

Alphamin Resources Corp.: Quarterly Update, ended June 30, 2019

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GRAND BAIE, Aug. 29, 2019 - [Alphamin Resources Corp.](#) (AFM:TSXV, "Alphamin", or the "Company") is pleased to announce financial and operating results for the three and six months ended June 30, 2019. All financial figures are in U.S. dollars.

Operational Highlights:

- Excellent safety performance with zero lost time injuries during the quarter
- Plant performance and overall recoveries significantly improved post quarter-end to 65% for the month of August 2019 (target of ~72%)
- Commercial production expected during the quarter ending September 2019
- Contained Tin production of 636 tons for the quarter ended June 2019 and monthly production of 672 tons and 809 tons achieved post quarter-end for July and August 2019 respectively
- Contained Tin production guidance for the six months ending December 2019 of 4,000 – 4,500 tons
- AISC of \$10,000 to \$12,000 per ton of contained Tin produced guidance for the six months ending December 2019
- Concentrate sales pipeline full post quarter-end with regular revenue proceeds
- Working capital position strengthened post quarter-end

This news release should be read in conjunction with Alphamin's quarterly consolidated financial statements and quarterly highlights for the three and six months ended June 30, 2019, which is available on Alphamin's website and on SEDAR. Certain financial information is reported herein using non-IFRS measures. See Non-IFRS Financial Performance Measures below and in Alphamin's accompanying Q2-2019 Management's Discussion and Analysis.

Operational Summary and guidance to December 2019

A financial summary is not being presented since commercial production has not been achieved by quarter-end. The following table sets forth selective operational information for the quarter ended June 30, 2019 and the months of July and August 2019:

Description	Units	Actual		
		Quarter ended June 2019	Month to 31 July 2019	Month to 29 August 2019
Tons processed	Tons	36 336	29 970	21 083
Tin grade	% Sn	4,7	5,4	5,9
Overall Plant recovery	%	37	42	65
Payable Tin produced	Tons	636	672	809
Payable Tin sold	Tons	157	372	650

Operational:

The operation has continued with its excellent safety record with zero lost-time injuries recorded during the past quarter.

Plant construction was completed during Q2, 2019 and overall processing recoveries increased significantly post quarter-end due to improved equipment availabilities, operator upskilling and consistency of feed material to the plant. Tin losses in the circuit have been identified and process flow changes made to reduce the losses of tin to the fine and ultrafine flow streams. As a result, the Company achieved an overall recovery

of 65% during the month of August 2019 (compared to design levels of ~72%). Accordingly, the Company expects to achieve commercial production during Q3 2019.

The grade and tonnages from underground mining have shown a strong correlation to the Company's Mineral Resource model. Maintaining the volume of material mined remains under pressure as the Company awaits delivery of its 3rd drill rig and underground loader in Q4 2019. The operational team is focusing on maintaining the capital development required to establish the next set of stopes on levels 5 and 7. The level 5 elevation has been reached and ventilation ways and services must be established in order for stoping to commence in late Q3 2019. Stopping operations on level 7 are required to commence in Q1 2020 and the decline is advancing towards level 6.

Company guidance for the remainder of the financial year:

We expect contained tin production of between 4000 tons and 4500 tons for the six months ending December 2019 with run-of-mine grades averaging around 5% and overall plant recoveries in the range of 55% to 70%. The high run-of-mine tin grades planned for the remainder of the financial year is in accordance with the current mine schedule and is expected to taper off to around 4% during the year ending December 2020. The Company expects metallurgical recoveries to stabilise at 65-70% during Q4 2019 and is targeting 70-75% during 2020.

We expect AISC per ton of contained tin to average between \$10,000 and \$12,000 for the six months ending December 2019. This is estimated basis a range of actual operating expenditure recorded during the last three months against a trend of volumes processed, grade and overall plant recoveries up to August 2019.

Working Capital:

The Company's working capital position improved considerably post quarter-end due to the receipt of the Industrial Development Corporation's pro-rata contribution to previous equity raises of \$4.6m, a VAT refund of \$1.5m in the DRC and consistent revenue receipts from much improved production.

Debt obligations and update:

Commercial production is expected during Q3 2019. The Company is required to commence with monthly interest and debt service reserve funding on its credit facility on achieving commercial production. With the original delay in plant commissioning and the recent tin price declines, discussions are ongoing with the lenders to amend the repayment profile of the credit facility which we expect to announce in the coming weeks.

Tin Market:

LME Tin prices have fallen from over \$20,000/t during the quarter ended March 2019 to current levels of around \$16,000/t. This followed an apparent reduction in tin demand associated with challenges faced by the global electronics industry on the back of the US/China and Japan/South Korea trade wars. The Company's focus continues on achieving full production at the lowest possible AISC, which should provide us with a reasonable operating margin based on current tin prices.

Ebola:

The Ebola epidemic has spread geographically to South Kivu and Goma. To date there have been no instances near Bisie itself. Alphamin has strict Ebola control measures in place to enable resident health workers to identify and treat potential and real Ebola cases.

Ebola is a virulent disease, however it can only be contracted if the virus makes direct contact with the mucous membrane or an open wound of an infected person. A person with Ebola is only infectious when they have a high fever. Alphamin has temperature monitoring stations at the entrance to all areas, messes,

accommodation areas and other working areas.

Revised life-of-mine plan:

The revised life-of-mine design and scheduling is in process following the previously announced change in mining method, after which an updated NI 43-101 technical report will be released.

Leadership Changes:

On 12 August 2019, Mr. Boris Kamstra stepped down as CEO and Mr. Maritz Smith was appointed. The Board wishes to thank Mr. Kamstra for having taken the Alphamin reigns some 3 years ago when the Company's Bisie mine was still at a conceptual stage. Mr. Kamstra saw Bisie through to a fully developed operation. The Board welcomes Mr. Smith to the role of CEO in leading the Company through its next phases of creating value for all stakeholders.

FOR MORE INFORMATION, PLEASE CONTACT:

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USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

This news release refers to the following non-IFRS financial performance measures: Earnings before interest, taxes, depreciation and amortization ("EBITDA") and All-In Sustaining Cost ("AISC").

These measures are not recognized under IFRS as they do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. We use these measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of these measures enables us to assess performance trends and to evaluate the results of the underlying business of the Company. We understand that certain investors, and others who follow the Company's performance, also assess performance in this way.

We believe that these measures reflect our performance and are useful indicators of our expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Cash Costs

This measures the cash costs to produce a ton of payable tin. This measure includes mine operating production expenses such as mining, processing, administration, indirect charges (including surface maintenance and camp), and smelting, refining and freight, distribution and royalties. Cash Costs do not include depreciation, depletion, and amortization, reclamation expenses, capital sustaining and exploration expenses.

AISC

This measures the cash costs to produce a ton of payable tin plus the capital sustaining costs to maintain the mine, processing plant and infrastructure. This measure includes the Cash Cost per ton and capital sustaining costs divided by tons of payable tin produced. All-In Sustaining Cost per ton does not include depreciation, depletion, and amortization, reclamation and exploration expenses.

See “Cautionary Notes Regarding Forward-Looking Statements” below as well as “Use of Non-IFRS Financial Performance Measures” in our Management’s Discussion and Analysis for the three months ended June 30, 2019.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information in this news release that is not a statement of historical fact constitutes forward-looking information. Forward-looking statements contained herein include, without limitation, statements relating to the terms and intended completion of the Private Placement, the anticipated use of funds from the Private Placement, the anticipated additional debt drawdown, the participation of the IDC and other stakeholders, costs of production, success of mining operations, the ranking of the project in terms of cash cost and production, economic return estimates, social, community and environmental impacts, and continued positive discussions and relationships with local communities and stakeholders. Forward-looking statements are based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although Alphamin has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: Alphamin’s ability to secure sufficient financing to advance and complete the Project, uncertainties associated with Alphamin’s resource and reserve estimates, uncertainties regarding global supply and demand for tin and market and sales prices, uncertainties associated with securing off-take agreements and customer contracts, uncertainties with respect to social, community and environmental impacts, adverse political events, uncertainties with respect to optimization opportunities for the Project, as well as those risk factors set out in the Company’s Management Discussion and Analysis and other disclosure documents available under the Company’s profile at www.sedar.com. Forward-looking statements contained herein are made as of the date of this news release and Alphamin disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

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