

16 May 2022

**Kendrick Resources Plc**  
**(“Kendrick” or the “Company”)**  
**Exercise of option over Norwegian Projects**

**Kendrick Resources Plc (LSE: KEN)**, a mineral exploration and development company with projects in Scandinavia is pleased to announce that further to its announcement on 6 May 2022, and the information in its Prospectus dated 28 April 2022, that on 13 May 2022, it exercised its option to conditionally acquire the Espedalen, Hosanger, and Sigdal nickel-copper-cobalt exploration projects in Norway (the **“Norwegian Projects”**) (the **“Acquisition”**) from EMX Scandinavia AB (previously named Eurasian Minerals Sweden AB) (**“EMX”**) by the issue of 20,226,757 new ordinary shares in the Company to EMX or its nominee, 50% of these shares shall be subject to a three-month voluntary escrow and the balance of 50% subject to a six-month voluntary escrow. Kendrick has also made a payment of US\$81,949 to EMX. This payment was to meet a shortfall of this amount in the exploration expenditure to be incurred during the option period.

The Acquisition is conditional upon the Norwegian Directorate for Mineral Administration approving the transfer of the licences to a wholly owned subsidiary of Kendrick. The parties anticipate that this approval and transfer process will be completed in approximately four weeks. At the time this process is completed, the Company will apply for the 20,226,757 new ordinary shares to be admitted to trading on the Standard Segment of the London Stock Exchange.

**Colin Bird, Executive Chairman of Kendrick Resources Plc, commented:**

**“I am pleased that we were able to conclude the Option agreement and to welcome EMX as a shareholder in the Company. EMX is a well-known name in the royalty and mining investment business, and we will be pleased to have EMX join the share register. The projects in Norway have excellent potential with several of them containing raw data which is yet to be compiled, analysed, and potentially generate a mineral resource estimate. This is entirely a desktop activity and, as such, will not involve expensive drilling, assays, and associated work. All of our projects are open ended and therefore have potential to increase the current nickel resource and we look forward to drilling the most promising projects at the earliest opportunity.”**

**Project Highlights**

- The Norwegian Projects comprise:
  - The Espedalen Project consisting of 16 contiguous exploration permits covering a combined area of 139.89 km<sup>2</sup>.
  - The Sigdal Project consisting of three exploration licences totalling 30 km<sup>2</sup>.
  - The Hosanger Project consisting of a coherent tenure package of four exploration licences covering 40 km<sup>2</sup>.
- The Espedalen Project, currently contains the following two nickel deposits:
  - *Stormyra deposit* comprising 1.16Mt @ 1% Ni, 0.42% Cu & 0.04% Co and classified as Inferred in accordance with JORC (2012)
  - *Dalen deposit* comprising 7.8Mt @ 0.3% Ni, 0.12% Cu & 0.02% Co and classified as Inferred in accordance with JORC (2012)

- The Sigdal Project contains a geophysical conductor associated with historical mine workings, which has only been tested with two short drill holes, returning gold grades over 10g/t with encouraging nickel and copper mineralisation including:
  - 1.48m @ 0.36% Ni, 0.43% Cu, 10.1g/t Au, & 2.9g/t Ag from 22.6m in hole ER2006-13
- The Hosanger Project contains the historical Litland nickel mine which produced 460,000t of nickel ore grading 1.05% Ni, 0.35% Cu and 0.05% Co from 1915<sup>1</sup> and which remains open at depth ultimately producing 4,170 t of contained nickel.
- Nickel demand is rising due to an increased usage of Li-ion batteries

### Future commitments

- On or before 13 January 2023, the Company has to pay an annual advanced royalty of US\$25,000 per Project to EMX which increases by US\$5,000 annually per Project with effect from 13 January 2024.
- On or before 27 April 2023, the Company has to issue to EMX or its nominee the number of shares which is the lower of i) 9.9% of the Company's then issued share capital and ii) the number of shares whose value based on the then 5-day VWAP equals 20,000,000 of the shares issued at closing of the acquisition (the "Established Value") divided by the 5 day VWAP at the date of issue of these shares.
- beginning on 13 May 2025 and ceasing on the date upon which the Company commissions a Pre-Feasibility Study on any one of the Projects: the Company has committed to one thousand meter drilling for each Project; and
- upon attainment of each development milestone ((milestone 1) being the completion of an economic assessment of mineral potential and (milestone 2) the completion of a feasibility study), the Company shall pay EMX the sum of USD\$500,000. If milestone 1 is not met but milestone 2 is met then an aggregate of USD\$1,000,000, will become due

To facilitate the smooth transfer of the Project Licences the Company has for SEK75,000 (approximately GBP5,700) acquired Caledonian Minerals AS a Norwegian company established by EMX as a clean special purpose vehicle on 8 November 2021 which has to date not carried out any business and has no assets or liabilities. Caledonian Minerals AB is Norwegian Company wholly owned by Viad Royalties AB which is itself a wholly owned subsidiary of EMX and was incorporated as a clean special purpose vehicle on 8 November 2021 and which has to date not carried out any business and has no assets or liabilities.

**Royalty Agreement:** The Parties shall at closing of the Acquisition enter into a royalty agreement under which a 3% net smelter royalty is payable to EMX on commercial production from any of the three Norwegian Projects. A 1% interest in this royalty may be bought back in stages for a total cash consideration of US\$1,000,000 on or before the fifth anniversary of the closing of the Acquisition.

Further information on the Norwegian projects can be found on the Company's website at: <https://www.kendrickresources.com/nickel/>

This announcement contains information which, prior to its disclosure, was inside information as stipulated under Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended).

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### **About Kendrick Resources Plc**

Kendrick Resources Plc is a mineral exploration and development company with projects primarily based across Scandinavia. The principal of its business is to explore the opportunities within the natural resources sector with a focus on battery, base, and precious metals including but not limited to vanadium and nickel. In doing so, the Company is looking to build a long term energy metals business in Scandinavia which delivers energy metals to Europe to help enable its renewable energy transformation by building a top tier energy metals production business.