

## Sable Platinum receives cash injection from CEO

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SABLE Platinum, which received a R1m injection by its CEO James Allan to keep it going, is trying to raise further capital as it switches its strategy from platinum to iron ore and vanadium.

Sable had cash of R1.7m by November 22, enough to cover expenses until January 2014.

It is hopeful about a R3m payment from the South African Revenue Service in coming months, giving it money to cover expenses until July.

Directors and staff have taken pay cuts, or, in the case of Mr Allan, not been paid at all to ease the cash constraints on the company, which listed on the JSE a year ago.

"We were short of cash at the time, and because I, as a director, was not allowed to subscribe for shares, I advanced the company the loan," Mr Allan said.

The loan will be converted to shares in Sable. In all, R2.8m has been forfeited in salaries between December 2012 and end-August 2013. This could be reimbursed "if sufficient capital is raised."

Sable has authority to issue up to 15% of its issued capital in the financial year up to end-February and it may repeat the process early in its new financial year to boost cash in the company.

It is negotiating a private placement of shares, it said yesterday.

The capital injection will allow it to continue exploring two iron and vanadium prospects for which it has exploration rights. It has a third property it plans to bring into exploration during the year.

Ideally, Sable wants to expedite the production of iron ore from one of its South African properties and this could be as soon as 2015.

It would mean raising a lot more money to build a mine. Two of the properties are close to railway lines, making the project that much easier.

Sable is undergoing an "internal restructuring", and this could mean it might create separate divisions for its iron and vanadium, platinum tenements, and its iron project in Botswana.

This would make funding for each division a little easier, with potential investors either investing directly in the subsidiary or in the listed company if they wanted exposure to all three prospects.

Sable plans to change its name to Sable Metals and Minerals and move to the general mining sector on the JSE, as platinum takes a back seat in the company's future until market conditions for the metal improve.

Sable is completing a due diligence study into a transaction to acquire 26% in Global Initiatives, a private company in Botswana. It is hopeful about concluding the deal before the end of the year.

Sable is talking to various parties in a number of countries to bring in a strategic partner for the project that may involve producing pig iron or even steel in Botswana.

The basic outline of the project would be the construction of a plant to treat the tailings and slag coming from Selebi Phikwe, a nickel producing mine owned by BCL, a government-owned mining and smelting company.

There are about 100-million tonnes of tailings and slag of about half that amount. The slag has a 40% iron content.

The project could very well be unbundled out of Sable some time in the future.