

MINING FLASHNOTE

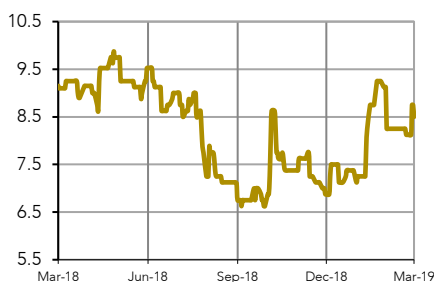
Fox Marble Holdings (FOX LN)

07 March 2019

Stock Data

Share Price:	8.5p
Market Cap (M):	£19.6
EV (M):	£20.1

Price Chart



52 Week Range

6.625p	8.5p	9.875p
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Company Summary

Fox Marble Holdings plc is a natural stone extraction company operating in Kosovo and the Balkans region. The Company is currently extracting blocks from the Cervenilla, Malesheva, Prilep and Syrigane quarries and constructing a cutting and polishing plant in Kosovo.

MAIN SHAREHOLDERS HOLDING

Gilbert Christopher	8.95%
Kesari Tours Pvt	8.74%
Etrur Albani	8.02%
Hargreaves Lansdown	6.86%
Milton Group PLC	6.41%
AJ Bell Securities	5.60%
HSBC Holding	4.87%

Source: Fox Marble Holdings and Bloomberg

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Fox Marble Announces Resumption of Production in Northern Macedonia and New Sales

The Event

Fox Marble has announced the resumption of production after the usual winter shut down of Alexandrian marble from its Prilep quarry in Northern Macedonia. The quarry, which contains white marble marketed as Alexandrian White, is now also producing substantial quantities of Alexandrian Blue from a newly developed section on the East side of the site. The quarry is expected to benefit from the deployment of additional equipment to significantly increase production levels to satisfy growing demand.

Comment

This is the first time that Fox-Marble has sold blocks of material in February in bulk. Normally the harsh winter temperatures preclude quarrying operations until March, so BHC sees this press release as a significant positive. Additionally, these sales are to another new customer.

Fox Marble sold, and received payment for, 400 tonnes of Alexandrian white blocks. The customer is shipping these blocks to their long-established facility in Drama in Northern Greece for processing. This customer was responsible for supplying similar material to the Sheik Zayed Grand Mosque in Abu Dhabi and is intending to purchase additional quantities of Fox-Marble on a regular basis throughout the year.

Since the press release in early February, this is the second news release detailing new orders and customers, which is really encouraging. We also note that production increased from 8,811t in 2017 to 12,561t in 2018. A look at the most recent balance sheets and the inventory levels suggests that most of this production is being sold as the inventory value on the balance sheet barely changed. With the good news re additional sales and the benefits of additional production due to the new equipment, BHC anticipates production of better than 17,000t of marble in 2019 and sales of significantly better than €3M.

Research Disclosures

Peter Rose

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 07 March 2019

<u>Company Name</u>	<u>Disclosure</u>
Fox Marble Holdings (FOX LN)	1, 2, 3, 7, 8, 9

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