22 April 2021

Update on Lady Ethleen Metallurgical Test work Program

Cyclone Metals Limited (**ASX: CLE**) (**Cyclone Metals** or the **Company**) (previously Cape Lambert Resources Limited) is pleased to announce results from samples collected for use in the Metallurgical testwork program on mineralisation from its Lady Ethleen project in north western Queensland.

A total of eleven holes were planned to intersect the Lady Ethleen mineralisation in all three oxidation states to enable collection of sufficient sample for the proposed Glyleach test work program announced in the ASX release dated 4th October 2020.

Only eight of the planned holes were necessary to obtain all of the sample material required. Samples were analysed in the field with PXRF to determine which intervals were considered mineralised and therefore suitable for collection. Only samples that analysed to contain copper above a 0.5% cutoff were collected for the test work with the remainder discarded. Mineralised samples were not necessarily contiguous. Table 1 contains details on hole locations, orientations and results captured by PXRF in the field during drilling.

Table 1.

LADY ETHLEEN PXRF RESULTS								
BHID	**Easting**	**Northing**	**Azi**	**Dip**	**Ox State**	**From**	**To**	**Cu%**
OHLE011	392256.6	7685338.4	21	60	Sulphide	44	45	0.6
					Sulphide	46	47	0.5
					Sulphide	47	48	1.6
					Sulphide	48	49	0.6
					Sulphide	49	50	0.65
					Sulphide	50	51	3
					Sulphide	51	52	1.6
					Sulphide	52	53	1.5
					Sulphide	53	54	2.6
OHLE010	392263.5	7685346.3	21	60	Oxide	8	9	1.6
					Oxide	10	11	0.9
					Oxide	12	13	0.9
					Oxide	13	14	11.3
					Oxide	15	16	1.4
					Oxide	16	17	0.6

BHID	Easting	Northing	Azi	Dip	Ox State	From	To	Cu%
OHLE009	392263.5	7685346.3	21	45	Oxide	5	6	1.1
					Oxide	6	7	0.8
					Oxide	7	8	4.4
					Oxide	8	9	1.9
					Oxide	9	10	2
					Oxide	10	11	15.7
					Oxide	12	13	8.8
OHLE008	392262.3	7685345	89	45	Oxide	6	7	1.1
					Oxide	7	8	0.77
					Oxide	8	9	1.1
					Oxide	9	10	1.5
					Oxide	10	11	0.83
					Oxide	11	12	1
OHLE007	392261.9	7685345	89	60	Transitional		Void at 26m – no sample	
OHLE006	392257	7685339	89	45	Transitional		Void at 31m - no sample.	
OHLE005b	392255.9	7685339.1	0	90	Transitional	17	18	0.88
					Transitional	25	26	0.75
					Transitional	26	27	1
					Transitional	28	29	1
					Transitional	29	30	1.6
					Sulphide	40	41	0.9
					Sulphide	41	42	1.8
					Sulphide	42	43	0.9
					Sulphide	43	44	0.9
					Sulphide	44	45	1.37
					Sulphide	45	46	1.75
					Sulphide	46	47	1.3
					Sulphide	47	48	1.2
					Sulphide	48	49	0.8
					Sulphide	49	50	0.9

BHID	Easting	Northing	Azi	Dip	Ox State	From	To	Cu%
OHLE005c	392255.9	7685339.1	55	80	Transitional	15	16	0.77
					Transitional	16	17	1.55
					Transitional	17	18	0.63
					Transitional	18	19	2.7
					Transitional	23	24	3.4
					Transitional	24	25	1.3
					Sulphide	28	29	1.2
					Sulphide	29	30	2.3
					Sulphide	30	31	4
					Sulphide	31	32	1.3
					Sulphide	32	33	0.7
					Sulphide	33	34	1.2
					Sulphide	34	35	1.2

Figure 1. Location Plan

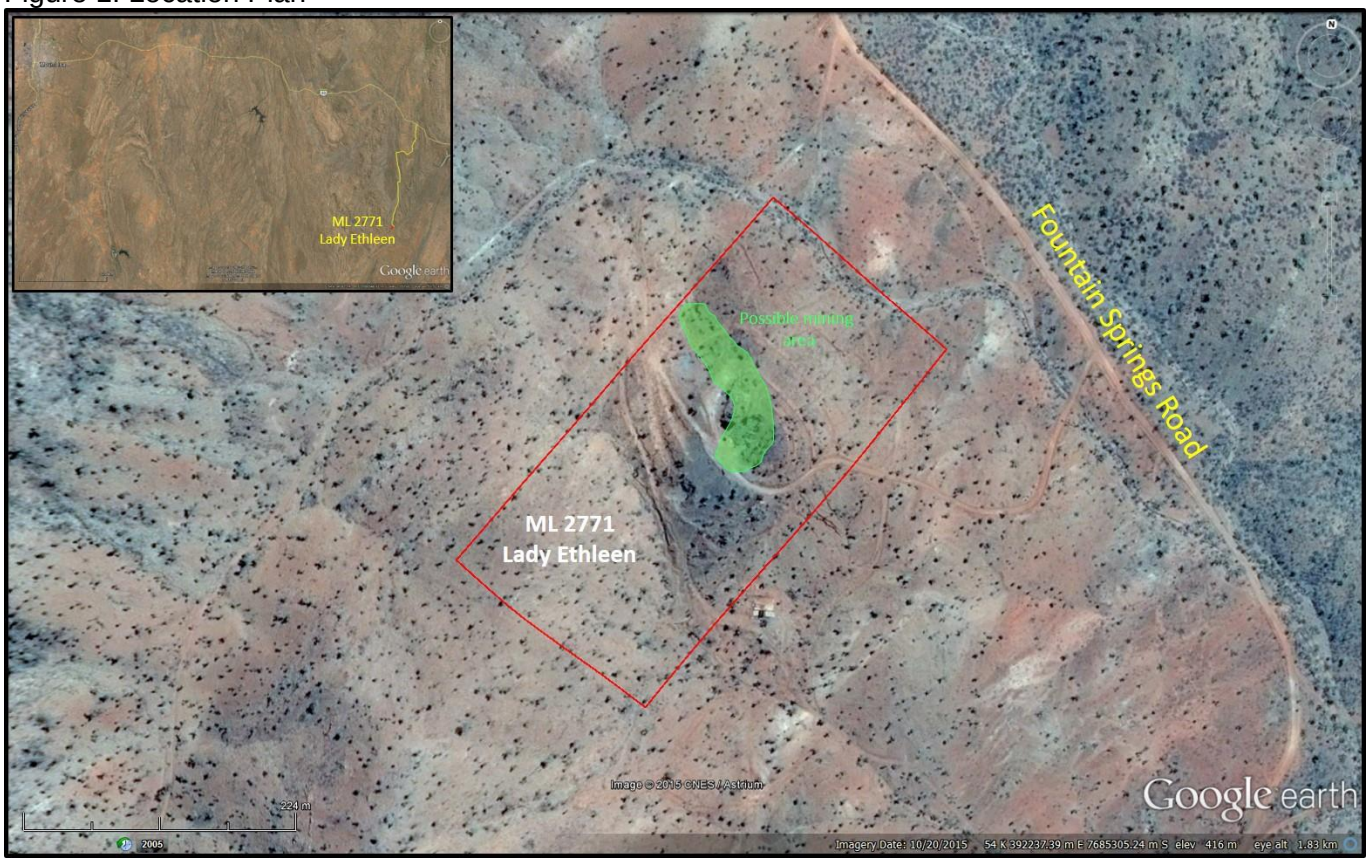

Figure 2. Hole Locations

The samples have now arrived in the lab facility in Perth and the metallurgical testing program has begun. The program is anticipated to take between two and three months and will test the leaching efficiency that could be expected from the Lady Ethleen material in several different leaching environments.

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

Yours faithfully
Cyclone Metals Limited

Terry Donnelly
Non-Executive Chairman

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Competent Person Statement

The information in this report 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 mineralization, 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.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were taken from RAB chips in 1m intervals from mineralized material only. • Each sample was analysed using an Olympus Vanta PXRF. • Three recordings were taken from different parts of each sample and an average was used as the representative value.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RAB drilling using a L8 track mounted blasthole rig. • Hole was drilled and sampled on 1m intervals and the hole was reamed / blown out after every meter. All material discharged from this process was collected in 1m sample bags.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to*	• Samples were collected into rectangular plastic tubs on 1m intervals by placing the tub under the base of the mast as well as with a bag under the chip discharge from the sample cyclone. Sample collected in the tubs was combined with the sample bag from the chip collector.

Criteria	JORC Code explanation	Commentary
	preferential loss/gain of fine/coarse material.	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No logging undertaken. Only oxidation state was identified for the purpose of separating samples for metallurgical testing.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No sub sampling undertaken. • The entire sample (from selected mineralized samples) was collected for lab work.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Analysis conducted by Olympus Vanta PXRF. • A 30s reading time was used and three recordings per sample were taken and averaged to give the representative result. • No QAQC conducted.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Several XRF shots were taken of the same sample to understand repeatability of result.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes were located with hand held GPS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Targeted drillholes to intersect sufficient sample from each oxidation zone required for metallurgical testing.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes planned to intersect mineralization to provide enough sample for testing within each oxidation zone.
Sample security	• *The measures taken to ensure sample security.*	• Samples collected into 20l plastic drums and transported to JDR Yard in Mount Isa. • Plastic sample drums were sealed and placed into two 1m3 palletised containers and freighted by road train to the lab facility in Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audit or review conducted.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Lady Ethleen project is contained within granted Mining Licences; ML2771 held by Mining International Pty Ltd. • Mining International is a wholly owned subsidiary of Cyclone Metals • There are existing Environmental Authorities over the licence. • The tenure is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• As the project is a historical mine, exploration and mining works have been conducted at different times since the 1900's. Mining was historically undertaken by hand in small scale underground production.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Shear hosted Cu, Au, Ag, Co mineralisation within/associated with amphibolite schist and quartz feldspar porphyry / quartzite host rocks. Cross cutting quartz filled joints, shears and fractures.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Eight holes were drilled with sample collected from six.
		• See table for Hole locations and XRF results.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation undertaken.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Samples were collected from a combination of vertical and angled holes designed to intercept mineralization in oxide, transitional and sulphide zones.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• No sections provided. Drilling not intended to represent mineralization geomorphology.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Only mineralized samples were collected for testing and only these were analysed with XRF. • See table of XRF data.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating*	• No other substantive data to report.

Criteria	JORC Code explanation	Commentary
	substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will consist of a metallurgical testing program to determine the amenability of Lady Ethleen mineralization to an alkaline leach environment using Glycine as the lixiviant.