

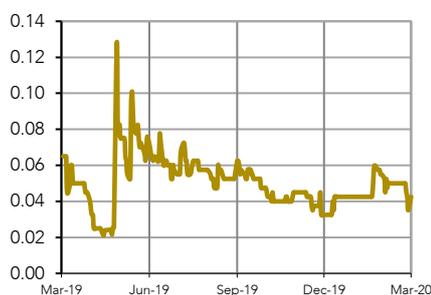
**MINING FLASHNOTE**

# Edenville Energy PLC (EDL AIM)

02 March 2020

**Stock Data**

Share Price:	0.0425p
Market Cap (M):	£2.9
EV (M):	£3.4

**Price Chart**

**52 Week Range**

0.1612p	0.0425p
0.0175p	

**Company Summary**

Edenville Energy is a developing coal producer in south-west Tanzania. Originally developed to produce coal for a proposed coal fired power station, the postponement of this project has necessitated Edenville seeking other markets.

**MAIN SHAREHOLDERS HOLDING**

Brandon Hill + Directors	23.51%
Pitchcroft Capital + Director	23.30%
Spreadex	7.18%
Edenville Directors	5.4%

Source: Edenville Energy & Bloomberg

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## Edenville Energy Releases an Operational Update

### Event

Edenville Energy PLC ("Edenville") has released an update regarding mining operations at Rukwa and the status of discussions with a potential strategic partner (the "Strategic Partner") for the Project.

### Comment

Perhaps the two most important issues mentioned in this RNS from Edenville are that:

1. An on-site operational advisor has been recruited
2. Mining has been moved to the northern pit and the south pit is considered mined out.

It has been BHC's view all along that the mine could not be operated remotely from the UK and we believe that the appointment of an experienced advisor with historic involvement in the Project is a major step in the right direction. Ceasing mining for the south pit is another major positive as the northern pit has thicker coal seams and a lower strip ratio, so mining costs on a per tonne basis should be significantly reduced. The lower quantities of ash contained in the thicker coal seams should also aid the performance of the wash plant.

Attention has also been devoted to the wash plant. A detailed review has been completed with minor plant modifications being made. The wash plant is now operating again and continuous production is targeted for early March 2020. One of the key issues historically had been the lack of spares and it is positive to see that this issue has been targeted.

It is interesting that a stockpile of approximately 6,000 tonnes of unwashed run of mine ("ROM") coal, which was mined from the southern pit at Rukwa, has been established adjacent to the wash plant. Once the issues regarding the wash plant availability have been resolved in March, this should come in useful and prove a major help in maintaining throughput.

The major issue at Rukwa was always a lack of washed coal to sell. Demand in the locality is high and Edenville have historically been unable to meet this demand. Hopefully the solutions now being put in place and directed towards the major problems at Rukwa will resolve these issues and see a substantial increase in production and a return to profitability.

On a separate issue, Edenville has been in discussions with a potential strategic partner for the Project since early December 2019. The Company confirms that these discussions are progressing and a non-binding heads of terms has been agreed with the Strategic Partner covering a potential asset-level loan, a potential coal mining agreement and a potential coal marketing agreement. The Strategic Partner recently visited the Project and is now conducting due diligence on Edenville's operations. Whilst there is no guarantee that this period of due diligence will lead to a successful outcome for the Company, the Board is encouraged by the progress that has been made to date and looks forward to providing further updates regarding the Strategic Partner as appropriate.

## Research Disclosures

### Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 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 02 March 2020

Company Name	Disclosure
Edenville Energy PLC (EDL AIM)	1, 2, 7, 8, 9

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