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18 January 2024

Strategic Minerals plc

("Strategic Minerals" or the "Company")

Major Client Returns and 2023 Magnetite Sales

Strategic Minerals plc (AIM: SML; USOTC: SMCDY), a profitable producing mineral company, is pleased to announce that the major client for the Company's ore sales at the Cobre magnetite operation in New Mexico, USA ("Cobre") has returned, and also provides sales data for the year ended 31 December 2023.

Highlights

- Major client returns with a purchase order for 30,000 tons in 2024.
- Shipments commenced with billing bi-monthly and payments within 15 days.
- Approximate halving of sales volumes in 2023, due to absence of major client, partly offset by increased sales prices (volumes down approx. 50%, revenues down approx. 35%).
- Advanced talks continue with a separate third party seeking to secure similar volumes as major client.
- Closing Company cash position at 31 December 2023 of US\$0.107m (US\$0.129m at 30 June 2023).
- Group operational after-tax cash surplus expected in 2024.

Sales update: Cobre magnetite tailings operations

The 2023 calendar year saw the absence of the Company's major client which resulted in the sales volume for the year at Cobre dropping to approximately 50% of the previous year's sales. This was partly offset by the price rise instigated in 2022. As a result, despite volumes dropping around 50% on the previous year, revenues fell by only around 35% year on year.

In mid-December 2023, the previous major client requested pricing on a significant volume of ore over the next twelve months (approximately 50% more than taken by the client in previous years). Subsequently, a purchase order was agreed for the provision of 30,000 tons in 2024. Shipments against this order commenced on 16 January 2024 with bi-monthly billing terms and 15-day payment arrangements.

Additionally, over the past four months, discussions have been held with a potential new client that is looking for large volume shipments. They have purchased around 100 tonnes of ore for calibrating their machinery to ensure that the larger order would fulfil their requirements. The Company will update the market should a contract be signed with the potential new client.

Sales comparisons on an annual basis to 31 December 2023, along with associated volume details, are shown in the table below:

<u>Year</u>	<u>Tonnage</u>	<u>Sales USD '000s</u>
2023	17,965	\$1,576
2022	36,281	\$2,446
2021	42,637	\$2,611

In November 2023, the President of Southern Minerals Group Llc ("SMG"), the Company's 100% owned subsidiary which operates Cobre, resigned and was replaced by Tim Klumker who has been with SMG for over six years and has been running the operational side of Cobre for several years (see Company website for Tim's bio). In line with this change, the Company has taken the opportunity to rearrange elements of the financial management of SMG through more extensive use of the Company's CFO Karen Williams.

Financials and Operations

On 31 December 2023, the Company's cash balance was US\$0.102m (31 December 2022: US\$0.341m, 30 June 2023: US\$0.129m). Given the absence of the major client in 2023, this cash reduction of US \$0.239m for the year is a positive reflection of management's ability to continue developing projects (circa US\$0.489m project expenditure), reduce costs and forgo cashflow associated with their remuneration.

The one-year commitment, provided by the major client at Cobre, should result in an improved cash position throughout 2024.

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

"2023 has proven to be a tough environment for junior miners in general. Whilst, normally, the Company would be protected from such conditions through the operational cash flows at Cobre, the hiatus of sales to Cobre's major client has placed significant strain on both the Company and management."

"The welcome return of Cobre's major client, bigger and better than before, augurs well for cash flow throughout 2024 and could ensure a group wide operational cash surplus in 2024. The potential of another major client would only further enhance the outlook for operational cash flow.

"While, on both Redmoor and Leigh Creek Copper Mine, work has continued and progress has been made, the Company was not in a position at the end of 2023, as we had initially hoped, to update the market on progress. The Company is continuing to actively engage with the Cornwall and Isles of Scilly Good Growth Team in relation to progressing its application for grant funding from the Shared Prosperity Fund. This remains a live process, which is expected to conclude soon.

"Accordingly, the Company is hopeful it can deliver positive news on both projects during Q1 2024"

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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. The access to this stockpile has been extended until 31 March 2027 and is likely to be rolled over again at that time.

In May 2016, the Company entered into an agreement with New Age Exploration Limited and, in February 2017, acquired 50% of Cornwall Resources Limited (CRL) which holds 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 arrangements to acquire the balance of CRL which was settled on 24 July 2019 by way of a vendor loan, subsequently fully repaid on 26 September 2020. Since this time, CRL has been progressing the development of the Redmoor Tin/Tungsten project through its involvement in the EU funded Deep Digital Cornwall exercise and the placement of Tin and Tungsten on the Critical Minerals List of both the UK and USA.

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. The Company continues seeking capital to commence operations.

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