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Chromex Mining PLC
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Chromex Mining plc ('Chromex' or 'the Company')

To Acquire 271 Hectare Chrome Project on the Bushveld Complex, South Africa

Overview

- ? Acquisition of 15 million tonne chrome project located on the Western Limb of the Bushveld complex in South Africa
- ? Acquisition to more than double Chromex's resources from 9 million tonnes to approximately 24 million tonnes chromite and reduce operational risk through development of two mines
- ? Mining Right in place will facilitate the fast-track development of project and reduce timeline to production

Chromex Mining plc, the AIM listed dedicated chrome company operating in Southern Africa, has entered into a binding Heads of Agreement with Mkhombi Stellite (Pty) Ltd ("Mkhombi") whereby Mkhombi will vend 100% of its chrome assets into Chromex's South African subsidiary Chromex Mining (Pty) Ltd for a total consideration of ZAR34m (approximately GBP2.4m). This comprises ZAR14m (approximately GBP1m) cash with the balance of ZAR20m (approximately GBP1.4m) in new Chromex shares at a price of 25p per share.

Mkhombi is the controlling (51%) and managing shareholder of Ilitha Mining (Pty) Ltd ("Ilitha") which is the 100% owner of the Stellite chrome project located on the Western Limb of the Bushveld complex in South Africa. A New Order Mining Right has been granted to Ilitha, encompassing the entire 271 hectare Stellite property. The project has an estimated 15 million tonnes of chrome resources comprising four seams, namely the LG6, MG1, MG2 and MG4. All four seams outcrop on the property and it is anticipated that approximately 3 million tonnes will be open cast. The project has been extensively drilled and has had approximately 170,000 tonnes of chromite mined and sold both to the domestic and international chrome markets.

The Mining Right will facilitate the fast track development of the Stellite opencast resources, which will significantly reduce the Company's timeline to production. The proposed transaction will more than double the Company's controlled resources from 9 million tonnes to approximately 24 million tonnes and reduce the Company's operational risk through the development of two mines instead of a single standalone operation. . In terms of the agreement Chromex has secured the current management team to ensure continuity in the development of this asset.

The transaction is conditional on a successful due diligence, consent from the South African Department of Minerals and Energy ("DME") related to the change of control in Ilitha and the waiver of pre-emptive rights by the remaining minority Ilitha shareholders.

Nigel Wyatt, CEO of Chromex, said, "This transaction is in line with our strategy of increasing our chrome resources particularly with acquisitions that have the potential for near term development, to facilitate the rapid growth of the Company within the current buoyant ferrochrome market."

Ayanda Ngubane, a spokesperson for Mkhombi said, "The combination of Mkhombi and Chromex's chrome assets will provide the critical mass necessary to underpin the long term viability of the projects through the commodity circle."

****ENDS****

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