



1 July 2025

**Shuka Minerals Plc**

("Shuka" or the "Company")

**Financing agreement for LME and Kabwe transaction update**

**Related Party Transaction**

Shuka Minerals Plc (AIM/AltX: SKA), an African focused mine operator and developer, is pleased to provide an update on the Company's proposed acquisition ("**Acquisition**") of the Zambian mining and exploration company, Leopard Exploration and Mining Limited ("**LEM**") and the Kabwe Zinc Mine ("**Kabwe Mine**") located in central Zambia, following the signing in December 2024 of a conditional Share Purchase Agreement ("**SPA**") with the LEM shareholders.

Since the start of 2025, the Company and its legal and corporate advisors have been working closely to satisfy the outstanding conditions to complete the Kabwe Mine acquisition ahead of the revised 30 June 2025 completion date. Technical site visits have been undertaken in Zambia and meetings in Lusaka and South Africa have also been held with key stakeholders as well as the Company's existing, and potential future financiers.

**Highlights:**

- On 2 December 2024 the Company announced an agreement with Gathoni Muchai Investments Limited ("**GMI**"), its second largest shareholder, for an unsecured, interest-free and non-convertible loan of £500,000 (the "**Initial GMI Loan**" or "**Tranche 1**"). The Company has drawn £335,000 of this to date.
- The Company is pleased to report that on 30 June 2025 it entered into an agreement with GMI to increase the facility by £1.5m ("**Tranche 2**") to a total of £2.0m ("**Increased GMI Loan**").
- This extension covers the balance of the cash consideration due to the LEM vendors at completion (US 1.35m / c. £1.0m), funding for initial exploration work at the Kabwe Mine (subject to completion) and for general working capital requirements.
- GMI have demonstrated its financial capacity to the Company and its ability to advance these funds, and has advised that it is now drawing on its available funding facilities to advance the Tranche 2 funds for, inter alia, the cash consideration due to the LEM vendors.
- All conditions precedent required to complete the Acquisition have now been satisfied.
- Further to the announcement on 12 June 2025, the Company has today entered into an addendum and variation to the SPA ("**Addendum**") whereby the LEM vendors have agreed that:
  - the share consideration for the Acquisition, being 3.0m, shall be settled on completion of the Acquisition through the issue of 28,640,042 new ordinary Shuka shares ("**Consideration Shares**"), with no deferred consideration shares, equivalent to an issue price of 7.737p per share (being a 10% discount to an agreed reference price of 8.5965p under the terms of the Addendum), a significant premium to the current market price;
  - as compensation for the issuance of the Consideration Shares, with no deferred consideration shares, the Company shall, on completion, issue the LEM vendors a further 2,000,000 warrants with an exercise price of 12.5p per share and expiry date of 31 December 2027;
- Now that the conditions to Completion the SPA have all been satisfied prior to the long-stop date of 30 June 2025, as contemplated by the Addendum, the parties have agreed that completion of the Acquisition, including the transfer of LEM shares, issue of the Consideration Shares and further warrants and payment to the LEM vendors of the balance of cash consideration, will occur as soon as possible.

A further announcement will be made in due course.

**Key terms of Increased GMI Loan:**

- Increase of loan amount by £1.5 m to a total of £2.0m.
- Interest: 5% per annum on principal of loan drawn (including Initial GMI Loan) Interest accrues commencing on first drawdown of the Increased GMI Loan, and payable from 30<sup>th</sup> May 2026.
- Tranche 1 to be fully drawn (£165,000 remaining) before Tranche 2 can be drawn and accrued interest is triggered.
- Repayment to commence by 30 June 2026.
- Establishment fee of 3% (£45,000) to be settled in new Shuka shares at reference price of 8p (562,500 shares) at time of initial drawdown on Tranche 2.
- Loan is unsecured, is non-convertible, has no trigger event provisions, and has customary contract default provisions only.

**Richard Lloyd, CEO, said:**

*"This is the biggest milestone achieved in my short tenure as CEO and one which the market, shareholders and all stakeholders in Shuka have been waiting for. I must thank the entire team for their diligent efforts in getting us to this point, and the continued support by GMI who have now invested over £1m in Shuka and are looking to increase this with the extended loan.*

*The increased loan facility and SPA addendum not only opens the path to completion of the LEM/Kabwe transaction but will allow us to enhance our understanding of the full geological potential of Kabwe.*

*The Company can now accelerate its geological, mining and mineral processing planning for this world famous asset."*

**Related Party Transaction**

The Increased GMI Loan constitutes a related party transaction as defined by Rule 13 of the AIM Rules for Companies, as GMI is a substantial shareholder in the Company. The Directors of the Company, having consulted with the Company's nominated advisor, Strand Hanson Ltd, consider the terms of the Increased GMI Loan to be fair and reasonable insofar as the Company's shareholders are concerned.

**About Shuka Minerals**

Shuka Minerals plc, is a dynamic and innovative mining and development company, committed to exploring and harnessing Africa's mineral resources. Shuka's focus lies in the acquisition and development of valuable minerals, aiming to contribute to the sustainable growth and development of local communities.

Shuka has an operating coal mine in Tanzania, which capacity is under consideration for upgrading by management depending on funding and strategic direction. Shuka is also considering projects in Zambia, South Africa, and other African countries that are rich in copper, lead, and zinc.

The Company is listed on the Alternative Exchange ('AltX') of the JSE in South Africa and admitted to trading on AIM in the United Kingdom ('UK').

**Kabwe Mine**

The Company has signed a conditional Share Purchase Agreement with Leopard Exploration and Mining Limited ("LEM") to acquire 100% of LEM's share capital. LEM is the registered holder of a large-scale mining license 12848-HQ-LML issued in December 2014 for a period of 25 years, and which includes the historical Kabwe Zinc Mine ("Kabwe Mine") located in central Zambia, approx. 110km north of the capital city of Lusaka.

The Kabwe Mine, was previously operated by Anglo American plc and Zambia Consolidated Copper Mines Limited, and was mined continuously for 88 years until its closure in 1994, due to the then current commodity prices. It was ranked as one of the world's highest-grade zinc and lead mining operations and is considered one of the famous mines in Africa, holding a position of national economic importance in Zambia.

Upon completion of the Acquisition and subject to securing the requisite funding, the Company will commence a 3-phase exploration and development program at the Kabwe Mine, as part of its plans to re-commence both open-pit and underground mining and processing operations.

This 3-phase program, as also recommended by Behre Dolbear, will comprise:

- (i) a high-resolution geophysical survey,
- (ii) a JORC Code 2012 resource drilling program, updated metallurgical test work and additional environmental and mining studies; and
- (iii) detailed feasibility study work and underground mine refurbishment and new access decline activities as well as the establishment of new ore processing facilities and value addition in respect of the production of refined metals products.

*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR") and is disclosed in accordance with the Company's obligations under Article 17 of MAR.*

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