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Northland Capital Partners View on the City - Premier African Minerals, Techfinancials & Altona Energy.

PREMIER AFRICAN MINERALS (LON:PREM)

SECTOR - MINING

RATING - SPECULATIVE BUY*

MARKET CAP - £8.9m

CURRENT PRICE - 0.12p#

ANALYST - BARRY GIBB

Year-end Dec

2016A

2016A

Revenue (\$m)

0.1

0.4

No forecasts provided

EBITDA (\$m)

(1.8)

(6.7)

Adj. pre-tax Profit (\$m)

	(5.9)
	(19.6)
Adj. EPS (c)	
	(0.2)
	(0.3)
DPS (c)	
	-
	-
Net Cash/(Debt) (\$m)	
	(8.9)
	(2.9)
P/E (x)	
	-
	-
Dividend yield (%)	
	-
	-
EV/EBITDA (x)	
	-
	-

SOURCE: Northland Capital Partners Limited estimates. #Priced at prior trading day close. *Northland Capital Partners Limited provides commissioned research coverage to Premier African Minerals and therefore this information should be viewed as a Marketing Communication.

From yesterday: Update on the proposed Company restructuring

- Premier yesterday confirmed that in the period following its 7th November announcement that detailed the proposed major restructuring of the Company's Zimbabwe minerals projects, due diligence exercises as described in that announcement has progressed satisfactorily. Premier and KME Holdings Ltd have agreed to proceed to a formal framework agreement irrespective of the outcome of ongoing discussions that are expected to resolve the equity status at RHA Tungsten Pvt Ltd. The Company states that it will provide further updates once it has agreed the framework agreement.
- The proposed transaction and restructuring entails the creation of a new wholly-owned subsidiary, Newco, into which will be consolidated Premier's entire interests in the RHA Tungsten Mine and processing plant, Tinde Fluorspar & Barite project, Katete Rare Earths project and the Zulu Lithium project. It will also acquire extensive mining surface and underground mining equipment assets from KM for an initial consideration of US\$4 million, to be satisfied through the issuance of new shares representing approximately 20% of Newco's then enlarged issued share capital
- The proposed transaction remains subject to shareholder approval, completion and signing of the formal framework agreement, as well as regulatory approval. Assuming all such conditions are met, the transaction will result in a direct distribution of Newco shares to Premier shareholders on a pro rata basis along with their admission to trading.

This represents positive news ahead of the Company's key Zimbabwean government negotiations. While continuing to press for a near-term decision regarding RHA's indigenisation equity resolution by its tabling at Cabinet meeting of the Government of Zimbabwe, in the absence of a positive conclusion (or hope for one within a realistic timetable), the Board has suggested it will seek direct intervention from the President before proceeding with 'any other lawful alternative'. As such, Premier's fortunes have become binary, even if there are signs that the new government is now determined cooperate with the international mining community.

COMPANY DESCRIPTION

Premier African Minerals is a multi-commodity exploration and development company with assets located across Africa. Its holds a 49% operator interest in the RHA Tungsten Mine, and 100% interest in the Zulu Lithium Project, both in Zimbabwe.

TechFinancials (LON:TECH)

SECTOR - SOFTWARE & SERVICES

RATING - CORP*

MARKET CAP - £6.6m

CURRENT PRICE - 7.8p#

ANALYST - MIKE JEREMY

Year-end Dec

2016A

2017A

Revenue (US\$m)

21.33

13.36

EBITDA (US\$m)

5.29

1.00

Pre-tax Profit (US\$m)

4.20

0.19

EPS (US\$c)

1.7

(3.6)

No forecasts provided

DPS (US\$c)

	-
	-
Net Cash/(Debt) (US\$m)	
	7.65
	3.50
P/E (x)	
	5.3
	N.M.
Dividend yield (%)	
	-
	-
EV/EBITDA (x)	
	0.9
	5.0

SOURCE: Northland Capital Partners Limited estimates. #Priced at prior day's close. *Northland Capital Partners Limited Acts as Broker to TechFinancials and therefore this information should be viewed as a Marketing Communication.

Blockchain-based ticketing venture - binding agreement with Footies Tech

- ? TechFinancials has signed a binding agreement with Footies Tech Ltd., a blockchain-based ticketing venture for sports venues and teams, to establish a new company subsidiary ('NewCo'), to be chaired by Liverpool Football Club ex-CEO Ian Ayre (founder of Footies and CEO of Nashville's Major League Soccer club); on 30 October it had announced non-binding heads of terms with Footies.
- ? The venture intends to develop and market ticketing and event management solutions for sports teams and venues based on blockchain technology licensed from TechFinancials, initially to enable sports organisations to take full control over tickets issued, notably secondary market trading.
- ? TechFinancials will hold 75% of NewCo shares and Footies 25%. NewCo will be registered in the UK and will establish an option plan for founders and employees comprising 20% of issued capital. TechFinancials has committed up to US\$500,000 towards proof of concept development for a European football club in the form of a zero-interest shareholder loan. We note that at the H118 Interim TechFinancials had US\$2.86m in cash reserves, after net cash usage of about \$1m during the period.

The venture is further evidence of TechFinancials' commitment to the development and use of blockchain technology, following its joint venture with CEDEX to launch a blockchain-based diamond investment exchange platform. Blockchain technology is particularly suited to tracing and recording provenance, with obvious application to the prevention of fraudulent ticket resale or substitution. Football ticket sales in England alone amount to a £640m market; 2016/17 match-day receipts in England comprised 13.6% of a £4.7bn total (Source: Deloitte). But European ticket prices exceed those in England; the most expensive average Premiership ticket costs €60, but in Europe prices range up to €138 (Serie A) (Source: stadiumguide.com).

COMPANY DESCRIPTION

TechFinancials is a leading provider of platforms for financial trading and instruments, and has recently diversified into the deployment of blockchain technology, notably in the development of its proprietary diamond trading system, CEDEX.

Altona Energy (LON:ANR)

SECTOR - MINING

RATING - CORP*

MARKET CAP - £1.7m

CURRENT PRICE - 105p#

ANALYST - BARRY GIBB

Year-end Jun

2016A

2017A

Revenue (£m)

-

-

No forecasts provided

EBITDA (£m)

0.0

(0.3)

Adj. pre-tax Profit (£m)

0.0

(0.3)

Adj. EPS (p)

0.0

(0.0)

DPS (p)

-

-

Net Cash/(Debt) (£m)

	0.3
	(0.1)
P/E (x)	-
	-
Dividend yield (%)	-
	-
EV/EBITDA (x)	-
	-

SOURCE: Northland Capital Partners Limited estimates. #Priced at prior trading day close. *Northland Capital Partners Limited acts as Nomad and Broker to Altona Energy and therefore this information should be viewed as a Marketing Communication.

From yesterday: Shareholder Requisition Notice

- Altona yesterday announced that it had received a letter from Mr. Leon Hogan, Mr. Robert Hales and Mr. Nicholas Lyth, the Company's CEO, who in aggregate hold approximately 15 per cent. of the issued share capital of the Company, requiring that the Company convene, as soon as reasonably practicable, a general meeting, at which resolutions will be proposed to remove Zhang Qinfu and Chi Ma as directors of the Company. As such, the letter is a requisition by the named shareholders under section 3

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Contact us +44 (0)1202 770386 action@proactiveinvestors.com

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