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First Class Metals PLC
24 November 2023

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 "EU 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

24th November 2023

Placing of 10,050,000 ordinary shares of £0.001 each in the capital of the Company to raise £603,000

First Class Metals PLC ("First Class Metals" "FCM" or the "Company") is a UK metals exploration company focused on the discovery of economic metal deposits across its extensive Canadian - northwest Ontario, land holding is pleased to announce that it has completed a placing of 11,990,665 ordinary shares of £0.001 par value **(the "Placing Shares")** at a price of 6 pence per Placing Share **(the "Placing Price")**, raising gross proceeds of £603,000 and satisfying fees of £48,000

The Placing Price represents a 16% discount to the mid-market closing price of the Company's shares on 21 November 2023, the date of the arrangement of the Placing. No warrants are being issued in connection with this placing.

Clear Capital Markets Limited & First Equity Limited acted as placing agents in respect of the Placing.

Use of Proceeds

- Development of a drill program at the highly prospective Zigzag lithium/Critical Metals Property.
- Full Repayment of the Sanderson Capital Partners Convertible Loan Note **(the "CLN").**

The balance of the placing proceeds will primarily be used to develop a drilling program at the Company's Zigzag lithium/Critical Metals property in Northern Ontario. Further details of the intended work will be released shortly.

The Company intends to repay in full the CLN, which stands at £500,000 drawn.

Background

With the recent granting of the Enable and McKellar Exploration Permits, the Company controls six permitted properties in Ontario, Canada, encompassing nearly **200km² of land.** Within this area, the Company has identified priority drill targets of robust prospectivity across each of our properties, holding what is believed to be significant potential for exploration and discovery.

Considering the current climate in terms of timescales, efforts, and physical costs involved in obtaining permits, the Company believes that having six fully permitted properties is a significant advantage. These properties are either already drill ready or in the process of becoming so (some of which are true 'District-Scale' size), providing the Company with substantial flexibility moving forward. This level of readiness allows the Company to capitalize on opportunities efficiently and adapt to changing market conditions. The Board expects that this portfolio of permitted properties will position the Company for success and maximize its potential for future growth.

The initial focus of the Company post this fund-raising will be on advancing exploration activities on the highly prospective Zigzag lithium/Critical Metals property. Currently, the Company has channel sample assays pending,

which will provide valuable data to plan its next steps. Additionally, the Company is working on formulating further operations on this property, with plans to commence drilling activities during the upcoming winter period. The Company is committed to unlocking the potential of the property and is excited about the opportunities that lie ahead.

Director's-Stock Lending Agreement(s)

The Company does not presently have sufficient headroom to enable the issue and admission of the Placing Shares which are required to be issued pursuant to the placing without the production of a FCA approved prospectus. The Company is therefore proposing that the directors, James Knowles and Ayub Bodi, each loan a number of shares amounting, in aggregate, to the Placing Shares, to the Company by means of a share loan agreement **(the "Share Lending Agreement")**, to facilitate the placing of the Placing Shares by the Company. This loan involves no consideration being paid or security granted to James Knowles or Ayub Bodi, other than the fee charged under the Share Lending Agreement, described below.

The placing of the Placing Shares is expected to be completed on or around 30 November 2023.

The Share Lending Agreements provide for the allotment of an aggregate of 11,990,665 new ordinary shares in the Company to James Knowles & Ayub Bodi by 30 June 2024 to replace the shares loaned in terms of the Share Lending Agreement.

A fee, equal to 8.25% per annum of the values of the Placing Shares on the day of Placing will be charged on each loan, pro-rata for the period of the loan, which will be paid in cash unless, if agreed between the Company and the relevant director that such fee should be satisfied by the allotment of ordinary shares in the Company.

Related Party Transaction

James Knowles and Ayub Bodi are directors of the Company. The Share Lending Agreement is considered to be a related party transaction **(the "Related Party Transaction").**

Marc Sale, Marc Bamber and Andrew Williamson, being the independent directors for the purpose of this Related Party Transaction consider that the terms and conditions are fair and reasonable.

James Knowles, Executive Chairman of First Class Metals PLC Commented:

"We decided as a board it was necessary to take advantage of this opportunity in what is an otherwise difficult and extremely competitive market to raise funds to enable the development of the high impact first drill program on the Zigzag lithium/Critical Metals Property and also repay the outstanding CLN.

As a company, we understand the importance of maintaining a strategic balance between developing our highly prospective portfolio and effectively managing our available financial resources. We aim to advance our projects to a stage where they become conducive to monetise. This approach ensures that we maximize the potential of our portfolio while optimizing resource allocation. We are dedicated to carefully navigating this balance and strategically driving our company's growth and success.

I am pleased to be able to assist the company at this time by loaning a significant portion of my holdings to First Class Metals. By doing so, I willingly accept the commercial risk associated with this transaction. My decision to make this loan stems from my utmost confidence in the assets held by First Class Metals, as well as the exceptional capabilities of our operational team. I firmly believe that through their expertise and dedication, we will achieve success and deliver value for all stakeholders involved.

Furthermore, at this point, the Share Loans will reduce the impact of dilution for all shareholders until the Company is in a position to allot new shares to return the loan and allows all shareholders to benefit from any potential uplift when we have tangible results published, from our more advanced projects."

Issue of Fee Shares

In addition, 1,940,665 Placing Shares are being placed with various professional partners, including Sanderson Capital Partners (who have now made a new small non-dilutive working capital facility available to the company), to satisfy fees due in connection with the fundraise and also to satisfy outstanding professional fees from parties who have opted to take payment in shares over a cash payment. We welcome this commitment to the Company.

For Further Information:

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