

**CYCLONE METALS LIMITED**  
**ACN 095 047 920**

## **Entitlement Issue Offer Document**

**Non-renounceable pro rata offer of shares at an issue price of  
\$0.016 (1.6 cents) on the basis of 1 new share for every 2 shares  
held on the Record Date**

**The offer is fully underwritten by RM Corporate Finance Pty Ltd  
AFSL 315235**

# Entitlement Issue Offer Document

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## 1. Introduction

Cyclone Metals Limited (**Cyclone** or the **Company**) is making a non-renounceable pro-rata offer of shares to shareholders of Cyclone to raise up to approximately \$5,559,004 before costs (**Entitlement Issue**).

This is an important document and requires your immediate attention. It should be read in its entirety.

The Offer is being made under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**). This document is not a prospectus and does not contain all of the information that would ordinarily be contained in a prospectus.

Shareholders should be aware that an investment in Cyclone involves risks similar to other ASX listed resource exploration companies with assets in Australia and overseas. Investors should consider an investment in Cyclone speculative. If you are in doubt about what to do or whether to accept the Offer you should consult your stockbroker, accountant, solicitor or other professional adviser without delay.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation so contained may not be relied on as having been authorised by Cyclone in connection with the Offer.

The Offer is only being made to Shareholders with a registered address in Australia, New Zealand, United Arab Emirates, Lichtenstein, Hong Kong and Singapore. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and therefore shareholders to whom the Offer is made in such jurisdictions should seek advice on and observe any such restrictions.

If you are beneficially entitled to shares in the Company and these shares are held on your behalf by a nominee or custodian you will need to contact the nominee or custodian to obtain details as to your right to participate in the Offer.

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## 2. Details of Offer

### 2.1 Offer

Cyclone is making a non-renounceable pro-rata offer of shares to Shareholders (**Eligible Shareholders**) on the basis of 1 share for every 2 shares held at the Record Date at an issue price of \$0.0160 (1.6 cents) per share (**Offer**). Where the determination of the entitlement of any Eligible Shareholder under the Offer (**Entitlement**) results in a fraction of a share, such fraction will be rounded up to the nearest whole share.

Cyclone will accept Applications until 5.00pm AWST on the Closing Date detailed in Section 2.2 or such later date as the Directors in their absolute discretion shall determine, subject to the requirements of the ASX Listing Rules.

Your Entitlement is shown on the personalised Entitlement and Acceptance Form located at the offer website [www.computersharecas.com.au/cleoffer](http://www.computersharecas.com.au/cleoffer). You may accept the Offer by making payment by BPAY (for Australian Shareholders) or EFT (for Shareholders outside Australia) in accordance with the directions on the offer website.

You may accept for all or only part of your Entitlement.

The Company encourages Eligible Shareholders who hold an Unmarketable Parcel, and who accept their full Entitlement, to apply for such Additional New Shares to at least bring their total holding up to a Marketable Parcel. In this regard Additional New Shares will be allocated to Eligible Shareholders who apply for up to \$500 of Shares in total subject to sufficient Shortfall Shares being available. No further Additional New Shares will be allocated to Eligible Shareholders other than pursuant to any sub-underwriting arrangements made with the Underwriter.

Receipt of payment via BPAY or EFT by Cyclone creates a legally binding contract between the Applicant and Cyclone for the number of shares accepted or deemed to be accepted by the Applicant. The Offer and contract formed on acceptance are governed by the applicable law of Western Australia.

Shares offered by this Offer Document are expected to be issued, and security holder statements dispatched, on the date specified in the timetable in Section 2.2.

It is the responsibility of Applicants to determine their allocation prior to trading in the shares. Applicants who sell shares before they receive their holding statements will do so at their own risk.

## 2.2 Timetable

|                                                                                                      |                  |
|------------------------------------------------------------------------------------------------------|------------------|
| Notice under s708AA given to ASX                                                                     | 18 November 2024 |
| Offer Document released to ASX                                                                       | 18 November 2024 |
| Ex-date                                                                                              | 20 November 2024 |
| Record Date (date for determining Entitlements of Eligible Shareholders to participate in the Offer) | 21 November 2024 |
| Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders               | 25 November 2024 |
| Opening date of the Entitlement Issue                                                                | 25 November 2024 |
| Last day to extend closing date of the Entitlement Issue                                             | 29 November 2024 |
| Closing date of the Entitlement Issue                                                                | 4 December 2024  |
| Shares quoted on a deferred settlement basis                                                         | 5 December 2024  |
| Issue of new shares issued under the Entitlement Issue                                               | 6 December 2024  |
| New shares issued under the Entitlement Issue expected to commence normal trading on ASX             | 9 December 2024  |

## 2.3 Capital Structure

The capital structure of the Company on completion of the Offer assuming full subscription is set out below:

|                                                         |                      |
|---------------------------------------------------------|----------------------|
| <b>Shares</b>                                           |                      |
| On issue prior to the Offer                             | 694,875,517          |
| To be issued under the Offer                            | 347,437,759          |
| To be issued to Underwriter as part of underwriting fee | 22,721,256           |
| <b>Total on Completion of Offer</b>                     | <b>1,065,034,532</b> |

|                                                                                           |                    |
|-------------------------------------------------------------------------------------------|--------------------|
| <b>Options</b>                                                                            |                    |
| On issue prior to the Offer                                                               | 177,569,826        |
| To be issued to Underwriter as part of underwriting fee (subject to shareholder approval) | 132,000,000        |
| To be issued to Directors and Management (subject to shareholder approval)                | 132,000,000        |
| <b>Total on Completion of Offer</b>                                                       | <b>441,569,826</b> |

## 2.4 Use of funds

It is proposed that the proceeds raised from the Offer (including the underwriting) will be allocated as follows:

|                                             |                    |
|---------------------------------------------|--------------------|
| Funds raised from the Offer                 | \$5,559,004        |
| Repayment of Loan                           | \$2,373,342        |
| Iron Bear Iron Ore Project                  | \$2,032,642        |
| Other mineral exploration assets            | \$500,000          |
| Working capital and administration expenses | \$600,000          |
| Expenses of the Offer                       | \$53,020           |
| <b>Total funds applied</b>                  | <b>\$5,559,004</b> |

## **2.5 Underwriting**

The Offer is fully underwritten by RM Corporate Finance Pty Ltd. Details of the potential impact of the underwriting on control of the Company are set out in Section 3. A summary of the Underwriting Agreement is set out in Section 5.

## **2.6 No Rights trading**

The pro-rata offer of shares is non-renounceable, which means that Eligible Shareholders may not sell or transfer all or any part of their Entitlement to subscribe for Shares under the Offer.

## **2.7 Share trading history**

The highest and lowest sale price for shares traded on ASX in the three months prior to the date of this Offer Document was:

- Highest - \$0.03 on 15 November 2024.
- Lowest - \$0.02 on 19 August 2024 to 1 November 2024 (inclusive).

The last sale price for shares traded on ASX prior to the date of the Offer Document was \$0.03 on 15 November 2024.

Where applicable trading prices have been adjusted on a post-consolidation basis.

## **2.8 ASX quotation**

Application will be made to ASX for the official quotation of the Shares to be issued under the Offer. If permission is not granted by ASX for the official quotation of the shares to be issued under the Offer, Cyclone will repay, as soon as practicable, without interest, all Application Monies received pursuant to the Offer.

## **2.9 Taxation implications**

The Directors do not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for shares under this Offer Document. Cyclone, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders. As a result, shareholders should consult their professional tax adviser in connection with subscribing for shares under this Offer Document.

## **2.10 Overseas shareholders**

The Offer is only being made to Shareholders with a registered address in Australia, New Zealand, United Arab Emirates, Lichtenstein, Hong Kong and Singapore. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may result in the Company rejecting your Application.

## 2.11 Enquiries

Enquiries concerning the Entitlement and Acceptance Form can be made by contacting Computershare Investor Services Pty Ltd by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

General enquires in relation to Cyclone can be made to the Company Secretary by telephone on +61 8 9380 9555 or by email to [admin@cyclonemetals.com](mailto:admin@cyclonemetals.com). Information may also be obtained by visiting the Company's website: [www.cyclonemetals.com](http://www.cyclonemetals.com).

If you are beneficially entitled to Cyclone shares and those shares are held on your behalf by a nominee or custodian you should direct any enquiries to your nominee or custodian.

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## 3. Effect of Offer on Control of Company

As at the date of the Offer Document the Company has the following substantial holders as notified in accordance with section 671B of the Corporations Act:

| Name                                                                                                                                        | Voting Power |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| European Lithium Limited                                                                                                                    | 10.66%       |
| Mr Anthony William Paul Sage and Ms Lucy Fernandes Sage – Egas Super Fund, Jem Holdings Pty Ltd as Trustee for Jem Trust and PG Partnership | 9.02%        |

The substantial holders have indicated their intention to subscribe in full for their Entitlements. As the substantial holders are not being offered the opportunity to take up any Additional New Shares and the Offer is fully underwritten, the substantial holders will maintain but not increase their Voting Power.

As at the date of this Offer Document RM Corporate Finance Pty Ltd has a relevant interest in 11,328,329 Shares representing a voting power of 1.63%. As set out in Section 5 below, the Underwriter has also agreed to be paid certain fees in Shares and will thereby be entitled to be issued a further 22,721,256 Shares on completion of the Entitlement Issue.

As noted above and also in Section 6 below the substantial holders and the Directors have indicated their intention of subscribing in full for their Entitlements and the Underwriter has also entered into sub-underwriting arrangements to ensure that after completion of the Entitlement Issue nobody will have Voting Power in excess of 20%.

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## 4. Risk Factors

An investment in shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in Cyclone.

The Directors consider that the following summary, which is not exhaustive, represents some of the specific risk factors which shareholders need to be aware of in evaluating cyclone's business and risks of increasing your investment in Cyclone. Shareholders should carefully consider the following factors.

## 4.1 Specific Risks

### (a) Exploration and Development Risks

The business of exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continued success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Drilling activities carry risk, and as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, blow outs, pipe failures and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(b) Environmental Risk

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment applicable in the jurisdiction of those activities. As with most production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or production proceeds. It is the Company's practice to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

(c) Competition

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) Regulatory Risks

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project, its development or operation. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of its tenements.

(e) Geopolitical risks

Operating in multiple jurisdictions exposes the Company to geopolitical risks that could affect its operations, such as potential changes in government policies, resource nationalism, challenges in maintaining social license to operate, fluctuations in commodity prices, and currency exchange risks. Additionally, the Company may encounter infrastructure challenges in diverse geographical locations and must navigate varying environmental standards across different jurisdictions. These risks, individually or in combination, could significantly impact the Company's operations, financial performance, and long-term viability. There is a risk that such changes may affect the Company's exploration plans or, indeed its rights and/or obligations with respect to the tenements. The Company must continuously monitor and manage these risks as part of its overall business strategy.

(f) Effects of the Offer on dilution and control

If you do not take up, all or part of your Entitlement, then your percentage shareholding in the Company will be diluted by not participating, up to the full extent in the Entitlement Issue and you will not be exposed to future increases or decreases in the Company's share price in respect of the new shares which would have been issued to you had you taken up all of your Entitlement. The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company. While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

(g) Reliance on key personnel

The Company's success is dependent to a significant degree upon the efforts of key directors and technical personnel. The Company relies on a high-quality board with significant specific regional and technical knowledge. The loss of services of any director or key technical personnel, or the failure to attract additional skilled individuals to the board or technical roles, could have a material adverse effect on the Company's operations, including its relationships with its partners and its ability to manage cross-border operations effectively.

(h) Foreign exchange risk

Whilst the Company reports its financial results and maintains its accounts in Australian dollars, the Company also operates in Canada and New Zealand where its functional currency is the principal currency the Canadian dollar and New Zealand dollar respectively. This means that the Company's operations in Canada and New Zealand are subject to currency fluctuations and such fluctuations may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure and may impact the Company's operating results. The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist managing these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.

## 4.2 General Risks

(a) Securities Investment

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's securities trade may be above or below the issue price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These factors may materially affect the market price of the securities, regardless of the Company's operational performance.

(b) Share Market Conditions

The market price of the securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) General Economic Climate and Share Market Conditions

Factors such as global credit risks, inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices and stock market prices. The Company's future revenues and the market price for its listed securities may be affected by these factors, as well as fluctuations in the price of minerals, which are beyond the Company's control.

(d) Economic risks

The Company's operational and financial performance is affected by the Australian and other international economies. General and business conditions, inflation, interest rates, monetary and fiscal policy and political circumstances are all matters which may affect the Company's operating and financial performance. Businesses such as the Company that borrow money are potentially exposed to adverse interest rate movements that may affect the cost of borrowing, which in turn would impact on earnings.

(e) Taxation

Future changes in Australian taxation laws, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in the Company's shares, or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted may impact upon the future tax liabilities of the Company.

(f) Change in accounting policy

Changes to the Australian Accounting Standards could affect the Company's reported earnings and its financial position from time to time.

### 4.3 Investment Speculative

The above list of risk factors should 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 future materially affect the financial performance of the Company and the value of the securities offered. Potential investors should consider that an investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for securities.

## 5. Underwriting Agreement

The Offer is fully underwritten by RM Corporate Finance Pty Ltd ACN 108 084 386, AFSL 315235.

### 5.1 Fees

The Company has agreed to pay to the Underwriter as consideration for the underwriting obligation undertaken the following fees:

- (a) a management fee of 1% of the Underwritten Amount (\$55,590 exclusive of GST) and a lodgement fee of 5% of the Underwritten Amount (\$277,950 exclusive of GST) to be satisfied by the issue of 20,846,256 Shares at the Issue Price;
- (b) a lead management fee of \$30,000 (exclusive of GST) to be satisfied by 1,875,000 Shares at the Issue Price; and
- (c) 132,000,000 Options exercisable at \$0.032 on or before 30 November 2028, subject to Shareholder approval at the general meeting of Cyclone to be held on 27 November 2024.

### 5.2 Termination by Underwriter

The Underwriter is entitled to terminate the Underwriting Agreement in the following circumstances:

- (a) **Offer Document:** any of the following occurs in relation to the Offer Document:
  - (i) the Underwriter reasonably forms the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
  - (ii) the Underwriter reasonably forms the view that any projection or forecast in the Offer Document becomes, to a material extent, incapable of being met or unlikely to be met in the projected time; or
  - (iii) any person other than the Underwriter who consented to being named in the Offer Document withdraws that consent;
- (b) **Supplementary Disclosure:** the Underwriter reasonably forms the view that a corrective Offer Document must be lodged with ASX and the Company does not lodge Supplementary Disclosure in the form and content and within the time reasonably required by the Underwriter;
- (c) **ASX listing:** ASX does not give approval for the Offer Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (d) **Index change:** the ASX All Ordinaries Index or the Dow Jones Industrial Average Index as determined at close of trading falls at least 10% below their respective levels at the close of trading on the date of the Underwriting Agreement for a total of three consecutive trading days during the Underwriting Period;
- (e) **indictable offence:** a director of the Company or any Related Corporation is charged with an indictable offence;

- (f) **return of capital or financial assistance:** the Company or a Related Corporation takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
- (g) **banking facilities:** the Company's bankers terminate or issue any demand or penalty notice or amend the terms of any existing facility or claim repayment or accelerated repayment of any facility or require additional security for any existing facility;
- (h) **change in laws:** any of the following changes of law occurs:
  - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
  - (ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
  - (iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,

which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;
- (i) **failure to comply:** the Company or any Related Corporation fails to comply with any of the following:
  - (i) a provision of its Constitution;
  - (ii) any statute;
  - (iii) a requirement, order or request, made by or on behalf of the ASIC or any governmental agency; or
  - (iv) any material agreement entered into by it,

which is likely to prohibit or materially restrict the business of the Company or the Offer;
- (j) **alteration of capital structure or constitution:** the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;
- (k) **extended Force Majeure:** a Force Majeure, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (l) **default:** the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- (m) **adverse change:** any adverse change occurs which materially impacts or is likely to materially impact the assets, operational or financial position of the Company or a Related Corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Corporation);
- (n) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Corporation;

- (o) **Prescribed Occurrence:** a Prescribed Occurrence occurs;
- (p) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (q) **Event of Insolvency:** an Event of Insolvency occurs in respect of the Company or a Related Corporation;
- (r) **Judgment against a Related Corporation:** a judgment in an amount exceeding \$100,000 is obtained against the Company or a Related Corporation and is not set aside or satisfied within 7 days; and
- (s) **Market Conditions:** any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any material adverse change occurs in national or international political, financial, economic conditions, in each case the effect of which is that, in the reasonable opinion of the Underwriters, reached in good faith, it is impracticable to enforce contracts to issue or sub-underwrite the securities pursuant to the Offer Document or that the success of the Offer is likely to be adversely affected.

Notwithstanding the occurrence of any of the termination events set out about the Underwriter is not entitled to exercise its rights of termination unless in the reasonable opinion of the Underwriter (reached in good faith) the termination event in question has or is likely to have, or those termination events together have, or could reasonably be expected to have, a material adverse effect on the subsequent market for the Shares or on the Company itself, or could give rise to a liability of the Underwriter under the Corporations Act.

## 6. Directors' interests in Company securities

The Directors' current relevant interests and prospective relevant interests in Shares are as follows:

| Director       | Current Number of Shares | Entitlement to Shares under the Offer | Maximum Shares following Offer |
|----------------|--------------------------|---------------------------------------|--------------------------------|
| Antony Sage    | 62,650,038               | 31,325,019                            | 93,975,057                     |
| Paul Berend    | 5,120,834                | 2,560,417                             | 7,681,251                      |
| Luke Martino   | 1,870,295                | 935,148                               | 2,805,443                      |
| David Sanders  | 625,000                  | 312,500                               | 937,500                        |
| Timothy Turner | 2,119,484                | 1,059,742                             | 3,179,226                      |

Each of the Directors have indicated that they will take up their full Entitlement under the Offer.

The Directors and their nominees' current holdings and prospective holdings of Options are as follows:

| <b>Director</b> | <b>Current Number of Options</b> | <b>Entitlement to Director Options subject to Shareholder Approval</b> | <b>Maximum Options following Offer</b> |
|-----------------|----------------------------------|------------------------------------------------------------------------|----------------------------------------|
| Antony Sage     | 10,000,000                       | 26,400,000                                                             | 36,400,000                             |
| Paul Berend     | 20,937,500                       | 46,200,000                                                             | 67,173,500                             |
| Luke Martino    | 625,000                          | 3,960,000                                                              | 4,585,000                              |
| David Sanders   | 312,500                          | 3,960,000                                                              | 4,272,500                              |
| Timothy Turner  | 2,500,000                        | 6,600,000                                                              | 9,100,000                              |

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## **7. Action Required by Shareholders**

### **7.1 If you wish to take up all of your Entitlement**

Should you wish to accept all of your Entitlement to subscribe for shares, then Applications for shares under this Offer Document must be made in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

The Company encourages Eligible Shareholders who hold an Unmarketable Parcel, and who accept their full Entitlement, to apply for such Additional New Shares to at least bring their total holding up to a Marketable Parcel.

It is possible that there will be few or no Additional New Shares available for issue, depending on the extent of take up of Entitlements by Shareholders. There is also no guarantee they will be allocated to all or any of the eligible applicants who have applied for them.

Additional New Shares will be allocated to Eligible Shareholders who would otherwise hold an Unmarketable Parcel and who apply for up to \$500 of Shares in total, subject to sufficient Shortfall Shares being available. No further Additional New Shares will be allocated to Eligible Shareholders other than pursuant to any sub-underwriting arrangements made with the Underwriter.

### **7.2 If you wish to take up only part of your Entitlement**

Should you wish to only take up part of your Entitlement, then Applications for shares under this Offer Document must be made in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

### **7.3 If you do not wish to take up your Entitlement**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. In that case, shares not accepted by the Closing Date will become Shortfall Shares and you will receive no benefit.

The number of Shares you hold and the rights attaching to those Shares will not be affected should you choose not to accept any part of your entitlement, however your percentage holding in the capital of Cyclone will be diluted.

## Definitions

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Additional New Shares</b> | Those Shares that an Eligible Shareholder (except a Director or other related party, or any person to whom an issue of Additional Shares would cause a breach of section 606 of the Corporations Act) may apply for under this Offer Document that is in excess of their Entitlement.                                                                                                                                                                                                                                                                                                |
| <b>Announcement Date</b>     | The date of the announcement of the Entitlement Issue with ASX.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Applicant</b>             | A person who submits an Application.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Application</b>           | An application for Shares evidenced by an Eligible Shareholder by the payment of Application Monies pursuant to an Entitlement and Acceptance Form.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Application Money</b>     | Money paid by an Applicant in acceptance of the Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>ASIC</b>                  | Australian Securities and Investments Commission.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>ASX</b>                   | The Australian Securities Exchange, or the equivalent market operated by ASX Limited ABN 98 008 624 691 as the context requires.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>AWST</b>                  | Australian Western Standard Time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Closing Date</b>          | The date by which valid acceptances must be received by the Share Registry, namely 5.00 pm (AWST) on 4 December 2024 or such other date as determined by the Company.                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Company</b>               | Cyclone Metals Limited ABN 71 095 047 920.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Corporations Act</b>      | <i>Corporations Act 2001</i> (Cth) as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Director</b>              | A director of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Dollars, \$ or A\$</b>    | Australian dollar.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Eligible Shareholder</b>  | <p>A person who, at 4:00 pm (AWST) on the Record Date, was recorded in Cyclone's Share register as being a Shareholder with an address in:</p> <ul style="list-style-type: none"> <li>a) Australia or New Zealand; or</li> <li>b) The United Arab Emirates, Lichtenstein, Hong Kong or Singapore, subject to the Company being satisfied that it is not precluded from lawfully issuing Shares to that Shareholder either unconditionally or after compliance with conditions which the Directors, in their sole discretion, regard as acceptable and not unduly onerous.</li> </ul> |

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|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Entitlement</b>                     | The determination of the entitlement of any Eligible Shareholder under the Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Entitlement Issue</b>               | The issue of the Shares as offered pursuant to the Offer Document.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Entitlement and Acceptance Form</b> | The Entitlement and Acceptance Form relating to the Entitlement Issue that you received with this Offer Document, including the instructions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Ex Date</b>                         | 20 November 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Event of Insolvency</b>             | <p>Means:</p> <ul style="list-style-type: none"> <li>a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;</li> <li>b) a liquidator or provisional liquidator is appointed in respect of a corporation;</li> <li>c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of: <ul style="list-style-type: none"> <li>i. appointing a person referred to in paragraphs (a) or (b);</li> <li>ii. winding up a corporation; or</li> <li>iii. proposing or implementing a scheme of arrangement;</li> </ul> </li> <li>d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;</li> <li>e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;</li> <li>f) (a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or</li> <li>g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.</li> </ul> |
| <b>Force Majeure</b>                   | Any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Ineligible Shareholder</b>          | A Shareholder who is not an Eligible Shareholder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issue Price</b>            | \$0.016 per Share (1.6 cents).                                                                                                                                                                                                                                                     |
| <b>Listing Rules</b>          | The listing rules of the ASX.                                                                                                                                                                                                                                                      |
| <b>Marketable Parcel</b>      | A parcel of Shares that is greater than an Unmarketable Parcel.                                                                                                                                                                                                                    |
| <b>Offer</b>                  | The non-renounceable pro-rata offer of shares to Shareholders on the basis of 1 share for every 2 shares held at the Record Date at an issue price of \$0.016 (1.6 cents) per share. The entitlement of each Eligible Shareholder is shown on the Entitlement and Acceptance Form. |
| <b>Offer Document</b>         | This offer document in respect of the Entitlement Issue.                                                                                                                                                                                                                           |
| <b>Record Date</b>            | 21 November 2024.                                                                                                                                                                                                                                                                  |
| <b>Register</b>               | The register of Shareholders required to be kept under the Corporations Act.                                                                                                                                                                                                       |
| <b>Related Corporation</b>    | Any subsidiary of the Company.                                                                                                                                                                                                                                                     |
| <b>Share or Shares</b>        | A fully paid ordinary share in the Company.                                                                                                                                                                                                                                        |
| <b>Share Registry</b>         | Computershare Investor Services Pty Limited. Level 17, 221 St Georges Terrace Perth WA 6000.                                                                                                                                                                                       |
| <b>Shareholder(s)</b>         | A holder of Shares in the Company.                                                                                                                                                                                                                                                 |
| <b>Shortfall Shares</b>       | Any Shares the subject of the Offer not subscribed for by Eligible Shareholders pursuant to their Entitlements.                                                                                                                                                                    |
| <b>Timetable</b>              | The timetable set out in this Offer Document.                                                                                                                                                                                                                                      |
| <b>Underwriter</b>            | RM Corporate Finance Pty Ltd ACN 108 084 386, AFSL 315235                                                                                                                                                                                                                          |
| <b>Underwriting Agreement</b> | The Underwriting Agreement between the Company and RM Corporate Finance Pty Ltd dated 18 November 2024.                                                                                                                                                                            |
| <b>Unmarketable Parcel</b>    | A parcel of Shares with a market value of less than \$500.                                                                                                                                                                                                                         |
| <b>Voting Power</b>           | As defined in the Corporations Act.                                                                                                                                                                                                                                                |