

Strategic Minerals PLC

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Magnetite sales rally at Strategic Minerals' Cobre stockpile

Sales have rebounded at Strategic Minerals PLC's (LON:SML) Cobre magnetite operation as the metal miner proceeded with arbitration claim against its main customer.

The miner and explorer reported that underlying sales from its Cobre magnetite stockpile in New Mexico were up 26% at £1.1m and tonnage rose 23% to 12,704 in the three months to the end of September, against last year, thanks to a resumption of demand from its regular customers.

READ: Strategic Minerals claims US\$21m in client dispute
Strategic also received the forfeit of a US\$375,000 deposit from its main customer which sent overall revenues 89% higher in the period.

The AIM-listed company is currently pursuing US\$21m plus damages in an arbitration claim against Cobre's main customer, whose name has not been disclosed.

The bill includes at least US\$2.3m sought in relation to payments still outstanding, and US\$19m for lost profits for the balance of the contract.

In the update, Cobre' said its revenue for the full year fell to £3.2m, almost half of the 2018 figure, which Strategic said was due to the adverse impact caused by its major client's diminished purchases.

As recently as July, the client was expressing its intention to make payment.

Strategic's managing director, John Peters, said: "The progression of a formal claim against the major client at Cobre has resulted in the board having to reconsider the pace at which it can progress planned projects."

Peters also noted that last quarter's rallying magnetite sales "augurs well for sales over the coming year", and that the company remains in funding talks.

The minerals group's non-restricted cash balance stood at US\$760,000.

Shares rose 6% to 0.79p in early trading on Wednesday.

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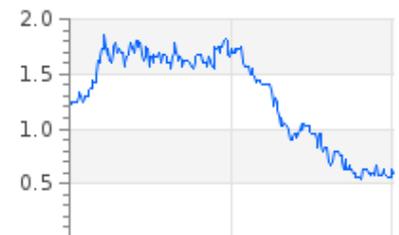
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No investment advice

Price: 0.64

Market Cap: £9.39 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: SML

Listing: AIM

52 week	High	Low
	2.08	0.5

Sector: General mining & base metals

Website: www.strategicminerals.net

Company Synopsis:

Strategic Minerals plc is a AIM listed (AIM: SML) minerals production and development company focused on developing projects prospective for battery materials.

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