

Corporate

 Current price **0.975p**

 Sector **Mining**

 Code **ROCK.L**

 Listing **AIM**

Share Performance



	1m	3m	12m
ROCK.L	-4.9%	20.4%	-2.5%

Source: Thomson Reuters, Allenby Capital

Share Data

 Market Cap (£m) **10.5**

 Shares in issue (m) **832.424**

 52 weeks (p) **High** **Low**
1.38 **0.72**

 Financial year end **31 December**

Source: Company Data, Allenby Capital

Key Shareholders

Nicholas Walley 5.45%

Michael Somerset-Leeke 4.75%

David Price 1.28%

Edward Fry 1.20%

Patrick Elliott 1.08%

Source: Company Data, Allenby Capital

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Rockfire Resources plc (ROCK.L)

Pivot to copper projects

Rockfire Resources plc in 2021 has pivoted strategically to its two copper porphyry projects, Copperhead and Copper Dome, in northern Queensland. It should be remembered that both prospects were drilled in 1972 and revealed clear evidence of copper mineralisation. Exploration activity currently is at an early stage but the initial findings from geophysical work at Copperhead are encouraging. Diamond drilling here is underway and we await the results with great interest in the coming weeks. In the case of Rockfire's most advanced gold project, Plateau on the Lighthouse tenement, an upgraded JORC resource was announced in January 2021. This was followed by the results of a scoping study for small open-cut gold mine which pointed to the potential for economic viability. Elsewhere on Lighthouse, rock and soil sampling at the Bell Rock and Jeddah prospects have returned elevated gold grades. Following earlier fund raises in 2021, Rockfire is comfortably financed for its work programme looking into 2022.

- Copper projects:** Rockfire's two copper projects are located 200-250 km southeast of Townsville and 180-200 km east-southeast of its core cluster of gold tenements in northern Queensland. Geo-physically, Copperhead and Copper Dome lie on the East Tasminide Porphyry Tract. This runs about 100-200 km inland from the Queensland coastline. Currently there is no copper mining on the Tract but it is recognised as having copper porphyry potential. Clearly, a commercial copper discovery would be a company maker for Rockfire.
- Copper prospectivity:** Following drilling in 1972, Carpentaria Exploration estimated for Copperhead a non-JORC compliant resource of 35m tonnes @ 0.35% Cu eq for 123,000 tonnes of copper including molybdenum credits. A magnetic survey was undertaken in January 2021 which identified a large magnetic body about 450 m below the surface. This is positioned beneath soil samples containing 'highly anomalous copper' and directly under five mineralised diamond drill holes made in 1972. At Copper Dome a helicopter aeromagnetic survey was conducted in May 2021. High resolution images were obtained and used to identify 'two main targets showing very strong magnetic responses' commencing about 500 m below the surface. The target zones for both Copperhead and Copper Dome are sizeable and provide plenty of scope for exploration.
- Financials:** Rockfire has raised £1.85m gross in new equity in the YTD 2021 through two placings in May and July at 0.7p/share and 0.8p/share respectively. A cash position of £1.49m was reported at end June 2021 and we forecast £1.29m for end 2021.
- Valuation:** Our risked sum-of-the parts valuation is unchanged in absolute terms at £20.6m. On a diluted per share basis, we have however downgraded the valuation from 2.07p to 1.7p to reflect the increase in shares outstanding in 2021 and an allowance for financing the prospective cash outflow in 2022. We have assumed for the latter purpose £1.5m financed at 0.975p/share. Note, in the event of positive exploration news relating to Copperhead we are likely to upgrade the absolute valuation.

Year End: December

(£'000)	2017	2018	2019	2020	2021E
EBITDA	(410)	(532)	(546)	(707)	(848)
NET (DEBT)/CASH	1,257	294	763	1,351	1,291

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

Please refer to the last page of this communication for all required disclosures and risk warnings.

Exhibit 1: Rockfire Resources valuation

Project	Resources	Valuation quotient	Risk factor	Valuation		Valuation per share £	
	Au m oz	US\$/oz Au	COS	US \$m	£m	Undiluted	Diluted
Lighthouse	1.50	35	0.45	23.63	17.00	0.016	0.0138
Other gold projects				2.00	1.44	0.001	0.0012
Copper projects				3.00	2.16	0.002	0.0017
Total				28.63	20.59	0.019	0.0167

Source: Company; Allenby Capital

Note: Exchange rate £1: US\$1.39

Undiluted valuation/share based on 1,081.64m shares outstanding

Diluted valuation/share based on a prospective 1,235.49m shares (1,081.64m + 153.85m) outstanding, 2022 cash outflow of £1.50m and cash raised at 0.975p/share

COS is chances of success.

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