

Quarterly Activities and Cash Flow Report for the Quarter Ended 30 June 2023

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 is focussed on developing its flagship iron ore project, Block 103 located in the Labrador Trough in Canada. The Company also has interests in several exploration and mining projects and companies, providing exposure to lithium, iron ore, copper and gold, assets globally (refer to Annexure 2) which include shares in listed ASX entities valued at \$7.6m as of 28 July 2023.

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 combined with extensive expertise in the mineral asset development process; 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.

Board Changes

On 14 April 2023, the Company announced the appointment of Paul Berend as Executive Director and Chief Executive Officer with effective 1 May 2023. On the same day, the Company announced the resignation of Non-Executive Chairman Terry Donnelly effective 13 April 2023 and the transition of Tony Sage from Executive Director to Executive Chairman. The Board restructure was implemented to align with the future direction of the Company.

Shareholder Meetings

On 6 April 2023, the Company held a general meeting (**GM**) of shareholders. All resolutions were carried at the GM.

Conversion of Debt

The Company previously entered into loan agreements with European Lithium Ltd (**ASX: EUR**) and received funds from EUR totalling \$2,250,000 (**EUR Loans**). On 2 June 2023, the Company issued 1,175,256,849 shares to EUR for the conversion of EUR Loans plus accrued interest into equity based on a share conversion price of AUD\$0.002.

On 17 April 2023, following receipt of shareholder approval at the GM, the Company issued 161,111,096 fully paid ordinary shares to Directors of the Company to satisfy debts of \$241,667.

Other Securities Movements

On 17 April 2023 and 28 April 2023, the Company issued a total of 26,400,000 fully paid ordinary shares in the Company for the provision of consulting services in relation to the acquisition of Block 103.

On 30 June 2023, a total of 11,200,000 unlisted options with an exercise price of \$0.006 each lapsed.

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 April 2023 to 30 June 2023.

During the quarter, exploration and evaluation expenditure was \$110k, predominantly associated with work undertaken on the Block 103 Project, Grand Port Project, Marampa Project, holding costs and tenement compliance costs. Administration and corporate expenditure during the quarter was \$272k which included Director and consultant costs. In addition, a payment of \$171k was made to the ATO in respect to the tax amount payable. This payment represents the final amount payable to the ATO under the deed of settlement. Investing activities during the quarter included receipt of \$200k from the sale of listed investments offset by a \$24k investment in an unlisted gold project.

As at 30 June 2023, the Company had approximately \$128k.

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 \$171k relating to current Directors and Directors who resigned during the quarter (\$168k) and payments to Director related entity (\$3k). These amounts are included at item 6.1 and item 6.2 of the Appendix 5B.

PROJECTS

Block 103 Iron Ore Project

Block 103 Summary

On 17 April 2023, the Company completed the acquisition of the Block 103 iron ore project (**Block 103** or **the Project**) located in Newfoundland, Canada through the issue of 2,160,000,000 fully paid ordinary shares.

Block 103 is located the Labrador Trough in Canada, 20 km from the town of Schefferville and is within **20km of an open access heavy haul railway** directly connected to the Port Sept Isles iron ore export facility (refer Figure 1).

As announced on 20 June 2023, Block 103 is a well-advanced project supported by an Inferred Mineral Resource of **7,200 Mt @ 32% Fe** which has been reported in accordance with the provisions of both with the JORC 2012 code and the NI 43-101 standards (see further details below).



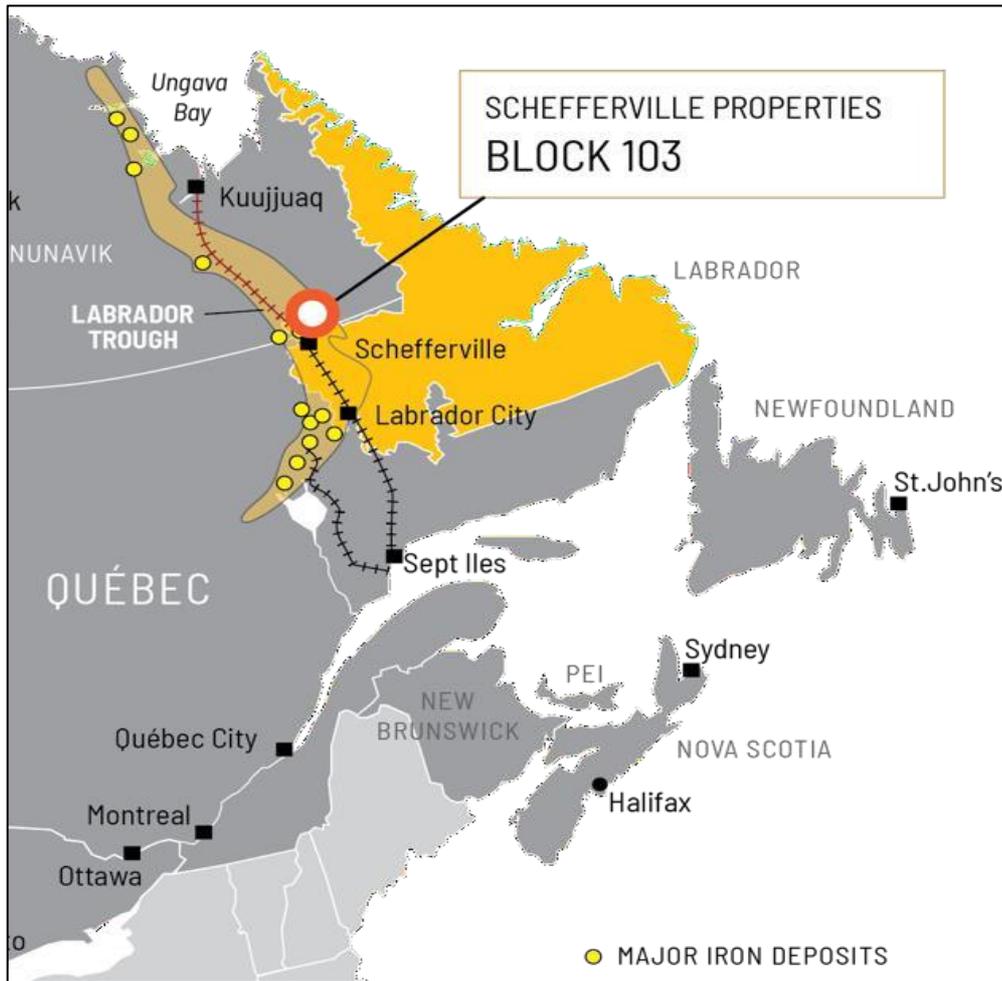


Figure 1 - Location of Block 103

A Preliminary Economic Assessment (**PEA**) study was completed by BBA Inc, of Toronto, in June 2013. This report is publicly available in the SEDAR database* and concludes that a high-quality magnetite concentrate grading **69.5% Fe** can be produced through simple beneficiation and that blast furnace quality **pellets** can be produced and shipped to the Sept Isles port for a cash cost of **USD 47 /t FOB**. For reference, blast furnace pellets currently trade at USD 141/t CIF China and shipping costs are roughly 26 USD/t.

Block 103 benefits from a low stripping ratio of 0.4, is a relatively soft magnetite ore and has access to cheap hydropower – all of which contribute to a low OPEX and an extremely low carbon footprint.

For more detailed information, please refer to the CLE announcement dated 17 April 2023.

Block 103 Quarterly Activities to end of June 2023

The key activities relating directly to Block 103 during the quarter ending June 2023 included:

- a) 17 April 2023: Completion of the acquisition of Block 103
- b) 1 May 2023: Appointment of a highly credentialed iron ore and steel making executive, Paul Berend, as CEO and Executive Director of Cyclone Metals



- c) 20 June 2023: Release of a JORC compliant Inferred Mineral Resource estimate of 7,200 Mt @ 32% Fe
- d) Planning and resourcing of Block 103 value accretive project milestones, leading to the generation of bulk client DRI pellet samples by Q2 2024
- e) Subsequent to the quarter end on 18 July 2023: The start of field operations in Shefferville including the review of 28,000m of drill core and the creation of a 1,6 t of bulk sample for metallurgical test work

* www.sedar.com .Filter by search company database, then Document type: *Technical report NI 43-101* and Company name: *M3 Metals*. Date of filing: 2013

b) Appointment of Paul Berend, as CEO and Executive Director

On 14 April 2023, the Company announced the appointment of Mr Paul Berend as Executive Director and Chief Executive Officer of the Company with effect from 1 May 2023.

Paul brings over 20 years of experience in the iron ore and steel industry acquired in blue chip as well as junior mining companies worldwide. His previous corporate roles include GM Business Development for Rio Tinto Iron Ore and GM Corporate Strategy for ArcelorMittal, the world's largest steel producer. He has also worked for Hatch (director advisory services for Australasia), McKinsey & Company and Partners In Performance.



Paul has a successful track record in identifying and developing early-stage mining projects and is the founder and historic CEO of Trans-Tasman Resources Ltd (a titanomagnetite project in New Zealand ASX: MKR). He has worked extensively with private equity and specialised funds to identify and develop early-stage mining projects and turn around undervalued producing mineral assets.

Paul has MBA from HEC (Paris, France), a MSc and DEA (~PhD) in chemical process design and chemistry from ENSIC (Nancy, France), a bachelor's in applied mathematics and algebra from Harvard University and is a Graduate of the Australian Institute of Company Directors.

Paul's successful track record in the iron ore industry, and specifically in the development of early-stage magnetite deposits, will be a key success driver for the development of Block 103.

Paul said "*I am thrilled to be joining the Company at such an exciting time, and I look forward to working closely with the Board, our shareholders, and most importantly, our Canadian stakeholders, to responsibly develop Block 103. Block 103 is a critical mineral resource – globally – as it could produce low cost DRI grade pellets on a large scale, which the steel industry desperately needs to reduce its carbon footprint*".

c) Release of a maiden JORC compliant mineral resource 7,200 Mt @ 32% Fe

On the 20 June 2023, the Company released its Mineral Resource statement for Block 103, stated in accordance with the provisions of the JORC Code:



Highlights

- Inferred Mineral Resource of **7.2 billion tonnes** containing 29.2% total Fe and **18.9% magnetic Fe**.
- Block 103 Mineral Resource is based on the Greenbush zone which represents only ~ 25% of the total target mineralised area in Block 103 based on aeromagnetic surveys as indicated by geophysics and mapping
- Initial metallurgical test work highlights:
 - ✓ The production of **high-quality concentrate containing 69.5% Fe** with low deleterious elements was achieved consistently through one stage grinding and wet magnetic separation,
 - ✓ **Low Bond Work Index (BWi)** (kWh/t at P₈₀ 32µm) of 15.5 is expected to drive low grinding costs – enhanced by access to cheap renewable hydropower,
 - ✓ Very high Fe magnetite recovery rate of **93.7% by mass**.

Extract from mineral resource statement

Burnt Shirt Pty Ltd (**Burnt Shirt**) was engaged by Cyclone Metals to prepare a Competent Persons Report on Block 103. Iron mineralisation mainly consists of magnetite (Fe₃O₄) and haematite (Fe₂O₃). The Mineral Resource estimate is based on an estimate prepared in 2013 by Watts, Griffis and McOuat (WGM) for CapEx Mining Ltd and reported in accordance with the Canadian NI43-101 standard. The original Mineral Resource estimate and its accompanying Preliminary Economic Analysis may be viewed on SEDAR, the Canadian online repository for listed company statements.

The mineralisation has been classified in accordance with the provisions of the Australian Joint Ore Reserves Committee (the **JORC Code**). The mineralisation has been classified as Inferred due to the wide spacing of drilling in a large deposit which demonstrated global uniformity but localised variation. Cyclone advises that confidence in the classification of the mineralisation will increase with confirmatory drilling.

Block 103 Mineral Resource estimate at 12.5% magnetic Fe cut-off grade

Category	Zone	Tonnes (Billion)	TFe	magFe %
Inferred	Greenbush	7.2	29.2	18.9

The Competent Person for this Mineral Resource estimate is Mr Jeremy Peters BSc BEng FAusIMM CP (Min, Geo), a full-time employee of Burnt Shirt Pty Ltd., consulting to Cyclone. Mr Peters has more than five years' experience in the estimation and reporting of Mineral Resources for iron ore mineralisation in Australia and overseas.

Burnt Shirt had previously assisted CLE with public statements made in relation to the purchase of Block 103. Mr Peters is taking Competent Person responsibility due to his familiarity with the Project.

d) Planning and resourcing of Block 103 value project milestones, with a stretch target to generate bulk client DRI pellet samples by Q2 2024

The leadership team of CLE has defined a strategic development plan for Block 103 which has been designed to de-risk the project upfront and maximise the value creation for early-stage shareholders

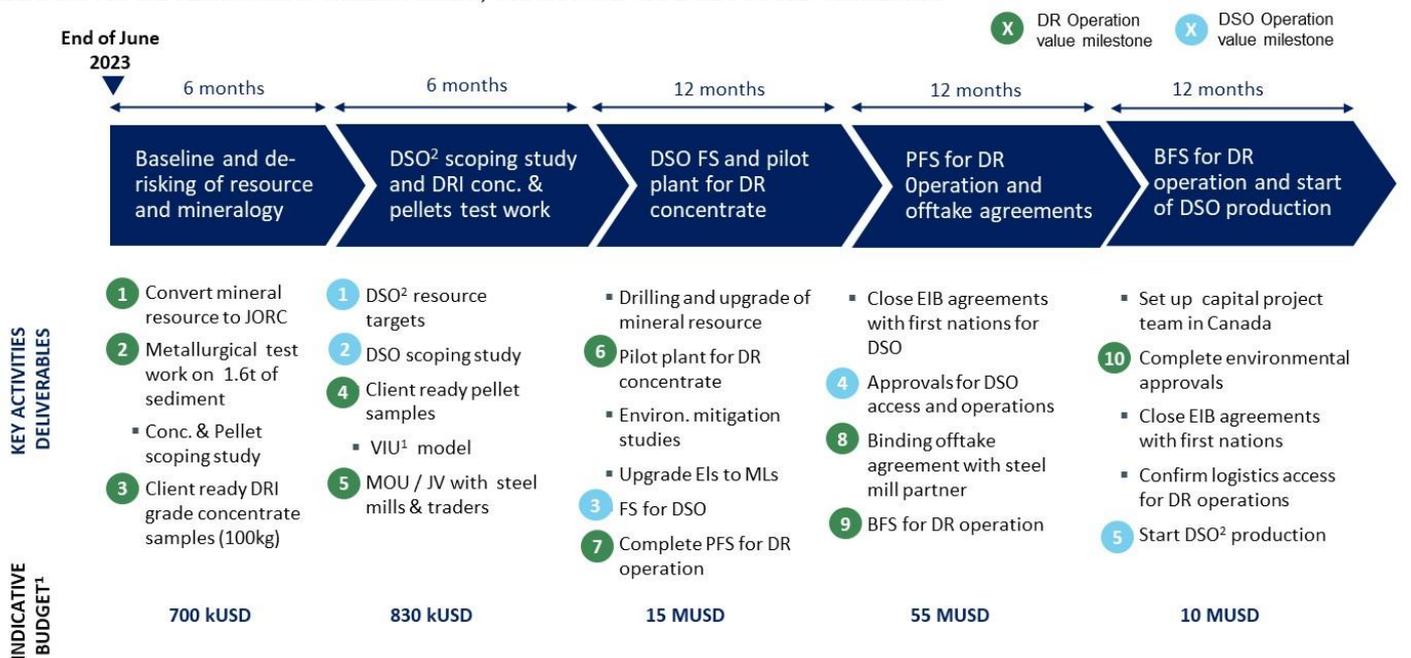


and local communities. The strategic development plan is predicated on the development of two separate and complimentary operations:

1. **Direct Reduction Operation:** The DR operation refers to the development and exploitation of the magnetite taconite resource defined by the maiden mineral resource announced 20 of June 2023. The PEA from BBA dated June 2013 envisaged the production of 16,6 Mta of blast furnace pellets, although CLE believes that DR grade concentrate and pellets are a much better option in the current market conditions.
2. **Direct Shipping Ore Operation.** There are early indications that direct shipping ores could exist on the Block 103. CLE has exploration activities planned for Q2 2024 to identify and quantify this opportunity, which could deliver early cash flows for a modest Capex outlay. It is worth noting that there is already a Tata Steel DSO operation producing ~ 2Mta, located adjacent to Block 103.

The chart below summarises CLE's current strategic development plan which is underpinned by clear value creation milestones which are associated with budgets, resourcing and accountabilities.

BLOCK 103 DEVELOPMENT MILESTONES, INDICATIVE BUDGETS AND TIMELINES



1 : Excludes corporate costs and CAPEX for DSO, but includes owners teams costs

2: DSO = Direct Shipping Ore. Start of production predicated on environmental approvals

3: VIU = Value In Use which corresponds to modelling economic value of concentrate / pellet for steel mill. Carbon footprint of steel produced with Block 103 will also be modelled for individual mills

It is important to note that the planned exploration activities may not deliver a Mineral Resource sufficient in quantity or quality to support a sustainable DSO operation, in which case the milestones indicated in blue will not be achieved. Similarly, whilst the initial exploration work is very positive for the taconite Mineral Resource that supports the proposed DR operation, the achievement of future milestones required to achieve decision to mine carries risk. Some of the more onerous milestones such as the PFS for the DR operation will require additional funding which has not yet been secured.



The first milestone for the DR operation, the release of a Mineral Resource estimate, has already been achieved and work for the following two milestones has commenced. Our initial objectives for the period ending December 2023, are:

- (1) to confirm the Mineral Resource estimate, then
- (2) identify the optimum process flow sheet, and finally
- (3) demonstrate that a DR quality magnetite concentrate can be produced with an acceptable yield based on the flow sheet.

Cyclone plans to generate bulk samples of magnetite concentrate (~ 100-200 kg – milestone 3) so that steel mills can start testing product for their specific application. Once this has been achieved, Cyclone will move into the next 6 month phase, which will involve the production of DR pellets for target steel mills and most importantly, testing these pellets for various direct reduction applications (Midrex, Energiron, etc,...).

One of the most exciting aspects of Block 103 is its potential to produce large volumes of very high-quality DR concentrates and pellets which will assist steel-making customers to substantially reduce their carbon footprint, with relatively low investments.

Cyclone is deliberately prioritising the production of bulk test samples of these low carbon steel making products, rather than allocating funds to expand an already significant Mineral Resource.

DR grade products achieve more favourable prices than standard blast furnace pellets, the premium for which is currently 14 USD/t. The DR pellet premium is 61 USD/t. This is a substantial difference. It is important to note that none of the existing Brazilian or Australian DSO products are DR grade and that there are currently only three sources of DR grade pellets in the world, IOC (also in the Labrador Trough), Vale and LKAB. Cyclone will expand on this advantage in future communications.

e) Start of field operations in Shefferville

As mentioned above, CLE is actively working to achieve its year end objectives and currently has a technical team in Canada, including the CEO, consultant Geologist, Mining Engineer and consulting Metallurgist.

The team has located approximately 18 tons of taconite drill core in sea containers and is selecting 1.5 tonnes of representative samples which will be shipped to a metallurgical laboratory in Canada. Cyclone is happy to report the cores are in good condition and that there is ample material to complete the metallurgical test work and the generation of bulk DR client samples over the next 12 months, without any additional drilling or trenching required.



Block 103 cores in sea container





Consulting Geologist and Mining Engineer selecting and logging representative taconite



Selected cores are bagged- Each pallet is ~ 300kg



Pallets are being shipped by train to Quebec City and then by truck to a laboratory



Cyclone anticipates reporting the results of this test work, which it considers will demonstrate that the Mineral Resource is amenable to producing large quantities of DR grade concentrate.

The Team has started engaging with the local stakeholders and communities in Shefferville, which is located less than 20km away from the Block license areas. This is the beginning of a long journey to build trust and get an understanding of the local challenges. Shefferville is extremely remote and is a mining town with a prominent Inuit and Quebecois population. Cyclone's interactions to date have been very friendly and constructive helped by the fact that the CEO is a native French speaker.

Grand Port

Grand Port Limited holds 100% of 6 projects over a diversified portfolio of gold, copper, nickel and PGE assets in New Zealand (figure 2).

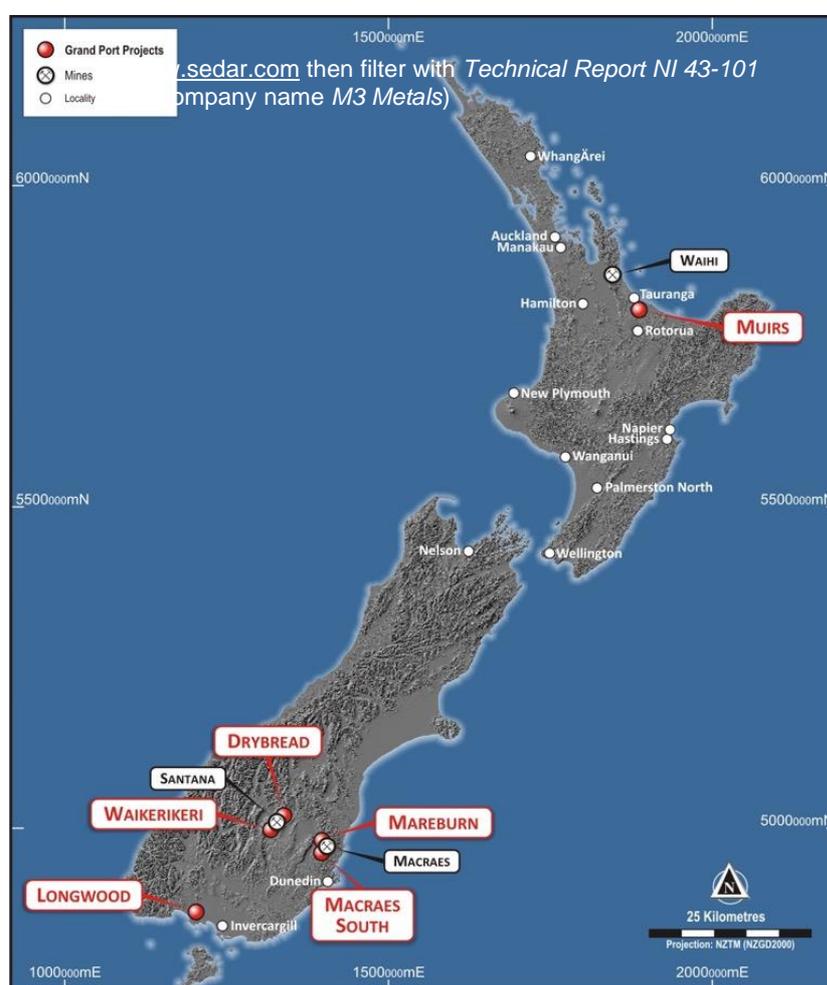


Figure 2 – Location of Grand Port Projects

As previously announced, a sampling program was started over Macraes South. On 2 May 2023, the Company announced that soil geochemical sampling has successfully identified a series of gold anomalies within the Macraes South PP 60700 (refer figure 3).



Highlights

- Strong coherent and continuous geochemical responses over projected structural positions of gold lode zones at Macraes South
- Anomalous responses up to 350m wide in orientation sampling line 4 resolved into 3 parallel lode systems
- Potentially >5 mineralised lodes for drill testing identified at the Swampy Hill Prospect within the Macraes South project
- Rock chip sampling of lodes up to 3.47g/t Au
- Identified lode dipping 50o to northeast subparallel to Hyde-Macraes shear system
- Anomalism open to Northwest, Southeast and northeast

Geochemical Sampling Discussion

Following on from the Ionic leach trial soil sampling (ASX release 2 May 2022 and 1 June 2022) within Macraes South, an expanded program was designed and completed in December 2022.

A soil grid program was planned and executed around the significant results returned from orientation traverse line 4, at the Swampy Hill prospect, within the Macraes South tenement. The planned program was for approximately 500 samples to be collected on a 200m north-south line spacing with a 50m samples spacing. The original orientation line was orientated north-northeast so the grid lines crossed the orientation line 3 times providing a detailed cross-check on both sets of results.

Naturally, the prospect is now called Swampy Hill.

The anomalies are defined both on raw geochemical values or on a times background basis usually used to express Ionic Leach™ results. The anomalies tend to be narrow and lenticular in nature consistent with the probable style of mineralisation being in relatively narrow elongate shear zones.

Anomalous zones (**Figure 4**) defined using Ionic Leach™ which show >25x background values have empirically been found in proximity to mineralisation; using this rationale there is potentially >2,000m of mineralised strike in the Swampy Hill prospect area. **Table 1** lists the sample locations, the raw Au ppb values and the calculated ratio to background value (Response Ratio – RR).

The **Figure 5** photograph shows the nature of the mineralised zone in a small gouging; this zone assayed 3.47g/t over 0.6m and consists of weathered sulphidic siliceous shear zone material dipping at 45° northeast and striking northwest-southeast (140°-320°). This is very similar to the Lot's Wife area also in the footwall of the Hyde-Macraes Shear and are probably best described as moderate angle reverse faults rather than thrust faults such as in the Macraes low angle system.

Their origin and character are assumed to be due to the same thrust regime which generated the Hyde-Macraes Shear with the change in dip angle being due to rotation of the fault planes occurring in the footwall zone.

The southernmost anomaly adjacent to the Swampy Hill Trig station strikes 110°-290°, the same as the subvertical quartz hosted Nenthorn gold mineralisation.

An application for an extension of term has been lodged for the Macraes South PP 60700; it is proposed a small EP area covering Swampy Hill and surrounding area be lodged; once granted and an access agreement signed with the landowners a drilling program will be undertaken to test the defined anomalies.



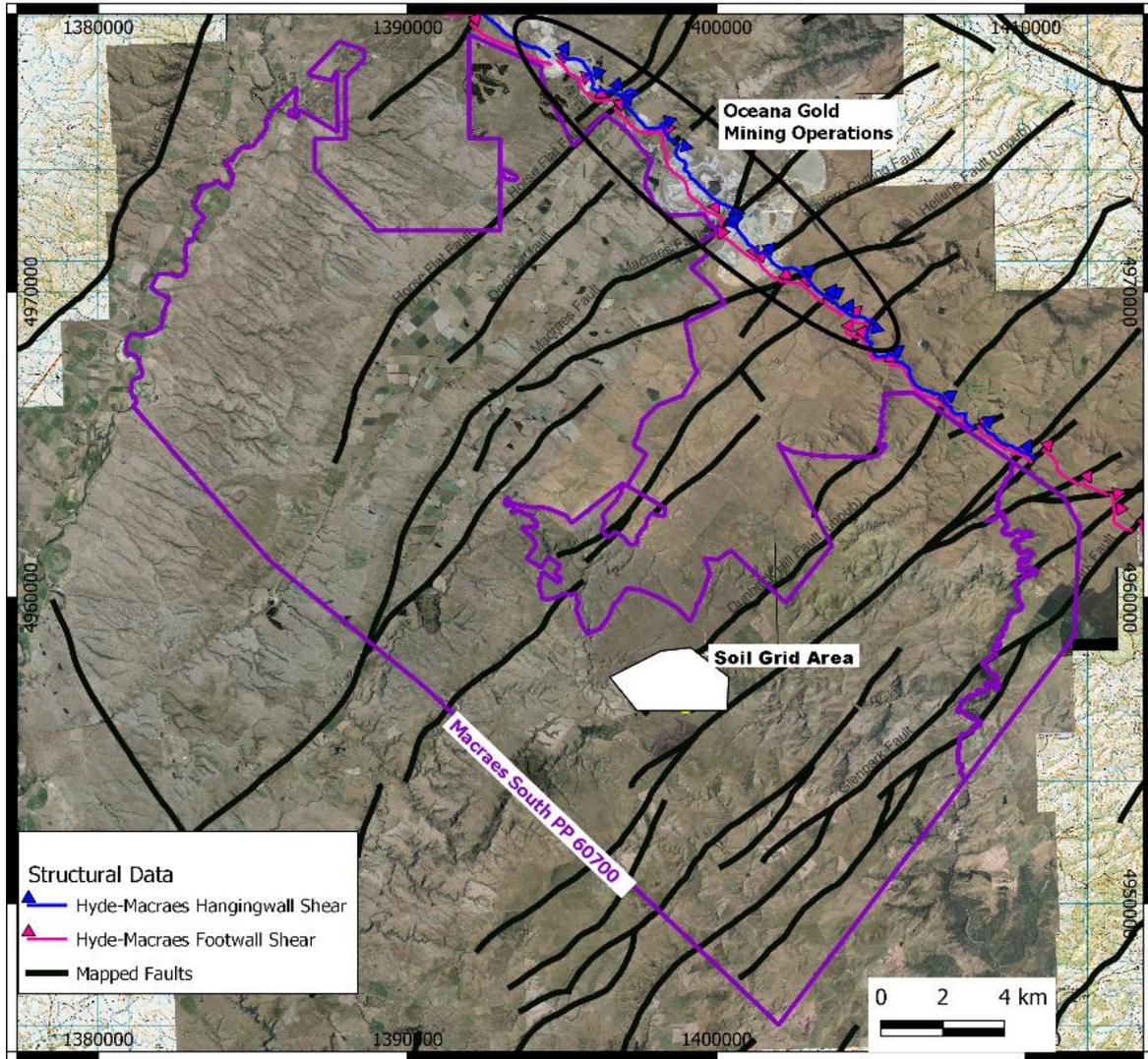


Figure 3: Location of Soil Sample Grid in Macraes South PP60700



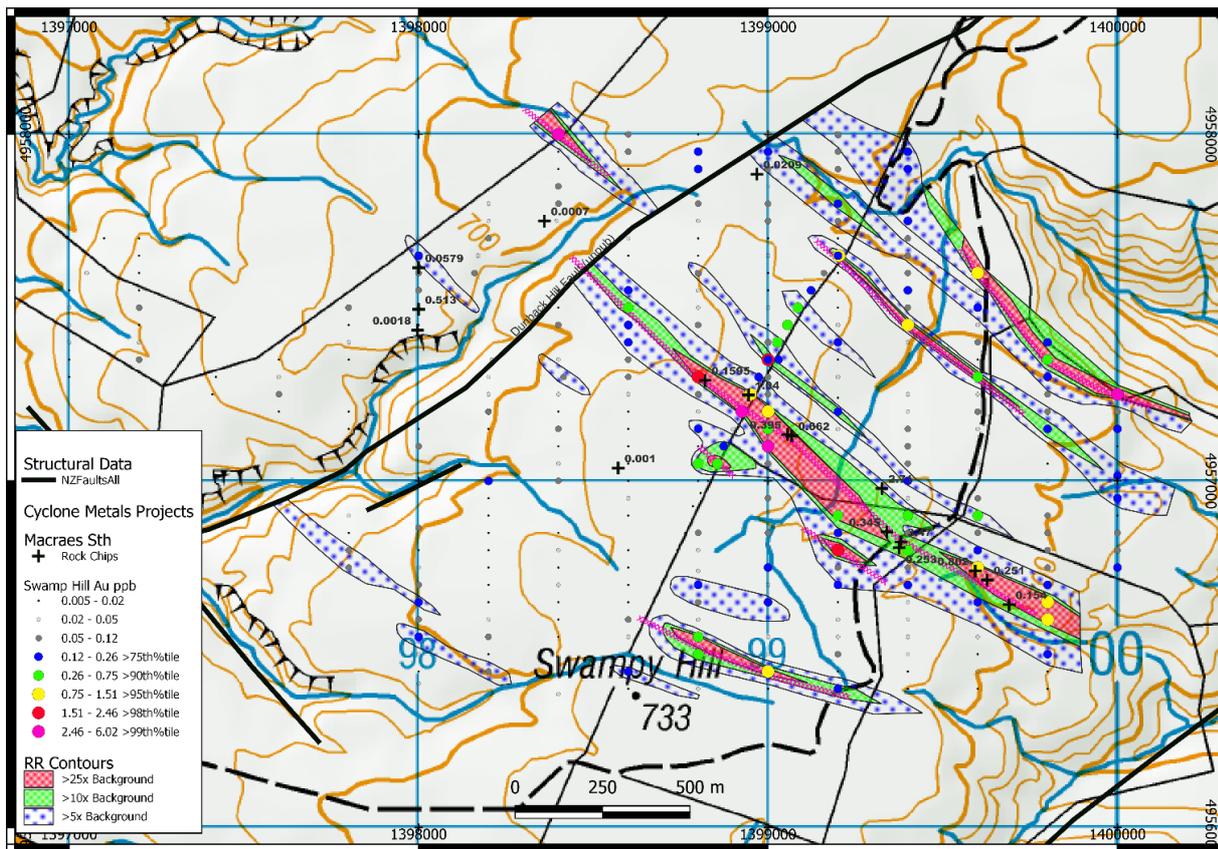


Figure 4: Defined Au in Soil anomalies at Swampy Hill, Macraes South PP60700



Figure 5: Mineralised Shear zone in Swampy Hill prospect area containing 3.47g/t Au.



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**).

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**).

There has been no exploration undertaken during the June Quarter on the Wee MacGregor Project.

Nickol River Gold Project

The Nickol River Project (**NRP**) comprises seven granted Mining Leases (M47/87, M47/127, M47/401, M47/421, M47/435, M47/455, M47/577), two Prospecting Licences (P47/1524, P47/1812), one Exploration License E47/3176, five Miscellaneous Licences (L47/686, L47/687, L47/688, L47/689, L47/565 (application)) (refer Figure 6).

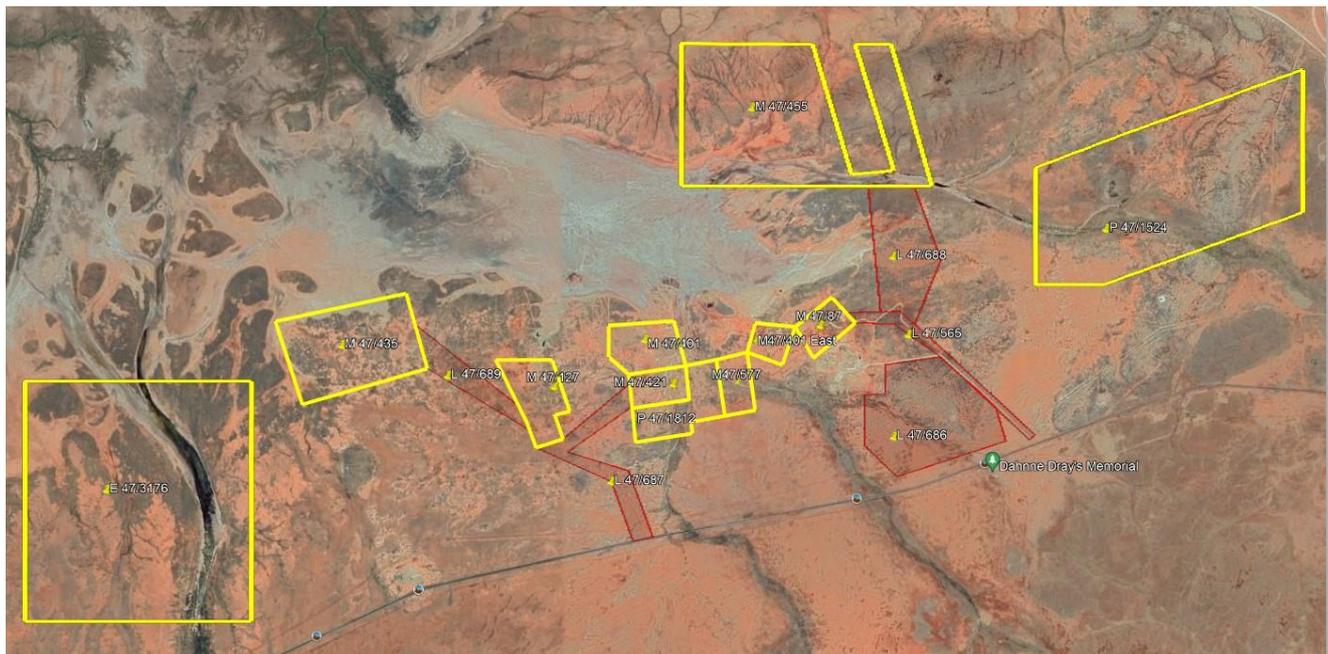


Figure 6 - Nickol River Project location and tenements, located 10km east of Karratha in the West Pilbara of Western Australia

There has been no exploration undertaken during the June Quarter on the NRP.



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.

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. The 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 mineralisation, 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 Project 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 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.

The Information in this report that relates to the Grand Port, New Zealand exploration results, mineral resources or ore reserves is based on information compiled by Mr Allan Younger, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Younger is a consultant to the company. Mr Younger 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 Younger consents to the inclusion of this information in the form and context in which it appears in this report.

The information in this report that relates to the Block 103 Project has been reviewed and compiled by Jeremy Peters FAusIMM CP (Mining, Geology), a Director of Burnt Shirt Pty Ltd, who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".



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%
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%
P47/1812	Nickol River – Western Australia	-	-	100%
EP60671	Muir's Reef – New Zealand	-	-	100%
PP60709	Muir's Surrounds – New Zealand	-	-	100%
EP60663	Mareburn – New Zealand	-	-	100%
PP60700	Macraes South – New Zealand	-	-	100%
PP60707	Drybread – New Zealand	-	-	100%
PP60708	Waikerikeri – New Zealand	-	-	100%
EP60694	Longwood Range Prinz – New Zealand	-	-	100%
PP60693	Longwood Range M'vale – New Zealand	-	-	100%
EP60692	Longwood Range Tops – New Zealand	-	-	100%
Block 103	Labrador Trough - Canada	100%	-	100%

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



APPENDIX 2 : GROUP STRUCTURE AND INVESTMENTS

Exploration Projects

Block 103 Iron Ore Project
CLE - 100%
Canada

Nickol River Project**
CLE - 100%
Western Australia

Wee MacGregor Copper Project
CLE - 20%
Qld, Australia

Grand Port Project**
CLE - 100%
New Zealand

Kukuna Iron Ore Project
CLE
Sierra Leone

Investments

CuFe Limited (ASX: CUF)
15.13% interest
Iron Ore, copper (Australia)

International Goldfields Limited (Unlisted)
18.82% interest
Gold (Australia / Cote d'Ivoire / Brazil)

Cauldron Energy Limited (ASX: CXU)
2.70% interest
Uranium, gold, sand (Australia)

European Lithium Limited (ASX: EUR)
4.52%* interest
Lithium (Austria)

* This figure incorporates the effect of the buy-back undertaken by EUR and completed in July 2023

** Refer to announcement released by the Company subsequent to the quarter end of 14 July 2023 titled "Cyclone Metals to divest non-core gold assets"

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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")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(110)	(684)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	(15)
(e) administration and corporate costs	(272)	(1,137)
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	(171)	(952)
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(553)	(2,788)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(24)	(54)
(b) tenements	-	(55)
(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 (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	200	200
	(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	176	91

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,350
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	-	(89)
3.5	Proceeds from borrowings	-	1,250
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (unissued capital)	-	-
3.10	Net cash from / (used in) financing activities	-	2,511

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	505	314
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(553)	(2,788)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	176	91
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,511

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	128	128

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	128	505
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)	128	505

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	171
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 (\$168k) and payments to Director related entity (\$3k)

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(554)
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)	(554)
8.4 Cash and cash equivalents at quarter end (item 4.6)	128
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	128
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.23
<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>	
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 alternative funding options including 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: <ul style="list-style-type: none"> ▪ Raising additional funds (as outlined above) ▪ Realisation of certain of the Company's unencumbered financial assets through the sale of its listed shares (if required) 	
<i>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.</i>	

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: 31 July 2023

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.