

Tin price gains another \$1,000/t as Alphamin looks to steady the ship after tough start - Miningmx



Bisie tin mine in construction

ALPHAMIN Resources said its earnings prospects were looking up in the third quarter following further improvements in the tin price and the stabilisation of the firm's Bisie mine in the Democratic Republic of Congo (DRC).

The tin price recently increased to \$18,000 per ton which compares to the firm's average realised price of about \$15,359/t in the second quarter. In a second quarter trading update about a month ago, the tin price was quoted at \$17,000/t.

Commenting in second quarter results published today, Alphamin said of the tin price that if maintained it "... bodes well for the next quarter's EBITDA and cash flow generation".

Earnings before interest, tax, depreciation and amortisation increased to 2% quarter-on-quarter to \$12.9m despite a marginally weaker tin price. Tin production from Bisie increased 29% to a quarterly record of 2,739 tons, higher than previous guidance owing to better-than-expected tin feed grades.

The aim at Alphamin is to take annual production to 12,000 tons of tin a year which the company intends to achieve with a \$4.6m de-bottlenecking project called the Tin Fine Project (TFP). TFP is aimed at extracting greater efficiencies from the plant.

Bisie previously had an average production target of about 9,600 tons of tin-in-concentrate annually over an initial life-of-mine of 12.5 years.

The company has also embarked on a drilling programme of its Mpama South resource which it hopes to delineate extension potential for Bisie in future months.

In the meantime, Alphamin has relieved some balance sheet pressure after agreeing new loan terms that reduces the debt break-even level of the tin price by \$2,000 to \$3,000 per ton to about \$13,000/t over the next two years.

In order to meet the provisions of the new debt repayment schedule, Alphamin made an upfront payment of \$32m which it satisfied through the issue of about 312 million new shares, a development that sees it increase its stake in its subsidiary to 84% from 80.75%.

Alphamin has guided to tin production in the third quarter of 2,600 to 2,700 tons of tin. There has been no impact to operations from the Covid-19 disease, the company said.