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9 February 2023

Strategic Minerals plc

("Strategic Minerals" or the "Company")

December Quarter 2022 Magnetite Sales and Cash Balances

Strategic Minerals plc (AIM: SML; USOTC: SMCD), profitable producing mineral company, is pleased to provide the following update on the Company's cash position and ore sales at the Cobre magnetite operation in New Mexico, USA ("Cobre") for the quarter ended 31 December 2022.

Highlights

- December quarter revenue of US\$0.464m (2021: US\$0.493m) reflected the 20% July price increase passed on to customers
- Reduced demand from some customers, associated with the dip in US economic growth, has impacted sales volumes for this quarter
- Group cash balance was US\$0.341m as at 31 December 2022 (US\$0.381m as at 30 September 2022)
- Negotiations on planned funding for the restart of production at the Leigh Creek Copper Mine ("LCCM") are at an advanced stage with a party which has substantially completed its due diligence and visited the LCCM site
- In December, Cornwall Resources Limited (CRL) lodged an application for grant funds in relation to the Redmoor project

Sales update: Cobre magnetite tailings operations

The current dip in US economic growth has impacted demand for the magnetite product provided at Cobre in New Mexico, USA. While sales to our "fertilizer" customers appear unaffected, sales to our "cement" customers have been notably impacted with our largest client having currently suspended purchases whilst it runs down its existing stockpile.

The reduction in demand has been partially offset by the 20% price increase in July 2022.

Sales comparisons on quarterly and annual periods to 31 December 2022, along with associated volume details, are shown in the table below:

Year	Tonnage		Sales (US\$'000)	
	3 months to Dec	12 months to Dec	3 months to Dec	12 months to Dec
2022	5,638	36,281	464	2,446
2021	7,245	42,637	493	2,611
2020	12,845	51,518	747	3,045

During the quarter, there has not been any further update on distributions from the CV Investments LLC ("CVI") receivership. Accordingly, the Company has not included any potential receipt of funds from the Receiver in its cash flow projections.

Financials and Operations

As at 31 December 2022, the Company's cash balance was US\$0.341m (30 September 2022: US\$0.381m). The marginal reduction is consistent with Cobre operations in the December quarter and reflects continuing activity at both the Leigh Creek and Redmoor projects.

The quarter also saw the replacement of existing auditors BDO with Gravita, which incorporates the Company's original auditors, Jeffreys Henry. This was driven by economic considerations.

Leigh Creek Copper Mine ("LCCM")

The Company is pleased to provide the following updates regarding the LCCM:

- In December 2022, the Company lodged a Programme for Environmental Protection and Rehabilitation (PEPR) with South Australia's Department of Energy and Mining (DEM) for the handling of transitional ore (from copper oxide to copper sulphide) at Paltridge North; and
- a specialist resource focused investor has continued its due diligence for the provision of funding for the restart of the LCCM. The potential investor has undertaken in depth external due diligence on the project, which is currently progressing, and updating of the Company's previous costings are underway with a view to entering into a binding funding agreement.

Cornwall Resources Limited ("CRL")

In December, CRL submitted an application to Cornwall and Isle of Scilly Council ("CIS") for grant funds from CIS's Shared Prosperity Fund to undertake the planned development of the Redmoor Tungsten and Tin project. The Company considers that, whether it is successful with this application or not, at some stage the project is likely to benefit from Governmental funding given it:

- Falls within the UK Government's Critical Minerals Strategy;

- Is anticipated to result in many well-paid jobs for decades in East Cornwall; and
- East Cornwall being an area likely to benefit from the UK Government's "Levelling Up" policy.

Commenting, John Peters, Managing Director of Strategic Minerals, said:

"Whilst it is disappointing to see the impact of the dip in US economic growth resulting in lower sales volumes at Cobre, the Company is reassured by the fact that Cobre is expected to continue to contribute substantial revenues to cover the Company's overall costs in 2023.

"The recommencement of operations at Mountain of Light, Leigh Creek, subject to confirmation of the intended financing, should place the Company in a strong position for the remainder of the year.

"With a potential LCCM funding pathway identified, the Company now awaits the outcome of its grant application to assess the scope of its operations at Redmoor in 2023."

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Notes to Editors

Strategic Minerals plc is an AIM-quoted, profitable operating minerals company actively developing projects tailored to materials expected to benefit from strong demand in the future. It has an operation in the United States of America along with development projects in the UK and Australia. The Company is focused on utilising its operating cash flows, along with capital raisings, to develop high quality projects aimed at supplying the metals and minerals likely to be highly demanded in the future.

In September 2011, Strategic Minerals acquired the distribution rights to the Cobre magnetite tailings dam project in New Mexico, USA, a cash-generating asset, which it brought into production in 2012 and which continues to provide a revenue stream for the Company. This operating revenue stream is utilised to cover company overheads and invest in development projects aimed at supplying the metals and minerals likely to be highly demanded in the future.

In May 2016, the Company entered into an agreement with New Age Exploration Limited and, in February 2017, acquired 50% of the Redmoor Tin/Tungsten project in Cornwall, UK. The bulk of the funds from the Company's investment were utilised to complete a drilling programme that year. The drilling programme resulted in a significant upgrade of the resource. This was followed in 2018 with a 12-hole 2018 drilling programme has now been completed and the resource update that resulted was announced in February 2019. In March 2019, the Company entered into arrangements to acquire the balance of the Redmoor Tin/Tungsten project which was settled on 24 July 2019 by way of a vendor loan which was fully repaid on 26 September 2020.

In March 2018, the Company completed the acquisition of the Leigh Creek Copper Mine situated in the copper rich belt of South Australia and brought the project temporarily into production in April 2019. In July 2021, the project was granted a conditional approval by the South Australian Government for a Program for Environmental Protection and Rehabilitation (PEPR) in relation to mining of its Paltridge North deposit and processing at the Mountain of Light installation. In late September 2022, an updated PEPR, addressing the conditions associated with the July 2021 approval, was approved. In December 2022, the Company signed a Term Sheet for funding of operations at Leigh Creek and is progressing documentation.

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