

28 November 2022

New Zealand Follow-up Sampling Program on 8 g/t Gold Rockchip

Cyclone Metals Limited (ASX: **CLE**) (**Cyclone** or **the Company**) is pleased to announce that a follow up sampling program is about to start at the Macraes South project, where rockchip results up to 8g/t gold have been reported (ASX Release 6 July 2022). Macraes South is 100% owned and located 40km north of Dunedin in the Otago Province of New Zealand (**Figure 1**),

Highlights

- **515 samples to be taken on 50m spacing, on lines 1.6km long, and 200m apart**
- **The sampling area will surround Line 4 (ASX Release 6 July 2022) where extremely anomalous responses were obtained in rockchips up to 8g/t gold**
- **The grid area is to the south-east of and on strike of the Nenthorn Mining area.**

Commenting on the follow-up exploration program in New Zealand, Cyclone Metals Chairman Terry Donnelly said:

"It is very pleasing to get back on the ground at Macraes South and to be following up on the maiden sampling program with a focused campaign around an excellent first pass result of 8g/t Au."

"We look at Santana who have accumulated a 1Moz MRE, contiguous to our Waikerikeri and Drybread Projects, and with the prolific +10Moz gold producing area around Macraes which includes our Mareburn and Macraes South projects, we see huge potential for organic growth and value creation in Cyclone. As I have said before, the Macraes Gold Mine has a 6Mtpa plant and 6-year mine life, and any exploration success at Mareburn or Macraes South has the potential to add to that mine life."

Proposed sampling program

This additional sampling is planned as a grid sampling program to upgrade an extremely anomalous area to potentially define a drilling target with some complementary regional stream sediment samples.

The grid area will surround Line 4 (ASX Release 6 July 2022) where extremely anomalous responses were obtained; with 2 rock chips samples 200m & 1km to the SE with 1.78 and 7.96g/t Au respectively and with the area being SE of and on strike of the Nenthorn mining area. The Ionic geochemical sampling completed here returned multiple samples with >25x background responses for Au with is empirically indicative of mineralisation in the near proximity.

This grid will be spread across 2 properties and both landowners are agreeable to soil sampling without an access agreement.

It is proposed to undertake a grid sampling program with lines approximately 1600m long, 200m apart with samples collected every 50m.

Geological Model and Discussion (As summarised in ASX Release 28 April 2022)

Macraes is a Carlin style gold deposit, and previous work has only targeted the thrust system. At Carlin in Nevada, USA, gold resources within the thrust system contain approx. 20Mozs gold with approx. another 60Mozs gold located within the cross-cutting fault system, which was recognised at a later date.

The Thrust system at Macraes has produced some 10Moz to date and Cyclone plans to test the cross-cutting fault systems for Nevada style gold mineralisation.

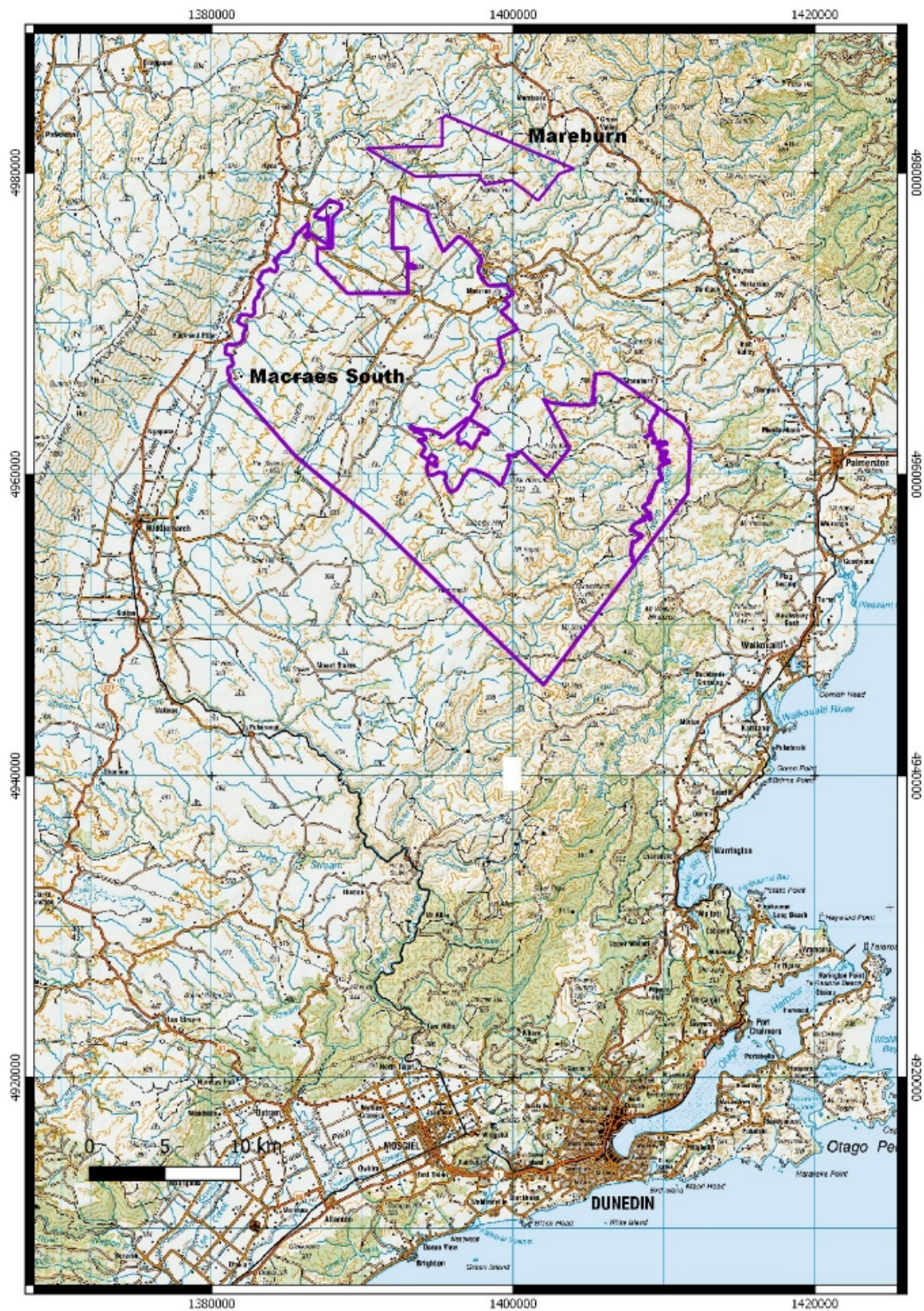


Figure 1: Macraes South and Mareburn Gold Projects in Otago Province, New Zealand, 40km from Dunedin. The projects are contiguous to the Macraes Gold Mine and Processing facility.

The Mareburn Gold Project (**Figure 1**) is a high priority target with significant gold mineralisation in historical drilling, within the Macraes type thrust lodes.

The Macraes South Gold Project (**Figure 1 and 2**) has had no substantive exploration and only regional mapping and structural interpretation. As with Mareburn, Cyclone is targeting the cross-cutting fault system.

The Nenthorn Goldfield (**Figure 2**) was discovered in 1888, only operating for a few years with an estimated production of 3,593ozs from 7157 tonnes at an average grade of 15.6g/t Au. Mineralisation was hosted in quartz veins and breccia zones, cross cutting the main fault system.

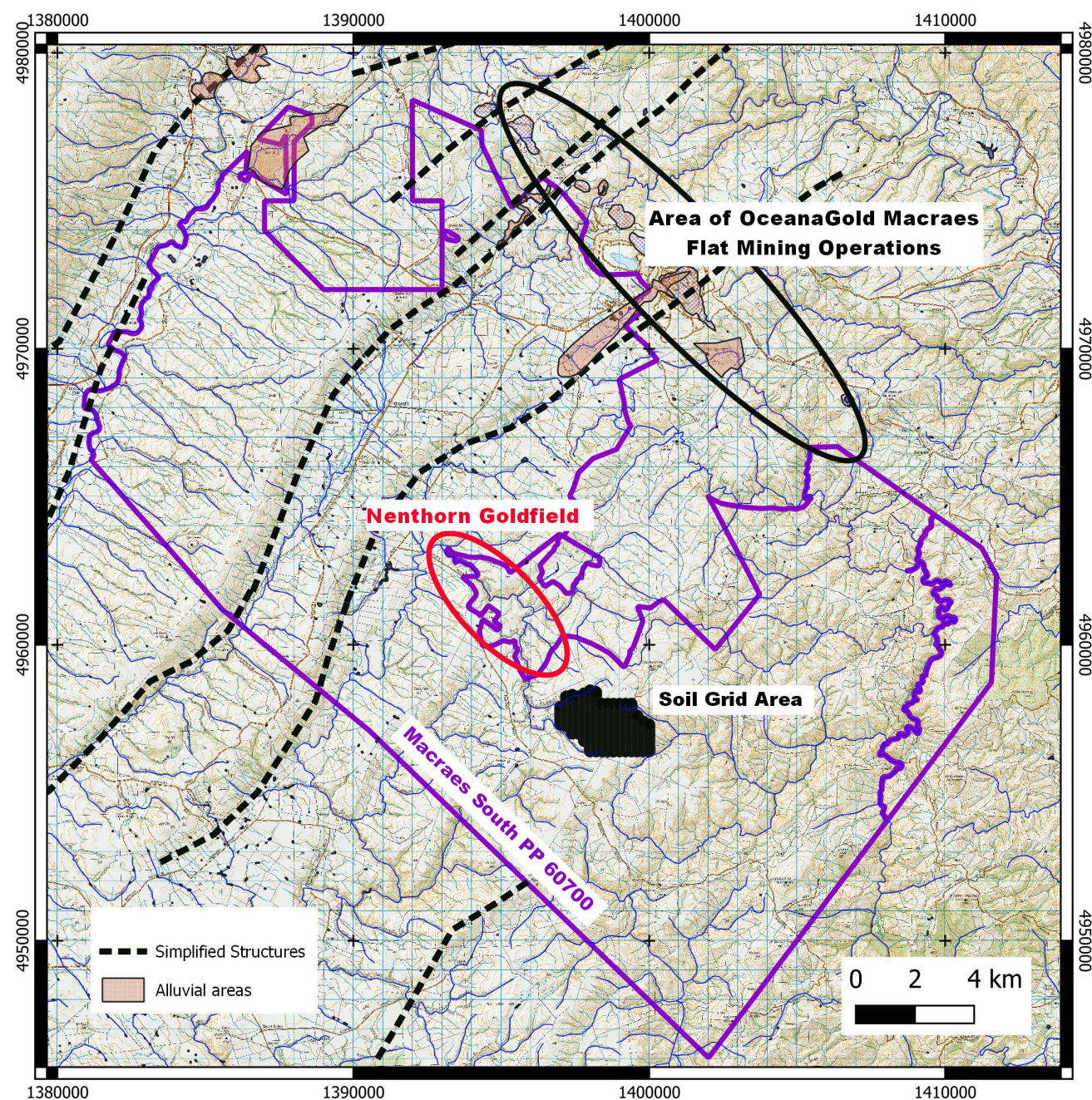


Figure 2: Showing Location of proposed sampling grid within Macraes South PP.

This announcement has been approved by the Company's board of directors.

Yours faithfully
Cyclone Metals Limited

Terry Donnelly
Non-Executive Chairman

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Competent Persons Statement

The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Edward Mead, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mead is a consultant to the company and employed by Doralda Pty Ltd. Mr Mead has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Mead consents to the inclusion of this information in the form and context in which it appears in this report.