

## MINING FLASHNOTE

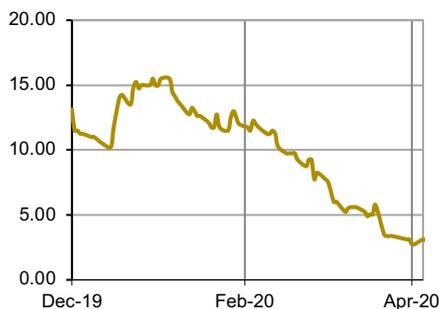
# Pembridge Resources plc (PERE LSE)

21 April 2020

### Stock Data

Share Price:	3.04p
Market Cap (M):	£2.09
EV (M):	£1.79

### Price Chart



### 52 Week Range

16.9p	3.04p
2.5p	

### Company Summary

Pembridge is a copper producer, having re-started production at the high grade Minto copper mine in the Yukon.

MAIN SHAREHOLDERS	HOLDING
Gati Al-Jebouri	19%

*Note: Ownership as stated is pre-fund raising*

*Source: Pembridge Resources & Bloomberg*

## Pembridge Announces Subscription to raise £633k and Variation to Convertible Loan Agreement

### Event

Pembridge Resources plc ("Pembridge") has announced a subscription to raise £633,000 at 3.3p per share and variation to the convertible loan agreement.

### Variation to the Convertible Loan Agreement

As announced on 30 October 2019 and 14 February 2020, the Company entered into a Convertible Loan Agreement with its Chairman and Chief Executive Officer, Gati Al-Jebouri, to borrow up to £3.70M in three tranches. As of today's date, the Company has borrowed £2.95M under this Convertible Loan Agreement. The Company has agreed changes to the terms of the Convertible Loan Agreement as follows:

- removing the right of Mr. Al-Jebouri to convert any of the loans to shares in the Company;
- the maturity date of the loans has been extended from 25 October 2021 to 31 December 2022. The extension in maturity corresponds with the Company's expectations with regard to inflow of funds from Minto Explorations Ltd to the Company; and
- in consideration for these changes, the Company has agreed to increase the interest rate on the loan from 8% to 10% with effect from 1st May 2020, with the accumulated interest to be paid only at the maturity date of the loan with no interim payments.

### Comment

The subscription price is 20% above the closing mid-market price as at 17 April 2020 and reflects the confidence of the subscribers to continue supporting the Company at this time.

Along with many other companies, Pembridge is taking prudent steps to shore up its finances as a consequence of COVID-19. On the 7th April 2020 it announced a 50% reduction in the salary of the CEO. The copper price continues to languish around the US\$2.30/lb mark and with few returns to normal working practices announced in the western world, Pembridge is taking the correct steps early.

In these troubled times, this additional equity capital will strengthen the Company and reduce the need to further drawdown the convertible loan. The fact that the subscription has been conducted at a premium to the market place may be seen as a sign of confidence, both by the board and its major shareholders.

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## Research Disclosures

### **Peter Rose**

Peter has 34 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 14 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 21 April 2020

<u>Company Name</u>	<u>Disclosure</u>
Pembridge Resources (PERE LSE)	1, 2, 7,8

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