August 26, 2026

Smartkem

# SmartKem Welcomes Ferrox Plans to Accelerate Tivani Project Toward Q4 Demonstration Production

## Earlier-than-anticipated pathway targets initial production of approximately 56% $TiO_2$ ilmenite concentrate and 62% Fe magnetite concentrate through on-site preparation and Tivani Toll-milling

*Tivani Toll-milling site in South Africa, showing the spiral concentrator, mill and associated processing infrastructure planned to support demonstration-scale processing of Tivani material.*

WILMINGTON, Del., Aug. 26, 2026 (GLOBE NEWSWIRE) -- Smartkem, Inc. (Nasdaq: SMTK) ("Smartkem" or the "Company") today welcomed the announcement today that Ferrox Critical Materials (Ferrox), the company’s proposed merger partner, is advancing an accelerated development program for the Tivani Project in Limpopo, South Africa, designed to bring a working demonstration-scale processing circuit into operation during the fourth quarter of 2026, earlier than previously contemplated.

The revised pathway is intended to move Tivani from development into initial revenue-generating production using a combination of on-site ore preparation and wash-plant infrastructure at Tivani and a toll-milling arrangement with S. African local operator. The demonstration program is targeting production of an ilmenite concentrate grading approximately 56% $TiO_2$ and a magnetite concentrate grading approximately 62% Fe, subject to commissioning, metallurgical performance and final operating parameters.

**Key Development Highlights**

- Targeting a working demonstration plant during Q4 2026, which could bring the project's initial production timeline forward.
- Tivani Toll-milling arrangement is anticipated to provide a faster route to demonstration-scale processing while permanent Tivani infrastructure continues to advance.
- On-site wash-plant construction and site works at Tivani are progressing to prepare material for downstream processing.
- Target concentrate specifications of approximately 56% $TiO_2$ ilmenite and 62% Fe magnetite.
- Purchase order signed with Sound Mining for optimization of the Tivani open-pit mine plan, supporting the transition from resource definition toward practical mine scheduling and production planning.

**Accelerating the Path to Initial Production**

Ferrox's near-term strategy is to reduce the time required to demonstrate commercial processing of Tivani ore by using existing third-party milling infrastructure in local South African operation while advancing complementary infrastructure at the Tivani Mine site. This approach is designed to enable the project team to establish operating data, product quality and initial sales capability before completion of a larger permanent processing build-out.

The Toll-milling route is expected to provide Ferrox with a practical platform to demonstrate the separation and upgrading of Tivani's titanomagnetite mineralization into two saleable mineral concentrates. The company expects the demonstration campaign to generate operating information that can be incorporated into the design, scale-up and financing of subsequent production modules.


*Equipment installation activity at the Toll-milling site, where Ferrox plans to process Tivani material under a toll-milling arrangement as part of the accelerated Q4 2026 demonstration program.*

**Tivani Mine-Site Work Continues in Parallel**

In parallel with the Tivani Toll-milling program, Ferrox is advancing work at the Tivani Mine site, including construction of a wash plant and associated site preparation. The mine-site work is intended to support material handling, washing and preparation ahead of downstream concentration and to establish the infrastructure required for a repeatable production flow from mine to product.

Ferrox has also recently issued a purchase order to Sound Mining for optimization of the Tivani open-pit mine plan. The work is expected to refine mining sequences, production scheduling and the practical integration of mine output with the demonstration and scale-up processing strategy.

*Tivani Mine site in Limpopo, South Africa, showing material and active site-development areas supporting the project's mine and processing work program.*

**Building Toward Revenue and Scale**

Ferrox believes the accelerated demonstration program can materially de-risk the next stage of Tivani development by establishing a shorter route to physical product, customer qualification and initial revenue. Subject to successful commissioning and product performance, the company expects the demonstration operation to provide a bridge between the current development phase and larger-scale modular production.

The immediate technical objective is to consistently produce two concentrates from Tivani material: an ilmenite concentrate at approximately 56% $TiO_2$ and a magnetite concentrate at approximately 62% Fe. Final product specifications, recoveries, throughput and economics will depend on commissioning results, feed characteristics and operating conditions.

> *"The objective is simple: move Tivani from development into physical production sooner, prove the flowsheet at meaningful scale, and begin creating real operating and commercial data. By combining the work underway at the Tivani Mine site with the Tivani Toll-milling route, we believe we can materially accelerate that process and target initial concentrate production in the fourth quarter of 2026."*
>
> **— Terrence Duffy, Chairman & CEO, Ferrox Critical Minerals**

**About the Tivani Project**

The Tivani Project is a titanium- and iron-bearing mineral project located in Limpopo Province, South Africa. Ferrox is developing the project around the production of ilmenite and magnetite concentrates, with a staged development strategy intended to establish early production and progressively expand capacity as technical, commercial and financing milestones are achieved.

**About Smartkem, Inc.**
Smartkem develops and manufactures custom electronic materials designed to enable the next generation of electronics. Our advanced TRUFLEX® materials integrate into existing manufacturing processes, supporting efficient, scalable production and high-performance outcomes across a broad range of electronic applications. We combine materials science expertise with practical engineering to deliver tailored solutions for partners seeking to innovate in electronics.

For more information, visit the Smartkem website or follow on LinkedIn.

**About Ferrox Critical Minerals**
Ferrox Critical Minerals was incorporated in 2006 as a holding company for a portfolio of South African mineral assets. The company's strategy is focused on the development and production of titanium, iron and vanadium products from its flagship Tivani Deposit in the Limpopo Province of South Africa.

The company is incorporated in the British Virgin Islands (BVI) and operates through several South African subsidiaries, including Tivani (Pty) Limited and Tivani Projects (Pty) Limited. Its primary operating asset is the Tivani Project, in which Ferrox holds a 74% beneficial interest through its subsidiary structure.
Ferrox is fully compliant with South Africa's Broad-Based Black Economic Empowerment (B-BBEE) legislation. Red River Exploration and Mining (Pty) Limited, the project's B-BBEE partner, holds a 26% interest in the Tivani project and other joint ventures and has the option to extend its participation by acquiring neighbouring extension properties.

For more information, visit the Ferrox website.

**Additional Information and Where to Find It**

In connection with the proposed transaction between the Company and Ferrox, the Company intends to file with the SEC a Registration Statement on Form S-4 (the "Registration Statement") to register the common stock to be issued in connection with the proposed transaction. The Registration Statement will include a proxy statement of the Company and a prospectus of the Company (the "Proxy Statement/Prospectus"). Each of Ferrox and the Company may file with the SEC other relevant documents concerning the proposed transaction. After the Registration Statement is declared effective, the definitive Proxy Statement/Prospectus will be sent to the stockholders. This is not a substitute for the Registration Statement, the Proxy Statement/Prospectus or any other relevant documents that Ferrox or the Company has filed or will file with the SEC. BEFORE MAKING ANY INVESTMENT DECISION, INVESTORS AND STOCKHOLDERS OF THE COMPANY ARE URGED TO CAREFULLY AND ENTIRELY READ THE REGISTRATION STATEMENTAND PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT FERROX, THE COMPANY, THE PROPOSED TRANSACTION, AND RELATED MATTERS. A copy of the Registration Statement, Proxy Statement/Prospectus, as well as other relevant documents filed by Ferrox and the Company with the SEC, may be obtained free of charge, when they become available, at the SEC's website at www.sec.gov. The information on Ferrox's or the Company's respective websites is not, and shall not be deemed to be, a part of this communication or incorporated into other filings either company makes with the SEC.

**Forward-Looking Statements**
All statements in this press release that are not historical are forward-looking statements, including, among other things, the impact that the transaction will have on the Company's balance sheet and its ongoing cash requirements, the potential dilutive effect of the issuance of the securities in connection with the debt conversion agreement, its market position and market opportunity, expectations and plans as to its product development, manufacturing and sales, and relations with its partners and investors. These statements are not historical facts but rather are based on Smartkem, Inc.'s current expectations, estimates, and projections regarding its business, operations and other similar or related factors. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expect," "intend," "plan," "project," "believe," "estimate," and other similar or elated expressions are used to identify these forward-looking statements, although not all forward-looking statements contain these words. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties, and assumptions that are difficult or impossible to predict and, in some cases, beyond the Company's control. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to revise or update information in this release to reflect events or circumstances in the future, even if new information becomes available.

Photos accompanying this announcement are available at

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Source: SmartKem Inc.