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MUNALI NICKEL PRODUCTION REBOUNDS

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Consolidated Nickel Mines Limited (CNM) recorded its highest ever nickel production of 400 tons of premium grade export quality nickel concentrate in April 2021, since it re-opened its operations at its Munali Nickel Mine in 2019.

This has helped the company to move towards a positive cash-flow position. The Company's revenue is being boosted by favourable international nickel prices, which have been hovering around US\$17,000 per tonne over the last two months on the back of increased electric battery demand.

Speaking in an exclusive interview with the *Zambian Business Times-ZBT*, Company Chief Executive Officer Anton Mauve said that this was despite having commenced on a challenging note in 2019, producing only about 75 tonnes of nickel per month and thereby making a monthly loss running into millions of dollars.

"In April this year, we beat the previous record of December (360 tonnes) recording 408 tonnes. This was backed up with the May production of 410 tonnes, the highest nickel production on record at the mine.

The design for the mine was to get 350 tonnes per month but in April we topped 400 tonnes and this is while producing a "premium concentrate" containing +12 percent nickel, 3.46 percent magnesium oxide (MgO) and about 9 percent moisture."

"So that means that for the first time, we are profitable which is very good thing although we have invested a lot to get to this position," Mauve said.

Mauve said the previous management of Munali Nickel Mine left a huge amount of outstanding bills, mostly arrears owed to suppliers of goods and services.

He said the company has paid down about US\$4 million of debt owed to suppliers and intended to continue to work hard on paying down these arrears.

"When I arrived at the operations at the end of 2019 I discovered that Mabiza had about US\$18 million owed to suppliers of goods and services, so most of the profit the operations has been making is quickly consumed through paying-back to the suppliers." He said, Mauve said, "We are making inroads in accounts payable and getting level with all that short-term debt as well as with other facilities. In the near-term we will be in a position to grow the company by adding ore reserves through exploration drilling, increasing throughput and further beneficiation of final product."

Mauve said the company was looking forward to continuing with its plan of producing 400 tonnes

of nickel per month going forward working towards establishing investor confidence, reliability and repeatability.

“We also need to work on creating reliability. As you know, when you run an operation like this, the mobile equipment in particular the trucks and loaders that bring the ore up from the underground mine and all the fixed equipment that allows you to crush and mill to create a concentrate require a lot of critical spare parts and careful maintenance,” he said.

Mauve’s intention for the company is to ensure a profitable business, providing stable jobs for employees, whilst producing an environmentally friendly metal from carbon neutral operations.

He said Nickel is an essential strategic metal in the worlds current move away from fossil fuels.

“Ultimately, I want to expand Mabiza to produce a 99.99% pure Nickel Sulphate, right here in Zambia. This product is used in making batteries for electric vehicles.

Over the next few years, demand for electric vehicles will grow substantially, and I would love to see Zambia actively using metals mined here to encourage new local businesses,” Mauve said.

He however, said this will take some time for Munali to be able to upgrade to produce the new electric vehicle battery product, as an additional processing plant will have to be built, which at present Munali cannot fund.

Mauve added, “Success breeds success. Each successful business in Zambia makes the country more attractive for other businesses to come into and invest in Zambia.”