

One of the world's highest-grade tin resources, Alphamin is up 177% in last 5-months

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Tin typically isn't at the top of anyone's list of critical materials or thought of as an important component of the green revolution. You'll be excused for not being aware that it was on the U.S. Department of the Interior's 2018 list of [35 mineral commodities considered critical](#) to the economic and national security of the United States. Seriously? Tin? Who knew?

Tin is used as a protective coating or as an alloy with other metals such as lead or zinc, as well as, coatings for steel containers, in solders for joining pipes or electrical/electronic circuits, in glass-making, and in a wide range of chemical applications. It's also [a relatively scarce element](#) with an abundance in the earth's crust of about 2 parts per million (ppm), compared with 94 ppm for zinc, 63 ppm for copper, and 12 ppm for lead. But perhaps the most interesting statistic is that Tin prices have reached a 10 year high at US\$29,932/tonne, up an impressive 97% year over year.

Armed with this information are you now intrigued by Tin investment opportunities? Then look no further than [Alphamin Resources Corp.](#) (TSX: AFM). Alphamin is a low cost tin concentrate producer from its high grade deposit at Mpama North in the North Kivu Province of the Democratic Republic of Congo (DRC). At a tin grade of roughly 4.5%, Mpama North is one of the world's highest-grade tin resources – about four times higher than most other operating tin mines in the world. Mpama North has a current output of roughly 10,000 tonnes of contained tin per annum (and growing), amounting to approximately 3%-4% of the

world's mined tin supply. It has exploration licenses covering a total of 1,270km² and is currently one of the top producing Tin mines in the world.

Alphamin just [announced record Q1 EBITDA](#) of US\$36.5 million at an average tin price of US\$23,083/tonne (versus much higher current pricing). Other highlights include the fine tin recovery plant being on schedule for commissioning during June 2021, which the Company believes can increase plant throughput by a further 5%-10%. Combine this with a planned increase to plant throughput of roughly 6% in H2 2021 could see annual Tin production increasing to as much as 12,000 tonnes per annum. At quarter end the company had a cash balance of US\$11 million and debt of US\$57 million with an expectation to be net debt free by the end of 2021 based on current Tin prices.

With all these impressive numbers there is still plenty of exploration upside to be had. 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). At the Mpama South deposit 8,200 metres of drilling has already been completed with an additional 5,800 metres planned to be drilled between May and end July 2021. Assay results from the first two batches of samples totaling 13 of the 25 drill holes drilled in phase 1, are expected shortly with another 7 drill hole results from batch 3 expected towards the end of May 2021. Commencement of drilling at Mpama North is targeted for May 2021 with a 12,000 to 18,000 metre drilling campaign planned to test the strike and dip extension of the current producing orebody. Lastly, two drill targets 6-8 kms south of Mpama North have been identified along the Bisie Ridge to be drilled in Q3 2021.

The heavy lifting has been done to get this world-class mine into production and running on all cylinders. However, there's always a but... It's a single mine asset in a less than desirable geographic location. Logistically the location in central Africa means long supply lines to the ports that have caused issues in the past. For example, in October, 2019 a major bridge collapsed along the main provincial road used for exporting all concentrate and importing major consumables which took 8 weeks to repair, materially impacting that quarter's results. Q4/20 results were affected by extreme seasonal rains impacting export road conditions. Then there's the perception that the DRC is unstable and politically challenging, and although this is not the case currently, it could return to this state in relatively short order. On a positive note, the Company has shown to the likes of Apple, Microsoft and Samsung that its tin is 100% conflict-free.

There are no "sure things" out there, you have to take on risk to get your rewards. Enough investors are comfortable with the risk of Alphamin to have taken the stock from C\$0.26/share in December 1st, 2020 to yesterday's close of C\$0.72. One of the world's highest-grade tin resources, Alphamin is up 177% in the last 5 months.