

CYCLONE METALS LIMITED
ACN 095 047 920

CLEANSING PROSPECTUS

For an offer of up to 20,000 Shares at an issue price of \$0.005 per Share to raise up to \$100 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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2. CORPORATE DIRECTORY

Directors

Terry Donnelly
Non-Executive Chairman

Tony Sage
Executive Director

Tim Turner
Non-Executive Director

Will Scott
Non-Executive Director

Company Secretary

Melissa Chapman

ASX Code

CLE

Website

www.cyclonemetals.com

Registered Office

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Share Registry*

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: 1300 85 05 05 (Australia)
Telephone: +61 3 9415 4000 (Overseas)

Auditors*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Lawyers*

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

3. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

3.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	15 December 2021
Opening Date	16 December 2021
Closing Date*	31 January 2022
Expected date for quotation of Shares issued under the Offer on ASX*	31 January 2022

** The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.*

3.2 Important Notes

This Prospectus is dated 15 December 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

3.4 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.5 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

3.6 Disclaimer

No person is authorised to give information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

3.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

3.8 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

Pursuant to this Prospectus and for the purposes of section 708A(11) of the Corporations Act (see section 4.4 below), the Company invites investors identified by the Directors to apply for up to 20,000 Shares at an issue price of \$0.005 per Share, to raise up to \$100 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A high-level summary of the material rights and liabilities attaching to the Shares is set out in Section 6.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

4.4 Purpose of the Offer

The Company is seeking to raise only a nominal amount of \$100 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

4.5 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have

declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.005 per Share.

Completed Application Forms and accompanying cheques, made payable to "**CYCLONE METALS LIMITED**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

4.6 Not underwritten

The Offer is not underwritten.

4.7 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.8 Issue

As noted in Section 4.4, the primary purpose of the Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Offer.

If the Directors decide to issue Shares under the Offer, the issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

4.9 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

4.10 Applicants outside Australia

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

4.11 Enquiries

Any questions concerning the Offer should be directed to Ms Melissa Chapman, Company Secretary, on +61 8 9380 9555.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date, (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$100 (before expenses) may be raised. All of the funds raised (if any) from the Offer will be applied towards the expenses of the Offer. Refer to Section 8.8 for further details relating to the estimated expenses of the Offer.

5.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue	4,890,903,649
Shares proposed to be issued as approved by shareholders as the AGM held on 30 November 2021 (resolution 13)	50,000,000
Shares proposed to be offered pursuant to a placement ¹	222,222,222
Shares offered pursuant to the Offer ²	20,000
Total Shares on completion of the Offer	5,163,145,871

Notes:

1. Refer ASX announcement 15 December 2021
2. This assumes the Offer is fully subscribed and that the Directors decide to proceed with the Offer.

Options

	Number
Unlisted Options (exercisable at \$0.005 each on or before 18 December 2021)	107,000,000
Unlisted Options (exercisable at \$0.005 each on or before 18 December 2022)	5,000,000
Unlisted Options (exercisable at \$0.006 each on or before 30 June 2023)	11,200,000
Options proposed to be offered pursuant to a placement (\$0.005 each expiring 12 months from date of issue) ¹	222,222,222
Options to be issued under the Options Offer	Nil
Total Options on issue	345,422,222

Notes:

1. Refer ASX announcement 15 December 2021

Performance Rights

	Number
Performance rights currently on issue	0
Performance rights proposed to be issued as approved by shareholders as the AGM held on 30 November 2021 (resolutions 12 and 13)	170,000,000
Performance rights offered pursuant to the Offer ²	Nil
Performance Rights on completion of the Offer	170,000,000

5.3 Financial effect of the Offer

After paying for the expenses of the Offer of approximately \$5,000, there will be no proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$100 less expenses of the Offer of \$5,000.

6. RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

6.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

6.5 Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

6.7 Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.8 Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

7.2 Company Specific Risks

Risk Category	Risk
Laws and regulations	The Company's subsidiaries are subject to laws in various jurisdictions. Existing and future legislation, regulation and actions could cause additional expense, capital expenditure and restrictions and delays in the activities of the Company, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the Company's activities or services.
Reserve and Resource Estimates	No assurance can be given that any estimated reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that it can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.

Risk Category	Risk
<p>Marampa Project Licence Status</p>	<p>During the September 2018 quarter, the Company received a letter from the Sierra Leone Ministry of Mines (MoM) informing Marampa Iron Ore (SL) Limited (Marampa SL) of the cancellation of the Marampa mining licence ML05/2014 due to the alleged non-payment of annual licence fees and renewal fees totalling approximately \$2.6 million. The most recent letter of demand in relation to the outstanding amount was received from Sierra Leone's National Revenue Authority on 16 November 2020.</p> <p>As disclosed in note 13 in the 30 June 2020 Annual Report, the Company is of the view that there is no present obligation with respect to accrued exploration license fees since 2015 for the Marampa Project due to the Company declaring force majeure and therefore the liability has been reversed in its financial statements.</p> <p>In October 2018, Marampa SL commenced legal action in Sierra Leone to challenge MoM's decision to cancel the Mining Licence, however, the Board has since agreed to place legal action on hold while it continues to liaise with representatives of MoM with respect to the reinstatement of the Mining Licence.</p> <p>While the Company is confident it will be successful in having the Mining Licence reinstated, any possible liability with respect to the accrued licence fees will only be confirmed following the resolution of this matter. Further, there is a risk that the licence may never be reinstated, or that it is reissued on terms less favourable to the Company.</p> <p>In the event that the licence is reinstated, the Company would restart operations at the Marampa Project. In such circumstances, the Company would also be exposed to the sovereign risks associated with operating in Sierra Leone, including political, security and social risks. The Company intends to mitigate such risks by employing personnel with significant in country experience.</p>
<p>Investments</p>	<p>The Company's material assets consist of its shares in European Lithium Limited (ASX: EUR), FE Limited (ASX: FEL) and Cauldron Energy Limited (ASXL CXU). The Company has granted the Australian Taxation Office security over 100% of its shareholding in CXU and approximately 82.7% of its shareholding in FEL. There is a risk that the Company may default under the terms of this security, which may result in these assets being sold for less than their value.</p> <p>Furthermore, as the encumbered securities are quoted on the ASX, there is a risk that the value of these assets may fluctuate in value.</p>
<p>Consolidation strategy</p>	<p>The Company's tenement (ML 2771) is currently being utilised for a trial mining and processing exercise using a newly developed green leach process known as GlyLeach™, (refer to ASX announcement dated 30 July 2021 and 24 August 2021 for further details).</p> <p>Pending successful results, the Company's objective is to develop or acquire a modular processing unit that can be economically relocated to process material from stranded</p>

Risk Category	Risk
	<p>deposits similar to and including Lady Ethleen of which there are many examples in the Mount Isa district.</p> <p>There can be no assurance that the current test program will identify a suitable commercial processing solution that will enable the Company to pursue the abovementioned strategy. Further, in the event that a commercial processing solution is developed, there is no guarantee that the Company will be able to identify and acquire an interest in suitable tenure, on commercially viable terms and scale.</p> <p>Should the Company require additional funding to execute this strategy, there can be no assurance that additional financing will be available on acceptable terms or at all.</p> <p>To the extent the Company is not able to execute its planned strategy, its business and growth prospects may be adversely impacted.</p>
Climate risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
COVID-19 risk	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in</p>

Risk Category	Risk
	<p>response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p>
<p>Additional Requirements for Capital</p>	<p>The capital requirements of the Company depend on numerous factors. The Company's existing assets do not generate income, and the Company is reliant selling its existing assets or raising further capital to fund activities and repay creditors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.</p>
<p>DRC Project</p>	<p>On 14 August 2019, the Company announced that it had unable to source project funding for the development of the Kipushi Project in the Democratic Republic of Congo and as such had withdrawn from the Kipushi Project and from being a 50% partner with Paragon Mining (SARL) in the incorporated joint venture company Soludo-Lambert SAS (Soludo-Lambert).</p> <p>Subsequently, the Company agreed that it would bear the costs of voluntary liquidation of Soludo Lambert. The Company has estimated this amount to be approximately \$1.2 million.</p> <p>The Company has not received a legal statutory demand from its joint venture partner, Paragon Mining (SARL). However, there is a risk that the liquidation of Soludo-Lambert results in a material liability for the Company.</p>
<p>Going Concern Risk</p>	<p>The Company's financial report for the year ended 30 June 2021 included a note from the auditor indicating a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' qualification included in the half yearly financial report, the Directors believe that it is reasonably foreseeable that the Company will continue as a going concern after consideration of the following factors:</p> <ul style="list-style-type: none"> (a) the Company is progressing towards the reissuance of the relevant licences at the Marampa Iron Ore Project and developing the project; (b) the Company continues to seek funding options;

Risk Category	Risk
	<p>(c) continued support from external creditors allowing for the deferred payment of certain liabilities;</p> <p>(d) the Company is engaging with the ATO regarding the outstanding debt; and</p> <p>(e) ability to realise certain of the Company's financial assets through the sale of its investments in listed entities.</p> <p>However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.</p>

7.3 Industry specific

Risk Category	Risk
Exploration Success	The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.
Exploration Costs	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.
Operational risk	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>

Risk Category	Risk
Exploration and development risks	<p>Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's existing licences may be unsuccessful, resulting in a reduction of the value of those licences, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
Environmental	<p>The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>

Risk Category	Risk
<p>Mine development</p>	<p>Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.</p>
<p>Insurance risks</p>	<p>There are significant exploration and operating risks associated with exploring for minerals (including base metals, gold, cobalt), including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.</p>
<p>Commodity price volatility and exchange rate risks</p>	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of</p>

Risk Category	Risk
	exchange between the United States dollar and the Australian dollar as determined in international markets.

7.4 General risks

Risk Category	Risk
Trading Price of Shares	<p>The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including, inflation rates and interest rates, variations in the general market for listed stocks, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.</p> <p>In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.</p>
Litigation Risks	<p>The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.</p>
Economic Risks	<p>General economic conditions, movements in interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.</p> <p>Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) interest rates and inflation rates; (c) currency fluctuations; (d) changes in investor sentiment toward particular market sectors (such as the exploration industry or the lithium sector within that industry); (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities.

Risk Category	Risk
Force Majeure	The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Competition	The minerals industry is subject to domestic and global competition, particularly in the current climate of depressed commodity prices. The Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's assets and business.
Labour risks	The Company's operations may be adversely affected by labour disputes or changes in labour laws. Significant labour disputes, work stoppages, increased employee expenses as a result of collective bargaining and the cost of compliance with labour laws could disrupt operations and affect any potential future prospects of the Company's business.
Taxation	<p>The acquisition and disposal of securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its Directors and other officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or acquiring or disposing of securities.</p>
Acquisitions	As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's existing operations. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, assets and projects, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

7.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report on 30 September 2021 and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
15/12/2021	Placement
30/11/2021	Results of Annual General Meeting
22/11/2021	Nickol River Project Update
29/10/2021	Proposed issue of securities – CLE
29/10/2021	Proposed issue of securities – CLE
29/10/2021	Notice of Annual General Meeting
29/10/2021	Quarterly Activities Report and Appendix 5B
21/10/2021	Cyclone to commence rare earth gravity survey at Yalardy
18/10/2021	Change in substantial holding from CLE
14/10/2021	Application for quotation of securities – CLE
11/10/2021	Application for quotation of securities – CLE
7/10/2021	Extension of Cleansing Prospectus Closing Date
6/10/2021	Proposed issue of securities - CLE
6/10/2021	Cyclone to consolidate Nickol River Tenements
4/10/2021	Nickol River SAM Geophysics Survey Underway
1/10/2021	Becoming a substantial holder
30/09/2021	Appendix 4G
30/09/2021	Annual report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.cyclonemetals.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and

its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus on 15 December 2021 with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.0065	16 September 2021 and 17 September 2021
Lowest	\$0.004	30 November 2021, 1 December 2021, 2 December 2021, 3 December 2021, 6 December 2021, 7 December 2021, 8 December 2021, 9 December 2021, 10 December 2021, 13 December 2021 and 14 December 2021
Last	\$0.004	14 December 2021

8.4 Substantial Shareholders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Winance Investment LLC	798,279,517	16.32
Okewood Pty Ltd (an entity controlled by Director, Tony Sage)	312,264,763	6.38
Gulf Energy International Limited	278,178,538	5.69

8.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options	Performance Rights
Terry Donnelly	20,000,000 ¹	Nil	120,000,000 ⁵
Antony Sage	312,514,763 ²	Nil	Nil
Tim Turner	25,723,000 ³	Nil	Nil
Will Scott	53,734,889 ⁴	Nil	50,000,000 ⁶

Notes:

1. Held indirectly through Progressive Nominees Pty Ltd trustee for The Universal Trust (a company controlled by Mr Donnelly).
2. 250,000 held indirectly through PG Partnership (of which Okewood Pty Ltd is a member, a company in which Mr Sage controls) and 312,264,763 held indirectly through Okewood Pty Ltd (a company in which Mr Sage controls).
3. 3,723,000 held indirectly through Halle Woody Pty Ltd < The Woody S/F A/C > (a company and fund controlled by Mr Turner) and 22,000,000 held indirectly through Marnichar Nominees Pty Ltd ATF the Hallemar Trust.
4. Includes the issue of 50,000,000 fully paid ordinary shares as approved by shareholders at the AGM held on 30 November 2021 (resolution 13). A total of 33,734,889 shares are held indirectly through Wyn Contracting Pty Ltd (a company in which Mr Scott has a relevant interest) with the remaining 20,000,000 shares held directly by Mr Scott.
5. Performance rights proposed to be issued as approved by shareholders at the AGM held on 30 November 2021 (resolution 12). Performance rights are held indirectly through Progressive Nominees Pty Ltd trustee for The Universal Trust (a company controlled by Mr Donnelly).
6. Performance rights proposed to be issued as approved by shareholders at the AGM held on 30 November 2021 (resolution 13). Performance rights are held indirectly through Wyn Contracting Pty Ltd (a company in which Mr Scott has a relevant interest).

No Director or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$1,000,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed remuneration for financial year 2022.

	Financial Year 2022 (\$) (Proposed)	Financial Year 2021 (\$) (Actual)
Terry Donnelly ²	120,000	55,000 ³
Antony Sage	400,000	400,000 ⁴
Tim Turner	60,000	60,000
Will Scott ⁵	50,000	-
TOTAL¹	630,000	515,000

Notes:

1. Comprising directors' salary/fees.
2. Terry Donnelly was appointed as a Director on 4 August 2020.
3. During the year ended 30 June 2021, a total of \$24,819 was paid to Progressive Nominees Pty Ltd trustee for The Universal Trust (a company controlled by Mr Donnelly) in relation to commission paid in respect to the placement completed by the Company in October 2021 and December 2021. This amount is not reflected in the table above which discloses Director fees only.
4. Okewood Pty Ltd and Okewood Pty Ltd trading as Perth Glory Football Club are entities controlled by Tony Sage. During the year ended 30 June 2021, a total amount of \$12,500 (excluding GST) was invoiced by Okewood Pty Ltd in relation to the part sub-lease of office premises at 32 Harrogate Street, West Leederville, WA, 6007. This amount remains unpaid at 30 June 2021. In addition, during the year ended 30 June 2021, an amount of \$43,925 was paid to Okewood Pty Ltd for a corporate box and events of the Perth Glory Football Club. These amounts are not reflected in the table above which discloses Director fees only.
5. Appointed 1 September 2021.

8.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(a) the formation or promotion of the Company; or

(b) the Offer.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

8.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$5,000 (excluding GST) and are expected to comprise legal fees and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

8.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.cyclonemetals.com.

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and

any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Terry Donnelly
Non-Executive Chairman
For and on behalf of
CYCLONE METALS LIMITED

10. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Cyclone Metals Limited (ACN 095 047 920).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Offer means the offer of Shares referred to in Section 4.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.