

# London Listed Critical Metals signs landmark deal to buy copper ore processor

*London-listed Critical Metals plc has signed a landmark deal to allow it to start the immediate processing of copper ore in the Democratic of Republic of Congo.*

LONDON, UK , October 6, 2023 /EINPresswire.com/ -- London-listed Critical Metals plc, a UK

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*Russell Fryer, CEO*

mining investment company, has signed a landmark deal to allow it to start the immediate processing of copper ore in the Democratic of Republic of Congo (DRC).

Under the agreement, CRTM will lease the Kastro processor – a hydrometallurgical plant -- in Lubumbashi, Katanga for an initial six-month period before completing a final purchase for US \$8 million.

The plant is a short truck drive away from the company’s recently upgraded Molulu copper mine. The company will

become the first non-Chinese producer to process ore in-country for over a decade.

Copper is a crucial element in the manufacture of renewable energy sources, particularly batteries for Electric Vehicles (EVs). To achieve net-zero, a global increase in copper production is required. Beijing currently dominates copper and cobalt production in DRC, with most of the ore exported and processed in China.

CEO Russell Fryer said the deal would allow the company to benefit from higher value-added products that the Kastro plant produces and significantly boost its market value. Molulu will supply ore and this will produce enhanced margins, accurate ore analysis and speed of payment to the company.

“The Board of Critical Metals believes that the proposed acquisition will be transformative for the company and create significant shareholder value,” he stated. “I am absolutely thrilled ... We believe the best way to increase shareholder value is to be in control of our own destiny.”

The Kastro plant has a feed capacity of 12,000 tonnes per month of copper oxide/cobalt ore. The finished good production of the plant is 400 tonnes of LME-grade 99.99 percent copper cathode and 200 tonnes of LME-grade 30 percent copper hydroxide per month.

“Once completed, Critical Metals will get full value for processing Molulu copper or cobalt ores, thereby ensuring superior margins and ultimately, considerable profitability,” Fryer added.

Fryer said the deal makes good business sense. As Molulu is 70 percent owned and is an indirect subsidiary of Critical Metals PLC, Value-Added-Tax (VAT) is not payable by the Kastro Plant when purchasing Molulu ore.

“The Company has sufficient access to funding via the recently announced \$3 million loan facility. To further fortify our balance sheet, we are in final negotiations with a seventh ore buyer to purchase all the copper oxide ore that is ready for sale now along with any further copper ore available for sale between now and the restart of the plant,” Fryer added.

Principal Terms include:

- CRTM (or one of its subsidiaries) will pay a total consideration to the Sellers that will equal the amount of US\$7.5 million to be settled in cash or wire upon completion subject to the assumptions and conditions below (the “Purchase Price”) and a hold back of US\$500,000 for claims for 9 months (such as unexpected creditors of the Target).
- CRTM will rent the Kastro Plant for six months (6-months) from the date of lease (“Initial Period”) at US\$100,000 per month. The aggregate rent for six months of US\$600,000 will be used to meet the cost of refitting and restarting of the Kastro Plant. If the cost of refitting the Kastro Plant exceeds US\$600,000, the excess cost will be for the account for the Sellers.
- The Seller will enter a 6-month consultancy agreement with the Buyer to assist with operating the Kastro Plant.
- CRTM shall have an option to extend the lease of the Kastro Plant on a rolling monthly basis in the event the Company has not published a prospectus or required paperwork prior to the end of the Initial Period (“Extension Lease”) on a similar basis as the first 6 months rental.

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