Strong tin prices, new PEA and major expansion plan boost Alphamin Resources' already strong revenues

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Tin prices have dipped recently but are still up over 100% from where they were just two and a half years ago. This means that tin producers continue to do extremely well in this high price environment.

Today's company has been achieving near record tin production and selling prices. This has resulted in very strong revenue and EBITDA results over the past year. Plus they have been growing their resource and have plans to further expand production.

The company is Alphamin Resources Corp. (TSXV: AFM) (Alphamin). Alphamin is a high grade, low cost, tin concentrate producer at its Mpama North Mine in the Democratic Republic of Congo (DRC). Alphamin has the highest grade tin resource globally with a Resource Reserve of 3.33MT @ 4.01% Sn (tin) resulting in 133.4 kt of contained tin. Alphamin's production equates to ~4% of the world's mined tin.

Near-record tin production, sales and EBITDA in 2021 and Q1, 2022

As reported on May 13, 2022, Alphamin achieved 3,061 tonnes of tin production in Q1, 2022, boosted by recoveries improving from 75% to 78%. Contained tin sales increased by 9% to 3,336 tonnes at an average tin price of US$43,834/t. The AISC of contained tin sold during Q1 2022 increased by 4% to US$15,782/t. Alphamin

stated: “As a result of steady production, good cost control and higher revenue, EBITDA for Q1 2022 amounted to US$98.1 million, up 32% from US$74.3 million the previous quarter.”

Growing their resource at Mpama South

As announced on April 4, 2022, Alphamin increased the Inferred Resource at Mpama South by 75%. The Mpama South Mineral Resource is now an Indicated 0.85Mt @ 2.55% Sn (21.5kt contained tin) and Inferred 3.42Mt @ 2.45% Sn (83.7kt contained tin).

Mpama North also had some excellent recent drill results from hole MND019: **14.4 metres @ 21.75% Sn from 432.2 metres**, including 11.0 metres @ 27.81%from 432.2 metres.

Mpama South resource model

Source: Alphamin Resources news April 4, 2022

Mpama PEA and tin production expansion plans

Alphamin announced a very positive PEA for Mpama South on March 7, 2022. Alphamin CEO Maritz Smith commented:

“We are delighted to declare a Maiden Mineral Resource estimate and the outcome of a PEA study on Mpama South. The PEA quantifies the potentially value accretive economics of expanding production with the development of the adjacent Mpama South mine. Our current producing Mpama North mine absorbs large fixed costs, which facilitates incremental production from Mpama South at a competitive marginal cost. Developing Mpama South would bring Alphamin closer to its vision of becoming one of the world’s largest low-cost tin producers.”

Alphamin announced a positive PEA for the Mpama South project

Source: Alphamin news on March 7, 2022

Alphamin plans to increase annual contained tin production from the current 12,000tpa to ~20,000tpa (from FY2024), which equates to ~6.6% of the world's mined tin. The estimated capital development cost is US$116 million. First tin production from Mpama South is targeted for December 2023.

Closing remarks

Alphamin has been producing strong revenues from tin production at their DRC tin mine. All of this has allowed the Company to rapidly grow their resource and announce a very large expansion plan from 12,000tpa to 20,000tpa, set to begin ramping from December 2023. This equates to a 66% increase in production.

Looking at Alphamin's market cap it is currently at C$1.27 billion and trades on a 2022 PE of only 6.59, partially due to tin prices being lower in 2022. Not bad for a company set to rapidly grow production in 2024. Some increased risk due to the DRC location. Stay tuned.