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Cadence Minerals Plc

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

Significant Mining Cost Reduction at the Amapá Iron Ore Project

Cadence Minerals (AIM: KDNC) is pleased to announce the results of a review into the mining costs of the Amapá Iron Ore Project ("Amapá", "Project" or "Amapá Project") in northern Brazil. The updated mining costs have materially reduced the overall Free on Board ("FOB") and Cost and Freight ("CFR") costs compared to those announced previously. Cadence holds a 35.1% equity interest in the Project.

Highlights:

- **36.7% Mining Cost Reduction:** Mining costs reduced from US 17.65/DMT to **US 11.17/DMT** following re-quotation from one of Brazil's largest mining contractors.
- **FOB Costs Down 19.2%:** Overall FOB costs reduced from US 33.75/DMT to **US 27.28/DMT**.
- **Major Annual Savings:** Estimated cost savings of approximately **US 33.3 million per annum**.
- **Life-of-Mine Benefit:** Total savings of around **US 500 million** over the life of mine.
- **CFR Cash Cost at US 55.46/DMT** - Positions Amapá among some of the lowest cost producers.

Kiran Morzaria, CEO of Cadence Minerals, commented:

"These revised mining costs represent a major improvement in the economics of the Amapá Project. With a CFR cost base of just over US 55 per tonne, we believe Amapá is positioned among the lowest-cost iron ore operations globally."

"Importantly, these savings are based on the production plan for a premium DR-grade iron ore product, which is expected to capture higher market pricing than standard 62% Fe products. This combination of low costs and premium pricing potential delivers significant annual and life-of-mine savings, strengthens our competitiveness, and further de-risks the project as we progress towards development."

Mining Cost Reassessment

As part of our ongoing cost assessment, the Project identified that the mining costs quoted by a third-party provider were disproportionately high for this type of operation, given its low strip ratio and minimal blasting requirement (approximately 25% of total production). Earlier this year, we invited one of Brazil's largest mining contractors (the "Contractor") to re-quote based on the mining schedule and volumes used in the updated PFS published in [December 2024](#).

Under the proposed arrangement, the Contractor will provide all necessary personnel, equipment, transport, accommodation, supplies, supervision, documentation, road works, fleet details, and organisational information. Amapá will provide the prepared worksite, utilities, meals, plans, schedules, licences, water, fuel, power, security, medical support, access to facilities, and all other necessary infrastructure to enable the Contractor to perform the works.

The revised costs are based on the planned production of a premium Direct Reduction ("DR") grade iron ore product, as outlined in previous Cadence announcements. DR-grade products typically attract a price premium in the seaborne iron ore market.

The quote specified the following main production equipment (Table 1). Total employees (direct and indirect) are estimated to be 283 personnel

Equipment	Number
Hydraulic Excavator HITACHI EX2500 (or similar)	3
Haul Truck Komatsu HD 785 (or similar)	18
Bulldozer CATERPILLAR D9 (or similar)	5
Drill Rig Sandvik Pantera DP 1500i (or similar)	1
Wheel Loader CATERPILLAR 980 (or similar)	3
Hydraulic Excavator CAT 320 (or similar)	1
Hydraulic Excavator with Breaker (or similar)	1
Motor Grader CAT 16H (or similar)	3
Water Truck 30.000 l - Mercedes-Benz AXOR (or similar)	4
Ancillary Equipment	30

Table 1: Summary of Mining Equipment

Their quote has reduced the mining costs from US 17.65/ dry metric tonne ("DMT") to US 11.17 / DMT, with the overall FOB costs reducing from US 33.75 / DMT to US 27.28 / DMT (Table 2). This decreased cost base reduces the annual costs by US 33.3 million per annum, resulting in a total saving of US 500 million over the life of mine.

Cash Cost Per Discipline	Updated DR Grade PFS Dec 2024	Updated Costs (Mining) August 2025
	US /DMT	US /DMT
Mine	17.65	11.17
TSF	0.09	0.09
Beneficiation Plant, Pipeline, Transfer & Rail Loading	10.50	10.50
Rail Freight	2.26	2.26
Port	1.52	1.52
G & A	1.74	1.74
FOB Cash Costs	33.75	27.28
Marine Logistics	28.18	28.18
CFR Cash Costs	61.93	55.46

Table 2 - Updated FOB and CRF Costs

Competitive Positioning

For context, major iron ore producers report CFR-equivalent costs broadly in the range of US 58-65/DMT. For example, Rio Tinto's Pilbara operations recorded 2024 unit cash costs of US 23-24.5/DMT FOB ^[1], which, when adjusted for freight ^[2], equates to around US 58-60/DMT CFR. BHP's cost support range for iron ore is estimated at US 80-100/DMT CFR ^[3], while Vale's Northern System CFR costs are around US 60/DMT ^[4].

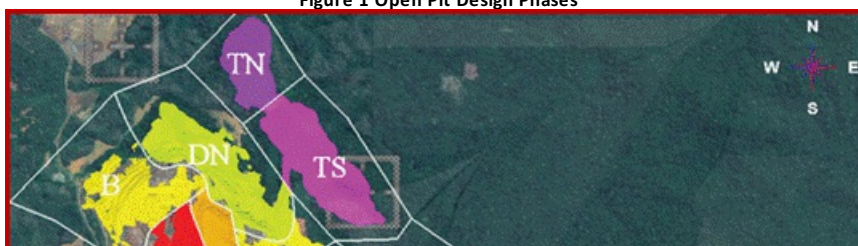
Against this backdrop, Amapá's updated CFR cash cost of US 55.46/DMT is well positioned in the global cost curve, offering a clear margin advantage over most major producers.

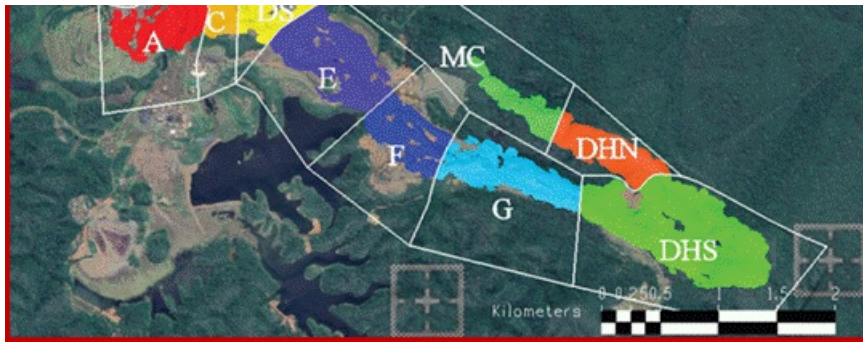
Mining Schedule

The mining schedule used in the cost reassessment is the same as that applied in the revised PFS published in December 2024. The annual feed rate ("ROM") is 13.99 Mtpa (wet base). Mine engineering and design were undertaken by Wardell Armstrong International at PFS level, incorporating an Ore Reserve Estimate prepared in accordance with the JORC Code (2012).

The Ore Reserve for Amapá is 195.8 million tonnes at an average grade of 39.34% Fe and a cut-off grade of 25% Fe. A Life of Mine ("LOM") production plan was scheduled using Deswik.Blend® Scheduler Optimiser based on the final pit design with a Selective Mining Unit of 100m x 200m x 4m. The LOM schedule supports 15 years of production, with a strip ratio of approximately 0.4:1 (waste:ore) and an average ore delivery to the plant of 13.99 Mtpa. A site plan of the pits and phases is outlined in Figure 1.

Figure 1 Open Pit Design Phases





Cadence Ownership

As of the end of June 2025, Cadence's total investment in the Amapá Project is approximately US 14.8 million, and its equity stake in the project stands at 35.1%.

About the Amapa 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. Installation licence applications have been submitted, and once granted, will allow, subject to financing, the recommissioning of the Project.

For further information, contact:

Cadence Minerals plc

Andrew Suckling
Kiran Morzaria

+44 (0) 20 3582 6636

Zeus (NOMAD & Broker)

James Joyce
Darshan Patel
Gabriella Zwarts

+44 (0) 20 3829 5000

Fortified Securities - Joint Broker

Guy Wheatley

+44 (0) 20 3411 7773

Brand Communications

Public & Investor Relations

Alan Green

+44 (0) 7976 431608

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 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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- [1] Rio Tinto - 2024 unit cash costs (Pilbara, FOB, US /wmt): https://docs.publicnow.com/viewDoc.aspx?filename=38005%5CEXT%5C7D1C3296E9201932463FECF59F2BB06A0A31A898_10EC183AC157CD9D0ADE0635BEA9959D58927997.PDF
- [2] Capesize freight, Port Hedland → Qingdao, examples ~US 10-12/t (June 2024), PDF:
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- [3] BHP - WAIO C1 unit costs (FY24/FY25e), PDF:
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