

4 October 2020

UPDATE ON QUEENSLAND COPPER GOLD COBALT LICENCES

HIGHLIGHTS

- **Cyclone to undertake trial leach program on ML2771. If positive, Cyclone will undertake to expand its mineral project base in the district.**

Cyclone Metals Limited (formerly Cape Lambert Resources Limited) (ASX: **CLE**) (**Cyclone** or **the Company**) announces that it is now pursuing development of processing options for its copper gold cobalt assets in the Mount Isa region of north western Queensland.

Together with the currently growing and forecasted strong growth in copper demand and the increasing prevalence of electric vehicles, the Company has decided it is an opportune time for investment in the development of new environmentally friendly processing technology for copper and other valuable metals.

Increasing environmental issues with the use of acid as a lixiviant in traditional copper heap leaching has reached a point where approval to operate with this technology will no longer be a viable option in the future.

An opportunity exists for the Company to utilise its Lady Ethleen project as a trial / demonstration deposit for development of an environmentally friendly alkaline leach processing solution. The Company has done sufficient work on the Lady Ethleen project to ascertain a deposit of sufficient size for trial mining and processing that otherwise may be too small to be commercially viable.

All work on the deposit to date has been internal only and is not of a standard to be reported as a JORC compliant resource. The Company is satisfied with the scale of the deposit for its use in the proposed trial works.

A successful trial will mean a significant shift in future processing technology and will in turn facilitate development of the part owned nearby Wee Macgregor project (which the Company has a 20% interest in and a pre-emptive right over the remaining 80%) as well as many other potential small assets in the district, that may be economic with appropriate processing technology.

The process to be used, known as tilted GlyLeach™, was originally developed and patented by Curtin University and is being commercialised globally by Perth based Mining and Process Solutions (MPS).

The GlyLeach™ process involves the use of Glycine as a lixiviant under alkaline conditions. This process has a number of significant benefits over traditional acid leaching including its environmentally friendly state which is non toxic to humans and wildlife, the ability to selectively leach valuable metals whilst leaving gangue minerals such as iron, manganese, silicates and carbonates in the leach residue, the ability to leach ores of different oxidation states (depending on process type, temperature, residence time, particle size, etc) and all the while being recyclable as the glycine is not chemically consumed in the overall process.

The leach trial will begin with lab test work using samples taken from the Lady Ethleen deposit and separated into oxide, transitional and sulphide. Trials are planned to test amenability of mineralised material to the alkaline leach process in an agitated environment, a semi static environment and a heap leach environment to allow a decision to be made on the most effective processing methodology.

The final objective is to develop or acquire a modular processing unit that can be economically relocated to process material from stranded deposits which are numerous in the Mount Isa district. This includes the Wee MacGregor project, which is adjacent to Lady Ethleen and which Cyclone has a pre-emptive right to acquire. In 2015, at a time when Lady Ethleen could not be dealt with, Cyclone farmed Wee MacGregor out to Argosy Minerals Limited. Argosy subsequently announced an inferred resource and exploration target for the project (see Argosy's announcement dated 9 December 2015). Argosy later relinquished the project to focus on its Rincon lithium project, and the Company farmed an 80% interest in the project out to Cohiba Minerals Limited. Cohiba has recently announced that, to focus on other projects, it is looking to divest Wee MacGregor. In the event the trial is successful and with the benefit of the proprietary knowledge this will create together with the Company's relationships in the region, the Company believes it will have a competitive advantage to exercise the pre-emptive right and exploit the Lady Ethleen and Wee MacGregor projects together, as well as other projects in the area that are currently uneconomic.

The trial will be overseen by Olaf Frederickson, a geologist who has undertaken previous exploration on both Lady Ethleen and Wee MacGregor, with the metallurgical testwork to be undertaken by MPS.

Cyclone Non-Executive Chairman, Terry Donnelly, commented "The Company as always valued this project and finally the technology may finally work to our shareholders' advantage."

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

Yours faithfully
Cyclone Metals Limited

Terry Donnelly
Non-Executive Chairman

For further information please contact:

Investor Relations



+61 (0) 8 9380 9555



ir@cyclonemetals.com

Follow us



@cyclonemetals



cyclone-metals