

Speculative

See key risks on Page 7 and early stage company risk warning on page 10.
Speculative securities may not be suitable for retail clients

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OreCorp Ltd (ORR)

Valuation gap vs gold price

Recommendation
Buy (unchanged)
Price
\$0.395
Target (12 months)
\$0.97 (previously \$0.93)
Risk
Speculative

GICS Sector

Materials

Expected Return

Capital growth	146%
Dividend yield	0%
Total expected return	146%

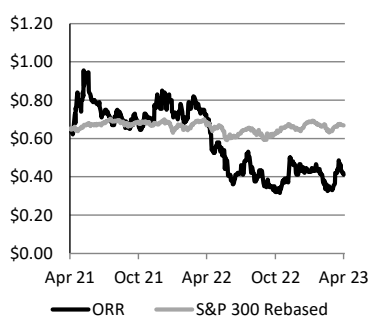
Company Data & Ratios

Enterprise value	\$140m
Market cap	\$158m
Issued capital	399m
Free float	84%
Avg. daily val. (52wk)	\$153,000
12 month price range	\$0.31-\$0.71

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	0.34	0.44	0.73
Absolute (%)	20.6	-6.8	-43.4
Rel market (%)	15.7	-4.5	-40.4

Absolute Price



SOURCE: IRESS

Rising gold price highlights Nyanzaga opportunity

We have updated our valuation for our latest gold price forecasts, which include minor increases to our gold price of 1-3% (to between US\$1,950 and US\$2,000/oz) for a 4% increase to our risk-adjusted, NPV-based target price, which increases to \$0.97/sh. This is driven by the sensitivity of the Nyanzaga Gold Project (NGP) to the gold price, whereby these updates result in a 5% increase to our underlying, un-risked valuation of the NGP. Further, our sensitivity analysis shows a 5% increase in the gold price results in a 17% increase to our underlying valuation of the NGP. Applying current spot gold and FX (US\$2,000/oz, AUD:USD 0.66), to our modelled assumptions, our share price valuation increases by 13%, to \$1.10/sh. It shows ORR is highly leveraged to a rising gold price and we see this as a key opportunity in the current environment.

Attractive relative value stands out

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. We particularly highlight the deep value of the EV/Reserve oz metric for ORR, given the fully permitted, development-ready status of the NGP. ORR is trading at an EV/Resource oz valuation of A\$46/oz compared to the market at A\$82/oz and an EV/Reserve oz valuation of just A\$58/oz compared to the market at A\$558/oz.

Investment thesis: Speculative Buy, Valuation \$0.97/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. Our NPV-based valuation benefits from a higher gold price, increasing by 4%, to \$0.97/sh (from \$0.93/sh) and we maintain our Speculative Buy recommendation.

Earnings Forecast

Year end 30 June	2023e	2024e	2025e	2026e
Sales (A\$m)	-	-	-	418
EBITDA (A\$m)	(15)	(6)	(7)	261
NPAT (reported) (A\$m)	(15)	(24)	(23)	175
NPAT (adjusted) (A\$m)	(15)	(24)	(23)	175
EPS (adjusted) (cps)	(3.5)	(5.1)	(3.0)	16.3
EPS growth (%)	nm	nm	nm	nm
PER (x)	nm	nm	nm	2.4
FCF Yield (%)	-14%	-133%	-158%	53%
EV/EBITDA (x)	(9.1)	(21.5)	(21.0)	0.5
Dividend (cps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	0%	0%	0%	0%
ROE (%)	-22%	-55%	-7%	35%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Valuation gap vs gold price

Rising gold price highlights Nyanzaga opportunity

We have updated our valuation for our latest gold price forecasts, which includes minor increases to our gold price of 1-3% (to between US\$1,950 and US\$2,000/oz) for to a 4% increase to our risk-adjusted NPV-based target price, which increases to \$0.97/sh.

This is driven by the sensitivity of the NGP to the gold price, whereby these updates result in a 5% increase to our underlying, un-risked “day zero” valuation (commencement of production, less project CAPEX) of the NGP.

Spot price assumptions and share price valuation sensitivity:

When we apply the current, favourable, spot prices (US\$2,000/oz, AUD:USD 0.66), to our modelled assumptions, our share price valuation benefits from a lower exchange rate as well as a higher US\$ gold price and increases by 13%, to \$1.10/sh.

The table below illustrates our share price valuation under a range of pricing scenarios.

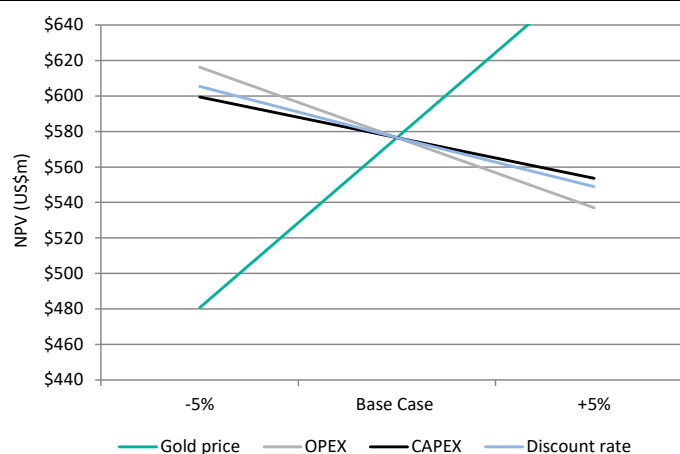
Table 1 - Share price valuation sensitivity table

US\$/oz / FX rate	0.60	0.65	0.70	0.75	0.80
US\$1,800	\$0.89	\$0.78	\$0.70	\$0.62	\$0.56
US\$1,900	\$1.07	\$0.95	\$0.86	\$0.77	\$0.70
US\$2,000	\$1.25	\$1.12	\$1.01	\$0.92	\$0.83
US\$2,100	\$1.44	\$1.29	\$1.17	\$1.06	\$0.97
US\$2,200	\$1.62	\$1.46	\$1.33	\$1.21	\$1.11

SOURCE: BELL POTTER SECURITIES ESTIMATES

Moreover, a sensitivity analysis of our modelled assumptions shows our underlying, un-risked “day zero” valuation of the NGP to be most sensitive to the gold price, relative to other factors:

Figure 1 - NGP Sensitivity analysis



SOURCE: BELL POTTER SECURITIES ESTIMATES

Table 2 - Sensitivity factors - NGP

Element	Project NPV (US\$m)				
	-5%	Base Case	+5%		
Gold price	-17%	\$480.8	\$576.6	\$672.3	17%
OPEX	7%	\$616.1	\$576.6	\$537.0	-7%
CAPEX	4%	\$599.5	\$576.6	\$553.6	-4%
Discount rate	5%	\$605.4	\$576.6	\$548.9	-5%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Attractive relative value stands out, 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.

We particularly highlight the deep value of the EV/Reserve oz metric for ORR, given the fully permitted, development-ready status of the NGP.

Table 3 - 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	\$1.66	\$2,591.5	\$2,445.9	10.634	1.30	\$230	5.1	1.50	\$476	5.6%
Bellevue Gold Limited	BGL	\$1.41	\$1,587.7	\$1,553.9	3.100	9.90	\$501	1.3	6.10	\$1,160	2.1%
Genesis Minerals Limited	GMD	\$1.34	\$1,383.7	\$1,208.7	15.100	1.80	\$80	3.1	1.30	\$390	12.6%
Tietto Minerals Limited	TIE	\$0.58	\$630.8	\$630.1	3.830	1.00	\$165	1.5	1.30	\$435	0.1%
Catalyst Metals Limited	CYL	\$0.96	\$167.7	\$150.4	1.002	3.00	\$150	0.1	3.60	\$1,308	10.3%
OreCorp Limited	ORR	\$0.42	\$167.6	\$149.9	3.285	4.03	\$46	2.6	2.02	\$58	10.5%
Breaker Resources NL	BRB	\$0.47	\$155.3	\$78.0	1.684	1.60	\$46	-	-	na	49.8%
Musgrave Minerals Limited	MGV	\$0.22	\$130.1	\$115.5	0.927	2.30	\$125	-	-	na	11.2%
Southern Cross Gold Ltd	SXG	\$0.69	\$125.9	\$108.3	0.000	0.00	na	-	-	na	14.0%
Magnetic Resources NL	MAU	\$0.52	\$119.3	\$115.0	0.605	1.40	\$190	-	-	na	3.6%
Ausgold Limited	AUC	\$0.05	\$117.7	\$102.7	2.160	1.21	\$48	1.3	1.25	\$80	12.7%
Santana Minerals Limited	SMI	\$0.70	\$104.1	\$99.8	2.909	2.30	\$34	-	-	na	4.2%
Rox Resources Limited	RXL	\$0.37	\$81.9	\$71.4	2.328	3.57	\$31	-	-	na	12.9%
Antipa Minerals Limited	AZY	\$0.02	\$71.9	\$62.9	2.704	1.15	\$23	-	-	na	12.4%
Falcon Metals Ltd	FAL	\$0.33	\$57.5	\$34.5	0.000	0.00	na	-	-	na	39.9%
Encounter Resources Limited	ENR	\$0.14	\$49.8	\$45.3	0.000	0.00	na	-	-	na	8.9%
KIN Mining NL	KIN	\$0.04	\$44.8	\$38.1	1.407	1.30	\$27	-	-	na	14.9%
Tanami Gold NL	TAM	\$0.04	\$43.5	\$11.2	0.750	3.70	\$15	-	-	na	74.2%
Horizon Minerals Limited	HRZ	\$0.06	\$41.1	\$40.7	1.240	1.71	\$33	-	-	na	1.0%
Alto Metals Limited	AME	\$0.07	\$40.4	\$38.4	0.832	1.50	\$46	-	-	na	5.0%
Venus Metals Corporation Limited	VMC	\$0.20	\$35.6	\$30.4	0.936	2.97	\$33	-	-	na	14.6%
Saturn Metals Limited	STN	\$0.17	\$25.8	\$20.6	1.469	0.60	\$14	-	-	na	19.9%
Kalamazoo Resources Limited	KZR	\$0.14	\$21.2	\$18.4	1.436	2.80	\$13	-	-	na	13.1%
Prodigy Gold NL	PRX	\$0.01	\$19.2	\$13.5	1.064	1.93	\$13	-	-	na	29.8%
Yandal Resources Limited	YRL	\$0.09	\$13.7	\$7.8	0.404	1.30	\$19	-	-	na	43.5%
Aurumin Limited	AUN	\$0.03	\$5.7	\$10.4	0.946	1.50	\$11	-	-	na	-81.3%
Total / average			\$8,602.1		62.4	2.3	\$82	15.7	2.0	\$558	

SOURCE: BELL POTTER SECURITIES ESTIMATES AS AT 27/4/23

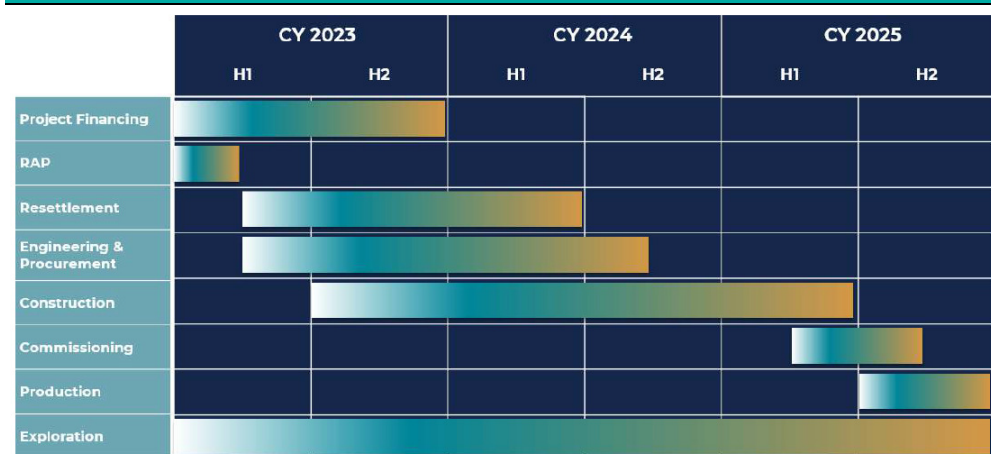
ORR's shareholder base is also solid, with institutional investors accounting for ~40% of the register. This includes Australian Super (via Federation Mining) at 12.4% and Mutual Investments at 6.6%. Respected industry figures also have substantial shareholdings, with Rollason (Nick Giorgetta) at 12.3% and Tim Goyder at 5.0%.

Directors and Associates hold 8.7%, which we view as considerable incentivisation and alignment with shareholder interests. The Top 20 shareholders hold 63% of ORR.

Key milestones approaching

ORR's Nyanzaga Gold Project (NGP), located within the Lake Victoria Goldfields of Tanzania, is one of the most advanced, largest scale and highest grade development projects among ASX-listed gold exploration and production companies. It continues to progress key financing and development workstreams, de-risking the outlook. It also continues to screen favourably on key project and valuation metrics when compared with its peers. Upcoming milestones include project financing (1HCY23), the implementation of its Government approved Resettlement Action Plan (RAP, 2HCY23) and the commencement of construction (2HCY23). ORR has cash of A\$17.7m, sufficient to reach these milestones. The latest preliminary project timeline is shown below:

Figure 2 - Preliminary project timeline



SOURCE: ORECORP LTD

Changes to our forecasts

With this update we make the following changes to our forecasts and valuation:

- Update for our latest gold price and foreign exchange rate forecasts, which include 1%-3% increases to our gold price forecast; 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 4 - 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	1,950	1,975	2,019	3%	1%	1%
US\$/A\$	0.70	0.70	0.70	0.70	0.70	0.70	0%	0%	0%
Production & costs									
Ore milled (kt)	-	-	2,900	-	-	2,900	na	na	0%
Gold produced (koz)	-	-	145	-	-	145	na	na	0%
Cash costs (US\$/oz)	-	-	754	-	-	754	na	na	0%
AISC (US\$/oz)	-	-	889	-	-	891	na	na	0%
Earnings									
Revenue (A\$m)	-	-	413	-	-	418	na	na	1%
EBITDA (A\$m)	(6)	(7)	256	(6)	(7)	261	na	na	2%
EBIT (A\$m)	(6)	(7)	216	(6)	(7)	221	na	na	2%
NPAT (adjusted) (A\$m)	(24.3)	(23)	171	(24.3)	(23)	175	na	na	2%
EPS (reported) (cps)	(5.1)	(3.0)	16.0	(5.1)	(3.0)	16.3	na	na	2%
PER (x)	(7.7)	(13.3)	2.5	(7.7)	(13.3)	2.4	(0.0)	(0.0)	(0.0)
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)	-	-	0.93	-	-	0.97	na	na	4%
Price Target (\$/sh)		0.93			0.97			4%	

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

EPS changes in this report are not material. Our NPV-based valuation benefits from a higher gold price, increasing by 4%, to \$0.97/sh and we maintain our Speculative Buy recommendation.

Upcoming catalysts

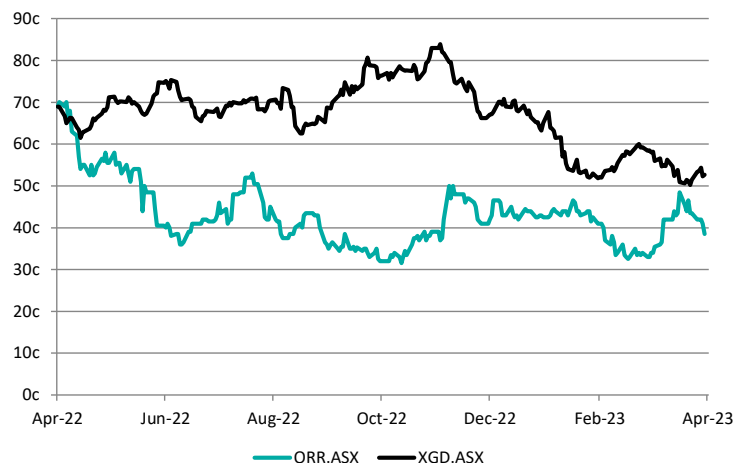
Upcoming catalysts for ORR include:

- 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 2HCY23;
- The engagement of key contractors for Early Contractor Involvement (ECI), 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 2HCY23;
- 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 by the Government of Tanzania's Chief Valuer and targeted for implementation 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 3 - 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 \$0.97/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. Our NPV-based valuation benefits from a higher gold price, increasing by 4%, to \$0.97/sh (from \$0.93/sh) and we maintain our Speculative Buy recommendation.

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 5 – ORR sum-of-the-parts valuation – Bell Potter Securities

Sum-of-the-parts	A\$m	A\$/sh
Nyanzaga (risk adjusted NPV ₁₂)	406.2	1.02
Other exploration	30.0	0.08
Corporate overheads	(25.2)	(0.06)
Subtotal	411.0	1.03
Net cash (debt)	17.7	0.04
Total (undiluted)	428.7	1.07
Add cash from options	-	-
Assumed equity raise	25.0	@ 0.40
Total (diluted)	453.7	0.97

SOURCE: BELL POTTER SECURITIES ESTIMATES

Following our latest update, we calculate an NPV-based valuation of \$0.97/sh. With a total shareholder return of 146% 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 6 - Financial summary

PROFIT AND LOSS						FINANCIAL RATIOS							
Year ending June	Unit	2022a	2023e	2024e	2025e	2026e	Year ending June	Unit	2022a	2023e	2024e	2025e	2026e
REVENUE						VALUATION							
Revenue	A\$m	-	-	-	-	418.0	NPAT	A\$m	(20.7)	(15.2)	(24.3)	(22.9)	174.8
Expense	A\$m	(21.3)	(15.4)	(6.5)	(6.7)	(156.7)	Reported EPS	Ac/sh	(5.3)	(3.5)	(5.1)	(3.0)	16.3
EBITDA	A\$m	(21.3)	(15.4)	(6.5)	(6.7)	261.3	Adjusted EPS	Ac/sh	(5.3)	(3.5)	(5.1)	(3.0)	16.3
Depreciation	A\$m	-	-	-	-	(40.6)	EPS growth	%	nm	nm	nm	nm	nm
EBIT	A\$m	(21.3)	(15.4)	(6.5)	(6.7)	220.6	PER	x	nm	nm	nm	nm	2.4x
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)	202.8	FCF/share	Ac/sh	(0.3)	(0.1)	(1.3)	(1.6)	0.5
Tax expense	A\$m	-	-	-	-	28.0	P/FCFPS	x	(3.6)	-7.2x	-0.8x	-0.6x	1.9x
NPAT (reported)	A\$m	(20.7)	(15.2)	(24.3)	(22.9)	174.8	EV/EBITDA	x	-6.6x	-9.1x	-21.5x	-21.0x	0.5x
NPAT (underlying)	A\$m	(20.7)	(15.2)	(24.3)	(22.9)	174.8	EBITDA margin	%	nm	nm	nm	nm	63%
CASH FLOW						LIQUIDITY & LEVERAGE							
OPERATING CASHFLOW						Net debt (cash)							
Receipts	A\$m	0.4	-	-	-	397.1	ND / E	%	-109%	-102%	1237%	324%	95%
Payments	A\$m	(33.1)	(16.8)	(8.7)	(6.6)	(119.2)	ND / (ND + E)	%	-	-	210%	142%	69%
Tax	A\$m	-	-	-	-	-	EBITDA / Interest	x	nm	nm	-0.4x	-0.4x	14.6x
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)	260.0	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	-	(8.9)	(17.3)	-	-	Total						
Other	A\$m	-	-	-	-	-	Mt						
Investing cash flow	A\$m	(11.2)	(8.9)	(221.4)	(474.0)	(34.3)	g/t Au						
Free Cash Flow	A\$m	(43.4)	(24.0)	(247.9)	(481.9)	225.7	(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)	4.5	186.9	(196.9)	225.7	(koz)						
BALANCE SHEET						ASSUMPTIONS - Prices							
ASSETS						Year ending June (avg)							
Cash & short term investments	A\$m	23.0	27.4	214.3	17.4	243.2	Commodity	Unit	2022a	2023e	2024e	2025e	2026e
Accounts receivable	A\$m	-	-	-	-	20.9	Gold	US\$/oz	\$1,841	\$1,832	\$1,950	\$1,975	\$2,019
Property, plant & equipment	A\$m	7.0	7.0	129.4	413.8	418.2	Silver	US\$/oz	\$23.81	\$24	\$23	\$23	\$24
Mine development expenditure	A\$m	4.5	4.5	86.1	275.7	273.2	Currency	A\$/US\$	0.73	0.67	0.70	0.70	0.70
Exploration & evaluation	A\$m	24.6	33.4	50.7	50.7	42.6	ASSUMPTIONS - Production & costs						
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	998.2	Gold production						
LIABILITIES						Ore tonnes processed							
Accounts payable	A\$m	5.3	3.8	1.6	1.7	39.2	Head grade	g/t Au	-	-	1.76	2.18	2.23
Income tax payable	A\$m	-	-	-	-	28.0	Gold produced	koz	-	-	144,717	221,673	251,805
Borrowings	A\$m	-	-	428.6	428.6	428.6	Costs						
Lease liabilities	A\$m	0.3	0.3	0.3	0.3	0.3	Cash costs / oz Au	US\$/oz	-	-	\$754	\$754	\$846
Other	A\$m	0.3	0.3	6.5	6.5	6.5	All-in-Sustaining-Costs (AISC)	US\$/oz	-	-	\$891	\$996	\$1,108
Total liabilities	A\$m	5.9	4.4	437.0	437.0	502.5	VALUATION						
SHAREHOLDER'S EQUITY						Ordinary shares (m)							
Share capital	A\$m	132.8	162.8	162.8	462.8	462.8	Options in the money (m)						4.1
Reserves	A\$m	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	Assumed equity raise (m)						62.5
Retained earnings	A\$m	(79.5)	(94.7)	(118.9)	(141.9)	32.9	Diluted m						465.6
Total equity	A\$m	53.3	68.1	43.9	320.9	495.7	Sum-of-the-parts						
Weighted average shares	m	392.5	435.6	472.2	772.2	1,072.2	Nyanzaga (risk adjusted NPV12)						
CAPITAL STRUCTURE						Other exploration							
Shares on issue	m					399.0	Corporate overheads						
Escrow shares / other	m					0.0	Subtotal						
Total shares on issue	m					399.0	Net cash (debt)						
Share price	A\$/sh					0.395	Total (undiluted)						
Market capitalisation	A\$m					157.6	Add cash from options						
Net cash	A\$m					17.7	Assumed equity raise						
Enterprise value (undiluted)	A\$m					139.9	Total (diluted)						
Options outstanding (m)	m					7.8	A\$m						
Options (in the money)	m					4.1	\$/sh						
Issued shares (diluted for options)	m					403.1	406.2						
Market capitalisation (diluted)	m					159.2	30.0						
Net cash + options	A\$m					17.7	(25.2)						
Enterprise value (diluted)	A\$m					141.5	411.0						
MAJOR SHAREHOLDERS						17.7							
Shareholder						%	0.04						
Federation Mining/AusSuper						12.4%	428.7						
Rollason (Giorgetta)						12.3%	1.07						
Board and Management						9.9%	-						
Mutual Investments						6.5%	25.0						
TRB Goyder						5.0%	@ 0.40						
SOURCE: BELL POTTER SECURITIES ESTIMATES						453.7							

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

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

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