

ASX Announcement

14 July 2023

Cyclone Metals to divest non-core gold assets

Focus shifts to development of flagship Block 103 Magnetite Iron Ore Project in the Labrador Trough region of Canada

Highlights

- Sale of 100% interest in tenements that comprise the Nickol River Project in the West Pilbara of Western Australia
- Sale of 100% interest in tenements that comprise the Longwood Range Gold Copper PGE Project, Mareburn Gold Project, Macraes South Gold Project, Drybread – Waikerikeri Gold Project, and Muirs Gold Project located on the North and South Islands of New Zealand
- In aggregate, the sale will provide CLE with \$4M of liquid assets (cash and/or shares in a listed company)
- The sale of these non-core gold assets ensures that the Company is fully focused on the development of the Block 103 Magnetite Iron Ore Project

Cyclone Metals Limited (ASX: **CLE**) (**Cyclone** or **the Company**) is pleased to announce it has entered into a binding term sheet for the sale of its non-core gold assets that include: 100% interest in the Nickol River Gold Project tenements in Western Australia (**Nickol River Project**) and the Longwood Range Gold Copper PGE Project, Mareburn Gold Project, Macraes South Gold Project, Drybread – Waikerikeri Gold Project, and Muirs Gold Project located on the North and South Islands of New Zealand (**NZ Projects**), to BVI registered company Moosh Moosh Limited (**Moosh**).

The Company has agreed to sell 100% interest in tenements E47/3176, L47/565, L47/686, L47/687, L47/688, L47/689, M47/087, M47/127, M47/401, M47/421, M47/435, M47/455, M47/577, P47/1524 and P47/1812, that comprise the Nickol River Project located in West Pilbara of Western Australia (**Nickol River Project Sale**).

In addition, the Company has agreed to sell 100% interest in tenements PP60700, PP60707, PP60708, PP60709, EP60663, EP60671, EP60692, PP60693, EP60694 and EP61013 (pending grant) located on the North and South Islands of New Zealand (**NZ Projects Sale**).

The Nickol River Projects and NZ Projects are considered non-core assets and their sale is a key step in the Company's strategy to focus on developing its flagship 100% owned Block 103 Magnetite Iron Ore Project (**Block 103**), located in the Labrador Trough region of Canada.

Paul Berend, CEO of Cyclone Metals, commented: *"This sale of non-core assets illustrates our commitment to the development of our world class iron ore project Block 103; whilst ensuring that our investors retain exposure to the upside of these gold assets via a royalty stream and/or equity stake. Both Block 103 and these gold assets will benefit from a dedicated management team and Board."*

KEY TERMS OF THE SALE

1. Consideration in total of AU\$ 4,000,000 in cash or equivalent in shares in an ASX-listed company or New Zealand-listed company to be paid by Moosh on Settlement.
2. The Company shall be entitled to a 1% net smelter royalty on minerals extracted from the Tenements.

3. The Nickol River Project Sale and NZ Projects Sale is expected to complete by no later than 29 September 2023, or at the satisfaction or waiver by Moosh of the Conditions Precedent.
4. Conditions Precedent include:
 - a. Completion of due diligence (**DD**) by both parties no later than 29 September 2023
 - b. Payment of AU\$200,000 from Moosh to Cyclone for maintaining tenements in good order during the DD period. This amount will be refundable if the transaction does not complete.

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

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About Cyclone Metals Limited

Cyclone Metals Limited (ASX: **CLE**) (**Cyclone Metals** or the **Company**) is an Australian domiciled, mineral development company. Our portfolio of projects and investments provides exposure to gold, lithium, iron ore, copper, uranium, and lead-silver-zinc assets in Australia, Canada, Europe, Africa, and South America. Our strategy is to acquire and invest in undervalued and undeveloped mineral assets and companies, apply our hands-on approach to management, exploration, evaluation, and development with an aim to deliver shareholder value. Where possible we look to retain long-term exposure to these assets and companies through a production royalty and/or equity interest. Cyclone Metals is dedicated to maximizing shareholder value through responsible mining practices and strong community engagement.

Disclaimer

This ASX release contains forward-looking statements and is intended for informational purposes only. Actual results may differ materially from those projected in any forward-looking statements due to various risks and uncertainties. Investors are cautioned not to rely solely on the information provided herein and should consult the company's other periodic reports and announcements filed with the ASX for a comprehensive understanding of the company's business and potential risks.

