Critical Metals PLC: Acquisition of Additional 21.5% in Madini Occidental Ltd

written by Raj Shah | December 15, 2022

£1.3 million Fundraise

December 15, 2022 (Source) – Critical Metals plc, a mining company established to acquire mining opportunities in the critical and strategic metals sector and currently developing an ex-producing copper cobalt mine in the Democratic Republic of Congo ("DRC"), is pleased to announce the Company's increased interest in the Molulu ex-producing copper cobalt mine ("Molulu Project") in the DRC.

HIGHLIGHTS

· Critical Metals to become majority owner of the Molulu Project, ex-producing copper/cobalt mine in the DRC

· Supplementary offer made to acquire 70% control of the Molulu Project, with news expected shortly

· Acquisition of majority and, potentially thereafter, 70% control of Molulu, funded via £1.3million placing of new shares

· New share issue price equivalent to 30-day volume weighed average price ("VWAP") of the Company's shares and a discount of 13% to closing price on 14 December 2022

Critical Metals, which indirectly beneficially owns c.40% of the Molulu Project has, through its wholly owned subsidiary, Critical Metals Mauritius Limited ("Critical Mauritius"), entered into an agreement to acquire an additional

21.5% in Madini Occidental Ltd which indirectly owns 70% of the Molulu Project ("Share Acquisition"). This increases the beneficial ownership and voting control of Critical Mauritius of Madini Occidental Ltd ("MO") from 57% to 78.5%, an increase of 37.7%, and indirectly increases ownership of the Molulu Project from 40% to 55%. It is the Company's intention to increase its indirect beneficial ownership to 70%.

The shares in MO are being acquired from the Company's Chairman and Chief Executive Officer, Russell Fryer, and therefore it is a related party transaction for the purposes of DTR 7.3.3. The consideration for the Share Acquisition is £450,000 in cash paid on completion and a further £200,000 on or before 1 October 2023, to be paid in Critical Metals PLC shares at a price equal to the 10 day volume weighted average or cash, at the Company's election. The Share Acquisition is subject to the approval of the MO board which is expected to occur next week.

The Company, through its wholly-owned subsidiary Critical Metals Mauritius, has on 14 December 2022, also offered to purchase the balance of 21.5% in MO held by Madini Minerals on the same terms as Mr. Fryer, and has until 5pm on 23 December 2022 to accept or decline the offer. Should the offer be accepted by Madini Minerals Ltd, the Company will provide an update on the completion of the Shareholder Acquisition and the potential purchase of shares in MO from Madini Minerals in due course. The Company will fund the cash element of the consideration via the existing cash resources in the Company, augmented by the proceeds of the fund raise announced today.

Fundraise

As the current cash balance in the Company is allocated for production of copper ore, a drilling programme, and general working capital, a capital raise of £1,300,000 via Peterhouse

Capital Limited at the 30-day volume weighed average price ("VWAP") of 25p per Ordinary Share was undertaken and subscribed by five investors including Ian Hannam and Mark Horrocks ("Fundraising").

Russell Fryer, a director of the Company, is also subscribing for 20,000 Ordinary Shares ("Ordinary Shares") in the Fundraising at a price of 25p per Ordinary Share.

The use of proceeds of the capital raise is to increase the Critical Metals Mauritius voting control to 78.5%, while a portion of the proceeds of the placement will be used to hire two consultants to help evaluate and advise on potential near term acquisition opportunities, to enhance the already funded drilling programme if needed, to the purchase of the remaining 21.5% interest in MO held by Madini Minerals Ltd should they accept the offer.

Exercise of 600,000 Warrants

The Company has also received a notice for the exercise warrants over a total of 600,000 shares exercisable at £0.10. This has resulted in funds of £60,000 being received by the Company and the Company has issued and allotted those shares subject to admission.

Russell Fryer, CEO of Critical Metals, commented: "*The acquisition of a further 21.5% in Madini Occidental Ltd by Critical Metals is strategically important for shareholders as we move ever closer to getting Molulu into production, demonstrating the confidence the board has for the future of Molulu. This additional acquisition of 21.5% in Madini Occidental Ltd is highly earnings accretive to shareholders. Added to this, the £1.3 million fundraise and the funds generated from the warrant exercise further solidifies the confidence our investors have in the Company and, with an*

enhanced team now firmly on the ground in DRC, and the infrastructure upgrades on site nearing completion, there is a lot to look forward to in the short and medium term.

"I always said that Molulu is the beginning of Critical Metals' journey, and with this additional funding in place, we are in an excellent position to continue the evaluation of other potential acquisition opportunities.

"I am grateful for the support shown by shareholders to date; this is a truly exciting time for the Company as we near production and I look forward to updating the market in the coming weeks on our progress."

Admission of Ordinary Shares

Application has been made for the admission to the Official List and the Main Market of 5,200,000 Ordinary Shares in respect of the Fundraising and 600,000 shares in respect of the £0.10 warrant exercise notices received, which are expected to admit on 20 December 2022. Once these Ordinary Shares are issued it will mean that the total number of Ordinary Shares in issue is 59,047,235 with each Ordinary Share carrying the right to one vote.

The figure which may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules is, therefore, 59,047,235.

****ENDS****

For further information on the Company please visit www.criticalmetals.co.uk **or** contact:

Russell Fryer	Critical Metals plc	Tel: +44 (0)20 7236 1177
Lucy Williams Duncan Vasey	Peterhouse Capital Limited, Corporate Broker	Tel: +44 (0)20 7469 0936 Tel: +44 (0)20 7220 9797
Catherine Leftley/Ana Ribeiro/Isabelle Morris	St Brides Partners Ltd, Financial PR	Tel: +44 (0)20 7236 1177

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

1	**Details of the person discharging managerial responsibilities / person closely associated**	
a)	Name	Russell Fryer
2	**Reason for the notification**	
a)	Position/status	Director of Critical Metals PLC
b)	Initial notification /Amendment	Initial notification

3	**Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**	
a)	Name	CRITICAL METALS PLC
b)	LEI	213800MU3B7CS88PY290
4	**Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted**	
a)	Description of the financial instrument, type of instrument	Ordinary Shares
Identification code	**GB00BJVR6M63**	
b)	Nature of the transaction	Off market purchase of shares
c)	Price(s) and volume(s)	

		Price(s)	Volume(s)
		£0.25	20,000
d)	Aggregated information		
– Aggregated volume	N/A Single transaction		
– Price			
e)	Date of the transaction	14 December 2022	
f)	Place of the transaction	London Stock Exchange	

About Critical Metals

Critical Metals PLC has acquired a controlling 78.5% stake in Madini Occidental Limited, which holds an indirect 70% interest in the Molulu copper/cobalt project, an ex-producing medium-scale asset in the Katanga Copperbelt in the Democratic Republic of Congo. The acquisition of the initial interest in the project was in line with its strategy of investing in known deposits, with low entry costs and potential to generate short-term cash flow. The Company intends to bring the Molulu Project into near term production at the earliest opportunity and also carry out a drilling campaign on the Molulu Project to obtain additional data to move towards a JORC resource for the project. The Company will in parallel to this continue to consider other opportunities for acquisitions as and when they arise.

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