

Pure Minerals Ltd

15:26 14 Feb 2020

Pure Minerals receives coverage from Independent Investment Research

Pure Minerals Ltd (ASX:PM1) has received research coverage from Independent Investment Research (IIR).

The 22-page report goes into detail regarding the proposed Townsville Energy Chemical Hub (TECH) Project in Queensland.

The report notes the building blocks are coming together quickly for the TECH Project with the pre-feasibility study (PFS) completed in December 2019 as well as the recently completed high purity alumina (HPA) scoping study.

Share price at deep discount to project's estimated NPV
Using a share price of 1.9 cents, the company has a market capitalisation of \$16.1 million.

While the report does not designate a share price target, it does estimate a net present valuation (NPV) for the proposed TECH Project of between \$47 million and \$585 million.

The research firm does note the valuation relies on a number of factors including PFS assumptions and project approvals.

The following is an extract from the report:

VALUATION VERY SENSITIVE, BUT PRICE TREND POSITIVE

If we include the deferred consideration shares, Pure Minerals at A\$0.019/sh would have a market capitalization of A\$16.1M. Our NPV for the NiCo plant ranges from A\$47M using the cycle price lows of the last three years to A\$585M using cycle price highs over the last three years, and A\$241M assuming current spot prices flat in real terms forever. The HPA bolt-on is additional value. These valuations are for the project only, and take no account of the cost of corporate overheads, nor of financing dilution. We believe the strong long term demand trend driven by the accelerating take up of batteries in electric vehicles will underpin a rising trend in nickel and cobalt prices, but with continuing high levels of price volatility.

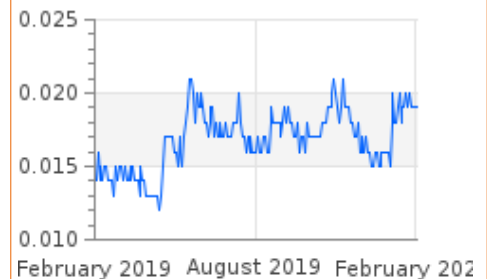
Please note our valuations assume the project is approved for development, which is uncertain, and is based on the interim cost figures as presented in the 2019 PFS, which are likely to be revised in the course of producing a Bankable Feasibility Study. As a result, the costs, and hence the valuation, should be treated as being indicative only.

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Price: 0.019

Market Cap: \$11.33 m

1 Year Share Price Graph



Share Information

Code: PM1

Listing: ASX

52 week High Low
0.027 0.012

Sector: General mining & base metals

Website: www.pureminerals.com.au

Company Synopsis:

Pure Minerals Ltd (ASX:PM1), through its wholly owned subsidiary Queensland Pacific Metals Pty Ltd (QPM), is focused on developing a modern battery metals refinery in northern Queensland. The refinery, dubbed the Townsville Energy Chemicals Hub or TECH, will process imported, high grade Ni-Co laterite ore from New Caledonia to produce nickel sulphate, cobalt sulphate and other valuable co-products.

action@proactiveinvestors.com.au

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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