

Cadence Minerals Plc

("Cadence Minerals", "Cadence", or "the Company")

Amapá Iron Ore Project Licensing on Schedule. Project Financing Discussions Advancing.

Cadence Minerals (AIM: KDNC) is pleased to report the progress of the environmental licensing and the testing of the 67% 'Green Iron' processing flow sheet at the Amapá Iron Ore Project.

Highlights:

- Installation Licences for the Amapá mine and railway remain on schedule to be granted this year.
- The license application for the port was submitted in September and is also scheduled for a grant this year.
- The test work for sixty-seven per cent (67%) iron flow sheet is due for completion in the fourth quarter of this year.
- The Project is actively discussing the equity portion of project financing to complement the existing debt financing MOU.

Kiran Morzaria, the CEO of Cadence, commented, "It's great to see the continued progress at Amapá. The Project has consistently delivered all the required environmental studies and applications either on time or ahead of schedule. Based on the positive feedback from the local government, we understand that all necessary permits will be granted before the year's end. Additionally, we are actively advancing the development of a 67% "green iron" product and securing equity financing for the Project."

Licensing

As announced in September 2023 ([News Release Here](#)), the Amapá Project has agreed with the Amapá State Environmental Agency ("SEMA") to an expedited environmental licensing process, given the Project was previously operating and had been granted all required licenses.

The Amapá Project owns the required Mining Concessions; however, it must obtain a Mine Extraction and Processing Permit ("Mining Permit") to begin operation. To obtain this permit, the Amapá Project must obtain an Installation License ("LI") to begin construction and, when constructed, an Operational License ("LO"). An LI and LO are also required to construct and operate the railway and port.

In April 2023, the Amapá Project submitted the required environmental studies and applications for the Amapá mine and railway. This application was in the form of the Environmental Control Plan, "PCA" (Plano de Controle Ambiental), and an Environmental Control Report, "RCA" (Relatório de Controle Ambiental).

In early September, the Amapá Project submitted the required environmental studies and application for the LI grant for iron ore port. This application was submitted after those for the mine and railway as SEMA required an extended environmental study. Nevertheless, the application was submitted on schedule.

Our joint venture has continued engaging with SEMA and other relevant authorities, who have indicated that the LI for the rail and mine remain on schedule for the grant this year. Given the impact that the railway's restart will make on local communities, the installation license for the railway is anticipated to have some conditions precedent. This is expected in any project of this nature. The Amapá project management team always anticipated this as part of the required licensing requirements to redevelop the Amapá Iron Ore project.

Our understanding from SEMA is that, based on the current timeline, all the LIs will be granted by the end of 2024.

67% 'Green Iron' Flowsheet

The testing of the 67% processing route is continuing. The Amapá Project originally produced three products: 58%, 62%, and 65% iron ore concentrate. The 2023 pre-feasibility improved this product mix, with only a 62% and 65% produce mix being envisaged. The current flowsheet aims to produce one hundred per cent 67% iron ore concentrate, which has both a

envisaged. The current flowsheet aims to produce one hundred per cent 67% iron ore concentrate, which has been a premium in price and is anticipated to be a growth market in the iron ore concentrate as it represents the feedstock to DRI furnaces. These furnaces enable the decarbonising of the steel industry by replacing blast furnaces.

The main variances in the proposed 67% flow sheet involve:

- Removing the jigging circuit, with the iron being recovered via the grinding, magnetic, and flotation circuits. This will improve the iron recovery rate.
- Replacing hydrocyclone desliming with thickeners, improving classification efficiency and lowering power consumption.
- The 67% flow sheet will remove the 62% product stream, eliminating the spiral circuit. This will shorten the process flow and reduce power consumption.
- Adding a flowsheet to improve iron concentrates from 65.4% to 67% via regrinding the material from the magnetic separator, meaning finer particles can be further liberated, improving iron concentrate grade to 67%.
- Replacement of all slurry, water, and reagent pumps involved in the beneficiation process.
- A concentrate slurry pipeline and filtrate water return pipeline system will be built to replace truck transportation.
- The particle size of the concentrate after the tower mills is too fine to be filtered by the existing vacuum disc filters. Therefore, horizontal press filters are required to ensure the moisture content of the filter cake is no larger than 8%.
- A train loading system will be built in the train loading area.

A summary of the new flow sheet is available [here](#).

The main metallurgical test work being carried out includes raw ore liberation testing, desliming testing, magnetic separation testing, flotation testing, grinding work index testing, concentrate tailings thickening testing and tailings filtration testing. We expect this work to be completed in the fourth quarter of this year.

Project Financing

In October 2023 ([News Release Here](#)), our joint venture company and DEV Mineração S.A. ("DEV") entered into a memorandum of understanding ("MOU"). The MOU is in place to secure the required project debt financing for the construction and re-development of the Amapá Project.

To complement the project debt financing, our joint venture is actively engaging with several potential financing partners to provide the equity portion of the funding at the project level.

About the Amapá Project and Cadence Ownership

The Amapá Project is a brownfield integrated iron ore project in the Amapá State of Brazil. It has Mineral Resources of 276 million tonnes (Mt) at 38.33% Iron (Fe) and Ore Reserves of 196 Mt at 39.34%. The Project consists of the mine, processing plant, wholly owned port and a 194km railway, all operated by PBA.

As of August 31st, 2024, Cadence's total investment in the Amapá million was approximately US 14.2 million, and its equity stake in the project stands at 34.5%, an increase of approximately US 0.57 million since 30 June 2024

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Qualified Person

Kiran Morzaria B.Eng. (ACSM), MBA, has reviewed and approved the information contained in this announcement. Kiran holds a Bachelor of Engineering (Industrial Geology) from the Camborne School of Mines and an MBA (Finance) from CASS

Cautionary and Forward-Looking Statements

Certain statements in this announcement are or may be considered forward-looking. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will", or the negative of those variations or comparable expressions including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the company's future growth results of operations performance, future capital, and other expenditures (including the amount, nature, and sources of funding thereof) competitive advantages business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. Many factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes actions by governmental authorities, the availability of capital markets reliance on crucial personnel uninsured and underinsured losses and other factors many of which are beyond the control of the company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions. The company cannot assure investors that results will be consistent with such forward-looking statements.

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