

RNS Number : 0532R
BWA Group PLC
25 June 2020

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information for the purposes of Article 7 under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

25 June 2020

BWA Group plc

("BWA" or "the Company" or "the Group")

Strategic and Business Update

BWA Group plc [AQSE: BWAP], which has seven mineral exploration licences in Canada and Cameroon at various stages of development from grass roots to advanced exploration, and is quoted on London's AQSE Growth Market (formerly NEX), provides the following Strategic and Business Update for shareholders and other stakeholders.

Executive Summary

It has been a transformational period for the Group since its £4.66 million acquisition of Kings of the North Corp ("KOTN") in October 2019, the subsequent granting of two exploration licences in Cameroon in December 2019 (Nkoteng permit 637) and March 2020 (Dehane permit 636), the appointment of a globally-experienced Principal Geologist as a non-Executive Director, the appointment of a new Corporate Adviser which specialises in fund-raising for growth companies , and investment from new shareholders.

All financial estimates are based on unaudited initial management estimates.

BWA is focused on mineral exploration, with five licence groups in Canada and two in Cameroon, the latter of which took five years of negotiation. Its portfolio is spread both geographically and by mix of minerals with a focus on gold, Platinum Group Elements (PGEs) and rutile, the most promising of which are currently being explored, with a view to developing resources and completing positive preliminary economic evaluations, for future sale, joint ventures or mineral extraction.

The Company's strategy is to acquire good quality mining rights, initially to appropriate Competent Person Report ("CPR") level studies, followed by well-targeted exploration and development of mineral resources, or with a view to developing potential through financial joint ventures or operational joint ventures with suitable mining partners. The breadth and depth of the portfolio makes it likely that various exit strategies will be implemented on an individual investment basis.

Tactically, the properties are being developed following assessment of accessibility and extractability coupled with costs in order to progress in line with available funding.

In September 2019 the Company commissioned an independent report from SRK Exploration Services, leading and highly respected mining specialists, that valued the five KOTN Canadian properties at £4.66 million (as at CAD\$ exchange rate on 30 September 2019), including CAD\$300,000 (£185,000) for 3,000,000 shares in St George's Eco-mining Corp valued at £106,000 as at 31st of May 2020. At that time the Cameroon exploration licences had not been granted and these are therefore excluded from this independent business valuation.

Cameroon

The table below summarises the status of the Group's two rutile sands investments in Cameroon, where our licences enable us to prospect for gold, kyanite, ilmenite, zircon, and other commodity minerals, in addition to rutile sands.

Investment	Nkoteng (permit 637)	Dehane (permit 636)
Commodities	Rutile Ilmenite	Rutile Ilmenite Zircon

	Zircon	
Location	Central Cameroon Sanaga River System	Western Cameroon Nyong River System
Area <u>Sq.km</u>	497	132
Status	Favourable basement geology and depositional settings. Artisanal workings. Neighbouring property with historical resource of rutile of 277Mt at 1.03% TiO ₂	Favourable basement geology and depositional settings. Artisanal workings.
Drilling Update	Pending	Pending
Next Steps	4 test pits planned in detail. Collation of historic data. CP Exploration Report. Design & execution of drilling programme.	5 test pits planned in detail Collation of historic data. CP Exploration Report. Design & execution of drilling programme.

The Group's Cameroon two exploration licences, which together cover a total of approximately 620 sq. km, have historic data showing strong 'prospectivity' in the Nyong Valley region from the Akonolinga and Sanaga rivers, which run the length and breadth of both Cameroon rutile licence sites. Both sites are served by main metalled roads with Dehane 35 kms from the Maersk-operated deep-water port of Douala and Nkotneg 60kms North of the capital Yaounde.

Cameroon rutile operations are low cost in terms of both exploration and capex costs, with the anticipated timing from Mineral Resource Estimate CPR to initial production of 12 to 18 months. Since acquiring the licences, the Company has marked out the two areas, is establishing the first areas for prospecting pits, drill targets, and is undertaking preliminary mineral analysis. Whilst Cameroon has been affected by the global Covid-19 pandemic, the Company has access to highly qualified Cameroonian-based staff who have been able to continue operations under remote guidance from the UK.

Financial commitments are £250,000 in total, spread across the 2 licence areas, of which some £120,000 of this initial commitment has already been spent. Excess spend or shortfall can be

rolled over to the end of the initial three-year licence period. From the Company's perspective this is positive as the money spent on the exploration, CPR, and resource process enhances the value of the mineral licences.

In Cameroon, the operations are overseen by an extremely experienced ex-BAT Cameroon Chairman, Dick Howe, and a leading In-Country Geologist, Dr Emmanuel Simo, who has numerous rutile and other research papers to his name.

Canada

The table below summarises the five investments in Canada, acquired through the acquisition of Kings of the North Group.

Investment	Winterhouse (Maison D'Hiver)	Hemlo North	Nova Gold	Isousukostoc	Villebon
Commodities	Gold-Copper	Gold	Gold	Nickel- Copper- Cobalt	Gold-Nickel- Copper- Palladium
Location	Quebec	Ontario	Quebec	Quebec	Quebec
Grades	Neighbouring property with drill results up to 167g/t	16.2g/t gold grab 2.5m 8.2g/t 1.1% copper 3.7 g/t silver	Up to 40 g/t	17% Cu, 02% Co, 3.84%Ni & 1.17 g/y Platinum, 7.88g/t Palladium	421,840 ton grading 0.52% copper, 0,72% nickel and 1.08 g/t combined Platinum- Palladium 14,300 oz Palladium
Drilling Update	Grab Samples	Historic Drilling	Historic Drilling	Drilling Samples	Drilling samples and Resource
Status	N/A	Historic Exploration NI 43-101	Historic Exploration NI 43-101	Historic Exploration NI 43-101	Historic Mineral Resource NI 43-101

All 5 licence areas are close to other existing mineral exploration and mining areas with good local mining infrastructure and transport links. In particular, the Hemlo North property straddles the northernmost extent of the Heron Bay-Hemlo Greenstone belt, which also contains the gold producing mines of Hemlo. Barrick's Hemlo gold mine situated

approximately 10kms due South of the BWA property has produced more than 21Moz of gold and has been operating continuously for over 30 years. See [Barrick Hemlo](#) .

All of the Canadian properties are considered to have good to strong levels of 'prospectivity', as per the SRK evaluation report, which the Company has published on its website. The Boards of BWA Group plc and St George's Eco-Mining (now the largest shareholder in the Company following the purchase of KOTN) are in the course of reviewing the individual claims within the licence areas, but this review has been hampered by the COVID-19 pandemic.

Canada, and in particular its capital cities of Montreal and Toronto, has been adversely affected by both an extremely strict lock-down and a high incidence of the virus. This hiatus, coupled with relatively short seasonal working conditions, has led to little activity in licence areas, as recognised by the Canadian Government's freeze on licence renewals for 12 months.

It has also delayed BWA implementing its systems at KOTN. A specialist mining company has recently been appointed to oversee the maintenance of the licence areas and accounting and secretarial matters are also being dealt with by specialist local firms. There remains outstanding the balance of an option payment of CAS\$50,000 (circa £28,500) due to Hemlo Explorers Inc.

The Board remains confident about the potential of its investments.

Financial Aspects of KOTN Acquisition

The consideration for the acquisition of KOTN was the issue to the vendors of £4.66 million zero coupon convertible loan notes. These loan notes are only convertible into BWA shares at the middle market price at the time of conversion subject to a minimum price of 0.5p share.

It should be noted that a rise in BWA's share price from 0.5 per share materially reduces the dilution/cost impact of conversion.

There is a further restriction that the aggregate holding of the loan note holders of BWA shares cannot exceed 29% of BWA's issued share capital at any time. Accordingly, any increase in BWA's share price decreases the number of shares issued under the arrangement.

Appointment of Globally Experienced Geologist James Hogg as a non-Executive Director

The Company appointed James Hogg MSc. BSc. MAIG as a non-Executive Director with effect from 1 June 2020. James is Principal Geologist and Managing Director of Addison Mining Services ("Addison") and has over 20 years of experience across several geographies and mineral types.

Fund raising

The Company raised £100,000 by way of the issue of 20,000,000 shares at 0.5p per share in March 2020. In addition, 6,394,994 shares have been, or will be, issued to the Directors in respect of their fees for the six months to 31 March at 0.5 pence per share. Directors' remuneration is settled primarily by share issue rather than cash.

A single project of the seven reaching even an initial exit stage will self-finance the business, if so desired. The Company intends to fund the continuing development of both of the most prospective Canadian and Cameroonian operations by raising up to £1 million over the next twelve months and is considering with its advisers the best way in which that can be achieved.

Appointment of Allenby Capital as Aquis Corporate Advisor

In March 2020 the Company appointed Allenby Capital, a highly respected AQSE Corporate and AIM Nominated Advisor. Aquis itself has gone through a period of change having acquired its forerunner, London's NEX Exchange, in March 2020. Aquis operates a pan-European equities exchange and is providing a platform for growth companies to build a reputation as a London-based global exchange for growth companies with shares in member companies easily tradable globally.

Annual Report & Accounts

The turning point for the Company was the acquisition of KOTN, completed on 1 October 2019, followed by the two Cameroon licence awards. The Company's reporting period is now to 31 December 2019 and therefore much of what is covered in this Update are post year-end events.

It has been necessary for the Company to take advantage of the Government's Covid provisions and it intends to file its accounts before the end of September.

Outlook

Whilst Canada has remained close to lockdown, significant progress has been possible in Cameroon, where currently investment creates value at a far greater multiple for the same sum expended in Canada.

The Directors believe that the Company will be successful in future fund-raising given the current market capitalisation of the business when compared to even the SRK report of September 2019 on the value of the Canadian assets alone. This is coupled with the escalation in price of mineral commodity prices over the past 12 months, in particular gold, palladium , platinum and rutile sands.

BWA is currently in the process of collating and re-evaluating the Canadian projects historic databases to confirm claims status and future potential claim acquisitions, as well as updating and identifying new targets within the current landholding, updating historic mineral resource estimates and NI43-101 reports for all properties.

BWA's imbedded investment in the Cameroon Project of £270,000 as at 30 of April 2019, has risen over the last 13 months by £180,000 to £450,000. The investment of £314,365 made in April 2013 in PREGO, a Fintech business focussed on banking 'unbanked' migrant workers, will be written down to a nominal sum as the Company focuses on its seven mineral opportunities.

Subject to the availability of the necessary funding, the Board is confident in maintaining the momentum gained since the beginning of October 2019.

The Balance Sheet as at 31 December 2019 is strong with most borrowing only convertible into shares and therefore classified as equity capital. It is anticipated to show Net Enterprise Value of circa £5.2m.

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