

ASX: CYM

Equity Research

4th April 2022

SPECULATIVE BUY

Share Price \$0.21
Valuation \$0.60

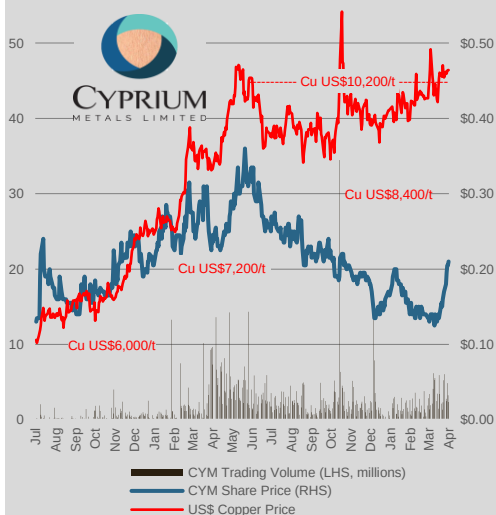
52-Week Range \$0.125 - \$0.370
CYM Shares Outstanding 564.8m
Unlisted Options (\$0.30 11 Dec 2022) 6.0m
Unlisted Options (\$0.3551 30 Mar 2023) 20.3m
Convertible Notes (30 Mar 2025) 101.4m
Performance Rights 57.0m
Market Capitalisation \$118.6m
Cash (31 December 2021) \$25.5m
Convertible Notes (\$36.0m)
Enterprise Value \$129.1m

Substantial Shareholders

Paradise Investment Management Pty Ltd 8.5%
Illwella Pty Ltd 5.4%

Board & Management:

Gary Comb Chairman
Barry Cahill Managing Director
Nicholas Rowley Non-Executive Director
Wayne Apted CFO and Co Sec
John Banning Chief Operating Officer
Gavin Hammer GM – Project Development
Clint Moxham GM – Nifty Project
Peter van Luyt Chief Geologist
Mike Efthymiou Chief Metallurgist
Terry Burns Study Manager



Cyprium Metals Ltd (ASX: CYM) is a copper development company, headquartered in Perth with a portfolio of advanced stage exploration and development projects located in Western Australia. Cyprium's current portfolio of assets includes in excess of 1.3 million tonnes of contained copper and more than 100,000 ounces of contained gold. Cyprium is focused on delivering an expedited development timeframe of its flagship Nifty Copper Mine, with first copper production expected in mid-2023.

Cyprium Metals Limited

Right Plan – Right Team – Right Time for Nifty

Nifty Restart Strategy: Nifty has a chequered past with various owners and a tricky underground mine plan. Cyprium Metals' strategy to focus on open pit mining for both the oxide ore, then later on the sulphide mineralisation is certainly far less risky. In parallel, the retreatment of the existing heap leach pads adds significant value to the restart project.

Oxide then Sulphide: The oxide SX-EW project, for which CYM released a Restart Study on 11 March 2022 is the first stepping stone in terms of copper production from 2023 (average production of 25,000 tpa copper cathode over six years). The cash flow generated can finance the refurbishment of the sulphide concentrator and the restart of the copper concentrate production to extend the mine life (average of 23,000 tpa of payable copper in concentrate over 11 years) assumed to start in 2029.

Copper Projects Portfolio: Beyond Nifty, CYM owns 100%* of the Maroochydore copper project with a mineral of 48.6 million tonnes at 1.0% Cu for 486,000 tonnes of copper contained as well as the Murchison copper project, including the Hollandaire mineral resource of 2.8mt @ 1.9% Cu for 51,500t copper, 28,000oz gold and 500,000oz silver. Both projects are development opportunities in line with CYM's management expertise.

Board & Management: CYM is looking to leverage the collective experience in building and very successfully operating a sulphide copper heap leach project in remote Indonesia and other base metals projects in Australia. This sulphide heap leach project provided unique knowledge and capability of the correct methodology required to produce low cost/premium value copper metal on site, which is then directly saleable into the global copper metal market.

Copper market: The outlook is excellent for the next few years with deficits forecast from most years and a step change in pricing from US\$6,560/t or \$3/lb (2006-2020 average) to \$9,280/t or \$4.20/lb (2021-2026F average).

Nifty Valuation: We have first modelled the Nifty project in line with the Restart Study parameters to check the model's validity, then run three different copper price scenarios including a slightly higher copper price for the Base Case at \$9,280/t compared to \$9,000/t for the Restart Study. The Sulphide Restart is based on the Scoping Study results released by Metals X Ltd (ASX: MLX) in June 2020 with increased capex and opex.

SX-EW Restart / Price Scenario	NPV 7% Post-Tax	Post-Tax IRR
Copper price @ US\$8,200/t	\$182m	36%
Copper price @ US\$9,000/t (CYM case)	\$262m	48%
Copper price @ US\$9,280/t (Base Case)	\$290m	52%
Copper price @ US\$10,600/t	\$423m	72%

Sulphide Restart / Price Scenario	NPV 10% Post-Tax	Post-Tax IRR
Copper price @ US\$8,200/t	\$330m	47%
Copper price @ US\$9,000/t (CYM price)	\$433m	62%
Copper price @ US\$9,280/t (Base Case)	\$469m	67%
Copper price @ US\$10,600/t	\$639m	93%

Source: Evolution Capital estimates, A\$/US\$ exchange assumed at 0.75

News flow: Beyond the key catalyst of debt project financing (\$200 million assumed in the form of project finance and pre-payment) for the Nifty restart, we can expect more good exploration results from the Maroochydore and Murchison projects, including some high grade copper intercepts, and updated mineral resource estimates.

Other Projects: Once Nifty has restarted, CYM has the opportunity to accelerate the evaluation of the Maroochydore and Murchison projects, adding significant value while the exploration expenditure is self-financed.

CYM Valuation: Considering the above parameters, our Base Case valuation stands at \$446 million or \$0.60 per share.

* Subject to clawback rights of up to 50% to buy back into a proposed mine development of the project.

For important information, please see the Disclosure & Disclaimer section at the end of this document.

EVOLUTION

CAPITAL

Cyprum Metals Ltd (ASX: CYM) Financial Summary Base Case: Copper Price @ US\$9,280/t

Key metrics

Market Information	Unit	Value
Number of Issued Shares	million	564.8
Options (@ \$0.30, expiry 11 Dec 2022)	million	6.0
Options (@ \$0.3551, expiry 30 Mar 2023)	million	20.3
Performance Rights	million	57.3
Convertible Notes (expiry 30 Mar 2025)	million	101.4
Fully Diluted	million	749.7
Share Price	A\$	0.21
12 month High-Low	A\$	0.125-0.370
Market Capitalisation	A\$m	118.6
Cash (31 Dec 2021)	A\$m	25.5
Convertible Notes (31 Dec 2021)	A\$m	36.0
Entreprise Value	A\$m	129.1

Financing Assumptions	Unit	Value
Exercise of Options over 2022-2023	A\$m	9.0
New Equity	A\$m	0.0
Convertible Notes assumed to be converted to equity		
Number of Issued Shares Post Financing	million	749.7
New Debt (A\$200m, 1 year grace, 5 years maturity, repayments 2023: \$25m; 2024: \$50m; 2025: \$50m; 2026: \$50m; 2027: \$25m)		

Copper Pricing (US\$/t)	2020A	2021A	2022YTD	2023F	2024F
Low Case				\$8,200	\$8,200
CYM Case				\$9,000	\$9,000
Base Case	\$6,184	\$9,317	\$9,975	\$9,280	\$9,280
High Case				\$10,600	\$10,600
Current Price (17 Mar 2022)			\$10,232		

Exchange Rate	2020A	2021A	2022YTD	2023F	2024F
A\$/US\$	0.69	0.75	0.72	0.75	0.75

Nifty SX-EW Project	Copper Price	NPV Post-Tax @ 7%	IRR
Low Case	US\$8,200/t	\$182m	36%
CYM Case	US\$9,000/t	\$262m	48%
Base Case	US\$9,280/t	\$290m	52%
High Case	US\$10,600/t	\$423m	72%

Nifty Sulphide Project	Copper Price	NPV Post-Tax @ 10%	IRR
Low Case	US\$8,200/t	\$330m	47%
CYM Price	US\$9,000/t	\$433m	62%
Base Case	US\$9,280/t	\$469m	67%
High Case	US\$10,600/t	\$639m	93%

CYM Sum of the Parts Valuation	A\$m	Per Share
Nifty SX-EW Project (100%, 80% Risked NPV)	232.3	\$0.31
Nifty Sulphide Project (100%, 50% Risked NPV)	234.5	\$0.31
Cash	25.5	\$0.03
Exercise of Options	9.0	\$0.01
New Equity	0.0	\$0.00
New Debt	(200.0)	(\$0.27)
Maroochydore Project (100%)	75.0	\$0.10
Murchison Projects (80% & 100%)	65.0	\$0.09
Patterson Exploration Project (100% -> 30%)	15.0	\$0.02
Exploration Upside	30.0	\$0.04
Exploration & Development Costs	(25.0)	(\$0.03)
Corporate Costs	(15.0)	(\$0.02)
Base Case Valuation	446.3	\$0.60

Convertible Notes assumed to be converted to equity

Financial Statements

December Financial Year End

Profit & Loss (A\$m)	2021A	2022F	2023F	2024F	2025F
Revenue	0.0	0.0	153.6	282.7	282.7
Operating Costs	(12.4)	(12.4)	(77.9)	(129.6)	(129.6)
Royalties	0.0	0.0	(3.8)	(7.1)	(7.1)
Overhead Costs	(9.4)	(9.9)	(10.4)	(10.9)	(11.4)
Other Income/Costs	(4.1)	0.0	(4.7)	(8.7)	(8.7)
EBITDA	(25.9)	(22.3)	56.7	126.4	125.8
Depreciation	(1.5)	0.0	(23.3)	(49.7)	(46.6)
Net Interest	0.1	(1.4)	(28.6)	(30.1)	(29.7)
Tax/Other	0.6	0.0	0.0	(21.0)	(25.4)
Profit	(26.7)	(23.7)	4.8	25.6	24.1

Cash Flow (A\$m)	2021A	2022F	2023F	2024F	2025F
Net Profit	(26.7)	(23.7)	4.8	25.6	24.1
+/- Adjustments	1.4	1.4	51.9	79.7	76.3
+/- Working Capital	5.1	(4.4)	(23.5)	(20.2)	0.0
+/- Other	1.7	1.1	(7.7)	(6.5)	0.0
Cash Flow from Operations	(18.5)	(25.6)	25.6	78.7	100.4
Net Capital Expenditure	(45.6)	(100.0)	(74.3)	(25.0)	(25.0)
Cash Flow from Investing	(45.6)	(100.0)	(74.3)	(25.0)	(25.0)
Net proceeds from Debt	0.0	198.3	(3.6)	(30.1)	(79.7)
Changes in Share Capital	90.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	(5.8)	0.0	0.0	0.0	0.0
Cash Flow from Financing	84.2	198.3	(3.6)	(30.1)	(79.7)
Net Cash Change	20.1	72.8	(52.4)	23.7	(4.3)

Balance Sheet (A\$m)	2021A	2022F	2023F	2024F	2025F
Cash	25.5	98.2	45.8	69.5	65.3
Other Current Assets	9.5	1.0	45.6	82.9	82.9
Total Current Assets	34.9	99.2	91.5	152.4	148.1
Property, Plant & Equipment	102.8	202.8	253.8	229.2	207.6
Exploration, Evaluation & Dev.	28.8	28.8	28.8	28.8	28.8
Non-Current Assets	7.4	7.4	7.4	7.4	7.4
Total Non-Current Assets	139.0	239.0	290.0	265.4	243.8
Total Assets	173.9	338.2	381.5	417.8	391.9
Equity	252.0	252.0	252.0	252.0	252.0
Reserves	17.1	17.1	17.1	17.1	17.1
Retained Earnings	(181.7)	(205.5)	(200.6)	(175.0)	(150.9)
Total Equity	87.3	63.6	68.4	94.0	118.2
Current Debt	0.0	0.0	25.0	50.0	50.0
Account Payables	13.9	2.6	16.0	26.6	26.6
Other Liabilities	0.3	0.0	0.0	0.0	0.0
Total Current Liabilities	14.2	2.6	41.0	76.6	76.6
Lease Liabilities	0.3	0.0	0.0	0.0	0.0
Non-current Debt	72.1	272.1	272.1	247.1	197.1
Total Non-current Liabilities	72.3	272.1	272.1	247.1	197.1
Total Liabilities	86.6	274.6	313.1	323.7	273.7
Total Equity + Liabilities	173.9	338.2	381.5	417.8	391.9

Profitability Indicators	2021A	2022F	2023F	2024F	2025F
EBITDA margin	-	0.0%	36.9%	44.7%	44.5%
Liquidity	2021A	2022F	2023F	2024F	2025F
Quick Ratio	0.2	0.0	1.0	0.9	0.9
Current Ratio	0.7	0.4	1.1	1.1	1.1
Capital Structure	2021A	2022F	2023F	2024F	2025F
Equity Ratio	1.4	0.7	0.7	0.6	0.6
Debt / Assets	0.4	0.8	0.8	0.7	0.6
Debt / EBITDA	(2.8)	(12.2)	5.2	2.4	2.0
DSCR	n/a	n/a	1.9	1.6	1.7

Source: Evolution Capital estimates

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All dollar amounts are in Australian dollars unless otherwise specified.

1. CYM Valuation

Nifty Oxide SX-EW Project NPV Valuation

We have first modeled the restart of the Nifty mine according to the parameters included in the Restart Study released by CYM on 11 March 2022. We have increased the Base Case copper price slightly according to the shared view with S&P Global of copper price forecast over the next few years.

The A\$/US\$ exchange rate has been assumed unchanged from the Restart Study at 0.75. It currently appears conservative compared to recent values.

Table 1.1 summarise the valuation results under the various price assumptions.

Table 1.1 – Nifty Oxide SX-EW Project NPV Valuation

Nifty Oxide SX-EW / Scenario	NPV _{7%} Post Tax	Post Tax IRR
Copper price @ US\$8,200/t	\$182.1m	36%
Copper price @ US\$9,000/t (CYM case)	\$262.3m	48%
Copper price @ US\$9,280/t (Base Case)	\$290.4m	52%
Copper price @ US\$10,600/t	\$422.7m	72%

Source: Evolution Capital estimates, A\$/US\$ exchange assumed at 0.75

CYM Sum of the Parts Valuation

Table 1.2 summarises the sum of the parts valuation for CYM.

Table 1.2 – CYM Sum of the Parts Valuation

Asset	Value Range	Preferred	Per Share
Nifty SX-EW Restart (100%)	\$196-\$441m	\$305.9m	
80% risk factor applied		\$244.7m	\$0.31
Nifty Sulphide Project Restart (100%)	\$349-\$657m	\$469.0m	
50% risk factor applied		\$234.5m	\$0.31
Cash		\$25.5m	\$0.03
Exercise of Options		\$9.0m	\$0.01
New Equity		\$0.0m	\$0.00
New Debt		(\$200.0m)	(\$0.27)
Maroochydore Project (100%)	\$50-\$110m	\$75.0m	\$0.10
Murchison Projects (80% & 100%)	\$25-\$110m	\$65.0m	\$0.09
Patterson Exploration Project (100% -> 30%)	\$10-\$32m	\$15.0m	\$0.02
Exploration Upside		\$30.0m	\$0.04
Exploration & Development Costs		(\$25.0m)	(\$0.03)
Corporate costs		(\$15.0m)	(\$0.02)
Total		\$446.3m	\$0.60

Source: Evolution Capital estimates

The valuation assumes no additional equity, but assumes the conversion into shares of the convertible notes (101,373,777 notes).

Nifty Sulphide Project NPV Valuation

For the sulphide project, we used the parameters included in the Summary Report of the Nifty Open Pit Scoping Study released by Metals X Ltd (ASX: MLX) in June 2020.

We increased the initial capex to \$80 million from \$59 million, and increased the mining, processing and G&A costs by 15%.

This Scoping Study assumed a copper price of A\$8,500/t or only US\$6,375/t (US\$2.89/lb).

We first used Metals X assumptions to validate our model then used the same exchange rate and copper price assumptions than the ones used for the SX-EW restart.

The project clearly benefits from the infrastructure already in place in particular the treatment plant (crush, grind and float) with a capacity of 2.8 million tonnes per annum on care and maintenance since November 2019.

We assumed that the development of the Sulphide Project including the refurbishment of the treatment plant will start in 2028. The requirement capital expenditure requirement is self-funded.

Table 1.3 – Nifty Sulphide Project NPV Valuation

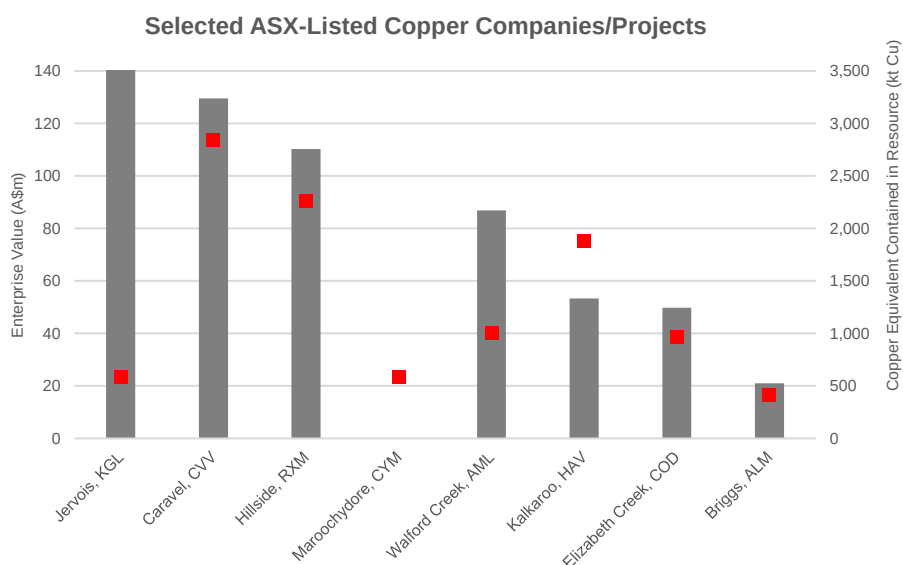
Nifty Sulphide / Scenario	NPV _{10%} Post Tax	Post Tax IRR
Copper price @ US\$8,200/t	\$330.0m	47%
Copper price @ US\$9,000/t (CYM price)	\$433.0m	62%
Copper price @ US\$9,280/t (Base Case)	\$469.0m	67%
Copper price @ US\$10,600/t	\$639.0m	93%

Source: Evolution Capital estimates, A\$/US\$ exchange assumed at 0.75

Maroochydore Project Valuation

For Maroochydore, we selected companies with ideally one flagship copper project and similar copper metal contained in resource. The copper metal equivalent contained in the mineral resource was then calculated based on the copper, cobalt, lead, zinc, gold and silver metals contained and converting the metals to copper using the following metal price assumptions: Cu US\$9,000/t, Co US\$50,000/t, Pb US\$2,200/t, Zn US\$3,500/t, Au US\$1,900/oz and Ag US\$25/oz. No allowance was made for metallurgical recoveries.

Figure 1.1 – Maroochydore Market Valuation



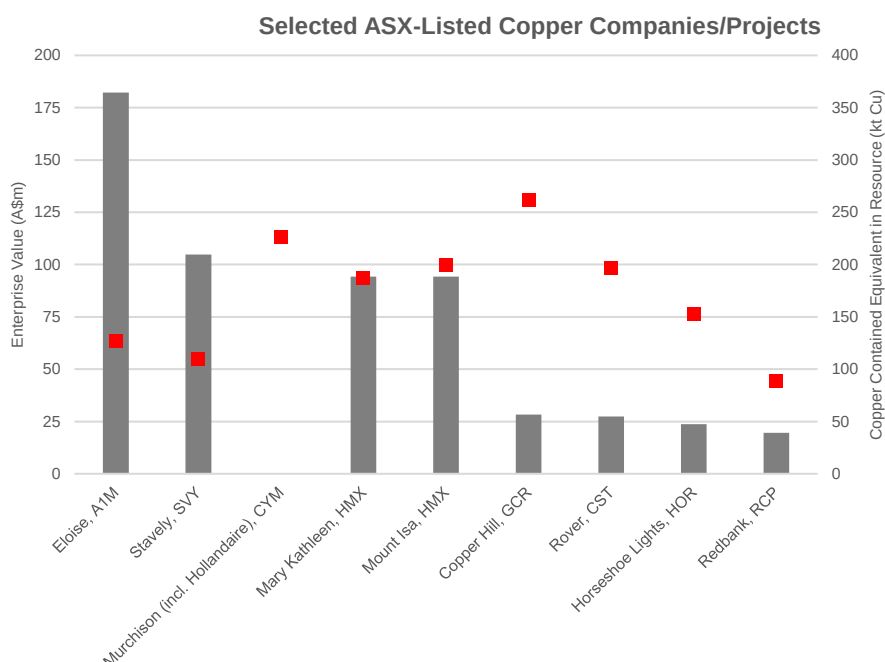
Source: S&P Global, Evolution Capital

On this basis, the Maroochydore project should attract a market value in the range of \$50 to \$110 million. A value of \$75 million was retained for our valuation.

Murchison Projects Valuation

For Murchison Projects, we selected companies with ideally one flagship copper project and similar copper metal contained in resource (89,000 t to 261,000 t copper contained). The copper metal equivalent contained in the mineral resource was then calculated based on the copper, cobalt, lead, zinc, gold and silver metals contained and converting the metals to copper using the following metal price assumptions: Cu US\$9,000/t, Co US\$50,000/t, Pb US\$2,200/t, Zn US\$3,500/t, Au US\$1,900/oz and Ag US\$25/oz. No allowance was made for metallurgical recoveries.

Figure 1.2 – Murchison Projects Valuation



Source: S&P Global, Evolution Capital

On this basis, the Murchison projects should attract a market value in the range of \$25 to \$100 million. A value of \$60 million was retained for our valuation.

2. CYM Strategy

Cyprium Metals Ltd aims to restart the Nifty Copper Project as soon as possible.

The current focus is two-fold:

- Finance the Nifty Copper Project Restart
- Complete and lodge documents for the required government approvals

To all other intents and purposes the rest of the project work is on the start line ready to commence once finance is obtained and the government approvals have been received. CYM has lodged all the approvals documents (see Figure 5.5 on page 14). This should enable all of the necessary approvals to be received by the end of September 2022.

With all the approvals in place, construction will start and copper production is expected to occur in the second half of 2023.

Since completing the acquisition on 30 March 2021, Cyprium Metals Ltd has delivered the following:

- Drill and expand the mineral resources – continuing with excellent results
- Metallurgical test work to optimise the process – continuing with excellent results
- First government approval – submitted
- Relationships with Traditional Owners and Government Authorities – engaged
- Study new vs refurbishment SX-EW – complete with refurbishment option selected
- Refurbishment engineering and design – nearing completion
- Refurbishment process on SX-EW – commenced
- Completed the Restart Study and published an updated mineral resource estimate.

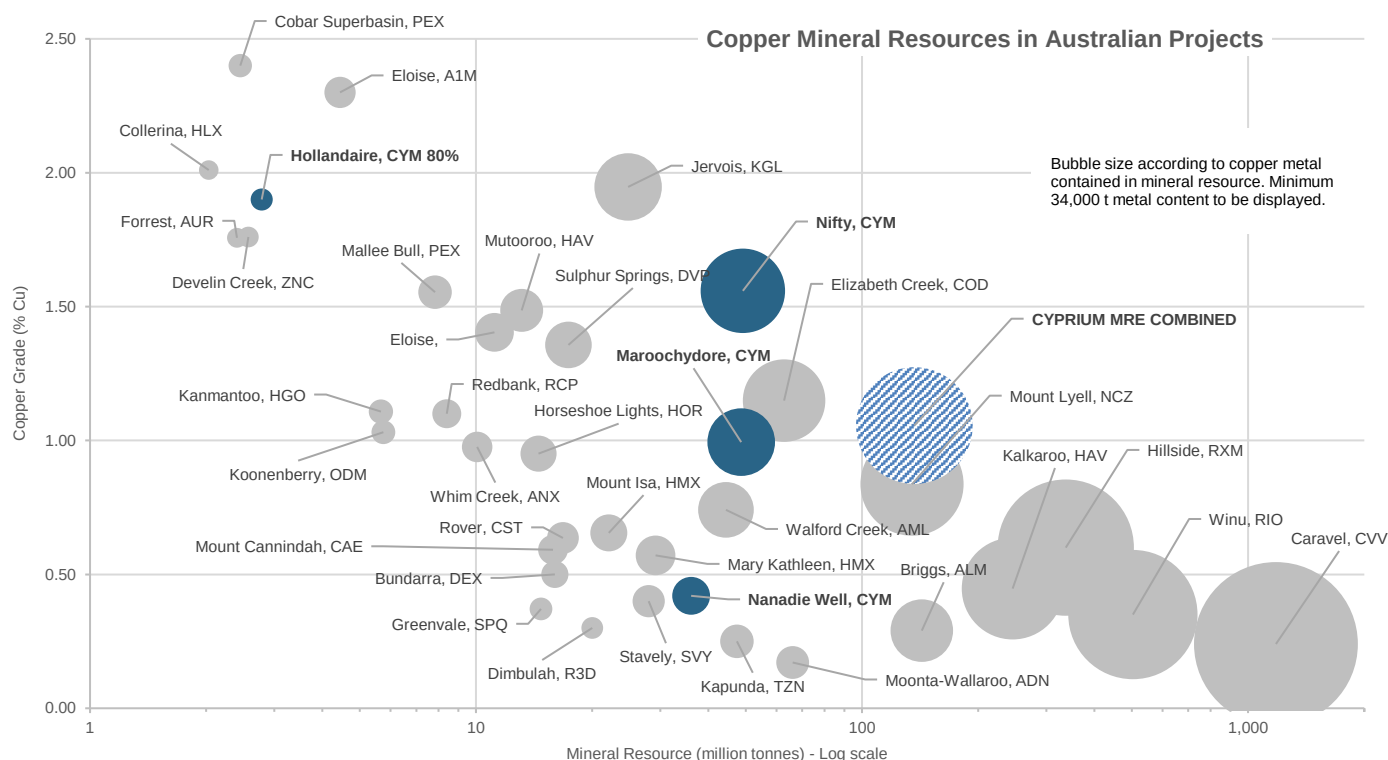
3. Projects Benchmarking

Figure 3.1 summarise the copper grade and copper metal contained in the mineral resource of a number of project in Australia.

Cyprium Metals Ltd stands out as having four copper projects of significance.

Among those, the Nifty deposit is still ranked in the top twenty copper resources by copper tonnes in Australia, with considerable potential to increase further, despite having been mined for a number of years.

Figure 3.1 – Australian Copper Projects Mineral Resource Benchmarking



Source: S&P Global, Evolution Capital

4. Copper Market Outlook

Supply

After three years of remaining essentially unchanged, world copper mine production, increased by 3.1% in 2021.

Output in 2022 is expected to increase by 3.9% as it continues to recover to pre-pandemic levels in a number of countries, notably Peru. It will also be supported by the ramp-up of recently commissioned mines and expansions as well as the planned start-up of some large projects.

Following a four-year period where only two major copper mines were commissioned, the pipeline of copper mine projects is improving. Major projects starting in 2021/2022 include Kamoakakula in the DRC, Quellaveco in Peru, Spence-SGO and Quebrada Blanca QB2 in Chile and Udokan in Russia. A number of medium and small projects are also expected to come on stream.

Most projects are producing concentrate which should result in sustained growth in world concentrate output. SX-EW production is expected to recover in 2022 with growth supported by expansions and new projects in the DRC.

Demand

For 2022, an expected continued recovery in the world economy will benefit copper end-use sectors and should help sustain global growth of about 2.4%.

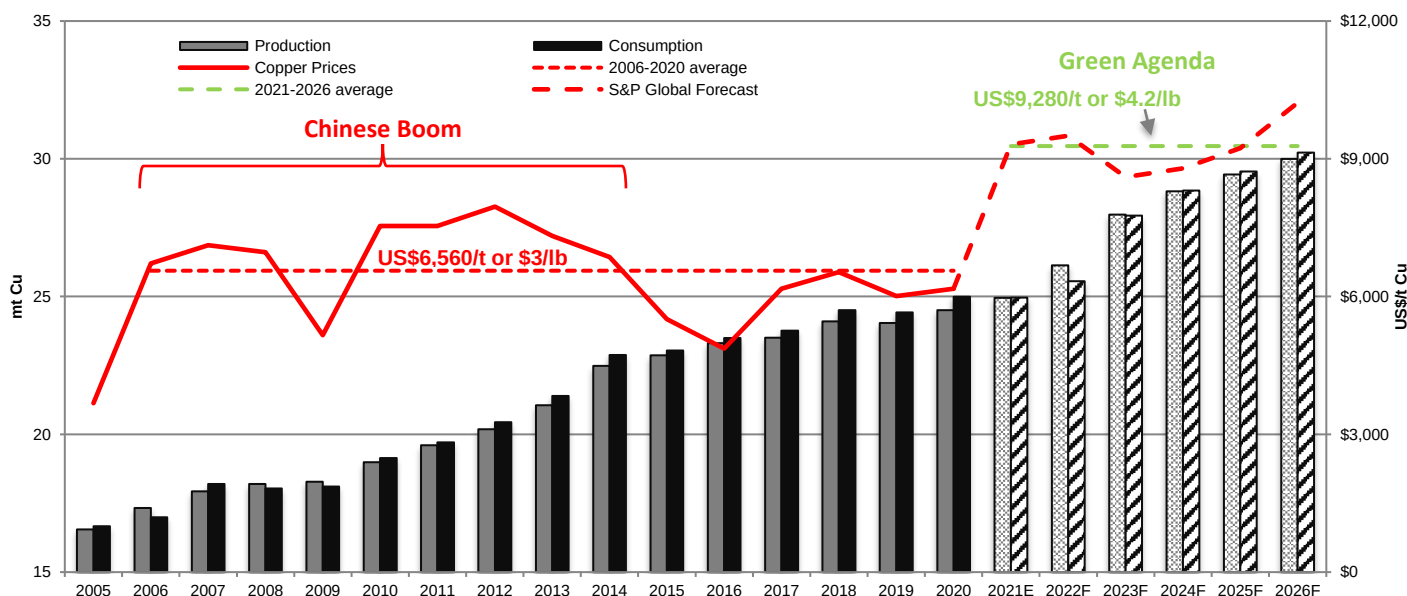
Copper's key properties of conductivity, ductility, efficiency and recyclability, make it a key commodity for the transition to clean energy. It is these properties that make copper the critical material required for wind and solar technology, energy storage, and electric vehicles, all of which will significantly increase the demand for copper. To put this into perspective:

- Solar and wind power generation uses 4 to 6 times more copper than other sources of power
- Copper wiring and cabling connects renewable power generation with energy storage, whilst the copper in
- transformer switches allows power to be delivered at the required voltage
- 4 to 6 times more copper is needed for electric vehicles than traditionally powered vehicles mainly due to the power motor coil and copper is also required for the recharging stations
- Healthcare industry demand is rising due to its unique anti-microbial properties where copper alloy surfaces rapidly kill many forms of potentially lethal bacteria

Copper projects typically have been large-scale in size however large deposits are becoming scarcer and the copper head grades of existing operations are falling. This is compounded by a lack of development of new projects that will bring forward the long-anticipated supply crunch which will drive prices higher over the foreseeable medium to long term timeframes.

From a long term perspective, we are seeing the global Green Economy agenda (electric vehicles, renewable energy, energy storage systems) as one of the catalyst for a step change in copper demand and copper pricing from an average of US\$6,560/t or \$3/lb during the Chinese Boom and the subsequent down turn to a new average of US\$9,280/t or \$4.20/lb forecast for the next few years.

Figure 4.1 – Copper Supply, Demand and Prices



Source: ICSG, S&P Global, Evolution Capital

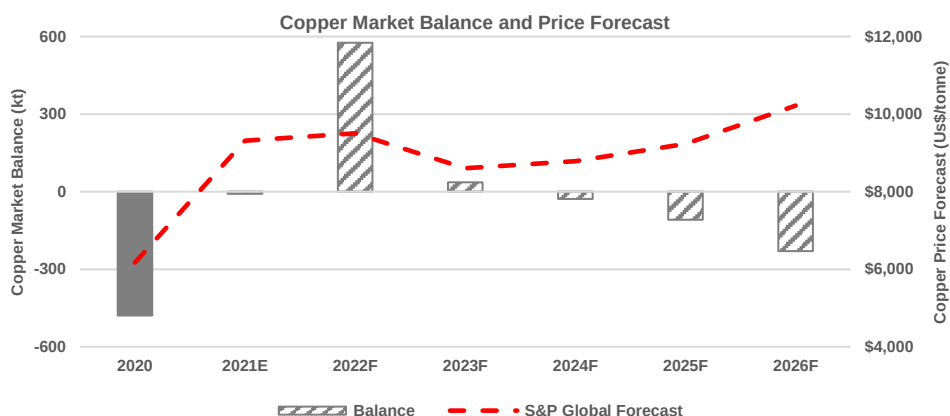
Copper Prices

The Russia-Ukraine conflict has added further strain to a copper market already stressed by low visible stocks and Latin America supply concerns. The London Metal Exchange spot copper price hit a record high of \$10,730 per tonne March 7. Rising inflation helped lift copper prices to new highs in March, although moves to curb rising inflation in Europe and the U.S. will temper longer-term growth in the global economy and, consequently, copper demand.

Conditions for a hike in U.S. interest rates persist, as inflation recorded a 7.9% increase year over year in February and the job market is holding firm. Declining global economic growth forecasts, however, could slow the pace of U.S. monetary tightening. Copper prices tend to have a negative correlation with the U.S. dollar; however, March has seen a breakdown in this relationship, with both values moving higher.

For the Nifty valuation, we used US\$9,280/t as a copper price assumption for the Base Case. This price assumption is well supported by deficits expected over the coming years.

Figure 4.2 – Copper Market Balance and Price Forecast



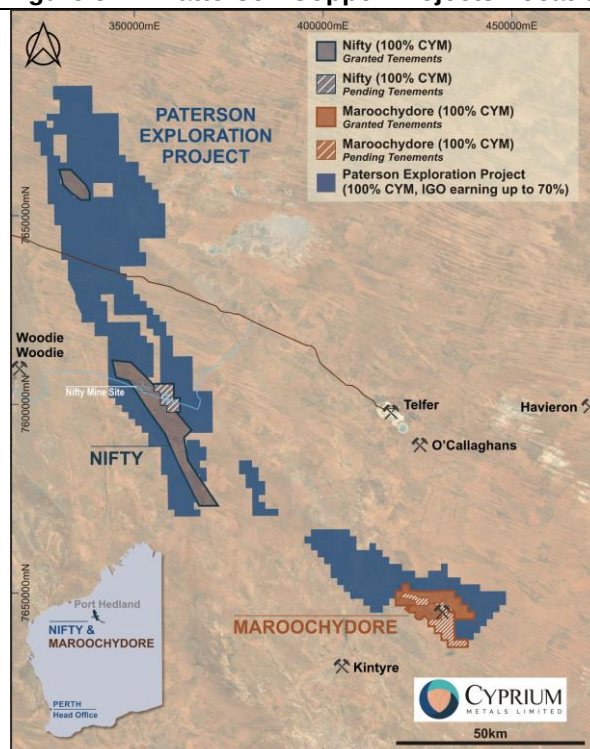
Source: ICSG, S&P Global, Evolution Capital

5. Nifty Copper Project

Introduction

The Nifty Copper Mine is located on the western edge of the Great Sandy Desert in the north-eastern Pilbara region of Western Australia, approximately 350km southeast of Port Hedland.

Figure 5.1 – Patterson Copper Projects Location



Source: CYM

Nifty contains a 2012 JORC Mineral Resources of 732,200 tonnes of contained copper.

Cyprium is focused on a heap leach SX-EW operation to retreat the current heap leach pads as well as open pit oxide and transitional material as described in the Restart Study released on 11 March 2022. Further studies will investigate the potential restart of the copper concentrator to treat open pit sulphide material.

History

Nifty was initially discovered by WMC in 1981 and commenced operation in 1993 as an open pit oxide copper mine with processing via heap leaching and solvent extraction-electrowinning (“SX/EW”) recovery to produce copper cathodes. From 2006, it transitioned to an underground sulphide mine with processing via standard flotation to produce a copper concentrate at rates of over 50,000 tonnes of contained copper per year. Between commencement of the oxide operation and 26 November 2019, when the mine was placed onto care and maintenance (“C&M”), Nifty has produced 714,908 tonnes of copper metal.

200,000 t of copper was leached to produce copper cathodes, first by Western Mining (150 days for 85% recovery), then Straits Resources (600 days for 85% recovery).

Cyprium acquired 100% of the Nifty Copper Mine in March 2021, as part of a larger transaction with Metals X.

Infrastructure

The mine benefits from extensive onsite infrastructure:

- 2.8 million tpa copper concentrator (in care and maintenance since November 2019)
- 25,000 tpa SX-EW plant (in care and maintenance since January 2009)
- 21MW gas turbine power station
- full heavy vehicle workshops and accommodation village for 400 persons
- fully sealed all weather airstrip

Mineral Resource

Cyprium announced an updated Mineral Resource Estimate update (MRE) on 17 November 2021, where one model encapsulating the entire Nifty mineralisation was produced using all available information. This allowed a better assessment of the mineralisation that could provide future feedstock to a heap leach operation given that it is very likely that the heap leach or oxide component of recent estimates (by the previous owners) has not been updated since at least 2012.

Figure 5.2 – Nifty Mineral Resource Estimate November 2021

Ore Source	Cut-Off	Measured			Indicated			Inferred			Total		
	%Cu	Ore Mt	Grade %Cu	Metal t Cu	Ore Mt	Grade %Cu	Metal t Cu	Ore Mt	Grade %Cu	Metal t Cu	Ore Mt	Grade %Cu	Metal t Cu
Oxide	0.4	1.1	1.2	12,300	0.3	1.1	3,300	0.2	0.9	1,700	1.6	1.1	17,300
Lower Saprolite	0.4	1.3	0.9	12,200	0.4	0.8	3,000	0.2	0.8	1,200	1.8	0.9	16,300
Transition	0.4	0.2	0.7	1,500	0.2	0.7	1,000	0.2	0.7	1,200	0.5	0.7	3,700
Chalcocite	0.4	4.3	1.2	53,800	2.3	1.2	28,400	1.4	1.2	16,100	8.0	1.2	98,300
Total Oxide	0.4	7.0	1.2	79,700	3.1	1.1	35,600	1.9	1.1	20,100	11.9	1.1	135,500
Sulphide	0.75	19.6	1.8	351,200	9.2	1.8	161,900	5.1	1.6	76,900	33.9	1.8	596,700
TOTAL		26.5	1.6	431,000	12.3	1.6	197,500	7.0	1.5	97,100	45.9	1.6	732,200

Coincident drillhole planning was completed during the process to fill in gaps of sparse near-surface drilling as well as extensional drilling over the deposit. The results of these drilling programmes will be included in an updated MRE during the first half in 2022.

Heap Leach Retreatment

The heap leach retreat segment of the project restart is a significant source of copper feed to the SX-EW plant in conjunction with the heap leachable ore mined from the first phase of a return to open pit mining.

Stacking of new ore onto the leach pads stopped during the latter part of 2006 and after this time, there was some ore rearrangement as the site personnel attempted to extract more copper from the early pads of the WMC era. Material was continuously leached until 2008 when it was deemed uneconomic to continue and final copper was stripped in early 2009. It was generally recognised at the time that the copper remaining on the heaps was potentially recoverable however the then owner was focused on producing a copper concentrate from the underground mine to feed its smelter located in India. The historic heap leach pads are generally regarded as a heterogeneous stockpile as there is little uniformity in the material stacked. There were approximately sixty individual pads formed and the results from metallurgical accounting produced from physical measurement, assay results and calculations estimate the current inventory of the historic heap leach pads to be:

17.16 Mt @ 0.53% Cu (~91,000 tonnes of copper metal)

To facilitate the retreat of the historic heaps, the remnant material will be relocated to newly constructed heap leach infrastructure located adjacent to the existing facilities. Material will be reclaimed using front end loaders to a self-contained mobile feeder/stacker unit feeding an overland conveyor transporting to a mobile screening unit to size all material to 20mm.

The sized, crushed, and screened material will be transferred to an agglomeration unit before being stacked to a height of 6m.

Mining and Ore Reserve Estimate

Open pit mining operations are planned to be re-established to provide heap leachable ores to the redeveloped existing heap leach pad.

The costs, metallurgical recoveries, and copper pricing used in the optimisation to form the basis of a mine design has been based on analysis and test work completed for the Restart Study.

The optimum open pit shell is based on the maximum un-discounted operating cashflow which reached a depth of 10,085mRL or approximately 225m below surface. The chosen shell used for the detailed mine plan contains 8.8Mt of process feed at 0.87% Cu for approximately 76.4kt of stacked recovered copper metal. Approximately 52.9Mt of waste is contained within this open pit shell which equates to a waste to ore stripping ratio of 6:0.

Metallurgy and Mineral Processing

Over time, Nifty was established as a robust oxide and secondary sulphide heap leach operation capable of producing approximately 25,000tpa of copper metal as cathodes (LME Grade A with a purity of more than 99.99% copper metal) via SX-EW processing.

The SX-EW plant will be refurbished with modern technological improvements, to return the Nifty operation to cathode production through the treatment of remnant oxides while at the same time using the considerable body of sulphide leaching experience from within the company to bring the total heap leaching process up to Cyprium's best practice operating systems.

The current mine plan treats only remnant copper rich mineralisation that has previously been mined and treated via SX-EW processing at Nifty. This Re-start Study only includes ore types that have previously been beneficiated on site.

The Nifty operation has demonstrated successful treatment of the mineralisation over a period of sixteen years. On this basis, metallurgical testwork is not required on the open pit oxide mineralisation as it is proven and well understood.

Cyprium commissioned ALS Metallurgy Services to undertake a metallurgical study to evaluate aged heap leach samples collected during a trenching exercise completed at Nifty during the second quarter of 2021.

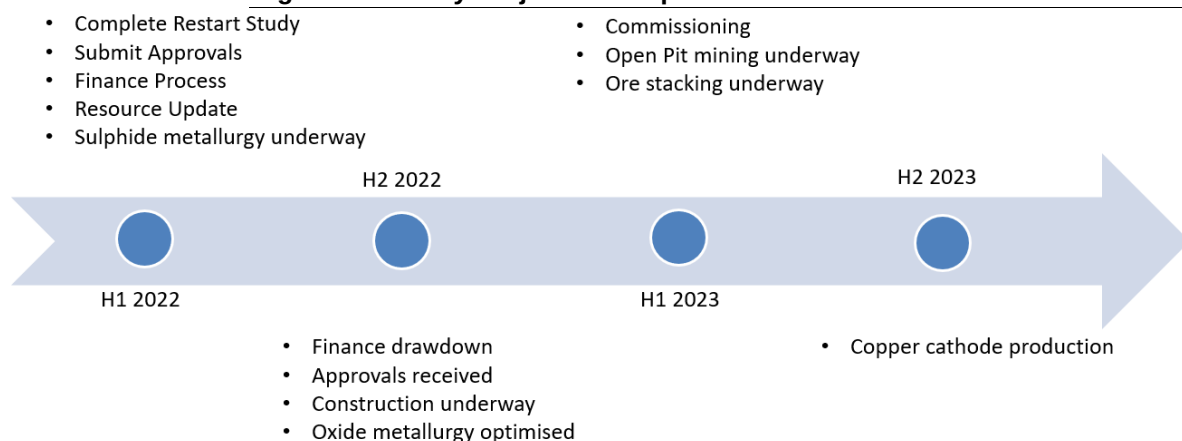
The testwork targeted copper recoveries of 85%, recovery times of 360 days under actual production leaching conditions, reduced reagent consumption and reduced agglomerant consumption.

Current optimisation work is bringing recovery time down to under 180 days and further reducing reagents consumption.

Project Development Schedule

Figure 5.3 summarises the development schedule of the SX-EW project restart. The sulphide project is assumed to be redeveloped from year 2024.

Figure 5.3 – Nifty Project Development Schedule



Source: CYM

Future Sulphide Ore Mining

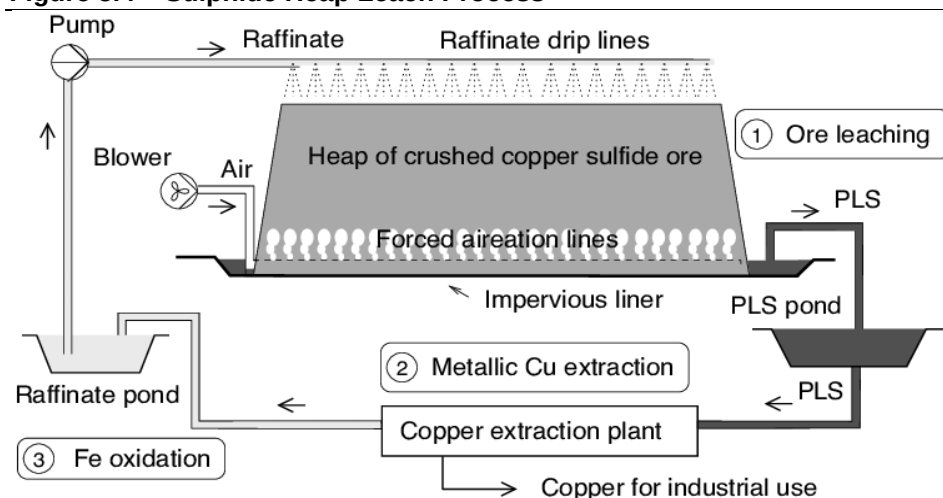
The mine has been visited multiple times by the author when it was under the management of Aditya Birla Minerals Ltd. While the mining and processing of the oxide ore follows traditional methods, the underground operation was fairly unusual. Due to the “cup-like” shape of the sulphide orebody, the underground operation used typically vertically elongated stopes defining a checker board in three-dimensions. To assist ground stability and optimise mining recovery, stopes were mined in various parts of the “checker board”, then subsequently paste-filled to allow nearby stopes to be mined. While theoretically feasible, the implementation of such method attracts greater risks as more stopes are mined and paste-filled.

Cyprium Metals strategy is to mine the sulphide ore using conventional open pit mining methods alleviating those risks.

Cyprium has developed unique intellectual property that can optimise the development or restart of copper projects by utilising sulphide heap leach processing methodology, which is ideal for stranded projects, problematic mineralogy, lack of scale, lower average head grade mineral deposits and/or challenging locations.

The advantages of sulphide heap leach processing methodology include the minimisation of environmental impacts, production of a final LME Grade A cathode onsite, no further downstream processing, higher realised sales proceeds, lower capital and operating costs.

Figure 5.4 – Sulphide Heap Leach Process



Source: CYM

Conceptually, sulphide heap leach is a straight forward process that has many competitive advantages over the traditional onsite copper in concentrate production methods, including:

- Sulphide leaching is exothermic, generating its own heat to facilitate leaching of copper
- Air, ground water, acid and electricity are the primary inputs, together with a limited number of other reagents required in the process, which reduces production and maintenance costs
- Acid that leaches the copper is self-generated in the sulphide heaps, reducing operating costs
- Closed circuit process cycle with the raffinate solution, after the extraction of copper, being returned to the heap leach pads to resume the leaching copper into solution
- Reduced size for processing plant and no requirement for tailings dams to store waste materials from a concentrator, decreasing development costs and environmental impacts
- Transport costs are reduced due to less materials being shipped to and from the mine site
- No downstream treatment and refining charge deductions from sales revenue
- Government royalty rates levied on copper in concentrate being up to double than for cathode

Concurrently to the mine restart focused on the oxide and transitional ore, comprehensive metallurgical test work is expected to determine the optimal pathway to unlock value from the open pit sulphide material.

Regulatory Approvals and Permitting

Government approvals are required for the restart project scope. Nifty is located on a State Agreement Act tenement and Ministerial Approval is required to amend the project size and operating life.

There is a requirement for clearing permits for the new clearing required for the new heap leach pads and an amendment to a current approval for the extension to the waste rock landform. There is an amended Mining Proposal required for the restart of the open pit, pads and SX-EW which includes submission of a Project Management Plan and a Mine Closure Plan. There is an amended Works Approval required for the restart of the SX-EW and the new heap leach pads and an amendment to the Water Licence for the change in water extraction method from underground. There are also a number of smaller permits required around the restart of the mining operation, that require reactivation or renewal.

The overarching Works Approval proposal for the restart has been submitted to the Department of Water and Environmental Regulation and outlines that the project will involve excavating, crushing, agglomerating, stacking and retreatment

of current heap leach material – relocated from the current (to be refurbished) leach pads to new pads constructed in a new location. It will also involve a cutback on the current open pit to provide new ore feed to the heap leach pads of two different types of copper ore, oxide and transitional.

The Proposal outlines that Cyprium will use existing facilities as most of this infrastructure has been maintained and has been approved by the Department of Water and Environmental Regulation under Operating Licence number L6617/1992/15.

Five other proposals have been lodged with respect to the activities to be undertaken by the restart to operations (see below). Cyprium has previously identified delays in the processing times for regulatory approvals (refer to CYM ASX Announcement on 6 December 2021), which resulted in rescheduled project timelines in response to this situation. If the Company experiences delays in obtaining the below permits/approvals, it will update the proposed timing for carrying out the Proposal.

Figure 5.5 – Approval Process for the Restart of the Nifty Mine

Permit / Item	Legislation	Department	Description	Submission Status	Date Lodged
Works Approval and Licence	Environmental Protection Act (1986)	Department of Water & Environmental Regulation (DWER)	Amended Prescribed Activities Licence to enable processing	Lodged	8th March 2022
Native Vegetation Clearing Permit		Department of Mines Industry Regulation & Safety (DMIRS)	Authorises the clearing of native vegetation for project development	Lodged	14th November 2021
Mining Proposal	Mining Act (1978)	Department of Mines Industry Regulation & Safety (DMIRS)	Approval for mining activities and construction of mine infrastructure	Lodged	21st February 2022
Mine Closure Plan		Department of Mines Industry Regulation & Safety (DMIRS)	Defines rehabilitation and closure accompanying the Mining Proposal	Lodged	21st February 2022
Project Management Plan	Mines Safety & Inspection Act (1994)	Department of Mines Industry Regulation & Safety (DMIRS)	Project safety plan approval	Lodged	20th January 2022
26D Licence to Alter Water Abstraction Methods of an Existing Licence	Rights in Water and Irrigation Act (1914)	Department of Water & Environmental Regulation (DWER)	Change in abstraction mechanism under the existing water licence	Lodged	25th February 2022

Source: CYM

6. Maroochydore Copper Project

Location

The Maroochydore deposit is located ~85km southeast of Nifty and includes a shallow 2012 JORC Mineral Resources of 486,000 tonnes of contained copper.

History

Maroochydore was initially discovered by Esso Australia Ltd in 1984. Since discovery, Maroochydore has had numerous owners and JV partners that have collectively drilled out the mineral resource and performed various metallurgical testwork regimes and studies on production scenarios. The primary copper sulphide mineralisation remains open along-strike and down-dip.

Cyprium acquired 100% of the Maroochydore Copper Project in March 2021, as part of a larger transaction with Metals X (CYM ASX Announcement – Transformational Acquisition of Highly Attractive Copper Portfolio, 10 February 2021). Aeris Resources Limited (ASX: AIS) 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 three times the exploration expenditure contribution that would have been required to maintain its interest in the project.

Status

Cyprium intends to perform further drilling (testing along-strike and down-dip extensions) and detailed metallurgical testwork to unlock the potential of this significant copper deposit. Cyprium's testwork program will be used to optimise the processing flowsheet, which is expected to support a heap leach SX-EW project.

Infrastructure

Maroochydore has an exploration camp with diesel powered generators and road access to the Nifty Copper Mine.

Mineral Resource

The Maroochydore deposit contains a substantial shallow oxide and sulphide mineral resource in excess of 480,000 t of copper.

Table 6.1 – Maroochydore Mineral Resource (31 Mar 2014)

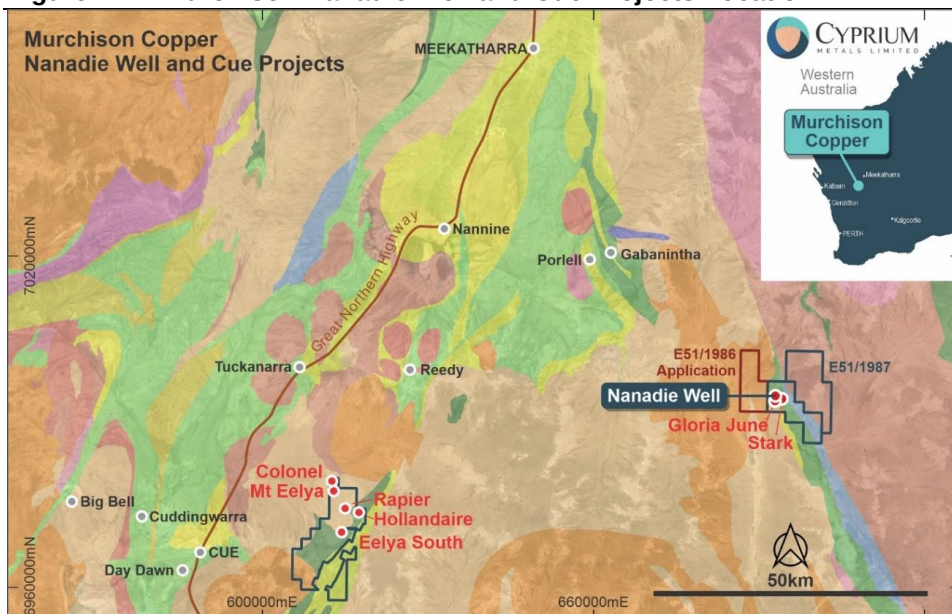
Cut-off	Min Type	Cat	Volume (Mn)	Tonnes (Mn)	Cu%	Coppm
0.5	Oxide	Measured	-	-	-	-
		Indicated	17.82	40.84	0.92	388
		Inferred	0.97	2.36	0.81	451
Sub Total			18.79	43.20	0.91	391
1.1	Sulphide	Measured	-	-	-	-
		Indicated	-	-	-	-
		Inferred	1.98	5.43	1.66	292
Sub Total			1.98	5.43	1.66	292
Total			20.77	48.63	0.99	380

Source: CYM

7. Murchison Copper-Gold Projects

Cyprium Metals has projects in the Murchison region of Western Australia, that is host to a number of base metals deposits with copper and gold mineralisation. 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.

Figure 7.1 – Murchison Nanadie Well and Cue Projects Location



Source: CYM

Cue Copper-Gold Project

Cyprium has 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 the Murchison region of Western Australia. Cyprium has an 80% attributable joint venture interest in the project's copper, gold and silver mineralisation whilst MGV has a 100% interest in primary gold deposits that are not associated with a copper-gold deposit.

The Hollandaire Copper-Gold Mineral Resource forms part of Cyprium's Cue Copper-Gold Project (refer Figure 7.1).

Hollandaire Mineral Resource

Cyprium has completed an update of the Hollandaire Mineral Resource to the JORC 2012 standard, as detailed in Figure 7.2 below (released in Sep 2020) and as illustrated in Figure 7.3.

Figure 7.2 – Hollandaire Mineral Resource

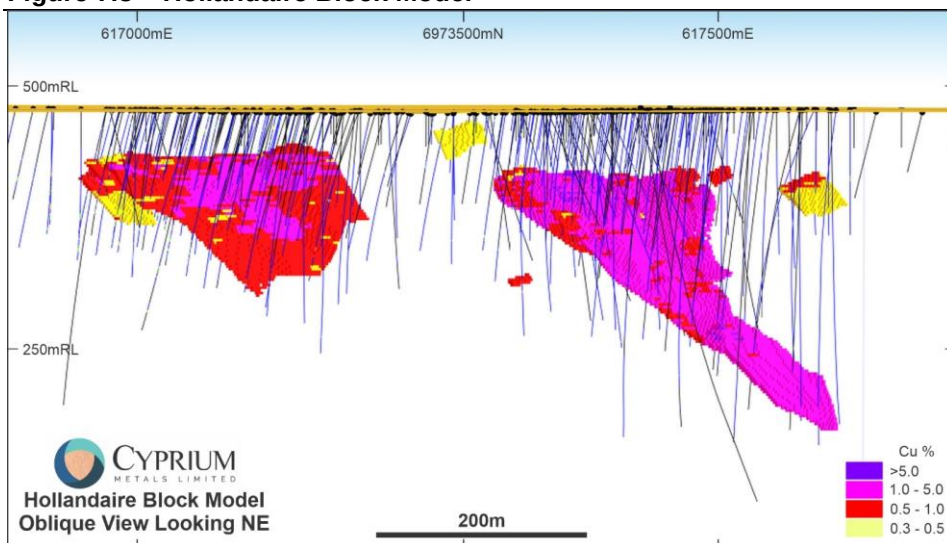
Resource category	Material type	Volume	Tonnes	Cu %	Cu Tonnes	Au g/t	Au Ounces	Ag g/t	Ag Ounces
Indicated	Oxide	5,000	10,000	1.20	100	0.09	0	4.16	1,300
	Transitional	95,000	275,000	1.80	5,000	0.24	2,100	5.06	44,700
	Fresh	638,000	1,894,000	2.00	37,100	0.31	18,900	6.64	404,400
Sub Total		738,000	2,179,000	2.00	42,200	0.30	21,000	6.43	450,400
Inferred	Transitional	4,000	12,000	0.40	0	0.02	0	0.98	400
	Fresh	194,000	593,000	1.60	9,300	0.41	7,800	6.46	123,200
Sub Total		198,000	605,000	1.60	9,300	0.40	7,800	6.35	123,600
TOTAL		936,000	2,784,000	1.90	51,500	0.32	28,800	6.41	574,000

Source: CYM. Cyprium has an 80% attributable interest in the copper, gold and silver.

The Hollandaire Mineral Resource estimate has been based on data compiled from previous drilling, together with the drilling campaigns conducted by Cyprium since mid-2019.

Over 80% of the mineralisation is less than 160 metres below surface, making it very accessible by conventional open pit mining methods. Furthermore, the mineralogy of the deposits are ideal for our unique low-cost heap leach sulphide treatment methodology, as demonstrated in the metallurgical test-work that was conducted on the deposits, which rapidly achieved copper recoveries in excess of 90%.

Figure 7.3 – Hollandaire Block Model



Source: CYM

The increased size and reporting of a JORC 2012 Mineral Resource together with the grant of a mining lease, are significant milestones in Cyprium's advancement of the project from mid-2019. Cyprium is continuing to advance the Cue Copper-Gold project through the ongoing Murchison Copper-Gold scoping study, which now also includes the 100% Cyprium owned Nanadie Well Copper-Gold Project, on the path towards viable economic extraction.

Nanadie Well Copper-Gold Project

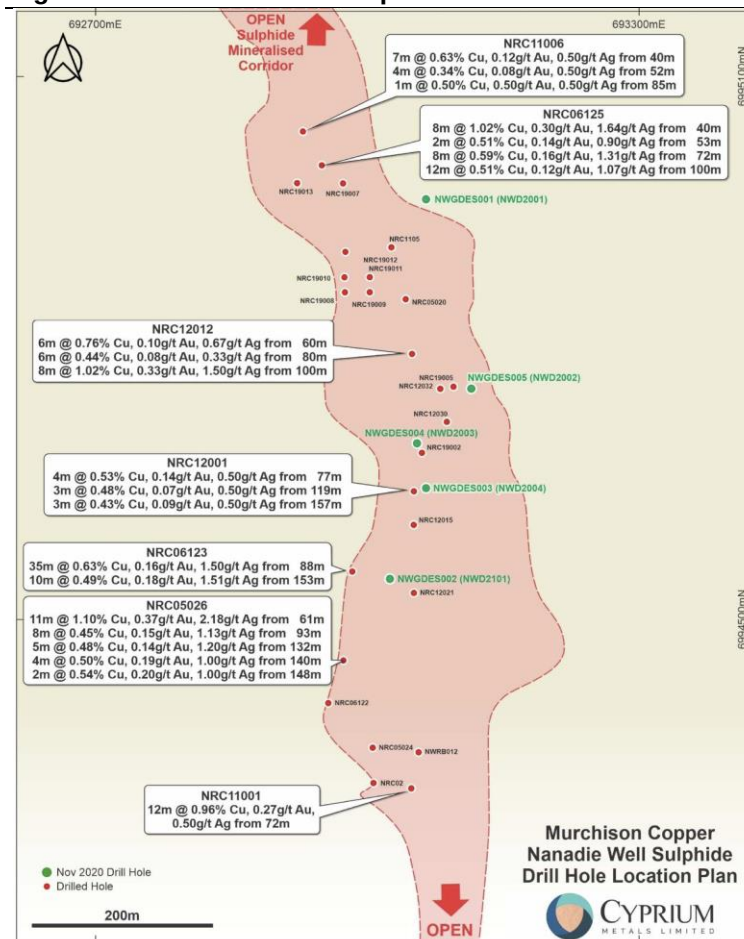
Cyprium completed the acquisition of tenements E51/1040 and M51/887 from Horizon Minerals Limited (ASX: HRZ), which includes the Nanadie Well Copper-Gold Project, which is located ~75km to the east-northeast of Cyprium's Hollandaire copper deposits and ~75 km south east of Meekatharra in the Murchison District of Western Australia. Cyprium has applied for exploration tenements E51/1986 and E51/1987 (granted) to the west and east of the project (refer to Figure 7.1), to expand our regional presence in the area and increase the projects exploration prospectivity. The project also has the Stark Cu-Ni-PGE prospect along with a number of drill ready targets that offer excellent exploration upside.

Nanadie Well Sulphide Diamond Drilling Programme

Cyprium is targeting two separate, but interrelated, styles of mineralization at Nanadie Well, both of which provide very attractive copper mineralised targets. Firstly, the shallow sulphide copper-gold system, is open to the north and south (refer to Figure 7.4).

All of the drill holes into the Nanadie Well have been consistently intersecting disseminated sulphide mineralisation at shallow depths ranging from 45m up to 290m, including chalcopyrite and pyrrhotite.

Figure 7.4 – Nanadie Well Sulphide Drill Hole Location Plan



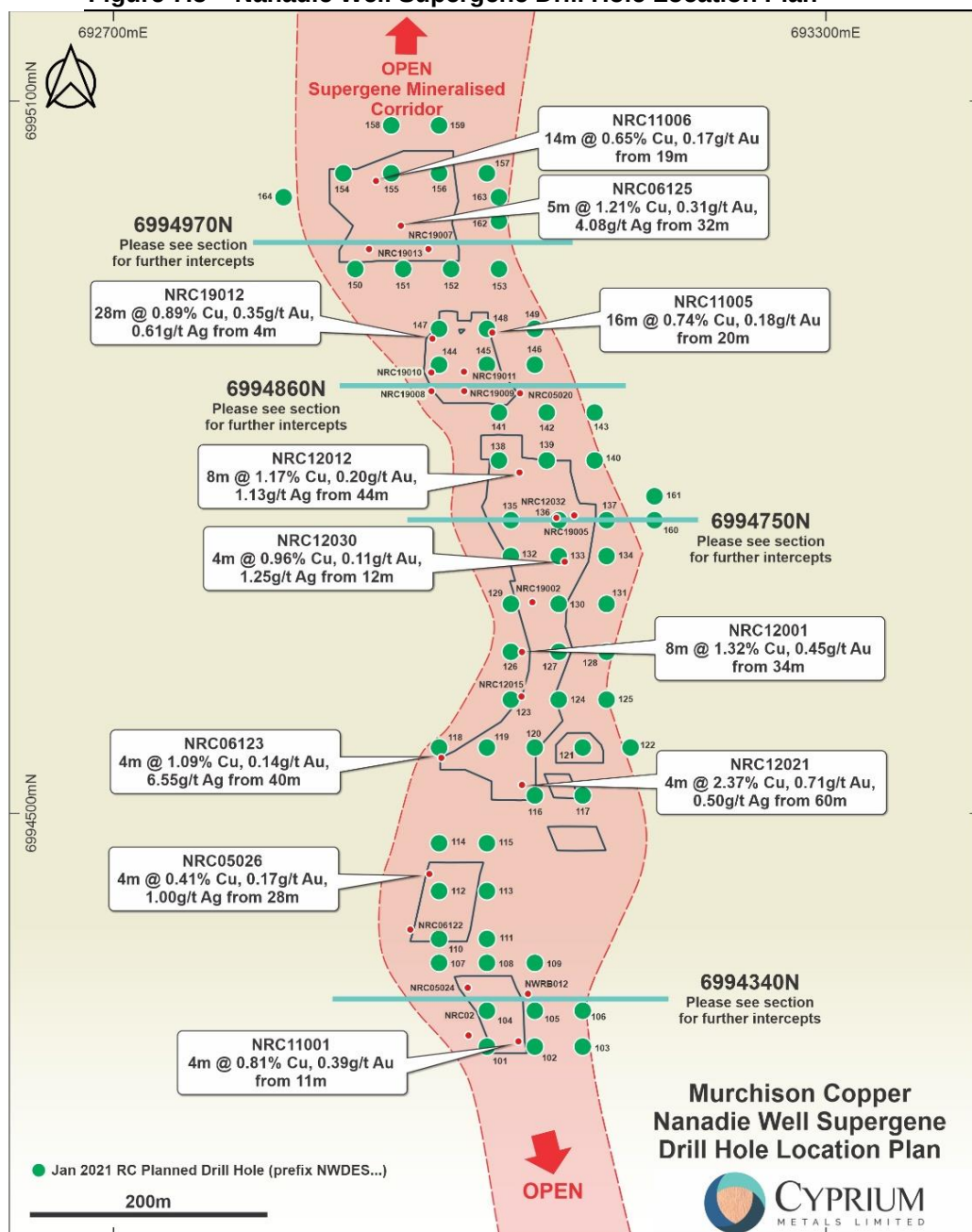
Source: CYM

Nanadie Well Oxide RC Drilling Programme

Cyprium is also targeting the near surface oxide copper-gold system, which is open in three directions, north, south and west (refer to Figure 7.4). Delineation of the oxide has been the target of the RC drilling program, as outlined below.

The oxide mineralisation does not outcrop and is covered by 1m to 25m of transported and unconsolidated sediments in the project area. Preliminary investigations of the Nanadie Well deposit data indicates potential for oxide mineralisation over the full 750 metres of strike that is currently defined. The oxide has mineralised intersections for copper, gold and silver, with RC drilling rock chips containing oxide copper minerals such as malachite, which is rapidly leachable when treated with sulphuric acid.

Figure 7.5 – Nanadie Well Supergene Drill Hole Location Plan

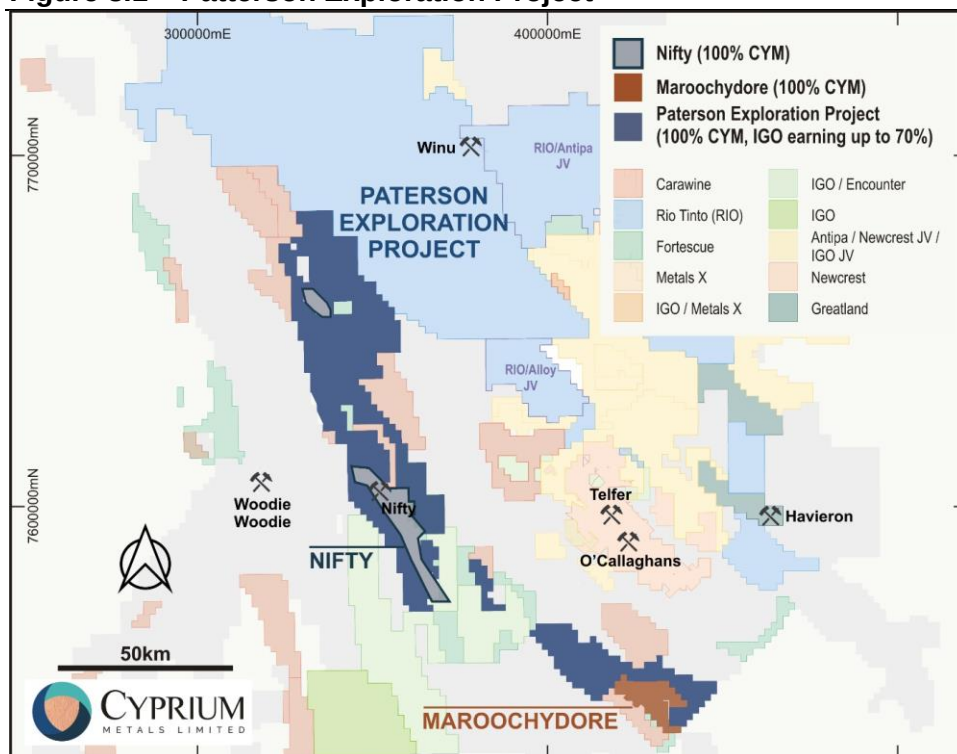


8. Paterson Exploration Project

Location

The Paterson Exploration Project is located in the north-eastern Pilbara region of Western Australia. The ~2,400km² land package is contiguous with much of the Nifty Copper Mine and Maroochydore Copper Project tenement boundaries.

Figure 8.1 – Patterson Exploration Project



Source: CYM

Farm-out Agreement

In mid-2020, Metals X announced an exploration joint venture with IGO on ~2,400km² of its Paterson tenure. This ground is collectively referred to as the Paterson Exploration Project. Under the agreement:

- IGO is to sole fund A\$32 million of exploration activities over 6.5 years to earn a 70% interest in the Paterson Exploration Project, including a minimum expenditure before withdrawal of A\$11 million over 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.

Cyprium acquired 100% of the Paterson Copper Project in March 2021, as part of a larger transaction with Metals X (CYM ASX Announcement – Transformational Acquisition of Highly Attractive Copper Portfolio, 10 February 2021).

As such, Cyprium currently owns 100% of the Paterson Copper Project and is diluting to 30% under the terms noted above.

The recent significant discoveries in the region include Winu by Rio Tinto and Havieron by the Newcrest Mining / Greatland Gold JV.

Exploration programs are underway by IGO Ltd currently completing a large regional soil sampling program and undertaking some air-core drilling to define priority targets.

9. Directors & Management Team

Directors and management have substantial experience leaving the company in very capable hands.

Gary Comb, Chairman

Mr Comb is an engineer with over 30 years' experience in the Australian mining industry, with a strong track record in successfully commissioning and operating base metal mines. He was Chairman of Finders Resources Limited from 2013 until its takeover in 2018. Mr Comb was previously the Managing Director of Jabiru Metals Limited and the CEO of BGC Contracting Pty Ltd.

Barry Cahill, Managing Director

Mr Cahill is a mining engineer with over 30 years' experience in exploration, operational mining and management. In particular his experience covers management of project development and construction from exploration drilling through project funding, commissioning and development. He was the Managing Director of Finders Resources Limited from 2013 until its takeover in 2018. Mr Cahill has previously been executive director of a number of public companies including operations director at Perilya Limited and Managing Director of Australian Mines Limited and Norseman Gold Plc.

Nicholas Rowley, Non-Executive Director

Mr Rowley is an experienced corporate executive with a strong financial background with over 15 years' specialising in corporate advisory, M&A transactions and equities markets. He has advised on the equity financings of numerous ASX and TSX listed companies predominantly in the mining and resources sector. Mr Rowley currently serves as an executive at Galaxy Resources Ltd and as a Non-Executive Director of Titan Minerals

Wayne Apted, Chief Financial Officer and Company Secretary

Mr Apted is a chartered accountant with over 25 years' experience in the mining industry. He was the Chief Financial Officer of Finders Resources Limited until its takeover in 2018. Mr Apted has previously worked in senior finance roles for Masan Resources Limited, Glencore plc, Xstrata plc, Normandy Mining Limited and Aurora Gold Limited, both in Australia and global locations.

John Banning, Chief Operating Officer

Mr Banning is a mining engineer with over 20 years' experience in the mining and construction industries covering multiple commodities including: Copper, Zinc, Lead, Gold, Silver, Tin, Platinum Group Metals, Uranium and Iron ore. His professional expertise extends from project development, construction, operations, technical, business improvement and management. Mr Banning has previously been an independent consultant, Managing Director of Consolidated Tin Mines Limited and Regional General Manager of Kagara Limited. He has also worked with Newcrest, Rio Tinto, BHP, Xstrata Copper, Metals X, Goldfields, Stillwater Mining and Kiewit Construction.

Gavin Hammer, General Manager Project Development

Mr Hammer is a maintenance professional with over thirty years' experience in aviation and mining asset maintenance and management. Mining maintenance and management has been over a 17 year period and included surface and underground operations within fixed and mobile applications. Mr Hammer has operational experience in commodities such as gold, iron ore, copper and base metals. His areas of expertise include the construction, commissioning, optimisation and asset management of process plants and mobile fleet operations in local and remote regions. Prior to joining Cyprium Metals, Gavin spent 5 years in Indonesia followed by 2 years in Western Africa in operational and project construction roles.

Clint Moxham, General Manager Nifty

Mr Moxham is a mining engineer, geologist and mineral economist with over 20 years' experience, with a track record of delivering greenfield and restart operations.

Mr Moxham has previously worked in senior roles at Nathan River Resources, BGC, Atlas Iron, Rio Tinto, Norther Star, Mineral Resources, BHP Billiton, KCGM and Henry Walker Eltin.

Mike Efthymiou, Chief Metallurgist

Mr Efthymiou is a metallurgical engineer with 50 years' global experience in providing sophisticated mineral processing and project development services in the mining industry. Since 2000 he has been the Managing Director of a specialist Metallurgical Process and Project Consulting Services Company to develop and implement innovative technologies and process flowsheet solutions. Mr Efthymiou has previously worked in senior roles at world class base metals operations and projects at BHP Group Limited, WMC Resources Ltd MIM Holdings Ltd, Freeport-McMoRan Incorporated and Zambia Consolidated Copper Mines Ltd.

Terry Burns, Project Development Manager

Mr Burns is an experienced economic geologist with additional qualifications in mineral economics and mine engineering and >30 years of post graduate experience. Mr Burns has held senior technical and management roles with several ASX-listed companies in both the precious and base metals industries including WMC Resources, Finders Resources, Mount Isa Mines and Normandy Metals. Additionally, Mr Burns has operated a successful independent consultancy focusing on geo-metallurgical consulting, technical due diligence, independent technical reporting and feasibility studies.

Peter van Luyt, Chief Geologist

Mr van Luyt is a geologist with 30 years' experience in mining, development and exploration geology. He commenced his career as a mine geologist working in gold mines. Since 2004 he has been a contract and consultant geologist specialising in the resource development of and exploration for base metals and gold projects in Australia, Papua New Guinea and Canada. Mr van Luyt holds a Bachelor of Science degree with honours from the University of Sydney, a Post-Graduate Certificate in Geostatistics from Edith Cowan University and is a member of the Australian Institute of Geoscientists.

10. Investment Risks

CYM is exposed to a number of risks including:

- **Geological risk:** the actual characteristics of an ore deposit may differ significantly from initial interpretations.
- **Resource risk:** all resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.
- **Commodity price risk:** the revenues CYM will derive mainly through the sale of copper cathodes and copper concentrate exposing the potential income to metal price risk. The price of copper fluctuate and is affected by many factors beyond the control of CYM. Such factors include supply and demand fluctuations, technological advancements and macro-economic factors.
- **Exchange Rate risk:** The revenue CYM derives from the sale of metal products exposes the potential income to exchange rate risk. International prices of lithium are denominated in United States dollars, whereas the financial reporting currency of CYM is the Australian dollar, exposing the company to the fluctuations and volatility of the rate of exchange between the USD and the AUD as determined by international markets.

- **Mining risk:** A reduction in mine production would result in reduced revenue.
- **Processing risks:** A reduction in plant throughput would result in reduced revenue. In all processing plants, some metal is lost rather than reporting to the valuable product. If the recovery of metal is less than forecast, then revenue will be reduced.
- **Operational cost risk:** an increase in operating costs will reduce the profitability and free cash generation of the project.
- **Management and labour risk:** an experienced and skilled management team is essential to the successful development and operation of mining projects.

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