Critical Metals plc: Commencement of Copper Production at Molulu

written by Raj Shah | January 26, 2023

January 26, 2023 (Source) – **Forecast Production of 120,000t per annum of Copper Oxide Ore**

Highlights

- Copper oxide production commenced at the Molulu Project, an ex-producing copper/cobalt mine in the Democratic Republic of the Congo
- Forecast to produce an initial 120,000 tonnes of copper oxide ore per annum
- Production optimisation actions underway with the view of increasing copper ore production
- Initial test samples have been taken from Central and South Cobalt Anomaly and are ready to be sent to the laboratory for independent analysis
- Board to visit Molulu with mining analysts

Critical Metals plc, a mining company established to acquire mining opportunities in the critical and strategic metals sector, is pleased to announce the commencement of copper production at the Molulu Project, an ex-producing copper cobalt mine in the Democratic Republic of Congo ("DRC") ("Molulu Project"). Production follows the completion of preparation work on site and the arrival of several vital pieces of mining equipment. This is a major landmark as the Company moves towards securing further assets.

The mine will initially run on a single-shift basis and is estimated to produce approximately 10,000 tonnes of copper oxide ore per month on a steady-state production rate. The copper ore produced in January 2023 will be stockpiled for sale into the market in February 2023.

All copper material extracted from the mine will be sent to local processing plants, of which there are four in the Likasi and Lubumbashi areas expressing interest in purchasing Molulu copper ore.

In addition, the Company's engineers, geologists, and advising consultants are discussing various strategies to optimise and increase monthly copper ore production. Further information on this will be released when appropriate.

As previously mentioned, the Central Cobalt Anomaly and South Cobalt Anomaly have recently had test samples taken by the Company's lead geologist; as of date of this announcement, 180 samples have been taken. These samples will be sent to a local laboratory for independent analysis. Results will be released to the market when available.

In order to increase the penetration of the Critical Metals story to the global market and investors, two London based mining analysts will accompany the Board of Critical Metals on a Molulu site visit in the middle of February. The purpose of the visit is to provide greater understanding of the copper oxide and sulphide production, cobalt potential, and cash flow characteristics of Molulu to the global investing market.

With much of the infrastructure now in place, the Company has assembled a strong team of mining professionals onsite including, a project manager, four geologists, two mine engineers, as well as the recently appointed mine manager and a compliment of local village support staff. The Company is now

perfectly positioned to take advantage of the strongly recovering copper price that is well above US$9,000 per metric tonne.

Russell Fryer, Chief Executive Officer of Critical Metals, commented:

"This is a landmark moment for Critical Metals and all shareholders, I am delighted to be able to announce the start of production at the Molulu Project, which was achieved on budget with sales of copper oxide ore expected as early as next month.

"With copper ore production now underway, the Company expects to be free-cash flow positive by the end of H1 2023, showing the high cash flow generation potential under the current market conditions. We expect further activity at Molulu to increase throughout the next few months, particularly as the rain season closes at the end of March, and we look forward to an expansion in monthly copper ore production.

"In an exciting new chapter in the growth of the Company, two London based mining analysts will be visiting Molulu in the middle of February. These analysts are well known and will write research on Critical Metals that will be read by family offices, wealth management firms, and buy-side institutions in Britain, Europe, Africa, Australia, and North America. I am extremely excited to show these analysts all the hard work that has been done at Molulu.

"2022 was a uniquely transformational year for Critical Metal and 2023 already looks to continue this positive trend. I believe that the Molulu Project has the potential to become an exceptional producer of cobalt and copper in the DRC and I look forward to updating shareholders on our progress throughout 2023.

“Finally, I wish to personally thank our local DRC partners for their patience and steady support as we embark on this incredibly exciting journey. Our local DRC partners are integral to the success of our journey, and we are thankful for their guidance, knowledge, and partnership.”

The Molulu Project

The Molulu Project, located approximately 98 kilometres north of Lubumbashi in the Katanga Copperbelt, is 30 kilometres northwest from the village of Malambwe. Copper has been mined in the Katangan Copperbelt since at least the late 19th Century. The mineralised zones are at the western end of the Katangan Copperbelt, one of the great metallogenic provinces of the world, and contains some of the world’s richest copper, cobalt, and uranium deposits.

The Molulu Project was the first acquisition made by the Company since its readmission on the Main Market of the London Stock Exchange on 12 September 2022. The Company owns 100 per cent of Madini Occidental Limited (“Madini Occidental”), which holds an indirect 70 percent interest in the Molulu Project.

****ENDS****

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About Critical Metals

Critical Metals PLC has acquired a controlling 100% 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 Katangan Copperbelt in the Democratic Republic of Congo. In line with its investment strategy of focusing primarily on known deposits, targeting projects with low entry costs and the potential to generate short-term cash flow; the Company intends to produce 120,000t/per annum of Copper Oxide Ore.

The Company will continue to identify future assets that are in line with its stated acquisition objective of low CAPEX and OPEX projects with near-term production, concentrating on minerals that are perceived to have strategic importance to future economic growth and generate significant value for shareholders.

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