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8 February 2024

Strategic Minerals plc

("Strategic Minerals" or the "Company")

Cobre Sales Update and Cash Management

Strategic Minerals plc (AIM: SML; USOTC: SMCDY), profitable producing mineral company, is pleased to provide the following update on Cobre clients and corporate cash management.

Highlights

- **Additional new client added with expected volume of circa 5,000-7,000 tons pa.**
- **Existing major client's payments commenced in line with tonnage collected.**
- **Expected 2024 revenues, incorporating the new and major client, to exceed US \$3.5m.**
- **Short-term working capital funding facility undertaken.**

Cobre Sales

In mid-January 2024, the new major client (as announced in the RNS of 19 January) began collecting tonnage from the mine gate at a rate consistent with its 30,000-ton 2024 purchase order. In line with this, payments from the major client have commenced with a fourteen-day billing cycle.

Early February has seen the addition of a new client expected to take between 5,000 to 7,000 tons pa. Unlike the major client's arrangements, this is on a take and pay basis without a purchase order. Discussions also continue with another potential new client that is seeking large volume shipments. However, recent arrangements with the major client and the additional new client may impact our capacity to fulfil a large order.

Given the substantial increase in expected sales, the Company anticipates that the 2024 Cobre sales volumes will be over 50,000 tons (17,965 tons in 2023) with revenues expected to exceed US \$3.5m (US \$1.6m in 2023).

Cash Management

Given the substantial reduction in sales during 2023, the Company maintained operations, including project development, through creditor management and from the Board's election to take substantially lower cash payments.

Considering future sales volumes, and the elongated nature of creditor balances, the Company has entered into short-term financing facilities totalling AUD \$100,000, with an individual investor. The facilities comprise AUD \$50,000 maturing early May 2024 and AUD \$50,000 maturing early October 2024. These unsecured loans have been undertaken through the Company's 100% owned subsidiary Ebony Iron Pty Ltd. The weighted average interest rate on the financing is c19% pa and includes the grant of 10,000,000 warrants over new ordinary shares of 0.1 pence each in the Company with an exercise price of 0.5p maturing 31 December 2025 (to be issued before 1 March 2024). No funds raised under these facilities will be applied to balances outstanding to the Directors or CFO.

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

"Encouraging sales trends at our Cobre operation have continued with the addition of a further new client, amid a clearly positive backdrop for the renewed demand for magnetite. There may yet be scope to further augment the existing sales expectations, either during 2024 or beyond."

"The Company remains focused on cash flow management that seeks to avoid the need for a dilutive capital raise at the Company level and we are concentrating on joint venture and potential grant funding to move development projects forward."

"The Leigh Creek Copper Mine is currently subject to potential interest from a new group who are based in the same region as the project and have access to sufficient funds to get the project into operations. Discussions are ongoing to explore how the Company may collaborate with this group in moving the project forward. Meanwhile, the team at Cornwall Resources continues to advance the project on several fronts, including progressing its application for grant funding from the Shared Prosperity Fund and the enabling works for an associated 2024 work program, relogging and sampling of existing core from previous drilling, and negotiations to expand CRL's mineral rights footprint in Cornwall."

"At present, we anticipate an active period of news flow across all projects during Q1 2024 and beyond."

For further information, please contact:

Strategic Minerals plc

+61 (0) 414 727 965

John Peters

Managing Director

Website: www.strategicminerals.net

Email: info@strategicminerals.net

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SP Angel Corporate Finance LLP

+44 (0) 20 3470 0470

Nominated Adviser and Broker

Matthew Johnson

Ewan Leggat

Charlie Bouverat

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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