

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

FIRST CLASS METALS PLC

4th October 2022

Sunbeam Project Acquisition, Financing & Subscription

First Class Metals PLC ("First Class Metals" "FCM" or the "Company") the UK metals exploration company is pleased to provide information on a potential acquisition transaction with Nuinsco Resources Limited ("Nuinsco") for the 'Sunbeam Project' in Ontario.

HIGHLIGHTS

- **The claims together contain the sites of 3 different developed gold mining operations (Sunbeam, Pettigrew & Roy Mines).**
- **Total area of 48km² comprising of 104 single cell claims in the 'Sunbeam Property' and 9 multi cell claims on the 'English Claims'.**
- **Recent exploration activities, which includes diamond drilling, indicate several other areas of possible mineralization.**
- **Property is located 15km southeast of the Agnico Eagle 3.3moz Hammond Reef project.**
- **Previous estimates are that there could be 50,000-70,000t grading 13.0g/t Au remaining in the old workings.¹**
- **The structure hosting the Sunbeam Mine is open in all directions and will be the focus for further exploration.**
- **Previous diamond drilling reported: drill hole NS-21-03 - 93.3g/t Au over 0.44m (from 99.5m). No drilling has been recorded below this level.**
- **Financed by a Convertible Loan Note "CLN" from existing, long-term shareholders Sanderson Capital Partners Ltd and Afzal Valli, with all drawdowns fixed at a premium to the current previous five day average closing share price of 11.46p.**
- **£80,000 Subscription for 666,667 shares at 12p from two existing UHNW Investors.**

The Sunbeam property is situated in the Ramsay-Wright Township in the Superior Province of the Canadian Shield, Ontario. The landscape consists of gently rolling topography with a maximum relief of 40m. Vegetation is typical mixed boreal forest. Located in north-west Ontario, the property is approximately 27km northeast of the town of Atikokan and 15km southeast of the Hammond Reef gold mine deposit.

The Property hosts several sites of historic mine development and gold mining: The Sunbeam Mine, the Roy Mine, and the Pettigrew Mine. Multiple other gold occurrences are also known including the Road Zone, AL198 Zone, WN2 Occurrence and the Rubble Occurrence.

The Sunbeam Mine operated from 1898-1905. While there are no records of the production totals for the mine from 1899-1903. In 1904, it was reported that 650 tons averaging 12.2 g/t was mined. Based on the 1903 inclined longitudinal plan of the Sunbeam mine, it has been previously estimated that there could be 50,000-70,000t grading 13.0g/t Au remaining in the old workings^[1].

Additionally, the 'Roy' and Pettigrew' showings are on sub-parallel mineralised trends to the Sunbeam mine, contained within an identified >10km of strike.

In parallel to advancing the exploration FCM will investigate the potential of the Sunbeam mine workings.

Figure 1-Sunbeam Mine Cross Section Looking Southeast

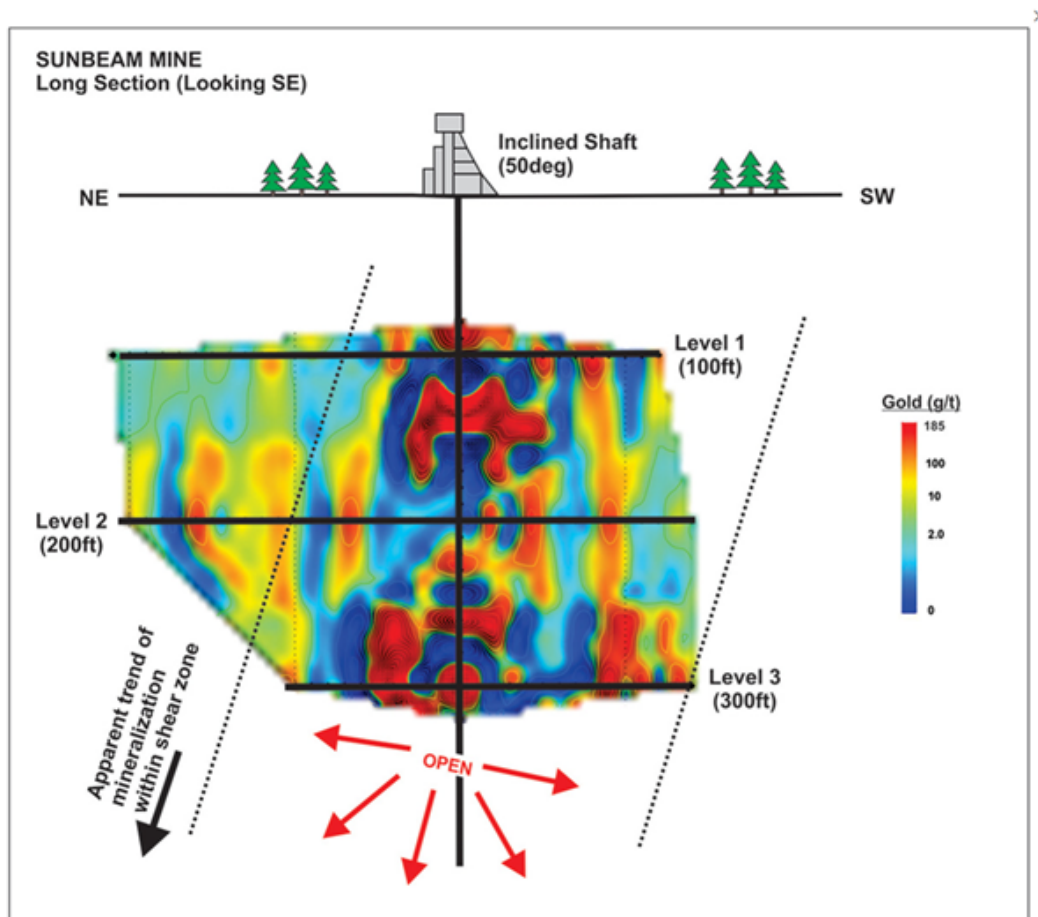


Image 1: Sunbeam Mine 1905

In July 2021, Nuinsco reported grading up to 93.3g/t on a drill programme conducted within the Sunbeam Mine area. The drill programme was a follow up on a surface sampling programme which produced results up to 83.5g/t from underground waste rock from the Sunbeam mine. Eight drill holes totalling 1,091 metres were collared. Significant results include:

- NS-21-01 - 3.98g/t Au over 0.6m (from 96.0m) within 3.39m of strongly gold anomalous deformation zone.
- NS-21-02 - 13.8g/t Au over 0.15m (from 80.85m) within 2.83m of strongly gold anomalous deformation zone.
- **NS-21-03 - 93.3g/t Au over 0.44m (from 99.5m) within 3.19m of strongly anomalous deformation zone.**
- NS-21-05 - 2.94g/t Au over 0.5m (from 118.5m) within 7.50m of strongly anomalous deformation zone.

For more information on this drill programme by Nuinsco see:

Further, three holes were drilled within 100m of the Pettigrew shafts. Hole 57751 intersected 19.4 g/t Au over 0.63m and 15.17 g/t over 1.37m in two zones separated by 15m.

In 2008, the Rubble occurrence was discovered on the property. Assays of up to 1.42 oz per ton gold have been obtained from pyritized and iron carbonate altered rocks.

With regard to the local indigenous First Nation groups, Nuinsco has in place MoU's to facilitate the renewal of the exploration permit covering the entire 48km². These agreements have the provision to be transferred to a new owner without requirement for revision.

Marc Sale First Class Metals CEO Commented: "This is a very positive, significant development for FCM, the purchase of Sunbeam presents an opportunity to develop a historical high grade gold mine. The old mine workings and the wider area have had limited modern exploration, however, the previous drilling and limited production uncovered very high-grade material. We believe with a structured well-planned period of exploration once all historic data has been assimilated this project could identify the untapped potential that exists across the entire claim area. FCM will embark on this process immediately post completion and I look forward to updating the market on future developments"

Terms of the deal:

The following are the main commercial points of the present deal.

- FCM to pay C\$ 700,000 in three tranches over a period of 8 (eight) months from the date of signing the agreement.
- FCM to undertake exploration related expenses on the property over a period of three years to value of C\$ 750,000.
- On definition of a NI43-101 report indicating 250,000 Oz of resource, FCM will pay Nuinsco a sum of C\$ 250,000. A further C\$ 250,000 will be payable upon similarly reporting an additional indicated resource of 250,000 Oz. Total indicated resource being 500,000 Oz, total payment being C\$ 500,000.
- Nuinsco to retain a Net Smelter Return Royalty of 1% (one per cent), of which 50% can be bought for C\$ 500,000. With FCM having an option to buy the remaining 50% on a right of first refusal basis should Nuinsco elect to market it.
- FCM acknowledges all underlying responsibilities and obligations of Nuinsco, including an annual pre-production royalty and a Net Smelter Return Royalty to the previous owners. FCM will also keep the claims in good standing until all requirements above are fulfilled.

Financing to support the purchase:

In order to finance the purchase and future work commitments, FCM has entered into a Convertible Loan Note ("CLN") with Sanderson Capital Partners and Afzal Valli for GBP1,000,000. The terms of the CLN are:

- A 12-month unsecured convertible loan for GBP1,000,000.
- Convertible in four tranches of £250,000
- **Fixed premium conversion prices: Tranche 1 at 12p, Tranche 2 at 15p, Tranche 3 at 19p & Tranche 4 at 22p. If all tranches are converted then the average conversion price is 17p, a premium of 70% to the IPO price of 10p in July 2022.**
- The particular investors will be offered a 1:1 warrant at 20p, 22p, 24p and 30p with a two-year term subject to drawdowns.

Alongside the CLN two existing UHNW investors have agreed to enter into a private subscription for a total of 666,667 shares at 0.12p raising a further £80,000. The new subscription shares will have a 1:1 warrant at 20p with a two-year term.

The new ordinary shares will rank pari passu with the Company's existing issued ordinary shares. The Company intends to allot and issue these new ordinary shares under its existing authorities on a non-pre-emptive basis.

The Company will be making its application to admit the new ordinary shares to the Official List of the FCA and to trading on the Main Market (Standard List) of the LSE. Admission is expected to occur on 11th October 2022.

Conditional on Admission, the Company's issued ordinary share capital will be 66,338,722 ordinary shares, which may be used by shareholders as the denominator for the calculations by

which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

The funds will be used exclusively to finance the acquisition and development of the 'Sunbeam Project' from Nuinsco Resources Inc., a Canadian based exploration company (<https://nuinsco.ca/>) ("**Nuinsco**").

Further, FCM has entered into an [Option Agreement] with Nuinsco to purchase their Sunbeam property as well as assume the option to purchase contiguous claims under option from Perry English ("**English Claims**").

The area under the terms of the agreement are 21km² for the Sunbeam property and 27km² for the English Claims. The total area being optioned being 48km². Annual expenditure requirements are currently being serviced by the 'bank' of assessments credits from historical work on the Sunbeam claims.

Figure 2-Map of the claim cells that form the entire project

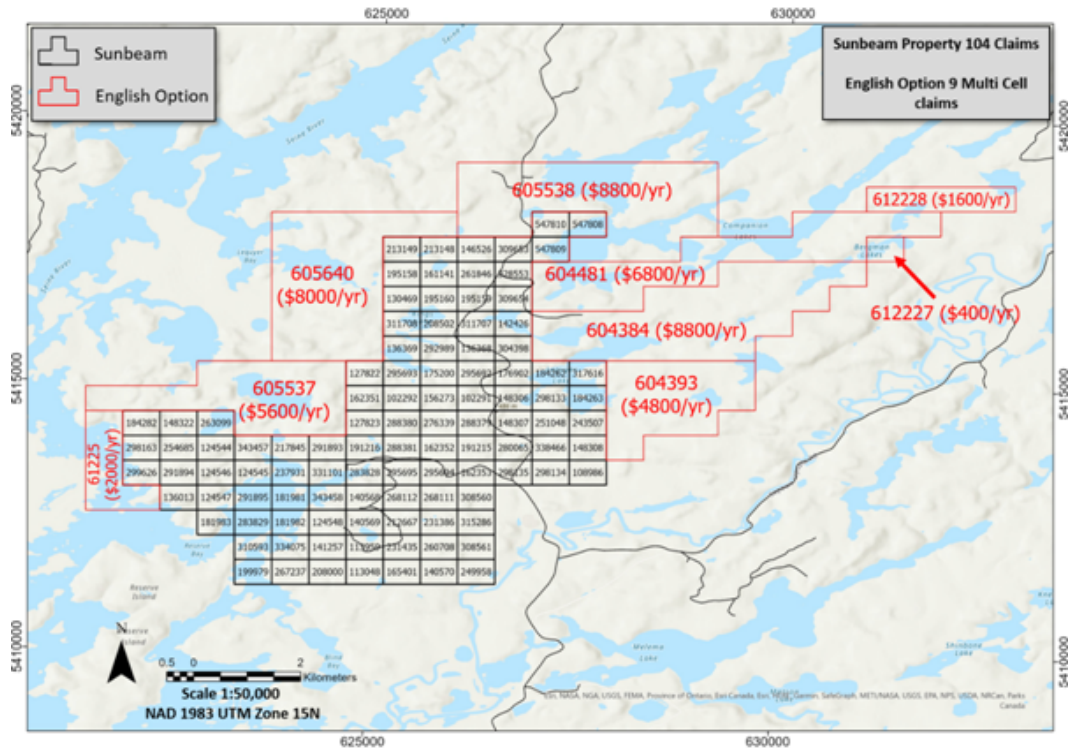
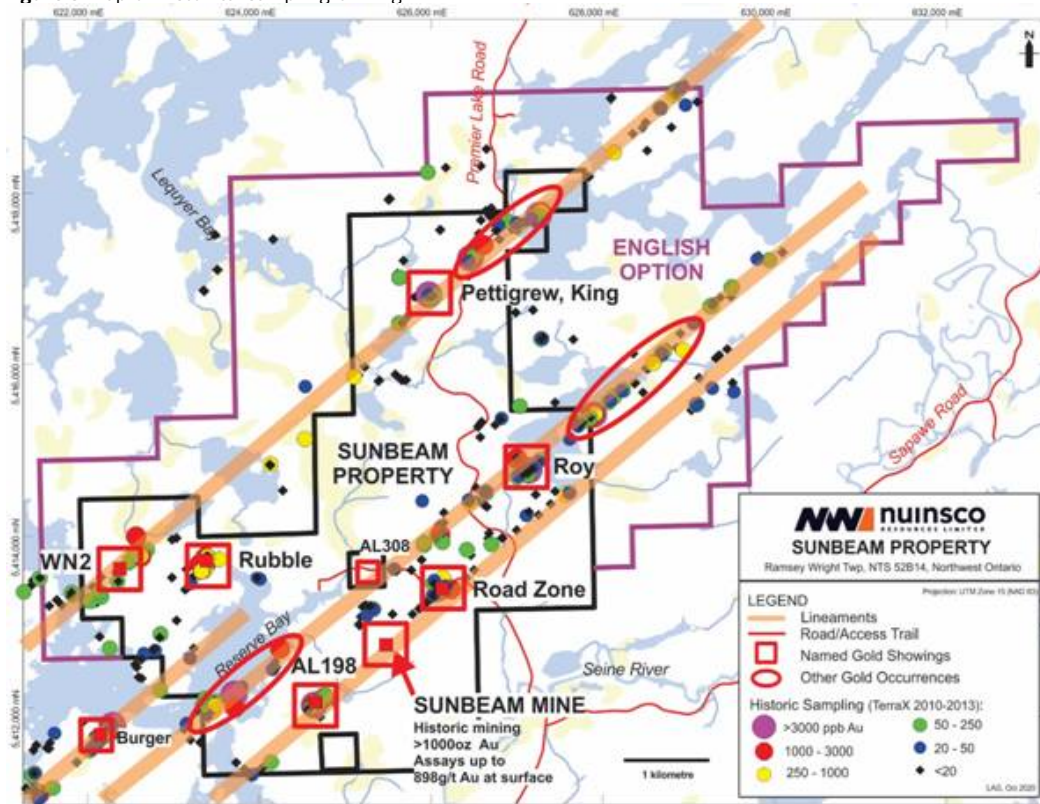


Figure 3-Map of historical sampling/drilling



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Forward Looking Statements

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Links to External Sites

The document may contain links to other websites; these external websites are not under FCM's control. FCM's shall not be held responsible for such websites and do not make any warranties regarding the same. FCM's do not endorse these websites in any manner.

[1] Setterfield, T., 2013. Report on 2011/2012 Outcrop Stripping, Channel Sampling and Drilling by TerraX Minerals Inc on the Sunbeam-Pettigrew Property, Seine River/Companion Lakes Area, NTS Map Sheet 52B/14, Thunder Bay Mining Division North-western Ontario, 137pp., AFRI No 20013966 (This is an estimate and not a compliant resource by any of the current global measuring codes)

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