

CYCLONE METALS LIMITED

ACN 095 047 920

PROSPECTUS

For an offer of 10,000 Shares at an issue price of \$0.009 per Share to raise \$90 (the **Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have been questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

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1. CORPORATE DIRECTORY

Directors

Terry Donnelly
Non-Executive Chairman

Antony (Tony) Sage
Executive Director

Timothy Turner
Non-Executive Director

Company Secretary

Melissa Chapman

ASX Code

CLE

Investigating Accountant

Stantons International
Level 2
1 Walker Avenue
WEST PERTH WA 6005

Registered Office

32 Harrogate Street
WEST LEEDERVILLE WA 6007

Telephone: + 61 8 9380 9555
Email: admin@cyclonemetals.com

Website: www.cyclonemetals.com

Share Registry*

Computershare Investor Services Pty
Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

Legal Advisers

Steinepreis Paganin
Level 4
The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.

2. IMPORTANT NOTICE

2.1 General

This Prospectus is dated 14 July 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with the Offer, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Cyclone Metals Limited (ACN 095 047 920) (**Cyclone** or the **Company**) in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

2.2 Reinstatement Prospectus

This Prospectus is a reinstatement prospectus for the purposes of satisfying the ASX requirements for re-quotation to the Official List following the suspension of the Company's Shares from trading by the ASX on 16 October 2020.

2.3 No Offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

2.4 No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

2.5 No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and has been prepared without taking into account your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

2.6 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section C of the Investment Overview as well as Section 8 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

2.7 Expiry Date

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

2.8 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of past and present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and management.

Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors, or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will provide to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

Except to the extent required by law, the Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The forward looking statements contained in this Prospectus are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Section 8 of this Prospectus.

2.9 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad

range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

2.10 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

2.11 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

2.12 Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, the Corporate Advisor and other brokers involved in the Offer, Cyclone and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with an Offer, including processing your acceptance of an Offer and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of the Offer.

If the Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the *Privacy Act 1988* (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 1 of this Prospectus. A fee may be charged for access.

2.13 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 13 of this Prospectus.

2.14 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company Secretary on + 61 8 9380 9555.

3. KEY OFFER AND REINSTATEMENT INFORMATION

3.1 Indicative timetable¹

Lodgement of Prospectus with the ASIC	14 July 2021
Opening Date of the Offer	14 July 2021
Closing Date of the Offer	15 July 2021
Issue of Shares under the Offer	15 July 2021
Satisfaction of Reinstatement Conditions	16 July 2021
Anticipated date for re-quotation to ASX and suspension of trading lifted ²	30 July 2021

¹ The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with any of the Offer at any time before the issue of Shares to Applicants.

² This date is only an estimate and is subject to the discretion of the ASX.

3.2 Reinstatement Conditions

The Company must satisfy all outstanding Reinstatement Conditions prior to reinstatement of the Company's Shares to trading on the Official List, which include amongst other things, demonstrating compliance with Listing Rules 12.1 and 12.2, to the satisfaction of the ASX.

Further details of the Reinstatement Conditions are set out in Schedule 1 of this Prospectus. ASX requires satisfaction of the Reinstatement Conditions by 4 September 2021. As set out above in the Indicative Timetable in Section 3.1, the Company currently anticipates reinstatement to the Official List of the ASX on or about 30 July 2021 and accordingly, expects to meet the Reinstatement Conditions prior to the date required by ASX.

4. CHAIRMAN'S LETTER

Dear Investor,

The Company's business, since its listing on the ASX in 2001, has been mineral investment and development through acquiring and investing in undervalued and/or distressed mineral assets and companies and improving the value of those acquisitions with the objective of enhancing shareholder value.

The Company has a diverse portfolio of mineral assets and interests in exploration companies providing exposure to iron ore, copper, gold, uranium, cobalt, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

On 16 October 2020, the Company's securities were suspended from Official Quotation on the basis that ASX had determined the Company's operations are not adequate to warrant the continued quotation of securities and compliance with Listing Rule 12.1.

Following a period of consultation with the Company, on 4 June 2021, the ASX confirmed that it was prepared to re-instate the Company's Shares to trading, subject to the satisfaction of several conditions, including the release of a full form prospectus pursuant to section 710 of the Corporations Act prior to reinstatement.

The primary purpose of this Prospectus is to satisfy this requirement. The Prospectus contains detailed information about the Company and its business, as well as the risks of investing in the Company.

Terry Donnelly

**Non-Executive Chairman
CYCLONE METALS LIMITED**

5. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. The Company		
Who is the issuer of this Prospectus?	Cyclone Metals Limited (ACN 095 047 920 – ASX Code “CLE”) is an Australian public company, which was incorporated on 10 November 2000 and was admitted to the Official List on 7 June 2001.	Section 7
Who is the Company?	The Company is an Australian mineral development and investment company. The Company's business, since its listing on ASX in 2001, has been mineral investment and development through acquiring and investing in undervalued and/or distressed mineral assets and companies and improving the value of those acquisitions. The Company has a diverse portfolio of mineral assets and interests in exploration companies providing exposure to iron ore, copper, gold, uranium, cobalt, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America, as further detailed in Section 7.2 below.	Section 7.1
Why is the Company suspended from the Official List?	On 16 October 2020, the Company's securities were suspended from Official Quotation on the basis that ASX had determined CLE's operations were not adequate to warrant the continued quotation of securities and compliance with Listing Rule 12.1. The Company has remained in suspension since that date.	Section 7.1
How will the Company's securities be reinstated to trading?	The Company must satisfy the Reinstatement Conditions for reinstatement of the Company's Shares to trading on the Official List to occur, which includes, amongst other things, releasing this Prospectus. Further details of the Reinstatement Conditions are set out in the Details of the Offer Section (Section 6) and Schedule 1 of this Prospectus.	Section 6.16 and Schedule 1
B. Business Model		
What is the Company's business model?	Following reinstatement of the Company's Shares to trading on the Official List, the Company's proposed business model will be	Section 7.4, Section 7.6.

Item	Summary	Further information
	to further explore and develop its Projects as per the Company's intended exploration programs. A detailed explanation of the Company's business model is provided at Section 7.4 and a summary of the Company's proposed exploration programs is set out at Section 7.6.	
What are the Company's key business objectives?	The Company's proposed business model is to acquire and invest in undervalued and/or distressed mineral assets and companies (Projects) and: (a) improve the value of these Projects, through a hands-on approach to management, exploration, evaluation and development; and (b) retain long-term exposure to these Projects through a production royalty and/or equity interest. The Company aims to deliver Shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.	Section 7.4
What are the key dependencies of Cyclone's business model	The key factors that Cyclone will depend on to meet its objectives following reinstatement of the Company's Shares to trading on the Official List are: (a) maintaining title to the Projects; (b) retaining and recruiting key personnel skilled in the mining and resources sector; (c) the Projects producing product that is of the quality and specifications required by potential buyers; (d) the Company's ability to meet resource and reserves and exploration targets; (e) raising sufficient funds to satisfy expenditure requirements, exploration and operating costs in respect of the Projects; and (f) minimising environmental impact and complying with health and safety requirements.	Section 7.5

Item	Summary	Further information
C. Key Risks		
Reinstatement Risk	The Company is required to satisfy the Reinstatement Conditions for reinstatement of the Company's Shares to Official Quotation on the ASX. There is a risk that the Company may not be able to meet the Reinstatement Conditions within the time period required by ASX and should this occur, the Company would be removed from trading on the Official List and the Company's Shares may be delisted.	Section 8.2
Reserve and Resource Estimates	No assurance can be given that any estimated reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that it can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.	Section 8.2
Exploration and development risks	Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's existing licences may be unsuccessful, resulting in a reduction of the value of those licences, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By	Section 8.3

Item	Summary	Further information
	their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.	
Marampa Licence Status	As detailed in Section 7.2.2(b), during the September 2018 quarter, the Company received a letter from the Sierra Leone Ministry of Mines (MoM) informing Marampa Iron Ore (SL) Limited (Marampa SL) of the cancellation of the Marampa mining licence ML05/2014 due to the alleged non-payment of annual licence fees and renewal fees totalling approximately \$2.6 million. The most recent letter of demand in relation to the outstanding amount was received from Sierra Leone's National Revenue Authority on 16 November 2020. As disclosed in note 13 in the 30 June 2020 Annual Report, the Company is of the view that there is no present obligation with respect to accrued exploration license fees since 2015 for the Marampa Project due to the Company declaring force majeure and therefore the liability has been reversed in its financial statements. In October 2018, Marampa SL commenced legal action in Sierra Leone to challenge MoM's decision to cancel the Mining Licence, however, the Board has since agreed to place legal action on hold while it continues to liaise with representatives of MoM with respect to the reinstatement of the Mining Licence. While the Company is confident it will be successful in having the Mining Licence reinstated, any possible liability with respect to the accrued licence fees will only be confirmed following the resolution of this matter. Further, there is a risk that the licence may never be reinstated, or that it is reissued on terms less favourable to the Company. In the event that the licence is reinstated, the Company would restart operations at the Marampa Project. In such circumstances, the Company would also be exposed to the sovereign risks associated with operating in Sierra Leone, including political, security and social risks. The	Section 8.2

Item	Summary	Further information
	Company intends to mitigate such risks by employing personnel with significant in country experience.	
Additional Requirements for Capital	The capital requirements of the Company depend on numerous factors. The Company's existing assets do not generate income, and the Company is reliant selling its existing assets or raising further capital to fund activities and repay creditors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.	Section 8.2
Other risks	For additional specific risks please refer to Section 8.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 8.3 and 8.4.	Section 8

D. Directors and Key Management Personnel

Who are the Directors?	The directors of the Company are currently: (a) Terry Donnelly (Non-Executive Chairman); (b) Tony Sage (Executive Director); and (c) Timothy Turner (Non-Executive Director). Upon reinstatement, the Company is not proposing to make any changes to the composition of the Board as set out above. However, as the Company continues to develop, the Board will look to supplement the current Board with valuable expertise from additional personnel (as and when the Board considers appropriate). The profiles of each of these individuals are set out in Section 9. A summary of the material terms and conditions of the current employment or engagement of the above persons with the Company is set out in Section 10.1.	Sections 9 and 10.1
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Item	Summary	Further information												
What are the significant interests of the Directors in the Company?	As at the date of this Prospectus, the interests of the Directors is as set out below: <table border="1"> <thead> <tr> <th>Director</th><th>Shares</th><th>Options</th></tr> </thead> <tbody> <tr> <td>Terry Donnelly¹</td><td>20,000,000¹</td><td>Nil</td></tr> <tr> <td>Tony Sage²</td><td>312,514,763²</td><td>Nil</td></tr> <tr> <td>Timothy Turner³</td><td>25,723,000³</td><td>Nil</td></tr> </tbody> </table> 1. Held indirectly through Progressive Nominees Pty Ltd trustee for The Universal Trust (a company controlled by Mr Donnelly). In addition, pursuant to the director appointment agreement between Mr Donnelly and the Company (a summary of which is set out in Section 10.1.2), the Company has agreed to issue up to 120,000,000 Shares to Mr Donnelly on satisfaction of certain performance milestones and subject to Shareholder approval. Refer to Section 10.1.2 for further details. 2. 250,000 held indirectly through PG Partnership (of which Okewood Pty Ltd is a member, a company controlled by Mr Sage) and 312,264,763 held indirectly through Okewood Pty Ltd (a company controlled by Mr Sage). 3. 3,723,000 held indirectly through Halle Woody Pty Ltd < The Woody S/F A/C> (a company and fund controlled by Mr Turner) and 22,000,000 held indirectly through Marnichar Nominees Pty Ltd ATF the Hallemar Trust.	Director	Shares	Options	Terry Donnelly ¹	20,000,000 ¹	Nil	Tony Sage ²	312,514,763 ²	Nil	Timothy Turner ³	25,723,000 ³	Nil	Section 9.2
Director	Shares	Options												
Terry Donnelly ¹	20,000,000 ¹	Nil												
Tony Sage ²	312,514,763 ²	Nil												
Timothy Turner ³	25,723,000 ³	Nil												
What are the benefits being paid to the Directors?	As at the date of this Prospectus, the benefits being paid to the Directors are as follows: <table border="1"> <thead> <tr> <th>Director</th><th>Year Ended 30 June 2021</th><th>Year Ended 30 June 2022</th></tr> </thead> <tbody> <tr> <td>Terry Donnelly</td><td>\$55,000¹</td><td>\$120,000</td></tr> <tr> <td>Tony Sage</td><td>\$400,000²</td><td>\$400,000</td></tr> <tr> <td>Timothy Turner</td><td>\$60,000</td><td>\$60,000</td></tr> </tbody> </table> 4. During the year ended 30 June 2021, a total of \$24,819 was paid to Progressive Nominees Pty Ltd trustee for The Universal Trust (a company controlled by Mr Donnelly) in relation to commission paid in respect to the placement completed by the Company in October 2020 and December 2020. This amount is not reflected in the table above which discloses Director fees only. 5. Okewood Pty Ltd and Okewood Pty Ltd trading as Perth Glory Football Club are entities controlled by Tony Sage. During the year ended 30 June 2021, a total amount of \$12,500 (excluding GST) was invoiced by Okewood Pty	Director	Year Ended 30 June 2021	Year Ended 30 June 2022	Terry Donnelly	\$55,000 ¹	\$120,000	Tony Sage	\$400,000 ²	\$400,000	Timothy Turner	\$60,000	\$60,000	Section 9.2
Director	Year Ended 30 June 2021	Year Ended 30 June 2022												
Terry Donnelly	\$55,000 ¹	\$120,000												
Tony Sage	\$400,000 ²	\$400,000												
Timothy Turner	\$60,000	\$60,000												

Item	Summary	Further information
	Ltd in relation to the part sub-lease of office premises at 32 Harrogate Street, West Leederville, WA, 6007. This amount remains unpaid at 30 June 2021. In addition, during the year ended 30 June 2021, an amount of \$43,925 was paid to Okewood Pty Ltd for a corporate box and events of the Perth Glory Football Club. These amounts are not reflected in the table above which discloses Director fees only.	
What related party agreements is the Company Group party to?	The Company has entered into a consultancy agreement with the Executive Director (Tony Sage), together with letters of appointment with each of the Non-Executive Directors (Terry Donnelly and Timothy Turner). The Company has also entered into Deeds of Indemnity, Insurance and Access with each of the Directors. These agreements are summarised in Section 10.1.	Section 10.1
F. Financial Information		
How has Cyclone historically performed?	Refer to Appendices 1 to 4 of the Independent Limited Assurance Report in Annexure C for details concerning the Company's recent performance up until 31 December 2020.	Annexure C
What is the financial outlook for Cyclone?	The Company continues to seek funding options including the raising of additional funds and the realisation of certain of the Company's unencumbered financial assets through the sale of its listed shares (if required). Appendices 1 to 5 of the Independent Limited Assurance Report in Annexure C sets out: (a) the audited historical financial accounts of the Company for the financial years ended 30 June 2019 and 30 June 2020; (b) the reviewed historical financial accounts of the Company for the half year ended 31 December 2020; (c) a pro-forma statement of financial position as at 31 May 2021, together with accompanying notes to the above financial information.	Annexure C
Will Cyclone have sufficient funds for its activities?	Based on the proposed 12 month budget set out in Section 7.6, the Board believes the Company's existing cash reserves, together with its unencumbered liquid investments in	Section 7.6

Item	Summary	Further information
	listed ASX entities is sufficient to fund Cyclone's proposed activities for the next 12 months.	
G. Offer		
What is the Offer?	The Offer is an offer of 10,000 Shares at an issue price of \$0.009 per Share to raise up to \$90 (before costs). Only residents of Australia may participate in the Offer.	Sections 6.1 and 6.15
Is there a minimum subscription under the Offer?	There is no minimum subscription for the Offer.	Section 6.2
Is the offer underwritten?	The Offer is not underwritten.	Section 6.3
What are the purposes of the Offer?	The primary purpose of the Offer is to assist the Company in satisfying certain Reinstatement Conditions to enable the reinstatement of the Company's Shares to trading on the Official List. The secondary purpose of the Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the date of this Prospectus.	Section 6.6
What will Cyclone's capital structure look like after completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 7.7.	Section 7.7
Will I be guaranteed a minimum allocation under the Offer?	No, the Company cannot guarantee a minimum allocation of Shares under the Offer.	
What are the terms of the Shares offered under the Offer?	A summary of the material rights attaching to the Shares offered under the Offer is set out in Section 11.2.	Section 11.2
Will any Shares be subject to escrow?	No Shares issued pursuant to this Offer will be subject to any escrow requirement by the ASX.	Section 7.9
Will Shares be quoted?	Application for quotation of all Shares issued under this Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 6.5

Item	Summary	Further information
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in Section 3.1.	Section 3.1

H. Use of Funds

How will the proceeds of the Offer be used?

The Company intends to apply its existing cash reserves, together with proceeds from the sale of the Company's unencumbered liquid investments (to the extent necessary), over the 12 months following the reinstatement of the Company's Shares to trading on the Official List of the ASX as follows:

Allocation of funds	
Lady Ethleen Project ¹	\$250,000
Yalardy Project ²	\$125,000
Marampa Project ³	\$284,660
Expenses associated with the Offer and re-admission process ⁴	\$71,206
Other exploration costs and due diligence and associated costs of potential new acquisition opportunities identified by the Board	\$123,200
Administration Costs and working capital ⁵	\$1,456,275
Total	\$2,310,341

1. Since initiating the current metallurgical test work and associated drilling for sample collection, the Company has spent approximately \$150,000 on the Lady Ethleen Project. An additional amount of \$250,000 has been budgeted for the remainder of the project, which may include pilot plant trials with the possible use of a rotary reactor, trial mining to obtain between 20 and 50 tonnes of trial mineralised material and project management costs. The allocated budget will be highly reliant on the outcomes of the current test work after which a detailed budget will be established.
2. The following work programs and budget allocations have been proposed for the first phase of exploration:
 - Soil geochemical survey: \$40,000
 - Detailed airborne / ground geophysics (magnetics, gravity, EM): \$70,000
 - Technical analysis of results: \$15,000

This preliminary work program is intended to identify targets under cover that are expected to be drill tested in the second phase of exploration should successful results be

Section 7.6

Item	Summary	Further information
	returned. This work is anticipated to begin during quarter 3 2021. 3. The Company will continue to spend approximately \$72,000 per quarter in country on Marampa (ML05/2014). This is used primarily for staff costs and to secure the core and other samples generated during the life of the project, and progress the steps required to ensure that Marampa can proceed without delay to production once tenure issues have been resolved. In the event that the licence is re-instated, the Company's exploration budgets will be re-evaluated and it is likely that the Company would seek to raise additional capital in order to fund the restart of operations at Marampa. 4. Refer to Section 11.6 for further details. 5. Administration costs include the general costs associated with the management and operation of the Company's business including consultancy fees for professional services, administration expenses, management salaries, directors' fees, rent and other associated costs. To the extent that: - the Company's exploration activities warrant further exploration activities; or - the Company is presented with additional acquisition opportunities, the Company's working capital will fund such further exploration and acquisition costs (that exceed the budgeted amount in the above table). Any amounts not so expended will be applied toward administration costs. 6. The Company also anticipates that it will make four instalments to the ATO totalling \$1,040,689 during the 12 month period following the date of this Prospectus, reducing its current tax liability. The ATO has permitted the Company to sell down its interest in CXU, with the proceeds of any sale to be contributed towards these payments. Refer to Section 10.2 for further details.	

I. Additional information

Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 6.7
What are the tax implications of investing in Shares?	Shareholders may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. The tax consequences of any investment in Shares will depend upon an investor's	Section 6.7

Item	Summary	Further information
	particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	
Where can I find more information?	• By speaking to your sharebroker, solicitor, accountant or other independent professional adviser. • By reviewing Cyclone's public announcements, which are accessible from ASX's website at www.asx.com.au under the code "CLE". • By visiting Cyclone's website at www.cyclonemetals.com. • By contacting the Company on +61 8 9380 9555. By contacting the Company's Share Registry on 1300 85 05 05.	

6. DETAILS OF THE OFFER

6.1 The Offer

The Offer is a public offering of 10,000 Shares at an issue price of \$0.009 per Share to raise \$90.

The Shares issued under the Offer will be fully paid and will rank equally with all other Shares then currently on issue. A summary of the material rights attaching to Shares is set out in Section 11.2.

6.2 Minimum subscription

There is no minimum subscription for the Offer.

6.3 Underwritten

The Offer is not underwritten.

6.4 Eligible participants

To participate in the Offer, you must be a resident of Australia. See Section 6.15 for further details.

6.5 Quotation and trading

Application for quotation of all Shares issued under this Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 6.13 for further details.

6.6 Purpose of the Offer

The Company is seeking to raise only a nominal amount of \$90 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of the Offer is to assist the Company in satisfying certain Reinstatement Conditions to enable the reinstatement of the Company's Shares to trading on the Official List.

The secondary purpose of the Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the date of this Prospectus.

6.7 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

6.8 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.009 per Share.

Completed Application Forms and accompanying cheques, made payable to "**CYCLONE METALS LIMITED**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date. The Company reserves the right to close the Offer early.

6.9 Issue of Shares and Allocation Policy

The issue of Shares under the Offer will take place as soon as practicable after the Closing Date of the Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

6.10 The Offer

The allocation of Shares under the Offer will be determined by the Board in their sole discretion.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

6.11 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

6.12 Interest

Pending the issue of the Shares or payment of refunds pursuant to the Offer, all application monies will be held by the Company in trust for Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

6.13 Quotation of Shares

The Company will apply for Official Quotation of the Shares issued under the Offer within 7 days after the date of this Prospectus. However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has received the approval of ASX for the Company's Shares to be re-admitted to trading on the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

6.14 Clearing House Electronic Sub-Register System and Issuer Sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Shares can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Security holders may request a holding statement at any other time, however a charge may be made for such additional statements.

6.15 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Shares in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable Shares laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in order to accept any of the Offer.

If you are outside Australia, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that there has been no breach of any such laws and all relevant approvals have been obtained.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia, in which the Shares legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. This Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

The Offer do not and will not constitute an offer of Shares in the United States of America (**US**). Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. If the Company believes that any Applicant is ordinarily resident in the US, or is acting on behalf of a person or entity that is ordinarily a resident of the US, the Company will reject that applicant's application.

6.16 Reinstatement Conditions

The Company is in a position to seek reinstatement of its Shares to Official Quotation. This reinstatement is subject to the discretion of the ASX. However, the Company has received confirmation from the ASX that it will, subject to satisfaction of the Reinstatement Conditions, allow reinstatement of the Company's Shares to Official Quotation.

The Reinstatement Conditions are set out in Schedule 1.

6.17 Enquiries

If you have any queries in relation to the Offer, please contact the Company Secretary on +61 8 9380 9555.

7. COMPANY OVERVIEW

7.1 Company Background

The Company is an Australian public mineral development and investment company.

The Company's business, since its listing on ASX in 2001, has been mineral investment and development through acquiring and investing in undervalued and/or distressed mineral assets and companies and improving the value of those acquisitions.

The Company has a diverse portfolio of mineral assets and interests in exploration companies providing exposure to iron ore, copper, gold, uranium, cobalt, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America, as further detailed below.

On 16 October 2020, the Company's securities were suspended from Official Quotation on the basis that ASX determined the Company's operations were not adequate to warrant the continued quotation of securities and compliance with Listing Rule 12.1.

7.2 Overview of Projects

7.2.1 Core Projects

(a) Lady Ethleen (Queensland) – Copper/Gold

Lady Ethleen is located approximately 80 km (by road) southeast of Mt Isa in Queensland, in the Eastern Fold Belt of the Mt Isa inlier and is part of the Company's Wee MacGregor project. This area is prospective for a variety of deposit types, most notably structurally controlled epigenetic copper and gold deposits.

The tenement (ML 2771) has been retained by Mining International Pty Ltd (**Mining International**), a wholly owned subsidiary of the Company, and is currently being utilised for a trial mining and processing exercise using a newly developed green leach process known as GlyLeach™, (refer ASX announcement 4 December 2020).

During 2020, the Company initiated a project utilising its stranded Lady Ethleen project as a trial / demonstration deposit for an environmentally friendly alternative leaching technology to conventional acid leach. The Company had done sufficient prior exploration work (internally and via third parties) on the Lady Ethleen project to ascertain a deposit of sufficient size for trial mining and processing that would otherwise be too small for commercial development on its own.

Previous work on the project to ascertain potential project size and tenor had been either historic or conducted by a private third party group which was not of a JORC compliant standard for resource reporting. The Company however is satisfied with the scale of the project for its use in the current trial works.

The test work underway utilises a process titled GlyLeach™, which was developed and patented by Curtin University in Western Australia. The technology is currently under licence to Mining & Process Solutions Pty Ltd (**MPS**) for commercialisation and MPS hold the right to run test work,

develop metallurgical solutions and on sell usage rights under licence to the greater industry. CLE will not derive any commercial value from any intellectual property resulting from these trials. Value could come from the sale of products from the venture if the test work is successful and a commercial proposition is available to the Company to exploit (such as the joint venture on the remaining Wee MacGregor tenements).

Test work was designed to test amenability of the Lady Ethleen mineralised material in different oxidation states to be satisfactorily leached under alkaline conditions 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 for high carbonate Corella Formation style ores.

Leaching test work began with the receipt of 3 samples from each oxidation zone each weighing approximately 110kg for a total of almost 1 tonne of drill cuttings. Samples were received by the lab during the 4th week of April 2021 representing the three states of oxidation and each weighing approximately 330kg. The metallurgical test work program is currently underway and the Company will continue to provide progress updates to the market as results are received.

Pending successful results, the Company's objective is to develop or acquire a modular processing unit that can be economically relocated to process material from stranded deposits similar to and including Lady Ethleen of which there are many examples in the Mount Isa district.

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) as well as many other potential small assets in the district, that may be economic with appropriate processing technology.

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 exploit the Lady Ethleen and Wee MacGregor projects together, as well as other projects in the area that are currently uneconomic.

(b) Yalardy (Western Australia) – Rare Earths

The Yalardy project comprises of two exploration licences (E 09/2441 and E 09/2442) which were granted on 17 May 2021 and cover a combined 297 graticular blocks or a total of 914.5 square kilometres starting approximately 33km east of the Overlander roadhouse near the turnoff to Shark Bay.

Recent geochemical sampling over the areas known as "Dogger" and "Sebastian" have identified two rare earth element (REE) anomalies coincident with identified geophysical anomalies that indicate potential for the existence of a buried diatreme beneath the geologically recent sedimentary cover sequences.

The southern gravity anomaly (Sebastian) presents as a deep gravity low with a coincident void in the TMI magnetics. The density depression and coincident magnetic low can be interpreted as a possible buried diatreme structure with similar dimensions to the Mt Weld REE deposit in the north eastern goldfields of WA. This presents an opportunity for a new

REE discovery as the structural environment and geophysical indications may suggest a potential carbonatite source similar to that found at Mt Weld.

The presence of a buried diatreme may also be a potential host to several different mineralisation possibilities.

7.2.2 Other Projects

(a) **Wee MacGregor (Queensland) – Copper/Gold**

In addition to the Lady Ethleen tenement (ML 2771), Mining International holds partial tenure to 3 additional mining leases (ML 2504, ML 2773 and ML 90098) at the Wee MacGregor project.

The tenements are located within in the Eastern Fold Belt of the Mt Isa inlier. The tenements are located in the Mary Kathleen Zone/Wonga Subprovince. This area is prospective for a variety of deposit types, most notably structurally controlled epigenetic copper and gold deposits.

These tenements are subject to a joint venture between the Company (20%) and Cohiba Minerals Limited (80%), who maintain operational control. The Company's interest is free carried until a decision to mine is made, at which point, it would be required to contribute pro-rata to joint venture expenditure.

As the Company's interest in these tenements is currently being free carried, with operational control vesting entirely with Cohiba Minerals Limited, the Board does not consider these tenements to be material to its current prospects as at the date of this Prospectus. As such, the tenements have not been considered as part of the Independent Geologist's Report in Annexure A or Solicitor's Report on Tenements in Annexure B.

(b) **Marampa (Sierra Leone) – Iron Ore**

In October 2014, Marampa Iron Ore (SL) Limited (**Marampa SL**), a wholly owned subsidiary of the Company, was granted the mining and environmental licences for ML05/2014 (**Mining Licence**). The Company has spent approximately US\$62.7 million on exploration and development to date on the Marampa Project.

In order to protect its interest in the Project, by letter to MoM in September 2014, Marampa SL forewarned MoM that the ebola virus outbreak and subsequent loss of value in iron ore price might adversely affect Marampa SL's ability to meet its obligations under the Mining Licence. The letter was duly acknowledged and approved by MoM and it was agreed that the letter would constitute an addendum to and form part of the final terms of the Mining Licence to be granted.

In September 2018, Marampa SL received a letter from the Sierra Leone Ministry of Mines (**MoM**) cancelling the Mining Licence due to its failure to pay annual statutory licence fees for the Mining Licence.

The Company contends that the claimed default fell within the scope of the force majeure circumstances foreseen and outlined in its letter from September 2018. The Company understood that no fees would accrue or be payable whilst the force majeure events were subsisting.

In October 2018, Marampa SL commenced legal action in Sierra Leone to challenge MoM's decision to cancel the Mining Licence, however, the Board has since agreed to place legal action on hold while it continues to liaise with representatives of MoM with respect to the reinstatement of the Mining Licence.

The Company does not currently have tenure over ML05/2014. Whilst no formal application has been made to date, the Company has been engaged in ongoing dialogue with the relevant Sierra Leonean authorities in an attempt to have the Mining Licence reinstated or reissued by mutual agreement.

Dialogue has been restricted significantly during the past 12 months by the impacts of COVID-19 on travel and government operations. However, during the first quarter of 2021, management continued to be very active in discussions with relevant stakeholders at the Sierra Leone government to fast-track the process for reissuance of the mining license.

In January 2021, a meeting was held with Company and public officials from Sierra Leone at the Minister of Mines office in Freetown (the capital of Sierra Leone) to discuss and propose an investment case for the Marampa Project, supported by the attractive iron ore market price. It was agreed for the Company to lodge a detailed proposal in writing, which the Company submitted on 14 January 2021.

In February 2021, the Company launched an in-country nationwide media campaign to generate public awareness of the commitment by the Company to develop the Marampa Project.

Whilst there can be no guarantee that the MoM will agree to reinstate or reissue the Mining Licence, the government have shown a willingness to engage with the Company to resolve the tenure dispute. If Marampa SL were to successfully recover the Mining Licence, the Board is committed to working with the relevant parties to secure access to the necessary plant and equipment and infrastructure to enable the ramp up of the Marampa Project.

Until the Mining Licence is reinstated, the Company will continue to (as it has done since 2017) spend approximately \$72,000 per quarter in country on the Marampa Project. This is used primarily to secure the core and other samples generated during the life of the project, and progress the steps required to ensure that the Marampa Project can proceed without delay to production once tenure is resolved.

As the Company does not currently hold any legal tenure at the Marampa Project, the Board does not consider the Project to be material to its current prospects as at the date of this Prospectus. As such, the Project has not been considered as part of the Independent Geologist's Report in Annexure A or Solicitor's Report on Tenements in Annexure B.

7.3 Investments in listed and unlisted entities

In addition to the abovementioned mineral exploration projects, the Company presently has the following interests in listed and unlisted mineral exploration entities:

Company name	Commodity / Country	Shares	Price ¹	Market value ²
Cauldron Energy Limited (ASX:CXU) ¹	Uranium (Australia/Argentina)	35,470,036	\$0.039	\$1,383,331
European Lithium Limited (ASX:EUR)	Lithium (Austria)	65,058,244	\$0.058	\$3,773,378
FE Limited (ASX:FEL) ¹	Iron ore, gold, lithium, base metals (NT and WA)	146,148,635	\$0.054	\$7,892,026 ³
International Goldfields Limited (unlisted)	Gold (Australia, Cote d'Ivoire, Brazil)	392,307,692	N/A	N/A

Notes:

1. The Company has granted the Australian Taxation Office security over 100% of its shareholding in CXU and approximately 82.7% of its shareholding in FEL. The security shall remain in force until such time as the Company has repaid its outstanding tax liability owed to the Australian Taxation Office (scheduled for completion on 1 March 2023). Refer to Section 10.2 for further details.
2. Based on the ASX trading price at closing on 6 July 2021.
3. This differs from the valuation basis in Cyclone's historical financial accounts under "Investments accounted for using equity method" set out in the Independent Limited Assurance Report in Annexure C which is on an equity accounting basis.
4. As at 6 July 2021, the Company also has an interest in the following listed entities: 36,964 Shares in PetroNor E&P (listed on the Oslo Euronext Expand), 50,912 shares in AXMIN Inc (listed on the TSX), 27,494,812 shares in International Petroleum Limited (listed on the NSX) and 10,880,013 shares in Kodal Minerals plc (listed on AIM) with a combined market value of approximately \$85,000.

7.4 Business model

The Company's proposed business model is to acquire and invest in undervalued and/or distressed mineral assets and companies (**Projects**) and:

- (a) improve the value of these Projects, through a hands-on approach to management, exploration, evaluation and development; and
- (b) retain long-term exposure to these Projects through a production royalty and/or equity interest.

The Company aims to deliver Shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

7.5 Key Dependencies

The success of the Company's business strategy (set out above) is dependent on the following factors:

- (a) the Company's Shares being reinstated to trading on the ASX;
- (b) maintaining title to the Projects;
- (c) retaining and recruiting key personnel skilled in the mining and resources sector;
- (d) the Projects producing product that is of the quality and specifications required by potential buyers;
- (e) the Company's ability to meet resource and reserves and exploration targets;
- (f) raising sufficient funds to satisfy expenditure requirements, exploration and operating costs in respect of the Projects; and
- (g) minimising environmental impact and complying with health and safety requirements.

7.6 Use of Funds

The funding of the Company's short to medium term activities will be generated from the Company's existing cash reserves together with proceeds from the sale of the Company's unencumbered liquid investments (to the extent necessary). The Company intends to apply its existing cash reserves over the 12 months following the reinstatement of the Company's Shares to trading on the Official List of the ASX as follows:

Allocation of funds	
Existing Cash Reserves ¹	\$255,784
Value of unencumbered liquid investments ²	\$5,139,578
Total	\$5,395,362
<i>Exploration at the Projects</i>	
Lady Ethleen (Queensland) – Copper/Gold ³	\$250,000
Yalardy (Western Australia) – Rare Earths ⁴	\$125,000
Marampa (Sierra Leone) – Iron Ore ⁵	\$284,660
Other exploration costs and due diligence and associated costs of potential new acquisition opportunities identified by the Board	\$123,200
Expenses of the Offer ⁶	\$71,206
Administration costs and working capital ⁷	\$1,456,275
Total	\$2,310,341

Notes:

1. Refer to the pro-forma statement of financial position in Appendix 5 to the Independent Limited Assurance Report for further information.
2. Comprising 65,058,244 shares in European Lithium Ltd (ASX: EUR) at \$0.058 per share and 25,300,000 shares in FE Limited (ASX: FEL) at \$0.054 per share as at 6 July 2021.
3. Since initiating the current metallurgical test work and associated drilling for sample collection, the Company has invested approximately \$150,000. An additional amount of

\$250,000 has been budgeted for the remainder of the project which may include pilot plant trials with the possible use of a rotary reactor, trial mining to obtain between 20 and 50 tonnes of trial mineralised material and project management costs. The allocated budget will be highly reliant on the outcomes of the current test work after which a detailed budget will be established.

4. The following work programs and budget allocations have been proposed for the first phase of exploration:

- Soil geochemical survey : \$40,000
- Detailed airborne / ground geophysics (magnetics, gravity, EM): \$70,000
- Technical analysis of results: \$15,000

This preliminary work program is intended to identify targets under cover that are expected to be drill tested in the second phase of exploration should successful results be returned. This work is anticipated to begin during quarter 3 2021.

5. The Company will continue to spend approximately \$72,000 per quarter in country on the Marampa Project (ML05/2014). This is used primarily to secure the core and other samples generated during the life of the project, and progress the steps required to ensure that the Marampa Project can proceed without delay to production once tenure issues have been resolved.

In the event that the licence is re-instated, the Company's exploration budgets will be re-evaluated and it is likely that the Company would seek to raise additional capital in order to fund the restart of operations at the Marampa Project.

6. Refer to Section 11.6 for further details.

7. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

To the extent that:

- (a) the Company's exploration activities warrant further exploration activities; or
- (b) the Company is presented with additional acquisition opportunities,

the Company's working capital will fund such further exploration and acquisition costs (that exceed the budgeted amount in the above table). Any amounts not so expended will be applied toward administration costs.

8. The Company also anticipates that it will make four instalments to the ATO totalling \$1,040,689 during the 12 month period following the date of this Prospectus, reducing its current tax liability. The ATO has permitted the Company to sell down its interest in CXU, with the proceeds of any sale to be contributed towards these payments. Refer to Section 10.2 below for further details.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors are satisfied that upon the reinstatement of its Shares to trading, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

It should however be noted that the Company may require additional capital beyond the 12 month period following the reinstatement of its Shares to trading, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of Projects. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Projects or to capitalise on acquisition opportunities in the resources sector.

7.7 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

Shares ¹	
Shares currently on issue	4,532,236,982
Shares to be issued under the Offer	10,000
Total Shares on issue on completion of the Offer²	4,532,246,982

Notes:

1. The rights attaching to the Shares are summarised in Section 11.2.
2. Pursuant to the director appointment agreement between Mr Donnelly and the Company (a summary of which is set out in Section 10.1.2), the Company has agreed to issue up to 120,000,000 Shares to Mr Donnelly on satisfaction of certain performance milestones and subject to Shareholder approval. Refer to Section 10.1.2 for further details.

Options	
Unlisted Options (exercisable at \$0.005 each on or before 18 December 2021)	107,000,000
Unlisted Options (exercisable at \$0.005 each on or before 18 December 2022)	5,000,000
Unlisted Options (exercisable at \$0.006 each on or before 30 June 2023)	11,200,000
Options to be issued under the Options Offer	Nil
Total Options on issue on completion of the Offer	123,200,000

Convertible Notes	
Convertible Notes currently on issue ¹	10
Convertible Notes offered pursuant to the Offer	Nil
Total Convertible Notes on issue after completion of the Offer	10

Notes:

1. As at the date of this prospectus, the Convertible Notes have a face value of \$1,000 per Convertible Note. The conversion price for each convertible note is the lower of a 10% discount from the lowest VWAP over twelve (12) days prior to the conversion date, providing that the conversion price shall not in any case be lower than \$0.005 (**Floor Price**). The Convertible Notes may convert into a maximum of 2,000,000 Shares based on the Floor Price.

7.8 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus are set out in the respective table below:

Shareholder	Shares	%
Winance Investment LLC	914,612,767	20.18

Shareholder	Shares	%
BNP Baribas Nominees Pty Ltd ACF Clearstream	341,219,925	7.53
Okewood Pty Ltd (an entity controlled by Director, Tony Sage)	312,264,763	6.89
Gulf Energy International Limited	278,178,538	6.14

As the Offer is for a nominal amount of Shares, on completion of the Offer, there will be no material changes to the substantial Shareholders of the Company.

7.9 Restricted Shares

Upon reinstatement to trading (which is subject to ASX's discretion and approval), no securities will be classified by ASX as restricted securities and will be required to be held in escrow.

Further, the Company advises Shareholders that no voluntary escrow arrangements have been entered into in respect of any of the securities on issue or to be issued by the Company.

7.10 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the next 12 months following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7.11 Top 20 Shareholders

Reinstatement of the Company's Shares to trading on the Official List is conditional on, among other things, the Company releasing details of its top 20 Shareholders to the ASX.

8. RISK FACTORS

8.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

8.2 Company Specific Risks

Risk Category	Risk
Reinstatement Risk	The Company is required to satisfy the Reinstatement Conditions for reinstatement of the Company's securities to Official Quotation on the ASX (details of the Reinstatement Conditions are set out in Schedule 1). There is a risk that the Company may not be able to meet the Reinstatement Conditions and should this occur, the Company will be removed from trading on the Official List and the Company's Shares will be delisted. Following a delisting, there may be little to no market for the Company's Shares. In this instance, the Company would immediately withdraw the Offer.
Laws and regulations	The Company's subsidiaries are subject to laws in various jurisdictions. Existing and future legislation, regulation and actions could cause additional expense, capital expenditure and restrictions and delays in the activities of the Company, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the Company's activities or services.
Reserve and Resource Estimates	No assurance can be given that any estimated reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates

Risk Category	Risk
	may require revision (either up or down) based on actual production experience. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that it can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.
Marampa Project Licence Status	As detailed in Section 7.2.2(b), during the September 2018 quarter, the Company received a letter from the Sierra Leone Ministry of Mines (MoM) informing Marampa Iron Ore (SL) Limited (Marampa SL) of the cancellation of the Marampa mining licence ML05/2014 due to the alleged non-payment of annual licence fees and renewal fees totalling approximately \$2.6 million. The most recent letter of demand in relation to the outstanding amount was received from Sierra Leone's National Revenue Authority on 16 November 2020. As disclosed in note 13 in the 30 June 2020 Annual Report, the Company is of the view that there is no present obligation with respect to accrued exploration license fees since 2015 for the Marampa Project due to the Company declaring force majeure and therefore the liability has been reversed in its financial statements. In October 2018, Marampa SL commenced legal action in Sierra Leone to challenge MoM's decision to cancel the Mining Licence, however, the Board has since agreed to place legal action on hold while it continues to liaise with representatives of MoM with respect to the reinstatement of the Mining Licence. While the Company is confident it will be successful in having the Mining Licence reinstated, any possible liability with respect to the accrued licence fees will only be confirmed following the resolution of this matter. Further, there is a risk that the licence may never be reinstated, or that it is reissued on terms less favourable to the Company. In the event that the licence is reinstated, the Company would restart operations at the Marampa Project. In such circumstances, the Company would also be exposed to the sovereign risks associated with operating in Sierra Leone, including political, security and social risks. The Company intends to mitigate such risks by employing personnel with significant in country experience.
Investments	The Company's material assets consist of its shares in European Lithium Limited (ASX: EUR), FE Limited (ASX: FEL) and Cauldron Energy Limited (ASXL CXU). The Company has granted the Australian Taxation Office security over 100% of its shareholding in CXU and approximately 82.7% of its shareholding in FEL. There is a risk that the Company may default under the terms of this security, which may result in these assets being sold for less than their value.

Risk Category	Risk
	Furthermore, as the encumbered securities are quoted on the ASX, there is a risk that the value of these assets may as fluctuate in value.
Consolidation strategy	The Company's tenement (ML 2771) is currently being utilised for a trial mining and processing exercise using a newly developed green leach process known as GlyLeach™, (refer to Section 7.2.1(a) above and ASX announcement dated 4 December 2020 for further details). Pending successful results, the Company's objective is to develop or acquire a modular processing unit that can be economically relocated to process material from stranded deposits similar to and including Lady Ethleen of which there are many examples in the Mount Isa district. There can be no assurance that the current test program will identify a suitable commercial processing solution that will enable the Company to pursue the abovementioned strategy. Further, in the event that a commercial processing solution is developed, there is no guarantee that the Company will be able to identify and acquire an interest in suitable tenure, on commercially viable terms and scale. Should the Company require additional funding to execute this strategy, there can be no assurance that additional financing will be available on acceptable terms or at all. To the extent the Company is not able to execute its planned strategy, its business and growth prospects may be adversely impacted.
Climate risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of

Risk Category	Risk
	extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
COVID-19 risk	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.
Additional Requirements for Capital	The capital requirements of the Company depend on numerous factors. The Company's existing assets do not generate income, and the Company is reliant selling its existing assets or raising further capital to fund activities and repay creditors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.
DRC Project	On 14 August 2019, the Company announced that it had unable to source project funding for the development of the Kipushi Project in the Democratic Republic of Congo and as such had withdrawn from the Kipushi Project and from being a 50% partner with Paragon Mining (SARL) in the incorporated joint venture company Soludo-Lambert SAS (Soludo-Lambert). Subsequently, the Company agreed that it would bear the costs of voluntary liquidation of Soludo Lambert. The Company has estimated this amount to be approximately \$1.2 million. The Company has not received a legal statutory demand from its joint venture partner, Paragon Mining (SARL). However, there is a risk that the liquidation of Soludo-Lambert results in a material liability for the Company.

Risk Category	Risk
Going Concern Risk	The Company's financial report for the half year ended 31 December 2020 included a note from the auditor indicating a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. Notwithstanding the 'going concern' qualification included in the half yearly financial report, the Directors believe that it is reasonably foreseeable that the Company will continue as a going concern after consideration of the following factors: (a) the Company is progressing towards the reissuance of the relevant licences at the Marampa Iron Ore Project and developing the project; (b) the Company continues to seek funding options; (c) continued support from external creditors allowing for the deferred payment of certain liabilities; (d) the Company is engaging with the ATO regarding the outstanding debt; and (e) ability to realise certain of the Company's financial assets through the sale of its investments in listed entities. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

8.3 Industry specific

Risk Category	Risk
Exploration Success	The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.
Exploration Costs	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.
Operational risk	The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical

Risk Category	Risk
	difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.
Exploration and development risks	Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's existing licences may be unsuccessful, resulting in a reduction of the value of those licences, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.
Environmental	The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-

Risk Category	Risk
	up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.
Mine development	Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.
Insurance risks	There are significant exploration and operating risks associated with exploring for minerals (including base metals, gold, cobalt), including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

Risk Category	Risk
Commodity price volatility and exchange rate risks	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

8.4 General risks

Risk Category	Risk
Trading Price of Shares	The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including, inflation rates and interest rates, variations in the general market for listed stocks, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares. In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.
Litigation Risks	The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.
Economic Risks	General economic conditions, movements in interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Risk Category	Risk
	Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) interest rates and inflation rates; (c) currency fluctuations; (d) changes in investor sentiment toward particular market sectors (such as the exploration industry or the lithium sector within that industry); (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities.
Force Majeure	The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Competition	The minerals industry is subject to domestic and global competition, particularly in the current climate of depressed commodity prices. The Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's assets and business.
Labour risks	The Company's operations may be adversely affected by labour disputes or changes in labour laws. Significant labour disputes, work stoppages, increased employee expenses as a result of collective bargaining and the cost of compliance with labour laws could disrupt operations and affect any potential future prospects of the Company's business.
Taxation	The acquisition and disposal of securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its Directors and other officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or acquiring or disposing of securities.

Risk Category	Risk
Acquisitions	As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's existing operations. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, assets and projects, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

8.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. BOARD, MANAGEMENT, INTERESTS AND CORPORATE GOVERNANCE

The Board is currently comprised of the following Directors:

(a) **Terry Donnelly – Non-Executive Chairman**

Mr Donnelly began his career in the banking industry, subsequently becoming a management consultant, specialising in export marketing in Europe, the Middle East, Africa and Japan. During the mid-1990's he became involved in the field of finance and investment, focussing on the mining of precious metals in Australia, Africa, and Europe. Mr Donnelly continues to work as a successful private equity fundraiser & venture capitalist. Mr Donnelly is currently based in Perth WA. He obtained a Diploma of Business Administration and Management from the Alexander Hamilton Institute of New York.

The Board considers that Mr Terry Donnelly is an independent Director.

(b) **Tony Sage – Executive Director**

Mr Sage has more than 37 years' experience in corporate advisory services, funds management and capital raising predominantly within the resource sector. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for the last 24 years. Mr Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia.

Mr Sage currently holds the position of Executive Chairman of ASX listed Fe Limited and is a Non-Executive Chairman of ASX listed European Lithium Limited.

Mr Sage is also the sole owner of A League football club Perth Glory that plays in the National competition in Australia.

It is noted that Mr Sage was a director of Perth Fashion Festival Pty Ltd (ACN 113 890 458) (**PFF**) when it entered into voluntary administration on 18 November 2019 due to insolvency. PFF creditors resolved by special resolution on 28 February 2020 for PFF to be wound up pursuant to section 499(1) of the Corporations Act. As at the date of this Prospectus, PFF remains in external administration.

The Board considers that Mr Tony Sage is not an independent Director.

(c) **Timothy Turner – Non-Executive Director**

Timothy Turner is the senior partner of accounting and advisory Firm, HTG Partners. Mr Turner heads the audit and assurance division and is responsible for the issue of audit opinions for self-managed superannuation funds through to companies. He also has in excess of 30 years' experience in business development, structuring and general business consultancy.

Timothy has a Bachelor of Business (Accounting), is a Registered Company Auditor, a Fellow of CPA Australia (FCPA) and a Chartered Tax Advisor (CTA) under the Tax Institute.

With over 15 years' experience on listed company boards and 30 years' experience in the Australian accounting, taxation and business fields, Mr Turner brings a wealth of experience and knowledge in corporate compliance, governance and general business consultancy.

Mr Turner previously sat on the Board of Petronor E&P (listed on the Euronext Expand (Oslo) exchange), International Petroleum Ltd (NSX), European Lithium Ltd (ASX) and Legacy Iron Ore Ltd (ASX).

The Board considers that Mr Timothy Turner is an independent Director.

The Company does not propose to make any changes to the Board upon reinstatement of the Company's Shares to the Official List.

9.2 Disclosure of interests

Remuneration¹

Director	Remuneration for the year ending 30 June 2022	Remuneration for the year ended 30 June 2021
Terry Donnelly ²	\$120,000	\$55,000 ³
Tony Sage	\$400,000	\$400,000 ⁴
Timothy Turner	\$60,000	\$60,000

Notes:

1. Comprising directors' salary/fees.
2. Terry Donnelly was appointed as a Director on 4 August 2020.
3. During the year ended 30 June 2021, a total of \$24,819 was paid to Progressive Nominees Pty Ltd trustee for The Universal Trust (a company controlled by Mr Donnelly) in relation to commission paid in respect to the placement completed by the Company in October 2021 and December 2021. This amount is not reflected in the table above which discloses Director fees only.
4. Okewood Pty Ltd and Okewood Pty Ltd trading as Perth Glory Football Club are entities controlled by Tony Sage. During the year ended 30 June 2021, a total amount of \$12,500 (excluding GST) was invoiced by Okewood Pty Ltd in relation to the part sub-lease of office premises at 32 Harrogate Street, West Leederville, WA, 6007. This amount remains unpaid at 30 June 2021. In addition, during the year ended 30 June 2021, an amount of \$43,925 was paid to Okewood Pty Ltd for a corporate box and events of the Perth Glory Football Club. These amounts are not reflected in the table above which discloses Director fees only.

Relevant interests in Shares

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in securities as set out in the table below:

Director	Shares	Options	Voting Power (%)
Terry Donnelly	20,000,000 ¹	Nil	0.44%
Tony Sage	312,514,763 ²	Nil	6.90%
Timothy Turner	25,723,000 ³	Nil	0.57%

Notes:

1. Held indirectly through Progressive Nominees Pty Ltd trustee for The Universal Trust (a company controlled by Mr Donnelly). In addition, pursuant to the director appointment agreement between Mr Donnelly and the Company (a summary of which is set out in Section 10.1.2), the Company has agreed to issue up to 120,000,000 Shares to Mr Donnelly on satisfaction of certain performance milestones and subject to Shareholder approval. Refer to Section 10.1.2 for further details.
2. 250,000 held indirectly through PG Partnership (of which Okewood Pty Ltd is a member, a company in which Mr Sage controls) and 312,264,763 held indirectly through Okewood Pty Ltd (a company in which Mr Sage controls).
3. 3,723,000 held indirectly through Halle Woody Pty Ltd < The Woody S/F A/C > (a company and fund controlled by Mr Turner) and 22,000,000 held indirectly through Marnichar Nominees Pty Ltd ATF the Hallemar Trust.

Following the successful completion of the Offer, the Directors will have relevant interests in Shares as set out in the table below:

Director	Shares	Options	Voting Power (%)
Terry Donnelly ²	20,000,000	Nil	0.44%
Tony Sage	312,514,763	Nil	6.90%
Timothy Turner	25,723,000	Nil	0.57%

Notes:

1. The voting power above is calculated on an undiluted basis and on the basis of there being 4,532,246,982 Shares being on issue upon completion of the Offer assuming no additional Shares are issued.
2. Pursuant to the Consultancy Agreement between Mr Donnelly and the Company (a summary of which is set out in Section 10.1.2), the Company has agreed to issue up to 120,000,000 Shares to Mr Donnelly on satisfaction of certain performance milestones and subject to Shareholder approval. Refer to Section 10.1.2 for further details.

9.3 Key Management Personnel

The Key Senior Management of the Company are the following:

- (a) Terry Donnelly (Non-Executive Chairman);
- (b) Tony Sage (Executive Director); and
- (c) Timothy Paul Turner (Non-Executive Director);

Summaries of the agreements pursuant to which the Company engaged the above personnel are included in Section 10.1 of this Prospectus.

The Company is aware of the need to have sufficient management to properly supervise the business operation of the Company, and the Board will continually monitor the management roles in the Company.

9.4 Corporate Governance

(a) **ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.cyclonemetals.com.

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;

- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) approve the engagement of auditors and review any report to the Board (from auditors) on the Company's financial results and reporting systems, internal controls and compliance with statutory and regulatory requirements;
- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework, with guidance from the Company's Remuneration Committee.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three Directors (two non-executive Directors and one executive Director) of whom 2 are considered independent and 1 is considered not independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. The Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$750,000 per annum.

In addition, a Director may be paid fees or other amounts (for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company recognises the benefits arising from diversity and seeks to attract individuals who strive for excellence and embrace the Company's Code of Conduct.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

10. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

10.1 Agreements with Directors

10.1.1 Okewood Pty Ltd – Tony Sage (Executive Director)

Position	Executive Director
Remuneration	\$400,000 (plus GST) per annum
Term	Three-year term (effective from 1 January 2020)
Termination by Company	3-month termination notice (or payment in lieu of notice, subject to the Corporations Act and Listing Rules), without cause
Termination by Okewood Pty Ltd	3-month termination notice (or payment in lieu of notice, subject to the Corporations Act and Listing Rules), without cause

The Consultancy Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

In addition, the Company has also agreed to sub-lease its office premises from Okewood Pty Ltd (an entity controlled by Mr Sage) on the following commercial terms:

Leasehold Property	Lot 3 of 32 Harrogate Street, West Leederville WA 6007
Commencement Date	1 February 2021
Term	Ongoing but can be terminated at any time by notice from the Company
Rent	\$2,500 per month inclusive of GST

10.1.2 Non-executive Director appointments

Terry Donnelly and Timothy Turner have entered into appointment letters with the Company to act in the capacity of Non-Executive Chairman and Non-Executive Director respectively. These Directors will receive the remuneration set out in Section 9.2.

In addition, under the terms of his appointment letter, the Company issued Mr Donnelly 20,000,000 Shares as a sign-on bonus on 16 October 2020, which were approved for issue by the Company's shareholders at the general meeting held 6 October 2020. Further, the appointment letter also provides that the Company will issue Mr Donnelly up to 120,000,000 Shares upon satisfaction of the following performance milestones prior to 3 August 2021 and subject to shareholder approval:

- (a) 20,000,000 Shares in the event that the Share price of the Company exceeds \$0.01 for a continuous period of more than 20 trading days;
- (b) 20,000,000 Shares in the event that the Share price of the Company exceeds \$0.02 for a continuous period of more than 20 trading days;
- (c) 20,000,000 Shares in the event that the Share price of the Company exceeds \$0.05 for a continuous period of more than 20 trading days;
- (d) 20,000,000 Shares in the event that the Share price of the Company exceeds \$0.10 for a continuous period of more than 20 trading days;
- (e) 20,000,000 Shares in the event that the Share price of the Company exceeds \$0.15 for a continuous period of more than 20 trading days; and
- (f) 20,000,000 Shares in the event that the Share price of the Company exceeds \$0.20 for a continuous period of more than 20 trading days.

In satisfaction of this obligation, the Company sought shareholder approval for the issue of 120,000,000 performance rights (vesting on satisfaction of the abovementioned performance milestones) at the general meeting dated 6 October 2020. However, due to a clerical oversight, the performance rights were never issued. Notwithstanding, the Company remains contractually obligated to issue the Shares on satisfaction of the applicable performance milestones, subject to shareholder approval for the purposes of Listing Rule 10.11.

10.1.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

10.2 ATO – Deed of Settlement

As previously announced, the Company was previously the subject of an audit by the Australian Taxation Office (**ATO**) regarding various taxation matters, covering the 2011 - 2015 income years. The key issue in dispute is the tax treatment of the disposal of certain assets.

On 31 July 2018, the Company entered into a deed of settlement with the ATO. Under the terms of the settlement, the Company agreed, on a without admission of liability basis, to make final settlement payments to the ATO totalling \$5,203,442 (including a shortfall interest component of \$790,000) following the issue of amended assessments for each of the respective income tax years in dispute.

The agreed settlement figure represents full and final settlement and removes the potential for any further payments to the ATO under the amended assessments. Under the terms of the settlement, the Company retains all carry forward losses.

The settlement amount is payable over 5 years until March 2023, in quarterly instalments of \$260,172. As at the date of this Prospectus, an amount of \$1,966,898 remains outstanding, excluding accrued interest charges potentially ranging between \$133,564 and \$878,726, which the Company is disputing (refer to the

contingent liabilities section of the Independent Limited Assurance Report at Annexure C for further details).

The Company may pay all or part of any of the agreed instalments in advance of the due date and may at any time pay the full balance of the settlement amount earlier than the due date for the final instalment.

If any of the agreed payments are not made on time, then unless remedied within 14 days, a general interest charge will accrue in accordance with the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth) and the Taxation Administration Act 1953 (Cth).

The Company's wholly owned subsidiary, Dempsey Resources Pty Ltd (**Dempsey**), has agreed to provide the ATO with security over 100% of its shareholding in Cauldron Energy Ltd (35,470,036 shares) and approximately 82.7% of its shareholding in Fe Limited (120,848,635 shares). The ATO has since permitted Dempsey to sell down its interest in CXU, with the proceeds of any sale to be contributed towards repayment of the outstanding amount.

Subject to the (a) the balance of the settlement amount being less than \$3.5 million and (b) the Commissioner being satisfied that no events of default remain subsisting, the Company can request a release of the security over the CXU shares, which the Commissioner shall provide so long as the value of the remaining collateral exceeds the balance owing against the settlement amount at the time of the request.

11. ADDITIONAL MATERIAL INFORMATION

11.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and other than as disclosed in this Prospectus, the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.2 Rights attaching to Shares

The Shares offered under this Prospectus will be fully paid ordinary shares in the issued capital of the Company and will, upon issue, rank equally with all other Shares then on issue.

The rights and liabilities attaching to Shares are regulated by the Company's Constitution, the Corporations Act, the ASX Listing Rules, the ASX Settlement Rules and common law. The following is a summary of the more significant rights and obligations attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Further details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to and in accordance with the Corporations Act, the ASX Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other Shares in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.3 Interests of Directors

Other than as set out in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) any of the Offer; or
- (c) any of the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) any of the Offer.

11.4 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to any Offer or a financial services licensee named in this Prospectus as a financial services licensee involved in any Offer,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) any of the Offer; or
 - (iii) any of the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) any of the Offer.

Al Maynard & Associates Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Annexure A. The Company estimates it will pay Al Maynard & Associates Pt Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Al Maynard has received \$8,000 (excluding GST) in fees from the Company.

Stantons International has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure C. The Company estimates it will pay Stantons International a total of \$8,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons International has not received fees from the Company for any other services.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offer and has prepared the Solicitor's Tenement Report in Annexure B. The Company estimates it will pay Steinepreis Paganin \$50,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$19,614.50 in fees from the Company.

11.5 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any persons named in the Prospectus with their consent as Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the relevant party;
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and
- (c) did not authorise or cause the issue of all or any part of this Prospectus.

Al Maynard & Associates Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus and to the inclusion of the Independent Geologist's Report in Annexure A in the form and context in which the report is included. Al Maynard & Associates Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Stantons International has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Annexure C of this Prospectus in the form and context in which the information and reports are included. Stantons International has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited and reviewed financial information of the Company contained in the Investigating Accountants Report included in Annexure C to this Prospectus in the form and context in which it appears. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offer in this Prospectus and the inclusion of the Solicitor's Tenement Report in Annexure B to this prospectus in the form and context in which it appears. Steinepreis Paganin has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

11.6 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$71,206 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Amount (\$)
ASIC fees	3,206
Legal Fees ⁴	50,000
Independent Geologist's Fees	10,000
Investigating Accountant's Fees	8,000
TOTAL	71,206

11.7 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will continue to be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.8 Governing law

The Offer and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia. Each person who applies for Shares pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

12. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.

Terry Donnelly
Non-Executive Chairman
For and on behalf of
CYCLONE METALS LIMITED

13. GLOSSARY AND INTERPRETATION

13.1 Definitions

Unless the context requires otherwise, where the following terms are used in this Prospectus, they have the following meanings:

\$ means an Australian dollar.

Applicant means an applicant under the Offer.

Application Form means an application form attached to or accompanying this Prospectus relating to an Offer.

ASIC means Australian Shares & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS sub registers.

Board means the board of Directors as constituted from time to time.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 3 of this Prospectus (subject to Cyclone reserving the right to extend the Closing Date or close the Offer early).

Company, Cyclone or CLE means Cyclone Metals Limited (ACN 095 047 920).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of Cyclone as at the date of this Prospectus.

Mining Act means the Mining Act (WA) 1978.

Offer means the offer of 10,000 Shares at \$0.009 per Share to raise up to \$90 (before costs).

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Projects means the Company's mineral exploration projects described in Section 7.2.

Prospectus means this prospectus.

Public Authority means any government or governmental, semi-governmental, administrative, statutory, fiscal, or judicial body, entity, authority, agency, tribunal, department, commission, office, instrumentality, agency or organisation (including any minister or delegate of any of the foregoing), any self-regulatory organisation established under statute and any recognised Shares exchange (including without limitation ASX), in each case whether in Australia or elsewhere.

Reinstatement means the reinstatement of the Company's Shares to trading on the ASX.

Reinstatement Conditions means each of the conditions of reinstatement, as set out in Schedule 1.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of Cyclone Metals Limited.

Shareholder means a holder of one or more Shares.

Share Registry means Computershare Investor Services Pty Limited.

Tenements means the mining tenements (including applications) in which the Company has an interest as set out in Section 7.2 and further described in the Independent Geologist's Report at Annexure A and the Solicitor's Tenement Report at Annexure B or any one of them as the context requires.

WST means Western Standard Time as observed in Perth, Western Australia.

13.2 Interpretation

Unless the contrary intention appears, the following rules apply in interpreting this Prospectus:

- (a) words or phrases defined in the Corporations Act have the same meaning in this Prospectus;
- (b) a reference to legislation, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;
- (e) a reference to Australian dollars, AUD, \$ or dollars is to the lawful currency of the Commonwealth of Australia; and
- (f) a reference to time is to WST.

SCHEDULE 1 - REINSTATEMENT CONDITIONS

1. CLE releasing a full form prospectus pursuant to section 710 of the Corporations Act 2001 (Cth) ('Prospectus') prior to reinstatement.
2. CLE satisfying the requirements of Listing Rule 12.1 by providing (for release to the market as preinstatement disclosure):
 - (a) An update on the Lady Ethleen Metallurgical Test Work Program announced on 22 April 2021 ("Lady Ethleen Announcement") including:
 - (i) (as per previous correspondence with the ASX) by giving further information on the XRF results by disclosed in the Lady Ethleen Announcement by setting out the parameters used in determining the analysis, reading times, calibration factors applied and their derivation. As previously discussed if no calibration and no QA/QC completed, an explanation as to why there was no QA/QC and/or calibration. The announcement must be prepared by a competent and include a competent person statement;
 - (ii) the time frame for the disclosure of the metallurgical test results; and
 - (iii) the proposed future activities of CLE following the outcome of the metallurgical test results.
 - (b) An update of the Dogger and Sebastian rare earth project including:
 - (i) details of exploration activities undertaken to date (including site visits); and
 - (ii) the proposed exploration program (including the cost and the time frame for the completion of each stage of the exploration program).
 - (c) An update on the status of the Marampa, Kukuna and Kipushi projects. If no exploration activities are proposed on these projects, this must be stated and the reason why.
 - (d) An update on the status of CLE's financing facilities with Winance Investment LLC and MEF 1, L.P.
 - (e) An update on the shareholding of CLE in each of FE Limited, International Goldfields Limited, Cauldron Energy Limited and European Lithium Limited.
 - (f) An update on the status of its arrangement with the Australian Taxation Office in relation to CLE's outstanding tax liability.
3. CLE demonstrating compliance with Listing Rules 12.2, to the satisfaction of the ASX including:
 - (a) providing a 'working capital statement' similar to that required by listing rule 1.3.3(a) to the effect that, CLE will have sufficient working capital at the time of reinstatement to carry out its activities; and

- (b) satisfying the 'working capital test' of at least \$1.5 million pursuant to Listing Rule 1.3.3(c).
- 4. Lodgement of all outstanding Appendices 2A and 3B with ASX for issues of new securities.
- 5. Lodgement of any outstanding reports for the period since CLE's securities were suspended and any other outstanding documents required by Listing Rule 17.5.
- 6. Lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys, or 3Zs, as required.
- 7. Reinstatement of CLE's CHES sub-register (if applicable).
- 8. Confirmation that there are no legal, regulatory or contractual impediments to CLE undertaking its activities.
- 9. Payment of any ASX fees, including listing fees, applicable and outstanding.
- 10. Provision of the following documents, in a form suitable for release to the market.
 - (a) A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.
 - (b) A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories:
 - 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
 - (c) A statement outlining CLE's capital structure.
 - (d) CLE's pro forma balance sheet as at 31 May 2021.
 - (e) The information set out in paragraph 2 above.
 - (f) Full terms and conditions of all options, and any other securities on issue.
 - (g) A statement confirming that there are no legal, regulatory or contractual impediments to CLE undertaking its activities.
 - (h) A statement confirming the responsible person for the purposes of Listing Rule 1.1 condition 13.
 - (i) A statement confirming that CLE is in compliance with the listing rules and in particular listing rule 3.1.
 - (j) Provision of any other information required or requested by ASX including, but not limiting the generality of the foregoing, in relation to any issues that may arise (1) from ASX's review of the Prospectus and (2) CLE's financial reports.

ANNEXURE A - INDEPENDENT GEOLOGIST'S REPORT

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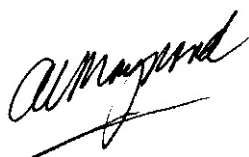
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Australian & International Exploration & Evaluation of Mineral Properties

**INDEPENDENT
GEOLOGIST'S REPORT**

Prepared for
CYLCONE METALS LIMITED

Prepared by: Allen J. Maynard BAppSc(Geol), MAIG, MAusIMM.



Al Maynard & Associates Pty Ltd

Date: 2nd July, 2001

EXECUTIVE SUMMARY

This report has been prepared by Al Maynard & Associates P/L ("AM&A") at the request of Cyclone Metals (ASX:CLE or the Company). The report covers the technical geological information on the Company's two mineral assets being the Lady Ethleen Project in the Mount Isa Cloncurry district of northwest Queensland, and the Dogger and Sebastian Projects in the Carnarvon Basin of Western Australia.

The author understands this IGR is to be included as part of a Prospectus to be lodged with the Australian Securities and Investments Commission (ASIC) which does not include any capital raising. Any budgetary allocations proposed within this IGR will be funded from CLE's existing cash and or liquidity.

The Lady Ethleen project is a single tenement (ML 2771) out of the consolidated Wee MacGregor group of tenements. Recently, Cohiba Minerals Limited successfully earned an 80% interest in CLE's Wee MacGregor tenement group and have accordingly obtained operational control of those tenements. CLE has retained a 20% interest in the Wee MacGregor group of tenements and will be required to contribute pro-rata to the development and retention of these tenements following a decision to mine being reached by Cohiba.

ML 2771 (Lady Ethleen) was excluded from CLE's earn in transaction with Cohiba Minerals, and CLE has retained a 100% beneficial interest in that tenement (and a 100% legal interest through its wholly owned subsidiary).

This IGR only contemplates the Lady Ethleen project the Wee MacGregor tenement group are no longer deemed to be material assets of the Company and are not within its control.

The author has been instructed that the Company is not conducting any conventional exploration activities on Lady Ethleen and that based on exploration efforts conducted in the past (both by CLE and by third parties) the Company recognises the asset in its own right is too small to justify development, particularly with no viable proximal processing solution. The author has been instructed that as a result, the Company is focussed on determining if a suitable processing solution can be demonstrated before conducting any further exploration, definition or development works on the project or in consideration of other projects in the greater district.

The author is instructed that CLE has undertaken a metallurgical testing program which was underway at the time of writing this report with drill hole samples having been obtained and received by the lab for testing. Results are anticipated during Q3, 2021 after which the company will review the next stage of the project which may include pilot/ demonstration processing.

Given the circumstances, the author considers this to be a reasonable approach. There seems little point committing expenditure to further understand the mineralisation in-situ without a reasonable means for eventual extraction. There appears to have been sufficient exploration to at least identify mineralisation from different oxidation states for use in the suggested test work.

The Yalardy project is a greenfields project targeting rare earth mineralisation under aeolian cover in the Carnarvon Basin of Western Australia. Two tenements (Dogger and Sebastian) were applied for and recently granted with exploration anticipated to begin during Q3, 2021. The entire area is covered by recent aeolian sands and targets were generated by review of open file geophysical data followed by some preliminary soil geochemical test work.

EXECUTIVE SUMMARY

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1. INTRODUCTION

Cyclone Metals Limited (“**CLE**”) is in the process of reinstatement to the official list of the ASX. As part of the ASX requirements, an Independent Geologist’s Report (“**Report**”) is required along with a Prospectus documenting the current projects upon which the Company is basing its listing. No capital is intended to be raised as part of the reinstatement activities as work on the current projects is to be funded from existing liquidity and available cash.

Al Maynard & Associates Pty Ltd (“**AM&A**”, ABN No 75 120 492 435) was engaged by Cyclone Metals Limited (CLE or Company) to provide an Independent Geologist’s Report (IGR or the Report) on the current mining and exploration assets held by the Company. A. Maynard has more than 40 continuous years as a mineral exploration geologist. He is a Member of the Australian Institute of Geoscientists (MAIG) and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). A. Maynard is independent of the Company.

It is understood that the Company and its board of directors will rely upon the Report for inclusion in the Prospectus as part of all such information as investors would reasonably require, and reasonably expect to find there, for the purposes of making an informed assessment of the assets and liabilities of the issuer of the securities. Immediately prior to the issue of the prospectus, CLE will require AM&A to provide written consent to the inclusion of the Report in the Prospectus in the form and context in which it appears.

The Report is to be prepared as a technical assessment in accordance with the Australasian Code for Public Reporting of Technical Assessment of Mineral Assets (the “VALMIN Code”, 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (“AusIMM”) and the Australian Institute of Geoscientists (“AIG”), as well as the rules and guidelines issued by the Australian Securities and Investments Commission (“ASIC”) and the ASX Limited (“ASX”) which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011). Where exploration results are to be referred to in the Report, they comply with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code”) and Chapter 5 of the ASX Listing Rules.

This report has an Effective Date of the 2nd July 2021, this being the most recent date on which CLE either made comments to the author or made material in its possession available to AM&A and AM&A is unaware of any material change since this date. AM&A consents to the distribution of this Report in the form and content in which it appears.

2. PROJECTS

Cyclone Metals currently has two projects in its portfolio, both at different stages of exploration/assessment. This report will detail the technical information for both projects in separated sections.

2.1. LADY ETHLEEN PROJECT – QUEENSLAND ML 2771

Lady Ethleen is a copper and gold project on an existing mining license that forms part of the larger consolidated Wee MacGregor group in the Mount Isa / Cloncurry district of northwestern Queensland. The greater Wee MacGregor project is not considered a material asset for CLE and will not be discussed further in this IGR.

2.2. YALARDY – WESTERN AUSTRALIA E 09/2441 AND E 09/2442

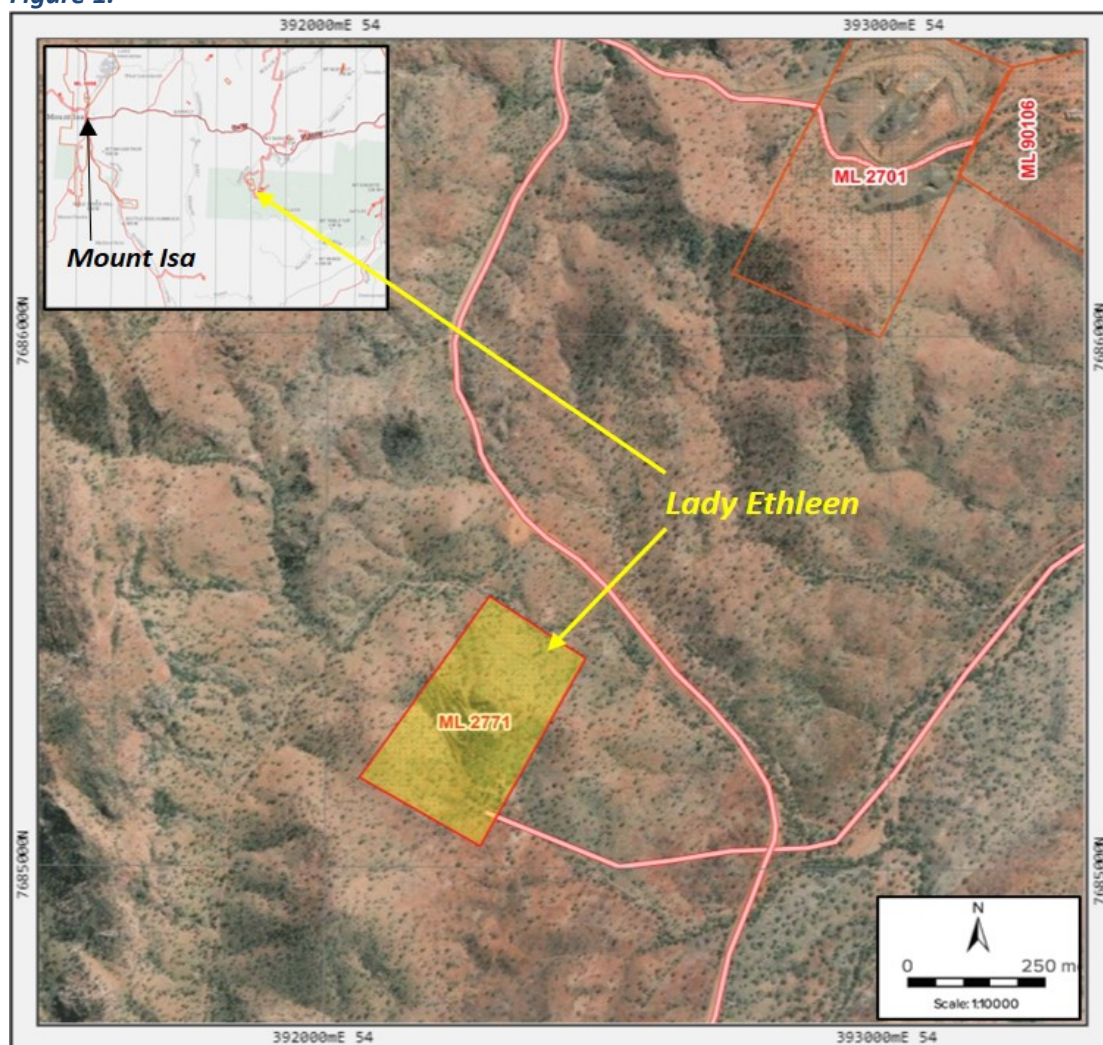
Two tenements in the Shark Bay region of Western Australia were recently granted as exploration licenses for rare earth metals and mineral sands. The two tenements cover prospects ascertained from publicly available remote sensing data and preliminary reconnaissance exploration consisting of non-ground disturbing activities. The Dogger and Sebastian projects are at a greenfields stage of exploration and are yet to have had any significant exploration activity conducted.

3. LADY ETHLEEN

3.1. LOCATION AND ACCESS

The Lady Ethleen project is located approximately 80km east southeast of Mount Isa and is accessed by travelling 60km along the sealed Barkly Highway towards Cloncurry and a further 20km south along the Fountain Springs Road (Figure 1). The tenement is within a few hundred metres to the west of the Fountain Springs road.

Figure 1.



3.2. TENURE

The Lady Ethleen project consists of mining licence ML 2771 which has been granted since 17 August 1989 and a commencement date of 1st September 1989. The current holder of the license is Mining International Pty Ltd which is a wholly owned subsidiary of CLE. Table 1 contains particulars for the licence.

Table 1. Lady Ethleen Tenement Details

Tenement	Lease name	Holders	Status	Grant Date	Expiry Date	Current term	Total Area km2	Current Expenditure Commitment	Current Rent (Annual)	Rates (Annual Amount paid Bi-Annually)
ML2771	LADY ETHLEEN	Mining International Pty Ltd	Granted	1/09/1989	31/08/2031	21	0.08323	\$0.00	\$637.00	\$5,574.00
EA #	EA Fee (Annual)	Financial Assurance held by DNRM		Special conditions						
EPVL03371115	\$701	\$3,230 paid by MIPL 30Oct17		no activity permitted within Cat B sensitive area or within 1km buffer zone						

3.3. GEOLOGY

3.3.1. Regional

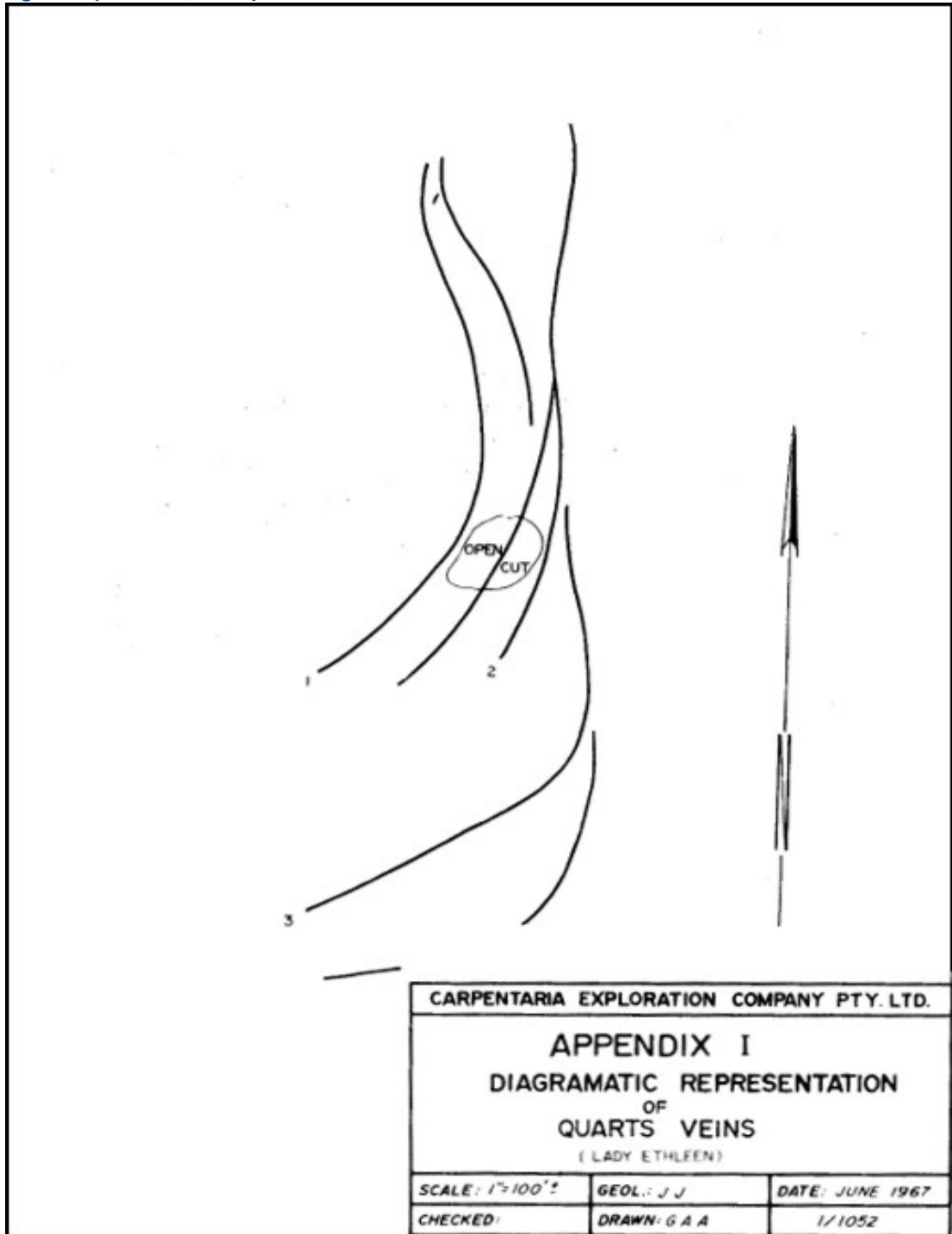
The tenement is located in the central Kalkadoon-Leichhardt Belt of the Mount Isa orogen. This tectonic unit is one of the oldest of the major structural elements of the orogen and is composed primarily of Leichhardt Metamorphics and Kalkadoon Granite broadly termed Cover Sequence 1. Lithologies of Cover Sequence 2 (volcanic phase) in the Kalkadoon - Leichhardt Belt, are Magna Lynn Metabasalt, Argylla Formation, Marraba Volcanics, and Wonga Batholith rocks. Cover Sequence 2 (sag phase) rocks of this unit include the Ballara Quartzite and Corella Formation. In the eastern part of the area some Cover Sequence 2 (sag phase) rocks of the Eastern Fold Belt Province are also present, consisting of Mitakoodi Quartzite and Corella Formation. The White Blow Formation of the Mount Albert Group, regarded as part of Cover Sequence 3, underlies a small portion of the eastern group of twelve sub-blocks. Finally, numerous Dolerite dykes and Sills intrude the Cover Sequence 1 and 2 rocks, and the granites.

Regionally, the area is largely underlain by Tewinga Group rocks, which include the Leichhardt Metamorphics, Magna Lynn Metabasalt, and the Argylla Formation. The three units are intruded by Dolerite dykes and Sills. The Leichhardt Metamorphics, the oldest (1865 $\pm$ 3 Ma) rocks in the area, consist of porphyry, tuffaceous, and spherulitic rhyolite, rhyodacite and dacite; phyllite, acid Gneiss; minor tuff, siltstone, quartzite, chert, and Conglomerate. This metavolcanic sequence is overlain by Magna Lynn Metabasalt (ca 1780 Ma), metabasalt, amygdaloidal metabasalt, schistose metabasalt, agglomerate, quartzite, schist; minor greywacke, siltstone, quartz-feldspar porphyry, and basalt- quartzite breccia. The central parts of the region are underlain mostly by the Argylla Formation (1781 $\pm$ 3 Ma), porphyritic Felsic Volcanic (quartz-feldspar porphyry, rhyolite to dacite); quartzite, sandstone, arenite, siltstone, phyllite, arkose, Conglomerate, and orthoquartzite. A sub-unit of the Argylla Formation is quartz-feldspar porphyry.

3.3.2. Local

The Lady Ethleen mineralisation lies in a feldspathic quartzite member of the Corella Formation about 1.6km west of the northern extremity of the Fountain Range Fault. Locally, the quartzite is intersected by numerous quartz veins ranging from mm thicknesses to several metres in thickness with the small veins containing mostly joint filling as opposed to mineralization. Larger veins occur en-echelon swinging from approximately 340° in the north to about 235° dipping towards the centre of curvature. The northern extremities of the veins sets form a complex zone approximately 25 metres thick providing a host for mineralization (refer Figure 2).

Figure 2 (Janecek, 1967)



The larger veins are generally filled with quartz (+/- mineralization) and often contain limonite/hematite overprinting resulting from Oxidation of Sulphides. Rock types are predominantly altered feldspathic quartzite with the alteration being the result of the shearing events as opposed to Metasomatism. The degree of alteration varies as made evident. by the presence of feldspathic quartzite, micaceous feldspathic quartzite with quartz, granular quartz and schist with increasing alteration intensity (shearing) from top down.

Mineralisation in the form of copper bearing minerals is present as chrysocolla, malachite, minor azurite and chalcopyrite in distinct zones of Oxidation with fresh rock intersected around 30m depth from current day surface.

This varies substantially with shearing and has a transitional zone approximately 10 to 15 m thick around the base of complete oxidation (BOCO). The greatest width of mineralised material is beneath the historic open cut in the order of up to 50m. North of this point, mineralization is reduced to a series of thin lenses of between 1.5m to 4m each in thickness tapering away with distance from the open cut. Similarly, mineralization reduces to the south and southwest along thinning lenses away from the open cut. The main zone of mineralization is central between two major shears in a complex series of quartz veining plunging towards the centre of curvature of shear best described as a pipe plunging towards the northwest (Janecek, 1967).

3.4. HISTORIC WORKS

3.4.1. Mining

The Lady Ethleen mineralisation was mined by predominantly underground methods in the early to mid-1900s and has some fairly extensive underground workings. Access to these working was backfilled at some point although the main adit from the valley on the western side of the project is still evident as was the main shaft adjacent to a small open cut near the crest of the hill marking the project. Janecek (1967) states the total length of underground development as approximately 180m consisting of various cross cuts and drives with the main shaft having a depth of 56m. A total of 587 tonnes of material was mined with an average grade 8.7% cu and a grade range between 1% and 20% cu.

3.4.2. Exploration

Matrix Metals was the holder of the Lady Ethleen tenement prior to Mining International. A report by Matrix (Frank, 2005) was written as a review of the Wee MacGregor, Mt Olive project Group of which Lady Ethleen was part. In this review, Matrix refers to exploration done by Carpentaria Exploration Company (CEC) in 1967 and Powder Metals Australia (PMA).

In a report by Janecek , 1967, it states they mapped the surface features and drilled 14 percussion holes for 1,564 ft. There was no table of assays available in the accompanying report nor any description on assay techniques, drill hole logging etc.

No source information was found relating to the work done by PMA although Matrix report they drilled 12 percussion holes for 411m and 48 AirTrack holes for 696m. There are no maps, cross sections of tables of data available.

3.5. RECENT EXPLORATION

3.5.1. Third Party

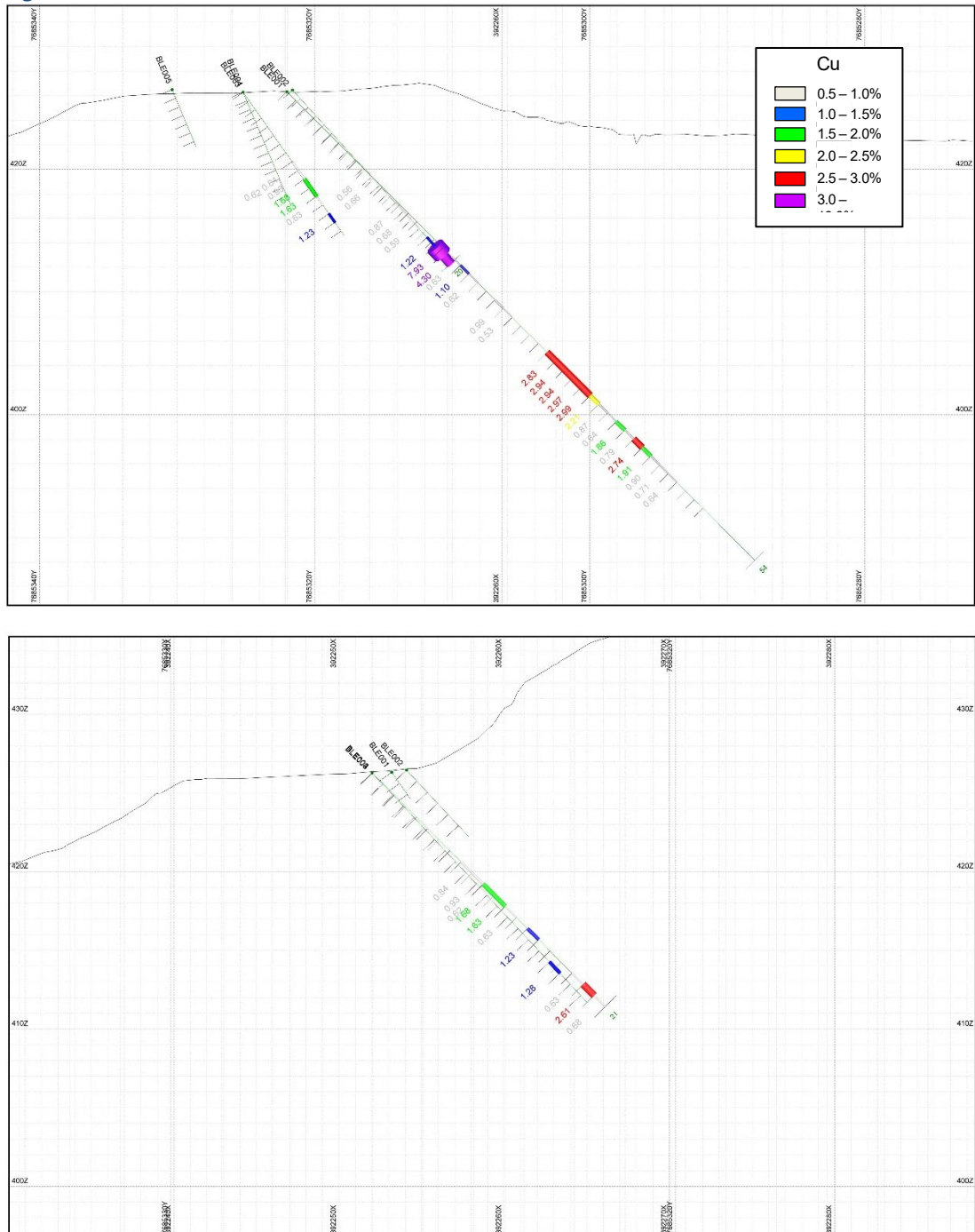
ML 2771 was briefly farmed out to a private third party during 2016 who had the right to earn an 80% interest in the tenement.

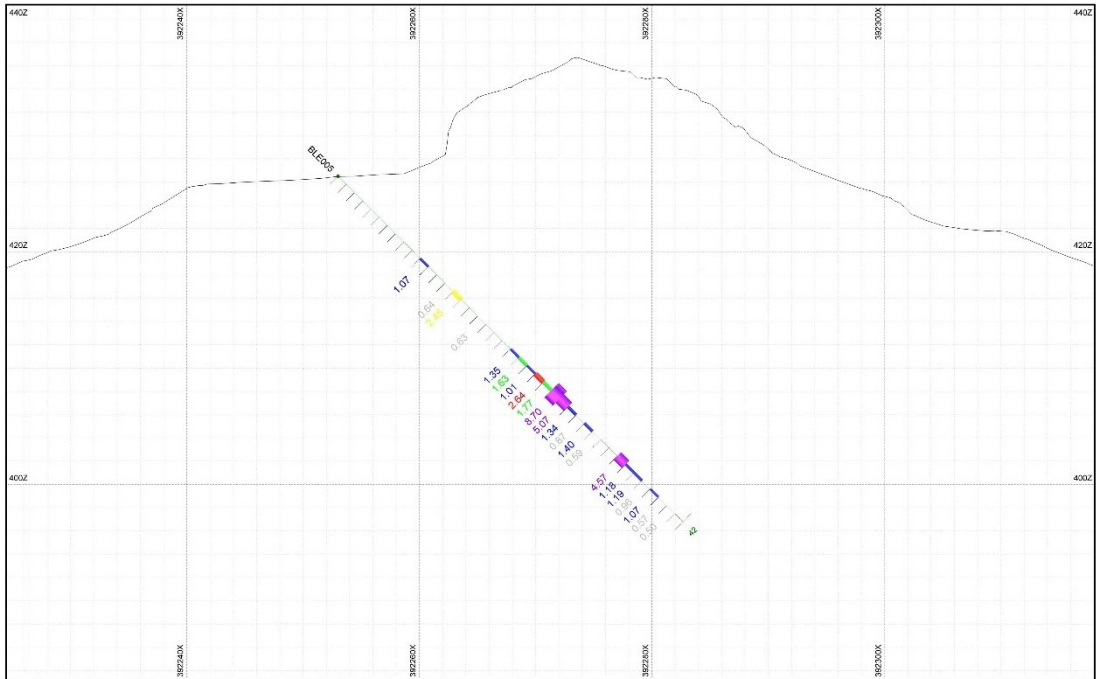
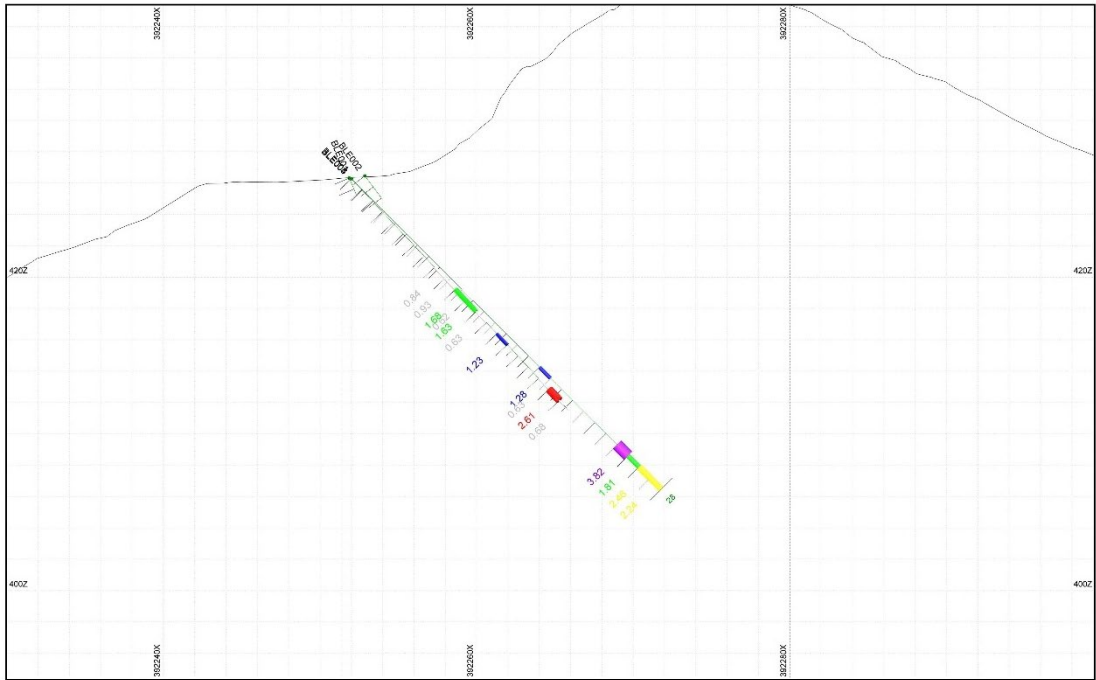
This agreement was terminated in 2018 leaving 100% ownership with Mining International Pty Ltd. During the farm out period, a total of 10 rotary air blast (RAB) holes were drilled and sampled on 1m intervals with analysis conducted in the field using a Niton handheld portable XRF. Results were reported within the Cape Lambert December 2016 Quarterly Report (ASX announcement 31 January 2017). A copy of the table of results and the associated JORC table 1 is included in the Annexure 1 of this report and a plan of holes drilled is in Figure 3 and cross sections are shown in Figure 4. CLE confirms that it is not aware of any new information that materially affects this previously disclosed information. The cross sections show zones of mineralisation were intersected in the drilling demonstrating the mineralising system exists and continues into fresh rock at depth. Mineralisation does not appear closed off by the drilling.

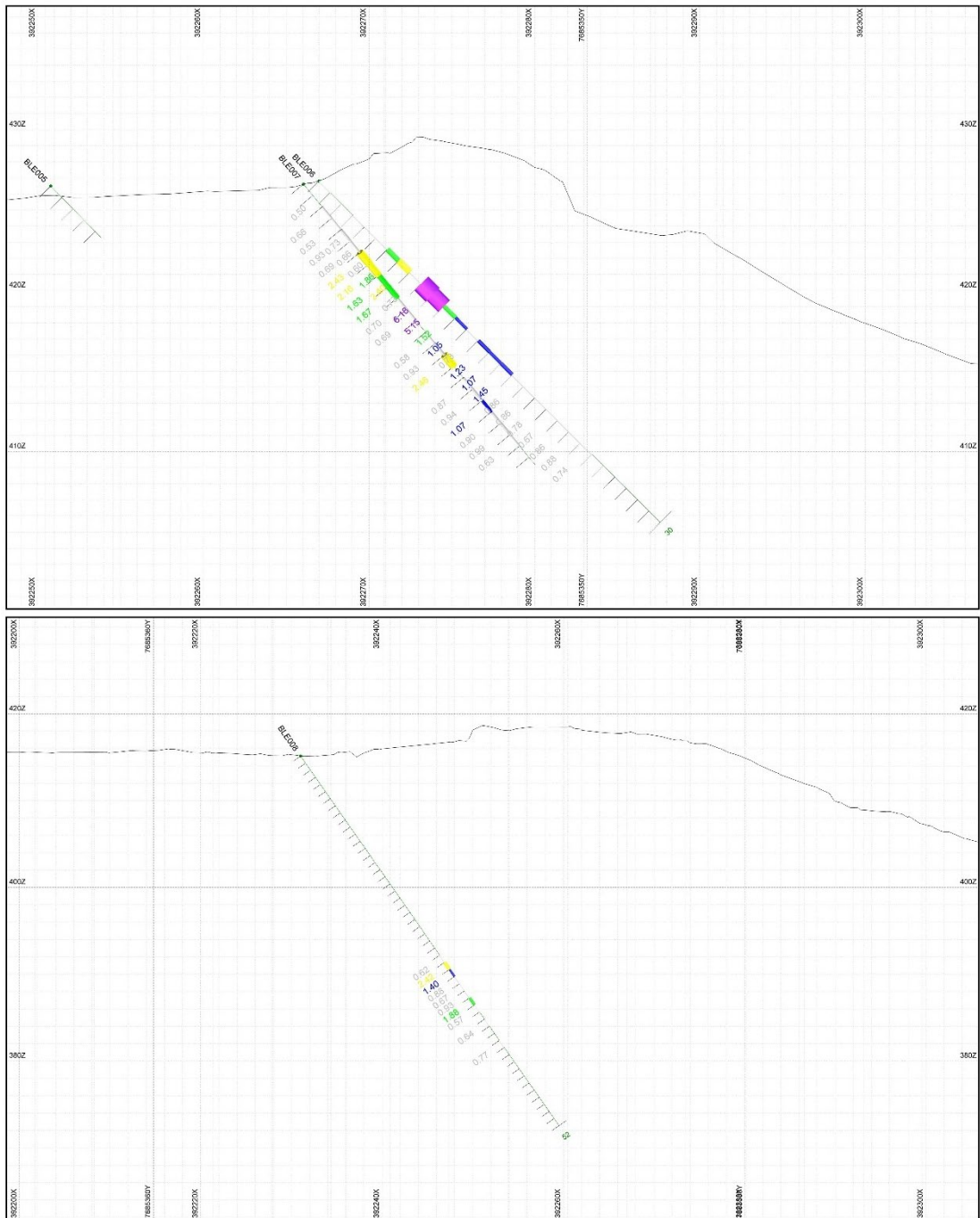
Figure 3

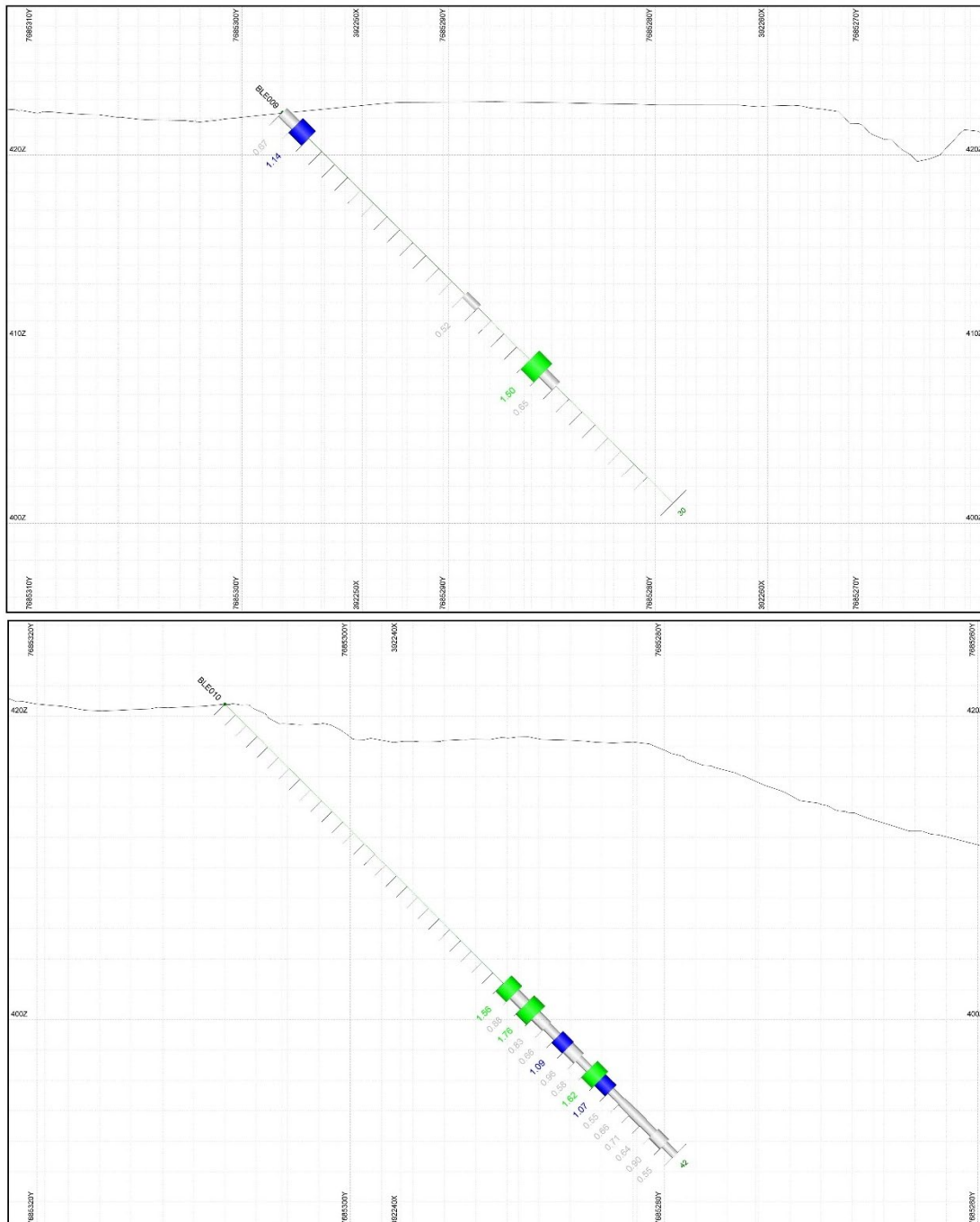


Figure 4









3.5.2. Cyclone Metals

During the course of 2020/2021, the Company initiated a program of drilling in the Lady Ethleen project to obtain sample for metallurgical test work, the results of which the author has been provided with. Although the drilling was not intended as exploration, a program of RAB holes were drilled using guidance from the results of the 2016 drilling as set out in figures 3 and 4 above, to obtain targeted representative samples of oxide, transitional and sulphide material.

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 a proposed

Glyleach test work program. Only eight of the planned holes were necessary to obtain all 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% cut-off were collected for the test work with the remainder discarded. Mineralised samples were not necessarily contiguous. Results from the drilling were reported in ASX announcement 22nd April 2021. Annexure 2 contains a table of hole locations, orientations and results captured by PXRF in the field during drilling as well as the accompanying JORC Table 1. CLE confirms that it is not aware of any new information that materially affects this previously disclosed information.

3.6. METALLURGICAL TEST WORK

Using samples from the 2020 drilling program described above the author is instructed that CLE initiated a trial / demonstration of an alternative leaching technology to that of conventional acid leach. The author is instructed that CLE had done sufficient previous exploration work (internally and via third parties) on the Lady Ethleen project to ascertain a project of sufficient size for trial mining and processing that would otherwise be too small for commercial development on its own. The Company however deemed it was satisfied with the scale of the project for its use in its proposed trial works.

The author understands the process considered is titled GlyLeach™ and was developed and patented by Curtin University in Western Australia. The technology is currently under licence to Mining and Process Solutions (MPS) for commercialisation and MPS hold the exclusive right to run test work, develop metallurgical solutions and on sell usage rights under licence to the greater industry.

The author has been instructed that the test work has been designed to test amenability of the Lady Ethleen mineralised material in different oxidation states to be satisfactorily leached under alkaline conditions 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 for high carbonate Corella Formation style ores.

To the author's understanding, subject to successful test work, the objective is to develop or acquire a modular processing unit that can be economically relocated to process material from stranded projects similar to and including Lady Ethleen such as projects within the Wee MacGregor group in the Mount Isa - Cloncurry district.

Given the circumstances, the author considers this to be a reasonable approach. There seems little point committing expenditure to further understand the mineralisation in-situ without a reasonable means for eventual extraction. There appears to have been sufficient exploration to at least identify mineralisation from different oxidation states for use in the suggested test work.

3.7. PLANNED WORK

3.7.1. Metallurgical Testing

The current phase of metallurgical testing is continuing and will provide results on leaching efficiency of the Lady Ethleen mineralized material along with likely processing metrics and preferred conditions for effective leaching.

3.7.2. Proposed Use of Funds

The author has been informed the Company has spent approximately \$150,000 on the current metallurgical test work and associated drilling for sample collection.

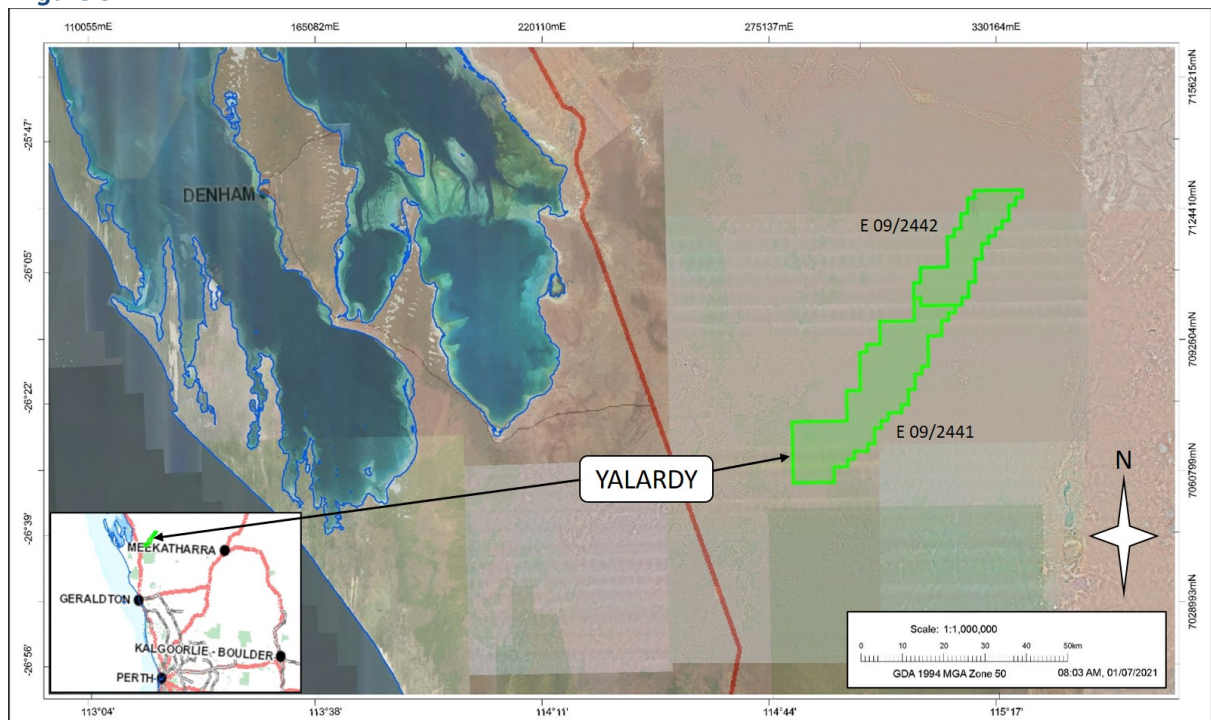
The Company has budgeted an additional amount of \$250,000 for the remainder of the project which it says may include pilot plant trials with the possible use of a rotary reactor, trial mining to obtain between 20 and 50 tonnes of mineralised material and project management costs. The author expects this budget will be highly reliant on the outcomes of the current test work.

4. YALARDY

4.1. LOCATION AND ACCESS

Yalardy is located approximately 33km east of the North-West Highway / Shark Bay Road intersection. Access from Perth is north along National Route 1 for 690km then via station tracks due east for a further 33km (Figure 5).

Figure 5



4.1.1. Tenure

The Yalardy project comprises two recently granted tenements covering a combined 297 graticular blocks for a total of 914.5 square kilometres. The tenements are held in the name of Metals Exploration (Australia) Pty Ltd which is wholly owned by CLE. Table 1 contains particulars for the licence.

Table 2. Yalardy Tenement Details

Tenement	Lease name	Holders	Status	Grant Date	Expiry Date	Current term	Total Area km2	Current Expenditure Commitment	Current Rent (Annual)	Rates (Annual Amount paid Bi-Annually)
E 09/2441	SEBASTIAN	Metals Exploration (Australia) Pty Ltd	Granted	17/05/2021	16/05/2026	5	615.8	\$200,000	\$28,200	??
E 09/2442	DOGGER	Metals Exploration (Australia) Pty Ltd	Granted	17/05/2021	16/05/2026	5	298.6	\$97,000	\$13,677	??

4.2. GEOLOGY

4.2.1. Regional

The Yalardy project overlies the eastern margin of the Woodleigh Impact Structure. The age of the Woodleigh Impact Structure is best constrained between the Middle Devonian and Early Jurassic by the regional Stratigraphy. The structure is buried by up to 600m of Jurassic-Tertiary sedimentary rock. This provides evidence for continual subsidence over time. Subsidence along the eastern rim may have produced a coastal embayment during transgressive marine events associated with sea level rises. The near surface Stratigraphy of the project area is uncomplicated, consisting of Quaternary sands and clays overlying commonly indurated Tertiary sandstones of the Pindalya Formation. In the northern extent of the project the Quaternary sands may overlie the Lamont Sandstone. These rocks in turn overlie Permian sequences, which Outcrop to the east of the project.

4.2.2. Local

Locally, the area is entirely covered by recent aeolian sands with minor clay basins and some Outcropping calcrete.

4.3. HISTORIC EXPLORATION

Much of the same ground including ground within the current CLE tenure (historic tenements E 09/1739, E 09/2254, E 09/2360) was held in the past and explored for heavy mineral sands, coal or potash given the reasonable prospectivity for all of these commodities within the sedimentary basin.

Sheffield Resources Limited, (2011).

Sheffield held the ground from grant until surrender in the same year due to lack of success in finding suitable host structure for strandline emplacement. Exploration was comprised of reconnaissance field work to assess access and investigate surface geology and terrain of the area, geophysical data processing of open file airborne magnetic and radiometric data. Although some potential buried HMS strandline geophysical anomalies were identified, Sheffield determined there was little potential for the discovery of a significant heavy mineral sands project and the tenement was surrendered.

Utah Development Company, (1979-181).

Utah Development Company's ("Utah") Temporary Reserves 7024H-7034H, were located in the same general location as CLE's Yalardy project. Utah's coal exploration program included seismic traversing and stratigraphic drilling. Seven stratigraphic drill holes were completed. The drilling intersected predominantly grey to dark grey mudstones. The company concluded that the potential of the area to contain Permian coals was considered low and the area was subsequently relinquished.

The Griffin Coal Mining Company Ltd, (1980-1981).

The Griffin Coal Mining Company Ltd ("Griffin") applied for five Temporary reserves for coal in 1980. Coal facies represented by carbonaceous mudstone, mudstone, siltstone and coal bands were intersected in three drill holes Y3, Y6 and Y1) located just to the southeast of Sheffield's Woodleigh project. A 2m coal seam was intersected in drill hole Y3 (located 7km southeast of E09/1740), between 96-98m. Griffin concluded that although no economic coal projects were located within the Temporary Reserves, the region remains prospective for coal projects.

Pioneer Resources NL, (1989-1990).

Pioneer Resources NL ("Pioneer") applied for ground (Wooramel) to the west of the Woodleigh project to explore for heavy mineral sands. This area was intended to cover an arcuate structure as interpreted from NOAA imagery. No field-based work was reported.

Geopeko, (1989-1990).

Geopeko applied for eleven Exploration Licence applications, based on palaeo-drainage and paleoenvironment reconstructions. The Wooramel project was located approximately 30km to the northwest of the Woodleigh project. In total 116 drill holes were completed to test the targets. No evidence of marine transgressions or heavy mineral accumulations were found in the drill holes.

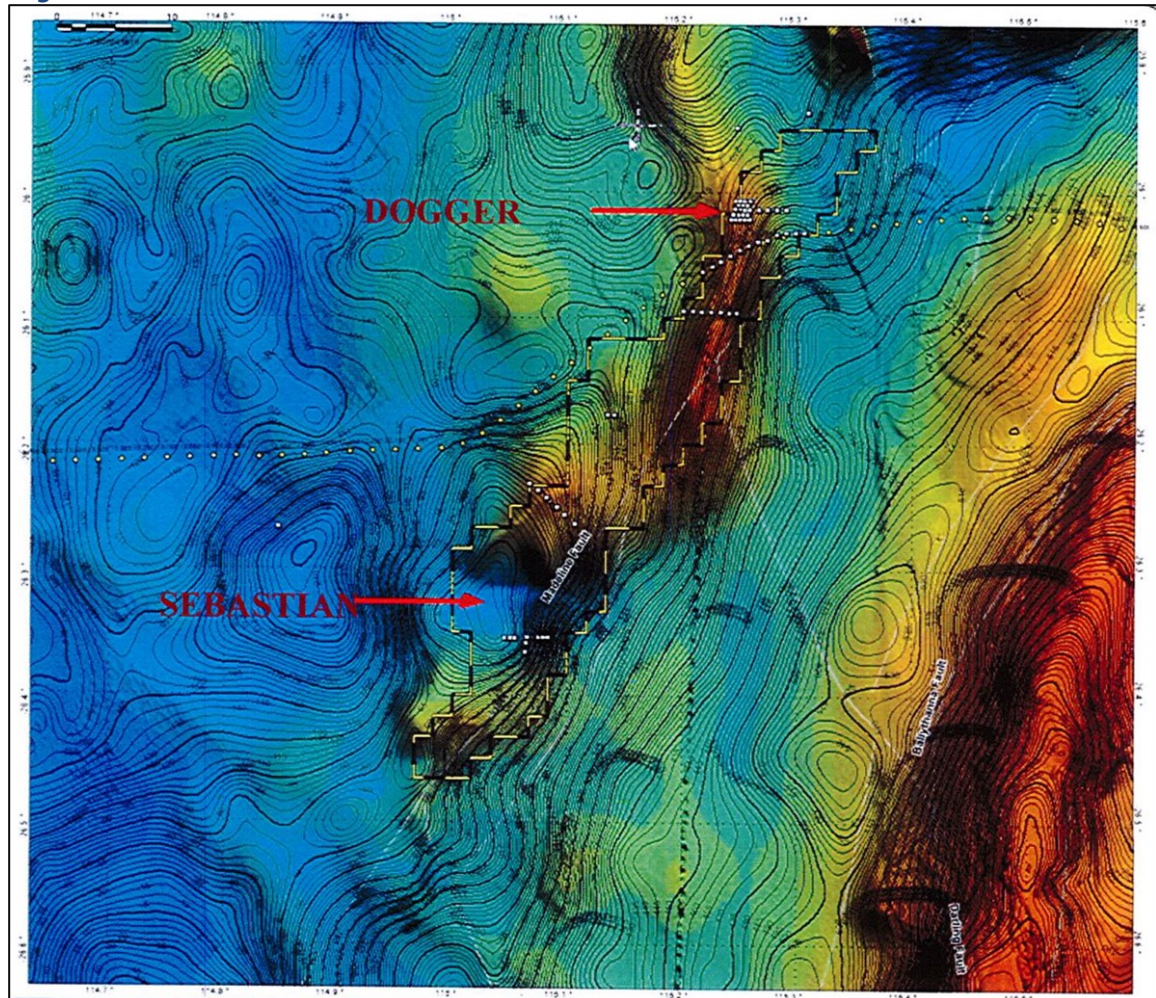
Tyson Resources Pty Ltd, (2006-2008).

The tenements were applied for after a detailed study of the south Carnarvon Basin indicated that the area was prospective for potash mineralisation within evaporate basins. The area was chosen on the basis of interpreted seismic data. This information indicated the area was a possible host for evaporate projects. No significant field-based work was completed.

4.4. RECENT EXPLORATION

Reconnaissance exploration to date has consisted of a program of geochemical surface sampling in conjunction with review of open file geophysical data. Sampling locations were restricted to areas corresponding with coincident aeromagnetic and gravity anomalies as shown in figure 6.

Figure 6



The geochemical sampling over the areas known as “Dogger” and “Sebastian” have identified two rare earth element (REE) anomalies coincident with identified geophysical anomalies that indicate potential for the existence of a buried diatreme beneath the geologically recent sedimentary cover sequences, refer ASX announcement 11 September 2020. CLE is not aware of any new information that materially affects that previously disclosed information. (refer Annexure 3 for table of sample locations and assay data and associated JORC Table 1).

The southern gravity anomaly (Sebastian) presents as a deep gravity low with a coincident void in the TMI magnetics. The density depression and coincident magnetic low can be interpreted as a possible buried diatreme structure with similar dimensions to the Mt Weld REE project in the northeastern goldfields of WA. This presents an opportunity for a

new REE discovery as the structural environment and geophysical indications suggest a potential carbonatite source similar to that found at Mt Weld.

The presence of a buried diatreme may also be a potential host to several different mineralisation possibilities.

4.5. PLANNED WORK AND BUDGET

The Yalardy tenements are covered entirely with recent aeolian sand. Sensitive geochemical techniques will be required to allow detection through the cover of possible blind mineralization. The Company has provided the following work programs and proposed budget allocations for the first phase of exploration:

- | | |
|---|----------|
| - Soil geochemical survey : | \$40,000 |
| - Detailed airborne / ground geophysics (magnetics, gravity, EM): | \$70,000 |
| - Technical analysis of results: | \$15,000 |

This preliminary work program is intended to identify targets under cover that are expected to be drill tested in the second phase of exploration should successful results be returned.

5. DECLARATION

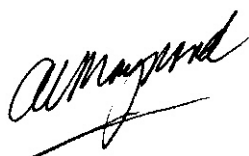
Al Maynard & Associates Pty Ltd (ABN 75 120 492 435) trading as Al Maynard & Associates (AM&A) will receive a professional fee based on standard rates plus reimbursement of any out of pocket expenses for the preparation of this report. The payment of this fee is not contingent upon the success or otherwise of the reinstatement of CLE onto the ASX official list pursuant to the prospectus within which this report is contained. AM&A does not have any pecuniary or other interests which could be reasonably regarded as being capable of affecting the ability of AM&A to provide an unbiased opinion in relation to the assets and the assumptions included in the various technical studies completed by CLE, relied upon by AM&A and reported herein.

The Competent Person for preparation of the report is Mr Allen J. Maynard BAppSc(Geol), MAIG, MAusIMM.

Mr Maynard 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 as defined by the in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Maynard consents to the inclusion in the report of the matters on his information in the form and context in which it appears.

This report has an Effective Date of the 2nd July 2021, this being the most recent date on which CLE made material in its possession available to AM&A and AM&A is unaware of any material change since this date. AM&A consents to the distribution of this Report in the form and content in which it appears.



Allen J. MAYNARD BAppSc(Geol), MAIG, MAusIMM

Al Maynard & Associates Pty Ltd

6. REFERENCES

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7. GLOSSARY

Aeromagnetics - Airborne measurement of the earth’s magnetic field for the purpose of recording the magnetic characteristics of rocks.

Airborne EM - Airborne measurement of the electromagnetic response for the purpose of recording the electromagnetic characteristics of rocks.

Archean - The oldest rocks of the Earth’s crust – older than 2,500 million years.

Assay - An examination of a sample to determine by measurement certain of its ingredients.

Au - Chemical symbol for gold.

Basalt - A fine-grained, dark igneous rock, generally extrusive, composed of half feldspar and half mafic materials.

Basement - The igneous or metamorphic rocks that exist below the oldest sedimentary cover. In some areas such as Archean shields the basement rocks may be exposed at surface.

Clastic - Sediments derived from erosion of pre-existing rocks.

Cleavage (structural) - A type of planar rock feature that develops as a result of deformation and metamorphism.

Contact - The surface over which two solid geological bodies, usually rocks, are in touch.

Cu - Chemical symbol for Copper.

Deformation - Process by which rocks are structurally deformed producing for example folds and faults.

Deposition - The precipitation of mineral matter from solution.

Diamond (Core) Drilling - The most expensive method of exploration drilling. It is designed principally for exploration and resource delineation drilling, its main benefit being that it

provides core of the strata for accurate assessments and gives the most accurate indication of the width and depth from which the sample is derived.

Dip - A measure of the orientation or attitude of a geological feature.

Disseminated - Mineral grains scattered throughout host rock.

Dolerite - A medium-grained mafic intrusive rock composed mainly of pyroxene and plagioclase (a crystalline basalt).

Dyke - A tabular igneous intrusion cutting across the bedding or other planar structures in the country rocks.

Erosion - The action of surface processes (such as water flow or wind) that remove soil, rock, or dissolved material from one location on the Earth's crust, then transport it away to another location.

Exploration - Prospecting, sampling, mapping, drilling and other work involved in the search for minerals.

Extrusive igneous rock – volcanic rocks formed from eruptions of igneous material at surface.

Fault - A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally; this may provide a channel for the passage of mineral-bearing solutions.

Felsic - Descriptive of light coloured, fine-grained igneous rock containing an abundance of the mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

Felsic Volcanic - Descriptive of light coloured, fine-grained extrusive igneous rock containing an abundance of mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

Ferruginous - Pertaining to or containing iron; red-coloured rocks in which the iron content has been oxidised.

Fissure - A structural groove or natural erosional division within a rock.

Fold - A bend or curve in a stack of flat and planar surfaces, such as sedimentary strata, as a result of permanent deformation.

Formation - A body of rock identified by lithic characteristics and stratigraphic position and is mappable at the earth's surface or traceable in the subsurface.

Ga - Symbol for billions of years before the present time.

Gabbro - Coarse-grained, dark igneous rock of similar composition to basic volcanics.

Geochemical anomaly - A concentration of one or more elements in rock, soil, water or vegetation that differs significantly from the normal concentration.

Geochemical surveys - The application of methods and techniques of geochemistry, such as soil and rock sampling, in the search for minerals.

Geophysical survey - The exploration of an area in which physical properties (for example, resistivity, conductivity, magnetic properties) unique to the rocks in the area are quantitatively measured by one or more geophysical methods.

Gneiss - A rock formed by high-grade regional metamorphism of originally either igneous or sedimentary rocks. It is often foliated and characterized by alternating darker and lighter coloured bands.

Gossan - An intensely oxidized, weathered or decomposed rock, sometimes the exposed part of a mineral vein, frequently appearing as a red stain against the background rock and soil due to the abundance of oxidized iron.

Gossanous - Containing material derived from a gossan.

Grade - Quantity of gold or other metal per unit weight of host rock or sample.

Granite - Coarse-grained igneous crystalline rock with a high silica content.

Granitoid - Pertaining to or composed of granite.

Grid - Systematic array of points or lines along which field observations or samples are made.

Igneous - Formed by solidification from the molten state.

Induced Polarization (IP) - The production of a double layer of charge at a mineral interface, or production of charges in double-layer density of charge, brought about by application of an electric or magnetic field.

Intrusion - The process of emplacement of magma in pre-existing rock. Also, the term refers to igneous rock mass so formed within the surrounding rock.

K-feldspar - A feldspar mineral containing potassium, also known as orthoclase. Orthoclase forms a solid solution with albite.

Laterite - Iron-rich residual surface rock capping formed by weathering in tropical conditions.

Ma - Symbol for millions of years before the present time.

Mafic - Referring to igneous rocks composed dominantly of iron and magnesium minerals.

Magnetic anomaly - magnetic values above or below the norm for a particular rock.

Metamorphic - Alteration and re-crystallisation of rocks because of heating or application of pressure or both.

Metamorphism - The mineralogical, chemical and structural adjustment of solid rocks to physical and chemical conditions which have generally been imposed at depth under increased temperature and pressure below the surface zones of weathering, and which differ from the conditions under which the rocks in question originated.

Metasomatism - The chemical alteration of a rock by hydrothermal and other fluids, resulting in the replacement of one rock by another of different mineralogical and chemical composition.

Metavolcanic - A volcanic or volcanoclastic rock that has been altered by metamorphism.

Mica - A group of silicate minerals characterised by nearly perfect basal cleavage.

Mineralisation - The concentration of metals and their chemical compounds within a host rock or sediment.

Normal fault - A fault where the hanging wall moves down relative to the footwall. Normal faults indicate extension of the crust.

Outcrop - An exposure of bedrock at the surface, projecting through the overlying soil cover.

Oxidation - The loss of electrons or an increase in oxidation state by a molecule, atom, or ion.

Oxidised - Near-surface decomposition by exposure to the atmosphere and groundwater.

Pb - Chemical symbol for Lead

Percussion drilling - A method of drilling which utilises a hammering action under rotation to penetrate rock while the cuttings are forced to the surface by compressed air returning outside the drill rods.

Phyllitic Schist - Fine-grained metamorphic rock formed by the reconstitution of fine-grained, parent sedimentary rocks, such as mudstones or shales

Pillow breccias - Also known as volcanic breccias, are formed by the explosive eruption of lava and any rocks which are entrained within the eruptive column.

Pillow Lava - Lavas that contain characteristic pillow-shaped structures that are attributed to the extrusion of the lava under water.

Primary - Unweathered rock or minerals, e.g. primary sulphides.

Project - An area including a group of tenements that constitute a logical working unit.

Proterozoic - A geological period of time from 2500 Ma – 545 Ma. Subdivided into Palaeo- (oldest), Meso- and Neo-Proterozoic (youngest).

Pyrite - Magnetic iron sulphide mineral (FeS_2).

Pyritic - Containing pyrite.

Quartz - A very common mineral composed of silica (SiO_2).

Quaternary - The current geological system, from 2.6 Ma to present day.

RAB drilling - Rotary air blast drilling, a technique whereby the cuttings are returned to the surface outside the drill stem by compressed air and are thus liable to contamination from the wall rocks.

Radiometrics - Measurement of the radiation, or radioactivity, of the surface or sub surface.

RC drilling - Reverse circulation drilling, a technique in which the cuttings are recovered through the drill rods, thereby minimising sample losses and contamination.

Reverse fault - A fault where the hanging wall moves up relative to the footwall. Reverse faults indicate compressive shortening of the crust. The dip of a reverse fault is relatively steep.

Sampling - Taking small pieces of rock or drill related material at intervals along or through mineralisation for assay (to determine the mineral content).

Schist - Type of fine-grained metamorphic rock with a laminated fabric similar to slate.

Sediment - Formed by the deposition of solid fragmental or chemical material that originates from the weathering of rocks.

Sedimentary - Containing sediments.

Shale - A fine-grained, clastic sedimentary rock composed of mud that is a mix of flakes of clay minerals and tiny fragments (silt-sized particles) of other minerals.

Shear - A fracture in rock that is similar to a fault; zone in which rocks have been deformed by lateral movement along innumerable parallel planes.

Silicified - Referring to rocks in which a significant proportion of the original constituent minerals have been replaced by silica.

Sill - Intrusive igneous rock horizontally or sub-horizontally emplaced often along bedding planes.

Stockwork - A complex system of structurally controlled or randomly oriented veins.

Stratigraphic - Pertaining to the composition, sequence and correlation of stratified rocks.

Stratigraphy - The study of stratified rocks, especially their age, correlation and character.

Strike - A measure of the orientation or attitude of a geological feature.

Structural Geology - A branch of geology focussed on the orientation of different geological features and interpretation of the deformational history of a rock or area.

Structure - The sum total of the structural features of an area.

Sulphides - Minerals comprising a chemical combination of sulphur and metals.

Sulphidic - Containing sulphides.

Tenement - Area of land defined by a government authority over which an applicant may conduct exploration or mining activity, aka 'Mineral Property' eg Mining Lease or Prospecting Licence.

Thrust fault - A fault where the hanging wall moves up relative to the footwall. Thrust faults indicate compressive shortening of the crust. The dip of a thrust fault is usually not steep.

Unconformity - A substantial break or gap in the geologic record where a rock unit is overlain by another that is not next in stratigraphic succession, such as an interruption in the continuity of a depositional sequence of sedimentary rocks or a break between eroded igneous rocks and younger sedimentary strata.

Vein - A narrow, dyke-like intrusion of mineral traversing a rock mass of different material. Commonly contain quartz and carbonate.

Volcanic - Class of igneous rocks that have flowed out or have been ejected at or near the Earth's surface, as from a volcano.

Volcanic breccias - Formed by the explosive eruption of lava and any rocks which are entrained within the eruptive column.

Volcaniclastics - A sediment formed by material (dust, rocks) ejected from a volcano, which usually includes additional material derived from the weathering of volcanic rocks.

Weathering - The set of all processes that decay and break up bedrock by physical fracturing

Zn - Chemical symbol for zinc.

ANNEXURE 1

Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE001	392252	7685322	408	45	153	54	0	1	0.05
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BLE001	392252	7685322	408	45	153	54	5	6	0.05
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BLE001	392252	7685322	408	45	153	54	14	15	0.05
BLE001	392252	7685322	408	45	153	54	15	16	0.05
BLE001	392252	7685322	408	45	153	54	16	17	0.05
BLE001	392252	7685322	408	45	153	54	17	18	0.05
BLE001	392252	7685322	408	45	153	54	18	19	0.32
BLE001	392252	7685322	408	45	153	54	19	20	0.63
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BLE001	392252	7685322	408	45	153	54	33	34	2.97
BLE001	392252	7685322	408	45	153	54	34	35	2.99
BLE001	392252	7685322	408	45	153	54	35	36	2.21
BLE001	392252	7685322	408	45	153	54	36	37	0.87
BLE001	392252	7685322	408	45	153	54	37	38	0.64
BLE001	392252	7685322	408	45	153	54	38	39	1.86
BLE001	392252	7685322	408	45	153	54	39	40	0.79
BLE001	392252	7685322	408	45	153	54	40	41	2.74
BLE001	392252	7685322	408	45	153	54	41	42	1.91

BLE001	392252	7685322	408	45	153	54	42	43	0.9
BLE001	392252	7685322	408	45	153	54	43	44	0.71
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BLE001	392252	7685322	408	45	153	54	46	47	0.3
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BLE002	392252	7685322	408	45	153	54	49	50	-99
BLE002	392252	7685322	408	45	153	54	50	51	-99
BLE002	392252	7685322	408	45	153	54	51	52	-99
BLE002	392252	7685322	408	45	153	54	52	53	-99
BLE002	392252	7685322	408	45	153	54	53	54	-99
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BLE002	392253	7685322	408	45	129	20	4	5	0.14
BLE002	392253	7685322	408	45	129	20	5	6	0.16
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BLE002	392253	7685322	408	45	129	20	7	8	0.25
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BLE002	392253	7685322	408	45	129	20	9	10	0.56
BLE002	392253	7685322	408	45	129	20	10	11	0.66
BLE002	392253	7685322	408	45	129	20	11	12	0.27
BLE002	392253	7685322	408	45	129	20	12	13	0.15
BLE002	392253	7685322	408	45	129	20	13	14	0.87
BLE002	392253	7685322	408	45	129	20	14	15	0.68
BLE002	392253	7685322	408	45	129	20	15	16	0.59
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BLE002	392253	7685322	408	45	129	20	19	20	4.3
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BLE006	392267	7685346	399	45	76	30	3	4	0.73
BLE006	392267	7685346	399	45	76	30	4	5	0.66
BLE006	392267	7685346	399	45	76	30	5	6	0.6
BLE006	392267	7685346	399	45	76	30	6	7	1.86
BLE006	392267	7685346	399	45	76	30	7	8	2.4
BLE006	392267	7685346	399	45	76	30	8	9	0.73
BLE006	392267	7685346	399	45	76	30	9	10	6.18
BLE006	392267	7685346	399	45	76	30	10	11	5.15
BLE006	392267	7685346	399	45	76	30	11	12	1.52

BLE006	392267	7685346	399	45	76	30	12	13	1.05
BLE006	392267	7685346	399	45	76	30	13	14	0.73
BLE006	392267	7685346	399	45	76	30	14	15	1.23
BLE006	392267	7685346	399	45	76	30	15	16	1.07
BLE006	392267	7685346	399	45	76	30	16	17	1.45
BLE006	392267	7685346	399	45	76	30	17	18	0.86
BLE006	392267	7685346	399	45	76	30	18	19	0.86
BLE006	392267	7685346	399	45	76	30	19	20	0.78
BLE006	392267	7685346	399	45	76	30	20	21	0.67
BLE006	392267	7685346	399	45	76	30	21	22	0.86
BLE006	392267	7685346	399	45	76	30	22	23	0.88
BLE006	392267	7685346	399	45	76	30	23	24	0.74
BLE006	392267	7685346	399	45	76	30	24	25	0.24
BLE006	392267	7685346	399	45	76	30	25	26	0.24
BLE006	392267	7685346	399	45	76	30	26	27	0.2
BLE006	392267	7685346	399	45	76	30	27	28	0.24
BLE006	392267	7685346	399	45	76	30	28	29	0.19
BLE006	392267	7685346	399	45	76	30	29	30	0.15
BLE007	392266	7685346	399	45	42	42	0	1	0.45
BLE007	392266	7685346	399	45	42	42	1	2	0.24
BLE007	392266	7685346	399	45	42	42	2	3	0.66
BLE007	392266	7685346	399	45	42	42	3	4	0.53
BLE007	392266	7685346	399	45	42	42	4	5	0.93
BLE007	392266	7685346	399	45	42	42	5	6	0.69
BLE007	392266	7685346	399	45	42	42	6	7	2.43
BLE007	392266	7685346	399	45	42	42	7	8	2.16
BLE007	392266	7685346	399	45	42	42	8	9	1.63
BLE007	392266	7685346	399	45	42	42	9	10	1.67
BLE007	392266	7685346	399	45	42	42	10	11	0.7
BLE007	392266	7685346	399	45	42	42	11	12	0.69
BLE007	392266	7685346	399	45	42	42	12	13	0.41
BLE007	392266	7685346	399	45	42	42	13	14	0.58
BLE007	392266	7685346	399	45	42	42	14	15	0.93
BLE007	392266	7685346	399	45	42	42	15	16	2.46
BLE007	392266	7685346	399	45	42	42	16	17	0.37
BLE007	392266	7685346	399	45	42	42	17	18	0.87
BLE007	392266	7685346	399	45	42	42	18	19	0.94
BLE007	392266	7685346	399	45	42	42	19	20	1.07
BLE007	392266	7685346	399	45	42	42	20	21	0.9
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BLE007	392266	7685346	399	45	42	42	22	23	0.63
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BLE007	392266	7685346	399	45	42	42	24	25	0.29
BLE007	392266	7685346	399	45	42	42	25	26	0.2
BLE007	392266	7685346	399	45	42	42	26	27	0.25

BLE007	392266	7685346	399	45	42	42	27	28	0.3
BLE007	392266	7685346	399	45	42	42	28	29	0.05
BLE007	392266	7685346	399	45	42	42	29	30	0.23
BLE007	392266	7685346	399	45	42	42	30	31	0.14
BLE007	392266	7685346	399	45	42	42	31	32	0.11
BLE007	392266	7685346	399	45	42	42	32	33	0.22
BLE007	392266	7685346	399	45	42	42	33	34	0.19
BLE007	392266	7685346	399	45	42	42	34	35	0.38
BLE007	392266	7685346	399	45	42	42	35	36	0.22
BLE007	392266	7685346	399	45	42	42	36	37	0.26
BLE007	392266	7685346	399	45	42	42	37	38	0.34
BLE007	392266	7685346	399	45	42	42	38	39	0.25
BLE007	392266	7685346	399	45	42	42	39	40	0.25
BLE007	392266	7685346	399	45	42	42	40	41	0.17
BLE007	392266	7685346	399	45	42	42	41	42	0.12
BLE008	392231	7685365	389	55	73	52	0	1	0.05
BLE008	392231	7685365	389	55	73	52	1	2	0.16
BLE008	392231	7685365	389	55	73	52	2	3	0.14
BLE008	392231	7685365	389	55	73	52	3	4	0.12
BLE008	392231	7685365	389	55	73	52	4	5	0.12
BLE008	392231	7685365	389	55	73	52	5	6	0.11
BLE008	392231	7685365	389	55	73	52	6	7	0.11
BLE008	392231	7685365	389	55	73	52	7	8	0.13
BLE008	392231	7685365	389	55	73	52	8	9	0.13
BLE008	392231	7685365	389	55	73	52	9	10	0.11
BLE008	392231	7685365	389	55	73	52	10	11	0.11
BLE008	392231	7685365	389	55	73	52	11	12	0.11
BLE008	392231	7685365	389	55	73	52	12	13	0.13
BLE008	392231	7685365	389	55	73	52	13	14	0.12
BLE008	392231	7685365	389	55	73	52	14	15	0.11
BLE008	392231	7685365	389	55	73	52	15	16	0.15
BLE008	392231	7685365	389	55	73	52	16	17	0.13
BLE008	392231	7685365	389	55	73	52	17	18	0.12
BLE008	392231	7685365	389	55	73	52	18	19	0.15
BLE008	392231	7685365	389	55	73	52	19	20	0.19
BLE008	392231	7685365	389	55	73	52	20	21	0.2
BLE008	392231	7685365	389	55	73	52	21	22	0.22
BLE008	392231	7685365	389	55	73	52	22	23	0.34
BLE008	392231	7685365	389	55	73	52	23	24	0.33
BLE008	392231	7685365	389	55	73	52	24	25	0.28
BLE008	392231	7685365	389	55	73	52	25	26	0.2
BLE008	392231	7685365	389	55	73	52	26	27	0.41
BLE008	392231	7685365	389	55	73	52	27	28	0.46
BLE008	392231	7685365	389	55	73	52	28	29	0.62
BLE008	392231	7685365	389	55	73	52	29	30	2.42

BLE008	392231	7685365	389	55	73	52	30	31	1.4
BLE008	392231	7685365	389	55	73	52	31	32	0.88
BLE008	392231	7685365	389	55	73	52	32	33	0.67
BLE008	392231	7685365	389	55	73	52	33	34	0.93
BLE008	392231	7685365	389	55	73	52	34	35	1.88
BLE008	392231	7685365	389	55	73	52	35	36	0.57
BLE008	392231	7685365	389	55	73	52	36	37	0.49
BLE008	392231	7685365	389	55	73	52	37	38	0.64
BLE008	392231	7685365	389	55	73	52	38	39	0.31
BLE008	392231	7685365	389	55	73	52	39	40	0.24
BLE008	392231	7685365	389	55	73	52	40	41	0.77
BLE008	392231	7685365	389	55	73	52	41	42	0.22
BLE008	392231	7685365	389	55	73	52	42	43	0.12
BLE008	392231	7685365	389	55	73	52	43	44	0.21
BLE008	392231	7685365	389	55	73	52	44	45	0.19
BLE008	392231	7685365	389	55	73	52	45	46	0.25
BLE008	392231	7685365	389	55	73	52	46	47	0.23
BLE008	392231	7685365	389	55	73	52	47	48	0.23
BLE008	392231	7685365	389	55	73	52	48	49	0.2
BLE008	392231	7685365	389	55	73	52	49	50	0.31
BLE008	392231	7685365	389	55	73	52	50	51	0.25
BLE008	392231	7685365	389	55	73	52	51	52	0.31
BLE009	392248	7685298	401	45	153	28	0	1	0.67
BLE009	392248	7685298	401	45	153	28	1	2	1.14
BLE009	392248	7685298	401	45	153	28	2	3	0.4
BLE009	392248	7685298	401	45	153	28	3	4	0.32
BLE009	392248	7685298	401	45	153	28	4	5	0.33
BLE009	392248	7685298	401	45	153	28	5	6	0.25
BLE009	392248	7685298	401	45	153	28	6	7	0.2
BLE009	392248	7685298	401	45	153	28	7	8	0.25
BLE009	392248	7685298	401	45	153	28	8	9	0.27
BLE009	392248	7685298	401	45	153	28	9	10	0.21
BLE009	392248	7685298	401	45	153	28	10	11	0.25
BLE009	392248	7685298	401	45	153	28	11	12	0.26
BLE009	392248	7685298	401	45	153	28	12	13	0.39
BLE009	392248	7685298	401	45	153	28	13	14	0.37
BLE009	392248	7685298	401	45	153	28	14	15	0.52
BLE009	392248	7685298	401	45	153	28	15	16	0.26
BLE009	392248	7685298	401	45	153	28	16	17	0.19
BLE009	392248	7685298	401	45	153	28	17	18	0.2
BLE009	392248	7685298	401	45	153	28	18	19	0.42
BLE009	392248	7685298	401	45	153	28	19	20	1.5
BLE009	392248	7685298	401	45	153	28	20	21	0.65
BLE009	392248	7685298	401	45	153	28	21	22	0.32
BLE009	392248	7685298	401	45	153	28	22	23	0.22

BLE009	392248	7685298	401	45	153	28	23	24	0.18
BLE009	392248	7685298	401	45	153	28	24	25	0.2
BLE009	392248	7685298	401	45	153	28	25	26	0.31
BLE009	392248	7685298	401	45	153	28	26	27	0.42
BLE009	392248	7685298	401	45	153	28	27	28	0.33
BLE010	392237	7685308	399	45	165	42	0	1	0.28
BLE010	392237	7685308	399	45	165	42	1	2	0.21
BLE010	392237	7685308	399	45	165	42	2	3	0.2
BLE010	392237	7685308	399	45	165	42	3	4	0.13
BLE010	392237	7685308	399	45	165	42	4	5	0.14
BLE010	392237	7685308	399	45	165	42	5	6	0.13
BLE010	392237	7685308	399	45	165	42	6	7	0.14
BLE010	392237	7685308	399	45	165	42	7	8	0.14
BLE010	392237	7685308	399	45	165	42	8	9	0.34
BLE010	392237	7685308	399	45	165	42	9	10	0.17
BLE010	392237	7685308	399	45	165	42	10	11	0.15
BLE010	392237	7685308	399	45	165	42	11	12	0.12
BLE010	392237	7685308	399	45	165	42	12	13	0.23
BLE010	392237	7685308	399	45	165	42	13	14	0.22
BLE010	392237	7685308	399	45	165	42	14	15	0.12
BLE010	392237	7685308	399	45	165	42	15	16	0.18
BLE010	392237	7685308	399	45	165	42	16	17	0.15
BLE010	392237	7685308	399	45	165	42	17	18	0.19
BLE010	392237	7685308	399	45	165	42	18	19	0.22
BLE010	392237	7685308	399	45	165	42	19	20	0.24
BLE010	392237	7685308	399	45	165	42	20	21	0.33
BLE010	392237	7685308	399	45	165	42	21	22	0.45
BLE010	392237	7685308	399	45	165	42	22	23	0.2
BLE010	392237	7685308	399	45	165	42	23	24	0.29
BLE010	392237	7685308	399	45	165	42	24	25	0.49
BLE010	392237	7685308	399	45	165	42	25	26	0.28
BLE010	392237	7685308	399	45	165	42	26	27	1.56
BLE010	392237	7685308	399	45	165	42	27	28	0.88
BLE010	392237	7685308	399	45	165	42	28	29	1.76
BLE010	392237	7685308	399	45	165	42	29	30	0.83
BLE010	392237	7685308	399	45	165	42	30	31	0.66
BLE010	392237	7685308	399	45	165	42	31	32	1.09
BLE010	392237	7685308	399	45	165	42	32	33	0.96
BLE010	392237	7685308	399	45	165	42	33	34	0.58
BLE010	392237	7685308	399	45	165	42	34	35	1.62
BLE010	392237	7685308	399	45	165	42	35	36	1.07
BLE010	392237	7685308	399	45	165	42	36	37	0.55
BLE010	392237	7685308	399	45	165	42	37	38	0.66
BLE010	392237	7685308	399	45	165	42	38	39	0.71
BLE010	392237	7685308	399	45	165	42	39	40	0.64

BLE010	392237	7685308	399	45	165	42	40	41	0.9
BLE010	392237	7685308	399	45	165	42	41	42	0.55

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Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i>	- Rotary Air Blast (RAB) drilling was used to obtain samples on 1m intervals. - Samples were taken at the end of each meter drilled with a shovel directly from the cuttings pile around the collar of the hole. - Approximately a three quarter filled 10 litre bucket of sample was taken and passed through a riffle splitter to reduce the size. - Final samples were collected in calico bags. - Remaining drill cuttings around the collar were then removed prior to the next meter being drilled. - Samples were analysed in the field with a Niton handheld XRF gun. - Three readings were taken through the calico bags for each sample and the average taken to be the accepted indicated grade.
Drilling techniques	<i>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).</i>	Approximately 6 inch (15cm) rotary air blast drilling was used.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>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.</i>	- Holes were drilled and sampled metre by metre with a pause between each meter for sampling. - Holes were cleaned each meter and all excess cuttings were removed from around the collar after samples were taken for each meter.
Logging	<i>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</i>	- Chip samples were logged in a preliminary fashion, ie identifying visible copper mineralization, quartz content etc. - Logging was qualitative and conducted on each metre.

Criteria	JORC Code explanation	Commentary
	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.	
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.	All samples were dry and passed through a riffle splitter for volume reduction.
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.	- Samples were not assayed in a lab. - Indicative grades were obtained with the use of a Niton handheld XRF gun. - Three readings were taken through the calico bags for each sample and the average taken to be the accepted indicated grade.
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.	No verification work has been conducted.
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.	Drillholes were located with handheld GPS.

Criteria	JORC Code explanation	Commentary
	• <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i>	
Data spacing and distribution	• <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i>	• Drillholes were on an irregular grid and orientation designed to intersect a curved and dipping mineralized body. • Holes were designed to verify historic data and provide some infill information. • The data is not suitable for resource estimation above the level of inferred. • No sample compositing was done.
Orientation of data in relation to geological structure	• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i>	• Drillholes were on an irregular grid and orientation designed to intersect a curved and dipping mineralized body. •
Sample security	• <i>The measures taken to ensure sample security.</i>	• Sample chain of custody was maintained by the geologist throughout delivery to their place of storage.
Audits or reviews	• <i>The results of any audits or reviews of sampling techniques and data.</i>	• No audits or reviews have been done.

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	• <i>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.</i> • <i>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.</i>	• Work was conducted on ML 2773 in Mount Isa district of northwestern Queensland. • The tenement is held by Mining International Pty Ltd and is the subject of a farm in agreement with Firebird Minerals Pty Ltd. • The tenure is a mining licence, has and environmental authority, and a native title and heritage agreement with the Kalkadoon people.
Exploration done by other parties	• <i>Acknowledgment and appraisal of exploration by other parties.</i>	• There has been some historic exploration some dating back to early 1900's by a number of companies such as Carpentaria Exploration.

Criteria	JORC Code explanation	Commentary
Geology	• <i>Deposit type, geological setting and style of mineralisation.</i>	• On echelon shear hosted copper lode bounded by a massive quartz hanging wall within a weathered amphibolite host.
Drill hole Information	• <i>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:</i> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>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.</i>	• See attached table.
Data aggregation methods	• <i>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.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	• The indicative assay results are the average of three readings from different parts of the sample.
Relationship between mineralisation widths and intercept lengths	• <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i>	• Down hole length and true width un-certain.
Diagrams	• <i>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.</i>	• See attached location plan.

Criteria	JORC Code explanation	Commentary
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.	All results have been reported
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.	N/A
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 infill drilling may be conducted if deemed necessary.

ANNEXURE 2

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
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

BHID	Easting	Northing	Azi	Dip	Ox State	From	To	Cu%
					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

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	<i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i>	- 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	<i>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).</i>	- 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 metre. All material discharged from this process was collected in 1m sample bags.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>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.</i>	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.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource</i>	No logging undertaken. Only oxidation state was identified for the purpose of separating samples for metallurgical testing.

Criteria	JORC Code explanation	Commentary
	<i>estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i>	
Sub-sampling techniques and sample preparation	• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	• No sub sampling undertaken. • The entire sample (from selected mineralized samples) was collected for lab work.
Quality of assay data and laboratory tests	• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i>	• 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. • The most recent Certificate of Calibration is dated 1st February 2019. • Daily calibration using the supplied calibration disk was conducted at the start of each day's operation. The machine will not operate unless the calibration stage is passed. • Calibration factors are as follows: - Temp: 23 degrees C - Humidity: 36% - Procedure: OIX-610159 REV.C - Result: Pass - CRM Used: produced by National Institute of Standards and Technology (NIST), Geostats PTY LTD and Ore Research PTY LTD - Tested by: Jack Zhu, Olympus Australia PTY LTD - Date: 1 February 2019. Results are considered preliminary and indicative and were only used to differentiate broadly between mineralized and unmineralized samples for the purpose of determination of samples for collection.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twin holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i>	• Several XRF shots were taken of the same sample to understand repeatability of result.
Location of data points	• <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i>	• Drill holes were located with hand held GPS.
Data spacing and distribution	• <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i>	• Targeted drillholes to intersect sufficient sample from each oxidation zone required for metallurgical testing.
Orientation of data in relation to geological structure	• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i>	• Drill holes planned to intersect mineralization to provide enough sample for testing within each oxidation zone.
Sample security	• <i>The measures taken to ensure sample security.</i>	• 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	• <i>The results of any audits or reviews of sampling techniques and data.</i>	• 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.
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	No data aggregation undertaken.

Criteria	JORC Code explanation	Commentary
	<i>results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i>	Samples were collected from a combination of vertical and angled holes designed to intercept mineralization in oxide, transitional and sulphide zones.
Diagrams	<i>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.</i>	No sections provided. Drilling not intended to represent mineralization geomorphology.
Balanced reporting	<i>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.</i>	- Only mineralized samples were collected for testing and only these were analysed with XRF. - See table of XRF data.
Other substantive exploration data	<i>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.</i>	No other substantive data to report.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	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.

ANNEXURE 3

Sample	East	North	Au	Ag	Ce	Ce	Dy	Er	Eu	Ho	La
			ppb	ppb	ppb	ppm	ppm	ppb	ppb	ppb	ppm
980	285017	7092992	0.28	10.9	4189	4.189	453.2	279.1	81.7	94.2	1616.5
982	314083	7103386	0.18	4.5	3502	3.502	367	222.5	64	76.2	1058.5
983	313527	7103353	0.66	7.8	2381	2.381	334.7	216.6	53.6	73.9	959.1
983	313527	7103353	0.17	0.9	59200	59.2	82.1	53.8	12.6	18.4	39730
985	324903	7121635	0.28	9.1	8194	8.194	607.2	301.4	136.7	115.7	1405.7
991	330578	7130268	0.28	8.9	2308	2.308	248.5	158.3	44.1	52.5	885.1
994	309200	7095200	0.14	11.3	2681	2.681	224.6	136	45.1	44.9	772.1
990	324398	7128844	X	X	38170	38.17					7760
993	308653	7095742	1	X	78820	78.82					36430
994	313539	7103373	X	X	11.53	0.01153					4.96
995	313541	7103374	X	X	15.17	0.01517					5.52
996	313539	7103373	X	X	14.68	0.01468					7.02
Y0055	324397	7122393	0.78	5.4	X	X	X	X	X	X	X
Y0056	324777	7122400	0.49	6.1	3	0.003	X	X	X	X	1.5
Y0057	325198	7122389	0.58	2.8	77	0.077	2	0.9	0.7	X	45.5
Y0058	325614	7122411	0.83	14.9	1496	1.496	125.1	66.7	29.6	24.8	445.4
Y0059	324618	7121999	1.99	11.8	3102	3.102	239.2	127	59.9	49.3	784.5
Y0060	325000	7121995	0.6	4.6	6	0.006	X	X	X	X	2.8
Y0061	325000	7121995	0.36	6.6	5	0.005	X	X	X	X	3.7
Y0062	325397	7122005	0.32	11	8468	8.468	683.8	358.8	161.2	137.9	1672.3
Y0063	324380	7121657	0.51	9.2	5910	5.91	631.6	357.7	116.9	130.9	1233.6
Y0064	324828	7121658	0.27	8.4	3897	3.897	376.2	191.5	89.7	74.7	831.9
Y0065	325208	7121659	0.4	11.7	11542	11.542	1207.5	585.2	286.3	234.1	2669
Y0066	325584	7121660	0.54	9.5	8110	8.11	1254.8	718.5	229.4	260.2	2325.7
Y0067	326389	7121650	0.53	11	4720	4.72	494	282.7	100.7	103	1590.8
Y0068	327189	7121658	0.31	9.4	5381	5.381	601.4	318.4	130.1	122	2042.2
Y0069	328014	7121658	0.6	7.5	2182	2.182	358.9	217.5	61.8	76.2	745.4
Y0070	328800	7121654	0.36	10.9	1655	1.655	213.8	119.7	41.5	43.3	757.2
Y0077	324190	7121204	2.45	27	1159	1.159	131.7	69.3	33.8	27.6	349.5
Y0078	324644	7121193	0.66	9.6	5804	5.804	359.6	173.6	88.7	70.3	1063.6
Y0079	325008	7121211	0.36	29.7	1282	1.282	161.5	80.6	39.7	32.8	443.6
Y0080	325412	7121206	0.7	30.3	909	0.909	99.4	48.1	25.5	19.5	391.9
Y0081	323999	7120796	1.81	22.2	598	0.598	83.6	38.8	23.1	17.4	286

Y0082	324401	7120803	0.93	23.8	1151	1.151	129.9	65.3	34.9	26.5	550.3
Y0083	324792	7120795	0.4	22	659	0.659	67.8	34.8	17.4	14.3	248
Y0084	325192	7120790	0.27	23	1107	1.107	168	87.8	41.4	32.9	501.8
Y0085	325608	7120816	0.38	27.5	320	0.32	47.4	25.1	11.7	9.9	105.7
Y0086	328801	7119729	0.6	15.8	3038	3.038	411.5	243.7	76.9	84.6	1069.8
Y0087	329653	7119709	0.4	16.8	3189	3.189	528.5	322.6	93.9	114.2	1402.7
Y0088	330432	7119689	0.52	8.9	2188	2.188	263.4	146.8	48.1	53.8	880.9
Y0089	328001	7119508	0.47	15.6	4180	4.18	435.8	264.6	86.6	90.4	1768.5
Y0090	327186	7119057	1.63	9.3	3542	3.542	358.4	205.2	77	72.3	1626.6
Y0092	326371	7118852	0.74	16.1	9522	9.522	604.1	310.8	137.4	116.3	2344.3
Y0093	325572	7118532	0.78	22.2	5427	5.427	282.5	132.4	79	53.8	1315.7
Y0094	324809	7118073	0.76	18.1	931	0.931	92.5	47.3	24.3	18.5	378.9
Y0095	323969	7117573	0.41	21.4	685	0.685	90.7	53.8	21	19.9	331.1
Y0096	323179	7117104	0.15	24.1	4969	4.969	539.9	293.4	106.8	110	1686.1
Y0097	321604	7116165	0.45	17.1	2447	2.447	373.2	218.3	69.3	78	1233.1
Y0098	322401	7116641	0.78	17.2	6781	6.781	488.2	262.3	125	100.2	2136.7
Y0099	320012	7112653	0.36	8.3	2858	2.858	357.1	212.4	59.2	74.5	742.8
Y0100	320819	7112623	0.59	6	3980	3.98	324.8	183.9	62.1	67.5	1082.5
Y0101	321604	7112599	0.49	12.4	2027	2.027	288.8	166.3	54.5	61.4	877.3
Y0102	322372	7112552	0.31	7	6334	6.334	725.5	404.5	145.8	150.8	1985.2
Y0103	323189	7112551	0.79	27.4	6079	6.079	384.4	212.2	94.5	76.4	2828.1
Y0104	323996	7112521	0.36	21.1	1294	1.294	188.5	96.1	47.2	36.9	588.1
Y0105	324653	7112511	0.49	20.8	5340	5.34	332.2	157.8	85.1	62.7	1918.6
Y0163	306870	7097176	0.36	15.4	1947	1.947	228.5	127.7	40.2	47	699.9
Y0165	307630	7096655	0.36	9.4	1940	1.94	262.6	168	50.1	56.4	765.1
Y0167	308401	7095959	0.67	10.2	2149	2.149	288.2	175.1	54.4	60.8	725.3
Y0169	309269	7095172	0.77	8.5	1581	1.581	220.5	135.5	39.7	46.5	588
Y0171	309950	7094562	1.24	8.4	3141	3.141	339	202.9	63.1	71.7	940.5
Y0173	310855	7093746	1.54	9.5	4071	4.071	418.9	231.6	81.4	85.1	1180.9
Y0173A	310855	7093746	1.33	9.3	3781	3.781	406	228.5	78.1	81.3	1179.3
Y0187	301709	7087122	0.97	8.6	1759	1.759	234	151.8	42.9	50.8	642.1
Y0203	306879	7083634	1.99	12.7	2054	2.054	254.7	148.3	48.5	51.8	909.8
Y0204	307890	7083656	1.22	10.1	2091	2.091	208.6	130.2	40.3	43.6	701.2
Y0205	308306	7083667	1.99	7.9	3151	3.151	372.8	217.2	68.7	78.5	995.3
Y0206	308688	7083675	0.57	10.5	2266	2.266	280.8	157.8	53.7	56.8	956.4
Y0207	304955	7083557	1.28	14.9	2878	2.878	365.2	209.4	72.4	73.1	1290

Y0208	305403	7083572	0.55	8.1	2724	2.724	257.7	152.7	53.5	53.1	927.5
Y0209	305837	7083593	0.42	9.7	2522	2.522	331.1	202.1	59.3	68.8	960.5
Y0210	306802	7083210	1.01	13.7	2515	2.515	346.9	211.4	68.2	72.1	1115.7
Y0210A	306802	7083210	0.41	12.2	2421	2.421	330.8	200.4	63.5	70.7	1089
Y0211	306802	7082394	0.37	17.7	2020	2.02	258.3	150.6	50.6	54	992.7

Sample	East	North	Lu	Nd	Pr	Sm	Tb	Te	Tm	Y	Yb
			ppb	ppb	ppb	ppb	ppb	ppb	ppb	ppb	ppb
980	285017	7092992	32.8	2101.9	426	415.4	63.94	7	40	2461	218.7
982	314083	7103386	30.2	1371.3	269.1	300.7	52.67	2	33.5	1728	203
983	313527	7103353	33.6	1160.4	224.9	271.5	46.45	6	35.5	1636	230.2
983	313527	7103353	7.3	278.1	707.9	59.2	1.16	X	80	464	57.5
985	324903	7121635	29	3304	596.9	673.7	100.58	7	38.8	2707	193.8
991	330578	7130268	23.4	951.3	195.4	214.4	35.13	X	26.4	1108	157.5
994	309200	7095200	20.7	1023	198.2	229.9	33.36	3	22.6	945	145.1
990	324398	7128844						300			
993	308653	7095742						X			
994	313539	7103373						X			
995	313541	7103374						X			
996	313539	7103373						X			
Y0055	324397	7122393		X	X	X	X	3	X	X	X
Y0056	324777	7122400		1.7	X	X	X	4	X	X	0.3
Y0057	325198	7122389		27.3	7.1	3.8	0.37	4	X	11	1.1
Y0058	325614	7122411		714.7	149.3	140.8	21.44	2	8.3	564	50.1
Y0059	324618	7121999		1366	257.7	266.6	41.82	3	16	1168	96.8
Y0060	325000	7121995		1.3	X	0.6	0.06	X	X	X	0.1
Y0061	325000	7121995		1.6	X	X	0.06	3	X	X	X
Y0062	325397	7122005		3627.8	733.5	755.8	114.21	2	44.4	3017	275.5
Y0063	324380	7121657		2374.8	491.9	517	92.72	3	49.5	2997	323.4
Y0064	324828	7121658		1894.6	370.2	400.6	61.89	X	23.7	1696	144.3
Y0065	325208	7121659		6163.7	1235.2	1351.6	205.95	X	70	5083	427.8
Y0066	325584	7121660		4534.9	897.4	1032.5	185.85	X	97.9	5791	668
Y0067	326389	7121650		2195.1	466.4	459.2	76.1	X	40.1	2030	289.5

Y0068	327189	7121658		3154.8	668.6	614.2	95.78	2	43.3	2885	284.8
Y0069	328014	7121658		1140.5	233.8	260.2	50.47	X	31.8	1670	225
Y0070	328800	7121654		904	194.8	191.2	32.79	3	16.1	1000	108.8
Y0077	324190	7121204		700.6	133.6	148.9	22.39	X	8.2	642	47.9
Y0078	324644	7121193		2145.7	438.8	433.4	60.49	3	20.6	1549	127.3
Y0079	325008	7121211		885.8	169.8	187	27.65	X	9.3	755	55.3
Y0080	325412	7121206		618.7	123.9	124.3	17.13	X	5.7	483	34.3
Y0081	323999	7120796		504.1	86	104	14.73	X	4.7	437	28.7
Y0082	324401	7120803		866.7	180.6	175	22.69	X	8	582	50.7
Y0083	324792	7120795		374.4	76.9	75.6	12.44	X	4.6	356	27.6
Y0084	325192	7120790		922.7	185.2	201.6	28.88	X	10.2	831	60.1
Y0085	325608	7120816		210.2	39.3	49.8	8.79	X	3.3	266	19.7
Y0086	328801	7119729		1525.3	316.5	335.1	60.63	X	34.8	1770	253.2
Y0087	329653	7119709		1924.4	395.3	413	75.48	3	45	2336	314.9
Y0088	330432	7119689		980.8	218.5	202.4	38.27	2	21	1111	142.6
Y0089	328001	7119508		1928.2	410.2	402.9	64.74	3	38.7	1614	288.4
Y0090	327186	7119057		1687.3	373.1	362.3	54.01	2	30.2	1115	232.4
Y0092	326371	7118852		3266.7	721.9	656.1	98.85	5	40.1	2179	264.1
Y0093	325572	7118532		2037.8	445.7	381.9	50.7	2	16.7	1169	105.8
Y0094	324809	7118073		583.4	120	117.7	16.26	X	5.9	461	35.4
Y0095	323969	7117573		477.1	99	98.2	15.07	X	6.8	507	46.1
Y0096	323179	7117104		2338	508.3	482.9	81.24	2	40.2	2284	281.5
Y0097	321604	7116165		1464.7	306.3	303.3	55.64	3	30.6	1539	208.7
Y0098	322401	7116641		3120.2	669.8	613.1	83.44	3	34.6	1733	228.1
Y0099	320012	7112653		1096.5	231.1	242.9	48.87	X	31.4	1512	215.4
Y0100	320819	7112623		1344.8	291.2	268.9	48.75	2	24.8	1482	164.1
Y0101	321604	7112599		1097.4	227.6	237.6	41.71	2	24.1	1273	157.4
Y0102	322372	7112552		3133.5	648	670.3	111.82	X	54.8	3244	376.1
Y0103	323189	7112551		2397	586.6	446.9	61.9	2	30.9	1212	209.8
Y0104	323996	7112521		1058.1	211.2	220.1	31.77	X	11.5	945	76.7
Y0105	324653	7112511		2139.1	499.5	414.2	58.72	X	18.1	1229	117
Y0163	306870	7097176		832	178.2	173.4	32.99	X	18.2	1025	125.6
Y0165	307630	7096655		1011.1	207.3	210.8	38.06	X	23.9	1126	179.8
Y0167	308401	7095959		1054.5	217.3	227.2	41.26	2	26.2	1154	192.3
Y0169	309269	7095172		766.3	160.8	174.3	32.31	X	19.7	978	148.3
Y0171	309950	7094562		1341.3	276.5	285.8	48.5	X	29.6	1470	204

Y0173	310855	7093746		1698.3	360.5	363.6	62.11	2	31.9	1782	219.9
Y0173A	310855	7093746		1662.3	359.3	357.5	60.7	2	31.1	1676	217.4
Y0187	301709	7087122		798.2	168.7	177.8	33.09	2	22.8	1021	176.1
Y0203	306879	7083634		1036.8	222.5	233	36.6	X	22.4	941	162.4
Y0204	307890	7083656		864.8	185.4	184.6	30.45	3	19.4	793	145.8
Y0205	308306	7083667		1396	296.8	296.9	53.83	X	28.8	1621	199.4
Y0206	308688	7083675		1144.3	249.1	233.5	39.47	3	21.9	1201	147.6
Y0207	304955	7083557		1564.4	329.8	320.3	55.29	2	28.8	1483	204.3
Y0208	305403	7083572		1101.6	237.3	240.8	38.78	2	23.1	995	162.1
Y0209	305837	7083593		1263.1	263.8	271.5	47.54	X	29.3	1402	212.3
Y0210	306802	7083210		1364.4	295.1	291.2	50.32	2	30.9	1449	228.8
Y0210A	306802	7083210		1298.4	277.8	278.1	48.71	X	29.7	1403	214.1
Y0211	306802	7082394		1094	239.3	223.7	38.12	2	23.1	1069	163.9

JORC Code, 2012 Edition – Table 1 report – Yalardy

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	• Geochemical soil samples taken from ~100mm below and screened to remove coarse particles and organic matter.
	<i>Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.</i>	- Approximately 2kg sample taken at each site with consistent sample depth.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i>	- Industry standard soil geochemical sampling. - All samples were sent for multi element analysis
Drilling techniques	<i>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).</i>	- No drilling undertaken
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	- Approximately 2kg sample taken at each site with consistent sample depth. - Material collected into calico sample bags.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	- Manual excavation with shovel. - Entire sample collected.

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	- No relationship determined
Logging	<i>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.</i>	- Brief description of sediment sampled.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	- Qualitative logging
	<i>The total length and percentage of the relevant intersections logged</i>	- Sub surface point samples
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	- Not applicable.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	- Samples screened to remove coarse particles and organic matter. - Dry sample
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	- Samples crushed and split in the lab.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.</i>	- Standard lab check procedures.
	<i>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.</i>	- No duplicates taken
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	- Samples ranged between 1.5kg and 2.5kg. All were appropriate for the material sampled
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	- Multi element XRF analysis was conducted by Analabs using method TL1/MS. Considered to be appropriate for the material and style of mineralization.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model,</i>	Not used.

Criteria	JORC Code explanation	Commentary
	<i>reading times, calibrations factors applied and their derivation, etc.</i>	
	<i>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.</i>	At the Laboratory, regular assay Repeats, Lab Standards and Blanks are analysed.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant results were checked by senior geologists.
	<i>The use of twinned holes.</i>	No twinned holes drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Assay files are received electronically from the Laboratory.
	<i>Discuss any adjustment to assay data.</i>	No assay data was adjusted.
Location of data points	<i>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.</i>	Sample locations were obtained by handheld GPS at the time of collection.
	<i>Specification of the grid system used.</i>	Grid projection is MGA94, Zone 50.
	<i>Quality and adequacy of topographic control.</i>	None available
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Random Geochem coil sampling nominally on a 100m grid in specific locations
	<i>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.</i>	Sample spacing is not appropriate for resource estimation.
	<i>Whether sample compositing has been applied.</i>	No compositing was applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Reconnaissance Geochem sampling only.
	<i>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.</i>	Not expected to introduce bias.

Criteria	JORC Code explanation	Commentary
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Samples were transported by geological contractor to laboratory.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the program.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>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.</i>	CFE have lodged EL applications over the area of interest totalling 297 graticular blocks in the name of Metals Exploration (wholly owned subsidiary of CFE). Samples referred to in this announcement are from tenements E09/2441 and E09/2442.
	<i>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.</i>	The tenements are in good standing with the WA DMIRS.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	No previous work known in the area
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	Rare earth elements hosted in carbonatite rocks within interpreted diatreme structures.
<i>Drill hole Information</i>	<i>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:</i> ▪ 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. <i>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.</i>	Refer to Annexure 1 in the announcement.
	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade</i>	No data aggregation conducted. All results reported.

Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<i>truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	
	<i>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.</i>	N/A
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are used.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i>	The geometry or orientation of the mineralisation is not established by these Geochem soil results.
<i>Diagrams</i>	<i>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.</i>	Refer to Figures 1, 2 and 3 in the body of the announcement.
<i>Balanced reporting</i>	<i>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.</i>	No misleading results have been presented in this announcement.
<i>Other substantive exploration data</i>	<i>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.</i>	All relevant historical data previously reported.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological</i>	Further exploration work is currently being planned, the details of which will be released in due-course.

Criteria	JORC Code explanation	Commentary
	<i>interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	

ANNEXURE B – SOLICITOR'S REPORT ON TENEMENTS

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13 July 2021

Your Ref:
Our Ref: MPF:BJP:5375-01
Contact: Mark Foster
Partner
mfoster@steinpag.com.au

Cyclone Metals Limited
32 Harrogate Street
WEST LEEDERVILLE WA 6007

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for the offer of 10,000 shares in the capital of Cyclone Metals Limited (ACN 095 047 920) (**Company**) at an issue price of \$0.009 per share to raise \$90 (**Prospectus**).

1. SCOPE

We have been requested to report on certain mining tenements in which the Company has an interest (the **Tenements**).

The Tenements are located in both Western Australia and Queensland, Australia. Further details regarding the Tenements, as well as the non-standard conditions attaching to the Tenements are set out in Schedule 1 of this Report.

The Tenements comprise:

- (a) two (2) granted exploration licences pursuant to the *Mining Act 1978 (WA)* (**Mining Act WA**); and
- (b) 1 mining lease (**ML 2771**) granted pursuant to the *Mining Act 1968-1986 (QLD)*, which is now known as the *Mineral Resources Act 1989 (QLD)* (**MR Act Qld**).

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

For the purposes of section 8(1)(k) of the Personal Property Securities Act 2009 of the Commonwealth, the Mining Act WA and MR Act Qld declare that no tenement is personal property for the purpose of that Act.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (**Searches**):

2.1 Western Australian Tenements

- (a) we have obtained mining tenement register searches of the Tenements from the registers maintained by the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) (**Tenement Searches**). These searches were conducted on 22 June 2021. Key details on the status of the Tenements are set out in Schedule 1 of this Report;
- (b) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 22 June 2021. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in sections 6.9 and 6.10 of this Report, and further detail is provided in Schedule 2;
- (c) we have obtained searches from the online Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage (**DPLH**) for any Aboriginal sites registered on the Western Australian Register of Aboriginal sites and other heritage places over the Tenements (**Heritage Searches**). These searches were conducted on 22 June 2021; and
- (d) we have obtained quick appraisal user searches of Tengraph which is maintained by the DMIRS to obtain details of features or interests affecting the Tenements (**Tengraph Searches**). These searches were conducted on 22 June 2021. Details of any material issues identified from the Tengraph Searches are set out in the notes to Schedule 1 of this Report.

2.2 Queensland – ML 2771

- (a) a public resource authority report from searches of the Queensland Department of Resources (the **Qld Department**). This search was conducted on 22 June 2021. Key details on the status of ML 2771 are set out in the Schedule;
- (b) information from GeoResGlobe (**Mines Mapping**) obtained on 30 June 2021;
- (c) tenement search obtained from the Department of Aboriginal and Torres Strait Islander Partnerships (**DATSIP**) on 22 June 2021;
- (d) extracts of registered Native Title claims and Native Title determinations that apply to ML 2771, as determined by the NNTT. This material was obtained on 22 June 2021. Details of Native Title claims and determinations are set out in section 6 of this report and the Schedule;
- (e) searches of the Australian Department of Agriculture, Water and the Environment protected matters search tool obtained on 30 June 2021;

- (f) environmental authority information obtained from the public register maintained by the Queensland Department of Environment and Science (**DES**) obtained on 30 June 2021; and
- (g) searches of the public DES suitable operator register obtained on 30 June 2021.

We have not been provided with any current Aboriginal cultural heritage agreements, land access agreements, environmental reports, impact assessments, ecology reports, overlapping tenement documentation, or any other agreements in relation to ML 2771.

3. **OPINION**

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

- (a) the Company's interest in the Tenements;
- (b) the validity and good standing of the Tenements; and
- (c) Third party interests, including encumbrances and private land, in relation to the Tenements.

4. **DESCRIPTION OF THE TENEMENTS**

4.1 **Western Australia**

The Tenements located in Western Australian (**WA Tenements**) comprise two (2) exploration licences granted under the Mining Act WA, being E09/2441 and E09/2442. The key terms of an exploration licence granted under the Mining Act WA are as follows.

- (a) **Rights**

The holder of an exploration licence is entitled to enter the land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient.

- (b) **Term**

An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

- (c) **Retention status**

The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

(d) **Conditions**

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. These standard conditions are not detailed in this Report. Details of non-standard conditions relating to the Tenements are listed in Schedule 1 of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

(e) **Relinquishment**

The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

(f) **Priority to apply for mining lease**

The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(g) **Transfer**

No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealings.

4.2 **Queensland**

The *Mineral Resources Act 1989* (Qld) (**MR Act**) and the Mineral and Energy Resources (Common Provisions) Act 2014 (Qld) (**MERC Act**) together establish a tenure regime that governs the exploration for and production of minerals in Queensland.

ML 2771 is a mining lease granted pursuant to the MR Act (which was previously the MR Act Qld). Pursuant to that Act, a mining lease has the following characteristics.

(a) **General**

Mining leases allow a holder to conduct larger scale mining operations. Specifically, a mining lease allows holders to machine-mine for specified minerals and conduct other activities associated with mining or promoting the activity of mining.

Mining leases can be issued for any specified mineral.

ML 2771 has a surface area of 9.093 hectares, and is located in the Cloncurry Shire Council in the Mount Isa District.

(b) **Title**

The public resource authority reports confirm that ML 2771 is 100% legally and beneficially held by the Company's wholly owned subsidiary Mining International Pty Ltd (ACN 148 214 608), as set out in the Schedule.

Accordingly, the Company has full beneficial ownership and control over ML 2771.

(c) **Term**

An ML can be granted for any period, and can be renewed towards the end of the term.

The current term of ML 2771 expires on 31 August 2031, having been renewed on 14 April 2013. A renewal of term may be applied for not more than three months before and not later than one month after the expiry of the current term.

(d) **Rent**

The holder of any mineral tenement in Queensland is required to pay annual rent on the tenement.

The amount of rent payable for each year is calculated by multiplying the number of hectares within the ML by the amount prescribed under regulation for the year. Rent is payable by 31 August each year (a rental year is 1 September to 31 August).

The rent payable for each hectare (or part thereof) of a mining lease is currently \$63.70. Accordingly, rental due and payable with respect to ML 2771 is \$637.00.

We have not undertaken any independent investigations with the Department beyond the publicly available reports to verify that the rental payments for the Tenements are paid and up to date.

(e) **Royalties**

The holder of an ML is required to lodge a royalty return and the associated royalty payment with the Queensland Office of State Revenue (**QOSR**). The required return periods are required on a periodic basis, either quarterly or annually.

The annual return period is a financial year (1 July to 30 June), and the royalty statement must be lodged with the QOSR no later than 30 September in that year.

(f) **Security**

The Minister, pursuant to section 277 of the MR Act, may fix an amount of security to be deposited by the Company as surety against the cost of rectifying any damage the Company may cause to the land comprising ML 2771 and to cover unpaid royalty, rent, penalties or liabilities.

A ML must not be granted or renewed until the applicant for the grant or renewal deposits the security as so determined.

We have not undertaken any independent investigations with the Department beyond the publicly available reports to verify the security held over the Tenements.

(g) **Relinquishment**

Under the MR Act, holders of mining leases are not required to comply with any periodic relinquishment obligation

(h) **Dealings**

The public resource authority report indicates that no material dealing (such a transfer, application to transfer, registration of a mortgage or a caveat) are registered over ML 2771.

(i) **Overlapping Tenements**

The rights and interests of ML holders may be affected by overlapping mineral, petroleum, exploration and production tenements. We have reviewed the Mines Mapping to determine whether the mapping records any tenements held or sought by other parties that overlap ML 2771.

ML 2771 is overlapped (100%) by Exploration Permit Minerals (EPM) 11919. EPM11919 is held by Mt Dockerell Mining Pty Ltd.

We have not been provided with any correspondence or agreements relevant to the overlap of EPM11919 with ML 2771.

5. ABORIGINAL HERITAGE

5.1 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Indigenous Australians may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Indigenous Australians to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

5.2 Western Australian legislation

Tenements located in Western Australia are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known).

An Aboriginal site is defined under the WA Heritage Act to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites. Tenement holders customarily consult with Aboriginal traditional owners of the tenement land and undertake Aboriginal heritage surveys to ascertain whether any aboriginal sites exist and to avoid inadvertent disruption of these sites.

The consent of the Minister for Aboriginal Affairs (WA) is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site. This requires submissions from the tenement holder to the DPLH on the proposed activities, the possible impact on the Aboriginal sites, any negotiations conducted with Aboriginal traditional owners of the lands and any measures that will be taken to minimise the interference.

5.3 Queensland legislation

The *Aboriginal Cultural Heritage Act 2003* (Qld) (**ACHA**) recognises, protects, and conserves Aboriginal cultural heritage. In part, it achieves this protection by providing that any person who undertakes an activity has a 'Duty of Care' to take all reasonable and practicable measures to ensure that the activity does not harm Aboriginal cultural heritage.

Under the ACHA, the 'Duty of Care' can be discharged in a number of ways, including:

- (a) at a minimum, adhering to the Duty of Care Guidelines (which form part of the ACHA);
- (b) entering into a voluntary cultural heritage management agreement with an 'Aboriginal Party' for the given area pursuant to section 23(3)(a)(iii) of the ACHA; or
- (c) entering into a cultural heritage management plan under Part 7 of the ACHA.

Penalties apply for failing to comply with the 'Duty of Care' of up to \$133,450 for an individual and \$1,334,500 for a corporation.

5.4 Application to WA Tenements

No Aboriginal sites were identified from the Heritage Searches. However, as there is no obligation under the relevant legislation to register sites or objects, the exact location of Aboriginal sites within the area of a known site cannot be ascertained from these searches.

It is important to note that an Aboriginal site may:

- (a) exist in any area of Western Australia;
- (b) not have been recorded in the Register of Aboriginal Sites or elsewhere; and
- (c) not have been identified in previous heritage surveys or reports on that area,

but remains fully protected under the *Aboriginal Heritage Act 1972* (WA). Therefore, the absence of any reference to an Aboriginal site of interest from the Aboriginal Heritage Inquiry System is not conclusive.

We have not obtained information from the Commonwealth in connection with any places, areas and objects, which are registered or recognised in the National Heritage List, the Commonwealth Heritage List or other heritage lists or registers maintained by the Commonwealth.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

5.5 Application to ML 2771

Search results obtained from DATSIP indicate that the Aboriginal Party for ML 2771 are the Kalkadoon People (NNTT number: QCD2011/007).

DATSIP maintains a register of recorded Aboriginal cultural heritage sites. Our tenement search obtained on 22 June 2021 indicate that there are no specific Aboriginal cultural heritage sites recorded on ML 2771, notwithstanding the matters referred to in section 5.5.

We confirm the DATSIP tenement search indicates there are also no cultural heritage bodies, cultural heritage management plans, Designated Landscape Areas nor Registered Cultural Heritage Study Areas recorded against ML 2771.

5.6 Heritage Agreements

(a) Western Australia

We are advised that Metals Exploration (Australia) Pty Ltd has entered into a preferred heritage agreement (**AHA**) with the Yamatji Marlpa Aboriginal Corporation (**YMAC**) in respect of E 09/2441 and E 09/2442, the terms of which are typical for an agreement of this nature.

Under the AHA, the Tenement holder is required to issue a notice in writing to YMAC (**Heritage Notice**) before undertaking physical works or operations on the respective Tenement. The Heritage Notice must contain adequate information to assist YMAC to make an assessment as to whether a survey is required in relation to a proposed activity, and if a survey is required, to provide information relevant to the conduct of that survey.

If a survey is required, the results of any such survey may restrict the ability of the Tenement holder to conduct activities on part of the land the subject of the respective Tenement. Provided the Tenement holder complies with any recommendations in a survey report, it can rely on the report to demonstrate compliance with the WA Heritage Act.

Under the AHA, the Tenement holder must provide 30 business days' notice to YMAC and consult with YMAC before applying for any section 18 clearances under the WA Heritage Act.

We are not aware of any other Aboriginal heritage agreements that have been entered into in respect of the WA Tenements.

(b) **Queensland**

We are advised that Mining International Pty Ltd has entered into a cultural heritage management agreement (**CHMA**) with the Kalkadoon Native Title Aboriginal Corporation (**KNATC**) in respect of ML 2771, the terms of which are typical for an agreement of this nature. Under the CHMA, the proponent (Mining International) must not carry out any mining activities unless it meets its obligations under the CHMA, and where required, such activities are cleared under a Cultural Heritage Survey.

Prior commencing any mining activities the parties must conduct sufficient desktop studies to determine whether a Cultural Heritage Survey is required. Where such survey is required, its recommendations must be considered by the proponent when conducting mining activities on ML 2771.

The CHMA contains standard Aboriginal compensation obligations, including a royalty payable to the KNATC of 0.5% of the net sale return of all copper mined from ML 2771 (up to a maximum of \$50,000 per annum).

We are not aware of any other Aboriginal heritage agreements that have been entered into in respect of ML 2771.

6. NATIVE TITLE

6.1 General

The law of Australia recognises the existence of native title rights held by indigenous Australians over their traditional lands. Native title exists where an indigenous group has maintained a continuous traditional connection with the land, and those rights have not been extinguished.

The *Native Title Act 1993* (Cth) (**NT Act**) recognises the traditional rights and interests of Aboriginal and Torres Strait Islander peoples in Australia.

Native title may be extinguished:

- (a) in whole by the grant of an interest in land conferring "exclusive possession" such as a freehold interest in the land; or
- (b) in part by the grant of an interest conferring "non-exclusive possession" including the grant of pastoral leases and mining leases, or the creation of certain reserves. In this case, the native title will co-exist with the other rights to the land.

The NT Act provides:

- (a) for the determination of Native Title rights and interests;
- (b) for the extinguishment of Native Title by certain acts;
- (c) for the validation of certain acts which would otherwise be invalid because of their effect on Native Title;
- (d) that acts that may affect Native Title rights (such as the grant of a mining tenement) carried out after 23 December 1996 must comply with certain requirements of the NT Act to be valid (**Future Act Requirements**); and

- (e) compensation for extinguishment or impairment of Native Title rights and interests.

Native Title processes will not be required where Native Title has been 'extinguished' over the land the subject of the tenement (for example, by an earlier vesting of freehold in the land).

If Native Title has not been extinguished, the proposed grant of a tenement will trigger the need for compliance with the Future Act Requirements.

Public searches confirm that ML 2771 was granted before the introduction of the NT Act. As such, that tenement has been granted without any specific native title conditions.

6.2 Native title claim process

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The application is then referred to the NNTT to assess whether the claim meets the registration requirements in the NTA, and if so, the native title claim will be entered on the register of native title claims (**RNTC**) maintained by the NNTT.

Native title claimants have certain procedural rights, including the rights to negotiation and compensation, in relation to the grant of mining tenements if their native title claim is registered at the time the State issues a notice of the proposed grant of the mining tenement (**Section 29 Notice**), or if their claim becomes registered within four months after the Section 29 Notice.

Once a claim is registered, a claimant must prove its claim in the Federal Court in order to have native title determined and the claim entered on the National Native Title Register (**NNTR**).

6.3 Grant of tenements and compliance with the NTA

The grant of any mining tenement after 23 December 1996 must comply with the applicable NTA procedures in order to be valid. The exception to this is where native title has never existed over the land covered by the tenement, or has been extinguished prior to the grant of the tenement.

The absence of a claim does not necessarily indicate that there is no native title over an area, as native title claims could be made in the future.

Unless it is clear that native title does not exist (such as where the land the subject of a tenement application is freehold land), the usual practice of the applicable state government is to comply with the NTA when granting a tenement. This ensures the grant will be valid if a court subsequently determines that native title rights exist over the land subject to the tenement.

The procedural requirements in the NTA relating to the grant of a mining tenement (referred to as the "**Future Act**" procedures) include four alternatives:

1. the right to negotiate, which is the primary Future Act procedure prescribed by the NTA;
2. the expedited procedure, which may be used in relation to the grant of exploration and prospecting licences;
3. an indigenous land use agreement; and

4. the infrastructure process.

Future Act procedures are provided below.

6.4 Right to negotiate

The primary Future Act procedure prescribed by the NTA is the “right to negotiate”.

The right to negotiate involves a negotiation between the registered native title claimants, the tenement applicant and the State government, the aim of which is to agree the terms on which the tenement may be granted.

The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the native title claimants. The parties may also agree on conditions that will apply to activities carried out on the tenement.

The initial negotiation period is six months from the date on which the State issues a Section 29 Notice.

If the parties cannot reach an agreement within the initial six month period, any party may refer the matter to arbitration before the NNTT, which then has six (6) months to determine whether the tenement can be granted and if so, on what conditions.

6.5 Expedited procedure

Where the grant of a tenement is unlikely to directly interfere with community or social activities or areas or sites of particular significance, or involve major disturbance to land or waters, the NTA permits the State to follow an expedited procedure for the grant of a tenement.

The State applies the expedited procedure to the grant of exploration and prospecting tenements.

Registered native title parties can lodge an objection to the use of the expedited procedure within the period of four months following the issue of the Section 29 Notice by the State (**Objection Period**).

If no objections are lodged or if the objections are withdrawn, the State may grant the tenement at the expiry of the Objection Period without undertaking a negotiation process.

If an objection is lodged, the NNTT must determine whether the grant of the tenement is an act attracting the Expedited Procedure. If the NNTT determines the expedited procedure does not apply, the parties must follow the right to negotiate procedure or enter into an indigenous land use agreement.

6.6 Indigenous land use agreements

The right to negotiate and expedited procedures do not have to be followed if an indigenous land use agreement (**ILUA**) has been registered with the NNTT.

An ILUA is a voluntary contractual arrangement negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which the relevant mining tenement may be granted. An ILUA will also specify conditions on which activities may be carried out

within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

6.7 Infrastructure process

The right to negotiate and expedited procedures also do not apply for grants of tenements for the sole purpose of the construction of an infrastructure facility.

In Western Australia, the DMIRS applies the infrastructure process to most miscellaneous licences and general purpose leases, depending on their purpose. For these types of tenements, an alternative consultation process applies, and in the absence of an agreement between the native title claimants and the applicant, the matter can be referred to an independent person for determination.

6.8 Renewals

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act provisions in order to be valid under the NTA, except where:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the earlier mining tenement; and
- (c) the rights to be created are not greater than the rights conferred by the earlier mining tenement.

Assuming that any future renewal application for ML 2771 complies with these three stipulations, we conclude that ML 2771 can be renewed without invoking Native Title issues.

6.9 Native title claims and determinations affecting the Tenements

Our searches indicate that the Tenements overlap the following native title determinations:

- (a) **Malgana Native Title Determination**
 - (i) E 09/2441 and E 09/2442 are within the external boundaries of the Malgana Native Title Determination (WCD2018/012; WAD6236/1998).
 - (ii) The Malgana Native Title Determination was determined by the Federal Court on 4 December 2018.
 - (iii) We have not identified anything in our enquiries to indicate that the granted Tenements which are subject to the Malgana Native Title Determination were not validly granted in accordance with the NTA.
 - (iv) E 09/2441 and E 09/2442 contain a condition to the effect that, if the registered native title body in respect of the Malgana Native Title Determination, being the Malgana Aboriginal Corporation RNTBC

(**Native Title Party**), appropriately request in writing, the licensee must execute in favour of the Native Title Party any Regional Standard Heritage Agreement nominated by the Native Title Party. Refer to Schedule 1 of this Report for further details of the condition.

- (v) The native title rights under the Malgana Native Title Determination include the right to possess, occupy, use and enjoy the area to the exclusion of others with the exception to flowing and underground water.

(b) **Kalkadoon People Native Title Determination**

- (i) Queensland ML 2771 is within the external boundaries of the Kalkadoon People Native Title Determination (QCD2011/007; QUD579/2005).
- (ii) The Kalkadoon People Native Title Determination was determined by the Federal Court on 12 June 2012.
- (iii) Notwithstanding the fact that ML 2771 is within the external boundaries of the Kalkadoon People Native Title Determination, as it was granted prior to the enactment of the NT Act, ML 2771 has been granted without any specific Native Title conditions.

6.10 Indigenous land use agreements affecting the Tenements

Our searches indicate that all of the Tenements are within the area of the registered ILUA's as specified below and as further set out in Schedule 1 of this Report.

- (a) E 09/2441 and E 09/2442 are subject to the Malgana Talisker Pastoral Lease Agreement ILUA;
- (b) E 09/2441 is subject to the Malgana Woodleigh Carbla Pastoral Lease Agreement ILUA; and
- (c) ML 2771 is subject to the following registered ILUA's:
 - (i) Kerg ILUA;
 - (ii) Kalkadoon / MIM ILUA; and
 - (iii) Kalkadoon People/Xtrata ILUA.

As noted previously, ML 2771 was granted prior to the enactment of the NT Act. We have not carried out any independent verification with respect to the impact to the Company's operations on that tenement of the above ILUA's.

7. ENVIRONMENTAL ISSUES — FEDERAL

7.1 National environmental significance

Commonwealth government approval under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**) will be required where proposed activities constitute a 'controlled action'. This turns on whether or not the activities are likely to have a significant impact on matters of national environmental significance (**MNES**).

Online searches indicate that some MNES may exist in the general area of the ML 2771, however we are not aware of any material MNES with respect to ML 2771.

The following MNES have been noted:

- (a) Threatened wildlife species records;
- (b) Migratory wildlife species records;
- (c) Marine Species records; and
- (d) Invasive species records.

We have not been provided with any environmental reports, impact assessments, or ecology reports regarding the potential impact of activities under the Tenements on MNES. To our knowledge, there has been no assessment as to whether development within the area of the Tenements may trigger the need for EPBC Act approval.

8. ENVIRONMENTAL ISSUES — STATE OF QUEENSLAND

8.1 Legislative regime

Applications for all mining tenements in Queensland trigger environmental approval processes administered by the DES under the EP Act.

Resource activities are classified as environmentally relevant activities (**ERA**) under the EP Act, for which an environmental authority (**EA**) must be obtained.

8.2 Environmental Approvals for the Tenements

The DES's public EA register indicated that Environmental Authority Permit Number EVPL03371115 applies with respect to ML 2771 and is held by the Company's wholly owned subsidiary Mining International Pty Ltd.

Each EA is subject to the standard conditions set out in the *Code of Environmental Compliance for Exploration and Mineral Development Projects* (**Code**). These conditions must be complied with in carrying out activities on ML 2771.

8.3 Compliance

Compliance issues relevant to the EAs may relate to:

- (a) transitional environmental programs;
- (b) environmental protection orders;
- (c) environmental evaluations;
- (d) environmental audits under sections 280 or 322 of the EP Act; or
- (e) environmental investigations or reports.

We have not undertaken any investigations in respect of compliance with the EAs.

8.4 Registered suitable operator

A registered suitable operator is a person or corporation who has been registered by the DES as being suitable to carry out an ERA under the EP Act.

Mining International Pty Ltd is registered as a suitable operator under the EP Act.

8.5 Financial assurance

The Code requires that surety for the cost of rehabilitation must be provided to the DES. The DES provides an online calculator which can be used to determine the required amount of surety based on the maximum area of disturbance operations.

The amount surety held can be reviewed by the DES at any time, including when the EA is amended.

The amount of surety provided by the Company whether in relation to ML 2771 or any other tenement(s) is not publicly available. We have not undertaken any investigations in relation to the provision of financial assurance for the Tenements.

8.6 Environmentally Sensitive Areas

Searches indicated the presence of a 'environmentally sensitive area' (**ESA**) within ML 2771, being a "Category C" Nature Refuge. ML 2771 is 100% encroached by this ESA, which is known as the Ballara Nature Refuge.

The conditions of the EAs will dictate any restrictions on activities in these areas. For example, under the Code:

- (a) activities must not be carried out in a Category A or B ESA;
- (b) activities involving machinery must not be carried out within one kilometre of a Category A ESA or 500 metres of a Category B ESA; and
- (c) prior to carrying out activities in a Category C ESA, the holder must consult with the Environmental Protection Agency.

Unless the EAs are amended, carrying out activities in contravention of the above limitations (and all other limitations set out in the Code) is an offence under the EP Act.

8.7 Land access

Under the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCPC Act**), in order to access private land to explore under a tenement, the holder is required to provide a notice of intention to enter the land (**Entry Notice**) and, depending on the level of impact of the exploration activity, enter into a conduct and compensation agreement (**CCA**) with each owner and occupier of the land.

The Land Access Code, made under the MERCPC Act, also imposes certain mandatory conditions concerning the conduct of authorised activities under tenements on private land.

The requirement to enter into a CCA relates to any activities which are likely to have more than a minimal impact on the land or the owner or occupier's business operations. These are known as advanced activities. Most ground-disturbing works will fall into this category, including clearing access tracks or drill pads, drilling and geotechnical surveys.

If the activities will involve no or minimal impact to the land or the owner or occupier's business, the tenement holder is still required to provide an Entry Notice to the owner and occupier unless the owner and occupier have otherwise agreed to waive that requirement.

If a CCA cannot be reached with the owner and occupier, there is a statutory negotiation process set out in the MR Act with ultimate recourse to the Land Court in the event that agreement cannot be reached.

We have not been provided with any CCAs or Entry Notices that apply to the Tenements. If applicable, the holder of the Tenements will need to comply with the requirements of the Land Access Code, MR Act, and MERC Act prior to carrying out activities on ML 2771.

9. CROWN RESERVES – WESTERN AUSTRALIA

As set out in Schedule 1 of this Report, the Tenements overlap Crown land as set out in the table below.

Tenement	Crown reserve	Class	% overlap
E 09/2442	R 41362 "C" Class Reserve (Natural Gas Pipeline Purposes)	C	<0.01%
	R 41363 "C" Class Reserve (Natural Gas Pipeline Purposes)	C	<0.01%
	R 41364 "C" Class Reserve (Natural Gas Pipeline Purposes)	C	0.08%
	R 43212 "C" Class Reserve (Natural Gas Pipeline Purposes)	C	0.02%
	R 43213 "C" Class Reserve (Natural Gas Pipeline Purposes)	C	<0.01%

Under section 41 of the *Land Administration Act 1997* (WA) (**LAA**) the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (**CLT**) and is depicted on an authenticated map held by Landgate.

The *Land Act 1933* (WA) provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves.

Upon the *Land Act 1933* (WA) being repealed, all Class C reserves became reserved land under the LAA. Schedule 3 of the *Land Administration Amendment Act 2000* (WA), at section 3(5), provides that any land which was classified as a Class C reserve, upon the day the LAA came into operation, is to be treated as a reserve within the meaning of the LAA. Tenement holders are limited as to what activities may be undertaken on reserved land, requiring the written consent of the Minister for Mines and Petroleum.

Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue but are no longer created under the

LAA. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.

Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management.

10. PASTORAL LEASES

As set out in Schedule 1 to this Report to this Report E 09/2441 and E 09/2442 overlap with pastoral leases as follows:

(a) **Talisker**

- (i) E 09/2441: PL N049949 (84.85%) (84.85%)
- (ii) E 09/2442: PL N049949 (1721.4283HA) (5.76%)

(b) **Yalardy**

- (i) E 09/2441: PL N050186 (20.7118HA) (0.03%)
- (ii) E 09/2442: PL N050186 (21813.0595HA) (73.04%)

(c) **Woodleigh**

- (i) E 09/2441: PL N050531 (9284.2328HA) (15.11%)

(d) **Gilroyd Aboriginal Corporation**

- (i) E 09/2442: PL N049693 (6302.0583HA) (21.1%)

The Mining Act:

- (a) prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (i.e. the pastoral lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

Upon commencing mining operations on any of the Tenements, the Company should consider entering into a compensation and access agreement with the pastoral lease

holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court may determine compensation payable.

The DMIRS imposes standard conditions on mining tenements that overlay pastoral leases. Other than as detailed in this clause 10, the Tenements incorporate the standard conditions.

11. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) references in Schedule 1 and Schedule 2 of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (i) the information in Schedule 1 and Schedule 2 of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (j) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;

- (k) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;
- (l) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (m) Aboriginal heritage sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act other than the Heritage Searches. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

12. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



STEINEPREIS PAGANIN

SCHEDULE 1 – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER	SHARES HELD	GRANT DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
WESTERN AUSTRALIA										
E 09/2441	Metals Exploration (Australia) Pty Ltd	100/100	17.05.2021	16.05.2026	200 BL	\$28,200.00	Current Tenement Yr to 16.05.2022 - Yr 1 - \$200,000.00 Commitment.	None.	Endors: 1 - 10. Conds: 1.	No Registered Aboriginal Sites in Mining Tenement – E 09/2441. Native Title Claim WAD6236/1998; WCD2018/012. Native title exists in parts of the determination area. Determined (4.12.2018).
E 09/2442	Metals Exploration (Australia) Pty Ltd	100/100	17.05.2021	16.05.2026	97 BL	\$13,677.00	Current Tenement Yr to 16.05.2022 – Yr 1 - \$97,000.00 Commitment.	None.	Endors: 1 – 11. Conds: 1 – 11.	No Registered Aboriginal Sites in Mining Tenement – E 09/2442. Native Title Claim WAD6236/1998; WCD2018/012. Native title exists in parts of the determination area. Determined (4.12.2018).
QUEENSLAND										
ML 2771	Mining International Pty Ltd	100/100	17.08.1989, renewed 14.04.13	31.08.2031	9.0930 HA	\$637.00	N/A	None.	N/A	No Aboriginal cultural heritage sites recorded on ML 2771. No cultural heritage bodies, cultural heritage

TENEMENT	REGISTERED HOLDER	SHARES HELD	GRANT DATE	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
										management plans, Designated Landscape Areas nor Registered Cultural Heritage Study Areas recorded against ML 2771. ML 2771 granted prior to the enactment of the NT Act.

Key to Tenement Schedule

E – Exploration Licence

ML – Mining Lease

Please refer to Schedule 2 of this Report for further details on native title and Aboriginal heritage matters.

Notes:

Non-standard Tenement conditions and endorsements

ENDORSEMENTS	
1.	The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2.	The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3.	The Licensee's attention is drawn to the provisions of section 55 of the Land Administration Act 1997.
4.	In respect to Water Resource Management Areas (WRMA) the following endorsements apply: The Licensee's attention is drawn to the provisions of the: - Waterways Conservation Act, 1976 - Rights in Water and Irrigation Act, 1914 - Metropolitan Water Supply, Sewerage and Drainage Act, 1909

	- Country Areas Water Supply Act, 1947 - Water Agencies (Powers) Act 1984
5.	The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water and Environmental Regulation (DWER) for inspection and investigation purposes.
6.	The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the Department of Water and Environmental Regulation (DWER) relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.
7.	The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by Department of Water and Environmental Regulation (DWER).
8.	Measures such as drainage controls and stormwater retention facilities are to be implemented to minimise erosion and sedimentation of adjacent areas, receiving catchments and waterways.
9.	All activities to be undertaken so as to avoid or minimise damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation.
10.	In respect to Proclaimed Ground Water Areas (Gascoyne) the following endorsement applies: The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the Department of Water and Environmental Regulation (DWER), unless an exemption otherwise applies.
11.	In respect to FNA 13597 (Dampier to Bunbury Natural Gas Pipeline Corridor) the following endorsement applies: The Licensee attention is drawn to the following: - The subject Licence encroaches onto the Dampier to Bunbury Natural Gas Pipeline (DBNGP) corridor established under the Dampier to Bunbury Pipeline Act 1997 and restrictions apply to that area of land. - Pursuant to section 41(2) of the Dampier to Bunbury Pipeline Act 1997, written approval may be required from the DBNGP Land Access Minister for any works or access sought over the DBNGP corridor. - Prior to any activity within the DBNGP corridor, an application for section 41(2) approval under the Dampier to Bunbury Pipeline Act 1997 should be lodged with the Department of Planning, Lands and Heritage for assessment and if approved, may be subject to conditions imposed by or on behalf of the DBNGP Land Access Minister.

CONDITIONS

1.	In respect of the area covered by the licence the licensee, if so requested in writing by the Malgana Aboriginal Corporation RNTBC the registered native title body corporate in respect of the Malgana Part A WAD6236/1998 determination areas (the "native title party"), such request being sent by pre-paid post to reach the licensee's or agent's address not more than ninety days after the grant of this licence, shall within thirty days of the request execute in favour of the native title party any Regional Standard Heritage Agreement ("RSHA") nominated by the native title party, the RSHA being any of the agreements described as the Yamatji Marpa Aboriginal Corporation (Geraldton and Pilbara) Agreement, the Goldfields Land and Sea Council Agreement, and the South West Land and Sea Council Agreement on the website of the Department administering the Mining Act 1978 (WA) under the heading "Regional Standard Heritage Agreement."
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2.	No interference with Geodetic Survey Station YARINGA 17, YARINGA 18, YARINGA 19, YARINGA 19A, YARINGA 20, YARINGA 5, and YARINGA 6 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
3.	No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
4.	Mining within a radius of 150 metres of any Australian Telecommunications Commission microwave repeater station being confined to below a depth of 60 metres from the natural surface.
5.	No interference with the Australian Telecommunications Commission microwave repeater station ray-line.
6.	No mining within 25 metres of either side of the petroleum pipeline licence area of PL40 and to a depth of 50 metres being the Consultation Area as shown in TENGRAPH, without the mining tenement holder and the petroleum pipeline licensee consulting with each other and reaching agreement on access and mining activities to be undertaken within the Consultation Area.
7.	No surface excavation approaching closer to the boundary of the Consultation Area than a distance equal to three times the depth of the excavation without the mining tenement holder and the petroleum pipeline licensee reaching agreement as to a lesser distance.
8.	No explosives being used or stored within 150 metres of the petroleum licence area without the mining tenement holder and the petroleum pipeline licensee reaching agreement as to a lesser distance.
9.	The rights of ingress to and egress from the petroleum pipeline licence area being at all times preserved for the employees, contractors and agents of the owners and operators of the pipeline.
10.	Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purposes of protecting the pipeline and any existing condition imposed for this purpose may be cancelled or varied.
11.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Natural Gas Pipeline Purposes Reserve 41362, Natural Gas Pipeline Purposes Reserve 41363, Natural Gas Pipeline Purposes Reserve 41364, Natural Gas Pipeline Purposes Reserve 43212 and Natural Gas Pipeline Purposes Reserve 43213.

Tengraph interests

	Land Type	Description
1.	Pastoral Lease (C)	A lease of Crown land has been granted under section 114 of the Land Act 1933 (WA), which provides that any Crown land within the State which is not withdrawn from the selection for pastoral purposes, and which is not required to be reserved, may be leased for pastoral purposes. Refer to Section 10 of this Report for further information with respect to pastoral leases. Tenement E 09-2441 overlaps the following Pastoral Leases: - PL N049949 (TALISKER) (84.85%). - PL N050186 (YALARDY) (0.03%). - PL N050531 (WOODLEIGH) (15.11%). Tenement E 09-2442 overlaps the following Pastoral Leases: - PL N049693 (GILROYD – Aboriginal Corporation) (21.1%). - PL N049949 (TALISKER) (5.76%). - PL N050186 (YALARDY) (73.04%).
2.	Ground Water Area	Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems. GWAs are proclaimed under the Rights in Water and Irrigation Act, 1914. There are 45 proclaimed GWAs in Western Australia where licences are required to construct or alter a well and to take groundwater. The Department of Water and Environmental Regulation is responsible for managing proclaimed areas under the Act. The following tenements overlap with Ground Water Area GWA 17 (GASCOYNE): - Tenement E 09-2441 overlaps GWA 17 (GASCOYNE) (100%). - Tenement E 09-2442 overlaps GWA 17 (GASCOYNE) (100%).
3.	File Notation Area	FNAs are an indication of areas where Government has proposed some change of land tenure that is being considered or endorsed by DMIRS for possible implementation; and/or areas of some sensitivity to activities by the mineral resource industry that warrants the application of specific tenement conditions. Many of the FNA's involve Section 16(3) clearances under the Mining Act 1978. Tenement E 09-2441 overlaps the following File Notation Area: - FNA 15152 (Malgana 2 & 3 PBC Aboriginal Corporation RNTBC, WCD2019/014) (100%). Tenement E 09-2442 overlaps the following File Notation Areas: - FNA 13597 (DBNGP CORRIDOR) (0.81%). - FNA 15152 (Malgana 2 & 3 PBC Aboriginal Corporation RNTBC, WCD2019/014) (99.7%).
4.	"C" Class Reserves	Tenement E 09-2442 overlaps the following "C" Class Reserves: R 41362 (NATURAL GAS PIPELINE PURPOSES) (<0.01%).

	Land Type	Description
		• R 41363 (NATURAL GAS PIPELINE PURPOSES) (<0.01%). • R 41364 (NATURAL GAS PIPELINE PURPOSES) (0.08%). • R 43212 (NATURAL GAS PIPELINE PURPOSES) (0.02%). • R 43213 (NATURAL GAS PIPELINE PURPOSES) (<0.01%).
5.	Aboriginal Heritage Survey Areas	Tenement E 09-2442 overlaps the following Aboriginal Heritage Survey Areas: • HSA 102616 1 (0.68%). • HSA 103187 1 (0.68%). • HSA 103275 1 (0.2%). • HSA 105242 1 (0.68%). • HSA 17059 1 (0.07%). • HSA 19019 1 (0.68%). • HSA 19023 1 (0.68%).
6.	Petroleum / Geothermal titles	Tenement E 09-2442 overlaps Petroleum Licence PL 40 (PPPA69 Pipeline Licence) (0.3%).

SCHEDULE 2 – NATIVE TITLE CLAIMS

TENEMENT	TRIBUNAL NUMBER	FEDERAL COURT NUMBER	NAME	REGISTERED	IN MEDIATION	STATUS
E 09/2441	WCD2018/012	WAD6236/1998	Malgana People	Yes	No	Determined (4.12.2018).
E 09/2442						
ML 2771 (not subject to native title)	QCD2011/007	QUD579/2005	Kalkadoon People	Yes	No	Determined 12.12.11

NATIVE TITLE DETERMINATIONS

The land under E 09/2441 and E 09/2442 are subject to Native Title Determination WAD6236/1998 (*Oxenham on behalf of the Malgana People v State of Western Australia*) that native title exists in relation to parts of the land the subject of those Tenements.

The land under ML 2771 is overlapped by Native Title Determination QUD579/2005 (*Doyle on behalf of the Kalkadoon People #4 v State of Queensland (No 3)*) that native title exists in relation to parts of the land the subject of ML 2771. However, as ML 2771 granted prior to the enactment of the NT Act, that tenement has been granted without any specific native title conditions.

ILUAs

The land under Tenements E 09/2441 and E 09/2442 are subject to ILUA's.

Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable.

Our searches contained the following information concerning the ILUA's that relate to land under all or some of the Tenements:

TENEMENT	TRIBUNAL NUMBER	NAME	CATEGORY	ENCROACHMENT
E 09/2441	WI2020/015	Malgana Talisker Pastoral Lease Agreement	ILUA Areas	84.85%
E 09/2442				5.76%
E 09/2441	WI2020/018	Malgana Woodleigh Carbla Pastoral Lease Agreement	ILUA Areas	15.11%

HERITAGE & COMPENSATION AGREEMENTS

Refer to Section 5.6.

ABORIGINAL HERITAGE SITES – WESTERN AUSTRALIA

None registered.

ANNEXURE C – INDEPENDENT LIMITED ASSURANCE REPORT

13 July 2021

The Directors
Cyclone Metals Limited
32 Harrogate Street
West Leederville WA 6007

Dear Directors

Independent Limited Assurance Report

1 Introduction

- 1.1 Stantons Corporate Finance Pty Ltd ("**Stantons**") was engaged by Cyclone Metals Limited ("**Cyclone**") to prepare this Independent Limited Assurance Report ("**Report**") in relation to certain financial information relating to the Company and its subsidiaries (the "**Group**"). The Report will be included in a Prospectus expected to be distributed in or around July 2021 ("**Prospectus**").
- 1.2 Cyclone is an Australian mineral exploration, development and investment company with interests in cobalt, lithium, iron ore, uranium, copper and base metal assets in Australia, Europe, Africa and South America.
- 1.3 Cyclone's shares were suspended from quotation on the Australian Securities Exchange ("**ASX**") on 16 October 2020 as the ASX determined that the Company's operations were not adequate to warrant the continued quotation of securities and compliance with ASX Listing Rule 12.1.
- 1.4 One of the conditions imposed by the ASX for the reinstatement of Cyclone's shares to official quotation is for the Company to release a full form Prospectus.
- 1.5 This Report has been prepared for inclusion in the Prospectus. We disclaim any assumptions of responsibility for any reliance on this Report or on the historical financial information and pro forma historical financial information ("**Financial Information**") to which it relates for any purpose other than for which it was prepared.
- 1.6 Stantons holds an Australian Financial Services Licence (AFS Licence Number 448697), and our Financial Services Guide ("**FSG**") has been included in this Report in the event that you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations and relationships.

2 Scope

- 2.1 Cyclone have requested Stantons perform a limited assurance engagement in relation to the Financial Information described below and disclosed in the Appendices to this Report.
- 2.2 The Financial Information is presented in the Appendices to this Report in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.
- 2.3 Stantons has not been requested to consider the prospects of Cyclone, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder in Cyclone and accordingly, has not done so nor purports to do so.

Historical Financial Information

- 2.4 Stantons were requested to review the following historical financial information (the “**Historical Financial Information**”) of Cyclone:
- the historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the financial years ended 30 June 2019 and 30 June 2020 (audited) and for the half year ended 31 December 2020 (reviewed); and
 - the consolidated historical Statements of Financial Position as at 30 June 2019 and 30 June 2020 (audited) and 31 December 2020 (reviewed).
- 2.5 The Historical Financial Information was prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies. The Historical Financial Information was extracted from the financial reports of Cyclone for the financial years ended 30 June 2019 and 30 June 2020, which were audited in accordance with Australian Auditing Standards, and the interim report for the half year ended 31 December 2020.
- 2.6 The financial reports of Cyclone contained an unmodified audit opinion for the financial years ended 30 June 2019 and 30 June 2020. The audit opinion contained an emphasis of matter regarding material uncertainty relating to going concern, on the basis that the ability of the Company to continue to fund its planned expanded activities is dependent on raising further capital, generating additional revenues, continued support from creditors and related parties, successful extension or renegotiation of borrowing facilities and reduced operational costs. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its assets other than in the ordinary course of business.

Pro Forma Historical Financial Information

- 2.7 Stantons were requested to review the following pro forma historical financial information (the “**Pro Forma Financial Information**”) of Cyclone:
- the pro forma historical Statement of Financial Position as at 31 December 2020 adjusted for subsequent events to 31 May 2021.
- 2.8 The Pro Forma Financial Information was derived from the Historical Financial Information of Cyclone, after adjusting for the effects of the pro forma adjustments described in Appendix 5 to this Report. The Pro Forma Financial Information has been subject to review in accordance with the Standard on Assurance Engagements ASAE 3450 “*Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*” and the Auditing Standard on Review Engagements ASRE 2405 “*Review of Historical Financial Information Other than a Financial Report*”.
- 2.9 The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Appendix 5 to this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Financial Information does not represent the Company’s actual or prospective financial position.
- 2.10 The Pro Forma Financial Information is presented to illustrate the impact of the events or transactions described in Appendix 5 to this Report on Cyclone’s financial position as at 31 December 2020. As part of this process, information about Cyclone’s financial position has been extracted from the financial statements for the half year ended 31 December 2020.
- 2.11 The Historical Financial Information and the Pro Forma Financial Information are presented on a consolidated basis.

3 Directors’ Responsibility

- 3.1 The directors of Cyclone are responsible for the preparation of the Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable

the preparation of Financial Information to be free from material misstatement, whether due to fraud or error.

4 Our Responsibility

- 4.1 Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Financial Information. We conducted our engagement in accordance with the Auditing Standard on Review Engagements ASRE 2405 *“Review of Historical Financial Information Other than a Financial Report”* and the Standard on Assurance Engagements ASAE 3450 *“Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information”*.
- 4.2 Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.
- 4.3 Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5 Conclusion

Historical Financial Information

- 5.1 Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of Cyclone, comprising:
- the Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flow for the years ended 30 June 2019 and 30 June 2020, and the half year ended 31 December 2020; and
 - the Statements of Financial Position as at 30 June 2019, 30 June 2020 and 31 December 2020;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation.

- 5.2 To the best of our knowledge and belief, there have been no other material items, transactions or events involving Cyclone subsequent to 31 December 2020 that have come to our attention during the course of our review which would cause the Historical Financial Information presented in the Appendices to this Report to be misleading.

Pro Forma Financial information

- 5.3 Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information, comprising:

- the pro forma historical Statement of Financial Position of Cyclone as at 31 December 2020, adjusted for subsequent events to 31 May 2021;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation.

- 5.4 To the best of our knowledge and belief, there have been no other material items, transactions or events involving Cyclone subsequent to 31 December 2020, besides those disclosed in Appendix 5 to this Report, that have come to our attention during the course of our review which would cause the Pro Forma Financial Information presented in the Appendices to this report to be misleading.

Independence

- 5.5 At the date of this Report, Stantons does not have any interest in Cyclone either directly or indirectly other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

Disclosures

- 5.6 This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not consider the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.
- 5.7 Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the Historical Financial Information and Pro Forma Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information and Pro Forma Financial Information may not be suitable for use for another purpose.
- 5.8 Stantons consents to the inclusion of this Report (including Appendices 1 to 5) in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, Stantons has not authorised the issue of the Prospectus. Accordingly, Stantons makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

STANTONS CORPORATE FINANCE PTY LTD



Samir Tirodkar
West Perth
13 July 2021

APPENDIX 1 – CYCLONE HISTORICAL STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed 6 months to 31 December 2020 (\$)	Audited 12 months to 30 June 2020 (\$)	Audited 12 months to 30 June 2019 (\$)
Revenue	2,971	324,910	278,746
Other income	46,695	2,522,638	79,316
Gain/(loss) on extinguishment of liability	(6,743,087)	787,568	-
Share based payments expense	(169,664)	(5,178)	(3,005)
Director remuneration and employee benefits expenses	(279,236)	(640,016)	(827,806)
Consulting and professional services expenses	(318,744)	(494,938)	(969,026)
Occupancy expenses	(26,238)	(507,032)	(639,961)
Compliance and regulatory expenses	(88,656)	(139,342)	(141,087)
Travel and accommodation	(35,102)	(30,319)	(82,145)
Depreciation and amortisation expense	(3,574)	(16,242)	(29,430)
Gain/(loss) on fair value of financial assets through profit or loss	1,274,171	(112,376)	(721,956)
Exploration and evaluation (expenditure)/reversal	(124,384)	(334,648)	2,647,350
Other expenses	(404,141)	(199,053)	(359,169)
Finance expenses	(337,082)	(1,673,840)	(132,949)
Reversal of/(impairment) of investment in associate	-	(2,991,912)	(718,723)
(Impairment)/reversal of investments in joint venture	-	57,489	(3,383,317)
Share of net profits/(losses) of associates accounted for using the equity method	(362,146)	1,430,813	(919,462)
Net gain on dilution of interest in associates	202,625	483,806	565,270
Gain/(loss) on transfer from the associated account to fair value through P&L	64,426	-	-
(Impairment)/reversal of impairment of receivable	-	3,190	(42,942)
Impairment of investment	-	-	(52,565)
Share of net losses of joint venture accounted for using the equity method	-	-	(1,006,302)
Profit/(loss) before income tax	(7,301,166)	(1,534,482)	(6,459,163)
Income tax expense/(benefit)	-	-	-
Profit/(loss) after income tax	(7,301,166)	(1,534,482)	(6,459,163)
Other comprehensive income/(expenditure) net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange differences arising on translation of foreign operations	23,153	(11,351)	(151,579)
Share of reserves of associate accounted for using the equity method	113,125	95,513	187,007
Total comprehensive income/(loss) for the period	(7,164,888)	(1,450,321)	(6,423,735)

APPENDIX 2 – CYCLONE HISTORICAL STATEMENT OF FINANCIAL POSITION

	Reviewed as at 31 December 2020 (\$)	Audited as at 30 June 2020 (\$)	Audited as at 30 June 2019 (\$)
Current assets			
Cash and cash equivalents	1,555,488	238,222	210,106
Restricted cash and cash equivalents	17,500	12,500	12,500
Trade and other receivables	267,976	293,305	224,612
Other financial assets	3,931,574	-	-
Total current assets	5,772,538	544,027	447,218
Non-current assets			
Other financial assets	1,436,237	884,679	997,055
Restricted cash	-	-	81,833
Plant and equipment	72,815	81,923	94,725
Investments accounted for using equity method	1,849,637	5,052,941	6,030,739
Investment in joint venture accounted for using equity method	-	-	-
Exploration and evaluation expenditure	-	-	-
Total non-current assets	3,358,689	6,019,543	7,204,352
Total assets	9,131,227	6,563,570	7,651,570
Current liabilities			
Trade and other payables	(854,670)	(2,506,410)	(4,626,822)
Provisions	(85,554)	(81,137)	(206,257)
Current tax liabilities	(1,512,999)	(1,773,171)	(1,041,679)
Convertible note	-	(206,773)	(459,737)
Short term loan payable	-	(2,200,000)	(733,001)
Total current liabilities	(2,453,223)	(6,767,491)	(7,067,496)
Non-current liabilities			
Long term loan payable	-	-	(689,734)
Convertible note	(103,204)	(69,643)	-
Non-current tax liabilities	(1,300,861)	(1,300,861)	(2,861,893)
Total non-current liabilities	(1,404,065)	(1,370,504)	(3,551,627)
Total liabilities	(3,857,288)	(8,137,995)	(10,619,123)
Net assets/(liabilities)	5,273,939	(1,574,425)	(2,967,553)
Equity			
Issued capital	220,116,993	206,133,405	203,295,135
Reserves	24,051,622	23,885,680	23,796,340
Accumulates losses	(238,894,676)	(231,593,510)	(230,059,028)
Total equity/(deficiency)	5,273,939	(1,574,425)	(2,967,553)

APPENDIX 3 – CYCLONE HISTORICAL STATEMENT OF CASH FLOWS

	Reviewed 6 months to 31 December 2020 (\$)	Audited 12 months to 30 June 2020 (\$)	Audited 12 months to 30 June 2019 (\$)
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)	(911,611)	(1,310,844)	(2,438,431)
Payments for exploration and evaluation	(229,352)	-	-
Interest received	2,971	763	3,048
Income tax paid	(260,172)	(829,541)	(1,299,869)
Release/(transfer) of funds from restricted/(non-restricted) to non-restricted/(restricted)	(5,000)	81,833	-
Net cash used in operating activities	(1,403,164)	(2,057,789)	(3,735,252)
Cash flows from investing activities			
Payment for acquiring interests in associated entities	-	(3,982)	-
Payment for acquiring shares in listed entities	-	-	(3,854)
Payments for exploration and evaluation	-	(606,046)	(978,792)
Investment in joint venture	-	-	(1,506,893)
Purchase of property, plant and equipment	(2,364)	(1,850)	(14,579)
Purchase of equity investments	(30,000)	-	-
Proceeds from sale of equity investments	12,373	-	999,052
Payment for other investments	(325,037)	-	-
Net cash used in investing activities	(345,028)	(611,878)	(1,505,066)
Cash flows from financing activities			
Proceeds from issue of convertible notes	-	1,200,000	750,000
Proceeds from the exercise of options	60,000	-	-
Transaction costs related to issue of shares, convertible notes or options	(160,042)	(506,570)	(37,350)
Proceeds from share issue, net of costs	3,165,500	100,000	2,609,741
Proceeds from issuing loan note	-	2,200,000	1,395,169
Transaction costs related to loans and borrowings	-	(223,435)	-
Repayment of loan note	-	(72,212)	(282,658)
Net cash provided by financing activities	3,065,458	2,697,783	4,434,902
Net increase/(decrease) in cash and cash equivalents	1,317,266	28,116	(805,416)
Cash and cash equivalents at the beginning of the period	238,222	210,106	1,015,522
Cash and cash equivalents at the end of the period	1,555,488	238,222	210,106

APPENDIX 4 – CYCLONE CONDENSED NOTES TO THE AUDITED HISTORICAL FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

(a) Basis of Preparation

The Historical Financial Information was prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards) and we have made such disclosures as considered necessary.

(b) Going Concern

The Group's ability to continue as a going concern and to continue to fund its planned expanded activities is dependent on raising further capital, continued support from creditors and related parties, successful extension or renegotiation of borrowing facilities and reducing operational costs.

(c) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(d) New Accounting Standards and Interpretations

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. Adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of the Company. The Company has not elected to early adopt any new standards or amendments.

The following relevant standards and interpretations have been applied for the first time for the year ended 30 June 2020:

Interpretation 23 Uncertainty over Income Tax Treatments

The Group has adopted Interpretation 23 with the date of initial application being 1 July 2019.

The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

At 1 July 2019 it was determined that the adoption of Interpretation 23 had no impact on the Group.

AASB 16 Leases

The Group has adopted AASB 16 with the date of initial application being 1 July 2019. AASB 16, which supersedes AASB 117 Leases (AASB 117) and related interpretations, 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.

At 1 July 2019 it was determined that the adoption of AASB 16 had no material impact on the Group.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Cyclone and its subsidiaries as at 30 June 2019, 30 June 2020 and 31 December 2020.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.
- When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement with the other vote holders of the investee
 - Rights arising from other contractual arrangements
 - The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations are accounted for using the acquisition method.

(f) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in statement of comprehensive income and reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Restricted cash relates to term deposits held with various financial institutions as security for bank guarantees.

(h) Trade and other receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises the lifetime expected credit loss for trade receivables carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group considers an event of default has occurred when a financial asset is more than 120 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(i) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or

part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Office equipment	3 years
Plant and equipment	3 years
Motor vehicles	3 years
Furniture and fittings	5 years
Leasehold improvements	over the period of the lease

(j) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group has the following financial assets:

Financial Assets at Fair Value through Profit or Loss

Certain shares and options held for trading have been classified as financial assets at fair value through profit or loss. Financial assets held for trading purposes are stated at fair value, with any resultant gain or loss recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. Assets in this category are classified as current assets if they are expected to be realised within 12 months, otherwise they are classified as non-current assets.

Loans and Receivables

Trade receivables, loans, and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recorded at amortised cost less impairment. Impairment is determined by review of the nature and recoverability of the loan or receivable with reference to its terms of repayments and capacity of the debtor entity to repay the debt. If the recoverable amount of a receivable is estimated to be less than its carrying amount, the carrying amount of receivable is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. They are included in current assets, other than those with maturities greater than 12 months from reporting date which are classified as non-current assets.

(k) Debt and Equity Instruments Issued by the Group

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

(l) Foreign Currency

Foreign currency transactions and balances

All foreign currency transactions occurring during the financial year are recognised at the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in the profit or loss in the period in which they arise except those exchange differences which relate to assets under construction for future productive use which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

Functional and presentation currency

Items included in the financial statements of each of the companies within the Group are measured using the currency of the primary economic environment in which they operate (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Cyclone's functional and presentation currency.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- b) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables extinguished through issue of equity

When equity instruments are issued to a creditor to extinguish all or part of a financial liability are recognised, the Group measures them at the fair value on the date the equity instruments are issued, unless that fair value can't be reliably measured. Any difference between the carrying amount of the liability extinguished and the fair value of the equity issued on the date of issuance is recognised in the profit or loss as a gain or loss on extinguishment of liability.

(n) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be wholly settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Refer also to note (t) for accounting policy regarding share based payments.

(o) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

(p) Convertible notes

Convertible notes (with embedded derivatives), that do not contain an equity component are accounted for as a financial liability through profit or loss with a value equating to the total proceed/face value with no day one gain or loss and subsequently value will change depending on the changes in the share price/redemption event and or accretion of the value of the discount on the note. If the convertible note is converted, the carrying amounts of the derivative and liability components are transferred to share capital as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of liability is recognised in the statement of profit or loss.

(q) Impairment of non-current assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating

units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(r) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis. The Group has implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

(s) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration to which the Group expect to be entitled to in exchange for transferring goods or services to a customer.

Rent

Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rental are recognised as income in the period when earned.

Interest Revenue

Interest revenue is recognised using the effective interest rate method.

(t) Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and exercise restrictions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(u) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest where right of tenure is current and active and significant operations are continuing in the area of interest. Costs associated with these identifiable areas of interests are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(v) Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interests and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Business Combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Costs directly attributable to the acquisition are expensed.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling shareholders' interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets acquired, the difference is recognised directly in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Any contingent consideration to be transferred by the acquiree is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(x) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

(y) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed as reporting date.

(aa) Critical judgements – Withholding tax provision

During the financial year ending 30 June 2020 the Company reassessed the provision for withholding tax and as a result has determined that the historical withholding tax amount dating back to 2009 be reversed. Given the passage of time and the absence of correspondence on the matter with no claims to date the Directors have undertaken an assessment in the current financial year and have exercised their judgement in assessing the likelihood of the balance requiring settlement to be remote in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

APPENDIX 5 – CYCLONE PRO FORMA FINANCIAL INFORMATION

ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT PRO FORMA STATEMENT OF FINANCIAL POSITION

Actual and proposed subsequent events to the 31 December 2020 reviewed Statement of Financial Position of Cyclone include the following.

- a) Operating cash outflows of \$910,487 between 1 January 2021 and 31 May 2021
- b) Settlement with one of the Company's creditors, to extinguish a payable of \$393,967, for a cash payment of \$100,000
- c) Payment of amounts owed to the Australian Tax Office ("**ATO**") of \$780,516.
- d) The Company received a refund on their BAS of \$66,445, which has been offset against amounts outstanding to the ATO.
- e) The sale of 17,000,000 Cauldron Energy Limited ("**CXU**") shares for \$510,000, investment in plant and equipment of \$2,601, and the purchase of 300,000 shares in FE Limited ("**FEL**") for \$16,100.
- f) Reclassification of CXU shares from non-current assets to current assets to reflect that the ATO has provided approval to sell these shares as advanced payment against the ATO debt.
- g) Revaluation of equity investments in listed shares in Petronor E&P Limited, AXMIN Inc., CXU, European Lithium Limited and Kodal Minerals plc as at 6 July 2021.
- h) An invoice for \$100,000 plus \$10,000 in GST was sent to Great Northern Palladium Pty Ltd ("**Great Northern Palladium**") on 4 February 2021 for reimbursement of expenses relating to a potential project acquisition.
- i) Costs associated with the offer, comprising the following.

	Value (\$)
ASIC fees	3,206
Legal fees	50,000
Independent Geologist Fees	10,000
IAR	8,000
Total	71,206

- j) Adjustments have been made to the investments accounted for using the equity method, which is comprised of the Company's investments in FEL. This included the reversal of previous impairments of \$3,159,652 given that as at 31 May 2021 the market value exceeds the carrying value, a net movement of negative \$227,923 based on movements in the number of shares held.

	Value (\$)
Carrying value of equity accounted investment at 31 December 2020	1,849,637
Reverse 31 December 2020 entry posted	46,396
Dilution on existing investment from 26.85% to 20.86%	(1,267,854)
Cyclone share of losses for the period 1 January 2021 to 31 May 2021	(335,334)
Cyclone share of issue of equity	1,304,443
Cyclone share of movement in reserve (options reserve)	24,425
Purchase of shares	16,100
Reversal of impairment (as per para 42 of AASB 128)	3,159,652
Carrying value of equity accounted investment at 31 May 2021	4,797,466

- k) Reclassification of amounts owed to the ATO of \$260,172 from non-current liabilities to current liabilities.

CYCLONE PRO FORMA STATEMENT OF FINANCIAL POSITION

	Audited as at 30 June 2020 (\$)	Reviewed as at 31 December 2020 (\$)	Adjustments (\$)	Pro Forma 31 May 2021 (\$)
Current assets				
Cash and cash equivalents	238,222	1,555,488	(1,299,704)	255,784
Restricted cash and cash equivalents	12,500	17,500	-	17,500
Trade and other receivables	293,305	267,976	43,555	311,531
Other financial assets	-	3,931,574	1,259,887	5,191,461
Total current assets	544,027	5,772,538	3,738	5,776,276
Non-current assets				
Other financial assets	884,679	1,436,237	(1,436,237)	-
Plant and equipment	81,923	72,815	2,601	75,416
Investments accounted for using equity method	5,052,941	1,849,637	2,947,829	4,797,466
Total non-current assets	6,019,543	3,358,689	1,514,193	4,872,882
Total assets	6,563,570	9,131,227	1,517,931	10,649,158
Current liabilities				
Trade and other payables	(2,506,410)	(854,670)	350,723	(503,947)
Provisions	(81,137)	(85,554)	-	(85,554)
Current tax liabilities	(1,773,171)	(1,512,999)	586,789	(926,210)
Convertible note	(206,773)	-	-	-
Short term loan payable	(2,200,000)	-	-	-
Total current liabilities	(6,767,491)	(2,453,223)	937,512	(1,515,711)
Non-current liabilities				
Long term loan payable	-	(103,204)	-	(103,204)
Convertible note	(69,643)	-	-	-
Non-current tax liabilities	(1,300,861)	(1,300,861)	260,172	(1,040,689)
Total non-current liabilities	(1,370,504)	(1,404,065)	260,172	(1,143,893)
Total liabilities	(8,137,995)	(3,857,288)	1,197,684	(2,659,604)
Net assets/(liabilities)	(1,574,425)	5,273,939	2,715,615	7,989,554
Equity				
Issued capital	206,133,405	220,116,993	-	220,116,993
Reserves	23,885,680	24,051,622	-	24,051,622
Accumulates losses	(231,593,510)	(238,894,676)	2,715,615	(236,179,061)
Total surplus/(deficiency) in equity	(1,574,425)	5,273,939	2,715,615	7,989,554

Cash and Cash Equivalents

	Note	Value (\$)
Reviewed 31 Dec 2020		1,555,488
Operating expenditure (to 31 May 2021)	a	(910,487)
Settlement of a creditor debt	b	(100,000)
Payment of ATO debt	c	(780,516)
Proceeds of sale of CXU shares less other investment expenditure	e	491,299
Pro Forma Adjusted as at 31 May 2021		255,784

Trade and Other Receivables

	Note	Value (\$)
Reviewed 31 Dec 2020		267,976
BAS refund offset against ATO debt	d	(66,445)
Great Northern Palladium invoice	h	110,000
Pro Forma Adjusted as at 31 May 2021		311,531

Other Financial Assets (Current)

	Note	Value (\$)
Reviewed 31 Dec 2020		3,931,574
Sale of CXU shares	e	(510,000)
Reclassification of CXU shares	f	1,436,237
Equity revaluation	g	333,650
Pro Forma Adjusted 31 May 2021		5,191,461

Other Financial Assets (Non-Current)

	Note	Value (\$)
Reviewed 31 Dec 2020		1,436,237
Reclassification of CXU shares	f	(1,436,237)
Pro Forma Adjusted 31 May 2021		-

Plant and Equipment

	Note	Value (\$)
Reviewed 31 Dec 2020		72,815
Acquisition of plant and equipment	e	2,601
Pro Forma Adjusted 31 May 2021		75,416

Investments Accounted for Using Equity Method

	Note	Value (\$)
Reviewed 31 Dec 2020		1,849,637
Purchase of 300,000 FEL shares	e	16,100
FEL equity accounting - shares of movements	j	(227,923)
FEL equity accounting - reversal of impairment	j	3,159,652
Pro Forma Adjusted 31 May 2021		4,797,466

Trade and Other Payables

	Note	Value (\$)
Reviewed 31 Dec 2020		(854,670)
Operating expenditure to 31 May 2021	a	37,962
Extinguishment of amounts owed to creditor	b	393,967
Great Northern Palladium invoice	h	(10,000)
Costs of the offer	i	(71,206)
Pro Forma Adjusted 31 May 2021		(503,947)

Current Tax Liabilities

	Note	Value (\$)
Reviewed 31 Dec 2020		(1,512,999)
Payment of ATO debt	c	780,516
BAS refund offset against ATO debt	d	66,445
Reclassification of ATO debt from non-current	k	(260,172)
Pro Forma Adjusted 31 May 2021		(926,210)

Non-Current Tax Liabilities

	Note	Value (\$)
Reviewed 31 Dec 2020		(1,300,861)
Reclassification of ATO debt to current	k	260,172
Pro Forma Adjusted 31 May 2021		(1,040,689)

Accumulated Losses

	Note	Value (\$)
Reviewed 31 Dec 2020		(238,894,676)
Operating expenditure to 31 May 2021	a	(872,525)
Settlement of creditor debt	b	293,967
Revaluation of other financial assets as at 6 July 2021	g	333,650
Great Northern Palladium invoice	h	100,000
Costs of the offer	i	(71,206)
FEL equity accounting - shares of movements	j	(227,923)
FEL equity accounting - reversal of impairment	j	3,159,652
Pro Forma Adjusted 31 May 2021		(236,179,061)

Contingent Liabilities, Guarantees and Subsequent Events

ATO liability

As described at Section 10.2 of the Prospectus, on 31 July 2018, the Company agreed to a settlement with the ATO in relation to a dispute over amounts of unpaid taxes. We note that the ATO continues to accrue interest on the unpaid amounts, though the Company believes that interest should not accrue pursuant to the terms of the settlement. We note the disputed amount of accrued interest as per the most recent correspondence with the ATO as at 4 January 2021 was \$133,564, and the current potential liability is estimated may be \$878,726. As the amount relates to accrued interest, the maximum amount of the potential liability cannot be quantified.

Contingent issue of shares on Winance Facility

On 31 July 2019, the Company announced that it had executed a finance facility with Winance Investment LLC (**Winance** or **Investor**). The facility was for up to A\$15m by way of the issue of convertible securities in the Company. The Company has drawn down \$1.2 million (1,200 convertible notes) from the \$15m facility of which 10 convertible notes remain outstanding at 30 June 2021. Further drawdowns of \$500,000 each are available upon full conversion of the notes from the previous drawdown, subject to a cooling off period. The Company is under no obligation to drawdown subsequent tranches of the facility. Under the facility, Winance will also receive a commitment fee of 5% of the investment amount at the funding of each tranche payable in shares. Refer to Note 16(b) in the 30 June 2020 Annual Report for further details on the Winance facility.

Contingent license fees for Sierra Leone projects

As disclosed in note 13 in the 30 June 2020 Annual Report, the company is of the view that there is no present obligation with respect to accrued exploration license fees since 2015 for its Sierra Leone projects due to the Company declaring force majeure and therefore the liability has been reversed in the financial statements. The Company previously commenced legal proceedings however these have been suspended whilst the Company is in communication with the relevant Sierra Leone authorities. The Company reserved the right to reinstate these legal proceedings.

Sensitivity of Listed Shares

We note that the other financial assets account is comprised of listed shares that are recorded at fair market value that can change substantially based on traded market prices. The accounting policy of the Company is to record the shares value based on the latest available bid price at the reporting date. Set out below is the sensitivity of the value of the significant holdings on the Company's total value of financial assets and total net assets in the pro forma to a 20% increase or decrease in the price of each listed shareholding from their values as at 6 July 2021.

	Financial Assets Higher/(Lower) A\$	Net Assets Higher/(Lower) A\$
CXU		
+20%	276,666	276,666
-20%	(276,666)	(276,666)
European Lithium		
+20%	754,675	754,675
-20%	(754,675)	(754,675)

Financial Services Guide

Dated 13 July 2021

Stantons Corporate Finance Pty Ltd (Trading as Stantons Corporate Finance)

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("**Stantons**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- a) who we are and how we can be contacted;
- b) the services we are authorized to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- c) remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- d) any relevant associations or relationships we have; and
- e) our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Limited Assurance Report, you should seek advice from a registered financial adviser.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be \$8,000 exclusive of GST.

You have a right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Stantons is ultimately a wholly owned subsidiary of SIAC, a professional advisory and accounting practice. From time to time, Stantons and SIAC (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

Remuneration or other benefits received by our employees and contractors

Stantons and SIAC employees and contractors are eligible for bonuses based on overall performance but not directly in connection with any engagement for the provision of a report.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons Corporate Finance Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (“**AFCA**”). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirms that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum insured for Stantons and our authorised representatives / representatives / employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue

to provide such coverage for any authorised representative / representative / employee who has ceased work with Stantons for work done whilst engaged with us.

Contact details

You may contact us using the details set out at above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.