

MINING FLASHNOTE

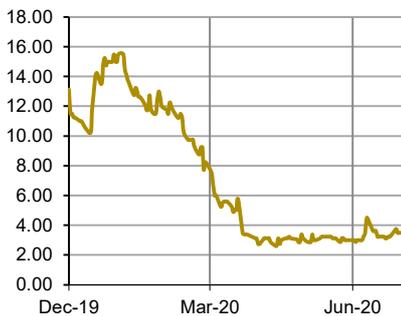
Pembridge Resources plc (PERE LSE)

20 July 2020

Stock Data

Share Price:	3.59p
Market Cap (M):	£2.48

Price Chart



52 Week Range

16.9p		3.59p
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%
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*Note: Ownership as stated is pre-fund raising
Source: Pembridge Resources & Bloomberg*

Pembridge Releases 2Q Minto Operational Update

Event

Pembridge Resources plc ("Pembridge") has announced some production results for the 2nd quarter 2020 at the Minto Mine.

Key Points

Production of copper concentrates in the second quarter 2020 was:

- 6,820 wet metric tonnes
- This generated payments of US\$9.8M

Comment

The second quarter production was broadly in line with the first quarter, but it is disappointing that no copper grades and moisture contents have been released, making a strict comparison difficult. However, the Minto team did manage to maintain operations effectively despite the difficulties arising from the Covid 19 virus. Quarantine restrictions affected operations, but they are a necessary measure that should enable the mine to continue operating safely as long as Yukon Government regulations permit this and the safety of all staff working at the mine is not compromised.

Payments of US\$9.8M were received from Sumitomo, compared to an adjusted US\$13.3M for the first quarter. The pricing of 90% of the cargo shipped to Japan in April 2020 is now fixed at \$2.657 per pound for copper, thus ensuring that all cash advances received already from Sumitomo during 2019 and Q1 2020 and relating to the April cargo shipment are fully covered by the final revenue to be received for the cargo.

More importantly, the copper price is increasing and for the first three weeks of July 2020 has averaged US\$2.85/lb with the spot price being US\$2.91. This should flow through into receipts to be received for future production, giving cashflows a significant boost.

The next shipment to Japan is planned to be before the end of the current quarter, based on current production levels.

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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 20 July 2020

Company Name	Disclosure
Pembridge Resources (PERE LSE)	1, 2, 7,8

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