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CYPRIUM METALS LIMITED

Interim Financial Report

30 June 2023

ABN 48 002 678 640

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CORPORATE DIRECTORY

Directors
Gary Comb (Chairman, Non-Executive Director)
Barry Cahill (Managing Director)
John Featherby (Non-Executive Director)

Company Secretary
Wayne Apted

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Securities Exchange
Australian Securities Exchange
ASX Code: CYM

Auditors
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Level 4, 130 Stirling Street
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Overview

Cyprium Metals Limited (ASX: CYM) ("Cyprium") is an ASX listed Australian copper company. Cyprium has a vision to become a significant mid-tier copper producer with a multi–asset strategy set to capitalise on the global electrification thematic. The Company's strategy is to acquire, develop, operate and explore mineral resource projects using modern responsible methods to minimise environmental impact and optimise resource recovery and utilisation. Cyprium will make use of past investment to minimise capital intensity and lower risk to maximise the risk adjusted value of its projects.

Cyprium owns a high-quality portfolio of West Australian copper development projects in the Paterson and Murchison regions, with a total of +1.6Mt of contained copper in JORC 2012 Mineral Resources ("MRE") across its projects, comprising:

- Nifty Copper Mine (100%) with a 2012 JORC Mineral Resource of 940,200 tonnes of contained copper;
- Maroochydore Copper Project (100%) with a shallow 2012 JORC Mineral Resource of 486,000 tonnes of contained copper;
- Paterson Exploration Project (100%, diluting to 30%), a highly prospective tenement package on which IGO Ltd (ASX: IGO) is spending A$32 million over 6.5 years to earn-in up to 70%;
- Murchison Copper Project, an early-stage development opportunity that collectively refers to the:
    - Cue Copper Project (80%), containing a smaller scale, high grade copper mineral resource of 51,500 tonnes contained copper; and
    - Nanadie Well Copper Project (100%), containing a larger scale polymetallic orebody with a lower grade copper mineral resource of 162,000 tonnes contained copper.

All of Cyprium's copper development projects MRE's are shallow, open in multiple directions and at depth, giving good potential to substantially increase the current resource endowment.

Cyprium is focussed on a business plan to develop a large open pit mine at Nifty. Initially to provide ore to an existing heap leach SX-EW operation and to retreat the current heap leach pads. The restart of the existing copper concentrator to treat open pit sulphide material will commence once technical studies and approvals have been obtained for the larger operating footprint expected within 4 years.

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DIRECTORS' REPORT

The Directors present their report for Cyprium Metals Limited ("CYM", "Cyprium" or "the Company") and its subsidiaries ("the Group") for the 6 months ended 30 June 2023.

All amounts are expressed in Australian Dollars unless otherwise stated.

DIRECTORS

The persons who were directors of CYM during the half-year and up to the date of this report are:

- Gary Comb (Chairman, Non-Executive Director)
- Barry Cahill (Executive Director)
- Nicholas Rowley (Non-Executive Director) – resigned April 2023
- John Featherby (Non-Executive Director) – appointed April 2023

REVIEW OF OPERATIONS

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

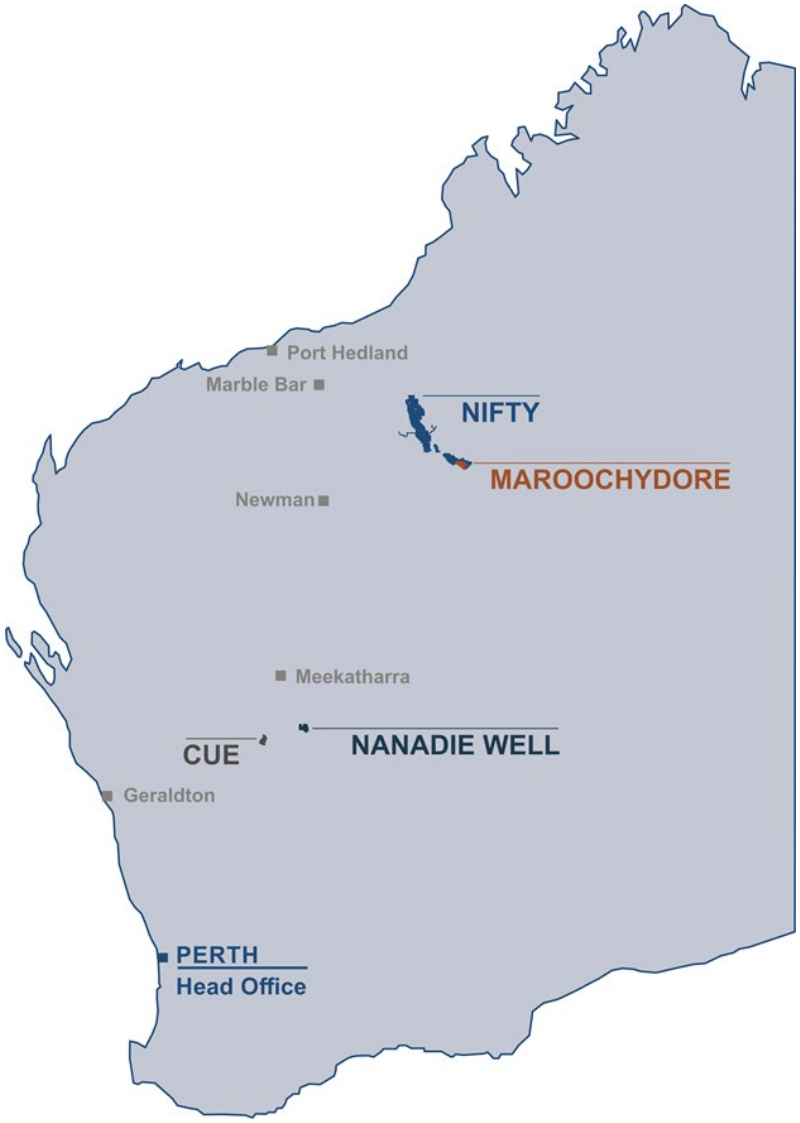


Figure 1 | Location of Murchison and Paterson Projects

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Since 2019, the Company's focus has been to grow to a multi-asset, mid-tier copper producing Company by advancing mid to late-stage Australian based copper projects, which have the potential for development into operational copper mines.

Progress has continued after completion of the Nifty Copper Project Restart Study including:

- Expand CYM's mineral resource inventory to over 1.6 million tonnes of contained copper:
    - Increasing the Nifty mineral resource estimate to over 940,000 tonnes contained copper, which excludes the copper contained within the existing heap leach pads;
    - Release of the Nanadie Well mineral resource estimate of over 160,000 tonnes contained copper;
- Obtaining all of the approvals required at present for the Nifty Copper Project restart;
- Completion of further metallurgical optimisation testwork to improve the robustness of the Nifty Copper Project Restart Study;
- Completion of pre-development refurbishment, infrastructure upgrades, site clean-up and operational readiness activities at Nifty; and
- Continuation of drilling programmes at Nifty, Maroochydore, and Murchison Copper Projects.

Considerable global market volatility has been experienced from mid-2022 which resulted in declines in commodity prices (including copper), weaker AUD/USD exchange rates, increased inflationary pressures and rising interest rates, adversely affecting global debt and equity markets. The unfavourable market conditions inevitability led to a deterioration in investment market sentiment, which impacted the Nifty financing process from the second half of 2022.

As a consequence of the Senior Secured Bond Issue not proceeding during the first quarter of 2023, the Company requested the ASX for a voluntary suspension of CYM securities whilst the Company undertook a strategic review.

NIFTY STRATEGY

The Company's priority is to restart the Nifty operation with lower capital intensity and risk by developing a large-scale open pit mine utilising the extensive sunk capital infrastructure.

The Nifty development strategy includes the integration of a Copper Oxide Heap Leach SX-EW starter open pit operation that will be complemented by the larger scale sulphide open pit, which together is expected to provide a significant +15-year mine life based on +900,000 tonne contained copper mineral resource.

Cyprium finalised a detailed Restart Study for the Oxide Heap Leach starter operation and is refreshing the cost inputs (refer to CYM ASX announcement "Nifty Copper Project Restart Study" dated 11 March 2022). The Company is concurrently completing a technical study which will lead into a detailed open pit life of mine study, to integrate the oxide heap leach with the large sulphide resource inventory. This will reflect the large scale and longer life of the Nifty project and demonstrate the economic metrics of the larger scale open pit mine.

Nifty has substantial infrastructure already in place to treat both oxide and sulphide mineral inventory.

The integrated business plan for Nifty is expected to produce a long-life production profile with two product streams which will provide a lower risk operating approach with maximum processing flexibility. This plan is expected to ultimately produce annualised production between 48,000 to 65,000 tpa of copper production.[1] It is anticipated that the Oxide Heap Leach SX-EW operation will produce approximately 20,000 - 25,000 tpa of copper cathode for more than 6 years with expected additional oxide feed from the larger open pit.[1] The Oxide leach SX-EW project is expected to provide the funding to restart the Sulphide Concentrator. The Concentrator is expected to produce

between 28,000 tpa (2.8Mtpa) and 40,000 tpa (4.0 Mtpa) of copper in concentrate.[1] These assets support a long mine life project in excess of 15 years.[1]

Nifty's prospectivity is excellent and the mineral inventory is relatively shallow, is open along strike in multiple directions and at depth, giving good potential to increase the current resource endowment.

In addition, Cyprium's other exploration assets at Maroochydore and in the Murchison represent an attractive portfolio of exploration projects that will over the next year will be assessed and reviewed for additional expenditure along with the commencement of the development of Nifty. These projects together with Nifty, contain more than 1.6 million tonnes of contained copper.

PLACEMENT AND ENTITLEMENT OFFER

The Company is undertaking capital raising via a placement and a proposed pro rata non-renounceable entitlement offer to raise up to approximately $29 million before costs ("Equity Raising").

The Company has received firm commitments in respect of a conditional placement to issue approximately 600 million new shares ("Placement Shares") at an offer price of $0.04 per share ("Offer Price") to raise $24 million ("Placement") from sophisticated and institutional investors, which received shareholder approval at a General Meeting ("General Meeting") on 7 September 2023.

The Placement was strongly supported by sophisticated and professional investors, including numerous new and existing high quality domestic and offshore natural resources focused institutions. The investor support for the Placement provides a strong endorsement of Cyprium's strategy to restart the Nifty operation as a long life integrated large scale open pit mine.

Leading private equity firm and existing shareholder, Pacific Road Capital Management ("PRCM"), has agreed to subscribe for approximately A$4.05 million in the Placement, which will result in them holding a 9.9% interest in the Company post-Placement.

The pro rata entitlement offer is non-renounceable to issue up to 125 million new shares ("Entitlement Shares") at the Offer Price, representing 1 new share for every 5.84 shares held by eligible shareholders on the record date of 18 August 2023 to raise up to $5 million ("Entitlement Offer"), which closed on 7 September 2023 ("Closing Date").

The Entitlement Offer included a top up facility under which eligible shareholders who take up their full entitlement had the opportunity to apply for additional shares from a pool of those not taken up by other eligible shareholders ("Top Up Facility"). In addition to the Top Up Facility, there will also be a general shortfall offer pursuant to which the Company may place any shares to non-eligible shareholders within 3 months from the Closing Date of the Entitlement Offer.

Each participant in the Placement and Entitlement Offer will receive 1 free attaching option for every 2 Shares to be issued under the Placement and Entitlement Offer ("Options"). The Options will be exercisable at $0.06 each, on or before 31 December 2024.

A Shortfall Agreement has been entered into with Nebari Natural Resources Credit Fund II, LP (also refer to Secured Loan Agreement below) to take $500,000 of any shortfall under the Entitlement Offer at an issue price of $0.04 per Share (with free attaching 1:2 Options at $0.06 per option) pursuant to the Shortfall Offer ("Shortfall Shares").

In addition, the Board has received interest to take a substantial portion of the shortfall.

[1] Production targets based on internal technical studies and past external studies (refer to CYM ASX announcement "Nifty Copper Project Restart Study" dated 11 March 2022, MLX ASX announcement "Nifty Scoping Study Identifies Long Life Open Pit with Positive Economics", dated 11 June 2020 and CYM ASX announcement "AGM Presentation") The Company confirms that all material assumptions underpinning the production targets continue to apply and have not materially changed.

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USE OF FUNDS AND LIFTING OF VOLUNTARY SUSPENSION

The Company has requested that the ASX lifts the voluntary suspension of trading in its Shares following the General Meeting and the issue of the Shares under the Equity Raising. Reinstatement to trading on the ASX will be subject to ASX conditions as outlined in a Prospectus (refer to CYM ASX announcement "Lodgement of Prospectus" dated 14 August 2023, and Expected Date for Reinstatement below).

Proceeds from the Equity Raising will primarily be used for the completion of the Nifty project technical studies, Nifty site costs and for working capital purposes. Cyprium will have sufficient funding to complete the Nifty life of mine study on the integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit and provide significant runway to pursue the updated Nifty strategy.

SECURED LOAN AGREEMENT

During the first half of 2023, the Company entered into an 18-month, USD-denominated Senior Secured Loan Facility ("Loan Facility") with Nebari Natural Resources Credit Fund II, LP ("Nebari"). The facility has refinanced a short term $6 million Secured Loan Deed facility that was drawn in March 2023 and provides additional working capital to advance the development of Nifty. The Loan Facility provides up to USD14.5 million in two Tranches.

Key terms of the Loan Facility

The material terms of the Loan Facility are as follows:

- Funded amount: up to USD14.5 million, net of original issue discounts ("OID")
- Facility term: until 31 December 2024
- Coupon: Secured Overnight Financing Rate ("SOFR") +6.5% p.a. payable monthly
- OID: 5.0% on Tranche 1 and 10.0% on Tranche 2
- Amortisation: 100% bullet on maturity
- Warrants: 2-year, 1 for 5.5 warrants which will be priced at either a 20% premium to the share price of a future equity raise or, if no equity raise is completed by 31 December 2023, the warrant strike price shall be priced at A$0.088 per share
- Security: over the assets of Cyprium and its projects

The Loan Facility contains other terms and conditions that are customary for an agreement of this nature.

This facility could be rolled into a larger, longer term development financing facility in the near term (likely within 12 months), pending the finalisation of the Nifty life of mine study on the integrated copper oxide Heap Leach SX-EW starter operation and the larger scale sulphide open pit, outlined above. These studies are currently underway and anticipated to be completed by Q1 2024.

BOARD AND MANAGEMENT CHANGES

Upon the issuance of shares under the Placement, Mr Clive Donner will be appointed to the Cyprium Board as the Managing Director.

Mr Donner is an experienced mining private equity and financing expert who has financed over 50 mines globally. Mr Donner has been engaged to lead the raising the required capital, developing the assets of the Company and building the Company into a mid-tier copper producer.

Mr Barry Cahill will resign from the Board upon Mr Donner's appointment to the Board as the Managing Director. Mr Cahill will continue as an executive of the Company as the Chief Development Officer to focus on the technical studies to implement the Nifty Strategy.

Upon completion of the Placement, Mr Jerkovic, an experienced mining executive will be appointed as Chief Operating Officer to build a technical team and deliver the execution of Nifty and other projects.

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Also upon completion of the Placement, Mr Matthew Fifield from PRCM will be appointed to the Company's Board of directors and take up the role of non-executive interim Chair whilst Gary Comb will step down as Chair but remain as a non-executive Director.

During April 2023, Mr Nicholas Rowley resigned as a Non-Executive Director and Mr John Featherby was appointed as Non-Executive Director. Mr Featherby has extensive experience in the stockbroking and wealth management industry.

EXPECTED DATE FOR REINSTATEMENT

The expected date for Reinstatement and quotation of securities issued under the Capital Raising is conditional on ASX being satisfied (in its absolute discretion) that all Conditions have been satisfied. In addition to customary ASX reinstatement conditions, this includes confirmation that the Company has completed the Capital Raising, which is expected to occur in the week commencing 11 September 2023. Accordingly, the Company will remain in voluntary suspension until the Conditions are satisfied.

CAPITAL STRUCTURE

The capital structure of the Company as at 8 September 2023 is summarised as follows:

Security	Number
Fully Paid Ordinary Shares	
Issued Ordinary Shares	730,198,300
Performance Rights	
Unvested performance rights at a nil exercise price, subject to performance conditions	50,450,000
Convertible Notes	
Unlisted Convertible Notes at 4% per annum, maturing 30 March 2025	101,373,777

During the year, 20.3 million unlisted share options exercisable at 35.51 cents each expired on 30 March 2023. There are no unlisted share options at the date of this report, and 0.8 million unlisted performance rights lapsed on 13 April 2023.

The effect of the Placement and Entitlement Offer on the capital structure of Cyprium will be as follows:

Shares on Issue[1]	**Minimum Subscription** (Assumes 0% Participation in Entitlement Offer)	**Full Subscription** (Assumes 100% Participation in Entitlement Offer)
Current shares on issue	730,198,300	730,198,300
Placement Shares	600,000,000	600,000,000
Entitlement Offer Shares	-	125,000,000
Shares to be issued to Consultants[3]	4,036,650	4,036,650
Shares on issue post Placement and Entitlement Offer	**1,334,234,950**	**1,459,234,950**

Placement Options[2]	300,000,000	300,000,000
Entitlement Offer Options[2]	Nil	62,500,000
Lead Manager Options[2]	26,603,966	26,603,966
Consultants Options[3]	2,018,325	2,018,325
Options on issue post Placement and Entitlement Offer[2]	328,622,291	391,122,291
Nebari Warrants[4]	80,328,290	80,328,290

1. Subject to rounding.
2. Exercisable at $0.06 each on or before 31 December 2024.
3. A total of 4,036,650 Shares is to be issued to consultants of the Company in lieu of fees owing for services provided to the Company.
4. To be issued pursuant to the terms of the Loan Agreement with Nebari Natural Resources Credit Fund II LP. Exercisable at $0.048 each on or before 2 years from issue, following shareholder approval on 7 September 2023.

The new shares issued will rank pari passu with existing shares on issue.

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AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 25 and forms part of this Directors' Report for the half-year ended 30 June 2023.

ROUNDING

The amounts contained in this report have been rounded to the nearest $'000 (unless otherwise stated) under the option available to the Company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Gary Comb
Chair, Non-executive Director
Perth, WA
8 September 2023

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Competent Persons

The information in this report that relates to the estimation and reporting of the Nifty Mineral Resource Estimate dated 16 May 2022 is an accurate representation of the recent work completed by CSA Global Pty Ltd. Ms. Felicity Hughes has compiled the work for CSA Global and is an Associate of CSA Global Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy (106498). Ms. Hughes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person (CP). Ms. Hughes consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Exploration Targets, Exploration Results and the estimation and reporting of the Hollandaire Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, 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.

The information in this report that relates to Exploration Targets, Exploration Results and the estimation and reporting of the Maroochydore Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, 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.

The information in this report that relates to Exploration Targets, Exploration Results and the estimation and reporting of the Nanadie Well Mineral Resource Estimate is an accurate representation of the available data and is based on information compiled by external consultants and Mr. Peter van Luyt who is a member of the Australian Institute of Geoscientists (2582). Mr. van Luyt is the Chief Geologist of Cyprium Metals Limited, 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.

Cyprium confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

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", "expect", "seek", "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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HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Cyprium Metals Limited for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
8 September 2023

D B Healy
Partner

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 30 June 2023

	Note	30-Jun-23 $'000	30-Jun-22 $'000
Continuing Operations			
Interest income		127	37
Other income		799	-
Employee expenses		(2,373)	(6,751)
Management and administrative expenses		(4,893)	(7,184)
Share-based payments		(1,222)	(3,094)
Depreciation		(842)	(832)
Interest expense on finance leases		(51)	(20)
Interest and finance expense		(2,166)	-
Foreign exchange loss		(360)	-
Loss before income tax		**(10,981)**	**(17,844)**
Income tax expense		-	-
Net loss for the period from continuing operations		**(10,981)**	**(17,844)**
Net loss for the period		**(10,981)**	**(17,844)**
Other comprehensive income		-	-
Total comprehensive loss for the period		**(10,981)**	**(17,844)**
Loss per share			
Basic and diluted loss per share (cents per share)		(1.50)	(3.67)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Financial Position

as at 30 June 2023

	Note	30-Jun-23 $'000	31-Dec-22 $'000
Current Assets			
Cash and cash equivalents		3,602	1,694
Receivables		1,016	459
Inventories	3	6,558	6,606
Other assets		1,222	1,375
Total Current Assets		**12,398**	**10,134**
Non-Current Assets			
Right-of-use asset	4	1,606	236
Property, plant, and equipment	5	106,871	105,282
Deferred exploration and evaluation expenditure	6	32,815	31,995
Other non-current financial assets	7	6,856	6,855
Total Non-Current Assets		**148,148**	**144,368**
Total Assets		**160,546**	**154,502**
Current Liabilities			
Trade and other payables	8	9,091	6,190
Lease liabilities	9	508	341
Total Current Liabilities		**9,599**	**6,531**
Non-Current Liabilities			
Lease liabilities	9	1,760	710
Borrowings	10	10,926	-
Convertible notes	11	32,067	31,700
Provisions	12	35,332	35,181
Total Non-Current Liabilities		**80,085**	**67,591**
Total Liabilities		**89,684**	**74,122**
Net Assets		**70,862**	**80,380**
Equity			
Issued capital	13	271,616	271,685
Reserves	14	6,031	6,086
Convertible borrowings – equity component		8,748	8,748
Accumulated losses		(215,533)	(206,139)
Total Equity		**70,862**	**80,380**

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023

	Issued capital $'000	Accumulated losses $'000	Convertible borrowings – equity component $'000	Reserves $'000	Total $'000
Balance at 1 January 2022	**251,993**	**(181,740)**	**8,748**	**8,321**	**87,322**
Total comprehensive loss for the period					
Loss for the period	-	(17,844)	-	-	(17,844)
Total comprehensive loss for the period	**-**	**(17,844)**	**-**	**-**	**(17,844)**
Transactions with owners in their capacity as owners					
Share-based payments	-	-	-	3,511	3,511
Cost of issue					
Balance at 30 June 2022	**251,993**	**(199,584)**	**8,748**	**11,832**	**72,989**
Balance at 1 January 2023	**271,685**	**(206,139)**	**8,748**	**6,086**	**80,380**
Total comprehensive loss for the period					
Loss for the period	-	(10,981)	-	-	(10,981)
Total comprehensive loss for the period	**-**	**(10,981)**	**-**	**-**	**(10,981)**
Transactions with owners in their capacity as owners					
Share-based payments	-	-	-	1,532	1,532
Transfer from reserves	-	1,587	-	(1,587)	-
Cost of issue	(69)	-	-	-	(69)
Balance at 30 June 2023	**271,616**	**(215,533)**	**8,748**	**6,031**	**70,862**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2023

	Note	30-Jun-23 $'000	30-Jun-22 $'000
Cash flows from operating activities			
Payments to suppliers and employees		(4,085)	(10,333)
Interest paid on finance leases		(51)	(20)
Interest on convertible notes		(1,440)	(1,440)
Interest on borrowing		(419)	-
Interest received		127	37
Other income		799	-
Net cash used in operating activities		**(5,069)**	**(11,756)**
Cash flows from investing activities			
Acquisition of plant and equipment		(707)	(7,958)
Acquisition of project		-	(1,000)
Payments for exploration expenditure		(717)	(1,668)
Payments for security deposits		(1)	-
Net cash used in investing activities		**(1,425)**	**(10,626)**
Cash flows from financing activities			
Proceeds from loan		17,142	-
Repayment of loan		(6,859)	-
Loan costs		(1,622)	-
Payment of finance lease liabilities		(259)	(174)
Net cash provided by/(used in) financing activities		**8,402**	**(174)**
Net increase/(decrease) in cash and cash equivalents		1,908	(22,556)
Cash and cash equivalents at the beginning of the period		1,694	25,474
Cash and cash equivalents at the end of the period		**3,602**	**2,918**

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Corporate Information

The financial report of Cyprium Metals Limited ("Cyprium Metals" or "the Company") for the half-year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 8 September 2023.

Cyprium Metals is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the six months ended 30 June 2023 have been prepared in accordance with applicable accounting standards including AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

These interim financial statements for the six months ended 30 June 2023 do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these interim financial statements for the six months ended 30 June 2023 are to be read in conjunction with the annual financial statements for the year ended 31 December 2022 and any public announcements made by Cyprium Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Share-Based Payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial valuation model.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using a binomial valuation model taking into account the terms and conditions upon which the instruments were granted.

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Deferred Tax

In accordance with the Group's accounting policies for deferred taxes, a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about commodity prices, ore reserves, exchange rates, future capital requirements, future operational performance, and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

The Group has not recognised a net deferred tax asset for temporary differences and tax losses as at 30 June 2023 on the basis that the ability to utilise these temporary differences and tax losses cannot yet be regarded as probable.

Deferred Exploration and Evaluation Expenditure

Deferred exploration and evaluation expenditure has been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes, and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the year in which this determination is made.

Mine Rehabilitation Provision

The recognition and measurement of closure and rehabilitation provisions requires the use of significant estimates and assumptions, including, but not limited to:

- the extent (due to legal or constructive obligations) of potential activities required for the removal of infrastructure and rehabilitation activities;
- costs associated with future rehabilitation activities;
- applicable real discount rates;
- the timing of cash flows and ultimate closure of operations.

Rehabilitation activities are generally undertaken at the end of the production life at mine sites. Given the long-lived nature of the Group's assets, closure activities are not expected to occur for a significant period of time. While the closure and rehabilitation provisions reflect management's best estimates based on current knowledge and information, further studies, and detailed analysis of the closure activities for individual assets will be performed as the assets near the end of their operational life and/or detailed closure plans are required to be submitted to relevant regulatory authorities. Such studies and analysis can impact the estimated costs of closure activities.

(d) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 December 2022.

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Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business.

The Company is seeking additional funding in the coming year in order to meet its planned construction expenditure and exploration expenditure for the next twelve months from the date of signing these financial statements. The directors are confident of being able to obtain additional funding.

Should this not occur, or not occur on a sufficiently timely basis, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

	30-Jun-23 $'000	31-Dec-22 $'000
3. Inventories		
Store and spares	6,558	6,606
Closing balance	**6,558**	**6,606**
4. Right-of-use asset		
Leased premises	1,606	236
	1,606	**236**
Movements in right-of-use asset:		
Opening balance	236	484
Acquisitions	1,580	(248)
Amortisation for the year	(210)	-
Closing balance	**1,606**	**236**

5. Property, Plant and Equipment

	Land and buildings $'000	Mining properties and leases $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
Balance at 1 January 2023	**1,005**	**83,673**	**14,217**	**6,387**	**105,282**
Additions	-	1,957	-	264	**2,221**
Depreciation	(158)	-	(474)	-	**(632)**
Balance at 30 June 2023	**847**	**85,630**	**13,743**	**6,651**	**106,871**
Cost	1,673	85,630	16,323	6,651	**110,277**
Accumulated depreciation	(826)	-	(2,580)	-	**(3,406)**
Balance at 30 June 2023	**847**	**85,630**	**13,743**	**6,651**	**106,871**

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	30-Jun-23 $'000	31-Dec-22 $'000
6. Deferred Exploration and Evaluation Expenditure		
Exploration and Evaluation phase - at cost		
Opening balance	31,995	28,762
Exploration and evaluation expenditure incurred during the period	820	3,233
Closing balance	**32,815**	**31,995**

The recoupment of costs carried forward in relation to areas in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of respective areas.

7. Other assets		
Security deposits and bank guarantees	6,856	6,855
	6,856	**6,855**

8. Trade and Other Payables		
Current:		
Trade payables and accrued expenses	6,723	4,439
Other consumption taxes payable	2,368	1,751
	9,091	**6,190**

9. Lease liabilities		
Leased premises – current	508	341
Lease premises - non-current	1,760	710
	2,268	**1,051**
Movement in lease liabilities		
Opening balance	1,051	556
Additions	1,580	865
Lease adjustment	(104)	-
Principal repayments	(259)	(370)
Closing balance	**2,268**	**1,051**

10. Borrowings		
	10,926	-
	10,926	**-**

During the first half of 2023, the Company entered into an 18-month, USD-denominated Senior Secured Loan Facility ("Loan Facility") with Nebari Natural Resources Credit Fund II, LP ("Nebari"). The facility has refinanced a short term $6 million Secured Loan Deed facility that was drawn in March 2023 and provides additional working capital to advance the development of Nifty. The Loan Facility provides up to USD14.5 million in two Tranches.

Key terms of the Loan Facility

The material terms of the Loan Facility are as follows:

- Funded amount: up to USD14.5 million, net of original issue discounts ("OID")
- Facility term: until 31 December 2024
- Coupon: Secured Overnight Financing Rate ("SOFR") +6.5% p.a. payable monthly

- OID: 5.0% on Tranche 1 and 10.0% on Tranche 2
- Amortisation: 100% bullet on maturity
  - Warrants: 2-year, 1 for 5.5 warrants which will be priced at either a 20% premium to the share price of a future equity raise or, if no equity raise is completed by 31 December 2023, the warrant strike price shall be priced at A$0.088 per share
- Security: over the assets of Cyprium and its projects

The Loan Facility contains other terms and conditions that are customary for an agreement of this nature.

	30-Jun-23 $'000	31-Dec-22 $'000
11. Convertible notes		
Opening balance	31,700	29,705
Unwinding of discounting	1,807	3,435
Payment of interest on convertible notes	(1,440)	(1,440)
Closing balance	**32,067**	**31,700**

The notes are convertible into ordinary shares of the parent entity, at the option of the holder, or repayable on 30 March 2025. The maximum number of ordinary shares of the parent entity upon conversion is 101,373,777.

The initial fair value of the liability portion of the convertible notes was determined using a market interest rate for an equivalent non-convertible note at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the convertible notes. The remainder of the proceeds is allocated to the convertible borrowings – equity component and recognised in shareholders' equity and is not subsequently remeasured.

	30-Jun-23 $'000	31-Dec-22 $'000
12. Provisions		
Provision for Rehabilitation	35,332	35,181
Closing balance	**35,332**	**35,181**
Movement in Provision		
Opening Balance	35,181	42,381
Additions	-	(8,605)
Unwinding of discounting	151	1,405
Closing balance	**35,332**	**35,181**

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Mine Rehabilitation

The mine rehabilitation provision is recognised for the estimated cost of rehabilitation, decommissioning, restoration, and long-term monitoring of areas disturbed during operation of the Nifty Copper Operations up to reporting date but not yet rehabilitated. The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. The rehabilitation is expected to occur following the processing of copper ore from the Nifty Copper open pit (subject to regulatory approvals).

13. Issued Capital

	30-Jun-23 $	31-Dec-22 $
(a) Issued and paid-up capital		
Issued and fully paid	**271,615,658**	**271,684,935**

	30-Jun-23		31-Dec-22	
	Number of shares	$	Number of shares	$
(b) Movements in ordinary shares on issue				
Opening Balance	730,198,300	271,684,935	564,819,214	251,992,890
Shares issued – issued and fully paid	-	-	155,879,086	17,926,097
Shares issued - vesting of performance rights	-	-	9,500,000	2,883,105
Transaction costs on share issues	-	(69,277)	-	(1,117,157)
	730,198,300	**271,615,658**	**730,198,000**	**271,684,935**

14. Reserves

	30-Jun-23 $'000	31-Dec-22 $'000
Foreign exchange translation reserve	778	778
Share-based payment reserve	5,253	5,308
	6,031	**6,086**

The foreign exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Share-based payment reserve

Opening balance	5,308	7,543
Allocation to Issued Capital – vesting of performance rights	-	(2,883)
Allocation to Accumulated Losses	(1,587)	(3,076)
Share-based payments capitalised to exploration	310	508
Share-based payments expensed	1,222	3,216
Closing balance	**5,253**	**5,308**

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The share-based payments reserve relates to the cumulative expense for share-based awards granted to directors, employees and contractors in prior periods and performance rights granted to directors and employees and options to the Joint Lead Managers in the prior period. Upon the exercise of the options or conversion of the performance rights, the balance of the reserve relating to those securities is transferred to issued capital.

15. Subsequent Events

Placement and Entitlement Offer

The Company is undertaking capital raising via a placement and a proposed pro rata non-renounceable entitlement offer to raise up to approximately $29 million before costs ("Equity Raising").

The Company has received firm commitments in respect of a conditional placement to issue approximately 600 million new shares ("Placement Shares") at an offer price of $0.04 per share ("Offer Price") to raise $24 million ("Placement") from sophisticated and institutional investors, which received shareholder approval at a General Meeting ("General Meeting") on 7 September 2023.

The pro rata entitlement offer is non-renounceable to issue up to 125 million new shares ("Entitlement Shares") at the Offer Price, representing 1 new share for every 5.84 shares held by eligible shareholders on the record date of 18 August 2023 to raise up to $5 million ("Entitlement Offer"), which closed on 7 September 2023 ("Closing Date").

The Entitlement Offer included a top up facility under which eligible shareholders who take up their full entitlement had the opportunity to apply for additional shares from a pool of those not taken up by other eligible shareholders ("Top Up Facility"). In addition to the Top Up Facility, there will also be a general shortfall offer pursuant to which the Company may place any shares to non-eligible shareholders within 3 months from the Closing Date of the Entitlement Offer.

Each participant in the Placement and Entitlement Offer will receive 1 free attaching option for every 2 Shares to be issued under the Placement and Entitlement Offer ("Options"). The Options will be exercisable at $0.06 each, on or before 31 December 2024.

16. Subsidiaries

The consolidated financial statements of Cyprium Metals Limited includes the following subsidiaries:

Name of Entity	Country of Incorporation	Equity Holding
Cyprium Australia Pty Ltd	Australia	100%
Cyprium Services Pty Ltd	Australia	100%
Cyprium Metallurgy Australia Pty Ltd	Australia	100%
Maroochydore Copper Pty Ltd	Australia	100%
Nifty Copper Pty Ltd	Australia	100%
Paterson Copper Pty Ltd	Australia	100%
PT Indonusa Mining Services	Indonesia	100%

17. Segment information

The Group has identified its operating segments, based on the internal reports that are reported to Executives in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance. The Group operates predominately in one industry, being mineral resources. The main geographic area that the entity operates in, where the projects are located in, and the parent entity is registered in is Australia.

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18. Contingent Assets and Liabilities

The Directors are not aware of any new contingent liabilities or assets as at 30 June 2023. There has been no change in contingent liabilities or assets since the last annual reporting date.

19. Dividends

No dividends have been paid or provided for during the half-year ended 30 June 2023.

20. Financial Instruments

The method and valuation techniques used for the purpose of measuring values are unchanged compared to the previous reporting period.

The carrying amounts of financial assets and liabilities are considered to be a reasonable approximation of the fair values.

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Directors' Declaration

In the opinion of the Directors of Cyprium Metals Limited ("the Company")

1. The attached financial statement and notes thereto are in accordance with the Corporations Act 2001 including:
    a. Complying with Australian Standard AASB 134 "Interim Financial Reporting", the Corporation Regulations 2011 and other mandatory professional reporting requirements; and
    b. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year then ended; and
2. These are reasonable grounds to believe that the Company will be able to pay its debt as and when they become due and payable/

The declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



Gary Comb

Chairman, Non-Executive Director

Perth, WA

8 September 2023

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Cyprium Metals Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cyprium Metals Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Cyprium Metals Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

David Healy

D B Healy
Partner

Perth, Western Australia
8 September 2023