Cadence Minerals

Azteca operating licence granted

Project update

Metals and mining

11 November 2026

Cadence Minerals has received the Operating Licence (LO) for the Azteca processing plant at its 36.2%-owned Amapá iron ore project in Brazil, following completion of hot commissioning last month. DEV has commenced production at a reduced rate, with full-rate operations expected approximately two weeks after receipt of the remaining US$1.15m working capital under its existing project funding facility. Management continues to target a first shipment before year-end, subject to funding drawdown, feed access and logistics readiness. The licence grant represents an important milestone for the company as it removes a major regulatory uncertainty. We expect first sales and production ramp-up to provide additional support to the shares in the near term.

Year end	Revenue (£m)	PBT (£m)	EPS (£)	DPS (£)	P/E (x)	Yield (%)
12/23	0.0	(3.0)	(0.02)	0.00	N/A	N/A
12/24	0.0	(3.3)	(0.02)	0.00	N/A	N/A
12/25	0.0	(1.7)	(0.01)	0.00	N/A	N/A

Note: PBT and EPS as reported

The five-year LO, granted by SEMA/AP, authorises iron ore processing at Azteca and use of the associated tailings facility. It completes the licensing sequence for the plant, although the wider Amapá redevelopment remains subject to separate approvals. Azteca will transport concentrate by road through an existing public port, avoiding reliance on the proposed railway and private port infrastructure.

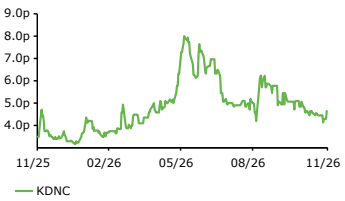
Receipt of the licence satisfies the remaining condition for the US$1.15m working capital tranche under the existing US$4.6m prepayment and offtake facility, of which US$3.45m has already been advanced. Drawdown remains subject to the offtaker's acceptance of DEV's notice. The funds will support mobilisation of additional mining equipment and operating personnel, with DEV expecting to reach full-rate operations approximately two weeks after receipt. Haulage and port-handling contracts are also being finalised.

The production target remains c 380ktpa of c 65% Fe concentrate on design-grade feed, with the first shipment expected to comprise c 45–48kt (wet) of concentrate. Management continues to aim for shipment before year-end, although timing remains dependent on the production ramp-up and logistics preparations. Assay results remain pending, while optimisation testwork, bridge refurbishment and installation of the on-site XRF laboratory are progressing.

The LO grant marks another important step in de-risking the staged redevelopment of Amapá. While Azteca is considerably smaller than the planned full-scale project, successful commercial operations should demonstrate DEV's operating capability and establish a track record that would support the next stage of development. Cash generated after operating costs and funding obligations is intended to finance the definitive feasibility study, planned to commence in 2027, and further licensing work for the wider project. With the shares up c 8% on the day of announcement, we believe the first shipment, successful ramp-up and transition to sustained commercial production should provide further support for the share price as Azteca begins to demonstrate its cash-generating potential.

Price	**4.70p**
Market cap	**£23m**
Pro-forma net cash/(debt)	£2.2m
Shares in issue	481.8m
Code	KDNC
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



Business description

Cadence Minerals is an early-stage investment and development company in the mining space. Its main asset is a 36.2% interest in the integrated Amapá iron ore project in Brazil.

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