

A First-Class Growing Tin Producer in South Africa

Did you know that tin is on the list of U.S critical minerals? Many investors know very little about tin, yet tin prices have risen substantially the past year and a half. The reason for the price surge has been strong demand and weak supply. In particular Covid-19 lockdowns in Malaysia and Indonesia have reduced supply. For 2021 tin supply is forecast to be in deficit by 10,200 tons.

Tin prices have risen dramatically in 2021 now at US\$33,737/t

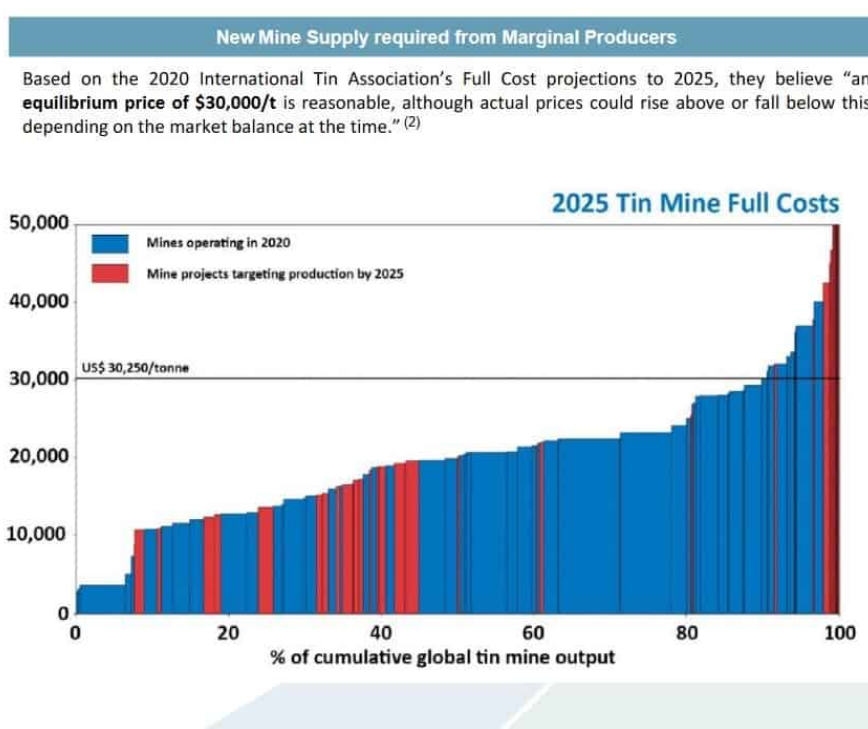
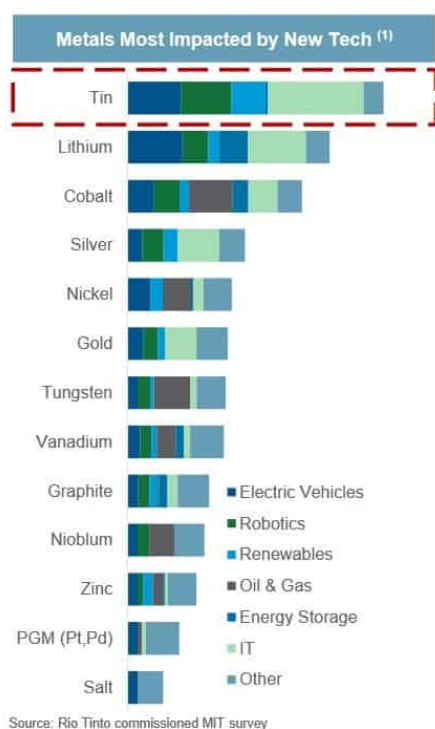


Source: Trading Economics

According to the International Tin Association (“ITA”) a US\$30,000/t tin price is required to incentivize additional supply in response to demand growth. This suggests we may see tin prices remain quite high for some time, even after the Covid-19 supply disruption is resolved.

Tin is a key component in electronics and in many green energy products. In fact it is said that tin is the metal most impacted by the growth in new technology. Tin is used in many alloys, especially in tin/lead solders used to create an electrically conducting permanent bond between metal pieces such as the components and wires on and in circuit boards used in billions of everyday electronic products. Tin is also commonly used to coat other metals to prevent corrosion. Tin is used in green energy products such as electric vehicles, next-generation LED lights, and solar panels.

Tin is used in new technology products such as EVs, robotics, renewable energy and consumer electronic products. A tin price >US\$30,000/t is needed to incentivize new projects



Source: Alphamin Resources company presentation

Alphamin Resources Corp. (TSXV: AFM) ("Alphamin") is a pure play, low cost, tin concentrate producer from its high grade deposit at Mpama North, in the Democratic Republic of Congo (DRC).

Alphamin has a Resource Reserve of 3.33MT @ 4.01% Sn (tin)

resulting in 133.4 kt of contained tin. There is significant resource extension potential and production growth potential. According to Alphamin, at a tin grade of roughly 4.5%, Mpama North is the world's highest-grade tin resource – about four times higher than most other operating tin mines in the world. Alphamin produces ~11,000 tonnes pa of tin, around 3% of the world's mined tin.

Production guidance for H2 2021 is approximately 5,500t of contained tin. Alphamin is aiming to increase annual tin output and life of mine through incremental production from Mpama South and by bringing to production additional deposits in close proximity to the current production. Alphamin's goal is to become one of the world's largest long-mine-life tin producers.

Ongoing drilling is occurring at the Mpama South phase 3 drilling and Mpama North Deeps. The Company stated in August 2021:

“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).”

Alphamin also recently commissioned a fine tin recovery plant (“FTP”) starting 26 June 2021 to help boost tin recovery. Alphamin stated: “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.”

Alphamin's tin operation in the DRC



Source: Alphamin website

Alphamin's financial performance

On August 6, 2021, Alphamin announced Q2 2021 EBITDA of US\$34.1m, based on achieving contained tin production of 2,412 tons and selling at an average of US\$28,308/t tin. Given that the tin price is now significantly higher at US\$33,737/t Q3 is looking very promising. Net debt has been reduced to \$29.5m at 30 June 2021, down 50% from the start of the financial year (31 December 2020: \$59.9m).

Revenue is forecast to sharply increase from US\$187M in 2020 to US\$318M in 2021.

Closing remarks

The tin price is currently on a strong bull run near a ten year high. The outlook for tin is good with strong demand for tin as a critical metal used in more and more of today's technology which demand is only increasing each year.

Alphamin is a DRC tin miner with high grades and low costs. Stronger tin prices are helping the company to boost cash flow and rapidly reduce debts. In time this helps to support

profits. Alphamin has recently boosted tin recoveries and continues to work towards expanding production and resources.

Alphamin trades on a market cap of C\$953M and is worthy of consideration by investors positive on the outlook for tin.

Further viewing

- Alphamin's Maritz Smith on the increasing demand for the critical material tin in technology advancements across the board (video)