RNS Number : 3127G
GCM Resources PLC
11 March 2024

11 March 2024

GCM Resources plc

("GCM" or the "Company")

(AIM:GCM)

Phulbari Coal Mining Infrastructure Construction and Overburden Stripping Contract

The Company advises that working under the coal mine development MOU with Power Construction Corporation of China, Ltd. ("**PowerChina**") (refer to RNS of 28 November 2023), it has signed a contract with PowerChina International Group Limited covering mine development works of approximately US$1 billion necessary to facilitate coal extraction at the Phulbari Coal and Power Project ("**the Project**"). The advancement of this Contract is subject to receiving the approval of the Scheme of Development for coal mining submitted to the Bangladesh Government under the terms and conditions of its Contract for "Exploration and Mining Coal in Northern Bangladesh".

The scope of works under this Mine Construction Contract includes design, procurement, installation, construction and commissioning of mine infrastructure and overburden removal, dewatering and drainage. It also includes selective mining and stockpiling of valuable industrial mineral co-products that occur in the overburden. These co-products are expected to deliver considerable cashflow for the Project ahead of any coal extraction.

The Mine Construction Contract duration is four years, with overburden removal to expose first coal taking some two years. The Company and PowerChina expect to enter additional contracts covering coal extraction and associated activities to support ongoing open pit mining operations and the Project's commitment to deliver high quality coal supporting at least 6,600MW power generation for over 30 years. A joint proposal with development partner, PowerChina, will shortly be presented to the newly elected Bangladesh Government.

The Mine Construction Contract was entered into on 9 March 2024, however, issuance of a Notice to Proceed with the works is dependent on the Company receiving the necessary approvals from the Bangladesh Government and achieving financial closure. As noted in the beforementioned RNS of 28 November 2023, our development partner, PowerChina is committed to assist with project financing.

Coal Supply Expressions of Interest:

The Company has received Expressions of Interest to purchase Phulbari's coal from both of Bangladesh's current Independent Power Producers, being SS Power Limited that operates the 1,320MW Banshkhali power plant and Barisal Electric Power Company that operates a 350MW unit at Barisal (with plans to add an additional unit). These represent some 27% of the present market.

Bangladesh currently has 6,035 MW of installed coal-fired power generating capacity with a demand for some 16 million tonnes of coal per annum, i.e., equivalent to the Phulbari coal mine's planned production. However, the long-term government plan shows an increase in coal-fired power to 11,830 MW which would require some 36 million tonnes of coal per annum.

The current coal-fired power plants include:

- Existing Barapukuria plants 525 MW
- Payra 1,320 MW
- Rampal 1,320
- Matarbari 1,200 MW
- S ALAM Banshkhali 1,320 MW (Independent power producer SS Power)
- Barisal 350 MW (Independent power producer Barisal Electric Power Company)

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.

For further information:

GCM Resources plc	**WH Ireland Ltd**
Keith Fulton	James Joyce
Finance Director	Andrew De Andrade
+44 (0) 20 7290 1630	+44 (0) 20 7220 1666

GCM Resources plc

Tel: +44 (0) 20 7290 1630

info@gcmplc.com; www.gcmplc.com

About GCM Resources

GCM Resources plc (LON:GCM), the AIM listed mining and energy company, has identified a high-quality coal resource of 572 million tonnes (JORC 2004 compliant) at the Phulbari Coal and Power Project ("the Project") in north-west Bangladesh.

Utilising the latest highly energy efficient power generating technology the Phulbari coal mine can support some 6,600MW. The Project site can also support over 2,000MW of Solar Power capacity throughout the Project life span. GCM requires approval from the Government of Bangladesh to develop the Project. GCM requires approval from the Government of Bangladesh to develop the Project. The Company has a strategy of linking the Company's mine proposal to supplying coal to the Government of Bangladesh's existing and in the pipeline coal-fired power plants and / or power plants implemented with its development partner. Together with its credible, internationally recognised strategic development partner, GCM aims to deliver a practical power solution to provide the cheapest coal-fired electricity in the country, in a manner amenable to the Government of Bangladesh.

END

UPDUASNRSNUOARR