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Share Prophets



Cambridge prepares £4m AIM comeback

By Robert Tyerman | Friday 6 November 2015



Stand by for the proposed AIM re-float of Cambridge Mineral Resources, the mining hopeful once headed by colourful entrepreneur David Bramhill, former leading light of Nighthawk Energy and Wessex Exploration. Cambridge, which had dabbled in gold projects from Bulgaria to Colombia before bowing out of AIM in 2009 at a fraction of its original 16p float price, will seek between £1 million and £4 million in an AIM re-launch in the first quarter of 2016, to develop the large-scale Masa Valverde zinc, copper and gold project in southern Spain's Andalucia region, says chief executive officer Mark Slater.

The company, which has undergone significant restructuring since quitting the stock market, says indebted mining giant Glencore (GLEN) has spent \$2.5 million (£1.6 million) to exercise an option on 60% of the project. Originally found by Cambridge's ex-boss Colin Andrews, Masa Valverde, now boasts potential resources of 12 million tonnes with a robust 4.3% zinc 80 million tonnes with 0.76% copper and 16 million tonnes holding a modest 1,26 grammes of gold per tonne of ore.

Slater, who came in as consultant and self-styled 'hatchet man' to deal with Colombian problems in 2009 and returned more recently, says Masa Valverde will be an underground operation and argues an estimated capital outlay of \$300 million would be needed to take Masa it to production. With the first phase of drilling due to finish next month, he suggests \$1.5 million or thereabouts would take the company, chaired by former Allianz Insurance investment chief and significant shareholder Geoffrey Hall, through to 2017.

According to Slater, the next phase of development could cost \$30 million and he explains 'we are considering shareholder funding or other options.' He declares 'the original shareholders are still there and I'd like to see them get a return.'

The company, which has appointed accountant Grant Thornton as nominated adviser and Northland Capital as broker for its AIM return, has one or two other projects and, contends Slater, 'we could generate cash by 2018, if all goes well,' but not that soon from Masa Valverde. He suggests returns from there are unlikely to flow 'until 2020/21'.

Zinc is now trading at 75 cents a lb. or \$1,654 a tonne, against \$4,500 a tonne nine years ago, while copper at \$2.34c a lb. has fallen from pre-crash peaks of around \$4 a lb. However, Slater is, unsurprisingly, bullish for the long term. He argues that on the world market three major zinc mines will be ending their life in five years, cutting back supply 'just when Masa Valverde comes on line' and insists the Spanish government and local people are 'very supportive'.

On the possibility of a new name for Cambridge, Slater says 'the company has completely changed. But we are not trying to hide the past.'

How likely fresh punters are to be attracted to the re-float will clearly depend on the terms, credibility, progress with Cambridge's deposits and the commodity markets in early 2016.