



Interim Financial Report

30 June 2019

ABN 48 002 678 640

cypriummetals.com

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CORPORATE DIRECTORY

Directors

Gary Comb (Chairman, Non-Executive Director)
 Barry Cahill (Executive Director)
 Nicholas Rowley (Non-Executive Director)

Auditors

HLB Mann Judd
 Level 4, 130 Stirling Street
 Perth WA 6000

Company Secretary

Wayne Apted

Website

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Registered Office & Principal Place of Business

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Share Registry

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DIRECTORS' REPORT

The Directors present their report for Cyprium Metals Limited (formerly ARC Exploration Limited) ("CYM" or "the Company") and its subsidiaries ("the Group") for the 6 months ended 30 June 2019.

DIRECTORS

The persons who were directors of CYM during the half-year and up to the date of this report are:

- Gary Comb (Chairman, Non-Executive Director) – appointed 14 June 2019
- Barry Cahill (Executive Director) – appointed 14 June 2019
- Nicholas Rowley (Non-Executive Director)
- Simon Taylor (Non-Executive Director) – resigned 10 June 2019
- Marcello Cardaci (Non-Executive Director) – resigned 10 July 2019

REVIEW OF OPERATIONS

Completion of the Acquisition of Cyprium Australia Pty Ltd

In June 2019, CYM completed the acquisition of 100% of the issued capital of Cyprium Australia Pty Limited following satisfaction of all the conditions precedent. Pursuant to an agreement between Cyprium Australia Pty Ltd and Musgrave Minerals Limited, Cyprium Australia Pty Ltd has been granted an option to earn-in and joint venture for an 80% interest in the non-gold rights over the tenements at the Cue Copper Project.

Cue Copper Project

The Cue Copper Project is located in the Murchison region of Western Australia which is host to a number of Volcanic Massive Sulphide ("VMS") deposits. VMS deposits are noted to occur in clusters when in favourable geological settings such as those in the Project area. The exploration leases and mining licenses currently held by Musgrave Minerals Limited are located approximately 20km to the east of Cue in Western Australia. The Project contains the Hollandaire copper deposit.

CYM commenced extension and metallurgical drilling at the Cue Copper Project, immediately adjacent to the current copper mineralisation at Hollandaire in July 2019. A Programme of Work (PoW) has been approved by the WA Department of Mines, Industry Regulation and Safety, for the drilling programme.

The Phase 1 drilling programme is intended to test for extensions of both the Hollandaire and Hollandaire West copper mineralisation. The targeted potential extensions are those that are closer to the surface and the majority of which will be drilled into the Hollandaire West area. The holes planned for this phase are for over 4,000 metres of reverse circulation drilling. Following the completion of Phase 1, drilling programmes are planned to continue for a further 8,000 metres of reverse circulation drilling, targeted at the deeper extensions of the copper mineralisation.

The metallurgical drilling will be used for initial column test-work to determine the suitability for alternative extraction methods. It is anticipated that following this initial test-work that further samples will be required to continue to optimise the processing methodology.

A number of drill holes in these initial programs will be prepared for downhole geophysics programmes, which will assist in the planning of the subsequent phases of extensional drilling.

The Hollandaire copper mineralisation is open to the south-west and at depth. The preliminary exploration data has identified a number of high priority targets and drilling will be conducted at Hollandaire and Hollandaire West to determine the extent of the open mineralisation. The Company is also prioritising its other drill targets.

Manitou Project

The Manitou Gold Project tenements held by the Company in North-western Ontario Canada have been reduced from 245 km² to 5 km² during the first half of the year due to expenditure requirements not being achieved.

Acquisition Consideration

The consideration for all of the issued capital of Cyprium Australia Pty Ltd was \$1,342,500 comprising 5,750,000 fully paid ordinary shares in CYM issued to the shareholders of Cyprium Australia Pty Ltd and 1,308,750 fully paid ordinary shares in CYM issued to Musgrave Minerals Limited.

Capital Structure

During the 6 months to 30 June 2019, in addition to the shares issued for the acquisition of Cyprium Australia Pty Ltd, CYM issued 11,250,000 fully paid ordinary shares in the Company to institutional and sophisticated investors to raise \$2.25 million, and 1.5 million shares to a corporate advisor.

During June 2019, the Company issued 6.4 million performance rights to Directors and during July 2019, the Company issued 6 million performance rights to employees.

Board and Secretary Changes

Mr Gary Comb and Mr Barry Cahill were appointed to the Board as Non-Executive Chairman and Executive Director respectively. Mr Wayne Apted has been appointed as Chief Financial Officer and Company Secretary whilst Mr Simon Taylor and Mr Marcello Cardaci have retired from the Board and Mr Aaron Bertolatti retired as Company Secretary.

Name Change and Registered Office

The Company has been renamed to Cyprium Metals Limited and its shares are trading under the ASX code CYM, as approved at the Company's Annual General Meeting on 29 May 2019. The Company's Registered Office and Principal Place of Business was changed during the first half of the year to Level 2, 38 Rowland Street, Subiaco, WA, 6008.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There are no significant events subsequent to the end of the financial period to the date of this report, other than as announced to ASX on 24 July 2019, the Company granted 6 million performance rights under the Company's Incentive Performance Rights Plan, to certain employees.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this Directors' Report for the half-year ended 30 June 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Gary Comb
Chairman, Non-executive Director

Perth, WA
11 September 2019

Competent Persons

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources and/or Mineral Reserves is an accurate representation of the available data and is based on information compiled by Mr Peter van Luyt who is a member of the Australian Institute of Geoscientists. Mr Peter van Luyt is the Chief Geologist of Cyprium Australia Pty Ltd, 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.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Cyprrium Metals Limited (formerly ARC Exploration Limited) for the half-year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
11 September 2019



L Di Giallonardo
Partner

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2019

	Note	30 June 2019 \$	30 June 2018 \$
Continuing Operations			
Interest income		5,143	3,546
Employee expenses		(211,701)	(104,610)
Management and administrative expenses		(242,415)	(183,280)
Depreciation		(3,469)	-
Exploration expenditure		(88,427)	-
Exploration asset impairment	3	(972,979)	(5,158,046)
Impairment of loans receivable		-	(172,163)
Share-based payment – shares issued to corporate advisor	5	(283,500)	-
Interest expense on finance leases		(505)	-
Unrealised foreign exchange loss		946	(653)
Loss before income tax		(1,787,907)	(5,615,206)
Income tax expense		-	-
Net loss for the period		(1,787,907)	(5,615,206)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		501	(7,079)
Other comprehensive income/(loss) for the period net of tax		501	(7,079)
Total comprehensive loss for the period		(1,787,406)	(5,622,285)
Loss per share			
Basic and diluted loss per share (cents per share)		(6.59)	(64.02)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

as at 30 June 2019

	Note	30 June 2019 \$	31 December 2018 \$
Current Assets			
Cash and cash equivalents		3,578,371	1,910,897
Receivables		1,637	9,070
Other assets		69,725	61,030
Total Current Assets		3,649,733	1,980,997
Non-Current Assets			
Right-of-use asset		121,397	-
Deferred exploration and evaluation expenditure	3	1,477,963	946,030
Total Non-Current Assets		1,599,360	946,030
Total Assets		5,279,093	2,927,027
Current Liabilities			
Trade and other payables		447,209	89,911
Lease liabilities	4	38,382	-
Other		-	37,230
Provisions		-	71,104
Total Current Liabilities		485,591	198,245
Non-Current Liabilities			
Lease liabilities	4	83,380	-
Total Non-Current Liabilities		83,380	-
Total Liabilities		568,971	198,245
Net Assets		4,710,122	2,728,782
Equity			
Issued capital	5	157,449,603	153,680,857
Reserves		1,913,496	1,912,995
Accumulated losses		(154,652,977)	(152,865,070)
Total Equity		4,710,122	2,728,782

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2019

	Issued capital \$	Accumulated losses \$	Share-based payment reserve \$	Foreign exchange translation reserve \$	Total \$
Balance at 1 January 2018	150,979,294	(146,972,699)	1,137,623	772,187	5,916,405
Total comprehensive loss for the period					
Loss for the period	-	(5,615,206)	-	-	(5,615,206)
Foreign currency translation	-	-	-	(7,079)	(7,079)
Total comprehensive loss for the period	-	(5,615,206)	-	(7,079)	(5,622,285)
Transactions with owners in their capacity as owners					
Shares issued during the period	1,963,159	-	-	-	1,963,159
Shares issued as consideration for acquisition	798,250	-	-	-	798,250
Cost of issue	(48,714)	-	-	-	(48,714)
Share based payment	(11,132)	-	11,132	-	-
Balance at 30 June 2018	153,680,857	(152,587,905)	1,148,755	765,108	3,006,815
Balance at 1 January 2019	153,680,857	(152,865,070)	1,148,755	764,240	2,728,782
Total comprehensive loss for the period					
Loss for the period	-	(1,787,907)	-	-	(1,787,907)
Foreign currency translation	-	-	-	501	501
Total comprehensive loss for the period	-	(1,787,907)	-	501	(1,787,406)
Transactions with owners in their capacity as owners					
Shares issued – placements	2,250,000	-	-	-	2,250,000
Shares issued to advisor	285,000	-	-	-	285,000
Shares issued as consideration for acquisition	1,342,500	-	-	-	1,342,500
Cost of issue	(108,754)	-	-	-	(108,754)
Balance at 30 June 2019	157,449,603	(154,652,977)	1,148,755	764,741	4,710,122

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Interim Financial Report for the six months ended 30 June 2019

1. Corporate Information

The financial report of Cyprium Metals Limited ("Cyprium Metals" or "the Company") for the half-year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 11 September 2019.

Cyprium Metals is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the six months ended 30 June 2019 have been prepared in accordance with applicable accounting standards including AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

These interim financial statements for the six months ended 30 June 2019 do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these interim financial statements for the six months ended 30 June 2019 are to be read in conjunction with the annual financial statements for the year ended 31 December 2018 and any public announcements made by Cyprium Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2018.

(d) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 December 2018.

(e) New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018 and corresponding half-year, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Condensed Consolidated Interim Financial Report for the six months ended 30 June 2019

The Group applied, for the first time during the period, AASB 16 "Leases", however the Group did not have any leases during 2018 so no restatement of prior year comparative figures was required.

AASB 16 Leases

AASB 16 Leases supersedes AASB 117 "Leases". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. The Group adopted AASB 16 using the full retrospective method of adoption with the date of initial application of 1 January 2019. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 117 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases"), and lease contracts for which the underlying asset is of low value ("low-value assets").

Set out below are the new accounting policies of the Group upon adoption of IFRS 16 on 1 January 2019:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2019

	30 June 2019 \$	31 December 2018 \$
3. Deferred Exploration & Evaluation Expenditure		
<i>Exploration and Evaluation phase - at cost</i>		
Opening balance	946,030	5,158,046
Acquisition of exploration properties – current period ¹	1,309,026	-
Acquisition of exploration properties – comparative period ²	-	818,561
Exploration expenditure written off ³	(972,979)	(5,158,046)
Exploration and evaluation expenditure incurred during the period	195,886	127,469
Closing balance	1,477,963	946,030

¹ In June 2019, the Group acquired 100% of the share capital of Cyprium Australia Pty Limited, which holds rights to earn-in and joint venture for an 80% interest in the non-gold rights over the tenements at the Cue Copper Project in Western Australia. This acquisition did not constitute a business combination and the cost of the acquisition have been allocated to the individual identifiable assets and liabilities on the basis of their respective fair values. The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

The identifiable assets acquired upon the acquisition of Cyprium Australia Pty Limited is as follows:

	\$
Purchase consideration:	
7,058,750 Ordinary shares	1,342,500
Identifiable assets/(liabilities) acquired:	
Cash	4,017
Exploration properties	1,309,026
Other assets	29,457
	1,342,500

² In May 2018, the Group acquired 100% of the share capital of GNR Minerals Pty Limited which holds exploration tenements in Canada. This acquisition did not constitute a business combination and the cost of the acquisition have been allocated to the individual identifiable assets and liabilities on the basis of their respective fair values. The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

The identifiable assets acquired upon the acquisition of GNR Minerals Pty Limited is as follows:

	\$
Purchase consideration:	
2,575,000 Ordinary shares (pre-share split)	798,250
Identifiable assets/(liabilities) acquired:	
Cash	4,688
Exploration properties	818,561
Trade and other payables	(24,999)
	798,250

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2019

³ The Manitou Gold Project tenements held by the Company in North-western Ontario Canada reduced from 245 km² to 5 km² during the 6 months ended 30 June 2019. The Board has impaired the fair value of the Canadian assets to \$nil as at 30 June 2019. An amount of \$972,979 relating to previously capitalised exploration expenditure has been written off to the Statement of Profit or Loss and Other Comprehensive Income in the current period.

Following the acquisition of GNR Minerals Pty Limited, the Company's focus shifted away from the Indonesian assets (Trenggalek Project) to the Manitou Gold Project in Ontario, Canada. The Board had impaired the fair value of the Indonesian assets to \$nil at the end of 2018. An amount of \$5,158,046 relating to previously capitalised exploration expenditure was written off to the Statement of Profit or Loss and Other Comprehensive Income in the comparative period.

	30 June 2019	31 December 2018
	\$	\$
4. Lease liabilities		
Leased premises - current	38,382	-
Lease premises – non-current	83,380	-
	121,762	-

	30 June 2019	31 December 2018
	\$	\$
5. Issued Capital		
(a) Issued and paid-up capital		
Issued and fully paid	157,449,603	153,680,857

	30 June 2019		31 December 2018	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
Opening Balance	25,250,732	153,680,857	5,392,212	150,979,294
Shares issued and fully paid	-	-	908,154	463,159
Shares issued as consideration for acquisition ¹	7,058,750	1,342,500	2,575,000	798,250
Shares split on a 1:2 basis ²	-	-	8,875,366	-
Shares issued - placements	11,250,000	2,250,000	7,500,000	1,500,000
Shares issued to corporate advisor ⁴	1,500,000	285,000	-	-
Transaction costs on share issues ³	-	(108,754)	-	(59,846)
	45,059,482	157,449,603	25,250,732	153,680,857

¹ 7,058,750 fully paid ordinary shares were issued to the vendors of Cyprium Australia Pty Limited and Musgrave Minerals Limited for the acquisition of the Company's Cue Copper Project in Western Australia in the current period (refer to Note 3).

2,575,000 fully paid ordinary shares were issued to the vendors of GNR Minerals Pty Limited for the acquisition of the Company's Manitou Gold Project in Canada in the comparative period (refer to Note 3).

² The share split approved by shareholders on 30 May 2018, was completed on 12 June 2018.

Notes to the Condensed Consolidated Interim Financial Report for the six months ended 30 June 2019

³ The transaction costs on share issues of \$59,846 during 2018 includes an amount of \$11,132 being the value of 150,000 options (pre-share split) exercisable at \$0.75 on or before 10 October 2019 issued pursuant to a Lead Manager Mandate dated 8 November 2017.

⁴ As approved at the Company's Annual General Meeting on 29 May 2019, 1,500,000 fully paid ordinary shares were issued to a corporate advisor for consideration received of \$1,500. These shares were valued at the Company's share price at that time. The value above the consideration received, namely \$283,500 has been recorded as a share-based payment.

(c) Performance Shares

As at 30 June 2019, there were 1,030,000 performance shares on issue. The Performance Shares will convert to ordinary shares if the Company is able to release a Canadian National Instrument 43-101 report or equivalent JORC Report announcing a minimum of 1.0 million ounces inferred resource at a minimum cut-off of 0.5 g/t within 5 years of the acquisition date.

The fair value of the Performance Shares issued is based on the directors' assessment of those shares that are likely to convert to ordinary shares. Given the early-stage nature of the Company's Projects, the remaining project area and the limited exploration activities undertaken to date, the performance shares are considered less likely than likely to convert to ordinary shares. As a result, the fair value of the performance shares is considered to be nil. The directors will continue to reassess this position at each reporting period.

(d) Share Options

As at the date of this report, there were 500,000 unissued ordinary shares under options. The details of the options are as follows:

Number	Exercise Price \$	Expiry Date
500,000	\$0.375	10-Oct-2019

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

(e) Performance Rights

As approved at the Company's Annual General Meeting on 29 May 2019, the following performance rights were issued under the Company's Incentive Performance Rights Plan to directors (or their associates). These rights are exercisable at nil cost and expire during June 2024:

	Vesting Conditions				
	1	2	3	4	Total
Nicholas Rowley	500,000	400,000	400,000	400,000	1,700,000
Barry Cahill	700,000	600,000	600,000	600,000	2,500,000
Gary Comb	700,000	500,000	500,000	500,000	2,200,000
Total	1,900,000	1,500,000	1,500,000	1,500,000	6,400,000

Vesting conditions

1. Completion of a transaction to acquire or earn into majority ownership interests in projects
2. Release of a Copper mineral resource of at least 80,000 tonnes
3. Announcement of a Scoping Study or the average share price of \$0.35 per share for 5 consecutive days
4. Board resolves to proceed with a Definitive Feasibility Study or the average share price of \$0.40 per share for 5 consecutive days

Notes to the Condensed Consolidated Interim Financial Report for the six months ended 30 June 2019

The performance rights which are subject to vesting conditions 1 and 2 above are valued at \$0.19 each, being the Company's share price at the date of the Company's AGM held on 29 May 2019. The value of these rights will be brought to account when the Directors consider that these vesting conditions are probable of being achieved. At this stage of the Company's development, the Directors do not consider it appropriate to bring the value of these rights to account.

The performance rights which are subject to vesting conditions 3 and 4 above are valued at \$0.124 and \$0.119 each respectively. These valuations are based on a binomial valuation model using the following major inputs:

- Share price at date of approval \$0.19
- Risk free interest rate 1.18%
- Volatility 70.9%
- Expiry date June 2024

The total value of these rights will be brought to account over the vesting period. As these rights were approved on 29 May 2019, the value attributable to the period from this date to 30 June 2019 is immaterial, and therefore no value has been brought to account at balance date.

6. Subsidiaries

The consolidated financial statements include the financial statements of Cyprium Metals Limited and the following subsidiaries:

Name of Entity	Country of Incorporation	Equity Holding
Cyprium Australia Pty Ltd	Australia	100%
GNR Minerals Pty Ltd	Australia	100%
PT Indonusa Mining Services	Indonesia	100%

7. Significant Events after the Reporting Date

There are no significant events subsequent to the end of the financial period to the date of this report, other than as announced to ASX on 24 July 2019, the Company granted 6 million performance rights under the Company's Incentive Performance Rights Plan, to certain employees.

8. Contingent Assets and Liabilities

The Directors are not aware of any new contingent liabilities or assets as at 30 June 2019. There has been no change in contingent liabilities or assets since the last annual reporting date.

9. Dividends

No dividends have been paid or provided for during the half-year.

Notes to the Condensed Consolidated Interim Financial Report

for the six months ended 30 June 2019

10. Segment Information

The Group has identified its operating segments, based on the internal reports that are reported to Executives (the chief operating decision-makers) in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance. The Group operates predominately in one industry, being the exploration of mineral resources. The main geographic areas that the entity operates in are Australia, Canada and Indonesia. The parent entity is registered in Australia. The Group's exploration assets are located in Australia, Canada and Indonesia. The following table includes revenue, expenditure and certain asset and liability information regarding geographical segments for the half-year ended 30 June 2019 and 30 June 2018:

30 June 2019	Australia / Corporate \$	Canada \$	Indonesia \$	Total \$
Interest income	5,143	-	-	5,143
Segment revenue	5,143	-	-	5,143
Employee expenses	(211,701)	-	-	(211,701)
Management and administrative expenses	(242,415)	-	-	(242,415)
Depreciation and amortisation	(3,469)	-	-	(3,469)
Exploration asset impairment	-	(972,979)	-	(972,979)
Exploration expenditure	-	-	(79,427)	(79,427)
Unrealised foreign exchange loss	946	-	-	946
Interest expense on finance leases	(505)	-	-	(505)
Loss for the period after tax	(452,001)	(972,979)	(79,427)	(1,504,407)
Asset and liabilities				
Segment assets	5,279,093	-	-	5,279,093
Segment liabilities	(568,971)	-	-	(568,971)
Other Information				
Acquisition of non-current assets:				
Exploration and evaluation expenditure	1,477,963	-	-	1,477,963

30 June 2018	Australia / Corporate \$	Canada \$	Indonesia \$	Total \$
Interest income	3,546	-	-	3,546
Segment revenue	3,546	-	-	3,546
Employee expenses	(104,610)	-	-	(104,610)
Management and administrative expenses	(183,280)	-	-	(183,280)
Impairment of loans receivable	-	-	(172,163)	(172,163)
Exploration asset impairment	-	-	(5,158,046)	(5,158,046)
Unrealised foreign exchange loss	(653)	-	-	(653)
Loss for the year after tax	(284,997)	-	(5,330,209)	(5,615,206)
31 December 2018				
Asset and liabilities				
Segment assets	1,980,997	946,030	-	2,927,027
Segment liabilities	(198,245)	-	-	(198,245)
Other Information				
Acquisition of non-current assets:				
Exploration and evaluation expenditure	-	946,030	-	946,030

Directors' Declaration

In the opinion of the Directors of Cyprium Metals Limited (formerly ARC Exploration Limited) ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Gary Comb
Chairman, Non-Executive Director

Perth, WA
11 September 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cyprium Metals Limited (formerly ARC Exploration Limited)

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Cyprium Metals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 30 June 2019, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cyprium Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
11 September 2019

L Di Giallonardo

L Di Giallonardo
Partner