

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018.

10 April 2024

Strategic Minerals plc

("Strategic Minerals" or the "Company")

Cobre Quarterly Sales Update and Issue of Warrants

Strategic Minerals plc (AIM: SML; USOTC: SMCDY), profitable producing mineral company, is pleased to provide the following update on quarterly Cobre sales and the issue of warrants associated with short term funding.

Highlights

- March quarter sales revenue of US \$0.841m, up over 100% on March quarter 2023.
- New client, with expected volume of circa 5,000-7,000 tons pa, confirmed.
- Trackhoe acquired and operating minimising weather disruptions to truck loading.
- Sales in line with expectations that 2024 full year revenues will exceed US \$3.5m.
- Additional small short-term working capital funding facility agreed with warrants.

Cobre Sales

The return of Cobre's major client and the addition of a new client, expected to take between 5,000 to 7,000 tons pa, have resulted in a strong March quarter performance. Not unexpectedly, this is an impressive 103% increase on the March 2023 quarter when Cobre's major client was not purchasing magnetite. However, this is also an impressive 27% increase on March 2022 sales, when the major client was active.

March Quarter	Quarter Sales		Annual Sales	
	\$'000	Volume	\$000	Volume
2024	841	12,393	2,002	25,625
2023	415	4,733	2,198	30,405
2022	663	10,610	2,502	40,244

To ensure minimal weather disruptions during the US winter and early spring seasonal weather, the Company acquired a Trackhoe as shown below, which came into operation in March.





Pictured from left to right; Kyle Drye (Pit Manager), Nick Contor (Office Manager) and Tim Klumker (President)

The March quarter results have reinforced the Company's view that the 2024 Cobre full year sales volumes will exceed 50,000 tons (17,965 tons in 2023) with revenues expected to exceed US \$3.5m (US \$1.6m in 2023).

Cash Management and Issue of Warrants

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 Company's historical creditor balances, the Company has augmented its previous AUD \$100,000 short-term financing facilities, from an individual investor, with a further six-month AUD \$50,000 funding, from another individual investor. This funding is at an interest rate of 12% per annum and has attached 10,000,000 warrants, which have the same warrant terms as those previously agreed (exercise price 0.5p and maturity 31 December 2025). Again, these unsecured loans have been undertaken through the Company's 100% owned subsidiary Ebony Iron Pty Ltd.

The additional 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, have now been issued (along with those previously notified to the market on 8 February 2024). No funds raised under these facilities will be applied to balances outstanding to the Directors or CFO and, currently, it is not envisaged that additional short-term funding will be required.

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

"The quarter's sales have confirmed our expectations for a strong performance at Cobre in 2024 and a likely annual result exceeding US \$3.5m. The team at our New Mexico, USA operations have managed the resurgence in demand and rebuilt the team after having to contract operations during the 2023 downturn. New, fully externally funded, equipment has assisted to ensure smooth operation during inclement weather.

"Management remains focused on short term cash flow and believes that the Company remains committed to avoiding the need for a dilutive capital raise, which the Board and Management, currently, considers will be unnecessary. With after tax cash flow in 2024 being applied to normalising creditor balances, built up during the sales downturn in 2023, the Company expects 2025 will see after tax balances accruing."

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

Follow Strategic Minerals on:

Vox Markets: <https://www.voxmarkets.co.uk/company/SML/>

Twitter: [@SML_Minerals](https://twitter.com/SML_Minerals)

LinkedIn: <https://www.linkedin.com/company/strategic-minerals-plc>

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 an agreement to acquire the balance of CR Minerals, settled on 31 July 2019, for a cash consideration of

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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDUPUBACUPCGAB