

Pembridge Resources

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Pembridge Resources moves to a standard list with deals in mind

"We're looking to invest in projects, not invest in companies," says David Linsley of Pembridge Resources PLC (LON:PERE).

At a first pass the distinction may look subtle, but it's a distinction that will be crucial to the way Pembridge develops over the coming months and years as Linsley and an august team of mining finance experts steer the old China Africa Resources out of the doldrums of the last mining bear market and into the rising cheer of new, more benign conditions.

Linsley himself is a former executive director of Behre Dolbear, one of the world's leading mining consultants. He also put in serious stints at Northern Zinc as co-founder, and Cross Asset Management, which eventually sold out to RAB in 2005.

Joining him on the management team of Pembridge is Peter Bojtos, most familiar to the London market in recent years as the one-time chairman of Asiamet, or as it was known then, Kalimantan Gold.

But Bojtos has had a wealth of mining industry experience aside from his time at Kalimantan - at one time or another he was on the boards of Greenstone, Birim Goldfields, Desert Sun Mining, Queenstake Resources and Consolidated Nevada Goldfields and he's built, rebuilt and run countless mines.

Meanwhile, on the advisory board, heavyweights from North America weigh in in the shape of Frank McAllister, former chief executive of Stillwater (NYSE:SWC), and Guy Le Bel, who was a senior director at Capstone (TSE:CS).

Between them they should be able to get Pembridge on the move with a property deal or two, sourced through networks that stretch around the globe.

"Typically these deals will be on private entities that are below the radar," says Linsley. "These are not known assets. But they will be near-production or production assets that can support debt."

He already has deals in mind.

But first, there is the small matter of getting the listing right.

After some consideration, Linsley has reached the conclusion that the Aim market is no longer right for Pembridge, given the heavy regulatory burdens that surround investment companies.

Instead, Pembridge will move to the main board of the London Stock Exchange via what's known as a standard listing, and will raise money in the process.

Price: 2.13p

Market Cap: £1.74M

1 Year Share Price Graph



Share Information

Code: PERE

Listing: AIM

52 week High Low
16p 1.63p

Sector: Mining

Website: www.pembridgeresources.com

Company Synopsis:

Pembridge Resources is a mining company led by an experienced team of mining professionals. The Pembridge team has in depth understanding and expertise of the mining industry covering geology, engineering and project appraisal as well as a track record of delivering mining projects.

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How much it will raise remains to be seen, but Linsley isn't too worried about the exact amount.

If, say, the company were to raise US\$2 mln, then there is an open pit gold mine that looks like it could support a deal.

"If we raise between US\$10 mln and US\$20 mln that will give us over US\$100 mln to play with because of the debt we can put around these assets. In the long run it's not about how much cash we can raise now, it's about the quality of our projects and our value add. That will determine the quality of our paper."

So what will the company look like in a couple of years' time?

It all depends on the deals, of course. But Linsley has a clear enough idea.

"The ideal would be to be diversified by commodity," he says. "It's all about risk and trying to de-risk these things. I'd have producing assets and near-producing assets so that I'd have a fairly constant flow of news."

By then, it's conceivable that Pembridge will be spinning out some of its projects into new listings of their own.

"But," says Linsley, "fine words butter no parsnips."

The shares may be briefly suspended ahead of the transition to the standard list, but after that there should be plenty of action.

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