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Alphamin Resources Corp.

Continued in the Republic of Mauritius

Date of incorporation: 12 August 1981

Corporation number: C125884 C1/GBL

TSX-V share code: AFM

JSE share code: APH

ISIN: MU0456S00006

(“Alphamin” or the “Company”)

**ALPHAMIN ANNOUNCES Q2 2021 EBITDA OF US\$34,1m AT A TIN PRICE OF  
US\$28,308/t (Current: US\$34,700/t)**

MAURITIUS – August 6, 2021 – Alphamin Resources Corp. (AFM:TSXV, APH:JSE AltX, “Alphamin” or the “Company”), a producer of 4% of the world’s mined tin<sup>1</sup> from its high grade operation in the Democratic Republic of Congo, has released its unaudited consolidated financial statements and accompanying Management’s Discussion and Analysis for the three and six months ended June 30, 2021:

- ✓ **Q2 EBITDA** of **\$34,1m**, at a tin price of \$28,308/t versus current of \$34,700/t
- ✓ **Net Debt** reduced to **\$29,5m**
- ✓ **Contained tin production** of **2,412 tons** (11% below prior guidance and 8% below the prior quarter)
- ✓ **Fine tin recovery plant** fully commissioned and producing from 26 June 2021
- ✓ **Mpama South phase 3 drilling** progressing to plan with **high-grade intercepts** previously announced
- ✓ **Mpama North Deeps** drilling commenced with additional rigs under mobilisation to accelerate drilling campaign

**Operational and Financial Summary for the Quarter ended June 2021<sup>2</sup>**



Description	Units	Actual		
		Quarter ended June 2021	Quarter ended March 2021	Variance
Tons Processed	Tons	105,294	93,997	12%
Tin Grade Processed	% Sn	3.2	3.8	-16%
Overall Plant Recovery	%	72	74	-3%
Contained Tin Produced	Tons	2,412	2,611	-8%
Contained Tin Sold	Tons	2,404	3,351	-28%
EBITDA	US\$'000	34,077	36,453	-7%
Tin Price Achieved	US\$/t	28,308	23,083	23%
AISC per ton tin sold	US\$/t	15,112	12,162	24%

<sup>1</sup> Data obtained from International Tin Association Tin Industry Review 2020 <sup>2</sup> Production information is disclosed on a 100% basis. Alphamin indirectly owns 84.14% of its operating subsidiary to which the information relates.

## Operational and Financial Performance

Contained tin production of 2,412 tons was 11% below guidance (2,700 tons), impacted by a low feed grade of 3.2% Sn compared to 3.8% Sn the previous quarter. The month of June 2021 saw lower than expected grades from underground. The variable nature of high-grade tin mineralisation in the orebody may cause large fluctuations in delivered grade – as a mitigating tool we will increase planned waste development for the remainder of the year in order to provide more mining flexibility for blending high- and low-grade areas.

Taking into consideration the lower feed grade, the processing plant performed well, treating 12% more material and achieving recoveries of 72%.

Our EBITDA of \$34,1m for Q2 2021 is 7% below Q1 2021 – the previous quarter benefitted from a significant catch-up in tin sales following logistical bottlenecks during Q4 2020. Tin prices are currently trading at around \$34,700/t, 23% above prices achieved during the past quarter.

Net debt amounted to \$29,5m at 30 June 2021, down 50% from the start of the financial year (31 December 2020: \$59,9m).

The Company has appointed Mr. Jan Trouw as the on-mine Managing Director of its 84,14% subsidiary, Alphamin Bisie Mining, effective 1 July 2021. Mr Trouw is well known to the Alphamin team and has over 40 years of African mining experience – recently as head of the Frontier copper mine in the DRC and prior to that as General Manager of the high-grade Chibuluma copper mine in Zambia. He was instrumental during late 2019 as an advisor in developing the new mining method and mine design criteria for Alphamin's Bisie tin mine. We look forward to working with Mr Trouw in realising our vision of becoming one of the world's largest long-life tin producers.

Over the last 7 years, Alphamin's Bisie tin mine has developed from an exploration asset to a steady state operating mine, producing 4% of the world's mined tin. Our Chief Operating



Officer, Mr Trevor Faber, was instrumental in delivering on this key objective with exceptional drive under challenging conditions. By mutual agreement, Mr Faber and the Company resolved that it's Bisie mine is in safe hands under the on-mine leadership of the Managing Director, Mr Trouw, and his team. Therefore Mr Faber's role as corporate Chief Operating Officer is no longer required with effect 5 August 2021. The Board wishes to express its sincere gratitude to Mr Faber for a job well done and looks forward to following his future successes in developing the next major project.

### **Guidance for H2 2021**

The grade of ore mined from underground in Q2 2021 was lower than that expected from the Mineral Resource model, although some benefit was gained from additional tin mineralisation delineated by grade control drilling. Overall, for material mined since commissioning to date, the actual grades from underground were substantially in line with the Resource Model after taking account of planned dilution factors.

Underground practices relating to stope planning, delineation and blasting were sub-optimal during H1 2021. Our newly appointed ABM Managing Director, Jan Trouw, has already introduced much improved planning and mining practices with positive results.

For the second half of 2021 and into Q1 2022, we expect to mine lower tin grades averaging 3,2% to 3,5%, which at higher plant recoveries of 78% (including the FTP recovery) and monthly throughput of 36,000t amounts to contained tin production of between 900t and 1000t per month. Production guidance for H2 2021 is approximately 5,500t of contained tin (previous guidance: 6,500t). The grade of ore mined is expected to increase to an average of 4% from Q2 2022 leaving this lower grade window as temporary.

### **Growth Initiatives**

**Fine Tin Recovery Plant (FTP)** - The FTP is fully commissioned and has produced at steady state from 26 June 2021. Expenditure at completion amounted to US\$5.7 million. Production from the FTP since commissioning increased overall contained tin production by 5%. This exceeded expectations so early after commissioning. Optimisation work in pursuit of higher FTP recoveries is ongoing.

**Exploration Activities** - Alphamin's exploration initiative aims to: extend the life-of-mine at its currently producing Mpama North operation; to declare a Maiden Mineral Resource for Mpama South (located 750 metres south of Mpama North); and to discover at least one additional orebody on the highly prospective Bisie Ridge (13km strike length).

Drilling at the Mpama North orebody commenced on 2 July 2021. An initial 15,000 metre (22 holes) drilling campaign over 4 months is planned to test the strike and dip extension of the current producing orebody, below 400m in depth from the mine portal.

The initial Mpama South drilling program comprises of 16,800m of which 12,300m (52 holes) has been completed. Independent laboratory assays have been received for 39 holes to date. This initial drilling program is intended to form the basis of a Mineral Resource estimation exercise, the results of which are expected to be announced by the end of 2021. Infill drilling and further step-out drilling will continue from after August for the remainder of 2021. As previously announced, drilling results to date indicate the potential for another high-grade deposit, 750m South of the Company's current producing Mpama North mine.



In addition to Mpama North and Mpama South, drilling on the highly prospective Bisie ridge (13km strike length), which falls within the Company's mining licence, is expected to commence during Q3 2021. The Company's appointed structural specialists, TECT Geological Consulting, identified high potential drill targets less than 8km south of the current operating mine.

### **Covid-19 Pandemic and Impact on Operations**

The health of our employees is of paramount importance and in this regard the Company has a range of Covid-19 awareness, prevention and other risk mitigation controls in place.

To date, the Company has been able to continue with normal production and concentrate sales activities and has not been negatively affected by the Covid-19 pandemic.

### **Qualified Person**

Mr. Clive Brown Pr. Eng., B.Sc. Engineering (Mining), is a qualified person (QP) as defined in National Instrument 43-101 and has reviewed and approved the scientific and technical information contained in this news release. He is a Principal Consultant and Director of Bara Consulting Pty Limited, an independent technical consultant to the Company.

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### **FOR MORE INFORMATION, PLEASE CONTACT:**

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The JSE link to the supporting document is

<https://senspdf.jse.co.za/documents/2021/jse/isse/APHE/q22021.pdf>.

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### **CAUTION REGARDING FORWARD LOOKING STATEMENTS**

*Information in this news release that is not a statement of historical fact constitutes forward-looking information. Forward-looking statements contained herein include, without limitation, statements relating to expected future EBITDA for Q2 2021, the impact of the Company's fine tin recovery plant on production and the timing and success of additional exploration drilling outcomes. Forward-looking statements are based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although Alphamin has attempted to identify important*



*factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: uncertainties associated with Alphamin's resource and reserve estimates, uncertainties regarding estimates of the expected mined tin grades, processing plant performance and recoveries, uncertainties regarding global supply and demand for tin and market and sales prices, uncertainties with respect to social, community and environmental impacts, uninterrupted access to required infrastructure, adverse political events, impacts of the global Covid-19 pandemic on mining operations and commodity prices as well as those risk factors set out in the Company's Management Discussion and Analysis and other disclosure documents available under the Company's profile at [www.sedar.com](http://www.sedar.com). Forward-looking statements contained herein are made as of the date of this news release and Alphamin disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.*

*Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.*

#### **USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES**

*This announcement refers to the following non-IFRS financial performance measure:*

##### **EBITDA**

*EBITDA is profit before net finance expense, income taxes and depreciation, depletion, and amortization. EBITDA provides insight into our overall business performance (a combination of cost management and growth) and is the corresponding flow driver towards the objective of achieving industry-leading returns. This measure assists readers in understanding the ongoing cash generating potential of the business including liquidity to fund working capital, servicing debt, and funding capital expenditures and investment opportunities.*

*This measure is not recognized under IFRS as it does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.*