

Stock Data

Share Price	2.30p
Market Capitalisation	£18.7m
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.

Turner Pope contact details

Turner Pope Investments ('TPI') Ltd
8 Frederick's Place
London EC2R 8AB

Tel: 0203 657 0050
Email: info@turnerpope.com
Web: <http://www.turnerpope.com/>

Attention is drawn to the disclaimers and risk warnings at the end of this document.

This is a non-independent marketing communication. The analyst who has prepared this report is aware that TPI has a relationship with the company covered in this report. Accordingly, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

TPI acts as joint broker to AfriTin Mining Limited

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Barry Gibb
Research Analyst
Tel: 0203 657 0061
barry.gibb@turnerpope.com

Andrew Thacker
Corporate Broking & Sales
Tel: 0203 657 0050
andy.thacker@turnerpope.com

Zoe Alexander
Corporate Broking & Sales
Tel: 0203 657 0050
zoe.alexander@turnerpope.com

AfriTin Mining Limited

AfriTin has today released an operational update for the month of November 2020. The Board confirmed that during this period 'nameplate' tin concentrate production was surpassed in tandem with the completion of [Stage I of its Phase 1](#) pilot facility production ramp-up at its Namibian [Uis Tin Mine Project](#) ('Uis'). Progressing beyond the 60.0 tonnes that had been projected for December 2020, production of tin concentrate for the month increased to 63.9 tonnes, representing a 32% month-on-month increase. Significantly also, the Uis Tin Mine confirmed no COVID-19 cases have been recorded, with strict Pandemic mitigation measures remaining in place to safeguard the workforce. Assuming nothing changes on this front, current progress suggests the Company will shortly have a platform in place from which to expand production towards [Stage II](#) goals, which include with the addition of tantalum by-product. Having seen [spot Tin prices](#) sustain the dramatic recovery that began in May 2020 now 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.

Defining milestone has been achieved

The production level achieved in November represented approximately 107% of the Stage I target in terms of tin concentrate tonnes and 116% of the Stage I target in terms of tin contained in concentrate. Following the optimisation initiatives implemented during 2020, 'nameplate' production (60 tonnes) was exceeded, with plant availability at 83% (October 2020: 81%), utilisation at 87% (85%) and contained tin amounting to 41.6 tonnes (taking the year-to-date total to 301 tonnes). Despite COVID-19 related restrictions, shipping through the port of Walvis Bay to the off-take partner in Thailand has continued unabated. Now focussed on maintaining steady state production, opportunities for modular plant expansion and test work to separate the tantalum minerals from the tin concentrate are being investigated.

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 opportunity 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 scope 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 was projected to take the cumulative NPV to as much as US\$123m.

DCF-derived value of £76.9m 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 £80.6m 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.

THIS DOCUMENT IS NOT FOR PUBLICATION, DISTRIBUTION OR TRANSMISSION INTO THE UNITED STATES OF AMERICA, JAPAN, CANADA OR AUSTRALIA.

Conflicts

This is a non-independent marketing communication under the rules of the Financial Conduct Authority ("FCA"). The analyst who has prepared this report is aware that Turner Pope Investments (TPI) Limited ("TPI") has a relationship with the company covered in this report. Accordingly, the report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing by TPI or its clients ahead of the dissemination of investment research.

TPI manages its conflicts in accordance with its conflict management policy. For example, TPI may provide services (including corporate finance advice) where the flow of information is restricted by a Chinese wall. Accordingly, information may be available to TPI that is not reflected in this document. TPI may have acted upon or used research recommendations before they have been published.

Risk Warnings

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Any opinions expressed in this document are those of TPI's research analyst. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price.

The value of securities, particularly those of smaller companies, can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of smaller company securities may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. Past performance is not necessarily a guide to future performance and forecasts are not a reliable indicator of future results.

AIM is a market designed primarily for emerging or smaller companies and the rules of this market are less demanding than those of the Official List of the UK Listing Authority; consequently, AIM investments may not be suitable for some investors. Liquidity may be lower and hence some investments may be harder to realise.

Specific disclaimers

TPI acts as joint broker to AfriTin Mining Limited ('AfriTin') which is listed on the AIM Market of the London Stock Exchange ('AIM'). TPI's private and institutional clients may hold, subscribe for or buy or sell AfriTin securities.

Opinions and estimates in this document are entirely those of TPI as part of its internal research activity. TPI has no authority whatsoever to make any representation or warranty on behalf of AfriTin.

General disclaimers

This document, which presents the views of TPIs research analyst, cannot be regarded as “investment research” in accordance with the FCA definition. The contents are based upon sources of information believed to be reliable but no warranty or representation, express or implied, is given as to their accuracy or completeness. Any opinion reflects TPIs judgement at the date of publication and neither TPI nor any of its directors or employees accepts any responsibility in respect of the information or recommendations contained herein which, moreover, are subject to change without notice. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price. TPI does not undertake to provide updates to any opinions or views expressed in this document. TPI accepts no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document (except in respect of wilful default and to the extent that any such liability cannot be excluded by applicable law).

The information in this document is published solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The material contained in the document is general information intended for recipients who understand the risks associated with equity investment in smaller companies. It does not constitute a personal recommendation as defined by the FCA or take into account the particular investment objectives, financial situation or needs of individual investors nor provide any indication as to whether an investment, a course of action or the associated risks are suitable for the recipient.

This document is approved and issued by TPI for publication only to UK persons who are authorised persons under the Financial Services and Markets Act 2000 and to professional clients, as defined by Directive 2004/39/EC as set out in the rules of the Financial Conduct Authority. This document may not be published, distributed or transmitted to persons in the United States of America, Japan, Canada or Australia. This document may not be copied or reproduced or re-distributed to any other person or organisation, in whole or in part, without TPIs prior written consent.

Copyright © 2020 Turner Pope Investments (TPI) Limited, all rights reserved.