

Alphamin Announces Financial Results for the Quarter Ended June 2020/ Updates Corporate Matters

07.08.2020 | [GlobeNewswire](#)

GRAND BAIE, Aug. 07, 2020 - [Alphamin Resources Corp.](#) (AFM:TSXV, APH:JSE AltX, “Alphamin” or the “Company”) is pleased to report its financial results for the quarter ended June 2020. The Company has filed on SEDAR at www.sedar.com today its interim financial statements and related management’s discussion and analysis for the quarter.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Tin production up 29% to 2,739 tons versus previous quarter
- AISC per ton of tin sold down 13% to US\$10,849 versus previous quarter
- EBITDA of US\$12,9 million
- Q3 2020 production guidance of 2,600 - 2,800 tons contained tin
- Increase in ownership of the Bisie tin mine from 80.75% to 84.14%
- \$31.2m debt reduction concluded concurrently with \$31m offering of shares
- Significant improvement in debt terms following the restructure including an interest rate reduction and partial debt holiday in 2020
- Initiation of significant growth initiatives post quarter-end

Production and Financial Summary for the Quarter ended June 2020¹

A Media Snippet accompanying this announcement is available by clicking on the image or link below:

¹ *Production and financial information are disclosed on a 100% basis. Alphamin indirectly owns 80,75% (84,14% post quarter-end) of its operating subsidiary to which the information relates.*

Operational Performance:

Tin production increased 29% to a quarterly record 2,739 tons and was higher than our previous market guidance due to better than expected tin feed grades. Plant throughput increased 8% to 91,928 tons from higher underground volumes derived from the new Open Stopping with Hydraulic Backfill (LHS) mining method. During the quarter, mined volumes exceeded plant throughput by some 4,000 tons increasing the run-of-mine stockpiles. The processing plant is performing well and various initiatives aimed at achieving consistently higher throughput are underway.

The all-in sustaining cost per ton of payable tin sold reduced by 13% to US\$10,849 mainly attributable to increased tin production. Additionally, the previous quarter’s costs were negatively affected by high arsenic penalties and exceptional logistical costs incurred while the national road bridge was under repair.

The Bisie tin mine recorded two lost-time injuries during the past quarter. An employee and a contractor sustained minor injuries during two separate accidents – and both have returned to work.

Production Guidance for the next Quarter:

We expect contained tin production of between 2,600 and 2,800² tons for the quarter ending September 2020. The tin price has recently increased to around US\$18,000/t compared to a price realized of US\$15,359/t during this past quarter which, if maintained, bodes well for the next quarter’s EBITDA and cash flow generation.

Covid-19 Pandemic and Impact on Operations:

The health of our employees is of paramount importance and in this regard the Company has a range of Covid-19 awareness, prevention and other risk mitigation controls in place.

To date, the Company has been able to continue with normal production and concentrate sales activities.

Debt reduction and reprofiling:

On May 15, 2020 the Company completed an offering of common shares pursuant to which an aggregate of 312,319,539 common shares were issued (approximately US\$31.01 million) (the "Offering").

Cash proceeds from the Offering, together with existing cash resources, were applied to a US\$31,2 million debt prepayment in return for improved loan terms as set out below:

² Production guidance is based on certain estimates and assumptions, including but not limited to: quantity of material processed, tin grades of processed material and processing recoveries and assumes mining operations will continue to be conducted in the same manner as the previous quarter and will not be further impacted by the Covid-19 pandemic or any other logistical issues.

	Previous key terms	Post restructure key terms
Interest rate	Libor +14%	Libor +10,5%*
Interest payments	\$1,3m per month reducing against capital repayments	\$0,3m per month to December 2020. Ar month during 2021 and reducing from 2 repayments
Debt capital repayments	\$2,7m per month from July 2020 to June 2023	\$850k per month from July 2020 to Dec \$2,1m per month from January 2021 to 2023
Debt Service Cover Ratio covenant	1,75x	1,5x with waiver to 30 June 2021
Penalty on prepayment	3% payable in cash	1,7% paid in cash
Cash sweep as mandatory payment against loans	30% of excess cash flows	50% of excess cash flows

* Reverts to Libor +14% on outstanding loans from January 2022 with prepayment penalty reducing to 0%
 # Debt capital repayments subject to the LME tin price averaging above US\$13,000/t for the month preceding payment

These revised debt terms reduce Alphamin's estimated break-even tin price, inclusive of debt servicing, by between \$2,000 to \$3,000/t³ to an estimated \$13,000/t³ of payable tin produced during 2020 and 2021.

The recently completed Offering proceeds were advanced to the Company's 80,75% subsidiary, ABM, under a temporary shareholders loan which was converted into equity through a rights issue by ABM. As a result of the transaction, the Company's ownership of ABM will increase to 84.14%.

Growth Initiatives:

Following the debt reduction and restructuring, the balance sheet has been strengthened and coupled with the increase in tin prices, the Company has initiated some growth initiatives as set out below.

As part of the Company's two-year strategy to produce over 12,000 tons of contained tin per year and proving additional resource and life-of-mine extensions, the following initiatives were initiated post quarter end:

³ Debt service break-even guidance is based on certain estimates and assumptions, including but not limited to: quantity of material processed, tin grades of processed material and processing recoveries and assumes mining operations will continue to be conducted in an uninterrupted manner and will not be further impacted by the Covid-19 pandemic or any other logistical issues.

Fine Tin Recovery Project:

Alphamin has appointed Obsideo (Pty) Ltd as its engineering, procurement and construction management (EPCM) contractor for the execution of its Fine Tin Project (FTP). The FTP is focussed on treating the tailings stream from its gravity concentration plant at Bisie to recover the fine to ultra-fine tin particles.

"When we first commissioned the gravity concentration plant at Bisie, we were focussed on ramping up to a production level of 10,000 tonnes of payable tin per annum, which we have surpassed since Q2 2020 at an annualised ~11,000 tonnes. We believe we can increase plant throughput by another 10% through minor plant de-bottlenecking activities; this could increase annual tin production to ~12,000 tonnes. Additionally, in our efforts to maximise metallurgical recoveries, we have identified process flow streams that contain fine, recoverable tin, and have selected proven metallurgical technology to recover the fine tin from these streams, which should increase tin output further at very low incremental operating costs," said Maritz Smith, CEO of Alphamin.

The FTP will utilise Multi Gravity Separators (MGS), set-up in rougher-cleaner configuration, to treat a 20 ton per hour process flow stream from the current plant's tailings running at a grade of 0.8-1.1% tin. The FTP is estimated to produce a concentrate containing 45-55% tin which will be blended with the concentrates from the main gravity concentration plant to produce a final concentrate estimated to contain 60% tin.

The MGS technology was selected for the FTP as a result of its proven track record in the tin industry to recover particles down to 10µm in size, low energy requirements and the high upgrade ratios achievable. Internal analysis shows the FTP has the potential to increase production at Bisie by 400-800 tonnes of payable tin per annum. By increasing units of production at a very low incremental cost, the FTP is expected to further decrease our all-in sustaining costs (AISC), securing our place as a lower quartile cost producer," said Smith.

The projected timeline for the FTP execution from approval to achieving nameplate capacity is 11-months. Orders for the long lead items have already been placed and the total project expenditure is estimated at US\$4,6 million.

Mpama South Drilling Program:

Alphamin has appointed T3 Drilling SARL, an internationally recognised drilling contractor, to undertake a 6,000 metre diamond core drilling program at its Mpama South prospect, expected to commence in Q3 2020. Mpama South is located approximately one kilometre south of the main processing plant at Bisie and the drilling program has been designed to delineate a maiden Mineral Resource at Mpama South.

Between 2012 and 2013, Alphamin drilled 19 drill holes for 3,364 metres to determine the extent and nature of the mineralization at Mpama South. Two distinct mineralized zones were intercepted, an upper zone showing well-developed lead, zinc and silver mineralization, and a lower zone rich in tin and copper.

We are encouraged by the historical drilling results from Mpama South and we are optimistic that by applying our exploration experience as demonstrated at Mpama North, that this drilling program will deliver sufficient information to support the declaration of our maiden Mineral Resource at Mpama South and allow for possible extension to the life of operations at Bisie," commented Smith. "While Mpama South is the first drill target post-successful commissioning of the Mpama North operations, we have already identified a number of areas along the Bisie Ridge showing soil geochemistry anomalies similar to those found at Mpama North. We expect to generate a further 3-5 drill targets from these anomalies over the next 18-months. Additionally, plans are being developed for deep level drilling at our producing Mpama North orebody which is currently open at depth."

Grant of Stock Options

The Company also announces that, subject to regulatory approval, it has granted stock options to acquire an aggregate of 2,277,115 common shares to senior officers of Alphamin under its stock option plan. Each option is exercisable for a 7 year period to acquire one common share at a price of C\$0.20 per share. The options granted vest over a period of 4 years from the date of grant

Board Composition

Subject to regulatory approval, Mrs Zain Madarun and Mr Sean Naylor were appointed to the board of directors of the Company.

Sean is a director of Wadeville International (Mauritius) Ltd, a significant shareholder in Alphamin. He has extensive experience in Southern and Central African private equity and commodity trading. He previously worked for Metmar Limited, a JSE listed commodity trading business.

Mrs Madarun has been the Company secretary since 2014. She is a chartered accountant and serves as Managing Director of Adansonia Management Services Ltd, a management services company based in Mauritius. Mrs Madarun's appointment complies with the Mauritian Companies act requirement to have a female on the board of directors.

Qualified Person

Mr Vaughn Duke Pr.Eng. PMP, MBA, B.Sc. Mining Engineering (Hons.), is a qualified person (QP) as defined in National Instrument 43-101 and has reviewed and approved the scientific and technical information contained in this news release. He is a Principal Consultant, Partner and Director of Sound Mining Solutions, an independent technical consultant to the Company.

FOR MORE INFORMATION, PLEASE CONTACT:

Maritz Smith
CEO
[Alphamin Resources Corp.](#)
Tel: +230 269 4166

E-mail: msmith@alphaminresources.com

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.

EBITDA

EBITDA provides insight into our overall business performance (a combination of cost management and growth) and is the corresponding flow drivers towards the objective of achieving industry-leading returns. This measure assists readers in understanding the ongoing cash generating potential of the business including liquidity to fund working capital, servicing debt, and funding capital expenditures and investment opportunities. EBITDA is profit before net finance expense, income taxes and depreciation, depletion, and amortization.

AISC

This measures the cash costs to produce and sell a ton of payable tin plus the capital sustaining costs to

maintain the mine, processing plant and infrastructure. 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, royalties and capital sustaining costs divided by tons of payable tin sold. All-In sustaining cost per ton sold does not include depreciation, depletion, and amortization, reclamation, borrowing costs and exploration expenses.

Sustaining capital expenditures are defined as those expenditures which do not increase payable mineral production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature.

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 anticipated production volumes and anticipated tin grades and processing recoveries, future exploration at Mpama South and the establishment of a fine tin recovery project and its effects on production volumes and ASIC. 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: uncertainties associated with Alphamin's resource and reserve estimates, uncertainties regarding estimates of the expected mined tin grades, processing plant performance and recoveries, risks associated with mineral exploration programmes and mining operations, uncertainties regarding global supply and demand for tin and market and sales prices, uncertainties with respect to social, community and environmental impacts, adverse political events, impacts of the global Covid-19 pandemic on mining operations and commodity prices 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.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/358551--Alphamin-Announces-Financial-Results-for-the-Quarter-Ended-June-2020--Updates-Corporate-Matters.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).