

Corporate

Current price **0.10p**

Sector **Mining**

Code **ROCK.L**

Listing **AIM**

Share Performance



% Change **1m 3m 12m**

ROCK.L +4.9 -41.9 N/A

Source: Thomson Reuters, Allenby Capital

Share Data

Market Cap (£m) **3.17m**

Shares in issue (m) **3,087.6**

52 weeks (p) **High Low**

0.39 0.09

Financial year end **31 December**

Source: Company Data, Allenby Capital

Key Shareholders

Rostra Holdings 15.55%

TPM Middle East Dubai 10.10%

The Wonderful Group 9.98%

Directors & Management 19.38%

Source: Company Data, Allenby Capital

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Rockfire Resources plc (ROCK.L)

Rising zinc price creates a valuation disconnect

Rockfire Resources plc (ROCK.L) is well-positioned to take advantage of the rising price of zinc. Zinc prices on the London Metals Exchange (LME) hit a 20-month high this week, with the current price of US\$3,122/t up 20% since the start of the year. A fire at Teck Resources' Canadian smelter and a bushfire at Sibanye Stillwater's Centry Zinc Mine has added to concerns regarding zinc supply. 2024 has already seen several disruptions to zinc supply with mine production down 4.2% during the first eight months of 2024. It has also been reported that a large player in the zinc market has been aggressively stockpiling zinc, with one buyer reportedly acquiring between 50% to 80% of the available inventories in the LME warehouses last month. Rockfire recently raised a total of £0.53 million, which will contribute towards the development of the Molaoi Zinc-Silver-Lead-Germanium Project, located in Greece.

- Directors supported placing:** Chief Executive Officer and Managing Director, David Price, invested £10,000 in the fundraise, increasing his holding to 1.83% and Non-Executive Director, Nicholas Walley, invested £60,000 increasing his holding to 4.15%. The support of the Directors demonstrates their belief and support in the company.
- Potential for Molaoi deal:** Rockfire is exploring non-dilutive funding opportunities that could include a joint venture or farm out on the Molaoi Project. Rockfire has had previous success with this strategy at the Lighthouse Gold Project, in Australia during 2023.
- Recently updated resource:** Rockfire recently increased the size of the JORC 2012 compliant mineral resource estimate by 500% to 15.0 million tonnes (Mt) at an average grade of 9.96% zinc equivalent (ZnEq), with contained ZnEq of 1,500 kilo tonnes (Kt).
- Globally significant deposit:** This dramatic increase in the scale of the resource base has put Molaoi within the top 20 undeveloped zinc projects globally in terms of both contained ZnEq and ZnEq grade.
- Upgrading resource category:** Rockfire is planning to increase the category of its resource base from inferred to indicated with additional drilling at the project.
- Scoping study:** Once the resource category upgrade is completed, Rockfire will complete a scoping study that will provide an early indication of the project's potential economics.
- Value disconnect creates opportunity:** In the past 30 days, the average share price of zinc explorers and developers has risen by 14%, while Rockfire's has fallen by 23.67% despite a 500% increase in the resource base at the start of September.
- Fair value:** Following the placing we have updated our valuation to take into account the increased number of shares outstanding, the funds received, and the rise in the value of our peer group reflecting the higher zinc prices. As a result, we have updated our fair value to 2.2p. This is an upside of 2,103% on the current share price.

Year End: December

(£'000)	2019	2020	2021	2022	2023
EBITDA	(540)	(546)	(740)	(725)	(1,785)
NET (DEBT)/CASH	763	1,351	1,473	532	425

Source: Company; Allenby Capital. Allenby Capital acts as Nomad & Broker to Rockfire Resources plc (ROCK.L).

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