

Cyclone Metals Ltd

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Cape Lambert converts Winance loan into long-term equity as it seeks to enter rare earths sector

Cape Lambert Resources Limited (ASX:CFE) and Winance have agreed to convert a \$2.2 million loan owed by CFE to Winance into long-term equity.

CFE executive director Tony Sage said: "It is fantastic news that Winance has decided to convert its debt into equity.

"It shows they have great confidence in our philosophy and management team. They also have indicated they will stay as long-term shareholders."

The loan plus accrued interest and outstanding fees will be converted into equity (subject to receipt of shareholder approval) based on a share price of 0.4 cents on November 30, 2020.

"We like the vision of the company"

Winance director and CFO Waqas Ibrahim said: "We are excited to convert our debt into a long-term equity position into CFE.

"We like the vision of the company and its recent rare earths play.

"Our support over the period has been positively reciprocated through management's proficient decision making as we are delighted to see the company looking at acquiring other assets in this market.

"Also, its investments in EUR, FEL and CXU have seen strong growth recently making our decision easier."

Entry into rare earths

CFE is seeking to enter the rare earths sector and has lodged applications for two tenements in the Carnarvon Basin of Western Australia.

With growing global interest in pursuing a cleaner energy future as well as increasing efforts to minimise China's supply dominance and China banning exports, rare earths are attracting strong attention.

If successful, the applications covering the areas known as Dogger and Sebastian put Cape Lambert in a position to capitalise on these market fundamentals.

Sage said that together with the resolutions, if passed, in the upcoming EGM, the company would have reduced its debt by in excess of \$3 million.

"Combine this debt reduction with the increase in value of the company's significant investments in FEL and CXU puts us in a very strong financial position to look at other opportunities."

1 Year Share Price Graph



Share Information

Code: CFE
Listing: ASX
Sector: General mining & base metals
Website: www.cyclonemetals.com

Company Synopsis:

Cyclone Metals Ltd (ASX:CLE) is an Australian-based exploration and development company.

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