

ASX ANNOUNCEMENT

28 September 2022

Nifty Copper Project Restart Update

HIGHLIGHTS

- **Majority of the operational readiness and environmental clean-up activities have now been completed**
- **To reduce operational expenditure whilst maintaining the Nifty site in good order, workforce has been temporarily downsized until the finance process is complete**
- **Advanced discussions are continuing with debt financiers, who are undertaking due diligence activities and reviewing financing documentation**

Managing Director Barry Cahill commented:

“The finance process to fund the Restart of the Nifty Copper Project continues with multiple parties. To conserve funds, we have reduced personnel throughout the organisation until we complete the financing and commence the refurbishment schedule in earnest.

Our personnel have done an excellent job in getting Cyprium to the go line for when the finance process is completed and progress to date has been remarkable, as can be seen in the photos. Many people have told me that they would like to return to Nifty, if they are available, to build the project and plate copper. We look forward to welcoming them back to the Cyprium family.”

Cyprium Metals Limited (“**CYM**”, “**Cyprium**” or “**the Company**”) has continued to progress the refurbishment of the project whilst the Company is conducting a finance process for the restart the operation.

Nifty Restart Progress

Project finance remains the key focus for Cyprium. The pre-development work continued in parallel with the finance process, as it was intended to ensure that the Nifty site was ready at the go-line for when financing was completed, prior to the commencement of refurbishment and construction activities.

Much of the operational readiness activities have now been completed, so being prudent and minimising ongoing holding costs, the Company has temporarily downsized its Nifty site workforce to approximately 20 personnel and contractors, in order to maintain the site in good order and reducing operating expenditure until the finance is completed. Consequently, a number of positions throughout the business have been made redundant.

The progress made by Nifty employees to date has been exceptional, with significant progress towards being operationally ready for the project kick off. The workforce is to be commended for their efforts and progress whilst the site has remaining on care and maintenance since its acquisition. This has also been achieved at Nifty over the past 14 months without a Lost Time Injury.

The following outlines progress made around the site and images to illustrate this.



Image 1 / Copper Leaching from Heaps – blue is copper sulphate

Work around the heap leach pads has involved trenching and drilling to obtain samples for assay and testing. Drainage has been re-established to direct leach solutions to the collection ponds and prevent overflowing during rain events. Access has also been re-established to the top of the heap for transport and placement of residue from the collection ponds. Image 1 shows where leach solution exits and collects after each significant rain event. The blue colour is the copper sulphate in the leach solution and the copper can be seen precipitating on the bottom lift of the heap in the background. This photograph was taken on the 25 September 2022 and clearly demonstrates that the heap pads continue to leach copper.

The solution from the heap has been directed to collect in the drains at the heap front. To achieve this, repairs had been undertaken to some liners and material has been cleaned out of a number of areas from these drains. Image 2 shows where these drains have collected the solution and flows into the primary leach solution (PLS) pond.



Image 2 / Leach Solution from Heap Drains – twin drains of copper sulphate solution

Over time, the collection ponds have filled up with residue so that there is limited storage freeboard. The residue is a mixture of ore fines, precipitated solids and solution. The team has been pumping solution from these ponds and have established access so that the ponds can be dried out and the material excavated back up to the heap leach. Once the ponds have been emptied, they are able to be inspected, refurbished, and relined. In the mean time, the capacity has been improved so that in rainfall events, the solution is retained within the ponds, which has previously been restricted due to being filled with solids. Image 3 shows this solution at the pump outlet being discharged to the PLS pond (relatively clean and free of solids). The solution has a grade of +10 gpl copper when compared to a usual solvent extraction (SX) feed grade of 3 to 4 gpl copper. This significant solution inventory of over 500 tonnes of copper is available for project commissioning.



Image 3 / Leach Solution pumped from collection ponds to PLS pond – blue copper sulphate solution

The clean-up of the SX has been completed to a stage where it is ready for refurbishment tasks to commence.

The electrowinning (EW) clean-up has proceeded very well with stripping of anodes and cathodes from cells. Many cathodes still had copper attached which has been stripped and placed on pallets ready for sale. There are currently around 25 tonnes of copper cathode on pallets. Image 7 shows pallets of copper cathode ready to transport.

The tanks have been found to contain dropped anode and cathode as well as a dried copper sulphate solid at the base, as shown in Image 4.



Image 4 / Copper cathode to be recovered from the bottom of an EW cell after removing cathodes and anodes – red metal plates

The anodes and cathodes have been palletted up for sale as they have recycling value for lead, stainless steel and copper. The dried solids have been collected for return to the circuit for when the refurbishment commissioning commences.

Once the solids are removed, the pipework is taken out and the tanks cleaned. The tanks are then filled and hydrotested for any leakage as can be seen in Image 5. The tanks are then emptied and await a reline and leak repair when refurbishment commences as shown in Image 6.



Image 5 / Hydro testing EW cells following removal of cathodes and anodes and clean up



Image 6 / EW cells stripped of anodes and cathodes, cleaned and hydrottested waiting for refurbishment

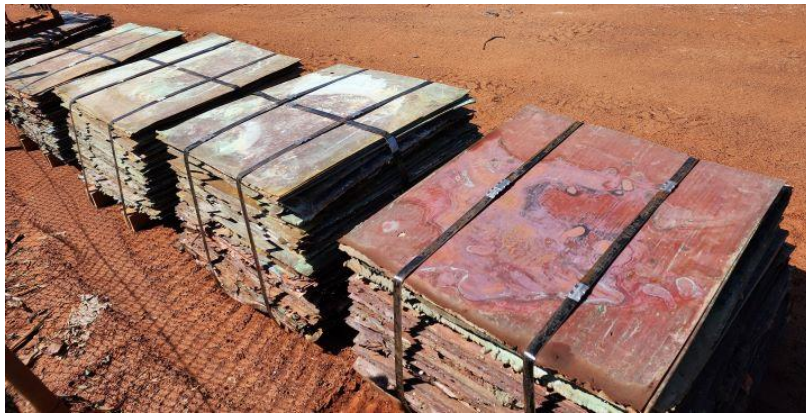


Image 7 / Recovered copper cathode packed onto pallets ready for sale – red metal plates

The site team have worked through a site clean-up programme covering a significant amount of material across the whole site. The useable items are catalogued through the stores system and relocated to a secure site. The process now involves sorting the required and excess stores (such as underground equipment and parts) and then sending the surplus material for sale. This process has commenced with equipment loaded into containers and being dispatched to Perth. Image 8 shows one of the stocked warehouses following sorting and storing.



Image 8 / One of the stores warehouses cleaned, sorted and catalogued - ready to go

Scrap material has been collected and sorted by material type on the waste dump and a contractor is currently on-site sorting and taking scrap material away for recycling.



Image 9 / Cranes in bays – ready to go

The on-site equipment and workshop areas have been cleaned up, serviced and bought back to standard. Equipment that could not be brought back to standard has been marked for disposal and if necessary, replaced. Image 9 shows cranes in the bays ready to go.

Fixed infrastructure has been reviewed and assessed for refurbishment once the construction commences. Areas such as the camp accommodation (rooms and dry mess) being refurbished and significant data communications infrastructure upgrades to bring them up to standard ready for commencement of construction activities. The remaining rooms will be completed concurrently as the project ramps up. If the item does not require refurbishment, it has been cleaned up and serviced ready to go, such as the concrete batching plant which is shown in Image 10.



Image 10 / Concrete batching plant cleaned and serviced – ready to go



Project Finance Update

The financing process has taken longer than we expected, however remains the key focus for Cyprium. The Financing process, which is targeting AUD240 million to AUD260 million debt funding package (including cost overrun contingency and working capital) for the financing of the Nifty restart and project costs, which is expected to comprise of senior secured financing, subordinated debt, and offtake financing. An exclusivity period that was included in the Letter of Intent as announced on 27 June 2022 has ended. Positive discussions and negotiation of terms with all parties are continuing.

CYM will continue to update the market as this project finance process progresses.

This ASX announcement was approved and authorised by the Board.

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About Cyprium Metals Limited

Cyprium Metals Limited (ASX: CYM) is an ASX listed company with copper projects in Australia. The Company has a highly credentialed management team that is experienced in successfully developing sulphide heap leach copper projects in challenging locations. The Company's strategy is to acquire, develop and operate mineral resource projects in Australia which are optimised by innovative processing solutions to produce copper metal on-site to maximise value.

The Company has projects in the Murchison and Paterson regions of Western Australia that is host to a number of base metals deposits with copper and gold mineralisation.

Paterson Copper Projects

This portfolio of copper projects comprises the Nifty Copper Mine, Maroochydore Copper Project and Paterson Exploration Project.

The Nifty Copper Mine ("Nifty") is located on the western edge of the Great Sandy Desert in the north-eastern Pilbara region of Western Australia, approximately 330km southeast of Port Hedland. Nifty contains a 2012 JORC Mineral Resource of 940,200 tonnes of contained copperⁱ. Cyprium is focussed on a heap leach SX-EW operation to retreat the current heap leach pads as well as open pit oxide and transitional material. Studies will investigate the potential restart of the copper concentrator to treat open pit sulphide material.

The Maroochydore deposit is located ~85km southeast of Nifty and includes a shallow 2012 JORC Mineral Resource of 486,000 tonnes of contained copperⁱⁱ. Aeris Resources Limited (ASX: AIS, formerly Straits Resources Limited) holds certain rights to "buy back up to 50%" into any proposed mine development in respect of the Maroochydore Project, subject to a payment of 3 times the exploration expenditure contribution that would have been required to maintain its interest in the project.

An exploration earn-in joint venture has been entered into with IGO Limited on ~2,400km² of the Paterson Exploration Project. Under the agreement, IGO is to sole fund \$32 million of exploration activities over 6.5 years to earn a 70% interest in the Paterson Exploration Project, including a minimum expenditure of \$11 million over the first 3.5 years. Upon earning a 70% interest, the Joint Venture will form and IGO will free-carry Paterson Copper to the completion of a pre-feasibility study (PFS) on a new mineral discovery.

Murchison Copper-Gold Projects

Cyprium has an 80% attributable interest in a joint venture with Musgrave Minerals Limited (ASX: MGV) at the Cue Copper-Gold Project, which is located ~20km to the east of Cue in Western Australia. Cyprium will free-carry the Cue Copper Project to the completion of a definitive feasibility study (DFS). The Cue Copper-Gold Project includes the Hollandaire Copper-Gold Mineral Resources of 51,500 tonnes contained copperⁱⁱⁱ, which is open at depth. Metallurgical test-work has been undertaken to determine the optimal copper extraction methodology, which resulted in rapid leaching times (refer to 9 March 2020 CYM announcement, "*Copper Metal Plated*", <https://cypriummetals.com/copper-metal-plated/>).

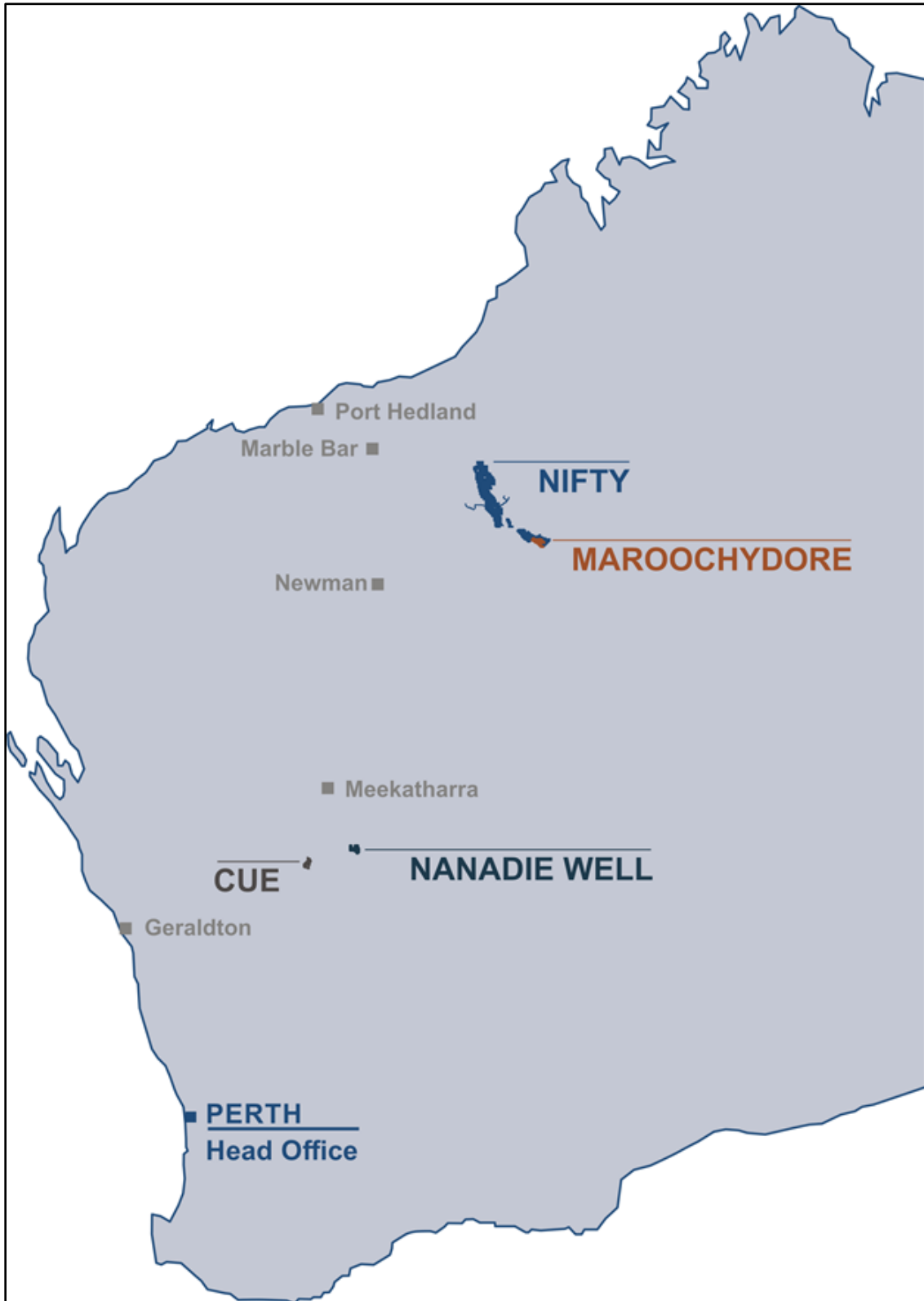
The Nanadie Well Project is located ~650km northeast of Perth and ~75km southeast of Meekatharra in the Murchison District of Western Australia, within mining lease M51/887.

The Cue and Nanadie Well Copper-Gold projects are included in an ongoing scoping study, to determine the parameters required to develop a copper project in the region, which provides direction for resource expansion work.

ⁱ Refer to CYM ASX announcement dated 16 May 2022 "28.4% increased Nifty Copper MRE to 940,200t copper metal"

ⁱⁱ Refer to MLX ASX announcements: 10 March 2020, "Nifty Copper Mine Resource Update" and 18 August 2016, "Annual Update of Mineral Resources and Ore Reserves"

ⁱⁱⁱ Refer to CYM ASX announcement: 29 September 2020, "Hollandaire Copper-gold Mineral Resource Estimate"



Cyprium Metals project locations