

OPTION TO ACQUIRE INTEREST IN EX-GLENORE PROJECT

FIRERING STRATEGIC MINERALS PLC
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Firering Strategic Minerals Plc
("Firering" or the "Company")

Option to acquire an interest in ex-Glencore Limestone Project

Project is commission ready with the potential to be in production within 12 months

Firering, an exploration company focusing on critical minerals, is pleased to announce that it has signed an option deed ("Option Deed") dated 16 August 2023 to acquire up to 28.33% of Limeco Resources Limited ("Limeco"), the owner of a Limestone project located 22km west of Lusaka in Zambia for an aggregate of US\$5.1 million across two tranches. The project comprises of a limestone quarry with an estimated non-JORC compliant mineral resource of more than 73 million tonnes (Source: Golder Associates, October 2017) and a quicklime production facility with the potential to produce between 500 and 600 tonnes of quicklime per day ("Project").

Highlights

- The Option Deed entered into by Firering and Clearglass Investments Limited ("Clearglass") as co-option holders with the current shareholders of Limeco ("Vendors") for an option over 33.33% of Limeco ("Option") (Firering 28.33%, Clearglass 5.00%)
- Quicklime has multiple uses and is an essential reagent widely used during flotation of copper sulphide minerals.
- Limeco is in the process of commissioning a Lime Plant in Zambia of which over US\$100m has been invested to date. The Lime Plant is ready for immediate commission and includes:
 - Existing limestone quarry with an estimated resource* of 73.7Mt @ 95.3% CaCO₂
 - Two stage crushing circuit with an installed primary throughput of 500tph of limestone, and a lime plant comprising of eight kilns for burning crushed limestone to produce between 500 and 600 tonnes of quicklime per day.
 - A limestone stockpile of 200,000 tonnes to be used for immediate production.
 - Existing infrastructure of main access roads, power and water.
 - Advanced discussions ongoing for Lime offtake with major copper producers.
- Firering will have the option to acquire up to 28.33% of Limeco across two tranches for an aggregate amount of US\$5.1 million.
- Clearglass to pay a non-refundable US\$500k fee for the grant of the Option, in exchange for up to 5% of Limeco upon exercise of the Option by Firering, such amount to be made available to Limeco as a loan from the Vendors to bring the project into operation.
- On completion of the first tranche of the Option, which is exercisable by Firering at any time over the next 12 months, Firering will pay US\$2.5 million to the Vendors and receive 17.5% of Limeco's shares, with Clearglass receiving 2.5%.
- On completion of the second tranche of the Option, which is exercisable at any time in the 12 months following exercise of the first tranche of the Option, Firering will pay US\$2.6 million and will receive a further 10.83% of Limeco's shares, with Clearglass receiving a further 2.5%.
- Limeco is expected to be profitable and delivering cashflow within 12-24 months with the view of paying dividends to shareholders as soon as possible.
- Given the expected positive cashflow, Firering will be assessing debt financing options to acquire its stake in Limeco.
- Shareholders' Agreement entered into between Firering, Clearglass and the Vendors with Firering given the right to appoint either the CEO or CFO of Limeco with effect from the grant of the Option in order for Firering to oversee and manage the initial commissioning and commencement of production through the established lime plant at the Project throughout the period of the Option.

*The non-JORC compliant resource is based on all available drilling data as at August 2017. The Mineral Resources estimates are at this stage reported as an in situ Mineral Resources estimate only, as further work is required in order to be able to report the Mineral Resources estimates in accordance with the guiding principles and minimum standards set out in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) and the Company's internal estimates, which are also not JORC compliant, are still subject to verification, validation, and external review, accordingly, such numbers are provided for guidance only. There can be no guarantee the final JORC-compliant resource estimate will reconcile with these early-stage calculations.

The Company intends to commission a JORC compliant report when operations have been fully commissioned.

**Source: Data Bridge Market Research

Yuval Cohen, Chief Executive Officer of Firering, said:

"Firering has been keen to add a production asset to its portfolio. We believe this is a unique opportunity for Firering to diversify its investments and secure a stake in an advanced project which is commission ready with the potential to be in production within a year.

"In 2021, Glencore sold its Mopane copper mine in Zambia to ZCCM Investments Holdings plc for US\$1.5 billion resulting in Limeco being surplus to its requirements. Limeco has been at an effective standstill whilst the above sale of the Mopane copper mine was being negotiated.

"Firering has wasted no time in establishing a technical team responsible for the refurbishment of the crushing system. Commissioning and modifications to the plant consisting of eight kilns will gradually be brought online and is estimated to produce between 500 and 600 tpd of quicklime. Initial cashflow is expected within 12-24 months, which will increase after the plant has reached steady state production. Should both options be exercised, our 28.33% stake in Limeco is expected to generate cashflow for Firering.

I am looking forward to keeping the market updated with our achievements at Limeco".

Proposed Transaction

Firering has been granted the Option, together with Clearglass Investments Limited ("Clearglass") to acquire an interest in Limeco by Kai Group Ltd ("Kai") and Samfuel Ltd ("Samfuel"), the current shareholders in Limeco. The total Option is over 33.33% of Limeco shares and is exercisable in two tranches. If the first tranche of the option is exercised, Firering will acquire 17.5% of the existing issued share capital of Limeco ("Shares") together with 17.5% (approximately US\$18.3 million) of the shareholder debt ("Debt") (which in total amounted to approximately US\$104.5 million as at 31 December 2022)) and Clearglass will acquire 2.5% of the Shares together with 2.5% of the Debt, in consideration for which Firering shall pay to the Vendors US\$2.5 million (the "First Option"). If the second tranche of the option is exercised, Firering will acquire 10.83% of the Shares, together with 10.83% (cUS\$13.1m) of the Debt and Clearglass will acquire 2.5% of the Shares together with 2.5% of the Debt, in consideration for which Firering shall pay to the Vendors US\$2.6 million (the "Second Option").

Main terms of the Option Deed

The main terms of the Option Deed are:

- the First Option and Second Option (together "the Options") are exercisable at Firering's sole discretion;
- the First Option may be exercised at any time during the period of 12 months from the date of the Option Deed. If the First Option is not exercised during this time, the First Option and Second Option will both lapse;
- the Second Option may be exercised at any time during the period of 12 months after the exercise of the First Option;
- a non-refundable sum of US\$500,000 shall be paid by Clearglass to the Vendors within 10 business days of the signing of the Option Deed, such amount to be made available by the Vendors to Limeco to fund the initial development of the Project;
- the consideration payable for the First Option is US\$2,500,000 which shall be satisfied in cash by Firering to Kai and Samfuel in equal proportions;
- the consideration payable for the Second Option is US\$2,600,000 which shall be satisfied in cash by Firering to Kai and Samfuel in equal proportions; and
- Kai, Samfuel and Limeco to provide customary warranties and undertakings to the Company and Clearglass.

Main terms of the shareholders' agreement

In connection with the Option, and given that Firering and Clearglass will acquire a shareholding in Limeco (if the Option is exercised, Kai, Samfuel, Firering and Clearglass have entered into a shareholders' agreement (the "Shareholders' Agreement") to regulate the operation of the business and affairs of the Company and each of the parties' rights in relation to Limeco. The main terms of the Shareholders' Agreement are:

- each of Kai, Samfuel and Firering (the "Major Shareholders") are entitled to appoint one director to the board of directors of Limeco with effect from the date of the Option;
- the board of directors of Limeco shall determine the overall policies, objectives, operations, business and management of Limeco. However, certain critical business matters require the consent of either (i) whilst the Option remains to be exercised, all of the Major Shareholders (notwithstanding that Firering will not yet hold shares in Limeco), or after exercise of the Option, shareholder approval of shareholders holding at least 70% of Limeco Shares, or (ii) approval of at least one director appointed by Firering and one director appointed by either Kai or Samfuel;
- Firering shall have the right to nominate either the Chief Executive Officer or Chief Financial Officer to the Limeco board with effect from the grant of the Option;
- the Shareholders' Agreement contains other standard provisions such as pre-emption rights in respect of the issue and transfer of shares, drag along and tag along rights, and restrictive covenants relating to competing businesses and solicitation of staff and customers.

Limeco

Limeco was initially established by Glencore plc due to the shortage of quicklime in Zambia and the need for quicklime at its Mopane operations in Zambia. In total, over US\$100m has been invested in establishing the limestone quarry and constructing the current lime plant. The lime plant consists of a two stage crushing circuit with an installed primary throughput of 500tph of limestone, and a quicklime production unit comprising eight kilns for burning crushed limestone to produce between 500 and 600 tonnes of quicklime per day.

In October 2017, Golder Associates visited Limeco and produced an in-situ mineral resource estimate of 73.7Mt @ 95.3% CaCO₂ (Source: Golder Associates, report 1776596-002-R-Rev0, 05 October 2017).

First geological mapping and diamond drilling were completed in 2012 when 37 drill holes were drilled with an average depth of 66m for a total of 2,517m. This was followed by the development of a resource model in 2013. A further drilling programme (23 drillholes totalling 1,610m) was then completed southeast of the drilling done in 2012. This was followed in 2017 with an infill drilling programme comprising another 65 drillholes totalling 4,022m.

Limestone production from the quarry commenced in March 2016 and ceased in January 2017. Crushed limestone (-90mm +60mm) was fed to only two kilns during that time. The majority of the blasted limestone was stockpiled adjacent to the primary crusher and will serve as initial feedstock when the kilns are being commissioned. The circa US\$100 million investment was made via a shareholders' loan into Limeco. This loan (see Limeco Financials section below) remains outstanding to the current Vendors of Limeco, in proportion to their shareholdings.

Pictures of the project from May 2023

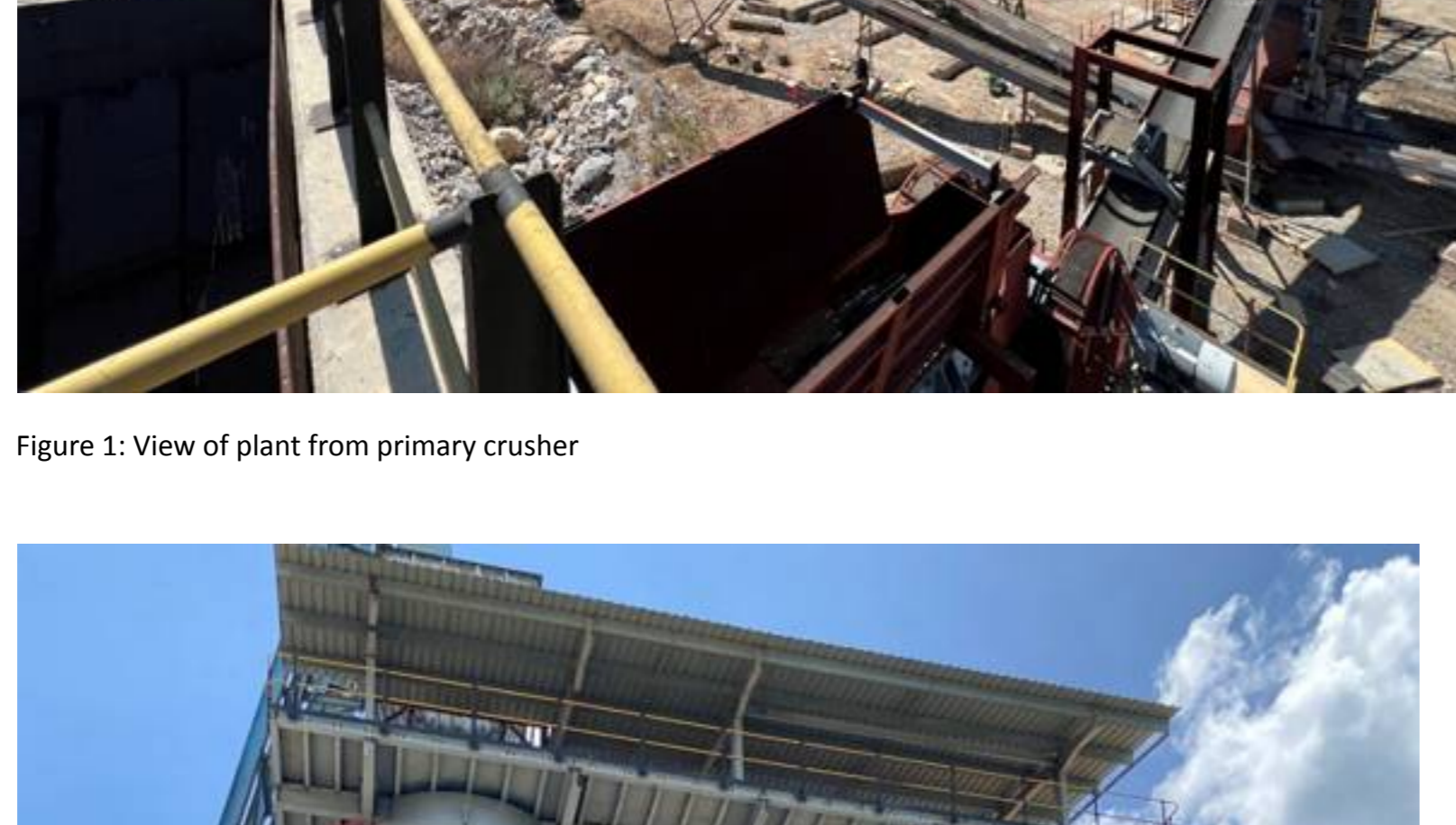


Figure 1: View of plant from primary crusher



Figure 2: View of kilns

Quicklime Market

Global quicklime market is expected to gain significant growth for the period 2022 to 2029. According to a report by Data Bridge Market Research, the market would grow at a CAGR of 4.2% in the forecast period from 2022 to 2029 and is expected to reach US\$9.8 billion by 2029.

Quicklime, or CaO, is a white powder with a high melting point of 2,600 degrees Celsius. It forms slaked lime when it interacts with water. Quicklime high calcium and dolomitic, which are extensively used as a flux in purifying steel. It provides durable mortar and plaster and soil stabilization. It also improves water quality, especially for water softening and arsenic removal. Quicklime can be applied on various applications, such as building and construction materials, metallurgy, chemicals, mining, paper, and pulp production among others.

The major drivers contributing to the growth of the quicklime market include growing usage of precipitated calcium carbonate and high adoption of quicklime in building & construction industry. The major restraints which may impact the global quicklime market growth are volatility in the prices of quicklime raw materials and complicated process for producing quicklime.

Several opportunities associated with the quicklime market include increasing demand for iron and steel from different industries and rising mining activities. In order to fulfil the growing demand for quicklime products in building and construction and water treatment industry, some companies are expanding their production capacities and entering in agreement across different regions. Besides, strict government regulations for manufacturing and commercializing of quicklime is challenging the growth of the market.

Limeco Financials

In its most recent published accounts (financial year ended 31 December 2022) Limeco posted a loss before and after tax of US\$828,052 on turnover of US\$0. As at 31 December 2022 Limeco had net liabilities of US\$104,535,988. Liabilities include US\$104,509,835 due to shareholders. If Firering exercises the First Option and Second Option respectively, it will acquire the right to 17.5% (cUS\$18.3m) and 10.83% (cUS\$11.3m) of this shareholder debt.

Funding of option exercise

Limeco is expected to be profitable and generating cashflow within 24 months. Given the expected cashflow and associated flow of dividends FRG will be assessing debt financing options to acquire its stake in Limeco.

Related Party Transaction

Clearglass is a party to the Option Deed and under the terms of the Option Deed can acquire up to 5% of the Shares and 5% of the Debt. Clearglass is also party to the Shareholders' Agreement with Firering.

Clearglass is a Cypriot company (Company number HE351995). Firering's Chairman and a substantial shareholder, Yuval Rasin, is a director and 40% shareholder in Clearglass. Clearglass's majority shareholder, Eli Rasin, is the uncle of Yuval Rasin. Eli Rasin is also the legal and beneficial owner of Rompartory Limited which is a substantial shareholder of the Company as defined under the AIM Rules for Companies.

Therefore, the proposed transactions - entering into the Option Deed and the Shareholders' Agreement - constitute related party transactions under the AIM Rules for Companies. Accordingly, the directors of the Company (other than Yuval Rasin), who are independent for the purposes of the transaction, consider, having consulted with the Company's nominated adviser, SPARK Advisory Partners Limited, that the terms of the Option Deed and the Shareholders' Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

For the sake of clarity, given his involvement with Clearglass, Yuval Rasin will not participate in the Board decision to exercise the First Option and Second Option.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

*** ENDS ***

For further information and updates on Firering's exploration programme, visit www.fireringplc.com or contact the following:

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Notes to Editors:

Firering Strategic Minerals

Firering Strategic Minerals plc is an AIM-quoted mining company focused on exploring and developing a portfolio of mines producing critical minerals in the Côte d'Ivoire focused on Lithium and Tantalum to support the global transition to net zero emissions. It operates the Atex Lithium-Tantalum Project in northern Côte d'Ivoire, which is prospective for both lithium and tantalum. Firering's main focus is working together with Australian diversified minerals company Ricca Resources to advance development at Atex with a view to establishing a maiden lithium resource and then progressing a Lithium project through to DFS. Firering is also assessing pilot scale production of ethically sourced tantalum and niobium to generate early revenues and support further exploration work. Should pilot production be successful, a large-scale Tantalum production facility may be developed, which will be supported by a debt facility of FCA 5,057,000,000 (approximately €7,500,000) currently under negotiation to fund the entire scale-up plan to develop a portfolio of ethically sourced mineral projects in the Côte d'Ivoire, supplying EV batteries, high tech electronics and other fast-growing end markets.

Forward-Looking Statements

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.

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