

ASX Announcement

17th of February 2025

Transaction Mandate Agreement

SUMMARY

Following completion of the capital raisings, the subject of the Corporate Advisory Mandate entered into with RM Corporate Finance Pty Ltd (**RM Corporate Finance**) in July 2024, Cyclone Metals Limited (ASX: **CLE**) (**Cyclone** or the **Company**) has resolved to enter into a Transaction Mandate Agreement (**Mandate Agreement**) with BT Global Holdings Pty Ltd (an associated entity of RM Corporate Finance) as Trustee of the Iron Bear Unit Trust whereby the Trustee of the Iron Bear Unit Trust is granted a non-exclusive mandate to:

- a. Identify strategic partners, investors and/or acquirers in relation to the Iron Bear Project.
- b. Assist the Company in setting up the appropriate structure or structures for the further development of the Iron Bear Project with a view to unlocking substantial value uplift for the Company and Shareholders.
- c. Assist the Company in relation to negotiating and implementing one or more strategic transactions.

Pursuant to the Mandate Agreement the Trustee of the Iron Bear Unit Trust is entitled to a success fee in the event that the Company enters into one or more binding legal agreements in relation to strategic transactions for the Iron Bear Project on or before 17 July 2025 or such later date as agreed between the parties. The Vale Development Agreement is the first agreement that has been finalised in this regard (refer ASX announcement 17 February 2025).

In the event that the Company enters into a new or varied binding legal agreement with a party to a strategic transaction entered into during the term of the mandate in the five years after the end of the term of the Mandate Agreement, the Trustee of the Iron Bear Unit Trust will also be entitled to a success fee in relation to each such new or varied agreement.

Strategic transactions for the purpose of the Iron Bear Mandate Agreement include an acquisition or divestment, joint venture, sales, offtake or royalty agreement relating to the Iron Bear Project as well as a merger resulting in a change of control in the Company.

Any success fee payable will be calculated on the basis of the table below and to the extent that the Trustee of the Iron Bear Unit Trust is entitled to more than one success fee in relation to one or more strategic transactions, the transaction value for the purpose of calculating the success fee shall operate cumulatively for all strategic transactions in relation to which the success fee is payable.

Transaction Value (Cumulative)	Fee Percentage
First \$10 million or less, and	6.0%
Next \$10.01 million to \$24.99 million, and	5.0%
Next \$25 million to \$49.99 million, and	4.0%
Next \$50.0 million to \$1,999.99 million	3.0%
Greater than \$2,000.00 million	2.0%

The units in the Iron Bear Unit Trust will be held by entities associated with the management of the Iron Bear Project (including the Directors of the Company and key consultants to the Iron Bear Project) as well as RM Corporate Finance. The participation of the Directors in the Iron Bear Unit Trust is subject to shareholder approval pursuant to Chapter 2E of the Corporations Act and to the extent applicable ASX Listing Rule 10.11.

Each success fee shall be payable at the Company's election in either cash or shares subject to the following conditions:

- a) If the Company elects to pay any success fee or part of any success fee in shares the shares will be issued at a 20% discount to the 10 day VWAP prior to the date the obligation to make the payment accrues.
- b) If the success fee in relation to units in the Iron Bear Unit Trust held by related parties of the Company is not approved by Shareholders the total success fee shall be reduced by the proportion of units held by the related party unit holders in relation to which Shareholder approval is not obtained.
- c) In the event that any required shareholder approval is not obtained to issue shares as part of the success fee the Company shall be required to pay that part of the success fee in cash.
- d) Any success fee due will be payable within 90 days after completion of the relevant strategic transaction (or in the event that proceeds from the relevant strategic transaction are received over time within 90 days after each tranche of proceeds is received).

The Mandate Agreement has been entered into to provide an incentive to the unit holders of the Iron Bear Unit Trust to pursue strategic transactions in relation to the Iron Bear Project with a view to unlocking substantial value uplift for the Company and shareholders and to align the interests of those unit holders with the interests of shareholders.

Announcement authorised for release by the board of Cyclone.

ENDS