

**ASX ANNOUNCEMENT**

**24 July 2019**

**QUARTERLY ACTIVITIES REPORT**

**For the period ended 30 June 2019**

**HIGHLIGHTS**

**Cue Copper Project**

- **Approval for Cue Copper Project drilling programme received from the WA Department of Mines in early July 2019**
- **Hollandaire extension drilling commenced on 17 July 2019 with a Phase 1 Programme of over 4,000 metres of Reverse Circulation drilling**
- **Hollandaire metallurgical drilling to commence in late July 2019 with a 330 metre Diamond Drilling Programme**

**Corporate**

- **ARC Exploration has completed all Conditions Precedent for the acquisition of Cyprium Australia Pty Ltd**
- **\$2.25 million raised via the issue of 11,250,000 shares at 20c per share to institutional and sophisticated investors**
- **Experienced mining executives Mr. Gary Comb and Mr. Barry Cahill appointed as Non-Executive Chairman and Executive Director respectively**
- **ARC Exploration name changed to Cyprium Metals**

Executive Director, Barry Cahill commented: *"The incoming Board and management are excited to complete the Cyprium Transaction, begin drilling and metallurgical test-work at Hollandaire during the quarter, while continuing to assess a range of opportunities in the Australian copper space. The Company is now well capitalised to execute our strategy with approximately \$3.6 million in cash and no debt."*

## Quarterly Activities Report – June 2019

### Cue Copper Project - Australia

Cyprium Metals Limited (“CYM” or “the Company”) commenced extension and metallurgical drilling at the Cue Copper Project, immediately adjacent to the current copper mineralisation at Hollandaire on 17 July 2019 (refer to Image 1).

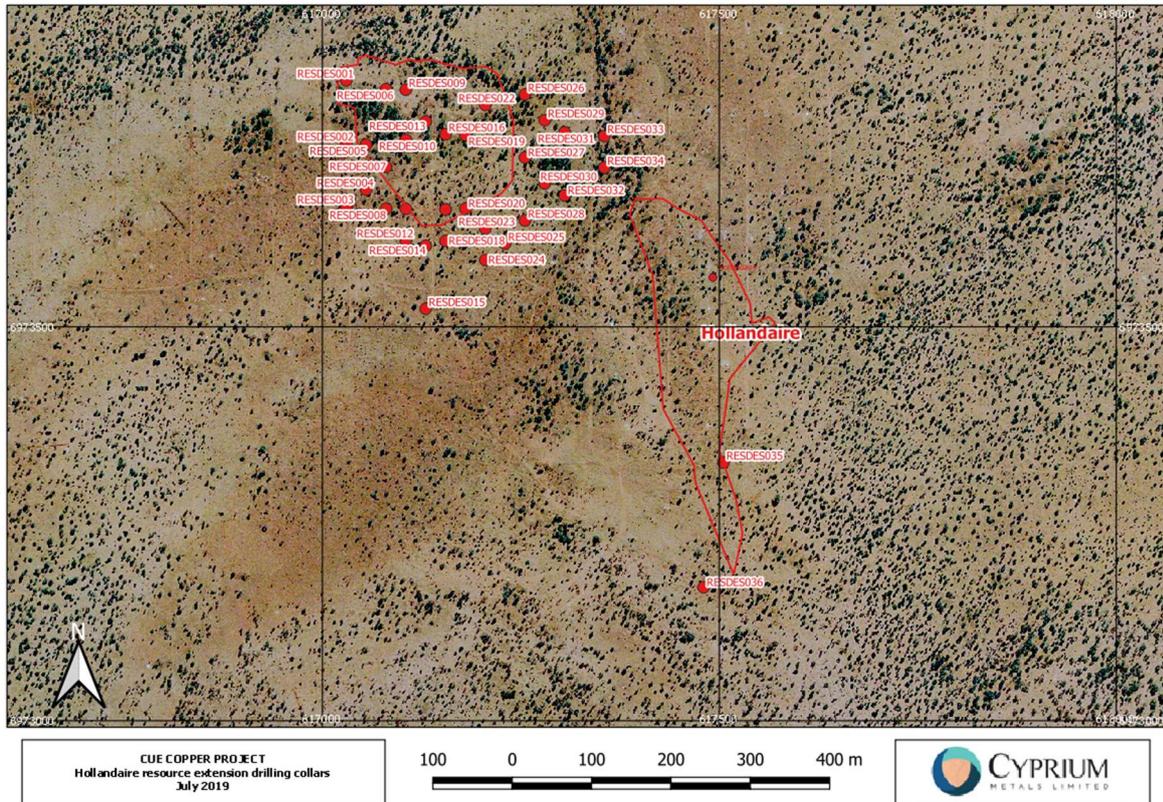
A Programme of Work (PoW) has been approved by the WA Department of Mines, Industry Regulation and Safety, for the drilling programme.

The Phase 1 drilling programme is intended to test for extensions of both the Hollandaire and Hollandaire West copper mineralisation. Figure 1 shows the locations of the drill hole collars around the current Hollandaire and Hollandaire West copper mineralisation. The targeted potential extensions are those that are closer to surface and the majority of which will be drilled into the Hollandaire West area. The holes planned for this phase are for over 4,000 metres of reverse circulation drilling. Following the completion of Phase 1, drilling programmes will continue for a further 8,000 metres of reverse circulation drilling, targeted at the deeper extensions of the copper mineralisation.



*Image 1 | Hollandaire Extension Drilling*

## Quarterly Activities Report – June 2019



**Figure 1 | Hollandaire Phase 1 Extensional Drill Hole Locations**

The metallurgical drilling will be used for initial column test-work to determine the suitability for alternative extraction methods. The drill holes are targeting specific areas of the copper mineralisation as shown in Figure 2. It is anticipated that following the success of this initial test-work that further samples will be required to continue to optimise the processing methodology.

A number of drill holes in these initial programs will be prepared for down hole geophysics programmes, which will assist in the planning of the subsequent phases of extensional drilling as the Company continues to expand the copper mineralised deposit.

The Hollandaire VMS copper mineralisation is open to the south west and at depth. The preliminary exploration data has identified a number of high priority targets and drilling will be conducted at Hollandaire and Hollandaire West to determine the extent of the open mineralisation. The Company is also prioritising its other exploration drill targets.

The exploration leases and mining licenses currently held by Musgrave Minerals Limited are located approximately 20km to the east of Cue in Western Australia as detailed in Figure 3.

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Quarterly Activities Report – June 2019

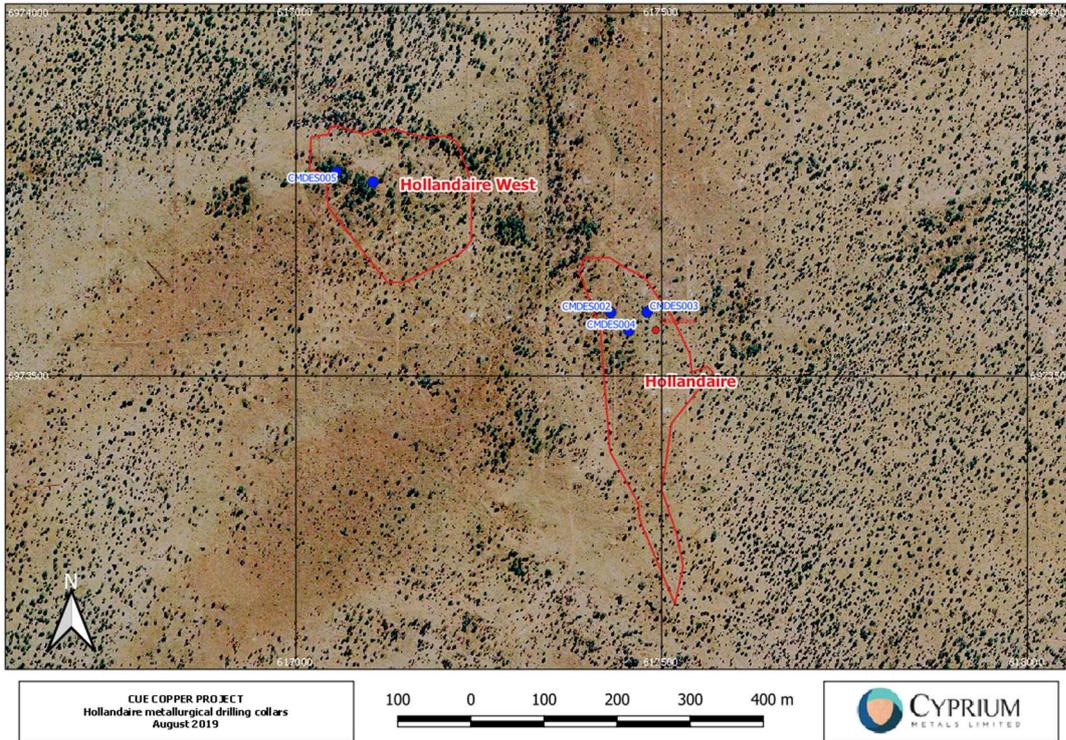


Figure 2 | Hollandaire Metallurgical Drill Hole Locations

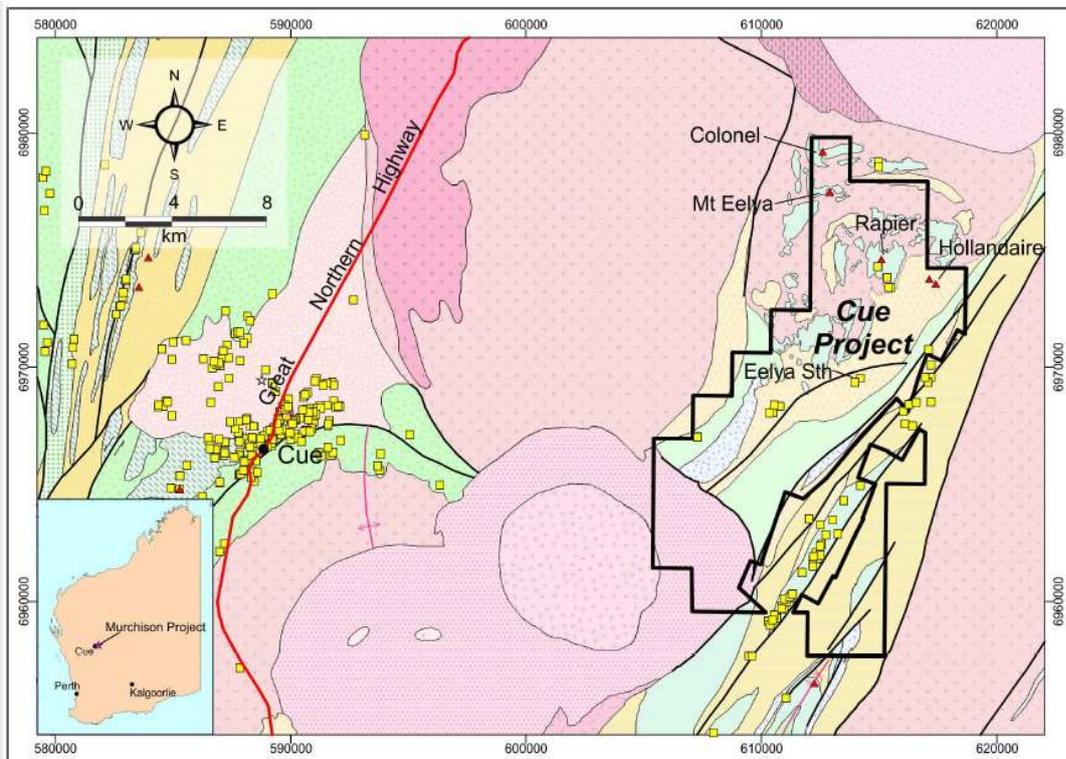


Figure 3 | Location of the Cue Copper Project tenements

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## Quarterly Activities Report – June 2019

### Manitou Project - Canada

The Manitou Gold Project tenements held by the Company in North-western Ontario Canada have been reduced from 245 km<sup>2</sup> to 5 km<sup>2</sup> during the quarter due to expenditure requirements not being achieved. Access to the project had prevented surface sampling and mapping work to be completed in time for tenement expenditure reporting.

### Trenggalek Project - Indonesia

No exploration activity occurred during the quarter.

### Acquisition of Cyprium Australia Pty Ltd

The acquisition of 100% of the issued capital of Cyprium Australia Pty Ltd was completed during the quarter following satisfaction of all the conditions precedent. Pursuant to an agreement between Cyprium Australia Pty Ltd and Musgrave Minerals Limited, Cyprium Australia Pty Ltd has been granted an option to earn-in and joint venture for an 80% interest in the non-gold rights over the tenements at the Cue Copper Project.

### \$2.25 million Equity Placement of 11,250,000 Ordinary Shares

The Company completed an equity placement of 11,250,000 shares at 20c per share to institutional and sophisticated investors to raise \$2.25 million ("Placement Shares"). Approval to issue the Placement Shares was obtained at the Company's Annual General Meeting held on 29 May 2019. The funds will be used for exploration and metallurgical test-work at the Cue Copper Project, technical due diligence on further opportunities and general working capital requirements.

### Board and Secretary Changes

Mr. Gary Comb and Mr. Barry Cahill were appointed to the Board as Non-Executive Chairman and Executive Director respectively. Mr. Wayne Apted has been appointed as Chief Financial Officer and Company Secretary. Mr. Simon Taylor and Mr Marcello Cardaci have retired from the Board and Mr. Aaron Bertolatti has retired as Company Secretary.

The Board has approved a Board Charter and numerous Company Policies, which are available at <http://cypriummetals.com/about-us/corporate-governance>.

### Name Change and Registered Office

The Company has been renamed to Cyprium Metals Limited and its shares are trading under the ASX code CYM, as approved at the Company's Annual General Meeting on 29 May 2019. The Company's Registered Office and Principal Place of Business was changed during the quarter to Level 2, 38 Rowland Street, Subiaco, WA, 6008.

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## Quarterly Activities Report – June 2019

### Cash

CYM closed the quarter with cash at bank of \$3.6 million.

### Capital Structure

During the quarter, CYM issued 19,808,750 fully paid ordinary shares in the Company including 11.25 million Placement Shares to institutional and sophisticated investors to raise \$2.25 million, 5.75 million shares for the acquisition of Cyprium Australia Pty Ltd, 1,308,750 shares for the earn-in option consideration and 1.5 million shares to Corporate Advisor as approved at the Company's Annual General Meeting on 29 May 2019.

During the quarter, the Company issued 6.4 million performance rights to Directors as approved at the Company's Annual General Meeting on 29 May 2019.

The capital structure of the Company at 30 June 2019 is summarised in the following table:

Type of Security	Number
<b>Fully Paid Ordinary Shares</b>	
Ordinary Shares on issue at 30 June 2019	45,059,482
<b>Unlisted Performance Rights</b>	
Unvested Director and employee performance rights issued at a nil exercise price and subject to performance-based vesting conditions	6,400,000
<b>Performance Shares</b>	
Unvested performance shares issued at a nil exercise price and subject to performance-based vesting conditions, expiring 31 May 2023	1,030,000
<b>Share Options</b>	
Unvested share options issued at an exercise price of \$0.375 each, expiring 10 October 2019	200,000

During July 2019, the Company issued 6.0 million performance rights to employees and contractors.

### For further information:

Barry Cahill  
Executive Director

Wayne Apted  
Chief Financial Officer & Company Secretary

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## Quarterly Activities Report – June 2019

### About Cyprium Metals Limited

Cyprium Metals Limited (ASX Code: CYM) is an Australian-listed company with exploration projects in Australia, Canada and Indonesia. The Company is focused on progressing the Cue Copper Project.

The Company has an option to earn-in and joint venture for an 80% interest in the non-gold rights over the tenements at the Cue Copper Project, which is located approximately 20km to the east of Cue in the Murchison region of Western Australia. The region is host to a number of base metals deposits and the Hollandaire copper mineralisation is open to the south west and at depth. The preliminary exploration data has identified a number of high priority targets and drilling will be conducted at Hollandaire and Hollandaire West to determine the extent of the open mineralisation. In conjunction with the extensional drilling, the Company will prioritise its other exploration drill targets.

The Manitou Project is located approximately 60km South of Dryden, Ontario, Canada. The Project is strategically located in a geologically favourable Archean sub-province.

The Company has a joint venture interest with PT Sumber Mineral Nusantara on the Trenggalek Project in East Java, Indonesia. The Project lies on the Sunda-Banda magmatic arc, which is host to several known epithermal gold and porphyry copper-gold deposits.

### Competent Persons

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources and/or Mineral Reserves is an accurate representation of the available data and is based on information compiled by Mr Peter van Luyt who is a member of the Australian Institute of Geoscientists. Mr Peter van Luyt is the Chief Geologist of Cyprium Australia Pty Ltd, in which he is also a shareholder. Mr van Luyt 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 (CP). Mr van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include, but are not limited to statements concerning the Company's current expectations, estimates and projections about the industry in which the Company operates, and beliefs and assumptions regarding CYM's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of CYM and no assurance can be given that actual results will be consistent with these forward-looking statements.

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## Quarterly Activities Report – June 2019

### Appendix 1 | Tenements

Tenement	Location	Interest
<b>AUSTRALIA</b>		
Musgrave Minerals Limited has granted Cyprium Australia Pty Ltd an option to earn-in and joint venture for an 80% interest in the non-gold rights over the following tenements at the Cue Copper Project, WA:  M20/0225, M20/0245, M20/0277, E20/0629, E20/0616, E20/0606, E20/0608, E20/0659, E20/0698, E20/0699, E20/0700, E20/0630, E20/0836, P20/2279, M20/526,	Cue, WA	-%
<b>CANADA</b>		
The Manitou Gold Project consists of unpatented mining claims. GNR Minerals Pty Ltd owns 100% of all claims.  Claim numbers are as follows:  4276785, 4276786, 4276787, 4286148	Ontario, Canada.	100%
<b>INDONESIA</b>		
Trenggalek	East Java, INDONESIA	95%

#### Changes during the June 2019 Quarter:

The Company acquired the option to earn-in and joint venture for an 80% interest in the non-gold rights over the tenements at the Cue Copper Project, WA (detailed above) during the quarter.

The unpatented mining claims for the Manitou Gold Project that were surrendered during the quarter are as follows:

4281403, 4281404, 4281405, 4281406, 4281407, 4281408, 4281409, 4281410, 4281411, 4281412, 4281413, 4281414, 4281415, 4281416, 4281417, 4281418, 4281419, 4281420, 4281421, 4281422, 4281423, 4281424, 4281425, 4281426, 4281427, 4281428, 4281429, 4281430, 4284701, 4284702, 4284703, 4284704, 4284705, 4284706, 4284708, 4284709, 4284710, 4284711, 4284712, 4284713, 4284714, 4284715, 4284716, 4284717, 4284718, 4284719, 4284720, 4284721, 4284722, 4284723, 4284724, 4284725, 4284726, 4284727, 4284728, 4284729, 4284730, 4284731, 4284732, 4284735, 4284736, 4284737, 4284738, 4284739, 4284740, 4284741, 4284742, 4284743, 4284744, 4284746, 4284747, 4284748, 4284749, 4284750, 4284751, 4284752, 4284753, 4284754, 4284755, 4284756, 4284757, 4284758, 4284759, 4284760, 4284761, 4284762, 4284763, 4284764, 4284765, 4284766, 4284767, 4284768, 4284769, 4284770, 4284771, 4284772, 4284773, 4284774, 4284775, 4284776, 4284780, 4284781, 4284784, 4284800, 4284815, 4284816, 4284817, 4284818.

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