

# The Munali Nickel Mine, Zambia

FACTSHEET April 2019



## INVESTMENT OPPORTUNITY

Near-term, low cost nickel sulphide production with robust project returns.

- Restarting the Munali Nickel Mine in Zambia
- Fully financed, Working capital facility in place
- First production Q1 2019
- All key mine infrastructure and operational permits in place, including personnel
- Expert project development team with African operating experience, proven mine restart capabilities and a track record of delivering superior shareholder returns
- Plant and mine investment to date in excess of US\$180m
- Significant due diligence, de-risking, technical re-engineering and Feasibility Study completed by Consolidated Nickel Mines

## ROBUST PROJECT RETURNS

Short-run to cash flow positive driven by competitive operating costs and low start-up capex requirement.

- Targeting low cost 30-40,000tpa Ni concentrate over >7yr LoM
- Saleable products:
  - Nickel Concentrate 12% Ni, < 4% MgO
  - PGM Concentrate 45 g/t Pd
- Forecast Opex costs of US\$9,000/t nickel produced
- Targeted annual revenue of US\$60m (Ni price US\$15,000/t)
- NPV8% - US\$55.7m and IRR - 50.2% (7 yr LoM)
- NPV8% - US\$77.6m and IRR - 51.4% (10 yr LoM)
- Potential to further beneficiate to sulphate or metal

## RESERVES AND RESOURCES

### JORC RESOURCE STATEMENT (BMGS EVALUATION, 2014)

Measured & Indicated	5.65Mt @ 1.01% Ni
Inferred	0.36Mt @ 0.84% Ni
<b>Total</b>	<b>6.01Mt @ 1.00% Ni</b>





## THE MUNALI NICKEL MINE

The Munalı mine consists of a fully developed and dewatered mine with an operational crush, mill, float plant with capacity of 80,000tpm.

Munalı is located 70km south of Lusaka in Southern Zambia on new sealed roads. Power is supplied from the Kafue dam hydroelectric system with a dedicated line. There is a rail siding 20km from site with connections to Durban, South Africa and the BCL smelter in Botswana.

## OVERVIEW OF RE-START PLAN

- Re-modelling of mine sequencing, with a focus on the thick central section of the ore body
- Optimisation of the mining method and sequence
- All production mining to shift from contract to owner operated mining, reducing costs
- Mining method optimised to maximize extraction in wider, higher grade portion of ore body with backfill
- Minimal access development required, 60% of ore body accessed after five months of capital development
- Improved flotation plant feed head grade through pre-concentration - DMS testwork confirmed upgrade of 1% to 2.0% head grade
- Improved recovery, concentrate grade and quality achieved through utilisation of only 50% of plant grinding capacity and longer retention time through the flotation circuit
- Introduction of a pre-flotation circuit to recover a 25% copper concentrate to be sold locally
- Automated flotation circuit control to improve recoveries and concentrate quality

## EXPERIENCED OPERATORS AND PROJECT DEVELOPERS

Consolidate Nickel Mines has acquired the rights to all of the Munalı Mine's resources and infrastructure. Led by Simon Purkiss, a minerals engineer with 30 years project development experience and Craig Bailey, a chemical engineer with experience of both project delivery and operations, the team has conducted extensive due diligence and value re-engineering and developed the re-start plan.

Plinian Capital is a private equity firm specialising in making investments in mineral resource discovery, development, production and turn-around opportunities, with a proven track record of delivering superior shareholder returns. Plinian will provide the restart capital and operational capability.



**Simon Purkiss, Chief Executive Officer**

T: +44 779 883 6225 E: [spurkiss@cnmplc.co.uk](mailto:spurkiss@cnmplc.co.uk)

**Craig Bailey Chief Operating Officer**

T: +44 784 174 4181

[www.cnmplc.co.uk](http://www.cnmplc.co.uk)

80 Piccadilly | London | W1J 9HF | United Kingdom