

Stock Data

Share Price	2.40p
Market Capitalisation	£19.5m
Shares in issue:	813.7m

Company Profile

Sector:	Mining
Ticker:	ATM
Exchange:	AIM

Activities

AfriTin Mining ('AfriTin', 'the Company', 'ATM') is a tin development and exploration company with a portfolio of high-grade assets in Namibia (including its flagship Uis tin mine) and South Africa (Mokopane tin project). AfriTin's vision is to create a portfolio of world class, conflict-free, tin producing assets and is the first pure tin play on AIM.

Company website: <http://afritinmining.com/>

1-year share price performance



Source: [LSE](#)

Risk warning: Past performance and forecasts are not a reliable indicator of future results.

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AfriTin Mining Limited

AfriTin has today released an operational update for the month of October 2020. The Board confirmed that during this period its [Phase 1, Stage I](#) ramp-up of the Namibian [Uis Tin Mine Project](#) ('Uis') continued according to plan, with production of tin concentrate increasing to 48.2 tonnes, representing a 24% month-on-month increase. The Company remains on track to achieve nameplate production of 60 tonnes/month by the end of 2020. Significantly also in this respect, no confirmed COVID-19 cases have been recorded at Uis to date, with strict mitigation measures remaining in place to safeguard the workforce. Assuming nothing changes on this front, AfriTin will shortly have a platform in place from which to expand production towards [Stage II](#) goals along with the addition of tantalum by-product. Having seen [spot Tin prices](#) stage a dramatic recovery since May, presently taking them close to 17-month highs in anticipation of governments around the world embarking on significant infrastructural and other development programmes to support their post-Pandemic economies, AfriTin has potential to deliver positive monthly operational cash flow for the first time during calendar H1 2021.

Entering the final stage of Phase 1 Stage I ramp-up

AfriTin continues with the Stage I of Phase 1 production ramp-up of its pilot mining and processing facility. For the month of October 2020, it produced 48.2 tonnes of tin concentrate, containing 32.2 tonnes of tin metal, a 24% improvement on September 2020. This production level represents approximately 90% of the Stage I target on the basis of tin contained in concentrate. Management targets the processing of 45,000 tonnes ore/month, to produce 60 tonnes of tin concentrate containing 36 tonnes of tin metal/month at completion of Stage I of Phase 1. Tin concentrate production for the year to date totals 237 tonnes, during which time plant availability (81% for October) and utilisation (85%) have increased, combined with improved plant processing rates (73 tonnes/hour).

The Board's [modelling of Stage I of Phase 1](#) (October 2020) suggested potential to generate a healthy operating profit margin of c.25% with potential to deliver robust free cash flows over the life-of-mine ('LOM'). Since that time, [spot tin prices](#) have risen a further c.5%. Additional development stages have opportunity to substantially increase the commercial value of the Phase 1 operation, with Stage II lifting its cumulative NPV from an estimated US\$28m to US\$67m while generating an IRR of 60% based on capex of US\$11.0m, which is expected to be funded through cash flow and long-term debt facilities. Additional capex of US\$17.5m to reach Stage IV is projected to take the cumulative NPV to as much as US\$123m.

DCF-derived value of £74.3m or 9.5p/share attributable

AfriTin strives to capitalise on the solid supply/demand fundamentals of tin by developing a critical mass of resource inventory, expanding production in the near/medium-term and then scaling by consolidating other African tin assets. TPI's DCF-derived valuation detailed in research of [24 June 2020](#) was updated following the recent equity fund raise and presently stands at £76.9m or 9.5p/share for its Stage III development of Sn, Ta and Li concentrates. This increases to £77.7m or 9.9p/share should AfriTin be successful in increasing the head grade to 0.158% Sn during Stage IV development. As such, the Company's investment case rests upon the continuing successful execution of its phased development plan.

Please note that TPI's valuation is based on financial modelling and there is no guarantee that such a valuation will ever be realised, therefore please do not base investment decisions on this valuation alone.

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