Critical Metals PLC Operational and Financing Update

written by Raj Shah | November 11, 2024

November 11, 2024 (Source) – Critical Metals plc, developer and operator of the Molulu Copper/Cobalt Project ("Molulu" or the "Project") in the Democratic Republic of Congo ("DRC"), provides the following update with regards to the investments and loans made to the Company along with an operational update.

Operational Update and Delivery of Ore

After taking several samples from the various ore stockpiles, OM Metals SARL, the current copper ore off-taker, has sent its first ore haulage truck to load ore from the Company's stockpile for purchase and processing at the OM Metals plant. Approximately 40-tonnes of copper ore was loaded onto the truck and has arrived at the OM Metals plant for crushing, assaying, analysis, and processing.



Figure 1 – Truck arriving at OM Metals scale to weigh Molulu

copper ore



Figure 2 – Delivery and discharge of Molulu copper ore at OM Metals plant

Additional trucks from OM Metals will follow once sampling and assaying are completed this week. Payment for this ore should happen within two weeks after invoicing OM Metals.

In addition, geotechnical and geological activities at Molulu are resuming as the geologist team has returned from leave. There are several areas identified for continued geotechnical activities in the Southern zone and an area where the Conglomerate outcrops with traces of copper malachite in the Northern zone. These geotechnical activities will provide further data points for consideration when designing the new diamond drill programme.

Preliminary discussions are ongoing with various agencies to plan a feasibility study for the potential installation of a 2 MW solar power unit at Molulu. This power unit is designed to reduce costs at the camp and to supply enough power to operate a potential future copper concentrator plant and surrounding area, including the E.P. Molulu school. The installation of any solar power unit would be subject to the Company obtaining additional

funding or grants.

Financing

On 18th September 2023, the Company announced that it had signed a facility (the "Facility") with an international financial institution ("Lender"), enabling it to drawdown in tranches, up to a maximum of US$3 million of loan funds. To date, the Company has borrowed a total of US$650,000 from the Facility. On 10 April 2024, the Company previously announced that US$100,000 was repaid from the proceeds of the convertible loan notes issued on that date. The Company also announced that same day that US$79,500 of interest and fees from the Facility were applied towards the subscription price for convertible loan notes issued by the Company. Of the remaining balance under the Facility, US$511,525 was due to be repaid in June 2024 in interest and principal and the remaining sum being due in three instalments before 20 September 2024.

The Company and Lender had agreed to extend the time for repayment until 30 September 2024 in anticipation of the closing of a financing that would have fully repaid the Facility. In consideration, the Company extended the period for the exercise of the 2,000,000 warrants granted to the Lender at the time the Facility was entered into until 15 September 2025. The 30 September 2024 deadline for the extension has not been met due to continuing due diligence related to the financing.

On 10 November 2024, the Company reached an agreement with the Lender to reschedule its payments under its current Facility. The Lender has now agreed to defer payments totalling US$645,651 (including accrued interest) until 20 December 2024. The Company has a right to gain a further extension until 31 January 2025 through the payment of $75,000 towards the outstanding principal before 20 December 2024. The Lender's consent to a standstill

is subject to customary conditions including but limited to no insolvency type events occurring, the Company's shares remaining trading and the Company complying with various warranties and obligations (including authority and capacity warranties, information undertakings in favour of the Lender and compliance with a prohibition on certain third-party security).

For avoidance of doubt, the Company has not received any default notice from the Lender regarding the Facility. In addition, the Lender is aware the Company is actively engaged in advanced discussions about refinancing.

Finally, the Company has implemented cost-saving measures to preserve cash, including voluntary salary deferral reductions of 25% at the executive level and strategic reductions in workforce to align with current conditions. The recruitment of additional staff and the engagement of essential consultants for comprehensive hydrological, geohydrological, topographical, and JORC reports will be re-looked at when financing is available.

Further updates will be provided as and when appropriate.

****ENDS****

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

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About Critical Metals

London listed Critical Metals plc is focused on identifying low CAPEX and OPEX brown-field projects with near-term production and cash-flow, concentrating on minerals that have strategic importance to future global economic growth. In line with this, and with an off-take partner already in place, the Company is currently focused on recommencing production at the formerly producing Molulu Copper/Cobalt Project in the Katangan Copperbelt in Democratic Republic of Congo ('DRC').

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