

Quarterly Activities and Cash Flow Report for the Quarter Ended 31 March 2022

CORPORATE

Strategy and Business Model

Cyclone Metals Limited (**ASX: CLE**) (**Cyclone Metals** or the **Company**) is an Australian domiciled mineral development and investment company. Cyclone Metals has interests in several exploration and mining projects and companies, providing exposure to copper, gold, iron ore, lithium, rare earths, uranium and lead-silver-zinc assets in Australia, Europe, Africa and South America (refer Figure 1).

Cyclone Metals' strategy is to acquire and invest in undervalued and/or distressed mineral assets and companies (**Projects**) and:

- improve the value of these Projects, through a hands-on approach to management, exploration, evaluation and development; and
- retain long-term exposure to these Projects through a production royalty and/or equity interest.

Cyclone Metals aims to deliver Shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

Placement

On 15 December 2021, the Company announced that it would be undertaking a placement to raise up to \$1,000,000 (before expenses) at an issue price of \$0.0045 per fully paid ordinary share (**December Placement Shares**) with one free attaching unlisted option for every one share applied for at an exercise price of \$0.005 expiring 12 months from the date of issue (**December Placement Options**) (**December Placement**). Funds raised will be used for general working capital purposes. On 4 February 2022, the Company issued 151,111,110 December Placement Shares and 151,111,110 December Placement Options.

On 24 February 2022, the Company announced that it would be undertaking a placement to raise up to \$500,000 (before expenses) at an issue price of \$0.005 per fully paid ordinary shares (**February Placement Shares**) with one free attaching unlisted option for every four shares applied for at an exercise price of \$0.006 expiring 12 months from the date of issue (**February Placement Options**) (**February Placement**). Funds raised will be used toward the acquisition and initial work on the Grand Port projects (refer below) and for general working capital purposes. The February Placement includes a firm commitment from Cyclone Metals Director Will Scott to subscribe for 10,000,000 February Placement Shares with 2,500,000 February Placement Options on the same terms the February Placement, subject to shareholder approval. On 23 March 2022, the Company issued 90,000,000 February Placement Shares and 22,500,000 February Placement Options.

Appendix 5B Quarterly Report and Statement of Cash Flows

The ASX Appendix 5B quarterly report is attached to and lodged with this report. The Company's Appendix 5B Quarterly Report covers the 3-month period from 1 January 2022 to 31 March 2022. During the quarter, exploration and evaluation expenditure was \$192k, associated predominantly with work undertaken on the Wee MacGregor and Nickol River Project (**NRP**) tenements and tenement compliance costs. Administration and corporate expenditure during the quarter was \$319k which included Director, employee, and consultant costs. In addition, a payment of \$260k was made to the ATO in respect to the tax amount payable. Financing activity inflows during the quarter was \$1,130k (before expenses) in relation to the December Placement and February Placement.

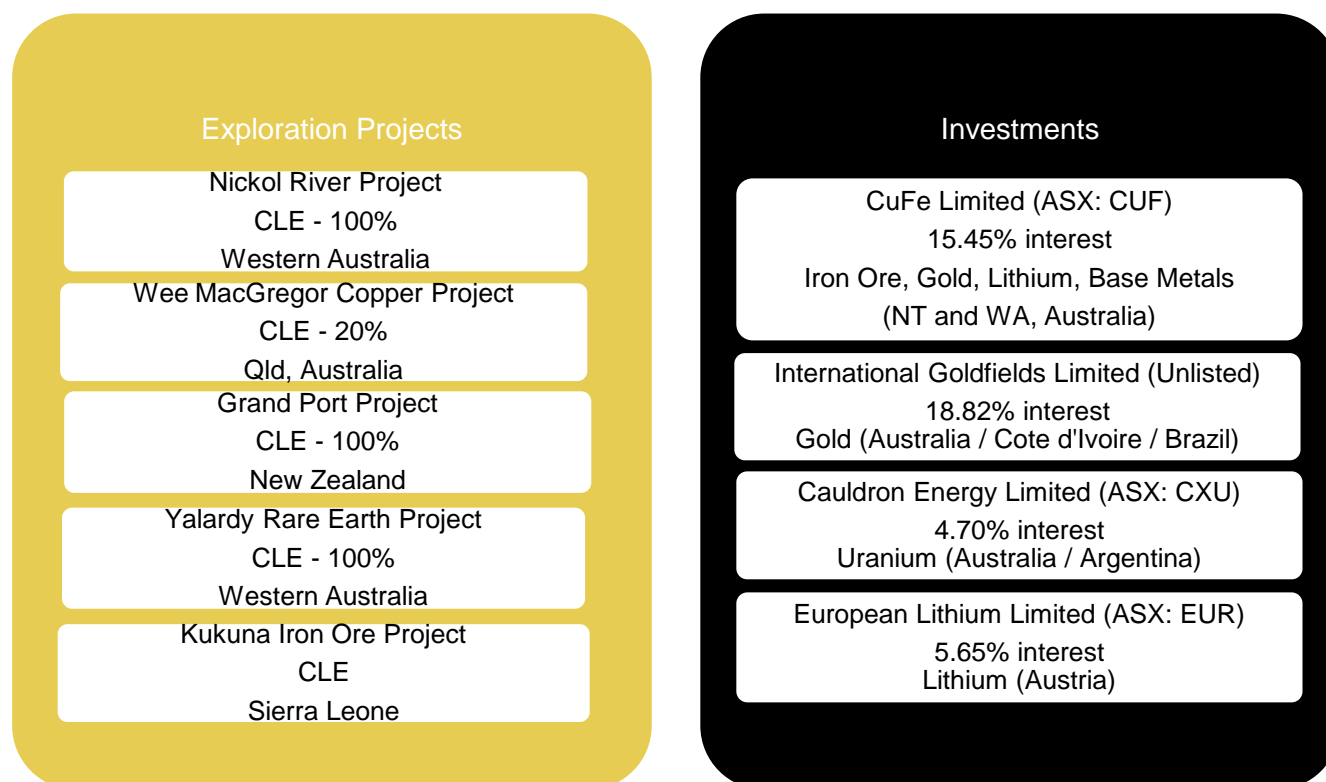
As at 31 March 2022, the Company had approximately A\$499k.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$155k relating to the Executive Directors salary and Non-Executive Director fees (\$128k) and payments to Director related entity (\$27k). These amounts are included at item 6.1 and item 6.2 of the Appendix 5B.

Refer to the Remuneration Report in the Annual Report for further details on director remuneration and related party transactions.

Figure 1: Group Structure



PROJECTS

Grand Port Acquisition

On 24 February 2022 and 17 March 2022, the Company announced that it had entered into a binding term sheet with Grand Port Resources Pty Ltd (**Grand Port**) to acquire 100% of the issued share capital of Grand Port which owns and has applications over a diversified portfolio of gold, copper, nickel and PGE assets in New Zealand, with locations show in Figure 1 (together, the **Acquisition**).



Figure 1: Location of Grand Port Projects

South Island - Longwood

Longwood Range Gold Copper PGE Project (application pending) (**Longwood Project**) is situated 40km west of Invercargill, New Zealand and covers 424km². Historic production includes: ~88koz Au and 1,500oz of platinum. Previous drilling intersected a PGE reef with no follow up work and the project area has been identified as being fertile for copper and nickel by Otago University. There has been only 4 historic drill holes to date on the Longwood Project. On-ground work will kick off with a geochemical sampling program that will generate the maiden drill program.

South Island – Mareburn and Macraes South

The Mareburn Gold Project (**Mareburn Project**) and Macraes South Gold Project (granted) (**Macraes Project**) (figure 2) covers 464km² within the Otago Goldfield of the South Island, which has 10Moz of proven historical gold production. The Mareburn Project sits 8km north of the producing Macraes Gold Mine and processing plant, New Zealand’s largest producing gold mine, and ~2km from the Coronation open pit. The Macraes Project is contiguous to the south of the Macraes Gold Mine and processing plant.

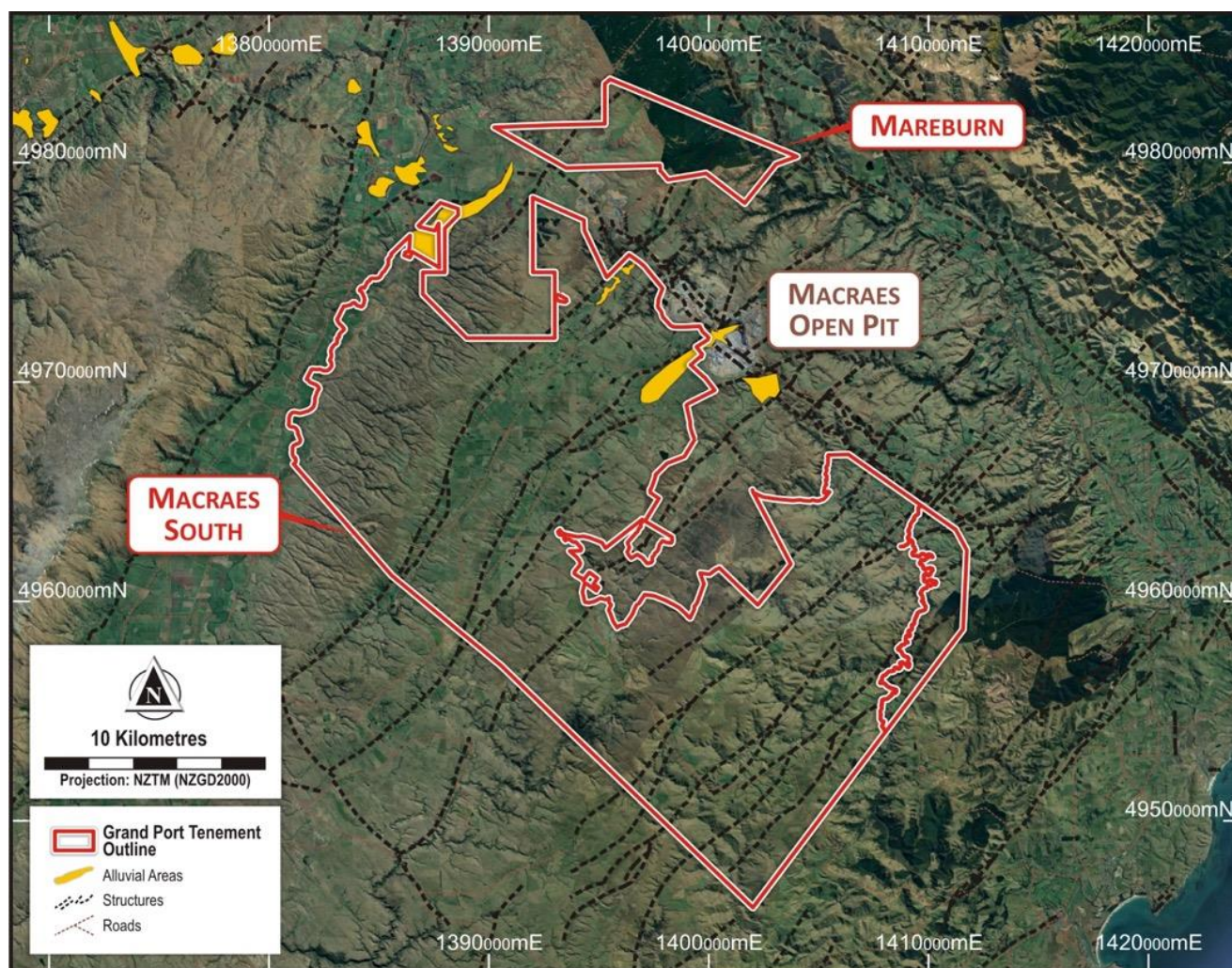


Figure 2: Macraes South and Mareburn Project locations, contiguous to the Macraes Gold Mine.

No modern exploration techniques or drilling has been undertaken at the Macraes Project. Initial walkup extension drill targets have been undertaken at the Mareburn Project. Cyclone will target structurally hosted gold, with the use of modern exploration techniques, once the existing data has been reviewed in full and complete a range of exploration programmes to generate new data, including a detailed soil geochemical programme orientation survey and a geophysical survey to identify transverse structures.

South Island – Drybread and Waikerikeri

The Drybread – Waikerikeri Gold Project (application pending) (**Drybread Project**) (Figure 3) covers ~198km² and crosses over Santana Minerals Limited’s (ASX: SMI) Bendigo-Ophir Project in Central Otago and contains historical alluvial workings contiguous to the Drybread Project. The area has been underexplored for hard rock potential with no primary gold exploration undertaken.

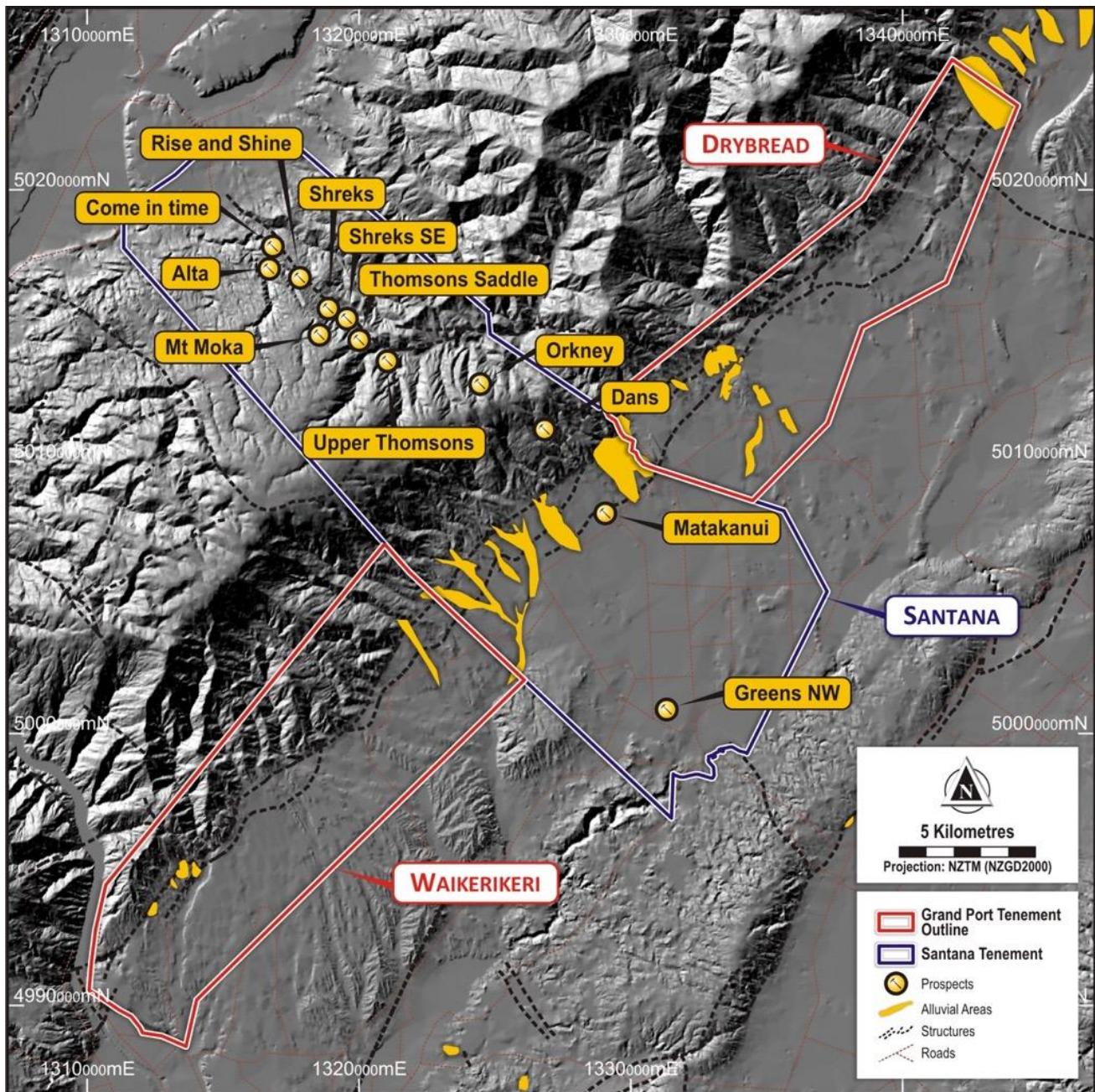


Figure 3: Drybread and Waikerikeri projects contiguous to Santana Minerals project

North Island - Muirs

Muir's Reef Gold Project (granted in March 2022) (**Muir's Project**) covers 52.6km² and is close to Oceania's Hauraki Gold Field with 45Moz proven historical gold production.

The Muir's Project remains underexplored. The proposed work program on the Muir's Project is as follows:

- Stage 1 – Detailed structural mapping from existing gradient array resistivity survey and high-resolution magnetic survey, and field checking, in association with Ionic LeachTM geochemistry sampling as a first pass. Collection of LiDar (ultra-detailed DEM) may substantially improve understanding of the mineralisation. Petrographic studies on existing diamond core focusing on fluid inclusion temperature studies would assist in defining potential gold deposition levels.
- Stage 2 – Infill and step out drilling is recommended using diamond core drilling at both Massey Reef and Muir's Reef to expand the resource, and test targets identified in Stage 1 work. Convert the non JORC estimate to JORC (2012).

Acquisition

Pursuant to the Acquisition, Cyclone agrees to issue a total of 900,000,000 fully paid ordinary shares in the Company (**Consideration Shares**) of which the first tranche of the Consideration Shares shall be satisfied by the issue of 500,000,000 Consideration Shares (**Tranche 1 Consideration Shares**), and the second tranche of the Consideration Shares shall be satisfied by the issue of 400,000,000 Consideration Shares subject to Cyclone obtaining shareholder approval (**Tranche 2 Consideration Shares**). The general meeting of shareholders to approve the issue of Tranche 2 Consideration Shares is scheduled to be held on 20 May 2022.

On 23 March 2022, the Company announced the completion of the Grand Port acquisition and issued 500,000,000 Tranche 1 Consideration Shares.

Wee MacGregor

Mining International Pty Ltd, a wholly owned subsidiary of Cyclone Metals, holds tenure to 4 mining leases located 40 km southeast of Mt Isa in Queensland (**Wee MacGregor Project**) (refer Figure 1).

The tenements are located within in the Eastern Fold Belt of the Mt Isa inlier. The tenements are located in the Mary Kathleen Zone/Wonga Subprovince. This area is prospective for a variety of deposit types, most notably structurally controlled epigenetic copper and gold deposits. Cohiba Minerals Limited (**Cohiba**), through wholly owned subsidiary Cobalt X Pty Ltd, has earned an 80% interest in mining licences ML 2504, ML 2773 and ML 90098 under a Farm-in agreement with Cyclone Metals. The Company retains a 20% interest in the mining licences and a pre-emptive right over the remaining 80%.

The Lady Ethleen tenement (ML 2771) has been 100% retained by Cyclone Metals (**Lady Ethleen**).

The Lady Ethleen tenement is currently being utilized for a trial mining and processing exercise using a newly developed green leach process known as GlyLeachTM. (refer ASX announcement 4 October 2020). A successful trial will mean a significant shift in future processing technology and will in turn facilitate possible development of the part owned, nearby Wee Macgregor Project as well as many other potential small assets in the district, that may be economic with access to appropriate processing technology.

The process to be used, known as GlyLeach™, was originally developed and patented by Curtin University and is being commercialised globally by Perth based Mining and Process Solutions (**MPS**). The GlyLeach™ process involves the use of Glycine as a lixiviant under alkaline conditions. This process has a number of significant benefits over traditional acid leaching including its environmentally friendly state which is non-toxic to humans and wildlife, the ability to selectively leach valuable metals whilst leaving gangue minerals such as iron, manganese, silicates and carbonates in the leach residue, the ability to leach ores of different oxidation states (depending on process type, temperature, residence time, particle size, etc) and all the while being recyclable as the glycine is not chemically consumed in the overall process.

Results are expected to demonstrate the best process to use for material types found in the Mount Isa / Cloncurry district. A positive project outcome could unlock the possibility for development of Lady Ethleen and a centralised processing hub in the district.

Within a 10 km radius of Lady Ethleen, there are numerous stranded projects that may all be suitable candidates to supply feed to a future operation including Lady Jenny (1 km), Wee MacGregor (3 km), Rosebud (10 km) and Inkerman (7.5 km) as well as several more in the wider district.

A final report on the testwork was received during the quarter. Conclusions are as listed below:

- The use of acid while effective in recovery of base metals, GlyLeach™ extracted more value.
- The amount of acid required would make acid leaching cost prohibitive.
- Grinding and the method of leaching greatly affects the leaching performance across all three composites.
- The oxide composite proved to yield the highest metal recovered of the three composite tested.
- Accountability between the tests were acceptable and shown in the close agreement between the two techniques used to determine the extraction reported.
- There were some difficulties with filtration and adsorption where a hot wash was shown to significantly improve leaching.
- The use of an acid pre-treatment in liberating metals particularly Cu proved necessary.
- The tests demonstrated that the GlyCat™ technology can extract the base and precious metals in a single stage.
- The tests show that the GlyLeach™ process followed by the GlyCat™ process can be utilised in a heap leach situation.
- If left in “as received” sizing, the oxide composite should be treated in agitated leach tanks while the transition and sulphide composite would leach best in a column although would need to evaluate if percolation is an issue on uncrushed material.
- Overall grinding and leaching in the presence of resin would yield the most metal recovered from all three composites.

A series of recommendations were also provided involving additional testwork using larger scale equipment. The Company is considering the results and its next steps.

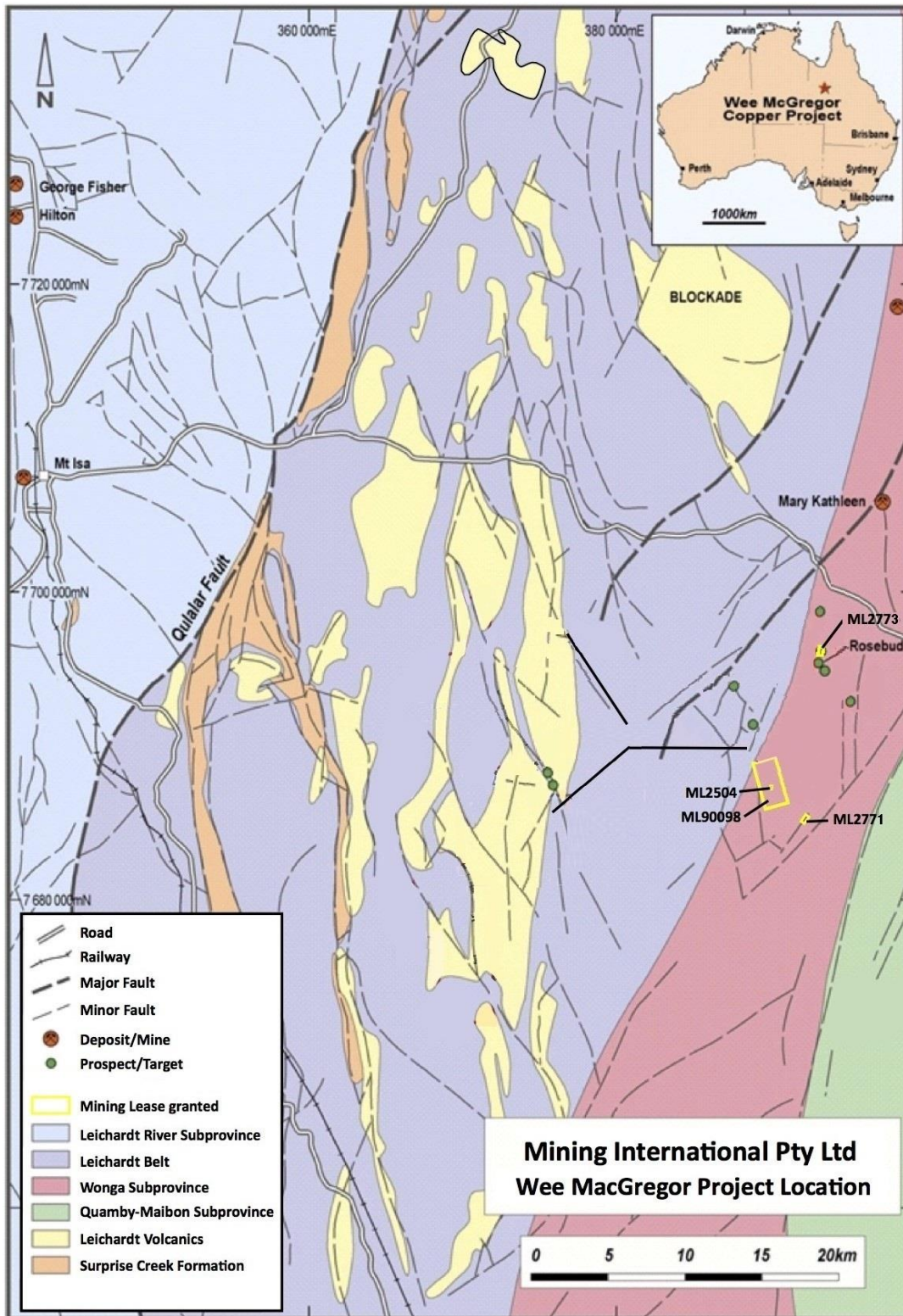


Figure 4 – Wee McGregor Project Location

Yalardy

The Yalardy tenements (E 09/2441 and E 09/2442) cover a combined 297 graticular blocks or a total of 914.5 square kilometers starting approximately 33km east of the Overlander roadhouse near the turnoff to Shark Bay.

No exploration was undertaken during the quarter, with the company assessing the best way to advance the project.

Nickol River Gold Project

The Nickol River Project (**NRP**) (see Figure 5) comprises seven granted Mining Leases (M47/87, M47/127, M47/401, M47/421, M47/435, M47/455, M47/577) and five Miscellaneous Licences (L47/686, L47/687, L47/688, L47/689, and L47/565 (application)) and a Water Licence 177790.

The Nickol River project is within the Karratha Terrane on the north side of the Sholl Shear Zone, near the margin of the Karratha Granodiorite. The NRP tenements are underlain by the Roebourne Group, dominantly the peridotitic komatiite Ruth Well Formation. In addition to komatiite, the Ruth Well Formation includes komatiitic basalt, tholeiite, chert and peridotite and dolerite sills.

The immediate area surrounding and including the NRP tenements has been explored for gold since 1889. Most recently the tenement M47/1527 which is partly surrounded by CLE tenements M47/127 and M47/401, was drilled by a series of owners and alluvial gold mined by Artemis Resources Limited, who released ASX announcements on the alluvial mining in the area.

No substantial modern exploration or drilling has been carried out on the NRP tenements, prior to the acquisition by Cyclone Metals.

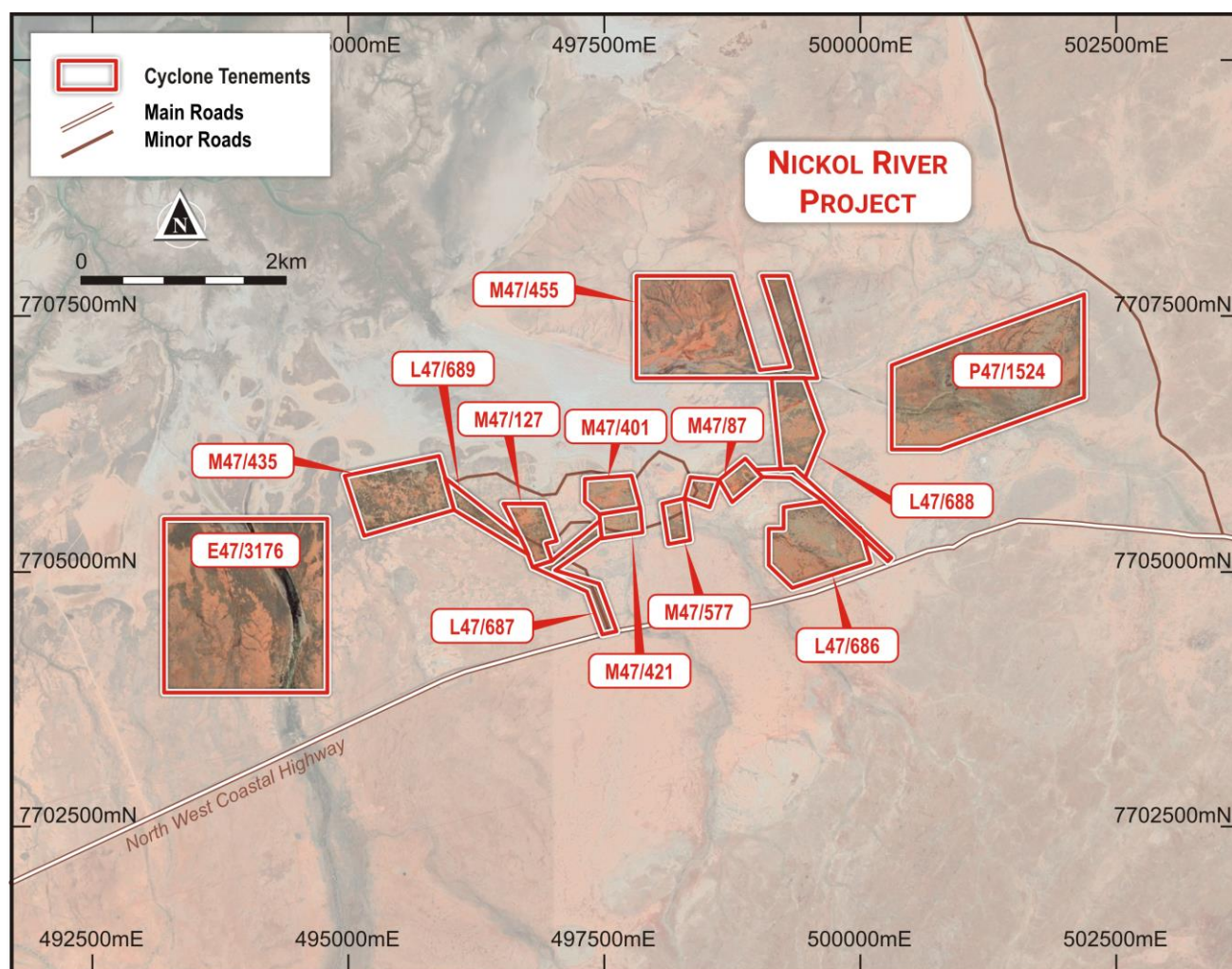


Figure 5 - Nickol River Project location and tenements, located 10km east of Karratha in the West Pilbara of Western Australia

Current work program at the Nickol River Gold Project

A Program of Works was granted on the 19 January 2022 for the Nickol River Gold Project, for 3 test pits 20m x 10m by 1m deep in each of the tenements M47/87, M47/127, M47/421 and M47/577, and 6 test pits 20m x 10m by 1m deep in tenement M47/401.

Southern Geoscience Consultants (**SGC**) completed an interpretation of the SAM (Sub-Audio Magnetics) Survey completed in November 2021 and this forms the basis for the current test pits program.

As announced on 31 January 2022 specimen gold within quartz veins was recovered from the first test pit within M47/127, up to 712 grams in weight, refer photo 1. The vein gold indicates that primary gold is the potential source of the eluvial gold mined from the area over the past 140 years, and the nuggets also recovered from M47/127.

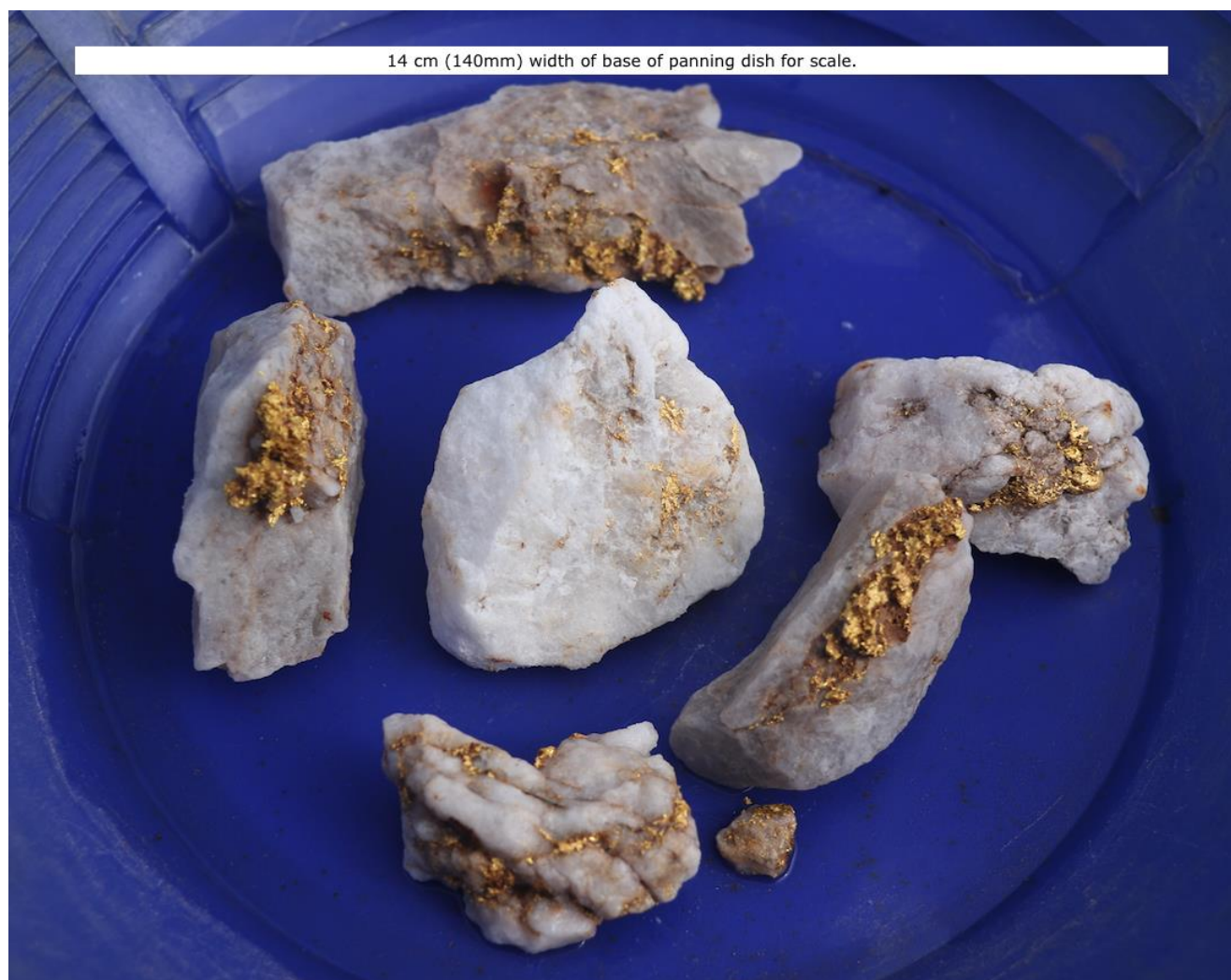


Photo 1: Nickol River Project, specimen gold samples owned by Cyclone (As announced on 31 January 2022),

Marampa

Marampa is an iron ore project at the development stage, located 90km northeast of Freetown, Sierra Leone, West Africa (**Marampa** or **Marampa Project**). The Marampa Project includes one mining licence (ML05/2014) comprising 97.40km² and one exploration licence (EL46A/2011) comprising 145.86km².

ML05/2014

In 2014, Marampa Iron Ore (SL) Limited (**Marampa SL**), a wholly owned subsidiary of Cyclone Metals was granted the mining and environmental licences for ML05/2014 (together the **Mining Licence**). The Company has spent circa US\$62.7m on exploration and development to date on the Marampa Project.

In September 2018, Marampa SL received a letter from the Sierra Leone Ministry of Mines (**SLMOM**) cancelling the Mining Licence. In 2018, Marampa SL commenced legal action in Sierra Leone to

challenge SLMOM's decision to cancel the Mining Licence, however, the Board has agreed to place legal action against the SLMOM on hold.

The Company confirms that it does not currently have tenure over ML05/2014. Whilst no formal application has been made to date, the Company has started in Q1/2021, and will continue to be, engaged in dialogue with the relevant Sierra Leonean authorities to have the Mining Licence reinstated or reissued by mutual agreement. Although this dialogue has been restricted significantly during the period by the impacts of COVID-19 on travel and government operations.

However, since Q3/2021 management continued to actively engage with relevant stakeholders at the SL government to fast-track the process for reissuance of the Mining Licence. In January 2021 the Company met with high level company and public officials from Sierra Leone at the Minister of Mines office in Freetown to discuss and propose an investment case for the Marampa Project supported by the attractive iron ore market price and outlook. A formal response regarding the proposal lodged on 14 January 2021 is still pending, despite the Company's consistent follow up. Some ongoing political turmoil makes it difficult to predict when the government will assign the licence.

Whilst there can be no guarantee that the SLMOM will agree to reinstate or reissue a Mining Licence, if Marampa SL were to successfully recover the Mining Licence, the Board is committed to working with the relevant parties to secure access to the necessary plant and equipment and infrastructure to enable the ramp up of the Marampa Project upon the reissuance of the Mining Licence for the benefit of our shareholders as well as, importantly, the Government and People of Sierra Leone.

EL46A/2011

In 2014, Marampa SL was granted exploration license EL46A/2011. In June 2014 the SLMOM extended EL46A/2011 for a further 2-year term from 31 July 2015 until 31 July 2017. Marampa SL has not paid renewal fees to the SLMOM in respect of EL46A/2011 since 31 July 2017. However, Marampa SL has not received any termination documentation or request for information from the SLMOM, therefore is of the view that EL46A/2011 remains a valid license. Marampa SL has contacted the SLMOM asking them to confirm the status of EL46A/2011 however no response has been received to date therefore tenure over EL46A/2011 remains uncertain. Marampa SL will continue to follow up with the SLMOM to determine the status of EL46A/2011. The management of Marampa SL has continued to be active in discussions with SLMOM to fast-track the process getting the EL46A/2011 to be issued again.

The Board confirms that given the inherent uncertainties relating to the future of the Marampa Project, the carrying value of the Marampa Project in Cyclone Metal's audited accounts was fully impaired as at 30 June 2016 and remains fully impaired.

The Company is currently committing minimum expenditure on the Marampa Project and no exploration activities are currently underway at the Marampa Project.

Kukuna

Dempsey Resources Bermuda Limited holds the Kukuna Iron Ore Project located in Sierra Leone (**Kukuna or Kukuna Project**).

The Kukuna Project is located 120 km northeast of Freetown in the northwest of Sierra Leone and consists of one exploration licence (EL22/2012) covering 68km². The licence comprises rocks known to host specular hematite mineralisation. Dempsey has not paid renewal fees to the SLMOM in respect

of Kukuna. However Dempsey has not received any termination documentation or request for information from the SLMOM, therefore is of the view that Kukuna remains a valid license.

The Kukuna Project remains under care and maintenance.

All exploration results for above Mining and Exploration Licenses are kept within the Company.

Announcement authorised for release by the Board of Cyclone Metals.

Competent Person Statement

The information in this report that relates to Wee MacGregor is compiled and collected by Mr Olaf Frederickson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson has sufficient experience that is relevant to the style of mineralization, 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 Resource and Ore Reserves (JORC Code 2012). Mr Frederickson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The Information in this report that relates to Nickol River and New Zealand projects for exploration results, mineral resources or ore reserves is based on information compiled by Mr Edward Mead, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mead is a consultant to the company and employed by Doralda Pty Ltd. Mr Mead has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Mead consents to the inclusion of this information in the form and context in which it appears in this report.

APPENDIX 1 : TENEMENT STATUS

The mining tenements held at the end of each quarter, acquired and disposed of during the quarter and their location:

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at the end of quarter
Kukuna Project - EL 22/2012	Kukuna – Sierra Leone	-	-	100%
ML 90098	Wee MacGregor - Queensland	-	-	20%
ML 2504	Wee MacGregor - Queensland	-	-	20%
ML 2771	Wee MacGregor - Queensland	-	-	100%
ML 2773	Wee MacGregor - Queensland	-	-	20%
E09/2441	Yalardy – Western Australia	-	-	100%
E09/2442	Yalardy – Western Australia	-	-	100%
E47/3176	Nickol River – Western Australia	-	-	100%
L47/565 ¹	Nickol River – Western Australia	-	-	100%
L47/686	Nickol River – Western Australia	-	-	100%
L47/687	Nickol River – Western Australia	-	-	100%
L47/688	Nickol River – Western Australia	-	-	100%
L47/689	Nickol River – Western Australia	-	-	100%
M47/087	Nickol River – Western Australia	-	-	100%
M47/127	Nickol River – Western Australia	-	-	100%
M47/401	Nickol River – Western Australia	-	-	100%
M47/421	Nickol River – Western Australia	-	-	100%
M47/435	Nickol River – Western Australia	-	-	100%
M47/455	Nickol River – Western Australia	-	-	100%
M47/577	Nickol River – Western Australia	-	-	100%
P47/1524	Nickol River – Western Australia	-	-	100%
EP60671	Muir's Reef – New Zealand	-	-	0% ²
PP60709 ¹	Muir's Surrounds – New Zealand	-	-	0% ²
EP60663	Mareburn – New Zealand	-	-	0% ²
PP60700	Macraes South – New Zealand	-	-	0% ²
PP60707 ¹	Drybread – New Zealand	-	-	0% ²
PP60708 ¹	Waikerikeri – New Zealand	-	-	0% ²
EP60694 ¹	Longwood Range Prinz – New Zealand	-	-	0% ²
PP60693 ¹	Longwood Range M'vale – New Zealand	-	-	0% ²
EP60692 ¹	Longwood Range Tops – New Zealand	-	-	0% ²

¹ Tenement Application

² Tenement to be acquired subject to completion of the Acquisition and issue of Tranche 2 Consideration Shares (refer to commentary above)

No beneficial interests were lost in farm-out agreements during the quarter.

For further information please contact:

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Cyclone Metals Limited

ABN

71 095 047 920

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(192)	(493)
(b) development	-	-
(c) production	-	-
(d) staff costs	(13)	(42)
(e) administration and corporate costs	(306)	(1,150)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(260)	(829)
1.7 Government grants and tax incentives	-	-
1.8 Other (ASX reinstatement)	-	(182)
1.9 Net cash from / (used in) operating activities	(771)	(2,696)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(262)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	381
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	119

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,130	2,410
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(45)	(115)
3.5	Proceeds from borrowings	-	500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,085	2,795

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	185*	281
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(771)	(2,696)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	119
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,085	2,795

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	499	499

* Includes an adjustment of \$2k to tie back to reviewed half year accounts at 31 December 2021

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	499	185*
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	499	185

* Includes an adjustment of \$2k to tie back to reviewed half year accounts at 31 December 2021

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	155
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments included in item 6.1 relates to the payment Executive Directors salary and Non-Executive Director fees (\$128k) and payments to Director related entity (\$27k)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	15,000	1,200
7.4 Total financing facilities	15,000	1,200
7.5 Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
<p>On 31 July 2019, the Company entered into a Convertible Note Agreement with Winance Investment LLC (Winance) of which A\$1.2m (1,200 convertible notes of which 720 were subject to shareholder approval, which was subsequently received on 11 February 2020) was drawn down on 8 August 2019.</p> <p>The face value of each convertible note is AU\$1,000 and are non-interest bearing. The notes are convertible to a variable number of ordinary shares at the option of the holder of the notes any time after issue. If not converted the notes mature and are repayable twenty-four (24) months after the issue date. The conversion price for each convertible note is the lower of an 10% discount from the lowest VWAP over twelve (12) days prior to the conversion date rounded down to the nearest 100th, provided that the conversion price shall not in any case be lower than \$0.005 (floor price).</p> <p>Further drawdowns of drawdowns of A\$13.8m are at the Company's election available in tranches of A\$500k each upon full conversion of the notes from the previous drawdown, subject to a cooling off period calculated based on the value of the tranche and average trading volumes during the preceding 60-day period and prior approval by CLE's shareholders.</p> <p>Refer to ASX announcement dated 31 July 2019 for material terms and conditions.</p> <p>As at 31 March 2022, Winance had nil convertible notes remaining.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(771)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(771)
8.4 Cash and cash equivalents at quarter end (item 4.6)	499
8.5 Unused finance facilities available at quarter end (item 7.5)	-*
8.6 Total available funding (item 8.4 + item 8.5)	499
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.65
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
* Refer to section 7 for details on further drawdowns on the Winance facility.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Yes.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes. The Company continues to seek funding options including the raising of additional funds and the realisation of certain of the Company's unencumbered financial assets through the sale of its listed shares (if required).

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes. The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern based on the following factors:

- Raising additional funds (as outlined above)
- Approval from the ATO to dispose of its shares in Cauldron Energy Limited (ASX: CXU) to fund instalment payments
- Realisation of certain of the Company's unencumbered financial assets through the sale of its listed shares (if required)

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2022

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.