

BWA Growth Story: Cameroon Exploration Licences Exhibit Strong Future Value

BWA Group PLC has been marking a success through major investments in underexplored mining landscapes that have shown the traces of highly mineral-rich areas around the country in Central Africa, Cameroon.

Originally established as a textile company in 1932, BWA Group PLC is an investment company focused on the mining industry. It presently operates through its wholly-owned subsidiary, BWA Resources (UK) Limited. In the last five years, the group has developed a robust portfolio of exploration permits in line with its core objective to generate value for its shareholders. The portfolio broadly includes 7 groups of mineral exploration licences, principally aimed at researching the exploitation of rutile sand, gold, nickel, copper, cobalt, kyanite and other related minerals.

Let's deep dive into the BWA's existing 7 licence areas which exhibit opportunities for the significant growth of future values

Acquisition of Kings of The North Corp

BWA had been seeking acquisition or major investment for the group for some time with the objective of achieving significant growth in shareholder value. The first result of its search ended on coming across the Canadian company Kings of the North Corp which owns a number of, principally gold, mining rights in Quebec and Ontario.

In September 2019, BWA acquired Kings of the North Corp at a consideration of £4.66 million, satisfied by the issue to the vendors of zero-coupon convertible loan notes which can only be converted to equity, at market price after the first year, but capped at 29 per cent of total voting rights of BWA.

The company determined the fair value of the acquisition on the basis of a technical valuation report prepared by a consultant SRK Exploration Services Limited on the five mineral licence groups owned by Kings of the North Corp. It includes:

S.No	Name	Province	Commodity
1	Hemlo North Limb	Ontario	Gold
2	Isoukoustouc	Quebec	Nickel-Copper-Cobalt
3	Villebon	Quebec	Gold -Nickel-Copper-PGE
4	Nova Gold	Quebec	Gold
5	Winterhouse	Quebec	Gold

In an [exclusive interview with KalkineMedia](#), BWA Non-Executive Chairman Richard Battersby stated that *'the report by SRK consultants prior to the purchase indicated high levels of prospectivity in several of the claim areas which has been fully supported in recent months by announcements of successful strikes on immediately adjacent claims by other companies. In*

addition, current work has indicated the possibility of other, higher value, metals which were not fully valued as part of the SRK exercise.'

Exploration Licence-I at Cameroon: Nkoteng

In December 2019, BWA secured its first exploration licence at Nkoteng, Cameroon for the span of three years. In addition to five licences held through the acquisition of Kings of the North Corp, BWA would now be able to research further the area covering 497 square kilometres of Central Cameroon through this licence.

The Nkoteng exploration licence allows BWA to evaluate the viability of commercial exploitation of rutile sands, and other related minerals like ilmenite, kyanite and zircon, among others. However, the licence includes a financial commitment of around £650,000 spread across the span of three years. BWA expects that the licence value would more than fully support the valuation of the expenditure to date in the company's accounts.

Richard Battersby told Kalkine Media *that work started at Nkoteng in January and preliminary reviews of potential exploration areas have begun from the second half of April 2020, as planned.*

Exploration Licence-II at Cameroon: Dehane

The company recently obtained its [second exploration licence in Cameroon at Dehane](#), expanding its footprints across the underdeveloped mining hub of Central Africa.

The three-year licence has widened the company's scope of research for rutile sand, a mineral largely used in the production of titanium metal. But beside rutile sand, the site covering 132 square kilometres is expected to have a presence of the precious metal gold and other minerals like ilmenite and kyanite, for which the company has planned to carry out research and find out the feasibility of their commercial exploitations.

Investment in Mineralfields Group and Prego International

Mineralfields – BWA's 13 percent shareholding in Mineralfields Group was the original introduction to the opportunities in Cameroon. Mineralfields operating activities are being developed through BWA's business in Cameroon, BWA Resources (Cameroon) Limited.

Prego – BWA Group had also invested in global payment solution provider Prepaid Global Services Limited, formerly called as Prego International. Prepaid Global Services Limited is into the business of developing payroll solution and other payment concepts for employers of the Middle East, the European Union, and South East Asia.

Going forward, BWA plans to dispose of its investment in Prepaid Global Services Limited as opportunity permits.

Listed on the AQSE, London, BWA shares last traded at GBX 0.35 on 7th May 2020. The 52-week low of the stock price was recorded at GBX 0.1 while 52-week high stood at GBX 0.425.



BWA growth story continues with its core objective to build up to significant size, providing material investment growth to its shareholders through the development of the existing 7 licence areas.