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First Class Metals PLC
18 December 2024

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

18 December 2024

Proposed Strategic Investment by Seventy Ninth Group via Conditional Subscription

First Class Metals PLC ("First Class Metals" "FCM" or the "Company")the Canada focused precious and base metal explorer, with extensive land holdings in northern Ontario, announces that it has entered into a conditional subscription agreement (the "Subscription Agreement") with The 79th GRP Limited ("Seventy Ninth Group" or the "Investor") regarding a proposed investment ("Proposed Investment").

Highlights:

- Proposed Investment in two stages by Seventy Ninth Group of approximately £2.18 million subject, inter alia, to FCM shareholder approval
- On completion of both stages of the Subscription Agreement, Seventy Ninth Group will own approximately 51.2% of the enlarged share capital of FCM
- Strategic investment to accelerate the development of project portfolio
- Potential for business synergies to create new project acquisition opportunities
- Deal will represent Seventy Ninth Group's first external equity investment in the exploration sector

James Knowles, Executive Chairman, commented:

"We are delighted to announce the proposed significant investment in First Class Metals by Seventy Ninth Group, a diversified asset manager with a track record of deal selection and value creation. The deal will provide FCM with an enhanced capability to unlock the potential of our northern Ontario assets. This investment demonstrates the strength of our proposition, particularly against the challenging backdrop of UK capital markets. Securing funding of this nature is essential to advancing our exploration efforts and building shareholder value. With the backing of Seventy Ninth Group, a supportive partner with global reach, we are well-positioned to drive forward our projects efficiently and responsibly."

David Webster, Chairman of TheSeventy Ninth Group, commented:

"I am delighted that Seventy Ninth Group is making this investment in First Class Metals. As an international conglomerate, we will utilise our global presence to add value across the portfolio and apply the full support of the group's expertise in developing and financing assets. As we already hold exploration projects in the Republic of Guinea and Ontario, Canada, this investment strengthens our position in the global mining industry whilst giving us increased exposure to a top-tier mining jurisdiction."

The Seventy Ninth GroupInvestment Terms

The proposed investment ("Subscription") is to be completed via a direct subscription into the Company in two stages for a total 128,500,000 ordinary shares of £0.001 ("Shares") at 1.7p per Share ("Subscription Shares").

The first stage of the Subscription consists of 78,552,084 Shares ("Stage 1 Shares") and uses the Company's current shareholder authority to issue shares on a non-pre-emptive basis, subject to the publication of an FCA approved prospectus and shareholder approval of a Rule 9 Waiver at a General Meeting of the Company ("GM").

The second stage of the Subscription consisting of 49,947,916 Shares ("Stage 2 Shares") will be issued subject to additional shareholder authority at a second GM to allot additional shares and disapply pre-emption rights along with shareholder approval for a second Rule 9 Waiver.

Seventy Ninth Group does not currently hold any Shares in the Company however it has lent £500,000 to the Company in two tranches as announced on 13 June 2024 and 8 October 2024 and under the terms of theSubscriptionAgreement such loans together with accrued interest will be capitalised by the issue of new Shares as part of the Subscription. Following the issue of the Stage 1 Shares, Seventy Ninth Group will hold 78,552,084 Shares in the Company equating to approximately 41.0% of the enlarged share capital of the Company. After the issue of the Stage 2 Shares, Seventy Ninth Group will hold 128,500,000 Shares equating to 51.2% of the enlarged share capital of the Company. The percentage of the enlarged share capital after completion of Stage 1 of the Subscription takes into account the issue, simultaneously with such completion, of (a) 5,995,332 Shares to Mr Ayub Bodi in repayment to him of Shares lent to the Company on 24 November 2023 (b) 5,882,353 Shares to OnGold Investment Corp. under the Ongold Agreement dated 26 June 2024 and (c) 492,352 Shares to Broken Rock Resources Limited under the Quinlan Agreement dated 21 March 2024. The percentage of the enlarged share capital after completion of Stage 2 of the Subscription takes into account the issue, simultaneously with such completion, of 9,500,001 Shares to Mr James Knowles in repayment to him of Shares lent to the Company on 2 August 2024.

Immediately following the issue of the Stage 2 Shares, the Investor will also be issued 64,250,000 warrants in the Company exercisable at 5p within three years of issue and 64,250,000 warrants exercisable at 10p within five years of issue.

Investment Conditions

Completion of the issue of the Stage 1 Shares is subject to (i) publication of an FCA approved prospectus, (ii) shareholder approval by independent shareholders of a waiver in accordance with Rule 9 of the Takeover Code and (iii) admission of the Stage 1 Shares to the Official List and to trading on the Main Market of the London Stock Exchange plc ("First Admission").

Completion of the issue of the Stage 2 Shares is subject to (i) First Admission having occurred; (ii) the Company having the necessary shareholder authorities to issue the Stage 2 Shares, including disapplication of pre-emption rights, (iii) approval by independent shareholders of a waiver in accordance with Rule 9 of the Takeover Code; and (iv) admission of the Stage 2 Shares to the Official List and to trading on the main market of the London Stock Exchange plc.

At First Admission the following board changes will be implemented:

i) David Webster will be appointed as a director of the Company and will become non-executive chairman
ii) James Knowles will step down as Executive Chairman and will become an executive director
iii) Marc Sale will cease to be a director of the Company and will retain the role of CEO

Further announcements will be made in due course on the Investment.

For Further Information:

Engage with us by asking questions, watching video summaries, and seeing what other shareholders have to say.
Navigate to our Interactive Investor hub here:Home | First Class Metals (firstclassmetalsplc.com)

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NOTES TO EDITORS

First Class Metals PLC - Background

First Class Metals listed on the LSE in July 2022 and is focused on metals exploration in Ontario, Canada which has a robust and thriving junior mineral exploration sector. In particular, the Hemlo 'camp' near Marathon, Ontario is a proven world class address for gold exploration, featuring the Hemlo gold deposit operated by Barrick Gold (>23M oz gold produced), with the past producing Geco and Winston Lake base metal deposits also situated in the region.

FCM currently holds 100% ownership of seven claim blocks covering over 180km^2 along a 150km strike of the Hemlo-Schreiber-Dayohessarah greenstone belt, exploring for gold, base metals, and rare earth element mineralization. In addition, FCM is carrying out a joint venture with Palladium One on the West Pickle Lake Property in the region, a drill-proven ultra-high-grade Ni-Cu project.

The flagship property North Hemlo had a high-definition low level magnetic Heli-borne survey flown in April 2022, this was followed with ground prospecting which ultimately defined the 'Dead Otter Trend' which is a discontinuous 4.5km gold anomalous trend with a 19.6g/t Au peak grab sample. This sampling being the highest known assay ever recorded on the North Limb of Hemlo.

In October 2022 FCM completed the option to purchase the historical high-grade past-producing Sunbeam gold mine near Atikokan, Ontario, ~15 km southeast of Agnico Eagle's Hammond Reef gold deposit (3.3 Moz of open pit probable gold reserves).

FCM acquired the Zigzag Project near Armstrong, Ontario in March 2023. The property features Li-Ta-bearing pegmatites in the same belt as Green Technology Metals' Seymour Lake Project, which contains a Mineral Resource estimate of 9.9 Mt @ 1.04% Li2O. Zigzag was drilled prior to Christmas 2023 and results have now been released.

The significant potential of the properties for precious, base and battery metals relates to 'nearology', since all properties lie in the same districts as known deposits (Hemlo, Hammond Reef, Seymour Lake), and either contain known showings, geochemical or geophysical anomalies, or favourable structures along strike from known showings (e.g. the Esa project, with an inferred Hemlo-style shear along strike from known gold occurrences).

Forward Looking Statements

Certain statements in this announcement may contain forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. Such forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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