

Pembridge Resources PLC

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Pembridge Resources financially stable, says CEO, following recent placing and first shipment of copper

"My key objective is to ensure that Pembridge is financially stable," says Gati Al-Jebouri.

As the chief executive of Pembridge Resources PLC (LON:PERE) he's had to make some tough choices in the past couple of months, as the impact of the coronavirus has swept through society.

On markets, it's put a downward pressure on the copper price, and that in turn has had an effect on the Minto mine, a stake in which remains Pembridge's current key asset.

Earlier in April Pembridge elected to drop down from a 33% ownership stake in Minto to 11%, in order to help ensure the survival of the operation.

"The priority is to deal with the impact of everything Covid-19 is creating," says Al-Jebouri.

"The serious fall in the copper price put a strain on Minto's cash flow and we needed to ensure, together with our private equity partners that Minto could meet its obligations. Unfortunately we diluted from 33% to 11%, but still we have 11% of a running business."

That's more than many companies can say in the current environment, where businesses are going to the wall by the day and economic activity is plummeting.

Longer-term, the outlook for copper is undoubtedly bullish, as the developed world continues to advance and electric vehicles become the norm.

But for the time being the challenge is to make it through to the other side of coronavirus. There has already been a slight recovery in copper, but the real upside is yet to come, and may be a while away yet.

Accordingly, as well as reducing its stake in Minto, Pembridge has also recently raised £368,000 in new money following a subscription in which Al-Jebouri himself took the largest block of shares. At the same time, he and other directors have pared back their pay and options packages, as a round of general belt-tightening continues.

Amidst all that crisis-management activity the company hasn't been without good news though.

On 29 April, the Minto mine shipped its first consignment of copper since the re-start began. The copper left the port of Skagway bound for Sumitomo warehouses in Japan.

"The positives are that we're still operational and we're still producing concentrate," says Al-Jebouri.

Price: 4

Market Cap: £2.98 m

1 Year Share Price Graph



December 2019 May 2020 October 2020

Share Information

Code: PERE

Listing: LSE

52 week	High	Low
	16.9	2.5

Sector: General mining & base metals

Website: www.pembridgeresources.com

Company Synopsis:

Pembridge is a mining company admitted to listing on the standard segment of the Official List of the FCA and to trading on the main market for listed securities of the LSE. Minto Explorations Ltd, a subsidiary of Pembridge, is a British Columbia incorporated business operating the Minto mine in Yukon, Canada.

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Indeed, in the first three months of 2020 Minto produced 6,975 wet metric tonnes of copper concentrate and received payments totalling US\$18.7m from Sumitomo for production, albeit that some of it related to the December quarter.

This is quite an achievement in the current context, something Al-Jebouri is quick to recognise.

"I'm extremely grateful to the Minto staff, who are doing a great job in these difficult circumstances," he says.

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