

Pembridge Resources plc (PERE LSE)

06 November 2019

Company Summary

Pembridge is an aspiring copper producer, re-starting production at the Minto high grade copper mine in the Yukon

Pembridge Receives First Revenue

Event

Pembridge Resources plc ("Pembridge") has announced that following the restart of operations as announced on 15 October 2019, the Minto mine has received its first payment for copper produced.

Highlights

The key highlights are:

- 1,734 dry metric tonnes of concentrate was produced during October 2019
- First Revenue received by Minto of US\$3.4M from Sumitomo

Comment

Under the terms of the Offtake Agreement, an Advanced Payment has been made by Sumitomo to Minto for 90% of the estimated value of concentrate produced at the Minto mine during the month of October 2019. The final, balancing payment ("Final Invoice") will be paid on delivery to Japan, subject to the quotation period as per the terms of the Offtake Agreement. The Final Invoice will consist of the remaining 10%, plus or minus any commodity price changes to the Advanced Payment made, less accrued interest. Transportation and shipping of the copper concentrate is expected to commence in early Q1 2020.

In addition to the copper revenue, the Advance Payment includes precious metals credits and therefore Minto will receive 90% of the revenue from the copper, gold and silver due under the terms of the Offtake Agreement.

This is a good start for the Minto mine and BHC expects to see this figure ramp up over the next 12 months. Although the full details of the production were not announced, assuming that the projected (and historical) copper grade of 38% copper was achieved in October, BHC has calculated that the mine is currently producing at an annualised rate of 7.9Kt of copper. Given that the mine did not start until the 5th October and the mill is currently working on 2 week campaigns until underground production ramps up to full production, this is considered an excellent start. At full production copper production is forecast to be circa 20kt pa.

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Research Disclosures

Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 13 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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<u>Company Name</u>	<u>Disclosure</u>
Pembridge Resources (PERE LSE)	1, 2, 7,8

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