

ASX ANNOUNCEMENT

5 October 2022

Nifty Copper Project Restart Update

HIGHLIGHTS

- **Cyprium has now increased the mineral resource endowment at Nifty Copper Project by over 40% and the west and east of the mineralisation remains open**
- **The updated mineral resource estimates will be included in Phase 1 of the Nifty Restart Project optimisation, which will add further copper tonnes, mine life and cashflow**
- **Environment and Regulatory Approvals process nearing completion whilst most of the operational readiness and environmental clean-up activities now completed**
- **Advanced discussions are continuing with debt financiers, who are undertaking due diligence activities and reviewing financing documentation**

Managing Director Barry Cahill commented:

“The Nifty Copper Project is in a state of readiness so that at the completion of the finance process, there is an effective and efficient transition from care and maintenance to full construction and then commissioning to production.

The Nifty Copper Project restart is the first phase of a potential +20-year life and remains robust, with current Australian dollar copper pricing at a similar level to what was used in the Restart Study, which was completed in March 2022. The increase in resources and the reduction in base costs, such as freight, since the study was finalised will only improve that robustness.

We look forward to commencing construction post finance, then producing and shipping copper metal, not ore or concentrate, but LME Grade A copper metal cathode, in the north of Western Australia.”

Cyprium Metals Limited (“**CYM**”, “**Cyprium**” or “**the Company**”) provides an update on the status of the refurbishment of the Nifty Copper Project whilst the Company is progressing the finance process for the restart of the operation.

Current Status

The Nifty site has been secured and there are sufficient personnel on site to maintain the site to enable a quick transition to construction activities once finance is obtained. The personnel will ensure maintenance of statutory regulations and reporting requirements, and operational, mechanical and electrical integrity of the infrastructure, and continue to advance refurbishment activities with existing materials that are already on site.

Scrap retrieval activities are continuing, and the site team are sending equipment that is surplus to project requirements (such as underground equipment) back to Perth for sale and disposal. Sale of surplus and salvage equipment has already commenced.

Corporate and head office costs have been minimised by reducing staff and executive positions and the remainder are on a part time basis, who are focused on regulatory and reporting requirements, and advancing the Nifty restart finance process.

Nifty Copper Project Status

The acquisition transaction for the Paterson Copper Assets, including Nifty Copper Project (on care and maintenance), was completed at the end of March 2021.

Upon transaction completion, personnel and drill rigs were immediately mobilised to site to commence work for the compilation of the Nifty Restart Study (completed and released to the market on 11 March 2022) and to conduct environmental surveys to commence the approval process (the first approval was lodged 14 November 2021) for the restart of the Nifty copper project.

The progress made by Nifty employees to date has been exceptional, with significant progress towards being operationally ready. The workforce again is commended for their efforts and progress whilst the site has remaining on care and maintenance since its acquisition. This has also been achieved at Nifty over the past ~450 days (over 300,000 hours worked) without a Lost Time Injury.



Image 1 \ Cyprium at Nifty – ready to go

Mineral Resource Estimate

The Nifty Copper Project at the time of acquisition had a reported mineral resource estimate of 658.5 kt of contained copper metal in resource (refer to CYM ASX release dated 10 February 2021, “Transformational Acquisition of Highly Attractive Copper Portfolio”).

Cyprium has reviewed the Nifty mineral resource estimate, completed the inclusion of previous drilling and combined the resources databases for the purposes of the open pit design. The review included the estimate of a single model with geo-metallurgical domains. The resultant mineral resource estimate was released on 17 November 2021, totalling 732.2 kt of contained copper in resource.



Cyprium completed drilling of over 18,000 metres of reverse circulation (“RC”) into the west of the Nifty deposit. This resulted in a second review which returned a mineral resource estimate which was released on 16 May 2022 of 940.2 kt contained copper in resource, 84% of which classified in the measured and indicated category. The west area of mineralisation has still not been closed out with areas of the mineralised formations still having gaps which require drilling including a portion of inferred mineral resource.

Successful drilling of over 5,000 metres of RC drilling into the eastern portion of the mineralisation has been completed and is yet to be included in the latest mineral resource estimate. Currently this information is being compiled for inclusion in the resource. The eastern area is still open for further drilling.

Cyprium has now increased the mineral resource endowment at Nifty Copper Project by over 40% and the west and east of the orebody is not closed off.

Future work requires extensional drilling to both the west and the east, and an update to the mineral resource estimate which is expected to increase further.

As can be seen in Figure 1 below, the Nifty Copper Project is currently recognised as the 6th ranked development project¹ in Australia by copper metal and the highest grade of the top 6 group. Due to JORC 2012 reporting restrictions that prevent the existing leach pads at Nifty from being included in the reported mineral resource estimates, a further estimated 17.16 Mt @ 0.53%Cu (~91Kt tonnes of copper metal) is contained within the existing heap leach pads for retreatment at Nifty (refer to CYM ASX release dated 11 March 2022, “Nifty Copper Project Restart Study”).

The Cyprium Metals portfolio includes 4 of the 26 largest Australian primary copper resources, being the Nifty, Maroochydore, Nanadie Well and Hollandaire deposits (refer to OZ Minerals Limited (ASX: OZL), 26 August 2022, “Strategy, Aspirations & Province Potential Presentation”). Cyprium’s total combined JORC 2012 mineral resource estimate has increased from nil at the end of 2019 to over 1.6mt of contained copper that is currently reported and illustrated in Figure 1.

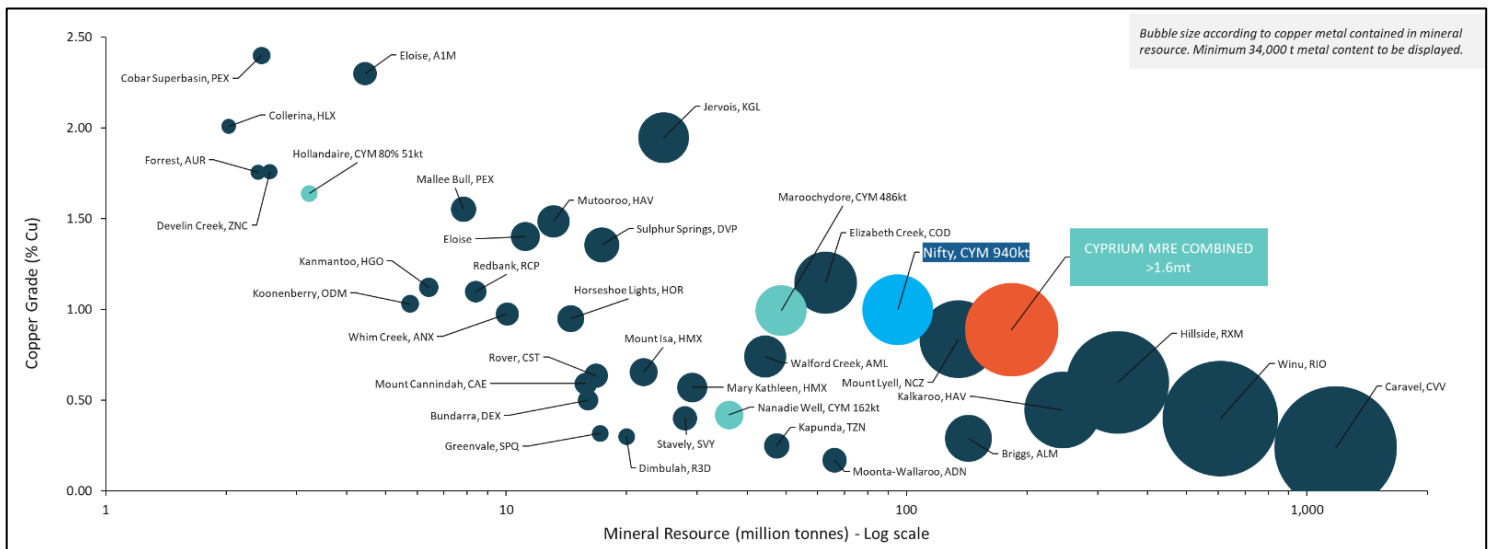


Figure 1 / – Australian Copper Projects Mineral Resource Benchmarking (S&P Global, Evolution Capital)

1. Evolution Capital, 6 June 2022, “Cyprium Metals Limited, Right Plan – Right Team – Right Time for Nifty (update)”, <https://cypriummetals.com/wp-content/uploads/EvolutionCapitalEquityResearch06Jun22.pdf>



Nifty Restart Study

The Nifty Copper Project Restart Study that was released on 11 March 2022. The study highlighted a robust Phase 1 Oxide copper project with the potential for strong financial returns. The study did not include any inferred mineral resources, nor the drilling undertaken to the west and east of the mineralisation, of which the results of the Nifty west drilling programme has been subsequently included in the updated mineral resource estimate. The study also did not include the large sulphide resource which has the potential to increase the mine life by over 20 years (the study included less than 10% of the total May 2022 Nifty Resource Estimate).

The results of the Nifty Phase 1 Restart Study included:

- C1 costs of USD1.91/lb and C3 costs of USD2.82/lb
- Average production of 25,000 tpa copper cathode
- Cathode production 146,100 tonnes copper metal
- Pre-production capital AUD149M
- NPV @7% of AUD277M with an IRR of 37% (post tax)
- Oxide mine life 2023-29 at ~6.3 years (pre-MRE upgrade) with sulphide potential +20yrs
- Free cashflow AUD544M
- Payback in 3 years

The copper pricing used in the study was AUD12,000/t of copper (USD9,000/t copper or ~USD4.00/lb at an AUD: USD exchange rate of 0.75). As at the 3 October 2022, pricing sat at AUD12,005/t of copper (~USD3.50/lb). The pricing of a number of components of the project such as freight have reduced considerably since the study maintaining the project as a robust development project.

The updated mineral resource estimates will be included in the optimisation which will add further copper tonnes (and cashflow) as well as mine life to the Phase 1 oxide schedule. The copper tonnes added come from the conversion of inferred to indicated resources and the increase in resource by the drilling undertaken.

Currently optimisation processing is being undertaken on the pit shape against the current resource and further work will be required when the new resource is updated. The updated pit shape will then be scheduled and added to the base case financial model that is currently being used for the finance process.

Environment and Regulatory Approvals

The environmental focus for Cyprium since taking charge of the Nifty site has been to rectify numerous pre-existing and outstanding issues at the site, including:

- Rectified the leach pad environmental pond and spill, and then refurbishing drainage to prevent re-occurrences. This has included the work on pond drainage and cleaning to increase the available storage volume.
- Rectified the hydrocarbon content in the washdown evaporation pond.
- Recovered the site of a pre-acquisition unplanned detonation of explosives incident.
- Disposed of and restored chemicals and hydrocarbons.
- Rectified substandard bunding and leaking storage facilities.
- Safely disposed of expired chemicals.
- Suppression of dust at the tailings dam.
- Site wide clean up in all areas and collection of waste and scrap material into separate areas. This material is currently being recovered by a scrap merchant. A portion of this scrap material,

e.g., scrap anodes and cathodes on pallets, were from the previous heap leach SX-EW operations which have not been operational since 2009.



Image 2 \ Scrap anodes and cathodes

Concurrently Cyprium conducted flora and fauna surveys to tie in the site areas where the surveys had not occurred and in preparation for the Nifty Restart Project approvals process. As can be seen from the table below the approvals process is now nearing completion with the final approval for the amendment to the State Agreement, which is required to be submitted post finance.

Permit/Item	Legislation	Department	Description	Date Lodged	Date Approved
Works Approval and Licence	Environmental Protection Act (1986)	Department of Water & Environmental Regulation (DWER)	Amended Prescribed Activities Licence to enable processing	8th March 2022	4th May 2022
Native Vegetation Clearing Permits		Department of Mines Industry Regulation & Safety (DMIRS)	Authorises the clearing of native vegetation for project development	14th November 2021	25th August & 6th September 2022
Mining Proposal	Mining Act (1978)	Department of Mines Industry Regulation & Safety (DMIRS)	Approval for mining activities and construction of mine infrastructure	21st February 2022	Pending
Mine Closure Plan		Department of Mines Industry Regulation & Safety (DMIRS)	Defines rehabilitation and closure accompanying the Mining Proposal	21st February 2022	Pending
Project Management Plan	Mines Safety & Inspection Act (1994)	Department of Mines Industry Regulation & Safety (DMIRS)	Project safety plan approval	20th January 2022	22nd March 2022
26D Licence to Alter Water Abstraction Methods of an Existing Licence	Rights in Water and Irrigation Act (1914)	Department of Water & Environmental Regulation (DWER)	Change in abstraction mechanism under the existing water licence	25th February 2022	9th June 2022

Table 1 / Government Approvals Status

Site Refurbishment

Warehouse and inventories collection activities are now essentially complete. This means that all materials have been centralised and catalogued to the central warehouse facilities which then allows obsolete or unnecessary stock to be monetised.

The communications upgrade for data speed and 4G services have been completed. The 4G services require upstream Telstra infrastructure upgrades whilst the data speed upgrade has been completed.

The solvent extraction and electrowinning (“SX-EW”) ponds and associated infrastructure upgrades are 60% complete. Preparational work for the engineering of the refurbishment has been completed,



with assessments done on all items for refurbishment or replacement. The four major items of plant (long lead items) have been quoted and awaiting finance for purchase orders to be submitted.

The SX-EW plant at Nifty has already produced more than 200,000 tonnes of copper cathode, and is the same technologically as the SX-EW plant that was previously successfully refurbished and expanded the capacity from 16,000 to 25,000 tonnes of copper cathode per annum by the Cyprium management team at the Indonesian Wetar Copper Project. During the first full year of operations at Wetar, over 25,000 tonnes of copper cathode was sold, generating earnings before interest, taxes, depreciation and amortization (“EBITDA”) of AUD119.2 million (refer to Finders Resources Limited 2017 Annual Report).

Camp upgrades are also now 60% complete. Camp occupancy costs are being partially covered by external parties that are also utilising the upgraded accommodation.

There are some refurbishment and upgrade activities continuing where the materials are available onsite.

Operational Readiness

The readiness process has reached a point where the remaining items will be completed post finance and during the construction period. The completed tasks include the completion of the set up and installation of systems, such as:

- ERP – Pronto and Power Business Intelligence reporting systems
- INX – personnel scheduling, safety and environmental management
- HiBob – personnel system

There are also geological, mining and survey systems that have been completed.

Safety management systems include operating procedures and work systems including work permits.

The operational readiness is at the go line for when finance is completed to ensure an effective and efficient transition to construction and operations as personnel are onboarded.

Project Finance Update

The financing process remains the key focus for Cyprium. The financing process, which is targeting AUD240 million to AUD260 million debt funding package (including cost overrun contingency and working capital) for the financing of the Nifty restart and project costs, expected to comprise senior secured financing, subordinated debt, and offtake financing. Positive discussions, due diligence activities, documentation, and negotiation of terms with numerous parties are continuing.

This ASX announcement was approved and authorised by the Board.

For further information:

Barry Cahill
Managing Director

T +61 8 6374 1550

Wayne Apted
Chief Financial Officer
& Company Secretary
E info@cypriummetals.com

Lexi O'Halloran
Investor and Media Relations
lexi@janemorganmanagement.com.au
T +61 404 577 076

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





About Cyprium Metals Limited

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

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

Paterson Copper Projects

This portfolio of copper projects comprises the Nifty Copper Mine, Maroochydore Copper Project and Paterson Exploration Project.

The Nifty Copper Mine ("Nifty") is located on the western edge of the Great Sandy Desert in the north-eastern Pilbara region of Western Australia, approximately 330km southeast of Port Hedland. Nifty contains a 2012 JORC Mineral Resource of 940,200 tonnes of contained copperⁱ. Cyprium is focussed on a heap leach SX-EW operation to retreat the current heap leach pads as well as open pit oxide and transitional material. Studies will investigate the potential restart of the copper concentrator to treat open pit sulphide material.

The Maroochydore deposit is located ~85km southeast of Nifty and includes a shallow 2012 JORC Mineral Resource of 486,000 tonnes of contained copperⁱⁱ. Aeris Resources Limited (ASX: AIS, formerly Straits Resources Limited) holds certain rights to "buy back up to 50%" into any proposed mine development in respect of the Maroochydore Project, subject to a payment of 3 times the exploration expenditure contribution that would have been required to maintain its interest in the project.

An exploration earn-in joint venture has been entered into with IGO Limited on ~2,400km² of the Paterson Exploration Project. Under the agreement, IGO is to sole fund \$32 million of exploration activities over 6.5 years to earn a 70% interest in the Paterson Exploration Project, including a minimum expenditure of \$11 million over the first 3.5 years. Upon earning a 70% interest, the Joint Venture will form and IGO will free-carry Paterson Copper to the completion of a pre-feasibility study (PFS) on a new mineral discovery.

Murchison Copper-Gold Projects

Cyprium has an 80% attributable interest in a joint venture with Musgrave Minerals Limited (ASX: MGV) at the Cue Copper-Gold Project, which is located ~20km to the east of Cue in Western Australia. Cyprium will free-carry the Cue Copper Project to the completion of a definitive feasibility study (DFS). The Cue Copper-Gold Project includes the Hollandaire Copper-Gold Mineral Resources of 51,500 tonnes contained copperⁱⁱⁱ, which is open at depth. Metallurgical test-work has been undertaken to determine the optimal copper extraction methodology, which resulted in rapid leaching times (refer to 9 March 2020 CYM announcement, "*Copper Metal Plated*", <https://cypriummetals.com/copper-metal-plated/>).

The Nanadie Well Project is located ~650km northeast of Perth and ~75km southeast of Meekatharra in the Murchison District of Western Australia, within mining lease M51/887, includes the Nanadie Well Copper-Gold Mineral Resources of 162,000 tonnes contained copper^{iv}, which is open at depth and along strike to the north.

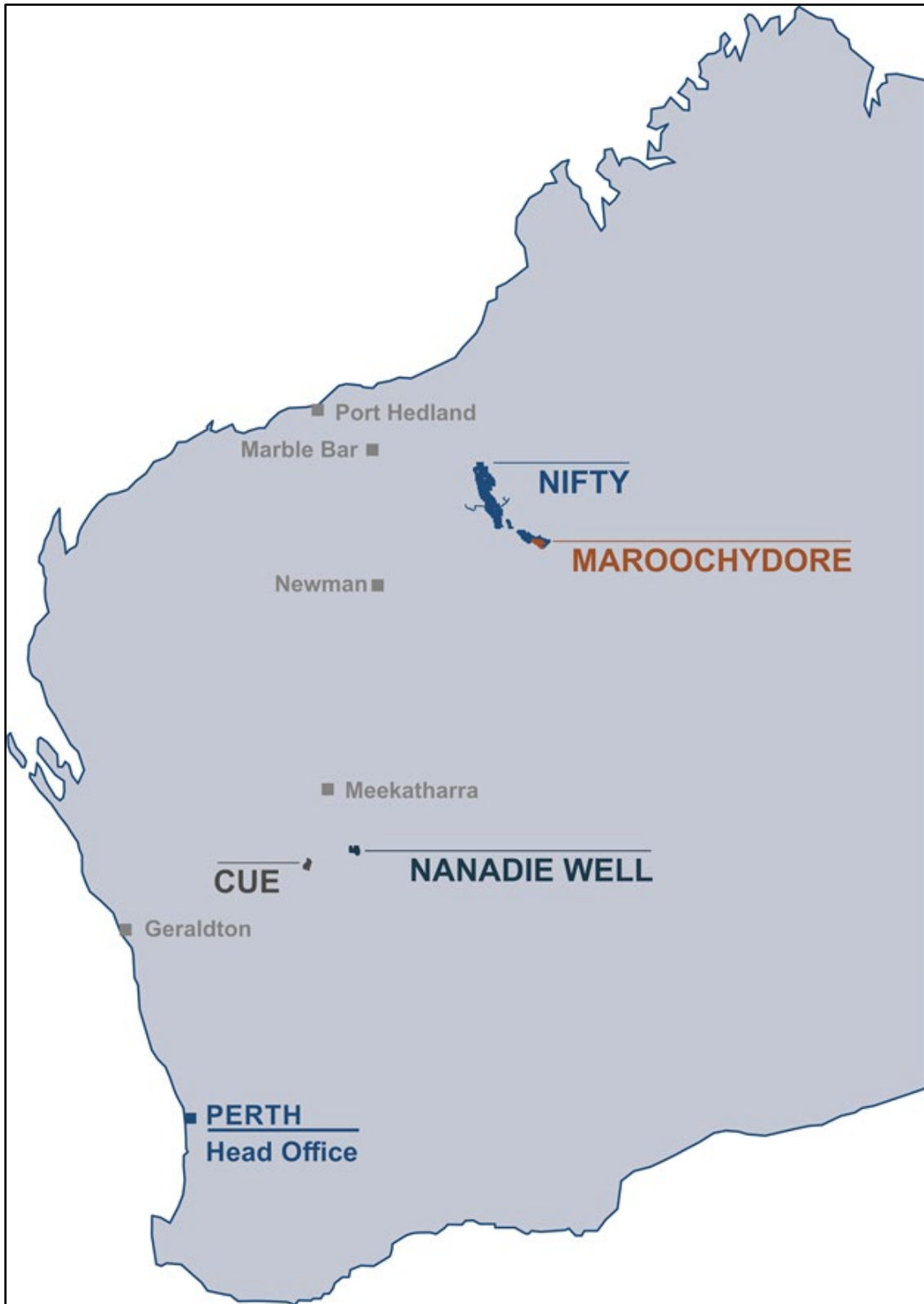
The Cue and Nanadie Well Copper-Gold projects are included in an ongoing scoping study, to determine the parameters required to develop a copper project in the region, which provides direction for resource expansion work.

ⁱ Refer to CYM ASX announcement dated 16 May 2022 "28.4% increased Nifty Copper MRE to 940,200t copper metal"

ⁱⁱ Refer to MLX ASX announcements: 10 March 2020, "Nifty Copper Mine Resource Update" and 18 August 2016, "Annual Update of Mineral Resources and Ore Reserves"

ⁱⁱⁱ Refer to CYM ASX announcement: 29 September 2020, "Hollandaire Copper-gold Mineral Resource Estimate"

^{iv} Refer to CYM ASX announcement: 19 July 2022, "Nanadie Well Mineral Resource Estimate"



Cyprium Metals project locations