



## Redmoor JV Partner Announces Sufficient Funds to Complete Redmoor Option Payment

ASX Release | 18 January 2017



Yesterday NAE's JV partner on its Redmoor Tin-Tungsten project, Strategic Minerals Plc (AIM:SML) announced that after having received a payment of US\$400,000 it now has sufficient funds to enable it to exercise its Option to take its holding in the Redmoor project to 50% and fund the proposed 2017 drilling programme focused on increasing the high-grade resource.

Under the JV agreement with NAE, SML has the right to pay £843,648.96 by 15February 2017 in order to fully exercise its Option and take its holding in the Redmoor Project to 50%.

A copy of SML's announcement is attached.

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

17 January 2017

**Strategic Minerals plc**  
("Strategic Minerals" or the "Company" or "SML")

**Cobre Magnetite Mine Update**  
**Record Magnetite Sales up 24% in 2016 and US\$400,000 Settlement Payment Received**

Strategic Minerals plc (AIM: SML; USOTC: SMCDY), the diversified mineral development and production company, is pleased to provide the following positive update on the Company's operations at the Cobre magnetite mine in New Mexico, USA ("Cobre").

**Highlights:**

- **Record Sales:** Domestic sales of magnetite for 2016 of \$1,551,930 (25,385 short tons) set a new record at Cobre and reflected a 24% increase in sales over 2015.
- **Settlement Payment Received:** The Company confirms that its wholly owned subsidiary Southern Minerals Group ("SMG") has received US\$400,000 due under the terms of its settlement with the rail provider at the Cobre mine. It is the Company's intention that these funds, in addition to the Company's existing cash resources, will enable it to exercise its option to take its holding in the Redmoor Tin/Tungsten project in Cornwall, England up to 50% and fund the 2017 drilling programme focused on increasing the high-grade resource at Redmoor.

**Cobre Magnetite Sales**

In the three months to December 2016, sales of magnetite significantly improved on the previous year's performance. On an annual basis, domestic sales have now exceeded our previous best-recorded levels. Comparative sales and volume data is shown in the following table:

Year	Tonnage		Sales (US \$'000)	
	3 mths to Dec	12 mths to Dec	3 mths to Dec	12 mths to Dec
2016	9,431	25,385	\$533	\$1,552
2015	7,524	18,454	\$513	\$1,252
2014	3,030	18,780	\$208	\$1,266

The introduction of a large new customer, in mid-August 2016, has seen average sales prices reduced due to "bulk" discount pricing being applied. Overall, net per ton profitability has reduced in line with this discounting to around 40% but total profits have risen 70%.

**Rail Settlement Payment Received**

SML confirms that SMG has received a payment of US\$400,000 in relation to the settlement agreement it entered into for its rail claim. The Directors, not wishing to dilute shareholders unnecessarily, took this expected payment into consideration when it limited the number of shares issued in the placing which raised £600,000 as announced in October 2016.

**Commenting, John Peters, Managing Director of Strategic Minerals, said:**

"We are delighted to report that during 2016 we achieved record sales at our Cobre magnetite mine and, based on unaudited management accounts, we expect the Company will be in a position to report a maiden profit for the 12 months ended 31 December 2016.

"The payment received from the rail claim, in conjunction with existing cash resources, provides us with sufficient funds to enable us to take our holding in the Redmoor Tin/Tungsten project in Cornwall up to 50% and fund the proposed 2017 drilling programme focused on increasing the high-grade resource. We look forward to making a further announcement when progress is made on the exercise of the Redmoor option.

"We are also progressing discussions with the Cobre mine owners and have increased the likelihood of longer-term access to the Cobre stockpile. Our intention is to continue these discussions and focus on increasing sales and profitability at Cobre.

"With active development programmes underway across our three core projects, Cobre magnetite in New Mexico, CARE nickel in Australia and Redmoor Tin/Tungsten project in Cornwall, the Board is pleased with the recent progress made by the Company and is confident about its prospects for 2017."

For further information, please contact:

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Managing Director

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## **Notes to Editors**

Strategic Minerals Plc is an AIM-quoted, diversified mineral development and production company with projects in the United States of America, the UK and Australia. The Company is focused on acquiring and developing cash generative, high quality projects which meet local market demand for commodities and utilising this cash flow to undertake value added exploration.

In September 2011, Strategic Minerals purchased its first cash generating asset; the Cobre magnetite tailings dam project in New Mexico, USA which it brought into production in 2012 and which continues to provide a revenue stream for the Company. The portfolio was expanded in January 2016 with the acquisition of shares in Central Australian Rare Earths Pty Ltd, which holds tenements in Western Australia and the Northern Territory that are prospective for nickel sulphides, gold and rare earths. In May 2016, an additional exploration asset was acquired when the company entered into an agreement with New Age Exploration Limited to acquire up to 50% of the Redmoor Tin/Tungsten project in Cornwall, UK.