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Cadence Minerals Plc

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

Accelerated Production Plan at the Amapá Mine and Equity Subscription of £402,000

Cadence Minerals (AIM: KDNC) is pleased to provide an update on the staged development strategy underway at the Amapá Iron Ore Project ("Amapá" or the "Project"), as well as a fully subscribed placing for gross proceeds of £402,000.

Highlights

- **Staged development strategy initiated** at Amapá to fast-track production with low capital intensity.
- **Azteca Plant recommissioning**, targeting **~380,000 tonnes per annum of 65% Fe** concentrate from historic reverse float cell feed. The plant previously operated successfully in 2012, producing 62% Fe concentrate.
- **Total pre-production capex estimated at US 3.5 million**, with a competitive **free on board ("FOB") cost of US 37/dry metric tonne ("dmt")** and **cost and freight ("CFR") to China of US 79/dmt**
- In discussion with **off-taker to fund capex and working capital requirements of Azteca Plant**, to minimise dilution to Cadence shareholders
- At current benchmark prices (US 103/dmt CFR China), the operation delivers an estimated **margin of US 24/dmt**.
- **Production is expected to commence within 3 months** of the mining installation licence issue.
- **Free cash flow to support** detailed engineering and recommissioning of the **5.5 Mtpa production** of 67.5% Fe direct reduction (DR) grade, mine, beneficiation plant, rail, and port.
- Historic tailings of **28 million tonnes**, with the potential to supplement longer-term name plate capacity

Kiran Morzaria, CEO of Cadence Minerals, commented:

"The staged development strategy at Amapá represents a transformational opportunity for Cadence. With a low upfront capital requirement, competitive cost structure, and access to historic high-grade tailings, the Project is poised to begin cash-generative operations within months of licence issuance.

The recommissioning of the Azteca Plant is a critical first step in our strategy to unlock the full value of Amapá. The long-term goal remains clear: to build a 5.5 Mt, high-grade iron ore operation capable of supplying the growing direct reduction (DR) pellet feed market.

We are all actively working to finalise permitting and secure offtake-linked funding, ensuring near-term production while preserving shareholder value. I look forward to updating shareholders as we progress towards our first shipment and beyond."

Staged Development Strategy

As announced on 10 June 2025, the Company is advancing Amapá under a staged development strategy designed to accelerate production with low capital intensity. The first stage involves the recommissioning of the Azteca Plant, a proven facility that previously produced a 62% Fe concentrate during Amapá's earlier operational phase in 2012.

Azteca Plant

Located within the Amapá concession, the Azteca Plant utilises a simple magnetic and spiral separation flow sheet (Figure 1). At peak production, it produced approximately 350,000 tonnes per annum of concentrate from tailings stored in Dyke 3.

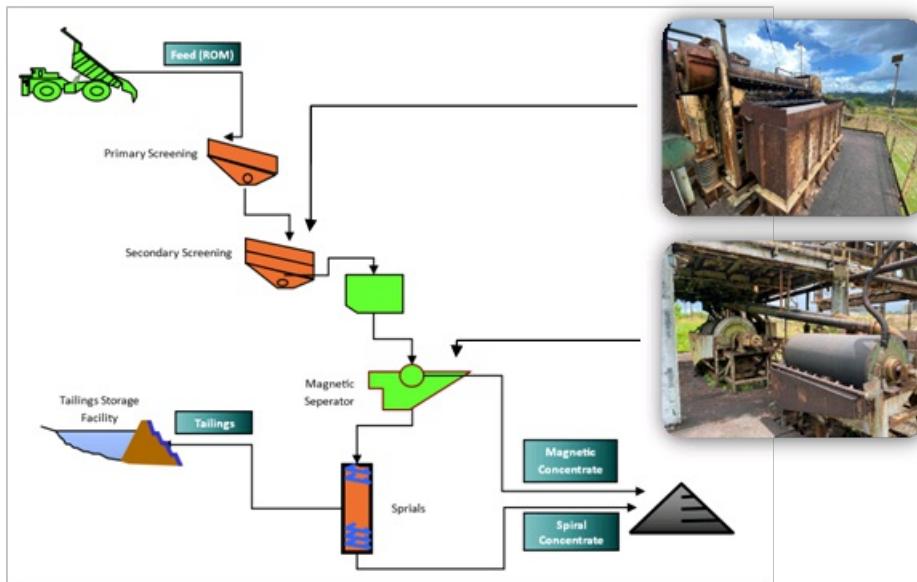


Figure 1: Azteca Flowsheet

A comprehensive technical assessment of the plant has now been completed. This includes evaluations of structural integrity, process equipment, and utilities. In parallel, capital and operating cost estimates have been finalised, and an indicative commissioning schedule has been established.

Azteca Plant Feed Stock and Product

During previous operations, approximately 28 million tonnes of tailings were generated, of which an estimated 2 million tonnes have been identified as high-grade material based on historical float samples (circa 55% Fe) and plant data.

Based on current analysis, the refurbished Azteca Plant is expected to produce approximately **380,000 tonnes per annum of 65% Fe iron ore concentrate**. Additional studies are planned to assess the viability of processing the broader tailings resource to support long-term production, supplementing the planned 5.5 Mtpa DR-grade (67.5% Fe) concentrate output.

Capital Expenditure (Capex) and Operational Expenditure (Opex)

Given the simplicity of the Azteca Plant and the availability of existing infrastructure and equipment, the estimated capital expenditure required to recommission the facility is approximately **US 3.5 million**. This estimate includes costs related to permitting, licensing, installation, overheads, and commissioning activities.

Operating costs have been estimated for the initial three-year production period. The **FOB cost is projected at US 37 per tonne**. The **CFR to China is estimated at US 79 per tonne**. For reference, the current benchmark price for 65% Fe iron ore fines delivered CFR China is approximately **US 103 per tonne**.

Table 1: Pre-Production, Sustaining Capital Cost Estimates & FOB and CFR average cost per tonne.

Description	
Capex	
Pre-construction capex, licensing and permit	US 1.1 million
Direct and Indirect Capex Azteca Plant	US 2.4 million
Sustaining Capex	US 1.2 million
Opex	
Mine and Processing	US 6.8/ dmt
Transportation and Port	US 25.5/dmt
Overheads and federal royalties	US 4.7/dmt
FOB Costs	US 37/dmt
CFR Costs	US 79/dmt

Timeline and Financing

Based on contractor estimates, production at the Azteca Plant is expected to commence within three months of securing the mine installation licence and completing the dam break studies. As previously announced on 10 June 2025, the remaining critical path requirements for the issuance of a mine installation licence include a supplementary archaeological study and engineering designs for a water reticulation system and a sewage treatment facility.

These technical studies are expected to take approximately two months to complete, followed by a further two-month period for federal review and approval. Notably, the Company does not anticipate that the archaeological study will uncover any material findings beyond those already addressed in the initial licence application. The earlier, less detailed assessment did not identify any archaeological sites that the development or the planned 15-year mine life would impact.

Currently, the Project is in discussions with multiple parties, including potential off-takers, to raise up to US 4.7 million. This funding would cover all outstanding licensing, recommissioning, and working capital requirements through to the first shipment of product. Our preference is to secure off-take financing to minimise dilution to Cadence shareholders. Thereafter, the Project is forecast to be self-sustaining, with an estimated **operating margin of US 24 per tonne**.

This margin, underpinned by a modest capital investment of US 3.5 million and competitive operating costs, provides a substantial buffer against market volatility. It also enables early-stage cash flow generation, with the intention that free cash flow, together with potential joint venture funding, will be allocated to advancing the detailed engineering required to recommission the mine, beneficiation plant, railway, and port infrastructure. These efforts will support the planned scale-up to nameplate production capacity of 5.5 million tonnes per annum of 67.5% Fe direct reduction (DR) grade concentrate.

Fundraise

Cadence has raised, subject to Admission, £402,000 before expenses (the "Fundraise") through a subscription of 31,660,000 new ordinary shares (the "New Ordinary Shares") in the capital of the Company at a price of 1.27 pence per Ordinary Share (the "Issue Price") and the issue of warrants to the subscriber of the New Ordinary Shares in the ratio of 0.15 warrant to each one New Ordinary Share subscribed for (the "Warrant"). The Fundraise was with a single sophisticated investor.

The Issue Price represents a discount of approximately 15 per cent. to the closing price of 1.5 pence per ordinary share on 26 June 2025, being the latest practicable business day prior to the publication of this Announcement.

The Warrants in the Fundraise grant rights to subscribe for one additional Ordinary Share for each Warrant held in the ratio of 0.15 Warrant for every one New Ordinary Share issued to the investor. The Warrants are exercisable at a price of 1.7 pence per Ordinary Share and expire on 31 December 2030. The issue of the warrants will be subject to approval at the Company's next AGM.

Use of Funds

The net proceeds will be used for its continued investment in the Amapá Iron Ore Project in Brazil and associated working capital.

Application will be made for admission to trading on the AIM market ("AIM") of London Stock Exchange plc ("LSE") for the New Ordinary Shares ("Admission"). Admission is expected to occur at 8.00 a.m. on or around 4 July 2025. The New Ordinary Shares will represent approximately 9.7 per cent of the Company's issued share capital immediately following Admission.

Following Admission, the Company's issued and fully paid share capital will consist of 327,631,038 Ordinary Shares, all of which carry one voting right per share. The Company does not hold any Ordinary Shares in treasury. The figure of 327,631,038 Ordinary Shares may be used by shareholders as the denominator for calculating whether they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

The New Ordinary Shares will be issued fully paid and will rank pari passu with the Company's existing Ordinary Shares in all respects.

Cadence Ownership

As of the end of May 2025, Cadence's total investment in the Amapá Project is approximately US 15.5 million, representing a 35.7% equity stake in the Project.

ABOUT THE AMAPÁ PROJECT

The Amapá Iron Ore Project is a fully integrated operation in Brazil, comprising established mine, rail, port, and beneficiation infrastructure. It hosts a JORC-compliant Mineral Resource of 276 million tonnes at 38% Fe and a Proven and Probable Ore Reserve of 195.8 million tonnes at 39.34% Fe. In December 2024, an updated Pre-Feasibility Study confirmed the Project's ability to produce a 67.5% Fe direct reduction (DR) grade concentrate at a rate of 5.5 Mtpa. The revised flowsheet and mine plan resulted in a post-tax NPV (10%) of US 1.97 billion over a 15-year mine life, with pre-production capital investment of US 377 million. C1 cash costs are projected at US 33.75/dmt FOB Santana and US 61.90/dmt CFR China. Installation licence applications have been submitted, and once granted, will allow, subject to financing, the recommissioning of the Project.

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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 Business School.

Cautionary and Forward-Looking Statements

Certain statements in this announcement are or may be deemed to be forward-looking statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envise", "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 key 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 actual results will be consistent with such forward-looking statements.

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