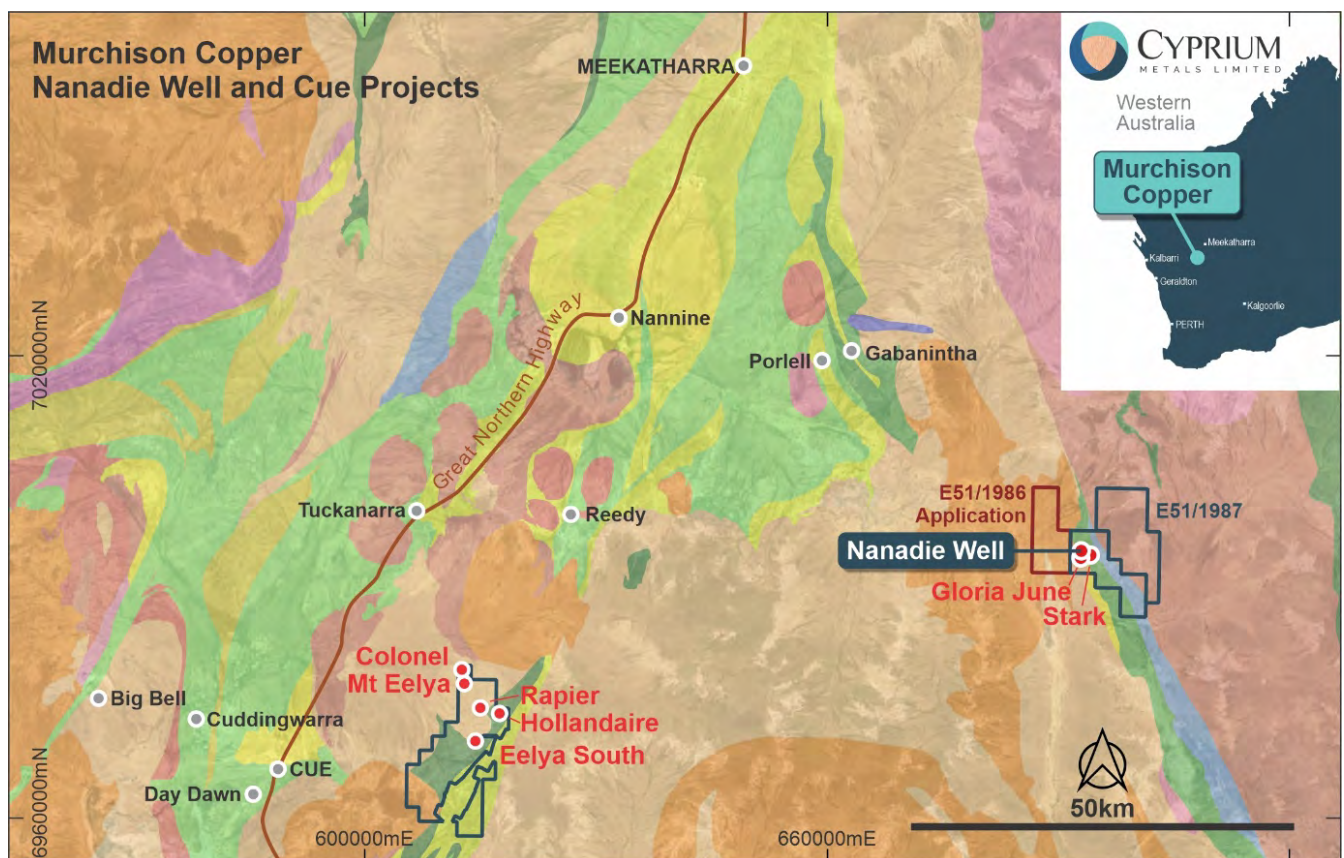


Figure 2 | Location of the Murchison Copper Project and the Nanadie Well prospect

Nanadie Well Copper-Gold Project

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 RC drillholes over a strike length of 750 metres and between 100 to 200 metres wide, to a maximum depth of 234 metres and an average depth of 100 metres, with numerous drill holes finishing in mineralisation. Higher grade mineralisation occurs as fractionated layers in the host metagabbros and metanorites.

Extensive near-surface oxide and sulphide mineralisation has been identified during drilling programmes, which is open along strike to the north and south and across strike to the west. The mineralisation does not outcrop and is covered by 1 to 25 metres of transported material. Preliminary investigations of the Nanadie Well deposit data indicates potential for oxide and sulphide mineralisation over the currently identified strike of 750 metres.

Nanadie Well Sulphide Diamond Drilling Programme

The Company's 1,328 metre Nanadie Well Phase 1 diamond drilling programme was completed during the first quarter of 2021 and was primarily designed to test the sulphide mineralisation below 50 metres depth at the deposit. The Phase 1 diamond drilling programme has consistently intersected sulphide mineralisation at shallow depths ranging from 45 metres to 341 metres downhole.

There is an extensive shallow sulphide copper-gold intersection continuing immediately below the oxide material derived from the layered mafic intrusive unit. Drillhole NWD2001 also includes a crackle breccia zone with high grade silver sulphide mineralisation which had not been previously encountered at the project and requires further analysis.

Highlights from the Diamond Drill program:

- Nanadie Well Phase 1 Diamond Drilling results from NWD2004 include:
 - 143.8m @ 0.7% Cu and 1.5g/t Ag from 25.0m including:
 - 2.5m at 2.1% Cu from 77.8m including:
 - 0.7m at 5.1% Cu from 79.5m
 - 7.9m @ 2.9% Cu from 82.1m including:
 - 5.9m @ 3.6% Cu from 82.1m including:
 - 1.0m at 10.9% Cu from 86.0m
 - 6.0m @ 2.2% Cu from 92.0m including:
 - 3.2m @ 3.9% Cu from 94.8m including:
 - 0.7m at 11.6% Cu from 94.8m
 - 25.0m @ 0.8% from 139.0m, including:
 - 3.0m @ 2.2% Cu from 161.0m including:
 - 1.0m at 4.6% Cu from 161.0m
- Nanadie Well Phase 1 Diamond Drilling results from NWD2001 include:
 - 232m @ 0.4% Cu & 0.1g/t Au from 109.0m including:
 - 10.0m at 0.7% Cu & 0.1g/t Au from 109.0m including:
 - 2.0m at 1.8% Cu & 0.2g/t Au from 116.0m
 - 1.2m at 3.1% Cu & 0.2g/t Au from 131.0m
 - 4.9m @ 1.2% Cu & 0.2g/t Au from 138.0m including:
 - 1.8m @ 2.9% Cu & 0.4g/t Au from 138.1m
 - 0.7m at 4.8% Cu & 0.2g/t Au from 188.7m
 - 12.3m @ 0.5% Cu & 0.1g/t Au from 190.1m
 - 1.4m @ 1.3% Cu & 0.3g/t Au from 228.0m
 - 9.9m @ 0.5% Cu & 0.1g/t Au from 232.2m including:
 - 0.7m @ 2.4% Cu & 0.4g/t Au from 234.4m
 - 18.0m @ 0.4% & 0.1g/t Au from 256.0m, including:
 - 0.8m @ 2.6% Cu & 0.6g/t Au from 265.1m
 - 6.0m @ 1.2% Cu & 0.2g/t Au from 276.0m including:
 - 2.6m at 2.0% Cu & 0.5g/t Au from 277.0m
 - 9.0m @ 0.4% Cu & 392g/t Ag from 303.0m including:
 - 2.0m at 0.1% Cu & 1,470g/t Ag from 306.0m

- Nanadie Well Phase 1 Diamond Drilling results from NWD2003 include:

- 180m @ 0.6% Cu and 0.2 Au g/t from 10.0m including:
 - 1.0m @ 2.2% Cu and 0.8 Au g/t from 30.0m
 - 0.7m @ 3.1% Cu and 0.3 Au g/t from 56.6m
 - 3.0m @ 1.7% Cu and 0.7 Au g/t from 87.0m
 - 5.0m @ 3.0% Cu and 0.3 Au g/t from 95.0m including:
 - 1.0m @ 3.3% Cu and 1.4 Au g/t from 96.0m
 - 1.0m @ 4.1% Cu and 0.3 Au g/t from 97.0m
 - 0.7m @ 6.6% Cu and 2.8 Au g/t from 109.3m
 - 0.8m @ 2.7% Cu and 0.9 Au g/t from 115.2m
 - 0.7m @ 2.5% Cu and 0.3 Au g/t from 123.2m
 - 24.9m @ 1.4% Cu and 0.3 Au g/t from 150.1m including:
 - 1.0m @ 5.1% Cu and 0.4 Au g/t from 155m
 - 0.7m @ 11.0% Cu and 0.8 Au g/t from 156.7m
 - 2.0m @ 2.9% Cu and 0.8 Au g/t from 160.0m
 - 2.5m @ 1.9% Cu and 0.4 Au g/t from 171.8m
 - 4.9m @ 1.2% Cu and 1.1 Au g/t from 177.2m including:
 - 2.2m @ 1.7% Cu and 2.3 Au g/t from 178.8m



Image 7 | NWD2003: 155.0m to 156.0m; 1.0m @ 5.11% Cu, 0.40 Au g/t and 8.50 g/t Ag. 156.7m to 157.4m; 1.0m @ 11.0% Cu, 0.82 Au g/t and 18.5 g/t Ag



Image 8 | NWD2003: 109.2m to 110.05m; 0.7m @ 6.58% Cu, 2.83 Au g/t and 16.5 g/t Ag



Image 9 | NWD2001: 303.0m to 312.0m; 9.0m @ 392 Ag g/t crackle breccia silver sulphide mineralisation, including 2.0m @ 1,470 Ag g/t from 306.0m.

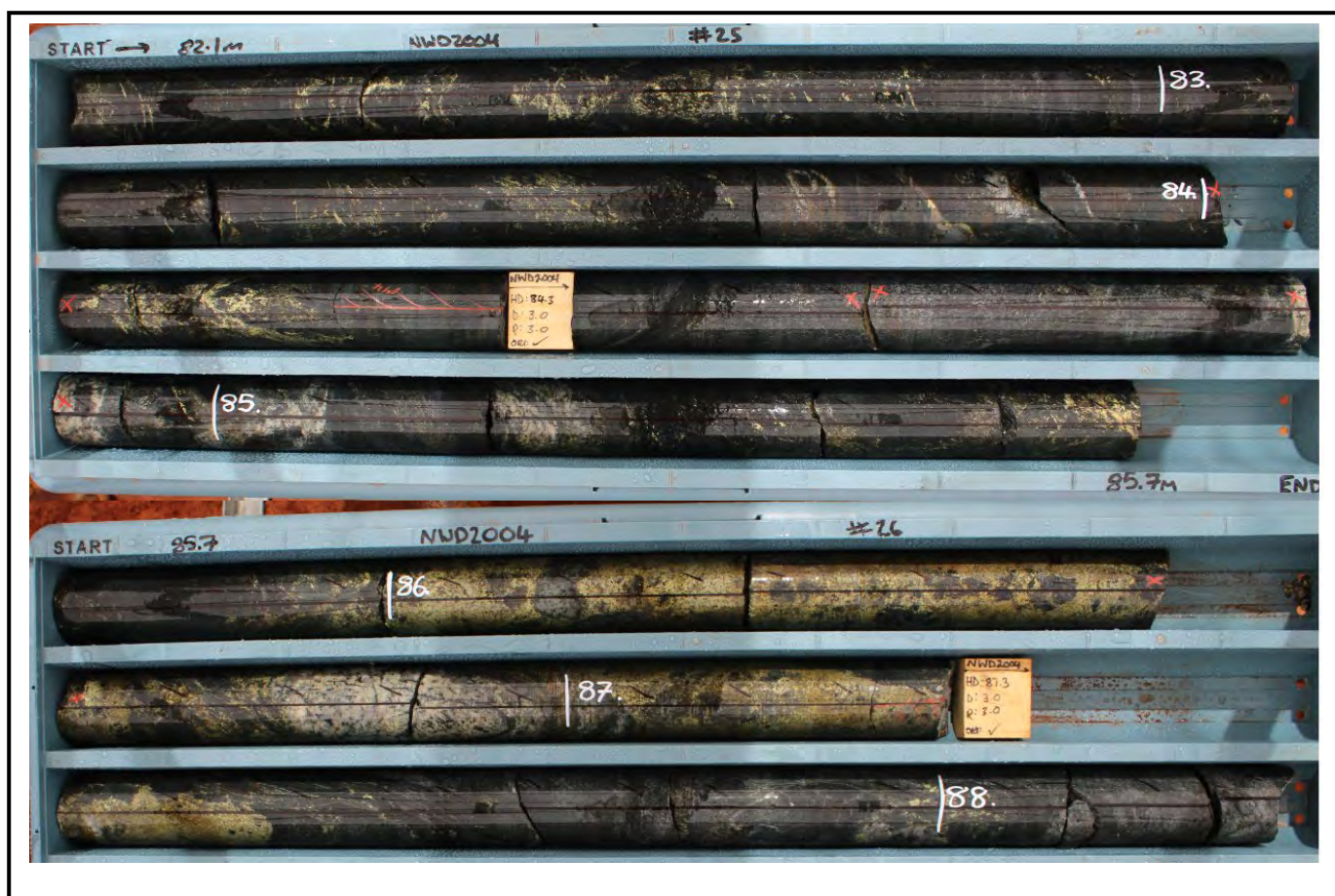


Image 10 | NWD2004: 82.1m to 88.0m; 5.9m @ 3.6% Cu chalcopyrite mineralisation, including 1.0m @ 10.9% Cu from 86.0m

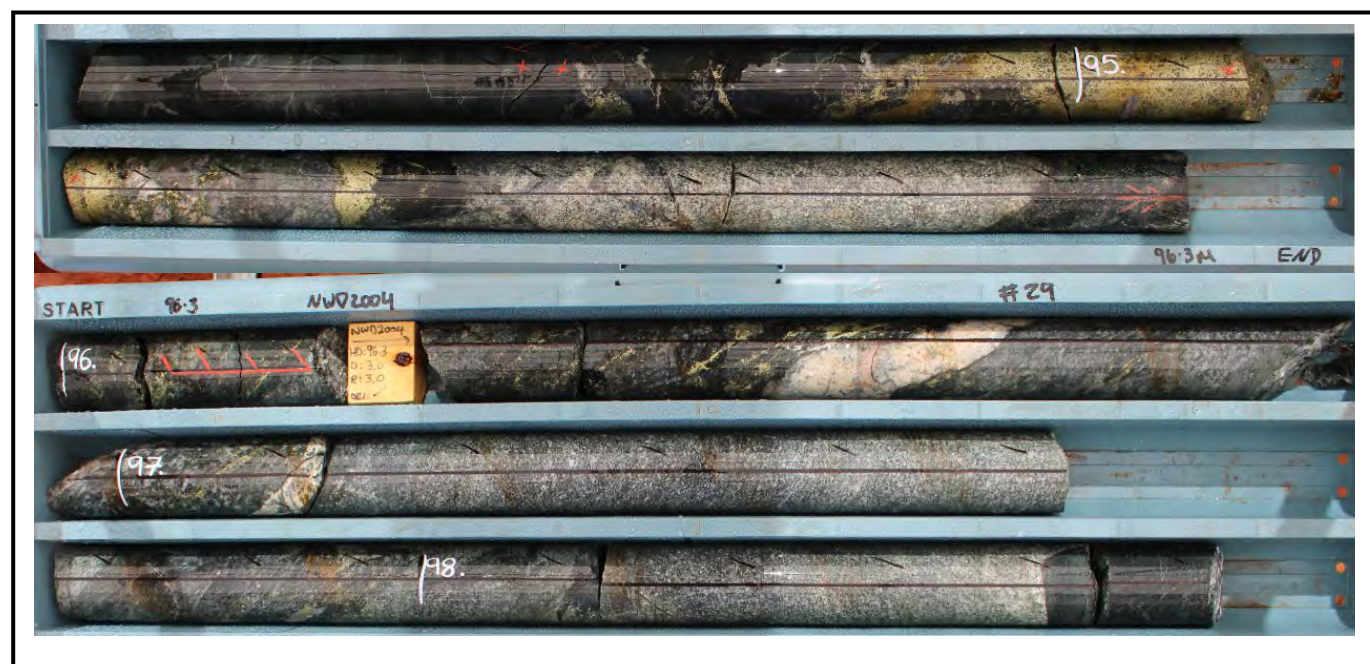


Image 11 | NWD2004: 94.8m to 98.0m; 3.2m @ 3.9% Cu chalcopyrite mineralisation including 0.7m @ 11.6% Cu from 94.8m

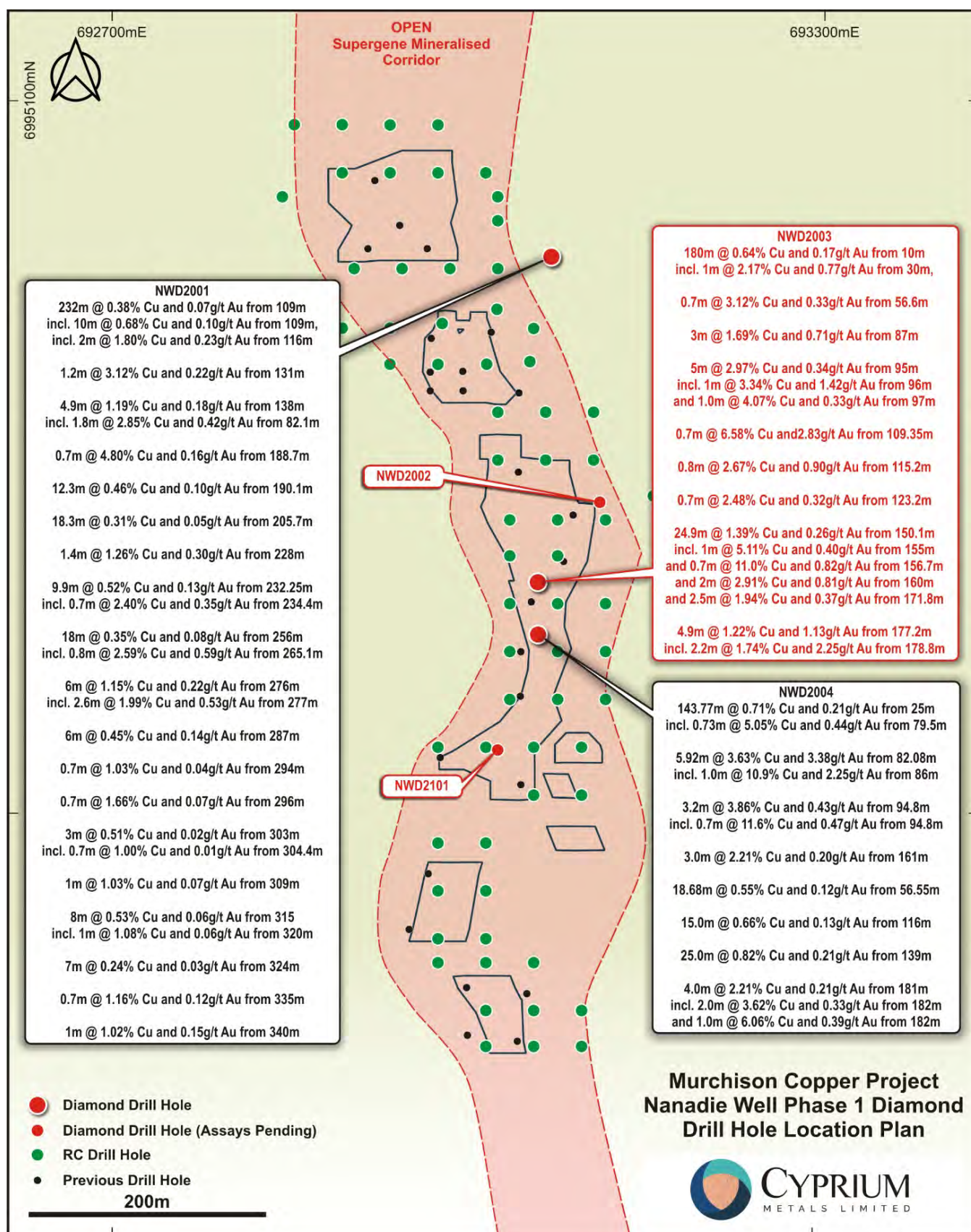


Figure 3 / Nanadie Well Phase 1 drill hole collar locations and diamond drill hole intercept highlights

Capital Structure

The capital structure of the Company is summarised as follows:

Security	Number
Fully Paid Ordinary Shares	
Issued Ordinary Shares	548,569,214
Performance Rights	
Director and employee performance rights issued at a nil exercise price and subject to performance-based vesting conditions	73,500,000
Share Options	
Unlisted share options exercisable at 31.41 cents each, expiring 30 March 2022	20,274,755
Unlisted share options exercisable at 30 cents each, expiring 11 December 2022	6,000,000
Unlisted share options exercisable at 35.51 cents each, expiring 30 March 2023	20,274,755
Convertible Notes	
Unlisted Convertible Notes at 4% per annum, maturing 30 March 2025	101,373,777*

* Note: this is the maximum number of shares that could be issued upon exercise of the Convertible Notes

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

During March 2021, CYM issued 450 million fully paid ordinary shares in the Company to institutional and sophisticated investors to raise \$90 million.

During 2021, the Company issued 16.25 million performance rights to Directors and 35.25 million performance rights to employees and contractors.

In March 2021, Cyprium acquired 100% of the shares on issue held by Metals X Limited in Paterson Copper Pty Ltd for \$24 million in cash, Convertible Notes with a face value of \$36 million and 40.6 million of unlisted share options.

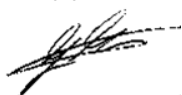
AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this Directors' Report for the half-year ended 30 June 2021.

ROUNDING

The amounts contained in this report have been rounded to the nearest \$'000 (unless otherwise stated) under the option available to the Company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Gary Comb
Chairman, Non-executive Director
 Perth, WA
 10 September 2021

Competent Persons

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

The information in this report that relates to the Nifty and Maroochydore Mineral Resources is based on information compiled by Mr Terry Burns BAppSc (Geology) GDipEd PDGeosci (Mineral Economics) GDipEng (Mining), a Competent Person who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Burns is an independent consultant to Cyprium Metals Limited and is a director of Warbrooke-Burns & Associates Pty Ltd which is the entity providing services to Cyprium Metals Limited. Warbrooke-Burns & Associates Pty Ltd is retained by Cyprium Metals Limited under industry standard commercial consulting rates. Mr Burns has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Burns consents to the inclusion in the report of the matters based on his compilation and in the form and context in which it appears.

Forward-Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning the Company's current expectations, estimates and projections about the industry in which the Company operates, and beliefs and assumptions regarding CYM's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expect", "seek", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of CYM and no assurance can be given that actual results will be consistent with these forward-looking statements.

Confirmation and Cautionary Statement

The information in this report that relates to Horizon's Mineral Resources estimates or Ore Reserves estimates is extracted from and was originally reported in Horizon's ASX announcement "Initial Resource Estimate for the Nanadie Well Cu-AU project" dated 19 September 2013. Horizon confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed. The Company confirms that the form and context of the Competent Person's findings in relation to those Mineral Resources estimates or Ore Reserves estimates have not been materially modified from the original market announcements.

The Company cautions that the Mineral Resources are not reported in accordance with the JORC Code 2012. A Competent Person has not yet done sufficient work to classify the estimates of Mineral Resources in accordance with the JORC Code 2012. It is possible that following evaluation and/or further exploration work the currently reported estimates contained in this Announcement, may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012. The Company notes that nothing has come to its attention that causes it to question the accuracy or reliability of the former owner's estimate as first announced by Horizon's ASX announcement "Initial Resource Estimate for the Nanadie Well Cu-AU project" dated 19 September 2013. The Company has not independently validated the former owner's estimates and therefore cannot be regarded as reporting, adopting or endorsing those estimates.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Cyprium Metals Limited for the half-year ended 30 June 2021, 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
10 September 2021



L Di Giallonardo
Partner

hlb.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2021

	Note	30 June 2021 \$'000	30 June 2020 \$'000
Continuing Operations			
Interest income		85	16
Employee expenses		(2,728)	(363)
Management and administrative expenses		(5,278)	(247)
Share-based payments – performance rights		(1,416)	(277)
Depreciation and amortisation		(482)	(21)
Acquisition costs		(152)	-
Unwinding of Discounting - Rehabilitation		(134)	-
Unwinding of Discounting - Convertible Notes		(818)	-
Interest expense on finance leases		(7)	(2)
Loss before income tax	3	(10,930)	(894)
Income tax expense		-	-
Net loss for the period from continuing operations		(10,930)	(894)
Net loss for the period		(10,930)	(894)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	(1)
Other comprehensive loss for the period		-	(1)
Total comprehensive loss for the period		(10,930)	(895)
Loss per share			
Basic and diluted loss per share (cents per share)		(3.29)	(1.60)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be

Condensed Consolidated Statement of Financial Position

as at 30 June 2021

	Note	30 June 2021 \$'000	31 December 2020 \$'000
Current Assets			
Cash and cash equivalents		50,618	5,374
Receivables		215	100
Inventories	4	6,497	-
Current tax assets		-	654
Prepayments		1,154	28
Total Current Assets		58,484	6,156
Non-Current Assets			
Right-of-use asset		407	58
Property, plant and equipment	5	82,559	-
Deferred exploration and evaluation expenditure	6	24,629	7,107
Other financial assets – security deposits	7	7,114	125
Total Non-Current Assets		114,709	7,290
Total Assets		173,193	13,446
Current Liabilities			
Trade and other payables	8	8,155	1,014
Lease liabilities		290	42
Total Current Liabilities		8,445	1,056
Non-Current Liabilities			
Trade and other payables	8	300	300
Lease liabilities		261	19
Convertible notes	9	28,070	-
Provisions	10	35,953	-
Total Non-Current Liabilities		64,584	319
Total Liabilities		73,029	1,375
Net Assets		100,164	12,071
Equity			
Issued capital	11	249,440	164,980
Reserves		9,123	3,308
Convertible borrowings – equity component		8,748	-
Accumulated losses		(167,147)	(156,217)
Total Equity		100,164	12,071

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

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2021

	Issued capital \$'000	Accumulated losses \$'000	Convertible borrowings – equity component \$'000	Reserves \$'000	Total \$'000
Balance at 1 January 2020	159,600	(155,219)	-	1,996	6,377
Total comprehensive loss for the period					
Loss for the period	-	(894)	-	-	(894)
Foreign currency translation	-	-	-	(1)	(1)
Total comprehensive loss for the period	-	(894)	-	(1)	(895)
Transactions with owners in their capacity as owners					
Share based payments	-	-	-	356	356
Balance at 30 June 2020	159,600	(156,113)	-	2,351	5,838
Balance at 1 January 2021	164,980	(156,217)	-	3,308	12,071
Total comprehensive loss for the period					
Loss for the period	-	(10,930)	-	-	(10,930)
Total comprehensive loss for the period	-	(10,930)	-	-	(10,930)
Transactions with owners in their capacity as owners					
Shares issued – placements	90,000	-	-	-	90,000
Convertible borrowings issued as consideration for acquisition	-	-	8,748	-	8,748
Options issued as consideration for acquisition	-	-	-	4,037	4,037
Share based payments	-	-	-	1,778	1,778
Cost of issue	(5,540)	-	-	-	(5,540)
Balance at 30 June 2021	249,440	(167,147)	8,748	9,123	100,164

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

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2021

	Note	30 June 2021 \$'000	30 June 2020 \$'000
Cash flows from operating activities			
Payments to suppliers and employees		(6,220)	(609)
Interest paid on finance leases		(7)	(2)
Receipt from income tax		654	-
Interest received		85	16
Net cash used in operating activities		(5,488)	(595)
Cash flows from investing activities			
Acquisition of plant and equipment		(785)	-
Acquisition of project	3	(24,000)	-
Payments for exploration expenditure		(1,840)	(1,360)
Payments for security deposits		(6,989)	-
Net cash used in investing activities		(33,614)	(1,360)
Cash flows from financing activities			
Proceeds from issue of shares		90,000	-
Payments for share issue costs		(5,558)	(23)
Payment of finance lease liabilities		(96)	(20)
Net cash provided by/(used in) financing activities		84,346	(43)
Net increase/(decrease) in cash and cash equivalents		45,244	(1,998)
Cash and cash equivalents at the beginning of the period		5,374	3,466
Cash and cash equivalents at the end of the period		50,618	1,468

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

Notes to the Condensed Consolidated Interim Financial Report for the six months ended 30 June 2021

1. Corporate Information

The financial report of Cyprium Metals Limited ("Cyprium Metals" or "the Company") for the half-year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 10 September 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.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the six months ended 30 June 2021 have been prepared in accordance with applicable accounting standards including AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

These interim financial statements for the six months ended 30 June 2021 do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these interim financial statements for the six months ended 30 June 2021 are to be read in conjunction with the annual financial statements for the year ended 31 December 2020 and any public announcements made by Cyprium Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(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) 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 11.

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.

Notes to the Condensed Consolidated Interim Financial Report for the six months ended 30 June 2021

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 30 June 2021 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.

Mine Rehabilitation Provision

The recognition and measurement of closure and rehabilitation provisions requires the use of significant estimates and assumptions, including, but not limited to:

- the extent (due to legal or constructive obligations) of potential activities required for the removal of infrastructure and rehabilitation activities;
- costs associated with future rehabilitation activities;
- applicable real discount rates;
- the timing of cash flows and ultimate closure of operations.

Rehabilitation activities are generally undertaken at the end of the production life at mine sites. Given the long-lived nature of the Group's assets, closure activities are not expected to occur for a significant period of time. While the closure and rehabilitation provisions reflect management's best estimates based on current knowledge and information, further studies and detailed analysis of the closure activities for individual assets will be performed as the assets near the end of their operational life and/or detailed closure plans are required to be submitted to relevant regulatory authorities. Such studies and analysis can impact the estimated costs of closure activities.

(d) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 December 2020.

(e) New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020 and corresponding half-year, with the exception of the following:

Notes to the Condensed Consolidated Interim Financial Report for the six months ended 30 June 2021

Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible notes is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, and remains in equity with no further remeasurement.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Mine Rehabilitation Provision

Closure and rehabilitation provisions are initially recognised when an environmental disturbance first occurs. The mine site provisions are an estimate of the expected value of future cash flows required to rehabilitate the relevant site using current restoration standards and techniques and taking into account risks and uncertainties. Individual site provisions are discounted to their present value using discount rates aligned to the estimated timing of cash outflows.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The closure and rehabilitation asset, recognised within property, plant and equipment, is depreciated over the life of the operations. The value of the provision is progressively increased over time as the effect of discounting unwinds, resulting in an expense recognised in net finance costs.

The closure and rehabilitation provision is reviewed at each reporting date to assess if the estimate continues to reflect the best estimate of the obligation, and if necessary, the provision is remeasured.

Changes to the closure and rehabilitation estimate for operating sites are added to, or deducted from, the related asset and amortised on a prospective basis accordingly over the remaining life of the operation, generally applying the units of production method.

Other

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(f) Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business.

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2021

3. Acquisitions

Paterson Copper Pty Ltd

In March 2021, Cyprium acquired 100% of the shares on issue held by Metals X Limited ("Metals X") in Paterson Copper Pty Ltd, which is the holder of the Copper Assets, comprising:

- Nifty Copper Mine;
- Maroochydore Copper Project; and
- Paterson Exploration Project

This acquisition did not constitute a business combination and the cost of the acquisition was allocated to the individual identifiable assets and liabilities on the basis of their respective fair values. The identifiable net assets acquired upon the acquisition of Paterson Copper Pty Ltd are as follows:

	\$'000
Identifiable assets/(liabilities) acquired:	
Inventories	6,602
Prepayments	273
Right-of-use asset	40
Deferred exploration and evaluation expenditure (refer to note 6)	15,387
Property, plant and equipment (refer to note 5)	81,661
	<u>103,963</u>
Trade and other payables	(3,933)
Lease liabilities	(174)
Provision for rehabilitation (refer to note 10)	(35,819)
Net assets	<u>64,037</u>
Purchase consideration:	
Cash	24,000
Convertible notes	36,000
Options	4,037
	<u>64,037</u>

In addition to the Purchase consideration, Cyprium also reimbursed holding costs and working capital adjustments from 1 January 2021 of \$2,568,000, which has been recognised in the Net loss for the period ended 30 June 2021. Security deposits of \$6,730,000 were also established in relation to the Nifty Copper mine.

Terms of the Convertible Notes

The Convertible Notes were issued by Cyprium on the following terms:

- 4-year maturity from the Completion Date ("Redemption Date"); and
- annual coupon of 4% to be capitalised and paid annually, payable in cash unless Metals X elects to receive the interest in fully paid ordinary shares in the capital of Cyprium ("Shares") at the Conversion Price (refer below).

The convertible notes have been accounted for as a compound financial instrument with an equity component. The fair value of the liability component of the instrument has been assessed at inception at a value of \$27,252,000 (refer to note 9) and the resulting equity component was \$8,748,000.

Redemption

To the extent all or part of the Convertible Notes are not converted or redeemed early before the Redemption Date, the Company shall pay to Metals X the principal sum and interest of the Convertible Notes on the Redemption Date.

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2021

Conversion on the Redemption Date

On the Redemption Date, Metals X may elect that each Convertible Note shall be convertible into Shares (less any amounts already repaid by the Company).

If elected to be converted by Metals X, the conversion price of the principal sum and interest of the Convertible Notes shall be A\$0.3551 per Share ("Conversion Price"), which was calculated based on the 20-day volume weighted average price ("VWAP") of the Shares on the ASX immediately prior to the Completion Date, multiplied by 1.3 (30% premium).

Early Redemption

Within twenty business days prior to each annual anniversary from the Completion Date, the Company may elect at its discretion to redeem the full or part amount of the principal sum and interest outstanding of each Convertible Note, multiplied by 1.15 (15% premium) of the principal sum ("Early Redemption Value").

Within seven business days of receipt of an early redemption notice from Cyprium, Metals X can elect instead to convert the face value and accrued interest of the Convertible Notes proposed to be redeemed early into Shares at the Conversion Price.

Options

For every five (5) Shares that could be issued on conversion of each Convertible Note, Metals X on the Completion Date was issued two (2) free attaching unlisted options ("Options") on the following terms:

- the first Option is exercisable for 1 year from the Completion Date at a 15% premium to the Company's 20-day VWAP on the ASX to the business day prior to the Completion Date; and
- the second Option is exercisable for 2 years from the Completion Date at a 30% premium to the Company's 20-day VWAP on the ASX to the business day prior to the Completion Date.

Cyprium's 20-day VWAP on the ASX to the business day prior to the Completion Date was A\$0.273 per share.

Cyprium has therefore issued Metals X:

- 20.3 million options exercisable at A\$0.3141 per option before 30 March 2022; and
- 20.3 million options exercisable at A\$0.3551 per option before 30 March 2023.

Each Share to be issued from exercise of an Option is subject to copper price adjustment factors¹, as follows:

- 1 Share for each Option if the copper price is equal to or below US\$7,000 per tonne as at the date of exercise of the Option;
- 1.1 Shares for each Option if the copper price is between US\$7,000 and US\$7,999.99 per tonne at the date of exercise of the Option;
- 1.2 Shares for each Option if the copper price is between US\$8,000 and US\$8,999.99 per tonne at the date of exercise of the Option; and
- 1.3 Shares for each Option if the copper price is above US\$9,000 per tonne at the date of exercise of the Option.

These options have been valued at \$4,037,000 using a Black and Scholes option pricing model with the following inputs:

- Share price on date of issue \$0.234 per share
- Risk free rate of 0.07%
- Volatility of 99.1%
- LME Copper price of \$8,789 per tonne with an appropriate adjustment factor

¹ All references to copper prices are to London Metals Exchange daily quoted prices.

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2021

Prior Year Acquisitions

Nanadie Well Project

In September 2020, Cyprium acquired 100% of the Nanadie Well Cu-Au Project, which is located approximately 75km to the east of Cyprium's Hollandaire copper deposits.

The up-front consideration payable by Cyprium to Horizon Minerals Limited 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 Minerals Limited:

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

	30 June 2021 \$'000	31 December 2020 \$'000
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4. Inventories

Store and spares	6,497	-
Closing balance	6,497	-

5. Property, Plant and Equipment

	Land and buildings \$'000	Mining properties and leases \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Balance at 1 January 2021	-	-	-	-	-
Acquisitions (refer to note	1,379	78,166	2,116	-	81,661
Additions	-	-	296	1,026	1,322
Depreciation	-	-	(424)	-	(424)
Balance at 30 June 2021	1,379	78,166	1,988	1,026	82,559
Cost	1,379	78,166	2,412	1,026	82,983
Accumulated depreciation	-	-	(424)	-	(424)
Balance at 30 June 2021	1,379	78,166	1,988	1,026	82,559

	30 June 2021 \$'000	31 December 2020 \$'000
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6. Deferred Exploration and Evaluation Expenditure

Exploration and Evaluation phase - at cost

Opening balance	7,107	3,165
Acquisition of exploration properties (refer to note 3)	15,387	1,388
Exploration and evaluation expenditure incurred during the period	2,135	2,554
Closing balance	24,629	7,107

7. Other financial assets

Security deposits and bank guarantees	7,114	125
	7,114	125

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2021

	30 June 2021 \$'000	31 December 2020 \$'000
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8. Trade and Other Payables

Current:

Trade payables and accrued expenses	7,332	467
Other consumption taxes payable	473	197
Deferred consideration (refer to note 3)	350	350
	8,155	1,014

Non-current:

Deferred consideration (refer to note 3)	300	300
	300	300

9. Convertible notes

Opening balance	-	-
Issued as consideration for acquisition (refer to note 3)	27,252	-
Unwinding of discounting	818	-
Closing balance	28,070	-

The parent entity issued 4% convertible notes for \$36.0 million on 30 March 2021 (refer to note 3). The notes are convertible into ordinary shares of the parent entity, at the option of the holder, or repayable on 30 March 2025. The maximum number of ordinary shares of the parent entity upon conversion is 101,373,777.

The initial fair value of the liability portion of the convertible notes was determined using a market interest rate for an equivalent non-convertible note at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the convertible notes. The remainder of the proceeds is allocated to the convertible borrowings – equity component and recognised in shareholders' equity and is not subsequently remeasured.

10. Provisions

Opening balance	-	-
Acquisitions (refer to note 3)	35,819	-
Unwinding of discounting	134	-
Closing balance	35,953	-

11. Issued Capital

(a) Issued and paid-up capital

Issued and fully paid	249,440	164,980
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	30 June 2021 Number of shares	\$'000	31 December 2020 Number of shares	\$'000
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(b) Movements in ordinary shares on issue

Opening Balance	98,569,214	164,980	56,059,482	159,600
Shares issued as consideration for acquisition ¹	-	-	2,509,750	400
Shares issued – placements ²	450,000,000	90,000	39,999,982	6,000
Transaction costs on share issues ³	-	(5,540)	-	(1,020)
	548,569,214	249,440	98,569,214	164,980

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 3).

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2021

² As approved at the Company's General Meeting on 23 March 2021, a total of 450,000,000 ordinary shares were issued in a placement to raise \$90,000,000 before issue costs.

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 \$628,000 which has been recorded as a share issue cost and included in the above total.

(c) Performance Rights

As approved at the Company's Annual General Meeting on 23 March 2021, the following performance rights were issued under the Company's Incentive Performance Rights Plan to directors (or their associates). These rights are exercisable at nil cost and expire during May 2026:

	Vesting Conditions					Total
	1	2	3	4	5	
Barry Cahill	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	6,250,000
Gary Comb	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Total	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	11,250,000

Vesting conditions

- Commence mining of the Nifty Copper open-pit
- Commissioning of the SX/EW processing plant at Nifty; or a minimum 40 cent 20-day VWAP
- Expand Cyprium's copper equivalent resource inventory to 1.5mt contained copper metal; or a minimum 45 cent 20-day VWAP
- Copper production exceeding 25,000 tonnes of contained copper metal after commencement of mining of the Nifty Copper mine; or a minimum 47.5 cent 20-day VWAP
- Cyprium's quarterly production of at least 50,000 tonnes per annum copper equivalent; or a minimum 50 cent 20-day VWAP

The performance rights which are subject to vesting condition 1 above are valued at \$0.31 each, being the Company's share price at the date of the Company's General Meeting held on 23 March 2021. At the date of this report, the Directors consider it is probable that these vesting conditions will be achieved and that it is appropriate to bring the value of these rights to account over the vesting period.

The performance rights which are subject to vesting conditions 2 to 5 above are valued at \$0.298, \$0.294, \$0.293 and \$0.291 each respectively. These valuations are based on a binomial valuation model using the following major inputs:

- Share price at date of approval \$0.31
- Risk free interest rate 0.85%
- Volatility 98.1%
- Expiry date May 2026

The total value of these rights will be brought to account over the vesting period. A total of 28,500,000 performance rights (5,700,000 for each vesting condition 1 to 5 outlined above) were issued on the same terms to Directors, employees and contractors during June 2021.

As approved at the Company's Annual General Meeting on 31 May 2021, the following performance rights were issued under the Company's Incentive Performance Rights Plan to directors (or their associates). These rights are exercisable at nil cost and expire during June 2026:

	Vesting Conditions					Total
	1	2	3	4	5	
Barry Cahill	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2021

Vesting conditions

1. Commence mining of the Nifty Copper open-pit
2. Commissioning of the SX/EW processing plant at Nifty; or a minimum 40 cent 20-day VWAP
3. Expand Cyprium's copper equivalent resource inventory to 1.5mt contained copper metal; or a minimum 45 cent 20-day VWAP
4. Copper production exceeding 25,000 tonnes of contained copper metal after commencement of mining of the Nifty Copper mine; or a minimum 47.5 cent 20-day VWAP
5. Cyprium's quarterly production of at least 50,000 tonnes per annum copper equivalent; or a minimum 50 cent 20-day VWAP

The performance rights which are subject to vesting condition 1 above are valued at \$0.335 each, being the Company's share price at the date of the Company's Annual General Meeting held on 31 May 2021. At the date of this report, the Directors consider it is probable that these vesting conditions will be achieved and that it is appropriate to bring the value of these rights to account over the vesting period.

The performance rights which are subject to vesting conditions 2 to 5 above are valued at \$0.319, \$0.314, \$0.312 and \$0.309 each respectively. These valuations are based on a binomial valuation model using the following major inputs:

- Share price at date of approval \$0.335
- Risk free interest rate 0.82%
- Volatility 85.6%
- Expiry date June 2026

The total value of these rights will be brought to account over the vesting period. A total of 23,000,000 performance rights (4,600,000 for each vesting condition 1 to 5 outlined above) were issued on the same terms to Directors, employees and contractors during June 2021.

12. Subsidiaries

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

Name of Entity	Country of Incorporation	Equity Holding
Cyprium Australia Pty Ltd	Australia	100%
Cyprium Services Pty Ltd	Australia	100%
Maroochydore Copper Pty Ltd	Australia	100%
Nifty Copper Pty Ltd	Australia	100%
Paterson Copper Pty Ltd	Australia	100%
PT Indonusa Mining Services	Indonesia	100%

13. Segment information

The Group has identified its operating segments, based on the internal reports that are reported to Executives 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 mineral resources. The main geographic area that the entity operates in, where the projects are located in and the parent entity is registered in is Australia.

14. Commitments for Exploration Expenditure

In order to maintain current rights of tenure to exploration tenements the Group will be required to outlay annual expenditures of approximately \$1.4 million in respect of exploration license rentals and to meet minimum expenditure requirements.

15. Contingent Assets and Liabilities

The Directors are not aware of any new contingent liabilities or assets as at 30 June 2021. There has been no change in contingent liabilities or assets since the last annual reporting date.

16. Dividends

No dividends have been paid or provided for during the half-year ended 30 June 2021.

Directors' Declaration

In the opinion of the Directors of Cyprium Metals Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year then ended; and
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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



Gary Comb
Chairman, Non-Executive Director

Perth, WA
10 September 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cyprium Metals Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Cyprium Metals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 30 June 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cyprium Metals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
10 September 2021



L Di Giallonardo
Partner