

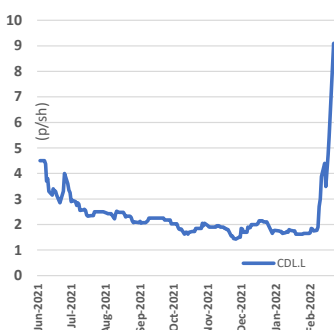
25<sup>th</sup> February 2022

### Sector: Mining & Royalties

Diversified mining project and royalty generator

### Market data

Markets	LSE Main Market
Ticker	CDL
Price (p/sh)	8.05
12m High (p/sh)	12.8
12m Low (p/sh)	1.4
Ordinary shares (m)	448.0
FD shares (m)	507.7
Mkt Cap (£m)	36.1



Source: IRESS

### Description

Cloudbreak is a resource project generator and royalty company with a diversified portfolio of assets across multiple commodities and jurisdictions.  
[www.cloudbreakdiscovery.com](http://www.cloudbreakdiscovery.com)

### Board & key management

CEO	Kyler Hardy
NED	Emma Priestley
NED	Andrew Male
CFO	Dave Robinson
COO	Rory Kutluoglu
VP Exploration	Cam Bartsch

### Key shareholders

Kyler Hardy	19.89%
Campbell Smyth	6.13%
Shaun Gibson	4.90%
Total management + insiders	23%

### Analyst

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# Cloudbreak Discovery plc

## More than just a silver lining

Cloudbreak is a natural resource project generator and royalty company with a rapidly growing portfolio of exploration projects and royalty interests. The company's portfolio is diversified by both commodity and jurisdiction allowing the management team to focus on the best value accretive opportunities. The strategy is to identify and refine undervalued projects in the mining sector before advancing them by leveraging the capital and expertise of industry partners. 13 of the company's 17 assets are currently being advanced by partners. Cloudbreak monetises assets by receiving cash payments, equity interests and long-term royalty positions.

- **Overview.** Cloudbreak utilises its internal expertise, experience and geological databases to identify early-stage project opportunities. The strategy is largely agnostic to commodity and jurisdiction, but instead focuses on undervalued assets that have the best chance of being moved along the value curve. The aim is to build a diversified asset base that maximises value and minimises risk. Cloudbreak was admitted to trading on the Main Market of the London Stock Exchange in June 2021 but it's not a new business as the team has been executing the business model privately for over 10 years.
- **Monetising assets.** After an initial exploration phase Cloudbreak uses its extensive mining industry networks to source development partners to progress projects using the partners' balance sheets. Assets are monetised by JV or sale, with Cloudbreak receiving options and/or cash milestone payments whilst also retaining equity stakes or royalty interests. Thus, Cloudbreak remains exposed to potential discovery and development upside, yet suffers no further equity dilution from the need to raise capital for onwards work programmes.
- **A hybrid company.** Although primarily a project generator, the model to retain royalty interests on assets (typically a % NSR) means that as the company matures and the portfolio grows, Cloudbreak will hold a significant portfolio of natural resources royalties. This would bring all the benefits of a royalty company, but with royalties being organically generated at a low cost. It can take many years for royalties to become cash paying and some never do, but the gradual layering of multiple royalties can eventually create a platform to provide long-term, relatively stable income and unlock the premium valuation multiples achieved by royalty company peers.
- **Rationale.** The business model is highly scalable and as the portfolio grows and assets are monetised, this should provide impetus to access increasingly larger opportunities and more advanced assets. With a flexible commodity and jurisdiction mandate, Cloudbreak can respond to changes in commodity cycles and macro fundamentals to identify value and make counter cyclical acquisitions and investments. Increased diversification naturally reduces risk with issues at individual assets and jurisdictions, and changes in underlying commodity fundamentals more easily absorbed. Cloudbreak can target small to mid-sized projects that are often overlooked by majors. Cloudbreak retains a substantial exposure to discovery upside and "money in the ground" with committed exploration expenditure by partners already in excess of C\$12m. Importantly, the Cloudbreak team retains the bandwidth to pursue new opportunities and build out the pipeline.
- **Current portfolio highlights.** Cloudbreak currently has 17 projects, 13 of which are currently being advanced by partners. The current commodity focus remains on copper, precious metals and increasingly commodities such as lithium that support a green economy. The present geographical focus is on North America but Cloudbreak is evaluating a variety of base and precious metal projects in West Africa. The execution of the business model has been highly successful so far. A case in point is the Strategic US Copper Alliance formed in June 2021 with Alianza Minerals where the two projects added to the alliance (Klondike & Stateline) have already been optioned out in Dec 2021 and Feb 2022 respectively. Cloudbreak also has equity holdings in various corporate entities. *Full details in the note...*

Cloudbreak is in a rapid expansion phase and gaining significant momentum as a dynamic project generator and fledgling royalty company. We see this as a compelling entry point into a company that has a defined growth pathway to become a major player in the space. Cloudbreak's business model offers a balanced risk/reward dynamic not often seen in the exploration sector.

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## Cloudbreak Discovery plc

Cloudbreak Discovery plc (LSE: CDL) is a project and royalty generator in the natural resource sector. The company was admitted to trading on the Main Market of the London Stock Exchange on 3rd June 2021 with the ticker CDL but originally under the name of Imperial X Plc. In conjunction with admission, the company completed an oversubscribed £2m fundraising. The company's name was changed to Cloudbreak Discovery Plc on 21<sup>st</sup> June 2021. The IPO £2m fundraise was completed at 3p/sh implying a market cap on admission of £11.6m. Cloudbreak has since gained considerable traction in the markets and currently has a market capitalisation of £36.1m.

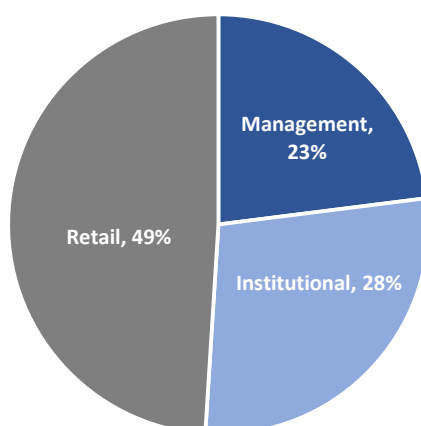
### Summary of Cloudbreak's strategy

Cloudbreak utilises its internal expertise, experience and databases to identify early-stage project opportunities in the natural resources space, predominantly in the mining and commodities sector. The company's strategy is largely agnostic to commodity and jurisdiction, but instead focuses on undervalued assets that have the best chance of being moved along the value curve. Cloudbreak then uses its extensive mining industry networks to source development partners to progress projects using the partners' balance sheets. Assets are monetised by JV or sale, with Cloudbreak receiving options to milestone payments and also retaining equity stakes or royalty interests. Cloudbreak currently has 17 projects, 13 of which are currently being advanced by partners.

### Capital structure and Major Shareholders

Figure 1 - Cloudbreak Discovery – capital structure and major shareholders

Major Shareholders (>3%)		% of ord shares	Capital Structure	
Kyler Hardy (CEO)		19.9%	Ordinary shares	448,065,060
Campbell Smyth		6.1%	Options (avg. strike price 3p)	15,150,000
Shaun Gibson		4.9%	Warrants (avg. strike price 4p)	44,487,093
<b>Subtotal</b>		<b>30.9%</b>	Fully diluted share capital	507,702,153
			Market cap (£m)	36.1
Management team and insiders		23.0%	<b>Markets</b>	<b>Ticker</b>
			LSE Main Market	CDL



Source: Shard Capital, Cloudbreak Discovery plc

## Management Team

### **Kyler Hardy - Chief Executive Officer, Director**

Mr. Hardy has over 16 years of experience in the global resource sectors. He has worked with venture capital, private equity funds and has introduced strategic partners to advance projects. Mr. Hardy has founded, managed and successfully sold several resource sector businesses. Mr. Hardy is currently the CEO of Cronin Group, Chairman of Temas Resources Corp, Co-Executive Chairman of Imperial Helium Corp., and a Director of Hexa Resources.

### **Dave Robinson - Chief Financial Officer**

Mr. Robinson has over 10 years of accounting and capital markets experience. He has provided audit, tax and consulting services to private and public companies for a number of years at MNP LLP before moving to the Telus Pension Fund as a senior analyst, where he gained significant exposure to equity portfolio management and commercial lending. Mr. Robinson is currently the group CFO and a partner in the Cronin Group, a natural resource focused merchant bank based in Vancouver, British Columbia.

### **Rory Kutluoglu - Chief Operating Officer**

Mr. Kutluoglu is a professional geologist with over a 15 years of mineral exploration experience and executive management roles in North American and European companies. He has designed and executed multiple exploration programs and managed comprehensive environmental baseline and feasibility study programs. Mr. Kutluoglu is a registered professional geologist with Engineers and Geoscientists British Columbia and a Fellow of the Society of Economic Geologists.

### **Cam Bartsch - VP Exploration**

Mr. Bartsch is a Professional Geologist with over 20 years of industry experience from grassroots through to production, focused on structural and economic geology across the globe. He has evaluated and completed structural assessments for clients including Kinross, Newmont, and Teck as a Senior Structural Geologist with Terrane Geoscience Inc., worked as a project manager with Equity Exploration Consultants, the British Columbia Securities Commission, Dundee Precious Metals and Sabina Gold and Silver Corp. He is currently a Senior Geologist with Cronin Capital Corp.

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## Board of Directors

**Kyler Hardy, Director** – bio as above

**Emma Priestley - Non-Executive Director**

Ms. Priestley is a Chartered Mining Engineer and Chartered Surveyor with over 20 years executive, consultancy and analytical experience in mining and financial services. Ms. Priestly is currently the CEO of Goldstone Resources and was previously Executive Director of Lonrho Plc. She has previously worked at IMC Mackay & Schnellmann, CSFB, VSA Resources and Ambrian Partners.

**Andrew Male - Non-Executive Director**

Mr. Male has over 15 years of executive and consultancy experience in North America and UK, with public and private companies in the natural resource sectors. Mr. Male has acquired projects, managed exploration and development programs and exited via sale to Private Equity. Mr. Male presently advises several European Family Offices on resources and technology opportunities. Mr. Male is a director of a number of public and private companies including Clarity Gold Corp., World High Life Plc, and Global UAV Technologies.

## Cloudbreak's strategy

Cloudbreak Discovery is a project generator company which was formed to identify opportunities in the mining and energy space. The company's current focus is North America and West Africa, targeting copper, precious metals and lithium.

### The aim

Cloudbreak's aim is to build a diversified asset base that maximises the value and minimises risk. The basis of the strategy is the acquisition, assembly or staking of projects at a low upfront cost and then progressing the assets along the exploration and development curve to realise enhanced value at a future juncture. Cloudbreak's strategy is largely agnostic to both commodity and jurisdiction, preferring instead to identify on the best (and undervalued) opportunities that may arise in various geographies or stages of the respective commodity cycle. The fundamental aim is to advance assets by partnering and entering into JV-type agreements which use the 3<sup>rd</sup> party's balance sheet to fund exploration.

### A new listing but not a new business

Although Cloudbreak was only admitted to trading on the Main Market of the LSE in mid-2021, it is not a new business. The Cloudbreak management team in one way or another has been executing the business model privately for over 10 years which gives the new corporate vehicle a head start in building out the business.

Figure 2 - Overview of Cloudbreak's strategy



Source: Cloudbreak Discovery plc, adapted by Shard Capital

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## The Phases:

### 1. Target identification:

Cloudbreak undertakes rigorous research and analysis to identify undervalued assets. This process leverages off the company's internal skill set with the management team having extensive industry experience and networks. The identification of an asset may emerge through a wide range of different approaches once the initial commodity and jurisdiction review narrows down the area of interest.

The asset may come via Cloudbreak's industry network, or it may emerge organically from reviewing vast databases. Geological and licence/permit data is available either from the relevant geological survey or government agency or via other major or mid-tier operators. In the latter case, major mining companies which are typically large landholders, sometimes make data available to junior explorers. This may be the case when the major is more focussed on mine development activities as opposed to earlier stage greenfields exploration. Major miners can hold very large data sets which can provide opportunities for juniors and project generators. It may be the case that the ground has been explored for one commodity, e.g., gold, but due to commodity cycle considerations at the time, not fully evaluated for base metal potential or other minerals. One of the advantages of project generation via this approach is that it can often lead to a strategic alliance with the larger operator.

As Cloudbreak has the time and expertise to undertake an extensive bottom-up analysis approach to identify new assets. For example, this may be the identification and consolidation of a series of fragmented licences covering or along strike from a key trend. Consolidation of fragmented licences historically held by different operators offers an opportunity because consistent and coherent exploration over a trend is often inhibited by multiple ownership, especially on contiguous licences. Or it may be that a new geological model has emerged that enhances the prospectivity of certain areas. The quantum of drilling and early-stage exploration expenditure is directly related to how much access the junior mining sector has to funding. This naturally ebbs and flows depending on commodity cycles and other macro factors and presents an opportunity for Cloudbreak to identify underexplored licence areas, or licences that may have had a long hiatus of exploration and not been explored using modern techniques, technology and thinking.

Clearly, the avenues to identify new projects are numerous. The challenge/opportunity for Cloudbreak is to sort the wheat from the chaff to identify assets that have a decent chance of being moved along the curve and monetised.

### 2. Acquisition

The next phase is the execution stage which may involve acquiring licences, partnering with other prospectors and geological teams. During this phase, licences or assets are legally secured and the scope of project work is set out. This includes setting out the initial exploration plan and budgets.

### 3. Exploration

The exploration stage, where work on the ground commences by Cloudbreak and prospecting partners. Note that at this stage the projects have not been partnered out or moved onto a joint venture and thus this exploration phase is not undertaken by the 3<sup>rd</sup> party at this stage. Exploration is typically split into two phases.

**Phase 1 Exploration** is designed to prove or disprove the initial geological thesis as quickly and cost effectively as possible. The initial exploration stage is also used to establish controls and refine the thesis. The aim of Phase 1 is to move the asset towards a decision. If the model or theory has been proved and/or encouraging results returned, then exploration moves to Phase 2. If not, then a decision will be made as to whether further work is justified or whether funding should be withdrawn to preserve capital and focus on more promising assets.

**Phase 2 Exploration** is ultimately designed to progress the asset and entice a partner, either by producing sufficiently good results or re-framing the asset such that there is a very strong rationale for further exploration. Whilst the next step is not always clear, this phase expands the available data set on the asset and develops the wider opportunity of the asset using a balanced risk/reward expenditure approach.

## 4. Partner & monetise

This is an important phase where Cloudbreak will look to set the asset on a value-accretive path towards monetisation. A partner for the project is sought in order to help share the exploration risk, but most importantly, to carry the funding burden going forwards. This involves using a 3<sup>rd</sup> party balance sheet to fund further exploration work which removes Cloudbreak from the equity raise and expenditure cycle, reducing dilution from repeated share placements. Partners are selected based on a number of criteria including the appropriate technical fit for the assets and funding capability. Numerous options for the asset remain open at this stage but each asset may call for a different approach which may end up being a hybrid structure:

**JV:** The asset, licences or groups of licences are packed into a joint venture with a 3<sup>rd</sup> party in return for a combination of upfront cash payments, staged mid-term payments based on various milestones being achieved and usually a royalty attached for long-term upside. The importance of this step is that upfront cash received by Cloudbreak is used to repay the exploration expenditure previously incurred, returning Cloudbreak back towards a neutral capital outlay position.

**Money into the ground:** The structure of the above-mentioned joint venture model would typically be an earn-in or option agreement that specifies what percentage (anywhere up to 100%) of the asset can be acquired in return for set payments or expenditure. Key to the value-add process for Cloudbreak is structuring an agreement containing “exploration spend commitments”. This ensures that funds are deployed “into the ground” via exploration activities in order to progress the asset along the value curve. For example, the terms could be “3<sup>rd</sup> Party XYZ are committed to spend \$1.5m in exploration expenditure, with a minimum of \$500,000 to be spent in year 1”.

**Sale/disposal.** This route would see the asset sold outright at some point during the process if it makes economic or strategic sense. A royalty would typically be attached to an asset disposal.

**Subsidiary model.** Where Cloudbreak successfully assembles projects, assets or licences in the same commodity or deposit type sphere or the same jurisdiction, then it may look to form a subsidiary company. This new subsidiary company would hold the group of assets and Cloudbreak would appoint a Board of Directors. The subsidiary could then be spun out as a new entity at a future juncture with a share distribution to existing shareholders acting like a bonus dividend. Cloudbreak would typically look to retain an equity position and seats on the board in order to maintain a degree of control and focus on future strategy and continue the path of Cloudbreak’s original vision for the assets. As with the other approaches, a royalty can be retained. This model can take a long time to structure and execute but mining and exploration is a long-term business.

**Strategic alliance.** A variation on the theme, but a stronger partnership with competent operator. The model is fairly open but essentially involves Cloudbreak and another operator forming a strategic alliance to create a portfolio of assets or explore for a specific commodity in a specific jurisdiction. Typically, under the terms of the alliance, either party can introduce projects into the alliance. Projects are then funded under a predetermined split between the introducing partner and the other party, with project expenditures determined by a committee consisting of senior managers from both parties.

Cloudbreak already has one strategic alliance with Alianza Minerals Ltd, formed to focus on the identification, acquisition and advancement of copper projects in the states of Arizona, Colorado, New Mexico and Utah.

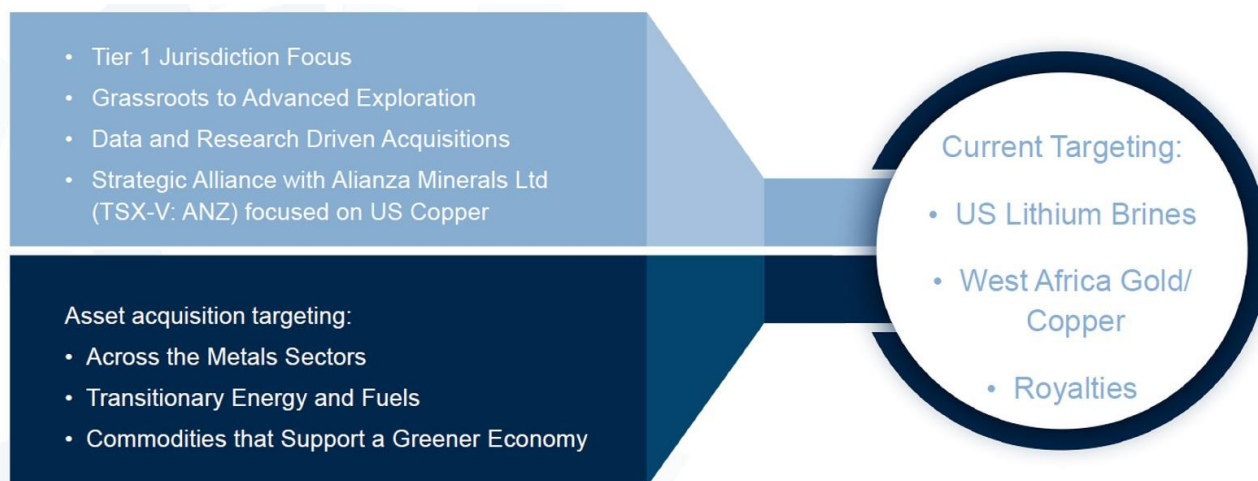
The strategic alliance approach also opens up opportunities to align with mid-tier and major mining companies who tend to have large data sets available but perhaps not enough time or bandwidth to focus on all parts of their land package. Cloudbreak can proceed with exploration with a more streamlined and less bureaucratic approach than the majors.



## Targeting approach

Cloudbreak is largely commodity and jurisdiction agnostic in order to identify the best opportunities, but this is set within a strategic framework. Current targeting is focused on base metals (mainly copper), bulk, speciality, precious metals and industrial minerals. Cloudbreak management has stated that it will increasingly focus on commodities that support a green economy, such as battery and related metals.

Figure 3 - Overview of Cloudbreak's targets to feed the project pipeline.



Source: Cloudbreak Discovery plc

## Funded to aggressively pursue strategy

Cloudbreak's strategy outlined above means that once a project is progressed past the initial Phase 1 and 2 Exploration that the burden of funding is transferred to the new partner. Along with cash received from milestone or other payments, this ensures that Cloudbreak retains the capital flexibility to grow the portfolio and keep the engine of the project generator model running.

For the financial year 2021 ending June 2021, Cloudbreak earned £2m in revenue from property sales and option sale agreements. Cloudbreak remains well funded after the successful £2m equity fundraise completed in conjunction with the company's admission to trading on the Main Market of the LSE.

Additionally, In February 2021, the company has entered into a bought deal facility with Crescita Capital for an aggregate amount of £10m. The equity drawdown agreement is available for drawdown for a period of 3 years from the date of signing. The terms of the facility are as follows:

*"The Group can draw down funds from the £10,000,000 equity investment facility from time to time during the three-year term at the Group's discretion by providing a drawdown notice to Crescita Capital, and in return for each draw-down notice funded by Crescita Capital, the Group will allot, and issue fully paid common shares to Crescita Capital".*

*"The shares issued in connection with any drawdown notice will be priced at the higher of (i) the floor price set by the Group and (ii) 90% of the average closing bid price resulting from the following ten days of trading after the drawdown notice ("Pricing Period"). The drawdown notice amount requested by the Group cannot exceed 700% of the average daily trading volume of the Pricing Period".*

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## Rationale

**Scalable.** Cloudbreak offers investors a high level of scalability with an active pipeline of potential new projects and acquisitions. The corollary of a growing portfolio should be a steady increase in revenue as projects are turned over and value realised from milestone payments or other exit/disposal proceeds, then this provides further financial impetus to continue building out the portfolio and accessing increasingly larger opportunities.

**Diversification and risk.** Cloudbreak's business model and asset targeting rationale is not constrained by a fixed commodity or jurisdiction "policy". The company is therefore free to diversify its portfolio and various business exposure in order to pursue the best opportunities at any given time. The benefit of this approach is that Cloudbreak can be "fleet of foot" and respond to changes in individual commodity cycles and macro fundamentals to identify value, in contrast to larger companies that may have a fixed precious metal mandate, for example. It also provides flexibility to make counter cyclical acquisitions and investments. Increased diversification naturally reduces risk with issues at individual assets and jurisdictions, and changes in underlying commodity fundamentals more easily absorbed.

**Building value.** Cloudbreak's strategy offers the opportunity to target small to mid-sized projects that are often overlooked in a sector dominated by large players. This provides Cloudbreak with a compelling opportunity to acquire assets and licences that have either been missed or do not fit within the exploration/investment mandate of other mining and exploration companies. With continued growth, the mid-tier and majors in the mining industry tend to suffer from the same affliction; it becomes harder to source new projects of sufficient scale to move the needle and meet hurdle rates. This can effectively shrink the universe of suitable early-stage exploration plays and provide an opportunity for companies such as a Cloudbreak.

**Forward option value.** Beyond the acquisition and initial exploration phase, Cloudbreak has either minimal or no further funding commitments by virtue of the partnering/JV model. By retaining equity and royalty interests, Cloudbreak remains exposed to potential discovery and development upside, yet suffers no further equity dilution from the need to raise capital for onwards work programme.

**Momentum and project cycling.** Cloudbreak has the flexibility to quickly set aside assets that do not meet the criteria and move onto other projects. A typical junior with one or two projects is sometimes in danger of becoming wedded to a project, continuing to deploy capital when perhaps the correct decision should be to allocate funding elsewhere. This cycling of projects forces a constant ranking and evaluation process resulting in only the best projects receiving the funding.

**More bang per buck.** The equation for exploration success if one existed would be complex. However, there are key variables which tend to produce better results including competent management and technical teams that have worked on a wide variety of projects and commodities. Given that exploration is a numbers game it also follows that evaluating multiple licences may increase the chance of discovery. This is a particularly attractive attribute of a project generator as it provides investors with exposure to many active projects, albeit that the partnering/JV model requires giving away a portion of the potential upside. This is balanced out by not being required to spend capital, and the de-risking element.

**Low overheads.** Project generator and emerging royalty companies typically have very low overheads (corporate G&A) compared to other exploration and mining companies. Cloudbreak may maintain a degree of oversight on a partnered project (especially if board seats are taken) but the operational management and funding is undertaken by the 3<sup>rd</sup> party. This ensures that Cloudbreak retains capital and management bandwidth to pursue new opportunities.

**Growing royalty portfolio...** Whilst Cloudbreak is primarily a project generator, a consequence of the strategy is that the company may in time come to hold a significant portfolio of natural resources royalties. In time this would bring all the benefits of a royalty company, but with royalties being organically generated at a low cost. It can take many years for royalties to become cash paying and some never do, but the gradual layering of multiple royalties can eventually create a platform to provide long-term, relatively stable income. Royalty holders are not exposed to increases or fluctuations in capital or operating costs at the underlying assets. Similarly, the royalty holder is not exposed to development capex blowouts or expansion capital. Ultimately the

royalty holder is more exposed to whether the operation gets into production, the scale of the operation and commodity prices. Royalties are typically ranked highly in the capital structure and embedded in the underlying asset (e.g., the licence, resource or tenement) meaning that the royalty survives ownership changes if the asset, mine or exploration licence passes to another company.

**...which can unlock a premium valuation.** As the royalty portfolio grows, it often follows that the company achieves more attractive valuation multiples and it is usual for royalty companies to trade at a premium to its NAV. As royalty flows become more stable, the company will have increasing access to various debt-based funding mechanisms to increase returns via leverage.

## Cash being put into the ground

**c.C\$12m (£7m) in committed exploration expenditure**

One of the key attributes of Cloudbreak's business model of moving assets to the partner funding stage is the exposure to more exploration expenditure than a typical start-up junior explorer. This provides significant leverage to "cash in going into the ground" through exploration and drilling, really the only way to add value to early-stage exploration properties.

We estimate that investors in Cloudbreak have exposure to C\$11.4m in committed exploration expenditure over the coming years and in excess of C\$5m in the next 12 months. This is highly likely to increase as the company's portfolio builds. This figure also excludes exploration expenditure by Cloudbreak on early-stage assets in the portfolio that have not yet been partnered out.

**Value opportunity.** This highlights the potential value proposition of investing in Cloudbreak, the company has:

- ▶ C\$12m (£7m) in committed exploration expenditure
- ▶ c. C\$5m (£3m) in listed equity
- ▶ C\$1.4m in cash milestone payments<sup>1</sup>
- ▶ Net Smelter Return (NSR) royalties over 13 separate assets

Figure 4 – Summary of partner committed exploration expenditure and equity interests

Committed Exploration Expenditure			
Project	Partner	Exploration Expenditure	
Klondike	Allied Copper Corp	C\$4.75m	
Stateline	Allied Copper Corp	C\$3.75m	
Atlin	Power Group Projects Group	C\$0.70m	
South Timmins	Calidus Resources	C\$1.51m	
Yak	Moonbound Mining Ltd	C\$0.70m	
		<b>C\$11.41m</b>	

Current Equity positions			
Partner	Listed/private	Equity position	% holding
Temas Resources Corp	Listed: CSE	10,000,000	14.7%
Norseman Silver Corp	Listed: TSX-V	7,200,000	14.6%
Castlebar Capital Corp	Listed: TSX-V	500,000	21.5%
Allied Copper Corp	Listed: TSX-V: CPR	1,250,000	3.1%
Deep Blue Trading	Private	500,000	5.2%
Buscando Resources	Private	1,000,000	8.7%
Linceo Media	Private	13,000	11.5%
Moonbound Mining	Private	700,000	9.9%
1315843 BC Ltd*	Private	5,350,000	22.3%
Calidus Resources Corp	Private	500,000	-
Imperial Helium	Listed: TSX-V	710,767	0.8%
Anglo-African Minerals plc	Private	11,000,000 + 33,729,978 warrants	-

\* LOI signed to be acquired by Power Group Project Corp

Source: Shard Capital, IRESS, Company reports, Cloudbreak Discovery

<sup>1</sup> A portion of the cash milestone payments may already have been received

## Current snapshot

Cloudbreak is undertaking an aggressive growth strategy and the company's portfolio of projects and investments will likely change significantly as the business plan is executed. Currently, Cloudbreak has:

**17 Projects in total and growing.** The portfolio comprises 17 projects at present, of which 13 are "partnered" and 3 are "available" projects.

**13 Partnered Projects:** Cloudbreak has a strong track record of moving projects into the 3<sup>rd</sup> party funding phase as detailed below. Notably, Cloudbreak has a strong relationship with TSX listed explorers including Temas Resources Group (1 project), Norseman Silver Corp (4 projects), Castlebar Capital Corp (1 project) and Allied Copper Corp (2 projects).

**1 Strategic Alliance:** Cloudbreak has a strategic alliance with Alianza Minerals to explore for copper in the Southern USA. We expect the company to enter into additional alliances.

**2 Corporate interests:** The company currently holds an equity interest and/or warrant position in Imperial Helium Corp and Anglo African Minerals plc. Details later in the note.

Figure 5 - Asset and project overview

Available Projects						
Available	Asset	Commodity	Location	Partner		
	1 Northern Treasure NE+SW	Cu-Au-Ag-Mo	BC, Canada	100% Cloudbreak		
	2 Rizz	Au-Ag-Pb-Zn	BC, Canada	100% Cloudbreak		
	3 Icefall	Au-Ag-Pb-Zn	BC, Canada	100% Cloudbreak		
Partnered Project Portfolio						
Various partners	Asset	Commodity	Location	Partner	Royalty	Equity
	1 La Blache	Ti-Fe-V	BC, Canada	Temas Resources Group (CSE:TMAS)	2% NSR	10m shares
	2 Silver Switchback	Ag-Cu	BC, Canada	Norseman Silver Corp (TSX-V: NOC)	1% NSR	6m shares, 1.2m warrants ~@ \$0.30
	3 Caribou	Cu-Au-Ag	BC, Canada	Norseman Silver Corp (TSX-V: NOC)	2% NSR	6m shares, 1.2m warrants ~@ \$0.30
	4 Silver Vista	Ag-Cu-Zn	BC, Canada	Norseman Silver Corp (TSX-V: NOC)	1% NSR	6m shares, 1.2m warrants ~@ \$0.30
	5 Gold Vista	Au	BC, Canada	Deep Blue Trading Inc (private)	1.5% NSR	500k shares
	6 New Moon	Cu-Zn-Au-Ag	BC, Canada	Norseman Silver Corp (TSX-V: NOC)	2% NSR	6m shares, 1.2m warrants ~@ \$0.30
	7 Rupert	Cu	Vancouver Island, BC,	Buscano Resources (private)	2% NSR	1m shares
	8 Spectrum	Cu-Mo-Ag-Au	Pemberton, BC, Canada	Castlebar Capital Corp (TSX-V: CBAR.P)	-	500k shares
	9 Apple Bay	Industrial	Vancouver Island, BC,	Linco Media Group (private)	1.5% NSR	13k shares
	10 Atlin West	Au-Ag-Cu	BC, Canada	Power Group Projects Corp (private)	2% NSR	8m shares
	11 South Timmins	Au	Ontario, Canada	Calidus Resources Ltd	1% NSR	2.25m shares, C\$495k cash milestones
	12 Yak	Au-Ag	BC, Canada	Moonbound Mining Ltd (private)	2% NSR	2.7m shares, C\$145k cash milestones
Southern USA Cu Alliance	13 Klondike	Cu	Colorado, USA	Allied Copper Corp (TSX-V: CPR)	2% NSR	7m shares & 3m warrants to the Alliance. Further 3m warrants on milestones. C\$400k cash milestones
	4 Stateline	Cu	Colorado, USA	Allied Copper Corp (TSX-V: CPR)	2% NSR	4.25m shares to the Alliance. C\$315k cash milestones
Strategic Alliances						
Company	Commodity	Location	Details			
1 Alianza Minerals (TSX-V: ANZ)	Cu	Southern USA	Strategic alliance to explore for copper deposits in the United States. Focus on the identification, acquisition and advancement of copper projects in the states of Arizona, Colorado, New Mexico and Utah. 50% Cloudbreak / 50% Alianza Minerals			
Corporate Interests						
Company	Commodity	Location	Royalty	Equity		
1 Imperial Helium Corp (TSX-V: IHC)	Helium	Western Canadian Sedimentary Basin, Canada.	-	710.7k shares, 315m performance warrants		
2 Anglo-African Minerals plc	Al	Guinea, West Africa	-	11m shares, 33.7m warrants, US\$1.34m convertible debt		

Source: Shard Capital, Cloudbreak Discovery plc

Buscando Resources Ltd., Moonbound Mining Ltd. And Calidus Resources Corp. have all filed preliminary prospectuses to list on public exchanges in Canada.

## Current portfolio reach

Current projects and assets are currently concentrated in North America, with the exception of the corporate interest in Anglo-African Minerals which has projects in Guinea, West Africa. This spread of projects very much reflects the history and inception of Cloudbreak, with key management domiciled in British Columbia, Canada.

Although the Cloudbreak team has excellent connections in Canada and a deep understanding of the various geological settings, the company's aspiration is to expand beyond North America to pursue the best opportunities. Given the London listing, expansion into Europe and Africa would make sense from strategic point of view, in our opinion. This would make North America and West Africa the two core geographical areas of interest.

- ▶ **Building a footprint in West Africa?** Cloudbreak is making progress in Côte d'Ivoire, West Africa, where it is currently generating base and precious metals projects through partnerships with local prospectors. No specific project details have been announced as yet.
- ▶ **Business model will evolve.** Cloudbreak sees benefit in maintaining flexibility within its business model. The strength of the team across the technical and financial disciplines has afforded Cloudbreak the ability to access more advanced mineral assets. To that end, the company has been actively reviewing complementary business streams that have the potential to build ongoing value, including royalties which are generated or acquired, and opportunities to spin out assets at the appropriate time.
- ▶ **Commodity focus.** Cloudbreak's key commodities of focus will continue to be copper, lithium and precious metals, whilst also considering lead, zinc and industrial minerals, if the company sees opportunities that represent value creation potential for shareholders. Many of these commodities are integral to the decarbonisation of energy sources and thus have an extremely strong demand outlook in the coming years. Cloudbreak currently does not have exposure to lithium, but we expect this to change as the portfolio evolves.

Figure 6 - Select project locations – current focus dominated by North American assets but diversification coming



Source: Cloudbreak Discovery plc

## Commodity exposure snapshot

Figure 7 - Graphical representation of Cloudbreak's commodity exposure via projects and strategic alliances

Asset	Commodity	Available	Partnered	Au	Ag	Cu	Pb	Zn	Al	Mo	Fe	Ti	V	He	Ind Min
Northern Treasure NE+SW	Cu-Au-Ag-Mo	✓													
Caribou	Cu-Au-Ag		✓												
New Moon	Cu-Zn-Au-Ag		✓												
Spectrum	Cu-Mo-Ag-Au		✓												
Atlin West	Au-Ag-Cu		✓												
Rizz	Au-Ag-Pb-Zn	✓													
Icefall	Au-Ag-Pb-Zn	✓													
Yak	Au-Ag		✓												
Gold Vista	Au		✓												
South Timmins	Au		✓												
Silver Switchback	Ag-Cu		✓												
Silver Vista	Ag-Cu-Zn		✓												
Rupert	Cu		✓												
Klondike	Cu		✓												
Stateline	Cu		✓												
La Blache	Ti-Fe-V		✓												
Apple Bay	Industrial		✓												
Imperial Helium Corp	Helium		✓												
Anglo-African Minerals plc	Al		✓												

Source: Shard Capital

## High news flow anticipated

The project generator model drives a high level of news flow. Exposure to multiple exploration programmes at different phases of advancement drives regular news flow and provides numerous share price catalysts. As Cloudbreak's portfolio grows, news flow will increase commensurately and we anticipate that project and exploration news flow will be fairly consistent throughout the year. This is in contrast to a single-project junior that may have prolonged quiet periods, perhaps due to a rainy season in the country of operation or data evaluation periods.

Overlaid on this is the news flow stemming from corporate transactions or deal flow related to optioning out new projects and the creation of joint ventures. We outline the main press releases since Cloudbreak was admitted to the LSE in June 2021.

Figure 8 - Pertinent Cloudbreak press releases since admission to the LSE

New Releases	
Date	Press release / RNS
03/06/2021	Admission to LSE Main Market and closing of £2m fundraise
15/06/2021	Imperial X and Alianza Minerals Form Southern US Copper Exploration Alliance
17/06/2021	Completion of high-resolution helicopter-borne magnetic survey at the South Timmins Project
21/06/2021	Change of name to Cloudbreak Discovery plc (from Imperial X plc)
22/06/2021	Temas Resources Corp and Erin Ventures - joint development of Piskanja Boron project in Serbia
01/07/2021	Imperial Helium (Cloudbreak holds 1.25% equity stake) commences field operations at Steeveville Helium Property.
06/07/2021	Imperial Helium - spud of initial well at Steeveville
20/07/2021	Senior appointments - Rory Kutluoglu as COO, Cam Bartsch as VP Exploration and Henrik Mikkelsen as VP Corporate Development.
19/08/2021	Atlin West Gold-Silver Project Optioned to New Partner
23/09/2021	South Timmins Gold Project Optioned to New Partner
27/09/2021	Initiation of exploration on Northwest Portfolio and Klondike update
21/10/2021	Cloudbreak's partner (1315843 B.C. Ltd) on the Altin West Project acquired by Power Group Projects Corp (TSX-V: PGP)
27/10/2021	Yak Gold-Silver Project Optioned to New Partner
29/11/2021	Cloudbreak Discovery and Alianza Minerals acquire 2nd project (Stateline Copper Project) under the Southwest US Copper Alliance
01/12/2021	Surface sampling results from Klondyke (1st project in Alianza Cu Alliance) inc 4.6m at 1.56% Cu & 1.4g/t Ag
07/12/2021	Cloudbreak & Alianza Minerals sign Option Agreement with Allied Copper for the advancement of the Klondike Project
30/12/2021	Final results
04/02/2022	AGM results
15/02/2022	Corporate update

Key: Deal/transaction    Exploration update    Corporate

Source: Shard Capital, Cloudbreak Discovery plc

## Key transactions so far

### Copper Alliance with Alianza Minerals

In June 2021, Cloudbreak (Imperial X at the time) formed an alliance (the "Alliance") to focus on the identification, acquisition and advancement of copper projects in the states of Arizona, Colorado, New Mexico and Utah. The overarching strategy is the same as Cloudbreak's other project generation activities, to identify and acquire new copper exploration opportunities and advance them with the intent of finding a 3<sup>rd</sup> party partner to further the projects.

**Terms of the alliance:** either company can introduce projects to the strategic alliance. Projects accepted into the alliance will be held 50/50 but funding of the initial acquisition and any preliminary work programs will be funded 40% by the introducing partner and 60% by the other party. Project expenditures are determined by committee, consisting of two senior management personnel from each party. Alianza is the operator of alliance projects unless the alliance steering committee determines that Cloudbreak would be a more suitable operator, on a case-by-case basis. The initial term of the alliance is two years and can be extended for an additional two years.



Two projects are already part of the alliance; Klondike and Stateline, and both have now been optioned out to partners.

## Klondike - 1<sup>st</sup> project in Copper Alliance

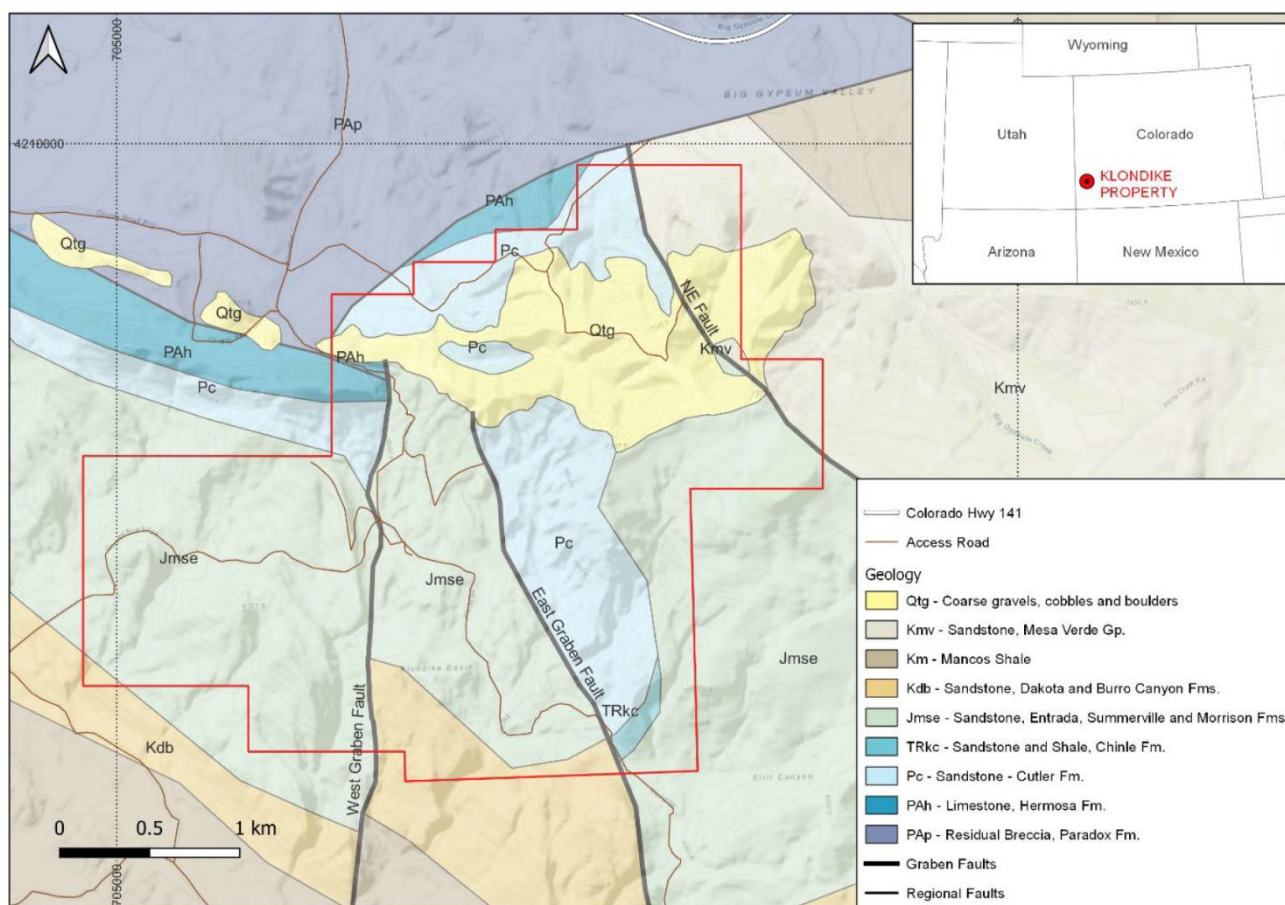
The Klondike copper property is located within the Paradox Copper Belt, a producing copper district which hosts the operating Lisbon Valley Copper Mining Complex (LVMC) and numerous other historical copper occurrences. The property comprises consists of 76 unpatented mining claims, a State of Colorado Exploration Permit and an exclusive right to a State lease. The project is road accessible year-round, traveling two kilometres of gravel road from paved highway.

Klondike was the first property staked by the Alliance. During Q3 2021, the Alliance deployed field crews to conduct a 10-day mapping and prospecting programme with a focus on the northeast portion of the claim block. The programme was designed to further investigate the geology and identify potential drill hole location.

**Historical results of 6.3% Cu and 23.3g/t Ag in outcrop but not followed up with modern systematic exploration**

**Underexplored by modern techniques.** Historical copper exploration in the Klondike area ceased in the 1960s as the emphasis shifted to uranium exploration in the 1970s due to the demand for uranium as fuel on the back of the nuclear reactor build out from the 1960s onwards. It was reported that historical work identified high-grade mineralisation including results of 6.3% Cu and 23.3g/t Ag in outcrop. Despite this, the project area has seen little in the way of exploration for copper using modern techniques. This represents an opportunity for Cloudbreak and its partners to apply cutting-edge prospecting, geophysical and geochemical techniques and up to date geological thinking. The project is prospective for sedimentary-hosted copper deposits.

Figure 9 - Klondike Property Location Map



Source: Cloudbreak Discovery plc, Alianza Minerals



**Initial exploration results.** The initial results from the 2021 surface sampling programme undertaken by the Cloudbreak-Allianza Alliance were reported in December 2021. The reconnaissance programme consisted of mapping, stream sediment sampling and rock sampling in order to help define drill targets at the West Graben Fault and East Graben Fault targets.

**1.56% Cu and 1.4g/t Ag over 4.6m chip sample**

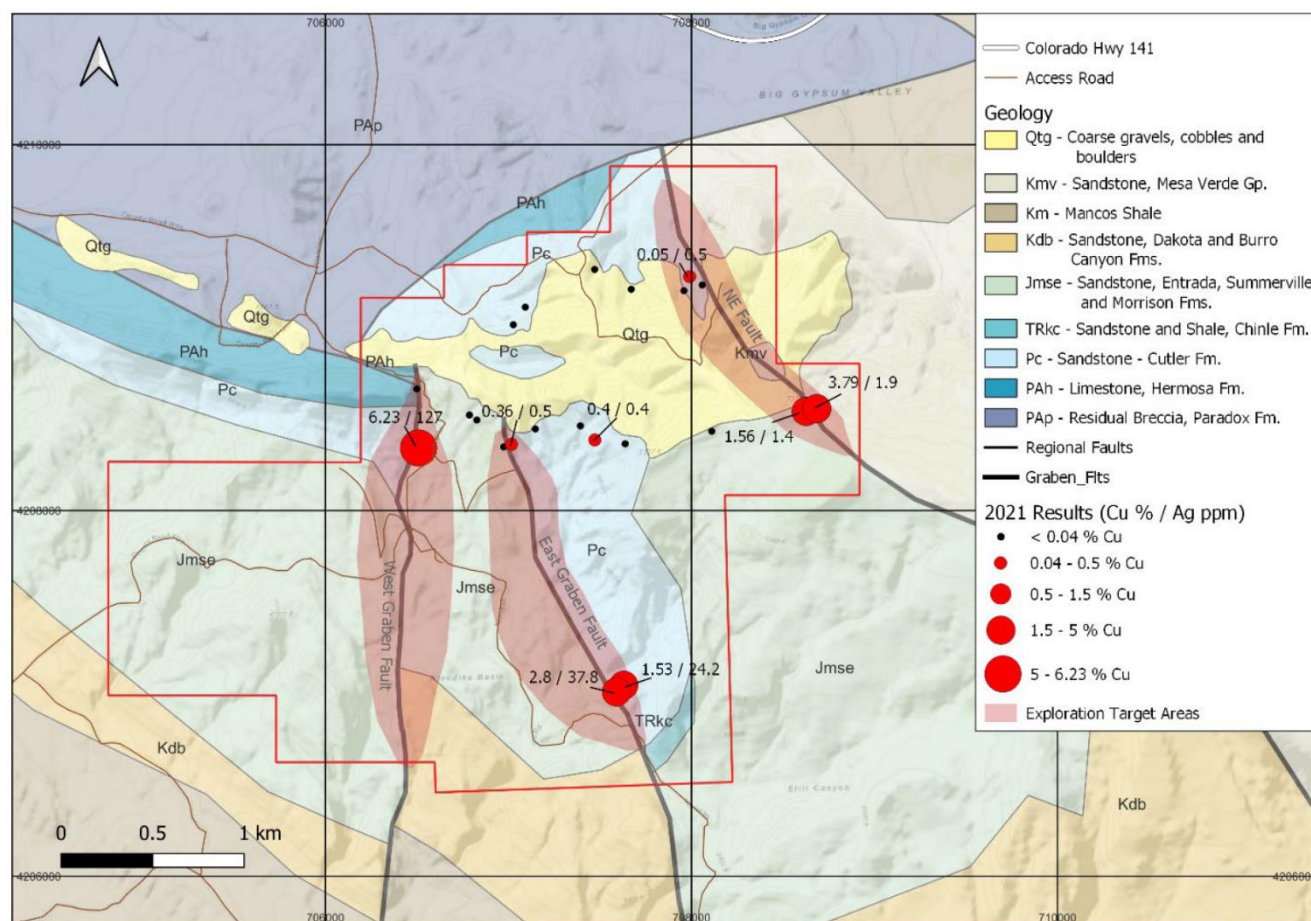
The results of this initial mapping and rock sampling successfully expanded the footprint of both targets and identified a new target named the Northeast Fault. Sampling at the Northeast Fault returned 1.56% Cu and 1.4 g/t silver over a 4.6m chip sample of bleached, bitumen spotted and altered Jurassic sandstones of the Saltwash member of the Morrison Formation. Consequently, the Northeast Fault becomes the 3<sup>rd</sup> high priority target area to be outlined at Klondike. Grab samples also returned 2.80% Cu and 37.8 g/t Ag, 1.53% Cu and 24.2 g/t Ag, 3.79% Cu and 1.9 g/t Ag.

**Mineralisation identified over an extensive area**

Copper mineralised sandstones at the Northeast Fault target can be traced along the fault and outboard from it into the adjacent sandstones over an area 200m long by 100m wide before becoming obscured beneath gravel cover. Further anomalous copper, including 2.1m of 463 ppm Cu, was encountered over 1km to the northwest where the structure and host strata next appear from beneath the same gravel cover.

**Disseminated mineralisation identified.** In addition to the high-grade mineralisation identified in both historical, and work by the alliance, disseminated copper-silver mineralization has also been identified in outcropping sandstones of Jurassic and Permian age. This is important as it may add a scale factor to aid possible future economic considerations. It also may be amenable to modern open pit mining and SX-EW processing (Solvent Extraction Electro Winning), standard well-proven technology employed globally. SX-EW processing is currently being employed at the Lisbon Valley Mining Complex.

Figure 10 - Klondike – copper results from 2021 surface sampling programme



Source: Cloudbreak Discovery plc, Allianza Minerals

#### Option agreement for Klondike agreed.

In December 2021, the Alliance optioned the project to Allied Copper Corp (TSX-V: CPR) which demonstrated the momentum of Cloudbreak's business model. The highlights and terms of the option agreement are:

- ▶ Allied will incur an aggregate of C\$4.75m in exploration expenditures on the property, with at least C\$500,000 to be spent prior to the first anniversary of the closing date.
- ▶ Allied will issue 7m common shares and make an aggregate of C\$400,000 in cash payments to the Alliance over a three-year period.
- ▶ Upon completion of these option agreement obligations, the Alliance will transfer 100% interest in the Klondike Property to Allied. Allied will also issue 3m warrants exercisable for a three-year term at a price equal to the 10-day VWAP of Allied's common shares at the time of the issuance.
- ▶ The Alliance will retain a 2% NSR ("net smelter royalty") which is subject to a buy down provision where Allied may, at its discretion, repurchase half of the royalty for C\$1.5m within 30 days of commercial production.
- ▶ If Allied files on SEDAR an NI 43-101 technical report establishing the existence of a resource on any portion of the Klondike Property of at least 50,000,000 tonnes of either copper or copper equivalent at a minimum cut-off grade of 0.50% copper or copper equivalent and categorized as a combination of inferred resources, indicated resources and measured resources, then Allied will also issue a further 3m warrants exercisable for a three year term at a price equal to the 10-day VWAP of Allied's common shares at the time of the issuance.

**Allied to spend C\$4.75m on exploration at Klondike**

**Shares, warrants, cash and an NSR to the Alliance**

## Stateline - 2<sup>nd</sup> project in Copper Alliance

In November 2021, Cloudbreak and Alianza announced the acquisition of the Stateline Property ("Stateline"), located in Colorado and Utah, United States, which consists of 22 unpatented mining claims from local prospectors. As at Klondike, the target is sedimentary-hosted copper mineralisation. The Stateline project was purchased from the underlying vendors for a US\$20,000 cash payment and a further US\$40,000 payment in the form of cash and/or shares.

**Location and geological setting.** The Stateline project is located approximately 40km southwest of Naturita, Colorado, covering the state boundary between Utah and Colorado at the southeast end of the Lisbon Valley. This property lies within the Paradox Copper Belt, which includes the producing LVMC. Stateline is located adjacent to a northwest trending graben bounding fault near the southeast terminus of the Paradox Basin in a similar structural and stratigraphic setting as the LVMC. Copper mineralisation in outcrop includes malachite, azurite, chalcocite and black copper oxides.

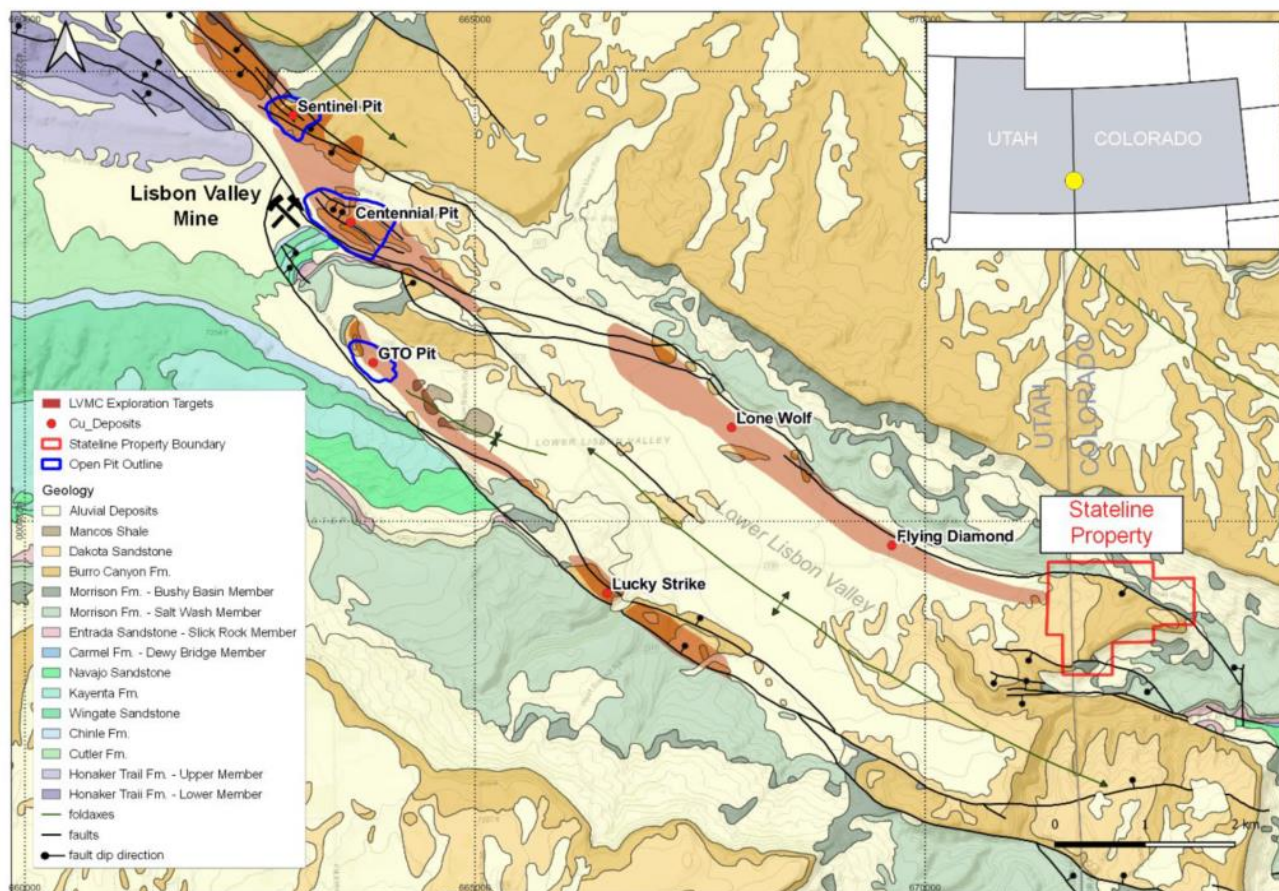
**Historical work.** Similar to Klondike, there are numerous historical copper occurrences that have been identified throughout the belt, however, many of these have not been explored using modern exploration techniques.

Historical exploration on the property was conducted as part of the regional programs associated with the LVMC. Previous explorers reported copper mineralisation highlighted by results of 1.6% Cu and 1.7 g/t Ag in outcrop. Mineralisation visible in outcrop occurs as disseminated malachite, which may be amenable to shallow open pit mining and SX-EW processing. The mineralisation noted to date is interpreted to be the southeast extension of the Flying Diamond mineralisation, which is a current target of interest associated with the Lisbon Valley Mining Complex.

**Exposed copper oxide mineralisation at surface with similar structural and stratigraphic setting to the Lisbon Valley Copper Mining Complex**

**Historical results include 1.6% Cu and 1.7 g/t Ag in outcrop**

Figure 11 - Stateline Property Location and Regional Geology Plan Map



Source: Cloudbreak Discovery plc, Alianza Minerals

#### Option agreement for Stateline agreed.

In February 2022, the Alliance optioned the Stateline project to Allied Copper Corp (TSX-V: CPR), strengthening the relationship with Allied, the same partner as the Klondike option agreement. Having both Klondike and Stateline optioned out to the same partner should provide some synergies both in terms of operational management, cost savings and enhanced geological understanding of broader area.

The highlights and terms of the option agreement are:

- ▶ Over a three-year period, Allied will incur an aggregate of CAD \$3,750,000 in exploration expenditures on the property, with at least CAD \$500,000 being spent prior to the first anniversary of the closing date.
- ▶ Issue 4.25m common shares over a 3-year period of which 500,000 are due on closing
- ▶ Make an aggregate of C\$315,000 in cash payments to the Alliance of which \$40,000 has been paid and with a further \$50,000 due on closing.
- ▶ The Alliance will retain a 2% NSR which is not subject to a buy down provision
- ▶ If Allied acquires additional mineral tenures within the Area of Interest (the "AOI"), it will issue the Alliance additional common shares on a sliding scale. Conversely, if the Alliance acquires mineral tenures within the AOI, it will first offer them to Allied and be compensated on that same sliding scale, should Allied choose to acquire them.

**Allied to spend C\$3.75m on exploration at Stateline**

**Shares, cash and an NSR to the Alliance**



## Atlin West Gold-Silver Project Optioned to New Partner

In August 2021, Cloudbreak announced that it had identified an exploration partner for its newly staked Atlin West Project in British Columbia. The partner was 1315843 BC Ltd, subsequently acquired by Power Group Projects Corp (TSX-V:PGP) in October 2021. Original terms:

- ▶ The partner spending up to C\$700,000 in exploration expenditure on the property, with at least \$150,000 to be spent during the first year.
- ▶ Issue of 8,000,000 1315843 BC Ltd common shares
- ▶ Aggregate payments of \$325,000 over a three-year period to Cloudbreak.
- ▶ Upon completion of these option agreement obligations, Cloudbreak will transfer 100% interest in the property to 1315843 BC Ltd. Cloudbreak will retain a 2% NSR.

The Atlin West project is located 14km west-northwest of Atlin, British Columbia and covers an area of covering 3,125 hectares. Planned exploration work will focus on evaluating the potential for structurally controlled, intrusion related and polymetallic vein systems, which are known to host economic mineralisation in the area. Previous work has provided initial information on the geological potential of the project. Limited work has been reported on the property and additional exposures are as yet untested as glacial recession has progressed in the past several decades since this work was last conducted.

Regional analogues include the Engineer Mine, Yellowjacket Mine and the Imperial Vein showing. The Engineer Mine produced in excess of 18koz of gold and 9koz of silver during the 1920's and 1930's with grades reported to be in excess of 39g/t Au and 20g/t Ag. A 2018 mineral resource estimate stated inferred resources of 41,000 tonnes at 19g/t Au for 25koz contained gold. At the Yellowjacket Mine, an historical estimate stated 133,000 tonnes at 5.8g/t Au for 24koz. The Imperial Vein showing is a quartz vein that saw limited production in the early 1900's and is documented to contain materials that assayed 27.1 g/t Au and 26.47g/t Ag

## South Timmins Gold Project Optioned to New Partner

In September Cloudbreak identified an exploration partner in 1315956 BC Ltd, for its South Timmins Project located 40 kms south of Timmins, Ontario, in the prolific Abitibi Greenstone Belt. Exploration work is targeting lode gold mineralisation and Cloudbreak recently completed an airborne magnetic gradiometer survey and is conducting interpretation and modelling of the data to aid in further exploration targeting and program design. The terms are:

- ▶ The partnership will see 1315956 BC Ltd committing up to C\$1.51m in exploration expenditure on the property, with a minimum of C\$265,000 to be spent during the first year.
- ▶ 1315956 BC Ltd will issue Cloudbreak 2.25m shares and make aggregate cash payments of C\$495,000 over a three-year period. Upon completion of these option agreement obligations, Cloudbreak will transfer 100% interest in the property to 1315956 BC Ltd and retain a 1% NSR.

## Yak Gold-Silver Project Optioned to New Partner

In October 2021, Cloudbreak announced that it had entered into an agreement with Moonbound Mining Ltd in respect of the Yak Project in north-western British Columbia. The target at the Yak project is low-sulphidation epithermal gold-silver veins and mesothermal lode gold. Terms:

- ▶ Moonbound will issue Cloudbreak 2.7m shares
- ▶ Aggregate cash payments to Cloudbreak of C\$145,000 over a three-year period
- ▶ Moonbound is committed to spend up to C\$700,000 in exploration expenditure on the property, with at least C\$150,000 to be spent prior to the second anniversary of Moonbound listing on an exchange. Moonbound is obliged to enter into a public transaction within six months of the effective date of the agreement with Cloudbreak.
- ▶ Upon completion of these option agreement obligations, Cloudbreak will transfer 100% interest in the property to Moonbound and retain a 2% NSR. Moonbound may, at its discretion, repurchase half of the royalty for C\$1.5m.

***The setting at Yak is thought to be analogous to the Skukum Creek Deposit, Indicated Resource of 1Mt at 5.85 g/t Au and 166.4g/t Ag and an Inferred Resource of 537,000 tonnes at 4.99 g/t Au and 108.3 g/t Ag.***

## Appendix: Project details

### Available Project Portfolio

After a slew of transaction activity, Cloudbreak only has 3 available projects left to option or partner out. However, due to the company's active early-stage pipeline we would expect new projects to be added on a relatively continuous basis

Figure 12 - Cloudbreak's projects: available for partnering

Asset	Development Stage	Ownership	Jurisdiction	Proposed Work Program
<b>Icefall</b>				
<ul style="list-style-type: none"> <li>Claim Size: 8,704 ha</li> <li>Target: Porphyry, Skarn, VMS</li> <li>Historic sampling returned up to 35.5 g/t Ag, 0.5% Cu, .1%Pb and Zn</li> <li>100m long Cu-Pb-Zn-Ag skarn mineralized zone disappears onto claim block</li> <li>Very little work and follow up completed</li> </ul>	Grassroots	100%	British Colombia, North West Portfolio	<ul style="list-style-type: none"> <li>Mapping and Prospecting</li> <li>Trenching</li> <li>Ground Geophysics</li> <li>\$250,000</li> </ul>
<b>Northern Treasure NE / Northern Treasure SW</b>				
<ul style="list-style-type: none"> <li>Claim Size: 29,580 ha</li> <li>Target: Porphyry (Cu-Au-Ag-Mo); Sed-hosted (Au-Ag); High Sulphidation (Cu-Au-Ag); Stockwork (Au-Ag); VMS (Cu-Au-Ag-Zn)</li> <li>Significant historic work, glaciers have receded considerably in recent years opening opportunity for new discoveries</li> </ul>	Grassroots	100%	British Colombia, North West Portfolio	<ul style="list-style-type: none"> <li>Multispectral/ Aster image analysis</li> <li>Mapping and Prospecting</li> <li>Geochemical Sampling – soils</li> <li>\$110,000</li> </ul>
<b>Rizz</b>				
<ul style="list-style-type: none"> <li>Claim Size: 5,415 ha</li> <li>Target: VMS, Porphyry, Skarn</li> <li>Sulphide-rich felsite boulders, assays up to 27.6g/t Au, 562.9 g/t Ag, 8.25% Pb and 15.9% Zn – source not identified</li> </ul>	Grassroots	100%	British Colombia, North West Portfolio	<ul style="list-style-type: none"> <li>LiDAR Survey</li> <li>Mapping and Prospecting</li> <li>Geochemical Sampling – soils</li> <li>\$110,000</li> </ul>

Source: Cloudbreak Discovery plc

## Partnered Project Portfolio – further details

Figure 13 - Cloudbreak's partnered projects

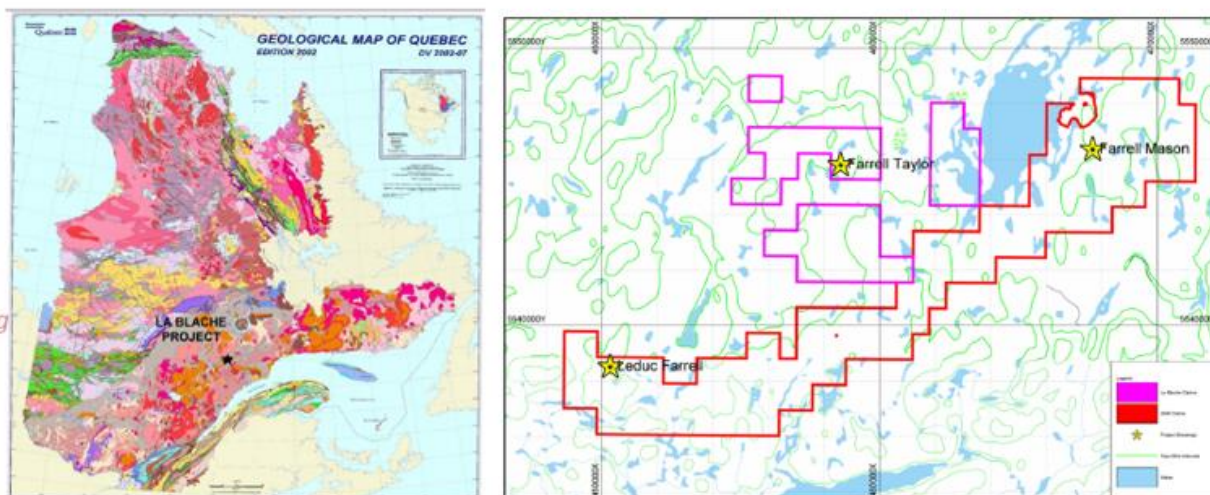
Partnered Project Portfolio				
Asset	Commodity	Location	Partner	Further details
<b>La Blache</b>	Ti-Fe-V	BC, Canada	Temas Resources Group (CSE:TMAS)	Temas focused on innovative mineral processing technologies that are lower cost and more eco-friendly than traditional processing technology. Temas holds interests in metallurgical patents focused on Ti, Fe and V separation, plus Au, Ni, Zn and Rare Earths. La Blanche has a Historic resource estimate is 101.7Mt @ 59.7% Fe2O3 (41.76% Fe), 18% TiO2 and 0.33 V2O5 (0.18% V). Temas is advancing a PEA and preliminary metallurgical testing of the oxide mineralization yielded 90% recovery of Iron and 95% recovery of Vanadium into a final high-purity product. La Blache is at PEA stage. ‡ Refer to resource estimate footnote below
<b>Silver Switchback</b>	Ag-Cu	BC, Canada	Norseman Silver Corp (TSX-V: NOC)	Norseman is focused on acquiring, exploring and developing silver and copper porphyry targets in British Columbia. Highlights from exploration so far: <b>Caribou</b> : 4.93% Cu, 242.5 g/t Ag in a 7.6 m trench, 5.05% Cu, 340 g/t Ag (Rock Grab) and 1500 m x 500 m Soil Anomaly. <b>Switchback</b> : 626.3 g/t Ag, 4.39% Cu in outcrop, 626.3 g/t Ag, 4.39% Cu in outcrop, 1.4 km 1 ppm Ag in soils trend identified. <b>New Moon</b> - 3.6% Cu a7 0.12g/t Au in grab sample. <b>Silver Vista</b> : historical drill hole 13.10 m of 37.79 g/t Ag, 0.19% Cu, 0.21% Zn
<b>Caribou</b>	Cu-Au-Ag			
<b>Silver Vista</b>	Ag-Cu-Zn			
<b>New Moon</b>	Cu-Zn-Au-Ag			
<b>Gold Vista</b>	Au	BC, Canada	Deep Blue Trading Inc (private)	Deep Blue Acquires and advances gold assets in British Columbia and may pursue a stock exchange listing in due course. Gold Vista project covers several known epithermal gold prospects and was part of a large regional data compilation undertaken by a Tier 2 exploration company.
<b>Rupert</b>	Cu	Vancouver Island, BC, Canada	Buscano Resources (private)	Buscando targets advanced gold exploration projects in Canada and Australia for acquisition. Rupert project is adjacent to BHP's historic North Island mine and covers several copper porphyry anomalies. Rupert is along trend from 2 known copper deposits
<b>Spectrum</b>	Cu-Mo-Ag-Au	Pemberton, BC, Canada	Castlebar Capital Corp (TSX-V: CBAR.P)	Optioned to Castlebar Capital Corp. An epithermal target in the northern part of the Garibaldi Volcanic Belt, north of Pemberton, BC. Initial prospecting has identified mineralized quartz veins and strong hydrothermal alteration.
<b>Apple Bay</b>	Industrial Minerals	Vancouver Island, BC, Canada	Linceo Media Group (private)	Royalty interest and Equity stake with Linceo Media Group. Formerly producing aluminosilicate quarry located on Vancouver Island, BC. Key cement additive for both strengthening and quick setting properties.
<b>Atlin West</b>	Au-Ag-Cu	BC, Canada	Power Group Projects Corp (private)	Power Group Projects is backed by a team of capital markets and technical experts. Exploration at Atlin West is targeting structurally controlled Au-Ag, intrusion related gold, poly metallic vein systems. Assays from previous work include 2.58 oz/t Ag, 26% Pb, 13.9% Cu. Limited previous exploration.
<b>South Timmins</b>	Au	Ontario, Canada	Calidus Resources Ltd	South Timmins project is located in the prolific Abitibi Greenstone belt. Exploration off major "breaks" recently recognized as exploration targets of merit. High resolution magnetic gradiometer survey recently completed with interpretation pending.
<b>Yak</b>	Au-Ag	BC, Canada	Moonbound Mining Ltd (private)	Moonbound is currently private but targeting a listing. The Yak Project is located in the prolific Abitibi Greenstone belt where exploration off major "breaks" recently recognized as exploration targets of merit. The target is High grade Low sulphidation epithermal Ag-Au, Mesothermal Lode Gold. A high resolution magnetic gradiometer survey was recently completed with interpretation pending
<b>Klondike</b>	Cu	Colorado, USA	Allied Copper Corp (TSX-V: CPR)	See separate section on Klondike
<b>Stateline</b>	Cu	Colorado, USA	Allied Copper Corp (TSX-V: CPR)	See separate section on Stateline
Corporate Interests				
Company	Commodity	Location	Further details	
<b>Imperial Helium Corp (TSX-V: IHC)</b>	Helium	Canada.	Imperial Helium is developing the Steeveville helium asset in Alberta as well as targeting known helium reservoirs in other areas. Imperial plans to complete construction of a helium production facility, with commercialisation and cash flow expected from Q4 2022	
<b>Anglo-African Minerals plc (private)</b>	Al	Guinea, West Africa	Anglo African Minerals plc is a private company whose main asset is the near-term development FAR bauxite deposit. The company also holds the Somalu and Toubal bauxite projects. Resources currently stand at: <b>FAR project</b> : 37Mt of 40.8% Al2O3 Measured and Indicated resource and 36Mt of 39.0% Al2O3 Inferred resource (SRK, Nov 2015), <b>Somalu project</b> : 459Mt of 42.6% Al2O3 inferred resource (SRK, May 2015), <b>Toubal project</b> : 722Mt of 42.6% Al2O3 inferred resource (SRK, Dec 2014). The FAR licence is located 15km from an existing rail spur.	

‡ Table from the 2012 report "NI 43-101 Technical Report: Resource Estimation of the La Blache Project Cote-Nord, Quebec, Canada for Nevado Resources Corporation". This historic estimate is relevant because it is the culmination of previous work conducted on the property. It is Temas's opinion that this historic estimate is reliable as it was prepared to the quality and rigour as defined by NI43-101 standards to define an inferred resource at that time. As it was 2012 it did not incorporate the supplemental changes to refine the resource categories in 2014, a qualified person has not conducted sufficient work to classify the historical estimate required to categorize this resource to current CIM definitions of a resource (this may include additional drilling requirements). Temas Resources is not treating this historic estimate as current mineral resources and a qualified person has not reviewed the work to define the quality of the work associated with this historic estimate.

Source: Shard Capital, Cloudbreak Discovery plc, Company reports

Figure 14 - La Blache Fe-Ti-V project- maps and resource table\*

# La Blache Fe-Ti-V Project



COG TiO <sub>2</sub> Eq (%)	Volume*	Tonnage*	Fe <sub>2</sub> O <sub>3</sub> (%)	Fe (%)	TiO <sub>2</sub> (%)	V (%)	V <sub>2</sub> O <sub>5</sub> (%)	TiO <sub>2</sub> Eq (%)
0	22,200,000	102,120,000	59.51	41.62	17.94	0.18	0.33	21.67
5	22,110,000	101,720,000	59.70	41.75	18.00	0.18	0.33	21.74
<b>5.1</b>	<b>22,110,000</b>	<b>101,700,000</b>	<b>59.70</b>	<b>41.76</b>	<b>18.00</b>	<b>0.18</b>	<b>0.33</b>	<b>21.75</b>
6.7	22,030,000	101,320,000	59.86	41.87	18.05	0.18	0.33	21.80
10	21,820,000	100,370,000	60.21	42.11	18.16	0.19	0.33	21.93
15	20,970,000	96,460,000	61.18	42.80	18.46	0.19	0.34	22.29

\*Table from the 2012 report "NI 43-101 Technical Report: Resource Estimation of the La Blache Project Cote-Nord, Quebec, Canada for Nevado Resources Corporation". This historic estimate is relevant because it is the culmination of previous work conducted on the property. It is Teras's opinion that this historic estimate is reliable as it was prepared to the quality and rigour as defined by NI43-101 standards to define an inferred resource at that time. As it was 2012 it did not incorporate the supplemental changes to refine the resource categories in 2014, a qualified person has not conducted sufficient work to classify the historical estimate required to categorize this resource to current CIM definitions of a resource (this may include additional drilling requirements). Teras Resources is not treating this historic estimate as current mineral resources and a qualified person has not reviewed the work to define the quality of the work associated with this historic estimate.

Source: Teras Resources Group







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