

MINING FLASHNOTE

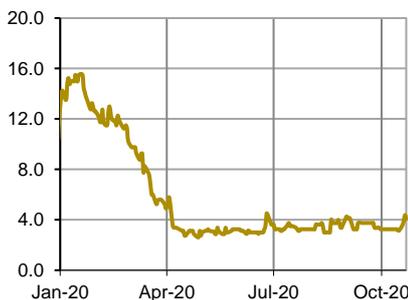
Pembridge Resources Plc (LON PERE)

22 October 2020

Stock Data

Share Price:	4.05p
Market Cap (M):	£3.01

Price Chart



52 Week Range

16.9p		4.05p
2.5p		

Company Summary

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

MAIN SHAREHOLDERS HOLDING

Gati Al-Jebouri	20.7%
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*Note: Ownership as stated is pre-fund raising
Source: Yahoo Finance*

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Q3 2020 operational update for the Minto Mine

Event

Pembridge Resources ("Pembridge") has announced Q3 2020 operational results for its Minto mine located in Yukon, Canada.

Q3 2020 highlights

- Production of 5,707 wet metric tonnes (wmt) of concentrate during Q3 2020 compared with 6,820 wmt in Q2 2020. Although processed ore increased 4.4% to 176,151 metric tonnes during the quarter compared with the previous quarter
- Payments of US\$18.4m received from Sumitomo during the quarter compared with US\$9.8m in Q2 2020
- Pricing of 90% of the concentrate shipped to Japan in August 2020 is now fixed at US\$2.967/lb compared with US\$2.657/lb in Q2 2020, thus ensuring that all cash advances received already from Sumitomo in relation to this produced concentrate are fully covered by the final revenue to be received for the cargo
- Next shipment is planned for November 2020.

Comment

Q3 2020 operational results reveal continued development for the Minto mine. Whilst processed ore was 4.4% higher than Q2 2020 at 176,151 metric tonnes the lower copper concentrate produced, compared with previous quarter, was due to lower copper grades, 1.09% Cu versus 1.32% Cu in Q2 2020. The lower grade was due to mixing from Minto East ore body with newly the sourced Copper Keel ore body. Development of the Copper Keel began in Q3 2020. Management expects copper grades at Copper Keel to improve to previous levels once mine development moves into main ore body.

Mine economics has benefited from improved copper prices as well as additional funding under the recently announced US\$12.5m prepayment facility with Sumitomo, in addition to the existing off-take agreement.

With copper prices having steadily increasing during Q3 2020 and the current spot price at US\$3.14/lb (US\$6,920/t), we expect this to flow through into receipts for future concentrate production thereby increasing existing cash flows. The next shipment to Japan is scheduled for November 2020.

Research Disclosures

Sheldon Modeland, P.GEO

Sheldon is a registered professional geoscientist with over 18 years' experience in the mining industry. Having started his career as an exploration geologist in Canada with Falconbridge (now Glencore) and BHP Billiton, he then spent several years as a research geoscientist with the Saskatchewan Geological Survey. Followed by eight years as a project geologist with AREVA Resources (now Orano). More recently, Sheldon has spent the past nine years on the sell-side as a mining analyst in London covering a range of production, development and exploration companies from FTSE 100 to micro-cap.

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Research disclosure as of 22 October 2020

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

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