

Speculative

See key risks on Page 8 and early stage company risk warning on page 11. Speculative securities may not be suitable for retail clients

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Authorisation

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OreCorp Ltd (ORR)

Development catalysts coming through

Recommendation
Buy (unchanged)
Price
\$0.43
Valuation
\$0.93 (previously \$0.84)
Risk
Speculative

GICS Sector

Materials

Expected Return

Capital growth	116%
Dividend yield	0%
Total expected return	116%

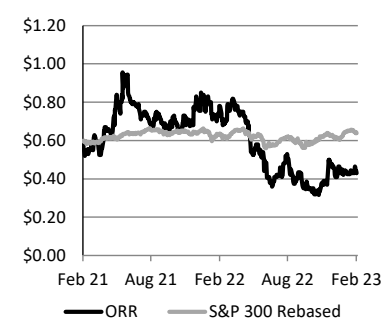
Company Data & Ratios

Enterprise value	\$150.4m
Market cap	\$171.6m
Issued capital	399.0m
Free float	84%
Avg. daily val. (52wk)	\$161,000
12 month price range	\$0.31-\$0.83

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	0.44	0.36	0.75
Absolute (%)	-2.3	19.4	-42.3
Rel market (%)	-1.5	16.8	-43.2

Absolute Price



SOURCE: IRESS

De-risking of NGP continues

ORR is achieving key development milestones in advancing its Nyanzaga Gold Project (NGP), located within the Lake Victoria Goldfields of Tanzania. The NGP is one of the most advanced, largest scale and highest grade development projects among ASX-listed gold exploration and production companies. It continues to screen favourably on key project and valuation metrics when compared with its peers. Recent developments have further de-risked the NGP as it progresses towards the key milestones of project financing (1HCY23), the implementation of its Resettlement Action Plan (RAP, end CY23) and the commencement of construction (2HCY23). ORR has cash of A\$21.2m, sufficient to meet these milestones.

Progress on multiple fronts

ORR has received Expressions of Interest from European, African and Tanzanian banks for debt of more than US\$400m. This is in excess of both ORR's US\$300m debt target and our assumed of debt finance for the NGP. It compares favourably with the NGP's US\$474m pre-production capital cost. ORR is assessing in-country gold refining that would reduce the royalty from 6% to 4% and on our assumptions reduce life of mine AISC by US\$45/oz and add ~A\$40m to our un-risked NGP valuation. ORR has also identified the mine life extension opportunities of a Stage 4 pit optimisation (8.4Mt) and Exploration Target (4-6Mt) that combined could extend the NGP's mine life from 10.7 years to ~14 years. The sourcing of low-emission hydro-electric power has also advanced with the signing of an MoU for a high voltage transmission line and the filling of a new 2.1GW hydro dam in Tanzania commencing in December 2022.

Investment thesis: Speculative Buy, Valuation \$0.93/sh

The NGP has emerged as an attractive, significant scale, new gold project with strong financial performance metrics in a region that is experiencing a resurgence in investment by the world's largest mining companies. EPS changes in this report are not material. We retain our Speculative Buy recommendation on an increased Valuation of \$0.93/sh (previously \$0.84/sh).

Earnings Forecast

Year end 30 June	2023e	2024e	2025e	2026e
Sales (A\$m)	-	-	-	413
EBITDA (A\$m)	(15)	(6)	(7)	256
NPAT (reported) (A\$m)	(15)	(24)	(23)	171
NPAT (adjusted) (A\$m)	(15)	(24)	(23)	171
EPS (adjusted) (cps)	(3.5)	(5.1)	(3.0)	16.0
EPS growth (%)	nm	nm	nm	nm
PER (x)	nm	nm	nm	2.7
FCF Yield (%)	-13%	-122%	-145%	48%
EV/EBITDA (x)	(9.8)	(23.1)	(22.6)	0.6
Dividend (cps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	0%	0%	0%	0%
ROE (%)	-22%	-55%	-7%	35%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Development catalysts coming through

De-risking of NGP continues

ORR is achieving key development milestones in advancing its Nyanzaga Gold Project (NGP), located within the Lake Victoria Goldfields of Tanzania. The NGP is one of the most advanced, largest scale and highest grade development projects among ASX-listed gold exploration and production companies. It continues to screen favourably on key project and valuation metrics when compared with its peers. It is run by a Board and management team with a track record of successful project acquisition, development, operation and value creation in African jurisdictions. Recent developments have further de-risked the NGP as it progresses towards the key milestones of project financing (1HCY23), the implementation of its Resettlement Action Plan (RAP, end CY23) and the commencement of construction (2HCY23). ORR has cash of A\$21.2m, sufficient to progress to these milestones.

Project financing

ORR, in consultation with its debt financing advisers, has progressed discussions with prospective debt providers and received Expressions of Interest from European, African and Tanzanian banks for more than US\$400m. This is in excess of both ORR's US\$300m debt target and our assumed quantum of debt finance for the NGP. It also compares favourably with the NGP's US\$474m pre-production capital cost.

ORR has also initiated discussions with other prospective debt providers such as credit funds and precious metal royalty and streaming investors that have indicated interest in the NGP. In our view, this is a positive move that adds competitive tension to the formation of a debt syndicate and will help ORR minimise dilution for existing shareholders.

FEED optimisation

Front End Engineering and Design (FEED) has commenced and is examining ways to optimise and reduce pre-production capital costs and operating costs. ORR is assessing in-country gold refining at a new gold refinery that has commenced operation at Geita, a gold mining centre ~50km from the NGP. This would allow the statutory gold royalty to be reduced from 6% to 4%. On our modelled assumptions this would reduce life-of-mine (lom) All-In-Sustaining-Costs (AISC) by US\$45/oz and add ~A\$40m to our un-risked NGP valuation.

Across the global mining sector, while input costs remain elevated, the high inflation environment in which the DFS was completed has stabilised and companies are reporting shorter and more reliable lead-times for plant and equipment. Without quantifying the benefits, we believe this will provide opportunities for ORR to improve its development outlook.

Low carbon-intensity power

One of the attractions of the NGP is cheap (~US8c/kWh) and low carbon intensity power supply. Currently 30-35% of Tanzania's grid power is supplied by hydro-electric generation and is set to increase to +70% upon completion of the 2.1GW Julius Nyerere hydroelectric power plant in eastern Tanzania. Construction of the US\$2.9 billion project commenced in 2019 and is now expected to be commissioned in early 2024, ahead of production commencement at the NGP in 2025. The dam's main body was completed in 2022 and filling with water commenced in December 2022.

In February 2023, ORR signed a Memorandum of Understanding (MoU) with Tanzania Electric Supply Company Limited (TANESCO) to extend grid power to the NGP via a new

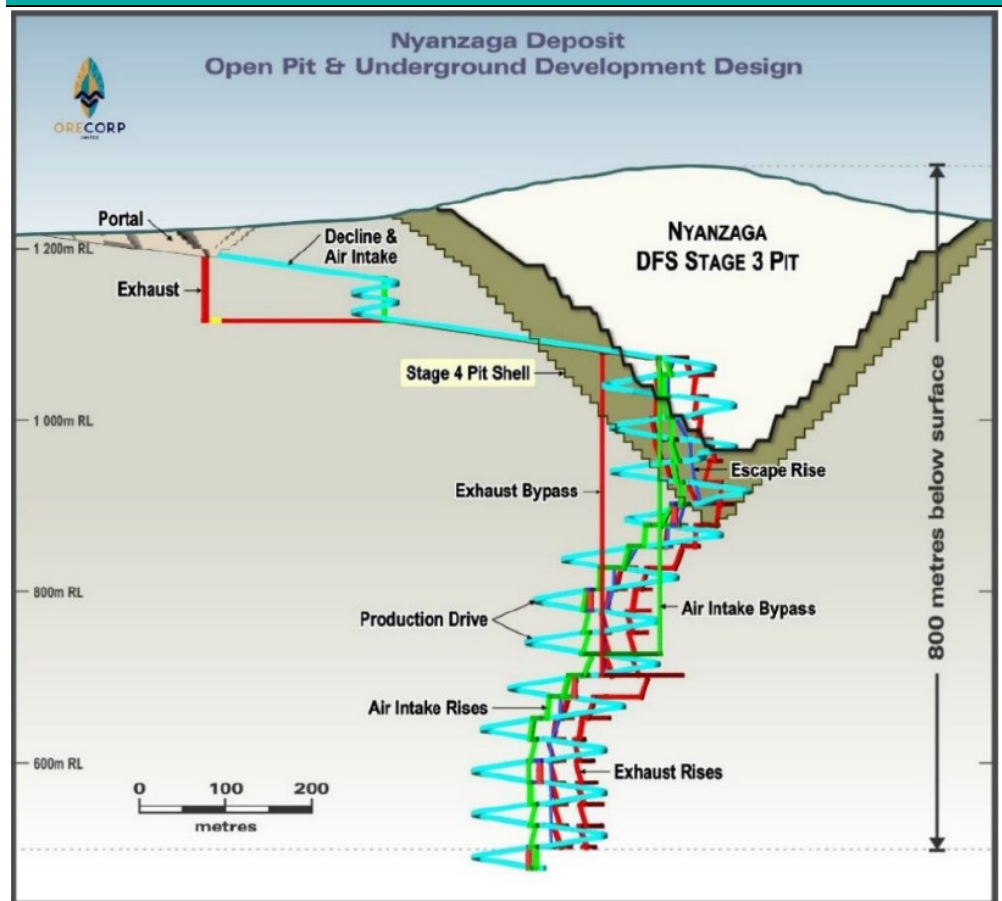
53km 220kV transmission line. Key terms of the MoU cover CAPEX contributions, tariff rebates and a comprehensive power supply agreement.

Mine life extension opportunities: 4-6Mt Exploration Target

Following a review of drilling at the NGP, significant downhole intercepts were identified below and adjacent to open pit and underground production targets of the DFS. ORR has used this data to define a high grade underground Exploration Target of approximately 4.0 Mt to 6.0 Mt at a grade range of approximately 3.4g/t Au - 4.0g/t Au, in addition to the NGP's Reserve base and production target. This would extend the mine life by up to 1.5 years, to 12.2 years and further enhance its debt financing characteristics. The drilling showed the potential for extensions of mineralisation up to 200m down plunge below the current production target.

In addition to this, a larger, Stage 4, open-pit expansion has been designed under the application of a higher, US\$1,725/oz gold price. This compares with the 3 Stage open pit for the DFS that was optimised at US\$1,500/oz. This optimised pit shell contains an additional 8.4Mt @ 1.17g/t Au for 315koz Au contained and could add a further 2 years to the life of mine and combined with the Exploration Target, potentially extend the life of mine to ~14 years.

Figure 1 - Nyanzaga Stage 3 and Stage 4 pit optimisations



SOURCE: COMPANY DATA

Resettlement Action Plan

ORR is in the process of implementing a RAP for the approximately 500 subsistence farming households covered by the NGP's Special Mining Licence. The RAP is a well established statutory process in Tanzania that provides a framework for relocation, livelihood restoration and compensation of affected landholders.

ORR's RAP is consistent with the Equator Principles and International Finance Corporation (IFC) Performance Standards. Draft valuations have now been completed and approved at local level and submitted to the Chief Government Valuer. Approval is expected in the next quarter. Completing this process is a requirement for ORR to commence construction of the NGP and therefore a key milestone.

Attractive value, solid register

ORR continues to screen well compared with its peers, offering good value on broad market metrics such as EV per Resource ounce and EV per Reserve ounce. Considering the NGP's advanced stage of development, long mine life, high grade and overall scale, we would often expect to see a project like this trading at a premium to peers.

Table 1 - Gold explorers - ASX

Company	ASX Code	Price (A\$/sh)	Market Cap (A\$m)	EV (A\$m)	Resources (Moz)	Grade (g/t Au)	EV/ Res oz (A\$/oz)	Reserves (Moz)	Grade (g/t Au)	EV/Rsv oz (A\$/oz)	Net cash (debt) / Mkt Cap
De Grey Mining Limited	DEG	\$1.34	\$2,084.2	\$1,964.2	10.634	1.30	\$185	5.1	1.50	\$382	5.8%
Bellevue Gold Limited	BGL	\$1.12	\$1,259.0	\$1,152.0	3.1	9.90	\$372	1.3	6.10	\$860	8.5%
Tietto Minerals Limited	TIE	\$0.67	\$723.2	\$635.6	3.450	1.10	\$184	1.5	1.30	\$438	12.1%
GREATLAND GOLD PLC	GGP.LSE	\$0.14	\$695.6	\$754.0	1.650	1.90	457	0.7	3.00	1047	-8.4%
Genesis Minerals Limited	GMD	\$1.14	\$471.2	\$379.8	2.204	1.80	\$172	0.1	1.30	\$3,760	19.4%
OreCorp Limited	ORR	\$0.43	\$171.6	\$150.4	3.285	4.03	\$46	2.6	2.02	\$58	12.4%
Magnetic Resources NL	MAU	\$0.70	\$160.7	\$155.2	0.536	1.13	\$290	-	-	na	3.4%
Catalyst Metals Limited	CYL	\$1.38	\$135.9	\$120.5	0.368	4.30	\$327	0.1	3.60	\$1,048	11.3%
Santana Minerals Limited	SMI	\$0.85	\$126.5	\$117.0	2.090	1.40	\$56	-	-	na	7.5%
Musgrave Minerals Limited	MGV	\$0.18	\$106.4	\$99.1	0.232	2.30	\$427	-	-	na	6.9%
Calidus Resources Limited	CAI	\$0.23	\$101.1	\$181.6	1.662	1.20	\$6	0.6	1.40	\$303	-79.7%
Ausgold Limited	AUC	\$0.05	\$99.4	\$90.9	2.160	1.21	\$42	1.3	1.25	\$71	8.6%
Breaker Resources NL	BRB	\$0.29	\$94.7	\$12.4	1.684	1.60	\$7	-	-	na	86.9%
Tulla Resources PLC	TUL	\$0.28	\$90.1	\$86.9	2.394	3.20	\$36	0.5	2.10	\$179	3.6%
Antipa Minerals Limited	AZY	\$0.02	\$71.9	\$60.1	2.704	1.15	\$22	-	-	na	16.3%
Vango Mining Limited	VAN	\$0.05	\$65.5	\$70.1	1.002	3.00	\$70	-	-	na	-7.0%
KIN Mining NL	KIN	\$0.05	\$58.9	\$46.2	1.407	1.30	\$33	-	-	na	21.5%
Falcon Metals Ltd	FAL	\$0.31	\$54.0	\$29.0	0.000	0.00	na	-	-	na	46.3%
Encounter Resources Limited	ENR	\$0.14	\$49.8	\$44.4	0.000	0.00	na	-	-	na	10.9%
Tanami Gold NL	TAM	\$0.04	\$45.8	\$10.5	0.8	3.70	\$14	-	-	na	77.1%
Alto Metals Limited	AME	\$0.07	\$41.7	\$37.7	0.635	1.60	\$59	-	-	na	9.6%
Horizon Minerals Limited	HRZ	\$0.06	\$38.6	\$35.7	1.240	1.71	\$29	-	-	na	7.5%
Rox Resources Limited	RXL	\$0.15	\$32.6	\$28.1	2.328	3.57	\$12	-	-	na	13.8%
Venus Metals Corporation Limited	VMC	\$0.16	\$27.6	\$23.1	0.936	2.97	\$25	-	-	na	16.2%
Kalamazoo Resources Limited	KZR	\$0.17	\$25.3	\$21.2	1.646	2.50	\$13	-	-	na	16.0%
Saturn Metals Limited	STN	\$0.17	\$25.0	\$19.9	1.469	0.60	\$14	-	-	na	20.5%
Prodigy Gold NL	PRX	\$0.01	\$21.0	\$14.2	1.0	2.00	\$14	-	-	na	32.3%
Yandal Resources Limited	YRL	\$0.09	\$13.9	\$11.3	0.4	1.30	\$28	-	-	na	18.8%
Aurumin Limited	AUN	\$0.06	\$9.8	\$13.1	0.9	1.50	\$14	-	-	na	-33.1%
Total / average			\$6,900.8		51.9	2.4	\$96	13.8	2.1	\$789	

SOURCE: BELL POTTER SECURITIES ESTIMATES

ORR's shareholder base also continues to improve, with institutional investors accounting for ~40% of the register. This includes Australian Super (via Federation Mining) at 12.4% and Mutual Investments at 6.6%. Respected industry figures also have substantial shareholdings, with Rollason (Nick Giorgetta) at 12.3% and Tim Goyder recently becoming substantial at 5.0%. Directors and Associates hold 8.7%. The Top 20 shareholders hold 63% of ORR.

Changes to our forecasts

We make the following changes to our forecasts and valuation:

- Reduce our risk discount from 20% to 15% of calculated project NPV, reflecting the progress made on project financing, resettlement action plan and grid transmission line MoU. These are all key milestones feeding into the commencement of construction, targeted for 2HCY23;
- Increased our notional exploration valuation of the exploration potential of the balance of the NGP and Kilimani tenements not included in our life-of-mine (lom) production scenario. This reflects both the latest exploration updates and increased market valuations for gold Resource ounces;
- Incorporated our latest commodity and foreign exchange rate forecasts, which include a lower AUD:USD exchange rate forecast which benefits our valuation; and
- Updated for ORR's latest cash position, current capital structure and rolled our model forward.

The net impacts of these changes are summarised in the table below:

Table 2 - Changes to earnings estimates									
Year ending 30 June	Previous			New			Change		
	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Prices & currency									
Gold (US\$/oz)	1,900	1,953	1,993	1,900	1,953	1,993	0%	0%	0%
US\$/A\$	0.70	0.71	0.72	0.70	0.70	0.70	0%	-1%	-3%
Production & costs									
Ore milled (kt)	2,900	3,600	4,000	2,900	3,600	4,000	0%	0%	0%
Gold produced (koz)	145	222	252	145	222	252	0%	0%	0%
Cash costs (US\$/oz)	768	768	862	754	754	846	-2%	-2%	-2%
AISC (US\$/oz)	903	1,008	1,122	889	994	1,106	-2%	-1%	-1%
Earnings									
Revenue (A\$m)	-	-	401	-	-	413	na	na	3%
EBITDA (A\$m)	(7)	(7)	246	(6)	(7)	256	na	na	4%
EBIT (A\$m)	(7)	(7)	206	(6)	(7)	216	na	na	4%
NPAT (adjusted) (A\$m)	(24.4)	(23)	165	(24.3)	(23)	171	na	na	4%
EPS (reported) (cps)	(5.2)	(3.0)	15.4	(5.1)	(3.0)	16.0	na	na	4%
PER (x)	(8.3)	(14.4)	2.8	(8.4)	(14.5)	2.7	(0.0)	(0.1)	(0.1)
EPS growth (%)	nm	nm	nm	nm	nm	nm	nm	nm	nm
DPS (reported) (cps)	-	-	-	-	-	-	na	na	na
Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
NPV (\$/sh)	-	-	0.84	-	-	0.93	na	na	11%
Price Target (\$/sh)		0.84			0.93			11%	

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

EPS changes in this report are not material. Our NPV-based valuation benefits from a lower exchange rate, model roll-forward, marginally increased exploration valuation, and risk reduction on financing progress. It increases by 11%, to \$0.93/sh and we maintain our Speculative Buy recommendation.

Upcoming catalysts

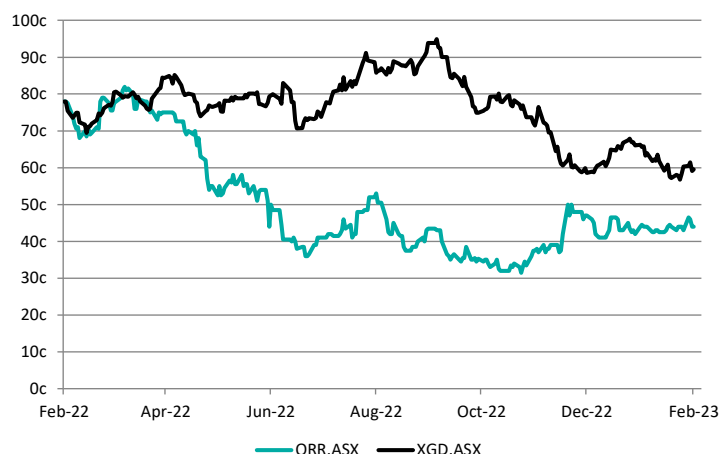
Upcoming catalysts for ORR include:

- The major upcoming catalyst for ORR is the progress of project financing activities. ORR has engaged a debt advisory firm (Auramet) to assist with sourcing and negotiating project debt finance options. ORR is aiming to finalise a project finance package and Final Investment Decision by end 1QCY23;
- The March 2023 quarter quarterly report, expected in late April, which we anticipate will provide an update on most project development milestones and catalysts;
- The engagement of key contractors for Front-End Engineering and Design (FEED), bulk civil earthworks and open-pit and underground mining contracts during 1HCY23;
- The tendering of contracts for early civil works and procurement of long-lead time equipment during 1HCY23;
- Ongoing reporting of exploration results and reviews of geological targets, including depth extensions to Nyanzaga, additional open pit opportunities and ongoing regional exploration;
- The successful and timely implementation of the Resettlement Action Plan (RAP). This is currently underway with valuations now completed and approved at local level. They have been submitted to Chief Government Valuer and targeted for finalisation in 2HCY23; and
- The commencement of construction activities in 2HCY23, with a scheduled duration of 21 months, ahead of first gold production in 2HCY25.

Share price performance vs ASX Gold Index

Relative performance chart below:

Figure 2 - ORR relative share price performance vs XGD



SOURCE: BLOOMBERG AND BELL POTTER SECURITIES ESTIMATES

ORR's relative performance has underperformed the ASX Gold Index over the last 12 months. In our view this reflects a general underperformance of exploration and development companies in comparison with the production companies, which dominate the Index. More recently, ORR's relative performance has improved, on project advancement, improved sector sentiment and interest from high profile and well-regarded shareholders.

OreCorp Ltd (ORR)

Company Description

ORR is a WA-based gold exploration and development company focused on the development of its prime asset, the Nyanzaga Gold Project (NGP), located within the Lake Victoria Goldfields of Tanzania. ORR holds an 84% interest in the NGP with the Government of Tanzania holding a 16% free-carried interest. The company has a Board and management team with a track record of successful project acquisition, development, operation and value creation in African jurisdictions. In August 2022, ORR completed a Definitive Feasibility Study (DFS) on the NGP, outlining the development case for concurrent 4.0Mtpa open-pit and underground mining operations over a 10.7 year life-of-mine (lom). The NGP is planned to deliver average annual gold production of 242koz for the first 10 years, with peak production of 295koz at lom average All-In-Sustaining-Costs (AISC) at US\$954/oz.

Investment thesis: Speculative Buy, Valuation \$0.93/sh

The NGP has emerged as an attractive, significant scale, new gold project with strong financial performance metrics in a region that is experiencing a resurgence in investment by the world's largest mining companies. EPS changes in this report are not material. We retain our Speculative Buy recommendation on an increased Valuation of \$0.93/sh.

Valuation methodology

Our valuation of ORR is based on the NPV of our forecast after-tax free cash flows from the Nyanzaga Gold Project (NGP) in Tanzania, net of forecast corporate administration costs and ORR's net cash position. For the purposes of our valuation we have applied the approximate project parameters as outlined in the Definitive Feasibility Study of August 2022, under our own commodity price and foreign exchange rate forecasts. For the NGP, we apply a discount rate of 12% (nominal), consistent with rates applied to other assets under our coverage that are located in emerging economies.

This is included in a sum-of-the-parts valuation for the company which also includes a notional estimate for the value of the exploration potential of the balance of the NGP and Kilimani tenements not included in our life-of-mine (lom) production scenario. Our SOTP valuation is summarised in the table below:

Table 3 – ORR sum-of-the-parts valuation – Bell Potter Securities

Sum-of-the-parts	A\$m	A\$/sh
Nyanzaga (risk adjusted NPV ₁₂)	387.1	0.97
Other exploration	30.0	0.08
Corporate overheads	(25.2)	(0.06)
Subtotal	391.9	0.98
Net cash (debt)	21.2	0.05
Total (undiluted)	413.1	1.04
Add cash form options	-	-
Assumed equity raise	30.0	@ 0.42
Total (diluted)	443.1	0.93

SOURCE: BELL POTTER SECURITIES ESTIMATES

Following our latest update, we calculate an NPV-based valuation of \$0.93/sh. With a total shareholder return of 116% from the last closing share price to our valuation, we retain our Speculative Buy recommendation in conformity with our rating structure.

Resource sector risks

Risks to ORR include, but are not limited to:

- **Operating and development risks:** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single mine company. Development of mining assets may be subject to receiving permits, approvals timelines or weather events, causing delays to commissioning and commercial production.
- **COVID-19 risks:** Mining companies' rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. A return to restrictive policies may pose risks to these conditions.
- **Operating and capital cost fluctuations:** The cost and availability of exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour costs as well as access to, and availability of, technical skills, operating equipment and consumables.
- **Commodity price and exchange rate fluctuations:** The future earnings and valuations of exploration, development and producing Resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Funding and capital management risks:** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments. Exploration and development companies with no sales revenues are reliant on access to equity markets and debt financing to fund the advancement and development of their projects.
- **Resource growth and mine life extensions:** The viability of future operations and the earnings forecasts and valuations reliant upon them may depend upon resource and reserve growth to extend mine lives, which is in turn dependent upon exploration success, of which there are no guarantees.
- **Regulatory changes risks:** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies. ORR's assets are located in Tanzania, which has in the past implemented regulatory changes related to mining project ownership, fiscal terms and mineral export requirements.
- **Sovereign risks:** Mining companies' assets are subject to the sovereign risks of the jurisdiction within which they are operating. ORR's assets are in Tanzania, formally recognised as a middle-income country and the 7th largest economy in Africa. Its sovereign debt is rated below investment grade by the Moody's ratings agency.
- **Geopolitical risks:** Mining companies' assets are subject to geopolitical risks, arising from events in, and outside, the jurisdictions they operate in.
- **Corporate/M&A risks:** Risks associated with M&A activity including differences between the entity's and the market's perception of value associated with completed transactions.

Table 4 - Financial summary

PROFIT AND LOSS						FINANCIAL RATIOS							
Year ending June	Unit	2022e	2023e	2024e	2025e	2026e	Year ending June	Unit	2022e	2023e	2024e	2025e	2026e
REVENUE						VALUATION							
Revenue	A\$m	-	-	-	-	412.6	NPAT	A\$m	(20.7)	(15.2)	(24.3)	(22.9)	171.3
Expense	A\$m	(21.3)	(15.4)	(6.5)	(6.7)	(156.3)	Reported EPS	Ac/sh	(5.3)	(3.5)	(5.1)	(3.0)	16.0
EBITDA	A\$m	(21.3)	(15.4)	(6.5)	(6.7)	256.3	Adjusted EPS	Ac/sh	(5.3)	(3.5)	(5.1)	(3.0)	16.0
Depreciation	A\$m	-	-	-	-	(40.6)	EPS growth	%	nm	nm	nm	nm	nm
EBIT	A\$m	(21.3)	(15.4)	(6.5)	(6.7)	215.6	PER	x	nm	nm	nm	nm	2.7x
Net interest expense	A\$m	0.5	0.2	(17.8)	(16.3)	(17.9)	DPS	Ac/sh	-	-	-	-	-
Unrealised gains (Impairments)	A\$m	-	-	-	-	-	Franking	%	0%	0%	0%	0%	0%
Other	A\$m	-	-	-	-	-	Yield	%	0%	0%	0%	0%	0%
PBT	A\$m	(20.7)	(15.2)	(24.3)	(22.9)	197.8	FCF/share	Ac/sh	(0.3)	(0.1)	(1.2)	(1.5)	0.5
Tax expense	A\$m	-	-	-	-	26.5	P/FCFPS	x	(3.9)	-7.8x	-0.8x	-0.7x	2.1x
NPAT (reported)	A\$m	(20.7)	(15.2)	(24.3)	(22.9)	171.3	EV/EBITDA	x	-7.1x	-9.8x	-23.1x	-22.6x	0.6x
NPAT (underlying)	A\$m	(20.7)	(15.2)	(24.3)	(22.9)	171.3	EBITDA margin	%	nm	nm	nm	nm	62%
CASH FLOW						LIQUIDITY & LEVERAGE							
OPERATING CASHFLOW						Net debt (cash)							
Receipts	A\$m	0.4	-	-	-	392.0	ND / E	%	-100%	-93%	1137%	298%	90%
Payments	A\$m	(33.1)	(16.8)	(8.7)	(6.6)	(118.9)	ND / (ND + E)	%	-176%	-156%	193%	131%	65%
Tax	A\$m	-	-	-	-	-	EBITDA / Interest	x	nm	nm	-0.4x	-0.4x	14.3x
Net interest	A\$m	0.5	0.2	(17.8)	(16.3)	(17.9)	ORE RESERVE AND MINERAL RESOURCE						
Other	A\$m	-	1.5	-	15.0	-	Nyanzaga Gold Project (NGP)						
Operating cash flow	A\$m	(32.2)	(15.2)	(26.5)	(7.9)	255.2	Nyanzaga deposit Resource						
INVESTING CASHFLOW						Measured							
Property, plant and equipment	A\$m	(6.7)	-	(122.5)	(284.4)	(20.6)	Indicated						
Mine development	A\$m	(4.5)	-	(81.6)	(189.6)	(13.7)	Inferred						
Exploration & evaluation	A\$m	-	(9.0)	(17.3)	-	-	Total						
Other	A\$m	-	-	-	-	-	Mt						
Investing cash flow	A\$m	(11.2)	(9.0)	(221.4)	(474.0)	(34.3)	g/t Au						
Free Cash Flow	A\$m	(43.4)	(24.1)	(247.9)	(481.9)	220.9	koz						
FINANCING CASHFLOW						Kilimani deposit Resource							
Share issues/(buy-backs)	A\$m	-	30.0	-	300.0	-	Measured						
Debt proceeds	A\$m	-	-	434.8	-	-	Indicated						
Debt repayments	A\$m	-	-	-	-	-	Inferred						
Dividends	A\$m	-	-	-	-	-	Total						
Other	A\$m	-	(1.5)	-	(15.0)	-	Mt						
Financing cash flow	A\$m	-	28.5	434.8	285.0	-	g/t Au						
Change in cash	A\$m	(43.4)	4.4	186.9	(196.9)	220.9	koz						
BALANCE SHEET						ASSUMPTIONS - Prices							
ASSETS						Year ending June (avg)							
Cash & short term investments	A\$m	23.0	27.3	214.2	17.3	238.3	Commodity						
Accounts receivable	A\$m	-	-	-	-	20.6	Gold						
Property, plant & equipment	A\$m	7.0	7.0	129.4	413.8	418.2	Silver						
Mine development expenditure	A\$m	4.5	4.5	86.1	275.7	273.2	Currency						
Exploration & evaluation	A\$m	24.6	33.5	50.8	50.8	42.7	AUD:USD						
Other	A\$m	0.2	0.2	0.2	0.2	0.2	Year ending June						
Total assets	A\$m	59.2	72.6	480.9	757.9	993.1	Production & costs						
LIABILITIES						Year ending June (avg)							
Accounts payable	A\$m	5.3	3.8	1.6	1.7	39.1	Gold production						
Income tax payable	A\$m	-	-	-	-	26.5	Ore tonnes processed						
Borrowings	A\$m	-	-	428.6	428.6	428.6	Head grade						
Lease liabilities	A\$m	0.3	0.3	0.3	0.3	0.3	Gold produced						
Other	A\$m	0.3	0.3	6.5	6.5	6.5	Costs						
Total liabilities	A\$m	5.9	4.4	437.0	437.0	500.9	Cash costs / oz Au						
SHAREHOLDER'S EQUITY						All-in-Sustaining-Costs (AISC)							
Share capital	A\$m	132.8	162.8	162.8	462.8	462.8	Year ending June						
Reserves	A\$m	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	Ordinary shares (m)						
Retained earnings	A\$m	(79.5)	(94.7)	(119.0)	(141.9)	29.4	Options in the money (m)						
Total equity	A\$m	53.3	68.1	43.9	320.9	492.2	Assumed equity raise (m)						
Weighted average shares	m	392.5	435.6	472.2	772.2	1,072.2	Diluted m						
CAPITAL STRUCTURE						ASSUMPTIONS - Production & costs							
Shares on issue	m	-	-	-	-	399.0	Year ending June						
Escrow shares / other	m	-	-	-	-	0.0	Gold production						
Total shares on issue	m	-	-	-	-	399.0	Ore tonnes processed						
Share price	A\$/sh	-	-	-	-	0.430	Head grade						
Market capitalisation	A\$m	-	-	-	-	171.6	Gold produced						
Net cash	A\$m	-	-	-	-	21.2	Costs						
Enterprise value (undiluted)	A\$m	-	-	-	-	150.4	Cash costs / oz Au						
Options outstanding (m)	m	(wtd avg ex. price \$0.47 per share)	-	-	-	7.6	All-in-Sustaining-Costs (AISC)						
Options (in the money)	m	-	-	-	-	3.9	Year ending June						
Issued shares (diluted for options)	m	-	-	-	-	402.9	Production & costs						
Market capitalisation (diluted)	m	-	-	-	-	173.2	Year ending June (avg)						
Net cash + options	A\$m	-	-	-	-	21.2	Commodity						
Enterprise value (diluted)	A\$m	-	-	-	-	152.0	Gold						
MAJOR SHAREHOLDERS						Silver							
Shareholder	%	m				Currency							
Federation Mining/AusSuper	12.4%	49.6				AUD:USD							
Rollason (Giorgetta)	12.3%	49.1				Year ending June							
Board and Management	9.9%	39.7				Production & costs							
Mutual Investments	6.5%	25.7				Year ending June							
TRB Goyder	5.0%	20.1				Ordinary shares (m)							

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

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Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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