

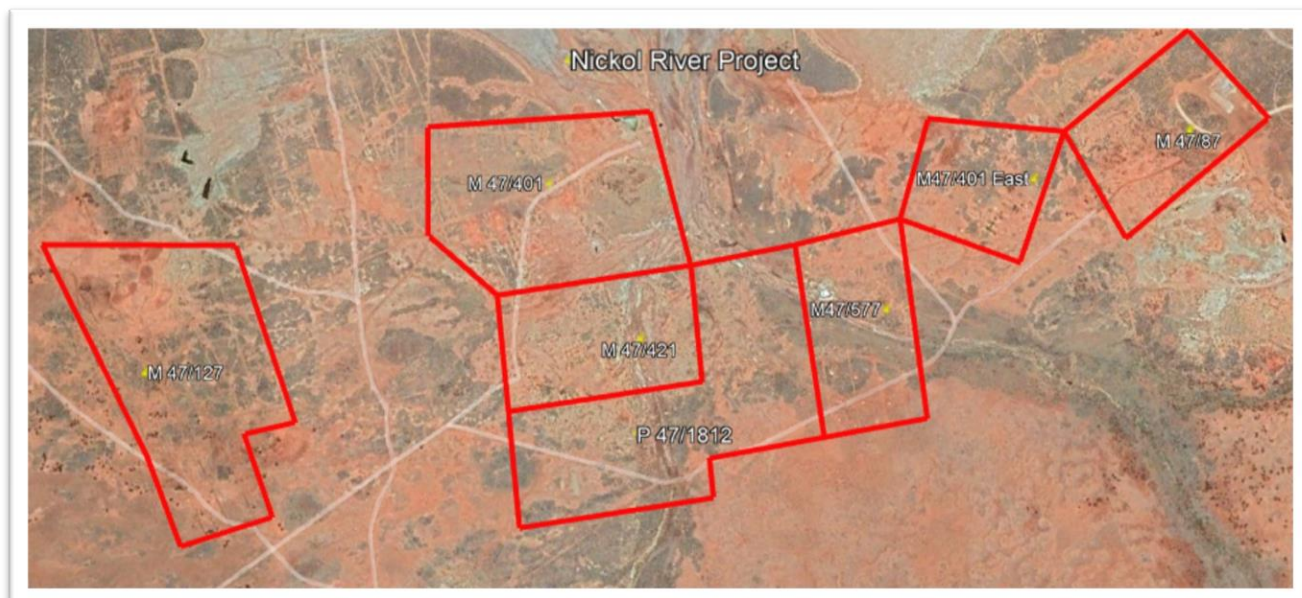
28 December 2022

## Further Consolidation of Key Nickol River Gold Tenement

Cyclone Metals Limited (ASX: **CLE**) (**Cyclone** or **the Company**) is pleased to advise that a key tenement, P47/1812, has been acquired, at the 100% owned Nickol River Gold Project (Image 1), located 10km east of Karratha in the West Pilbara of Western Australia.

### Highlights

- **Acquisition of P47/1812, now creates a contiguous block of tenements in the central Nickol River gold project area, where test pitting has successfully recovered coarse gold<sup>1</sup>**
- **The consolidation increases the targets for a maiden drill program, based on an earlier Cyclone initiated Sub Audio Magnetics (SAM) geophysical survey.**



**Figure 1: Nickol River Project, acquisition of central key tenement P47/1812 to consolidate area for proposed drilling program.**

The acquisition of P47/1812 consolidates the central drilling target area that includes contiguous tenements M47/401, M47/421 and M47/577. The consolidated area at Nickol River covers the original GML's (GoldMining Leases) owned by Kerry Harmanis's, Sir Samuel Mines NL, and included in their prospectus, which later was renamed Jubilee Mines NL.

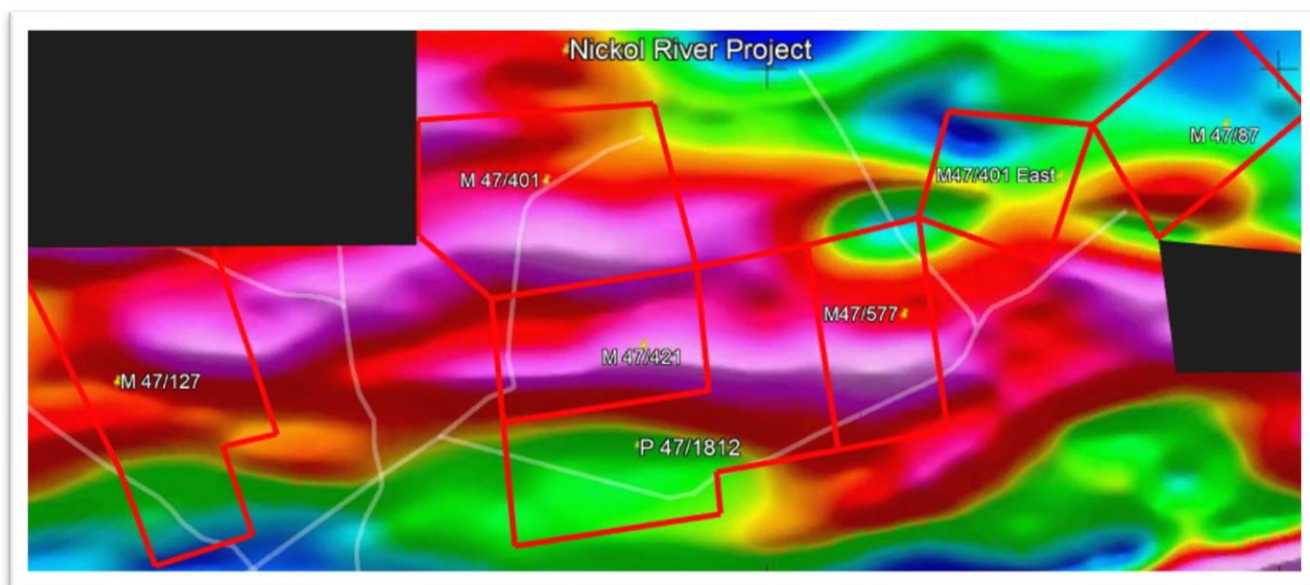
The recent pitting program indicated that this central target area represents the first target area for the maiden drill program. All the test pits were over historically prospected and worked ground, with recovered gold thought to be a small indication of the eluvial gold found over 140 years.

<sup>1</sup> See ASX News Releases "Completion of Test Pit Program on the Nickol River Project" 10 October 2022

The most pleasing aspect of the pit program was the extensive reef structures that were uncovered. Only a few reef systems are visible from the surface and we believe that a drilling program utilising information from the SAM survey (Figure 2) and the tests pits, can define the primary gold mineralisation.

Commenting on the acquisition, Cyclone Metals Director Will Scott said:

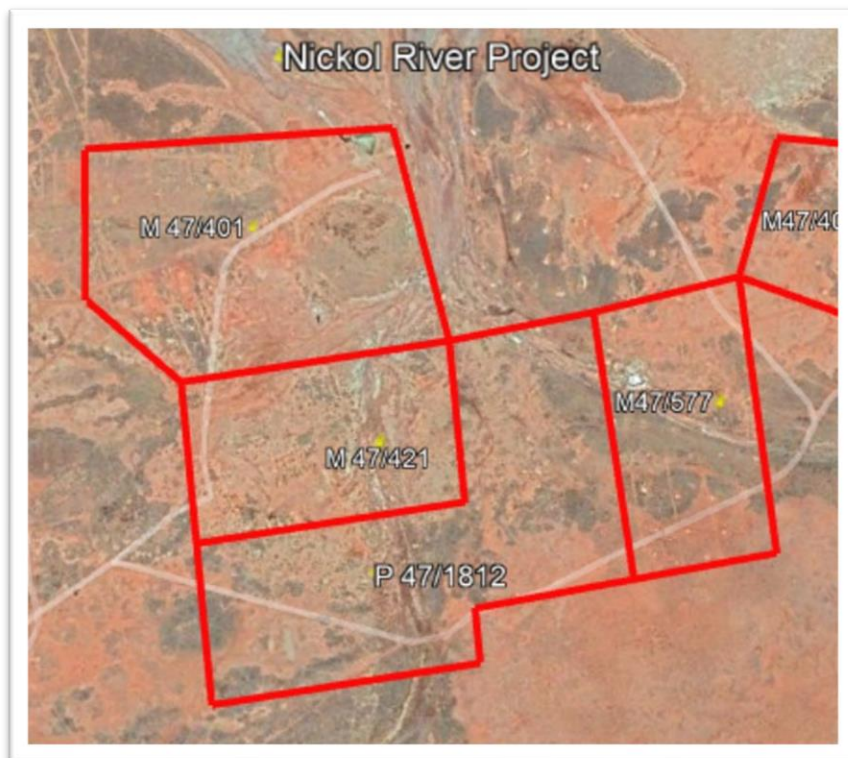
***“It is with great pleasure I confirm that the acquisition of P47/1812 gives Cyclone Metals the opportunity to design a robust drill program over the central portion of the project area utilising the information from the test pit program and the Sub-Audio Magnetism interpretation from Southern Geoscience Consultants, and we hope the drills will be turning soon”***



**Figure 2: Sub-Audio Magnetism (SAM) Data from Gap Geophysics Australia, showing increased anomalies.**

The proposed drilling program will focus on tenements M47/401, 421, 577 and P47/1812 (Figure 3) with the aim of testing the reef system to a depth of a maximum of 100 metre.

A Program of Work (POW) will be submitted shortly to DMIRS.



**Figure 3 : Showing first leases to be targeted for the inaugural drilling program.**

#### **Acquisition Terms**

The Company will issue 60,000,000 fully paid ordinary shares at a deemed issue price of \$0.002 per share and 30,000,000 unlisted options with an exercise price of \$0.003 each expiring 2 years from the date of issue to Stonefield Developments Pty Ltd for the acquisition of lease number P47/1812.

Securities will be issued under the Company's existing placement capacity under Listing Rule 7.1.

Completion of the acquisitions is conditional upon conditions considered customary for a transaction of this nature.

This announcement has been approved by the Company's board of directors.

Yours faithfully  
Cyclone Metals Limited

Terry Donnelly  
**Non-Executive Chairman**

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**Competent Persons Statement**

The Information in this report that relates to 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 Doraleda 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



**JORC Code, 2012 Edition – Table 1**
**SECTION 1 SAMPLING TECHNIQUES AND DATA**

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>No sampling</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drilling not being reported.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>No drilling undertaken.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>No logging being undertaken</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>No sub sampling.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>No assay data is being reported.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>No verification sampling has been undertaken.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Zone 51 (GDA 94).</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Randomly spaced test pits with coverage by metal detecting within a small defined area of 20m x 10 m x 1 m deep.</li> <li>Not for ore resource estimation.</li> <li>No compositing applied.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>No orientation of data.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>No sampling being reported</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>Data is validated upon up-loading into the master database. Any validation issues identified are investigated prior to reporting of results.</li> </ul>

**SECTION 2 REPORTING OF EXPLORATION RESULTS**

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>M47/87, M47/401, M47/127, M47/421 and M47/577 have a granted PoW, are in the name of D &amp; K Corps Investments Pty Ltd and are owned 100% by Cyclone Metals Limited</li> <li>The tenements are in good standing, and further extensions of term can be applied for.</li> </ul>

Criteria	Commentary
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Historic gold production is known from Nickol River through small-scale mining and dry-blowing activities, estimated production is 13kg of gold between 1900-1911.</li> <li>Trial mining operations at Nickol River in 1984, with a 10 tonne per hour plant tested 600 tonnes of material, yielded a recovered grade of 0.33 grams per tonne of gold ("g/t Au") and in 1985 a bigger 40 tonne per hour pilot plant processed 42,500 tonnes of material that yielded a recovered grade of 0.15 g/t Au.</li> <li>Samantha Exploration NL completed 21 reverse circulation drillholes following trenching, soil sampling and mapping activities in period 1984-5. In 1989 Vince Roberts &amp; Associates completed a further 22 reverse circulation drillholes. During 1990-94 Sir Samuel Mines NL explored the area completing extensive soil sampling programs and an aeromagnetics survey. In 1994 Moonstone Resources NL completed 95 RAB holes and 36 reverse circulation drillholes within the area.</li> <li>All exploration and analysis techniques conducted by the parties are considered to have been appropriate given the available techniques at the time.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>At Nickol River coarse gold mineralisation is thought to be present as the basal remnants of a supergene enriched zone developed during lateritisation, with primary mineralisation originally emplaced along a fault/shear zones.</li> <li>Gold mineralisation has more recently been identified as being associated with ultramafic lithologies, and quartz veins.</li> <li>As exploration is at an early stage at Nickol River, further work is required to determine the geological setting and provenance of the gold mineralisation.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>No drill holes being reported.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>No aggregation methods used.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>No mineralisation widths are being reported.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate diagrams are contained in this document.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Reporting of results in this report is considered balanced.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>A Sub Audio Magnetics survey has been completed by Gap Geophysics and an interpretation is currently underway by Southern Geoscience Consultants.</li> <li>Cyclone Metals Ltd (Cyclone) commissioned Gap Geophysics (Gap) to carry out a sub-audio magnetic (SAM) survey in August 2021. The SAM survey data was acquired by Gap field staff and were able to use a higher frequency transmitter signal to recover TFMMIP data as well the TFEM data. The survey lines were planned at 100m spacing on both a N-S and E-W lines. During the survey a galvanic loop is used to inject current directly into the ground, which enables SAM to deliver high-definition Total Magnetic Intensity and Magnetometric Conductivity (MMC) data sets. Various filters on the MMC and other data produced by the survey were processed by Southern Geoscience Consultants.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>Plans are to undertake a maiden drilling program.</li> </ul>