

Quarterly Activities Report

For the period ending 31 March 2023

Highlights

- Cyprium has a suite of high-quality copper projects with +1.6Mt of contained Copper in Mineral Resources
- Cyprium is undertaking a full strategic review of all assets
- Work underway on +20 year super pit mine life development at Nifty, based on the current MRE of 940,200 tonnes of contained Copper
- Cyprium has entered into a Secured Loan Deed for AUD6 million
- Appointment of Mr John Featherby as Non-Executive Director

Cyprium Managing Director Barry Cahill commented:

“Copper market fundamentals combined with Cyprium’s quality portfolio of more than 1.6Mt of contained copper at Nifty, Maroochydore and the Murchison, as well as the Paterson Exploration JV with IGO, presents a highly attractive portfolio.

Nifty has a mineral resource of 940,000 tonnes contained copper plus there is a further 90,000 tonnes of contained copper in the existing heap leach pads. Work is continuing on a super pit mine study at Nifty, which will show a mine life of over 20 years and generating strong cash flows.

The restart project economics for the initial oxide portion of the open pit and retreat of the existing heap leach pads, remains robust. The project economics are further enhanced based on current copper prices of around AUD13,000 per tonne, which remains AUD1,000 per tonne higher than used in the Nifty Copper Project Restart Study.

The board is undertaking a strategic review and is committed to preserving the value of the Company’s assets as a priority during this strategic review period.

We were pleased to announce the appointment of John Featherby to the Cyprium Board in April. His experience and knowledge will be of great benefit to Cyprium as we move to the next stage of the company strategy.

We also thank Nick Rowley for his efforts and contribution to the growth of Cyprium since its inception in 2019 to its current three copper projects. We wish him well with his future endeavors.”



Cyprium Metals Limited (ASX: CYM) (“Cyprium” or the “Company”) provides the following overview of the Company’s activities.

Strategic Review

Since 2019, Cyprium’s focus has been to grow to a multi-asset, mid-tier copper producing Company by advancing mid to late-stage Australian based copper projects, which have the potential for development into production of copper metal on site.

Significant progress has continued to be achieved, after completion of the Nifty Copper Project Restart Study, in the execution of our strategy, including:

- Expand CYM’s mineral resource inventory to over 1.6 million tonnes of contained copper¹:
 - Increasing the Nifty mineral resource estimate to over 940,000 tonnes contained copper¹, which excludes the copper contained within the existing heap leach pads and extensional drilling results
 - Release of the Nanadie Well mineral resource estimate of over 160,000 tonnes contained copper¹
- Obtaining all of the approvals required at present for the Nifty Copper Project restart
- Completion of further metallurgical optimisation testwork to improve the robustness of the Nifty Copper Project Restart Study
- Completion of pre-development refurbishment, infrastructure upgrades, site clean-up and operational readiness activities at Nifty
- Continuation of drilling programmes at Nifty, Maroochydore, and Murchison Copper Projects

Following the completion of the Nifty Copper Project Restart Study, the independent technical expert reports, and the receipt of all necessary regulatory approvals, the Company focused on the Nifty financing process, targeting a total of AUD240 million to AUD260 million debt funding package.

Considerable global market volatility has been experienced from mid-2022 which resulted in significant declines in commodity prices (including copper), weaker AUD/USD exchange rates, increased inflationary pressures and rising interest rates, adversely affecting global debt and equity markets. The unfavourable market conditions inevitably led to a deterioration in investment market sentiment, which consequently delayed the Nifty financing process during the second half of 2022. Whilst global market prices have begun to trend upward from the beginning of 2023, including improved copper prices, the global investment market still exhibits heightened concerns about price and market volatility, Reserve Bank possible actions, and the resultant World economic outlook.

Copper is an essential component in the clean energy transition and is essential to modern life, with no available substitutes. The global market outlook for copper remains very favourable, with demand expected to be in excess of supply in the medium to long term, leading to a widening supply net deficit.

As a consequence of the Placement to support Nifty Project Restart and the Senior Secured Bond Issue not proceeding as outlined below, the Company is evaluating alternative Nifty Copper Project restart financing arrangements and is undertaking a strategic review on all of Cyprium’s assets.



Cyprium owns a high-quality portfolio of West Australian copper development opportunities with a total of +1.6Mt¹ of contained copper in JORC 2012 Mineral Resources (“MRE”) across its projects, comprising:

- Nifty Copper Mine (extensive infrastructure in place that is currently on care & maintenance) containing an MRE of 940,200 tonnes of contained Copper¹
- Maroochydore Copper Project containing an MRE of 486,000 tonnes of contained Copper¹
- Murchison Copper Project, comprising the Cue Copper-Gold Project (MRE of 51,500 tonnes of contained Cu) and Nanadie Well (MRE of 162,000 tonnes of contained Cu)¹
- Paterson Exploration Project, a farm-in agreement with IGO Limited

All of Cyprium’s copper development projects MRE’s are shallow, open in multiple directions and at depth, giving good potential to substantially increase the current resource endowment.

Nifty is a significant near-term long life brownfield copper development project located in the Tier 1 mining jurisdiction of Western Australia, with extensive infrastructure in place to re-start production within 12 months of commencement of refurbishment activities.

As a result of the increased activity and interest in the battery minerals sector, the Company has commenced discussions to allow the development of a new strategic plan. The strategic plan will involve the short medium- and long-term opportunities for the company in light of the positioning of copper in the critical metals supply chain.

During this period, the Company will work with its advisors and key stakeholders to develop a new strategic plan with the objective of maximising shareholder value.

A key part of the strategic review will be for the Board to evaluate:

- completion of further work on the +20 year super pit mine life development at Nifty, by including the significant sulphide portion of the orebody, which has an MRE of 795,900 tonnes of contained Copper¹
- refreshing cost inputs into the studies (as the previous study was completed at the near height of the inflationary pressure felt in 2022 e.g. WA diesel fuel prices were at 207 cpl in March 2022 and now sit at around 188cpl and the FBX Global Container Index was around USD9,700 per unit in March 2022 and now sits at around USD1,600 per unit)
- alternative longer-term financing strategies
- asset realisation initiatives
- composition of the board and management

The Nifty Copper Project Restart was completed in March 2022 and was based on the Phase 1 Oxide component of an envisaged larger open pit to access the total resource. The larger resource is mainly sulphide copper that had previously been treated in the existing 2.8Mtpa concentrator until November 2019, to produce a clean chalcopyrite concentrate.

Production from the Phase 1 open pit is 146,100 tonnes of copper cathode at a rate of 25,000 tonnes per annum, utilising a refurbished SX-EW plant, with copper in solution from newly constructed heap leach pads, and then followed by open pit mining of the substantially larger sulphide orebody. The potential production profile from the concentrator is estimated around 28,000 tonnes of copper in concentrate per annum. There is an ability to upgrade the concentrator production, to potentially 40,000 tonnes of copper

¹ ASX announcement: 16 May 2022 - 28.4% increased Nifty Copper MRE to 940,200t copper metal, 10 February 2021 -Transformational Acquisition of Highly Attractive Copper Portfolio, 29 September 2020-Hollandaire Copper-Gold Mineral Resources Estimate & 19 July 2022 - Nanadie Well Mineral Resource Estimate



in concentrate per annum, by the re-commissioning of an existing pebble mill and/or the installation of tertiary crushing.

The financial metrics from the Phase 1 component was free cashflow of AUD544 million with a pre-production capital spend of AUD149 million included in a maximum cash drawdown of AUD193 million. C1 cash costs were USD1.91/lb and C3 costs were USD2.82/lb whilst a copper price of USD4.08/lb (USD9,000/t at an AUD/USD FX rate of 0.75 is AUD12,000/t) was used for the restart study and ~USD4.60/lb at the time the study was released.

The mining of the super pit under this review, will be based on the current MRE of 940,400 tonnes of contained copper. Previous studies on the operation, using a smaller MRE, as an open pit mining with sulphide ore feed to the existing concentrator, produced over 200,000 tonnes of copper in that portion alone. Significantly, when the Phase 1 production profile is combined with the sulphide ore feed, there is a production overlap between cathode and concentrate that results in a three-year period of the open pit mine life, where the total production is over 50,000 tonnes of copper per annum.

Further as the pre strip advances for the deeper sulphide component, there is 70,000 tonnes of copper in oxide and transitional resource, that potentially would be mined as part of that pre-strip. This material would potentially extend the life of Phase 1 by three years thereby increasing the cathode/concentrate phase of 50,000 tonnes per annum by an extra three years.

The super pit studies that are being undertaken at present are based on the expanded mineral resource that has been generated by CYM, which has increased by ~50% since the CYM purchase of the assets.

It should also be noted that the Phase 1 and the sulphide mineral resources are still not closed off by drilling and part of the review will assess whether the drilling of these mineral resources, particularly in the upper portions of the orebody, will provide further upside benefit to the finance process.

The preparation of the new strategic plan and implementing a financial restructure is expected to take several months to complete. Cyprium is committed to maintaining its portfolio of copper projects in good standing to facilitate the rapid resumption of development, pending the outcomes of the strategic review.

Project Finance Update

Placement to Support Nifty Project Restart

During February 2023, the Company received firm commitments for AUD35 million through a two-tranche placement ("the Placement") of fully paid ordinary shares to sophisticated and institutional investors at \$0.11 per share. Each participant in the Placement was to receive 1 free attaching option exercisable at \$0.15 per option for every 1 share to be issued under the Placement. From the Placement proceeds, AUD20 million was to be applied as part of the Company's funding strategy to finance the restart of the Nifty Copper Project.

The settlement of the Tranche 1 Placement was conditional upon receipt of binding commitments in relation to the Senior Secured Bond Issue whilst settlement of the Tranche 2 Placement was subject to shareholder approval at the General Meeting following settlement of the Tranche 1 Placement.

Senior Secured Bond Issue

During January and February 2023, the Company undertook fixed income investor calls with international debt capital market investors for a proposed issue of a USD denominated Senior Secured Bond Issue with a five-year tenor, subject to inter alia market conditions. The terms proposed for the USD denominated senior secured bond were revised and deemed not commercially satisfactory to the Company.



Voluntary Suspension

As a consequence of the Placement to Support Nifty Project Restart and the Senior Secured Bond Issue not proceeding, the Company requested the ASX for a voluntary suspension of CYM securities whilst the Company evaluates possible alternative financing arrangements for the Nifty Copper Project restart and the Company completes a strategic review.

Secured Loan Deed

In March 2023, the Company entered into a AUD6 million Secured Loan Deed to support Cyprium's near-term funding whilst the Company undertakes a strategic review. The strategic plan will involve the short medium- and long-term opportunities for the Company.

Board Changes

During April 2023, Mr John Featherby was appointed as Non-Executive Director. Mr Featherby has extensive experience in the stockbroking and wealth management industry. Mr Featherby joined Hartley Poynton (now EurozHartleys) in 1987 from State Treasury, was appointed a Director in 2003 continuing through to 2018 serving as Chairman for seven years in that period. His skills in securing finance, corporate relations and business development will be integral to the Company's strategic review on all assets in the company.

Also during April 2023, Mr Nicholas Rowley resigned as a Non-Executive Director. The Company thanks Mr Rowley for his service and wishes him the best in his international relocation and future endeavours.

Capital Structure

The capital structure of the Company Limited as at 28 April 2023 is summarised as follows:

Security	Number
Fully Paid Ordinary Shares	
Issued Ordinary Shares	730,198,300
Performance Rights	
Unvested performance rights at a nil exercise price, subject to performance conditions	50,450,000
Convertible Notes	
Unlisted Convertible Notes at 4% per annum, maturing 30 March 2025	101,373,777

20.3 million unlisted share options exercisable at 35.51 cents each expired on 30 March 2023. There are no unlisted share options at the date of this report, and 0.8 million unlisted performance rights lapsed on 13 April 2023.

Financial Commentary

The cash flow report (Appendix 5B) for the March 2023 quarter provides an overview of Cyprium's financial activities. Expenditure for Nifty care and maintenance costs, administration and personnel costs were AUD1.1 million during the March 2023 quarter, including AUD40,000 paid for Directors fees (refer to item 6.1 of appendix 5B), whilst exploration expenditure for the March 2023 quarter was AUD0.3 million, including geological analysis and fieldwork.

June 2023 Quarter Plans

Continue work with its advisors and key stakeholders to develop a new strategic plan and arranging of further external funding.

Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“JORC Code, 2012”). Further details (including JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

- 06 Feb 2023 Investor Presentation
- 06 Feb 2023 AUD35M Placement to Support Nifty Project Restart
- 23 Feb 2023 Nifty Copper Project Restart Financing Update
- 23 Feb 2023 Suspension from Quotation
- 24 Mar 2023 Cyprium Metals Update
- 31 Mar 2023 Notification of cessation of securities - CYM
- 31 Mar 2023 Annual Report to Shareholders
- 13 Apr 2023 Board Changes
- 13 Apr 2023 Notification of cessation of securities - CYM

These announcements are available on the Company’s website, <https://cypriummetals.com/investor-centre/asx-announcements/>.

Tenement Information

Tenement	Location	Interest
Cyprium has an 80% joint venture interest in the Cue Copper-Gold project’s copper, gold and silver mineralisation however Musgrave Minerals Limited (ASX Code: MGV) has a 100% interest in primary gold deposits that are not associated with copper-gold deposits, for the following tenements at the Cue Copper Project, WA: M20/0225, M20/0245, M20/0277, M20/526, E20/0606, E20/0608, E20/0616, E20/0629, E20/0630, E20/0659, E20/0698, E20/0700, E20/0836 and P20/2279	Murchison region, WA	80%
Cyprium has a 100% interest in the Nanadie Well Copper-Gold Project, WA, which comprises the following tenements: M51/887, E51/1040, E51/1986 and E51/1987	Murchison region, WA	100%
Cyprium has a 100% interest in the Paterson Copper Project (Nifty Copper Mine and Maroochydore Copper Project), WA, which comprises the following tenements: E45/1018, E45/1840, E45/1841, E45/3011, E45/4318, M45/314, M45/315, M45/317, M45/318, M45/492, P45/2924, P45/2925, P45/2926, P45/2927, P45/3055, P45/3177, P45/3150, P45/3151, L45/102, L45/128, L45/143, L45/148, L45/74, L45/91, M271SA, E45/4319, E45/5705, E45/6263, M45/752, M45/753, M45/754, M45/711, M45/712, M45/713, M45/745 and M45/746	Paterson Province, WA	100%
Cyprium has a 100% interest in the Paterson Exploration Project, WA (IGO earning up to 70%), which comprises the following tenements: E45/1839, E45/2280, E45/2415, E45/2771, E45/2772, E45/2773, P45/2792, P45/2793, P45/2794, P45/2801, P45/2802, P45/2803, P45/2804, P45/2805, P45/2806, P45/2807, P45/2808, E45/3573, E45/3574, E45/3575, E45/3576, E45/3577, E45/4151, E45/4205, E45/4234, E45/4862, E45/5199, E45/5300, M45/1109, M45/1110, M45/1111, M45/1112, M45/1113 and M45/1114	Paterson Province, WA	100%

There were no changes during the quarter.



This ASX announcement was approved and authorised by the Board.

For further information:

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& Company Secretary

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Competent Person

The information in this report that relates to the estimation and reporting of the Nifty Mineral Resource Estimate dated 16 May 2022 is an accurate representation of the recent work completed by CSA Global Pty Ltd. Ms. Felicity Hughes has compiled the work for CSA Global and is an Associate of CSA Global Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy (106498). Ms. Hughes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person (CP). Ms. Hughes 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 Exploration Targets, Exploration Results and the estimation and reporting of the Hollandaire Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, in which he is also a shareholder. Mr. van Luyt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP). Mr. van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Targets, Exploration Results and the estimation and reporting of the Maroochydore Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, in which he is also a shareholder. Mr. van Luyt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP). Mr. van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Targets, Exploration Results and the estimation and reporting of the Nanadie Well Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, in which he is also a shareholder. Mr. van Luyt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP). Mr. van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Cyprium confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.



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 AUD32 million of exploration activities over 6.5 years to earn a 70% interest in the Paterson Exploration Project, including a minimum expenditure of AUD11 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.

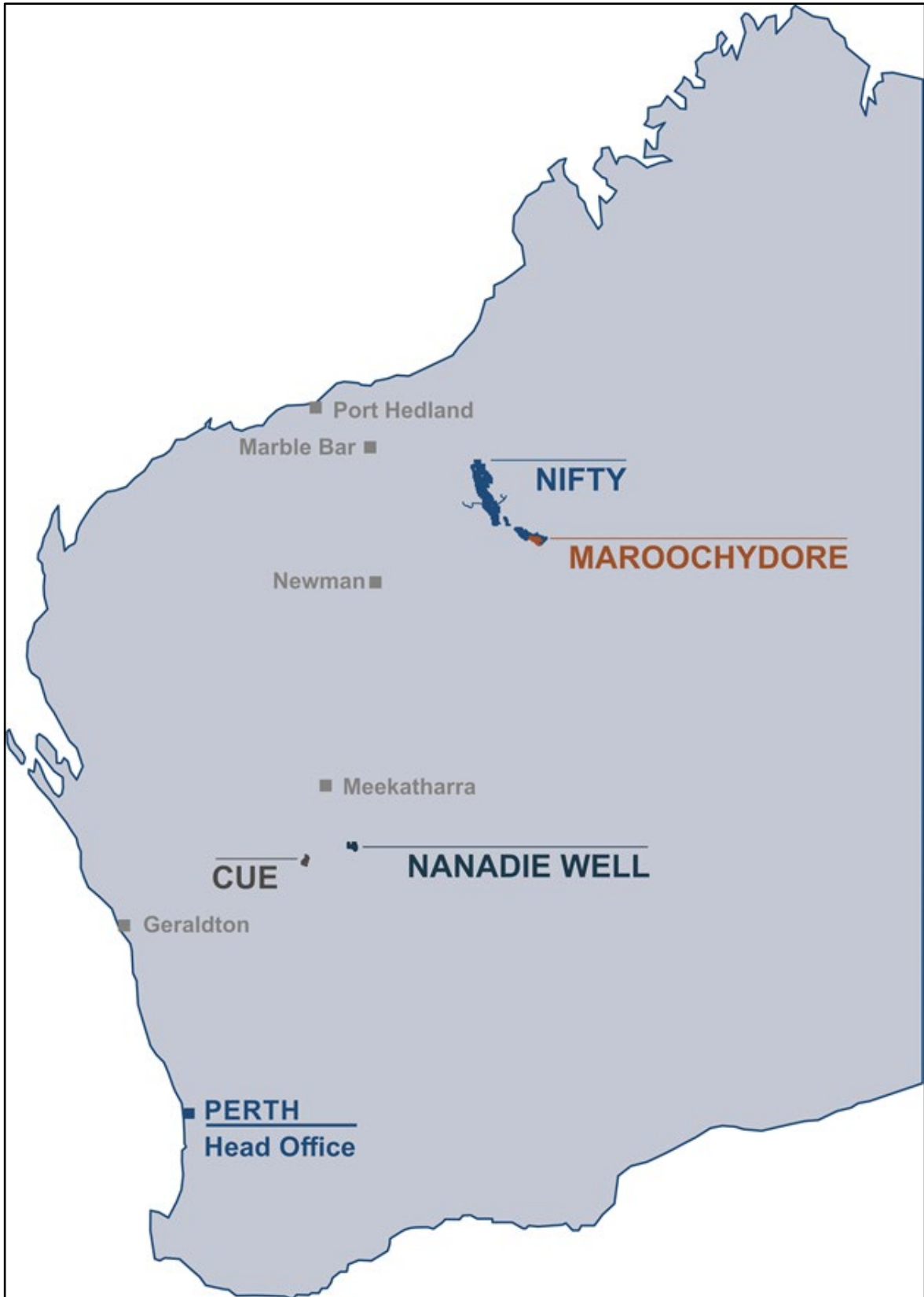
The Cue and Nanadie Well Copper-Gold projects are included in an ongoing scoping study, to determine the parameters required to develop a copper project in the region, which provides direction for resource expansion work.

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