**ASX Announcement**

14 May 2025

## OPERATIONAL UPDATE PROJECT IRON BEAR – CLARIFICATION ANNOUNCEMENT

Cyclone Metals Limited (ASX: CLE) (**Cyclone** or the **Company**) wishes to provide a clarification to its announcement released 7 May 2025 titled "OPERATIONAL UPDATE PROJECT IRON BEAR".

The announcement previously did not include certain disclosures as required under the JORC reporting code Table 1 Section 1 and 2 tables. In addition, further disclosures in respect to the core samples including drillhole collars, sample locations and a plan view map have been included. Please find attached an updated announcement incorporating the required amendments.

Announcement authorised for release by the board of Cyclone.

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# OPERATIONAL UPDATE PROJECT IRON BEAR

Cyclone Metals Limited (ASX: CLE) (**Cyclone** or the **Company**) is focused on developing of its flagship Iron Bear Project, a world class iron ore project located in the Labrador Trough region of Canada.

Cyclone is pleased to provide an operational update on Iron Bear to its shareholders.

## KEY OPERATIONAL HIGHLIGHTS

- As of 30 April 2025, Cyclone Ltd had approximately **A$1.8m** in cash following a reimbursement of A$1.2m from Vale S.A. (**Vale**) for operational costs related to the Iron Bear Project expended in January and February 2025.
- In addition, Iron Block 103 Corporation, which is a fully owned subsidiary of Cyclone in Canada, had approximately **A$7.7m** in cash as of the 30 April 2025. These funds are allocated to the development of the Iron Bear project as outlined in the Development Agreement[1] executed between Vale and Cyclone on the 13 February 2025.
- Cyclone has progressed the engineering workstream, securing the key commercial engagements with subcontractors for drilling, power, rail, environmental, social and community studies.
- **Phase 4** of the metallurgical test work has been completed, delivering following results:
  - **17.7 tons** of sediment processed in the Iron Bear pilot plant (a list of sampled drill holes and attendant JORC Table 1 is appended to this Report);
  - **2.3 tons** of direct reduction **(DR)** concentrate[2] produced grading **71% Fe** and 1.2% $SiO_2$ with very low deleterious elements – used for pellet plant design and pellet production;
  - **3.5 tons** of blast furnace **(BF)** concentrate[3] produced gradi ng **69.1% Fe** and 3.5% $SiO_2$ with very low deleterious elements – used for DR concentrate production;
  - **260 kg** of direct reduction pellets produced grading **68.4% Fe** and **1.5% $SiO_2$** with excellent metallisation and physical properties;
- Completion of **flotation optimisation test work** has confirmed a substantial increase in flotation recoveries from the previous 80% mass yield:
  - **87%** average mass yield to achieve 1.0% $SiO_2$ for the DR concentrate
  - **89%** average mass yield to achieve 1.2% $SiO_2$ for the DR concentrate
- Definition of **thermal profile** for a future Iron Bear straight grate pellet plant.
- Completion of power study to identify feasible renewable energy supply options for a future Iron Bear mine and concentrator

[1] ASX release dated 17 February 2025 "Cyclone Metals and Vale execute Development Agreement"

[2] DR concentrate – Direct Reduction concentrate which is used in low carbon DR plants which use natural gas as a reductant

[3] BF concentrate - Blast Furnace concentrate which is used is BF steel plants using coal as a reductant

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Cyclone's Managing Director, Mr Paul Berend comments that: "It is encouraging to see the Project advance so rapidly. Our operational milestones were achieved and we are confident that the Iron Bear project will progress as planned, with the help of our operational partner, Vale".

## 1. UPDATE ON THE IRON BEAR DEVELOPMENT PLAN

The Iron Bear Project is underpinned by a clear operational plan to rapidly de-risk the asset and to enable Vale to achieve decision to mine in three to five years, as outlined in the Development Agreement1

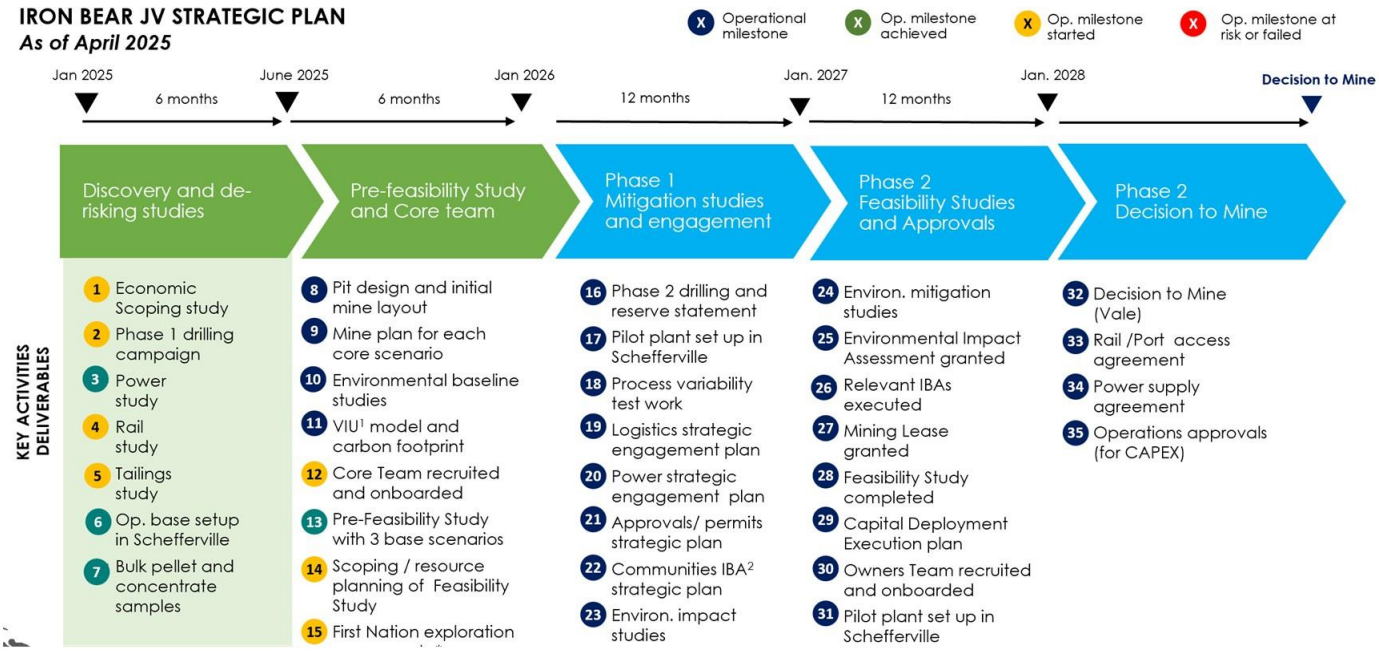
Cyclone is pleased to report that **all of the key development milestones,** as announced to the financial markets in June 2023, have been achieved as planned and on budget.

The key upcoming milestones are the release of the de-risking studies for power and rail and most importantly, the release of the Scoping Study, planned by end of June 2025.

Cyclone is also preparing a large drilling program for the summer of 2025 which should substantially expand the Indicated Mineral Resource estimate and enable the design of mining pit(s).

Iron Bear has also started test work for the design of a dry tailings solution for the mining operation. This is critical for the social acceptability of the Project, as the dry tailings solution will ensure that the mine does not require a tailings dam and that the mining pits are backfilled and rehabilitated as the mining operation progresses.

The chart below summarises the progress of the Iron Bear Strategic Plan on A Page. This is the Project development roadmap.

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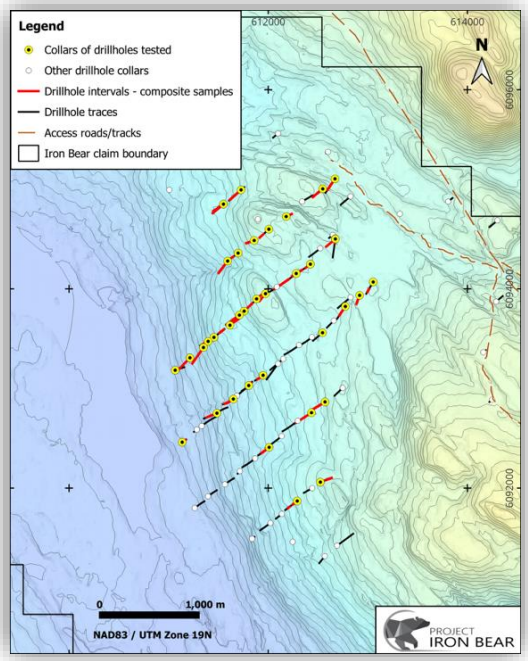
## 2. PHASE 4 METALLURGICAL TEST WORK

The Company collected 17.7t of sediment cores representative of the life of mine Iron Bear ore feed (Picture 1). These cores were processed in Iron Bear's pilot plant, located at Corem in Quebec City, to Blast Furnace (BF) and Direct Reduction (DR) grade concentrate in Q4 2024 and Q1 2025. The product grades achieved were in line with previous results, with BF concentrate at **69.1% Fe, 3.5% $SiO_2$,** and DR concentrate at **71.0% Fe and 1.2% $SiO_2$**.

While it is possible to achieve an even lower silica level at an **87%** flotation mass yield, the higher silica of 1.2% was achieved over a five-day batch run at **89%** mass yield, with a day maximum mass yield of **91.4%.**

This is a significant improvement over the previous 80% flotation mass yield to DR concentrate.

Work was performed to develop a suitable thermal profile for any future Iron Bear straight grate pelletising facilities, with multiple enhancements made to traditional pellet plant operation to ensure CCS>300 and Linder -3.15mm <2.0%, over the whole bed depth, and including modern design features like segregated feeding.




**Picture 1. Selected drillhole collars for sampling campaign.**

## Pellet plant operational design

A highly productive pelletising process was designed and tested to achieve these results and it was possible to operate at 30 and 35 t/m2/day and achieve the same metallurgical results.

Fired pellet coating test work was also performed to ensure that the Iron Bear pellets do not stick or clump in direct reduction steel making units

400kg of DR concentrate was reserved for future work, resulting in 260kg total pellet production. The impact of pellet coating with different formulas was tested on clustering performance in a direct reduction shaft.

Bulk blast furnace pellet quality has not yet been optimised because the focus has been on DR pellet production. Swelling index can in future be improved with fluxing adjustments

**Picture 2. Green Ball manufacture in pelletising disc**

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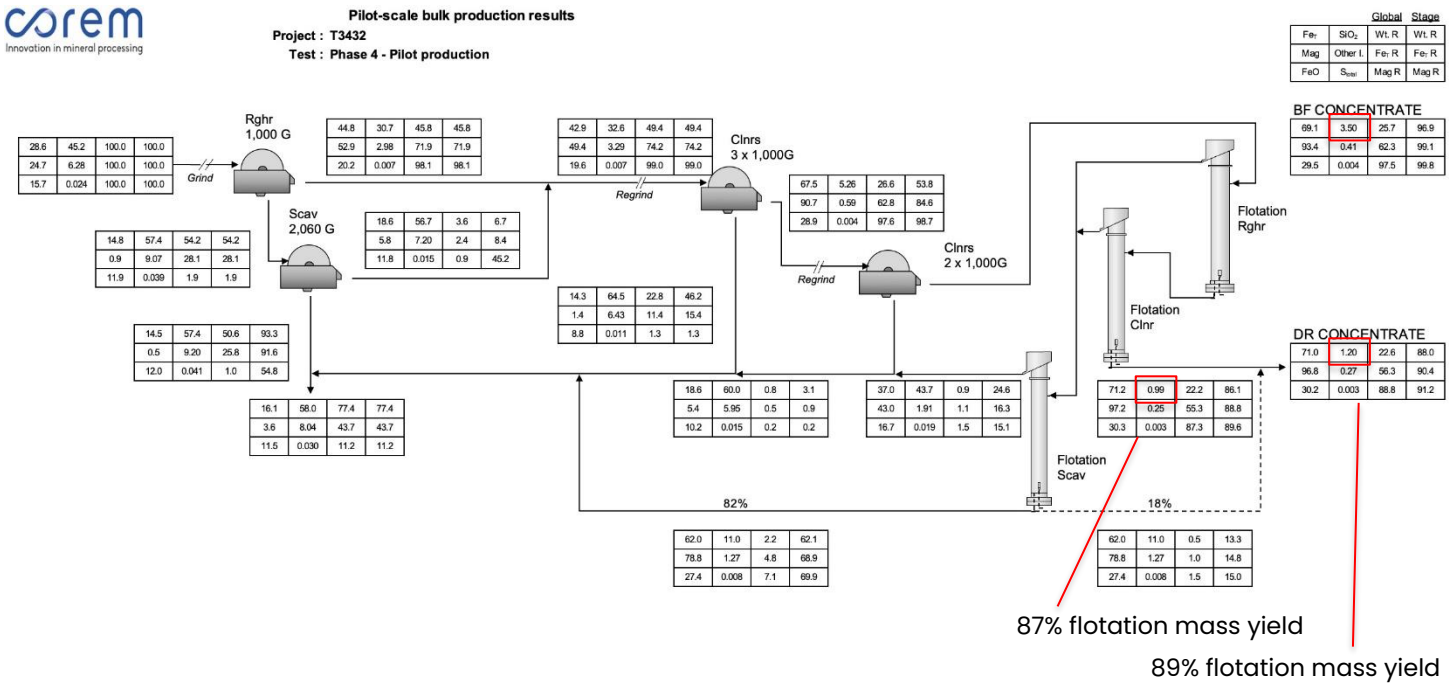
Table 1**. Fired pellet coating tests results**

| | P-1C | P-1D | P-2A | P-2B | P-2C |
|---|---|---|---|---|---|
| Mass before coating (g) | 2006.3 | 2000.8 | 2000.8 | 2001.2 | 2000.0 |
| Mass after coating and 24 drying 105°C | 2012.0 | 2007.6 | 2008.5 | 2008.6 | 2007.2 |
| Δ mass (g) | 5.7 | 6.8 | 7.7 | 7.4 | 7.2 |
| Coating (kg/t $_{FP}$) | 2.8 | 3.4 | 3.8 | 3.7 | 3.6 |

Coating reduces pellet clustering (sticking) in a direct reduction shaft and is standard practice for pellet export operations. Testing of coating recipes and amounts this early in the development process provides confidence to potential pellet customers and provides accurate costing data for engineering studies. The coating amounts of ~3-4 kg coating/t pellet are within the expected range to provide low clustering test results.

**Figure 3. Phase 4 Metallurgical Test Work: Pilot Production Flow Sheet and Mass Balance**



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## 3. PHASE 4 PELLET SPECIFICATIONS

The Phase 4 testwork, performed by Corem, has delivered over **260 kg** of direct reduction pellets, grading **68.4% Fe** and **1.5% $SiO_2$** with excellent metallisation and physical properties, that will form an integral part of the Scoping Study and Pre-Feasibility Study, proving the benchmark quality of the product.

**Table 2. Direct Reduction pellets specification**

| Phase 4 Pelletizing Test work Pilot Scale | | | DR pellet Production lot |
|---|---|---|---|
| Chemical Analyses | Fe total (XRF) | % | 68.4 |
| | FeO | % | <0.30 |
| | $SiO_2$ | % | 1.54 |
| | $Al_2O_3$ | % | <0.1 |
| | MgO | % | 0.08 |
| | CaO | % | 0.62 |
| | $Na_2O$ | % | <0.10 |
| | $K_2O$ | % | <0.01 |
| | $TiO_2$ | % | 0.02 |
| | MnO | % | 0.04 |
| | P | % | <0.01 |
| | $Cr_2O_3$ | % | 0.03 |
| | $V_2O_5$ | % | <0.01 |
| | $ZrO_2$ | % | <0.02 |
| | ZnO | % | <0.01 |
| | LOI | % | <0.10 |
| | % Stot | % | <0.01 |
| Physical Testing | CCS ISO | AVG (daN) | 346 |
| | | STDEV (daN) | 125 |
| | | %-140 daN | 8.9 |
| | | %-90 daN | 3.3 |
| | Porosity | % | 24.6 |
| Pyrometallurgical Testing | DR90 ISO 11258 | % Reduction | 91.3 |
| | | % metallization[3] | 87.6 |
| | COREM R180 | % Reduction | 97.6 |
| | | CSAR (kg/pel.) | 93 |
| | Linder ISO 11257 | % -3.15mm | 2.3 |
| | | % metallization[1] | To come |
| | | % $C_{tot}$[2] | 0.5 |
| | Clustering ISO 11256 | Coating type | 80% limestone/20% Bentonite |
| | | Coating rate (kg/$t_{FP}$) | 3.6 |
| | | Clustering index % | 12.1 |
| | | Time to reach 95 % reduction (min) | 240 |

[1] *Calculated using chemical analysis (total iron and metallic iron were determined by titration).*

[2] *Determined by LECO*

[3] Calculated by using the following formula : 1.43 * R90 - 43

### HIGHLIGHTS

- **68.4% Fe and 1.54% $SiO_2$** content
- CCS of 346 kg/pellet
- Linder of 2.3% -3.15 mm. Metallisation result N/A.
- Clustering Index 12.1% on coated pellets.

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### Table 3. Blast furnace pellet specification

| Phase 4 Pelletizing Test work Pilot Scale | | | BF pellet Production lot |
|---|---|---|---|
| Chemical Analyses | Fe total (XRF) | % | 66.6 |
| | FeO | % | <0.30 |
| | $SiO_2$ | % | 3.65 |
| | $Al_2O_3$ | % | <0.1 |
| | MgO | % | 0.15 |
| | CaO | % | 1.01 |
| | $Na_2O$ | % | <0.10 |
| | $K_2O$ | % | <0.01 |
| | $TiO_2$ | % | 0.03 |
| | MnO | % | 0.05 |
| | P | % | 0.01 |
| | $Cr_2O_3$ | % | 0.04 |
| | $V_2O_5$ | % | <0.01 |
| | $ZrO_2$ | % | <0.02 |
| | ZnO | % | <0.01 |
| | LOI | % | -0.75 |
| | % Stot | % | <0.01 |
| Physical Testing | CCS ISO | AVG (daN) | 323 |
| | | STDEV (daN) | 112 |
| | | %-140 daN | 7.8 |
| | | %-90 daN | 4.4 |
| | Porosity | % | 29.4 |
| Pyrometallurgical Testing | R40 ISO 4695 | % $O_2$/min | 0.70 |
| | Swelling ISO 4698 | % Vol. | 23.9 |
| | | % Reduction | 41.6 |
| | Dynamic LTD ISO 13930 | % +6.3mm | 93.6 |
| | | % -0.5mm | 2.4 |
| | Softening Corem | T° softening (50% deformation) | 0 |

### HIGHLIGHTS

- **66.6% Fe and 3.65% $SiO_2$**
- CCS of 323 kg/pellet
- Porosity of 29%
- Swelling index of 24%.
- Softening temp of 1240 °C

### Table 4. Blast furnace and direct reduction concentrate specification (Magnetite via Satmagan)

| Products | Weight (%) | Grades (%) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | $Fe_T$* | FeO | Mag** | $SiO_2$ | $Al_2O_3$ | $Fe_2O_3$ | MgO | CaO | MnO | $S_{total}$ | Sum |
| BF Concentrate | 25.7 | 69.1 | 29.5 | 93.4 | 3.50 | 0.10 | 98.8 | 0.14 | 0.13 | 0.05 | 0.004 | 99.9 |
| DR Concentrate | 22.6 | 71.0 | 30.2 | 96.8 | 1.20 | 0.09 | 101.6 | 0.07 | 0.08 | 0.04 | 0.003 | 99.9 |

## POWER STUDY COMPLETION

The scoping level power study investigated power supply options to the Iron Bear mine site for various potential production scenarios. Menihek turbine upgrades or facility replacement, in combination with wind power provides sufficient power for lower power draw scenarios as well as the residential community, with power supply from Churchill Falls via new transmission lines and switchgear powering larger potential operations.

The results from the power study feed into the scoping study as a module in the economic model and provide confidence that technical and economic solutions exist for power supply to the Iron Bear mine site. The scoping study release will provide more information and context on considered options.

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## 4. COMPLIANCE STATEMENTS

### Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should,", "further" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in additional Mineral Resources.

### Competent Persons

Exploration and technical information 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 definition and mining of sediment-hosted magnetite mineralisation 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".

Metallurgy and processing information has been reviewed and compiled by Paul Vermeulen MAusIMM, Member Association of Iron and Steel Technology (MAIST), a Director of Vulcan Technologies Pty Ltd, who has sufficient experience which is relevant to the method of processing 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". Mr Vermeulen consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Vulcan Technologies has assisted CLE in its development of the Iron Bear Project, Vulcan Technologies indirectly holds an interest in CLE, including Performance Rights. Mr Vermeulen has assumed Competent Person responsibility due to his familiarity with the Project.

The Competent Person for the 2024 Mineral Resource estimate is Mr Jeremy Peters FAusIMM CP (Geo, Min), a Director of Burnt Shirt Pty Ltd. The Mineral Resource estimate is stated in accordance with the provisions of the JORC Code (2012). Mr Peters has more than five years' experience in the estimation and reporting of Mineral Resources for iron mineralisation in Australia and overseas, to qualify as a Competent Person as defined in the JORC Code. Mr Peters consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The Competent Person for the 2024 Exploration Target estimate is Mr Jeremy Peters FAusIMM CP (Geo, Min), a Director of Burnt Shirt Pty Ltd. The Exploration Target is postulated in accordance with the provisions of the JORC Code (2012). Mr Peters has more than five years' experience in the postulation of Exploration Targets to qualify as a Competent Person as defined in the JORC Code. Mr Peters consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

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**Appendix 1**

**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 (e.g. 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.*<br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>*Aspects of the determination of mineralisation that are Material to the Public Report.*<br>*In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.* | For the 2011 drilling, sampling was done on a geological basis, with mostly 3 m samples split coaxially using a mechanical core splitter. Neither field standards or blanks were inserted into the sample stream, but core duplicates were collected.<br>Samples were marked in the core trays using aluminium tags etched with the sample numbers and stapled to the core tray at the end of each sample interval. Neither hand-held measurements of core magnetic susceptibility nor core photography were completed.<br>Core for the 2012 programme was taken to a dedicated core yard where it was similarly split, sampled and photographed. |
| **Drilling techniques** | *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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.).* | The 2011 diamond core drilling programme comprised 42 BTW (42.0 mm Ø) drill holes for 5,662.3 m<br>The 2012 programme consisted of 72 drillholes for 22,359 m at mostly BTW and then NQ (47.6 mm Ø) |
| **Drill sample recovery** | *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>*Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>*Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | Drill sample recovery was recorded for all drillholes, measuring block to block core recovery against stated depth.<br><br>The Competent Person considers that due to the nature of the drilling and geology, sample bias is unlikely to result from poor recovery. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **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.*<br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>*The total length and percentage of the relevant intersections logged.* | All core was logged qualitatively and quantitatively for the 2012 downhole geophysics exercise.<br>For the 2011 drilling, logging recorded drillhole azimuth and dip, rock code, rock description, foliation/banding angle with respect to core axis and estimate of magnetite by unit.<br>The above was undertaken with the 2012 drilling in addition to geotechnical logging, core photography and downhole geophysics.<br>The Competent Person considers that the logging protocols are sufficient to support estimation of a Mineral Resource. |
| **Subsampling techniques and sample preparation** | *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>*If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>*Quality control procedures adopted for all subsampling stages to maximise representivity of samples.*<br>*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.*<br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | For the 2011 programme, core was split in the field with a mechanical splitter. For the 2012 programme, core was sawn in half at a dedicated core yard with a diamond saw. Half core was submitted for assay, with some whole core being submitted for both assay, density determination and metallurgical testing.<br>In all cases, appropriate blanks, standards, and duplicates were taken or added to demonstrate sample representativity and identify any sampling bias.<br>Metallurgical sampling in August 2024 took place at Schefferville. Representative intersections of core where selected based on drill logs and assays and directly tipped from core trays into fibreglass bulk bags by Cyclone personnel. These bags were sealed and labelled and transported to Quebec City for processing by COREM.<br>The Competent Person considers to be appropriate the measures taken to demonstrate that sample protocols were appropriate and unbiased. |
| **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.*<br>*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.* | Samples were sent to one of three laboratories, with standards, blanks, duplicates, and cross-laboratory checks undertaken to an appropriate standard.<br>Geophysical tools were calibrated at site with the exception of density, where a relative measurement was made.<br>For the 2024 metallurgical sampling campaign, a |

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| | | |
|---|---|---|
| | *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | specifically designed programme of test work and equipment was prepared by COREM with sufficient internal checks at each step of the process to provide confidence in its efficacy.<br><br>The Competent Person considers the measures taken to be appropriate to support estimation of a Mineral Resource. |
| **Verification of sampling and assaying** | *The verification of significant intersections by either independent or alternative company personnel.*<br><br>*The use of twinned holes.*<br><br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br><br>*Discuss any adjustment to assay data.* | Samples were verified with random duplicate samples taken by an independent Mineral Resource estimation consultant and cross-check laboratory assaying.<br><br>Metallurgical test work was undertaken under the direct supervision of Cyclone personnel and sufficient sampling and assaying at each step of the process was undertaken to provide confidence in the COREM test work results.<br><br>The Competent Person considers the measures taken to be appropriate to support estimation of a Mineral Resource |
| **Location of data points** | *Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br><br>*Specification of the grid system used.*<br><br>*Quality and adequacy of topographic control.* | The 2012 drilling campaign was surveyed by handheld GPS, with resurveying of collars being undertaken by professional surveyor in 2012.<br><br>The licences are defined by NAD27 UTM datum and various working grids are NAD83 or NAD84 datum and the relationship between NAD27 and the later systems is not completely defined for the region.<br><br>The Competent Person understands that there are no material errors in location. |
| **Data spacing and distribution** | *Data spacing for reporting of Exploration Results.*<br><br>*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.*<br><br>*Whether sample compositing has been applied.* | Most cross sections contained at least three holes, and many had more than ten holes passing through the mineralised zones.<br><br>Sampling was undertaken on lithological boundaries, composited to 3m intervals in all cases.<br><br>For the purpose of the 2024 metallurgical test work, samples were chosen from a variety of drill holes across the deposit. The Competent Person considers this to be representative of the geology of the deposit as a whole. |

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| Criteria | *JORC Code explanation* | Commentary |
|---|---|---|
| **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.*<br>*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.* | Drilling was oriented in the field to intersect mineralisation perpendicularly, according to field observations of its strike.<br>The Competent Person considers this to be appropriate and does not consider that this approach will introduce material bias. |
| **Sample security** | *The measures taken to ensure sample security.* | Samples were transported from the field to a secure yard in Schefferville where they variously processed and stored. All work was undertaken under a Supervising Geologist. |
| **Audits or reviews** | *The results of any audits or reviews of sampling techniques and data.* | The Cap-Ex drilling, sampling and assaying protocols were independently checked by the Mineral Resource estimation consultant in 2013. No material discrepancies or biases were identified. |

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## 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.*<br>*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.* | Iron Bear comprises ten graticular licenses totalling 7,275 ha under applicable Labrador and Newfoundland mining law.<br>Six of the ten licenses were staked by prior owner, Cap-ex and the other four Licenses were acquired through purchase and sale agreements and remnant royalties remain. Four Aboriginal parties claim Native Title over various parts of Iron Bear. |
| **Exploration done by other parties** | *Acknowledgment and appraisal of exploration by other parties.* | Iron Bear was originally explored by IOCC and the Canadian Government. Most of the exploration was undertaken by Cap-Ex Iron Ore, of Vancouver, the predecessor company to M3 Metals Inc, vendor of the project. |
| **Geology** | *Deposit type, geological setting, and style of mineralisation.* | The deposit is a taconite banded ion formation of the Lake Superior type, partially metamorphosed to greenschist facies and subject to thrust faulting that has resulted in tectonic repetition and thickening of mineralisation. |
| **Drillhole information** | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:*<br>• *easting and northing of the drillhole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth*<br>• *hole length.*<br>*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.* | Drilling information is not reported in this Release due to its volume and the fact that it has been comprehensively reported elsewhere (refer SEDAR, M3 Metals release 23 March 2013, CLE ASX Release 19 June 2023)<br>Mineralised intersections have not been reported in detail because the Competent Person advises that reporting of magnetite mineralisation at Iron Bear is complicated by the complex structural geology of the deposit and the nature of reporting mineralisation based on both grade and metallurgical recovery.<br>The Competent Person observes consistent broad intersections of recoverable magnetite, associated with haematite and is satisfied that the drilling information supports this interpretation. |
| **Data aggregation methods** | *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* | Drillholes were sampled according to geology and the resultant information composited into 3m composites for modelling, inclusive of internal waste. |

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| | *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.*<br>*The assumptions used for any reporting of metal equivalent values should be clearly stated.* | Magnetite grades were determined by Davis Tube or proprietary Satmagan analysis and compared to the results of downhole magnetic susceptibility measurements. This results in formation of a regression that estimated magnetite grade from total iron grade. The Mineral Resource estimate was based on assay results. |
| **Criteria** | **JORC Code explanation** | **Commentary** |
| **Relationship between mineralisation widths and intercept lengths** | *These relationships are particularly important in the reporting of Exploration Results.*<br>*If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.*<br>*If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').* | The structural geology of Iron Bear is complicated and there is observed to be considerable local variation in the orientation of drilling in relation to individual units. Drilling was undertaken as perpendicular as possible to the strike of the deposit, as measured at the location of each drill collar. |
| **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 drillhole collar locations and appropriate sectional views.* | Diagrams are included at relevant sections in this Report. The Competent Person has taken and has attributed these diagrams from various material prepared by Haren, ResPot, Cyclone, Cap-Ex, WGM and M3 and has no reason to doubt their accuracy or veracity. |
| **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.* | Mineralisation has been reported at a variety of cut-off grades and appropriate statistics are reported for the relevant elements |
| **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 substances.* | There have been various photogrammetric and geophysical surveys at Iron Bear at various times that have contributed to understanding of the geology of the deposit.<br>These have been the subject of a recent intensive collation and interpretation campaign that has resulted in material improvements and extensions to the understanding of the continuity of both grade and geology.<br>The Competent Person considers these to have been undertaken in an appropriate manner. |

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| **Further work** | *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Mineralisation is open along strike in both directions and at depth, albeit truncated by basement at around 480m beneath the surface topography.<br>The Competent Person recommends that the Indicated Mineral Resource be used to underpin an economic Scoping Study (as defined by the JORC Code) of the mineralisation. |

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**Table 5: Drill holes sampled for metallurgical testing (grid is Canadian NAD83 Zone 19N)**

| Drill Hole | Depth (m) | Easting | Northing | RL | Azimuth | Dip |
|---|---|---|---|---|---|---|
| **DDH103-044** | 267 | 611461 | 6093516 | 580 | 50 | -60 |
| **DDH103-048** | 448 | 612291 | 6094150 | 611 | 230 | -55 |
| **DDH103-049** | 331 | 611223 | 6093301 | 552 | 230 | -55 |
| **DDH103-049A** | 20 | 611214 | 6093307 | 551 | 230 | -55 |
| **DDH103-050** | 436 | 612435 | 6094244 | 610 | 230 | -60 |
| **DDH103-050A** | 33 | 612434 | 6094244 | 611 | 230 | -60 |
| **DDH103-051** | 351 | 611360 | 6093404 | 565 | 230 | -55 |
| **DDH103-052** | 333 | 611770 | 6093767 | 596 | 50 | -70 |
| **DDH103-053** | 171 | 611883 | 6093899 | 611 | 50 | -60 |
| **DDH103-054** | 211 | 612686 | 6094498 | 615 | 230 | -55 |
| **DDH103-055** | 398 | 611077 | 6093180 | 538 | 50 | -80 |
| **DDH103-063** | 353 | 611270 | 6091791 | 524 | 50 | -70 |
| **DDH103-064** | 307 | 612304 | 6091864 | 600 | 230 | -50 |
| **DDH103-091** | 321 | 612019 | 6092406 | 582 | 230 | -70 |
| **DDH103-092** | 204 | 612534 | 6092051 | 616 | 50 | -55 |
| **DDH103-093** | 274 | 611492 | 6092744 | 557 | 230 | -59 |
| **DDH103-094** | 311 | 611815 | 6093020 | 577 | 50 | -80 |
| **DDH103-095** | 398 | 611408 | 6093465 | 572 | 230 | -80 |
| **DDH103-096** | 396 | 611719 | 6093728 | 593 | 230 | -65 |
| **DDH103-098** | 420 | 611891 | 6093893 | 611 | 230 | -70 |
| **DDH103-107** | 322 | 611658 | 6092885 | 570 | 230 | -70 |
| **DDH103-108** | 241 | 612784 | 6093818 | 615 | 230 | -50 |
| **DDH103-109** | 426 | 613067 | 6094063 | 616 | 230 | -70 |
| **DDH103-110** | 300 | 611145 | 6092452 | 530 | 50 | -80 |
| **DDH103-111** | 337 | 612679 | 6095092 | 617 | 230 | -58 |
| **DDH103-113** | 353 | 612556 | 6094999 | 623 | 230 | -68 |
| **DDH103-115** | 318 | 611870 | 6094480 | 616 | 230 | -70 |
| **DDH103-118** | 336 | 611739 | 6094985 | 606 | 230 | -60 |
| **DDH103-119** | 344 | 611563 | 6094849 | 597 | 230 | -70 |
| **DDH103-131** | 353 | 611630 | 6093631 | 591 | 50 | -70 |
| **DDH103-132** | 313 | 611960 | 6093126 | 589 | 230 | -70 |
| **DDH103-133** | 272 | 612931 | 6093933 | 615 | 230 | -70 |
| **DDH103-134** | 325 | 612444 | 6092747 | 605 | 230 | -50 |
| **DDH103-135** | 337 | 612577 | 6092856 | 612 | 230 | -65 |
| **DDH103-137** | 338 | 612190 | 6094718 | 620 | 50 | -76 |
| **DDH103-138** | 344 | 612013 | 6094592 | 620 | 230 | -70 |
| **DDH103-139** | 342 | 611707 | 6094350 | 600 | 230 | -70 |
| **DDH103-140** | 426 | 611606 | 6094267 | 585 | 230 | -70 |

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|---|---|---|---|---|---|---|
| **DDH103-141** | 433 | 611982 | 6093944 | 615 | 230 | -77 |
| **DDH103-142** | 497 | 612685 | 6094498 | 615 | 230 | -66 |
| **DDH103-143** | 481 | 612546 | 6093559 | 611 | 230 | -75 |

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