Beer & Co. Equity Research

New Age Exploration (NAE) 31 October 2014

1.4Mt/yr UK coking coal, from 2018

Scoping Study results announced.
Beer & Co analysis and valuation affirmed.

Recommendation

BUY; High Risk

Price

1.5c

Valuation

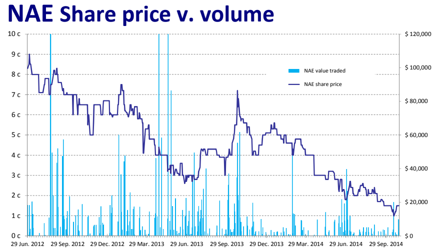
8.5c

- **NAE has announced the results of its scoping study. This study confirms that Lochinvar is a viable project at projected coking coal prices.**
- **Beer & Co's analysis shows that Lochinvar requires a benchmark price of about $130/t to be viable, and all analysts are projecting long run prices higher than this.**
- **Beer & Co has adjusted our modelling to reflect the outcome of the scoping study. The net impact on our valuation is to reduce it from 10.5c to 8.5c/share.**

Snapshot

Market Cap	$4.7m
Shares on Issue	312.25m
Cash on hand (30 Sept 2014)	$1.5m
52 Week High	6.0c
52 Week Low	1.0c
1 month / 6 month VWAP	1.2c /2.0c

NAE Share price v. volume



Lochinvar is part of the Canonbie coal field, which was first drilled in the 1950s by the UK National Coal Board.

Lochinvar was explored intermittently until the mid 1980s , when it was shelved with much of the UK coal industry.

NAE announced the results of their scoping study on 24 October 2014, affirming coal quality, with cap.ex of US$ 284m for 1.35Mt/yr of product coal at a cash cost of USS 70/t, delivered; or US$ 79/t all in costs.

First coal is expected early 2018.

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Key Outcomes of scoping study on Lochinvar

- First coal 2018 Q1
- Mine average 1.9Mt/yr of RoM coal, with CHPP yield of 71% for 1.4Mt/yr of product coal;
- Mining inventory of 47.3Mt, of which 38% is from Indicated Resources, for 33.7Mt of saleable coal;
- Project capital costs : USD 284m (plus feasibility and corporate costs)
- Cash costs of delivered coal : USD 70/t, plus 9/t of sustaining capital.

Next steps

The quality of the cost estimates is of a high standard. NAE needs more assessment of the geology, starting with seismic surveys, to affirm the mine plan. Work on the Environmental Impact Assessment will start early in 2015.

The PFS is expected to be completed late in 2015.

Impact on Beer & Co's valuation

Beer & Co's valuation was based on our assessment of capital and operating costs and production rates.

The information in the scoping study has caused a number of small changes in our modelling, but the overall impact is muted; after all the changes, our risked base case valuation has fallen from 10.5c/share to 8.5c/share; the major impact on our valuation was not a result of the scoping study but the low current share price forced us to reduce our estimate of the price at which equity will be raised.

Conclusions

The major impact on the NAE share price has been the soft coking coal market; there have been sufficient announcements of capacity closure to switch the market into deficit early in 2015.

We retain a BUY, High Risk recommendation.

NAE : Lochinvar Scoping Study

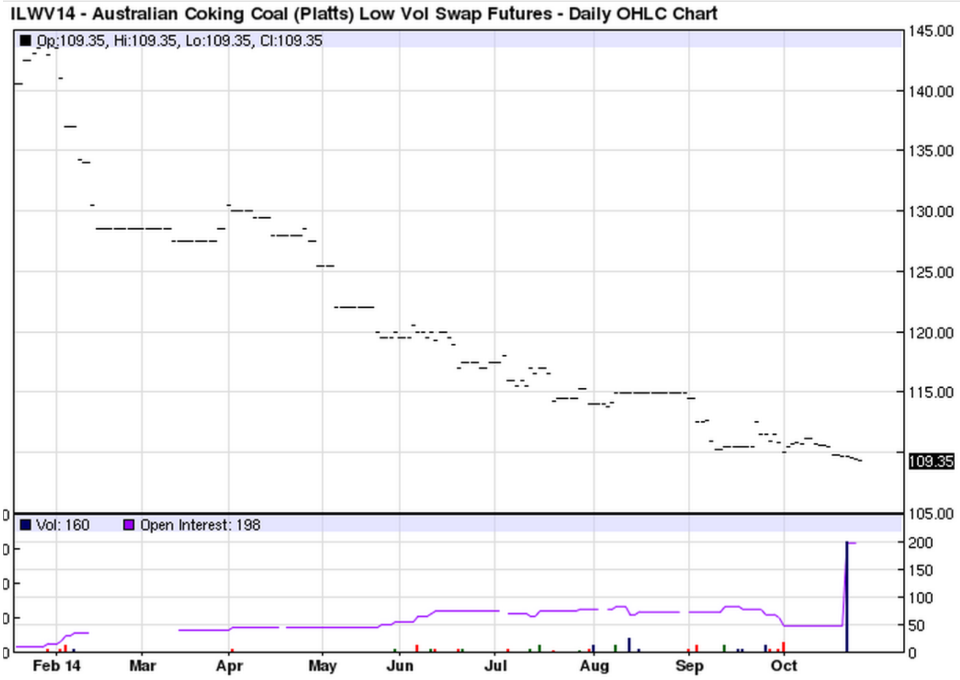
Lochinvar Project fine; Needs $130 coal

The results of the scoping study are similar to the estimates made by Beer & Co in our early analysis; certainly within normal estimation error.

However, the low coal price is not helping.

Current benchmark price for High Quality Hard Coking Coal (HQ HCC) is $112/t on a spot basis (see Figure 1, which is to 27 October), and $119/t for December 2014 contracts, see Figure 2.

Figure 1 : Spot coking coal prices



Source :
http://www.barchart.com/chart.php?sym=ILWV14&t=BAR&size=M&v=2&g=1&p=D&d=X&qb=1&style=technical&template=

Figure 2 shows that Beer & Co projects that the HQ HCC price will rebound, slowly, to USD 170/t by 2017.

Figure 2 also shows that the historical average HQ HCC price, in real, 2014 terms is USD 131/t, compared with our projected long-run price of USD 170/t; a 30-% lift in assumed long-run prices is quite modest compared with many other commodities.

Figure 2 also shows that the price has been more stable, around AUD 172/t, in real, 2014, terms, which compares with our long-run projection of AUD 200/t.

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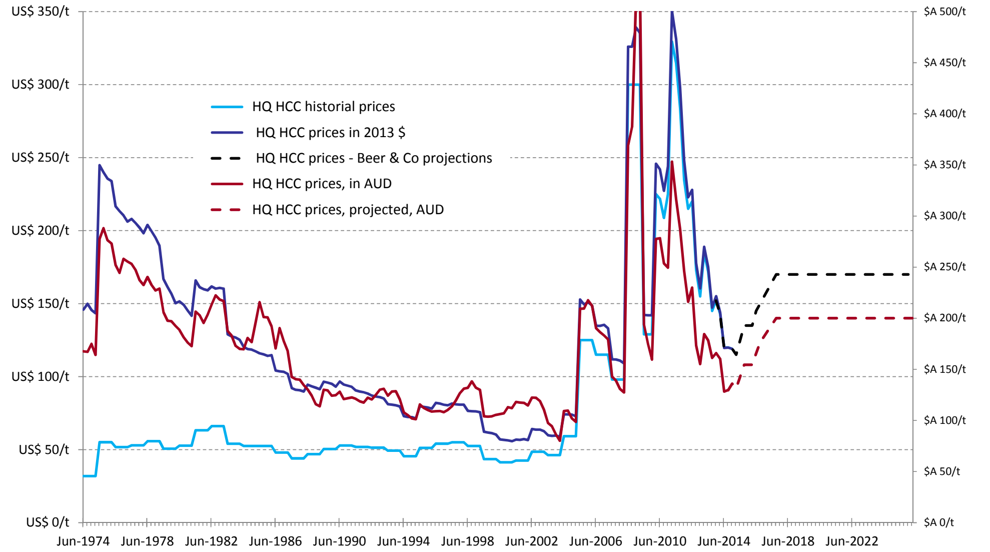
Figure 2 : Historical and projected HQ HCC prices



Source : Beer & Co, US Bureau of Labor Statistics

Long Run HQ HCC prices

In a presentation in September, Teck Resources (TCK.TSX) summed up the current market for coking coal as :

- Steel demand is growing and is projected (by CRU) to continue to grow;
- Global seaborne coking coal demand is expect to grow by 25Mt, over the 5 years from 2013 to 2018
  - China's coking coal demand is projected to grow by 85Mt, from 785Mt to 870Mt, as China steel production grows from 740Mt to 830Mt
- Australian exports have risen during 2014, while China's demand for seaborne coking coal has fallen;
- A significant volume of production has all-in cash costs higher than the current coal price
- Over 25Mt of production capacity has been announced to close, but most of this will happen during 2015, and has not yet impacted the market
  - This volume will more than eliminate the current oversupply

Teck's conclusions are

- The met coal price WILL rebound, especailly when the announced production cuts impact in 2015
- The price will then bounce to the USD130 - 140 range, where is will stay for a while as previously shuttered capacity comes back on-stream;
- The incentive price is higher again.

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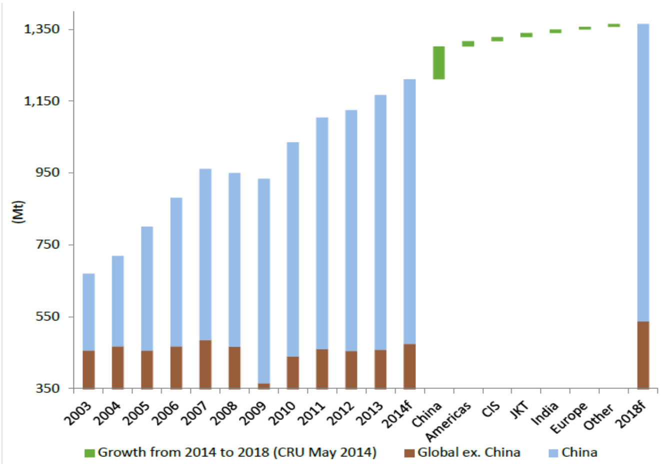
1. Steel Demand is growing and is projected to continue to grow

Figure 3 shows that global steel production is expected to be higher in 2014 than in 2013, with Chinese production projected to be 740Mt in 2014 compared with 709Mt in 2013.

Figure 3 : Hot steel production is growing

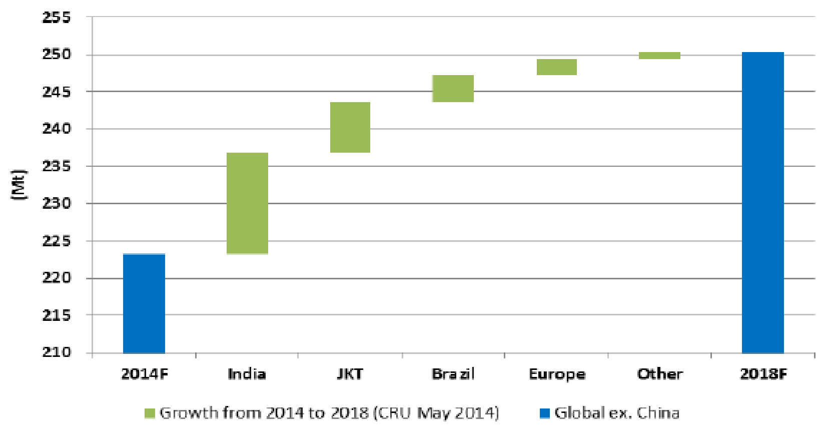


Sources : Teck Resources, World Steel Association, CRU international

2. Seaborne coking coal demand, ex-China, to rise by 25Mt by 2018

Figure 4 shows that global sea-borne met coal demand, ex China, is projected to grow by 25Mt over the five years from 2013 to 2018.

Figure 4 : Global seaborne coking coal demand is growing



Sources : Teck Resources, World Steel Association, CRU international

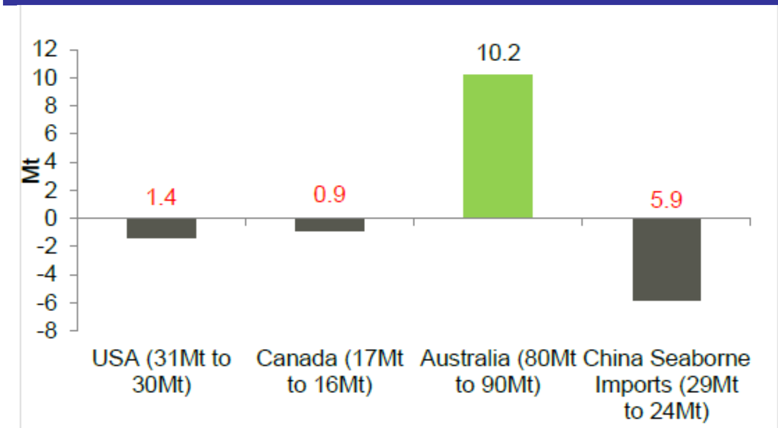
In addition total Chinese consumption of met coal is projected to grow by 85Mt, from 785Mt to 870Mt, as China steel production grows from 740Mt to 830Mt.

3. Australia exports rise while Chinese demand is soft

Australian supply has increased, principally due to BHP's Caravel mine and production recovery at other mines. This has come at a time when Chinese seaborne demand has fallen as steel production growth has been less than Chinese met coal production growth.

Figure 5 shows the growth in Australian supply has been nearly matched by falls in supply from USA and Canada, plus a fall in Chin's coking coal imports.

Figure 5 : Growth in Australian supply crowding the market



Sources : Teck Resources, GTIS June 2014

4. About 35% of current production is cash negative

Figure 6 shows that about 35% of global met coal production has a negative margin at a benchmark price of USD 115/t.

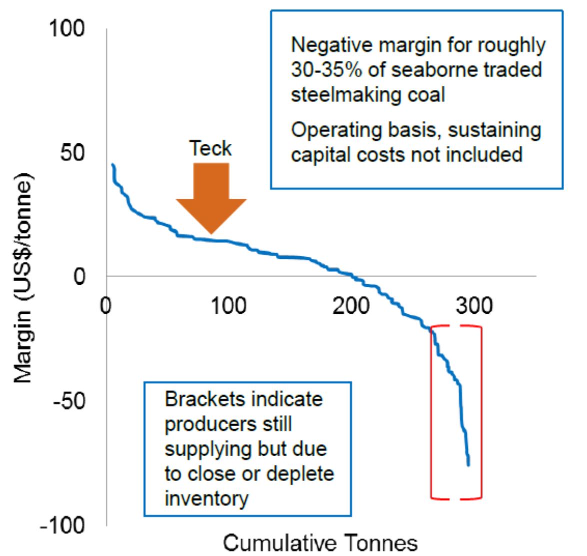
This is before taking into account sustaining capital.

Figure 6 shows that about 100Mt of global seaborne met coal production is estimated to have a negative margin at a price of USD 115/t.

5. Cut-backs have been announced

Figure 7 shows that there been over 20Mt of production cuts announced, but by July only about 2.5Mt had been implemented with most to be implemented during 2015.

Figure 6 : About 35% has a negative margin



Argus, Wood Mackenzie, Platts, TEX Report, AME, company & news reports and Teck Resources estimates

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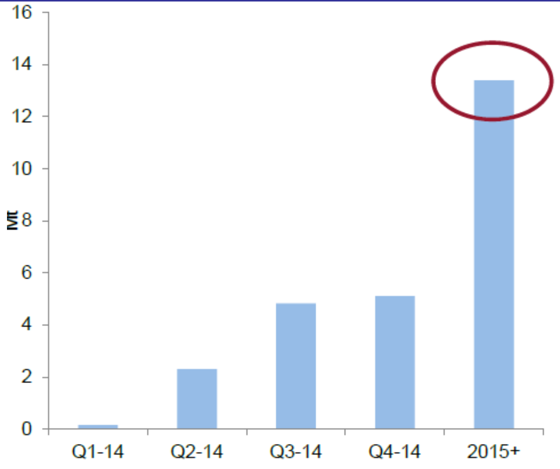
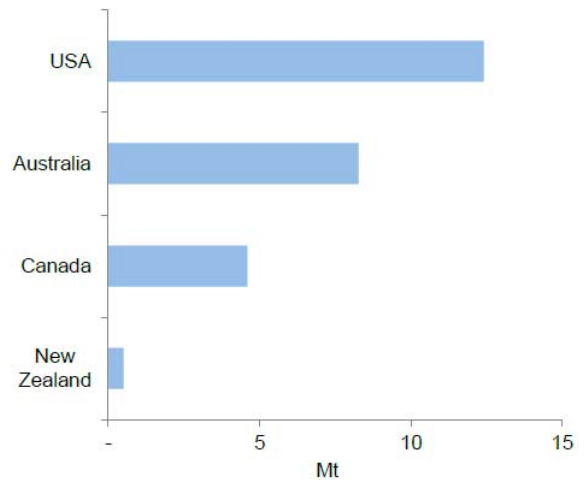
Figure 7 : Cuts announced, not yet implemented



Source : Teck Resources estimates

Figure 8 : Cuts by exporting countries



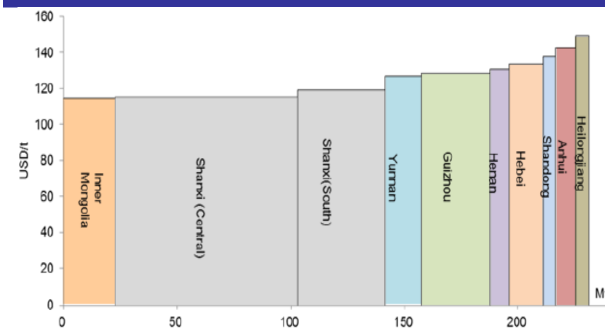
Source : Teck Resources estimates

6. Chinese production is struggling

The prices received by Chinese coal producers is the benchmark plus the transport costs, which totals $10 - 15/t.

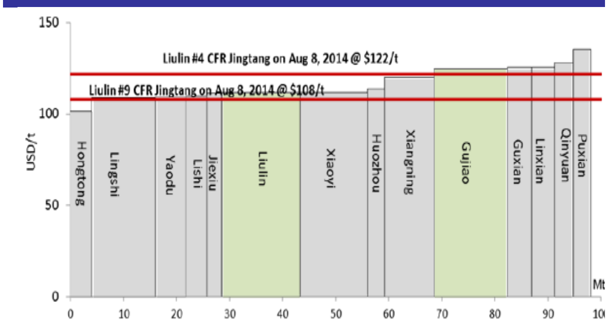
Figures 9 & 10 show that a sizeable proportion of Chinese production is cash negative at current prices.

Figure 9 : Chinese cash costs, by province



Source: Fenwei Consulting, Teck Resources

Figure 10 : Cash costs, Shanxi province



Source: Fenwei Consulting, Teck Resources

Conclusions on coal markets

Current metallurgical coal markets are in over-supply. However, this is a short term phenomenon, and the currently announced shuts of production due to the current low prices will cause the prices to rise.

We expect this will happen during the first half of 2015 and the price is expected to bounce to USD 130 - 140/t.

Lack of new projects, due to current low prices , with continuing demand growth, is expected to see much firmer prices by the time Lochinvar comes into operation, in 2018.

Scoping Study results close to Beer & Co estimates

NAE announced the results of scoping study on its Lochinvar coal project on 27 October 2014. Figure 11 shows the key results and compares them with Beer & Co's estimates.

Figure 11 : Scoping Study – Key Outcomes v. Beer & Co estimates

Parameter	NAE	Beer & Co	Comment
Capital	US$ 284m	US$ 292m	$31.5m of mobile palnt is leased
C1 Op costs	US$ 69.8/t	US$ 68.1/t	$31.5m of leased plant is $3.9/t
Run of Mine	1,900 kt	2,000 kt	Believe NAE conservative
Yield	71 %	75 %	may improve
Product coal	1,380 kt	1,500 kt	
LoM RoM coal	47.3 Mt	40.9 Mt	
Coal sold	33.6 Mt	28.4 Mt	
Sustaining Capital	US$ 309m	US$ 281m	Includes items not likley to be done
First Coal	2018 Q1	2018 Q2	
Benchmark coal price	$ 165/t	$ 170/t	
Achieved coal price	$ 143/t	$ 148.5/t	

Source : NAE ASX announcement, 27 October 2014, Beer & Co estimates

Generally, very close

In Beer & Co's view, our estimates were close to the those used in the scoping study :

- If appropriate adjustment is made for mobile pant that is to be leased, then our capex estimate was about 7% light, which is well within the error of the capital estimate;
- Similarly, our operating cost estimate was about 3% too high, after adjusting for leased plant, is again within estimating error and roughly counter-balances the error in capital cost estimation.

Beer & Co expected, and still expects, a slightly higher rate of production from 3 continuous mining and 1 Long-Wall unit; on our view, NAE is being conservative / prudent in their estimation.

Figure 11 indicates that Beer & Co had not allowed sufficient sustaining capital. However, if allowance is made for the greater mine life assumed in the scoping study, then our estimate of sustaining capital cost was nearly 7.5% higher, at $9.90/t, compared with $9.20/t used in the scoping study.

We understand that the scoping study assumed an expansion of the Coal Handling and Preparation Plant (CHPP) to accommodate a single peak year, that we believe can be avoided.

The major area in which we were too optimistic was in the washery (CHPP) yield, as the effect of dilution and stone parting was not well understood.

Impact

Beer & Co's valuations are risk weighted.

Now that the scoping study results have been published, the slight reduction in risk has a greater impact than all of the operational changes.

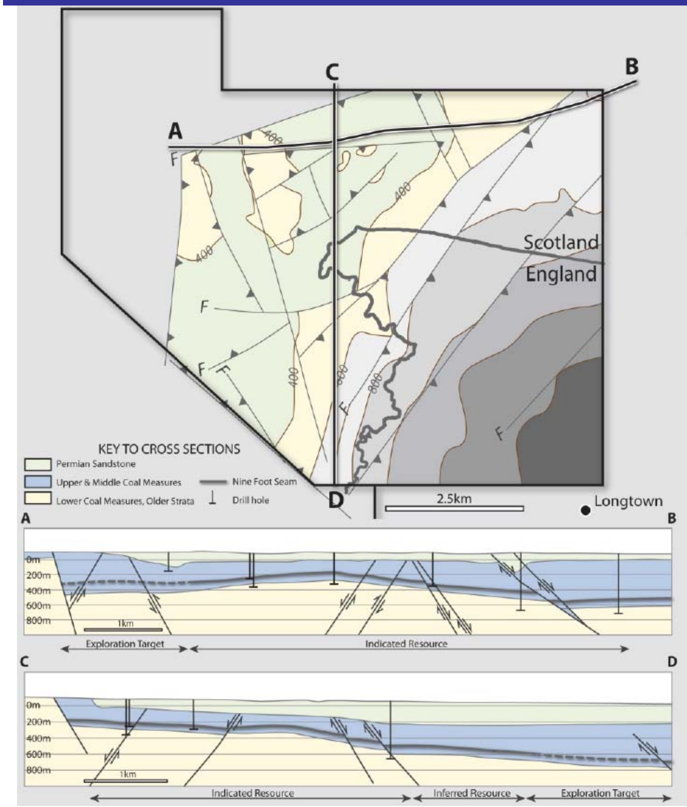
Lochinvar Operations

Geology

Figure 12 shows the NAE's Lochinvar tenement area and the estimated coal depth.

It shows that there is faulting in the coal. This is shown further in the cross sections in the lower part of Figure 12.

Figure 12 : Lochinvar sections



Source : NAE ASX announcement, 27 October 2014

The intensity of faulting shown in Figure 12 is greater than we had expected.

This faulting is based on interpretation of NAE's drilling and historic seismic data.

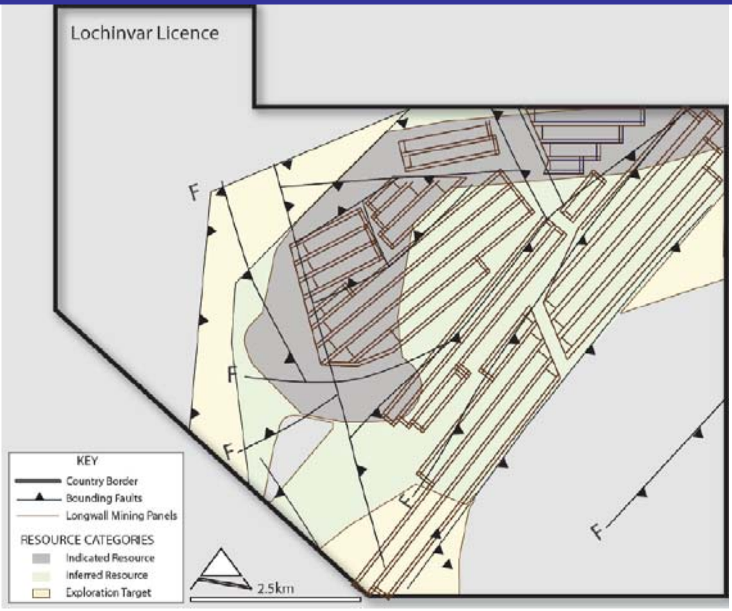
NAE will need to start with more detailed seismic to clearly define the faulting.

Mining

The mine plan uses 3 continuous miners for development and a single long-wall. Figure 13 shows the preliminary plan.

The mine plan takes into consideration depth and geological structure; Figure 13 shows the fault bounding of many blocks.

Figure 13 : Lochinvar preliminary mine plan

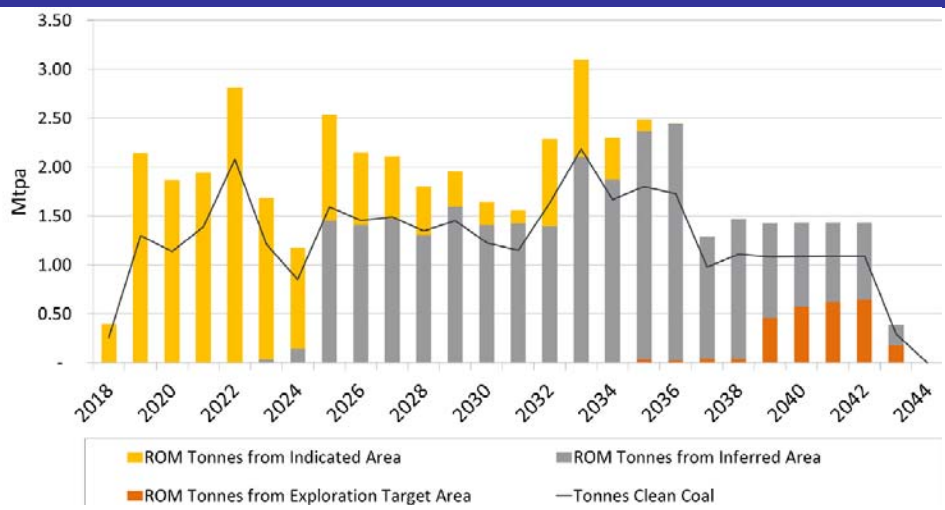


Source : NAE ASX announcement, 27 October 2014

Figure 13 shows that the mine blocks vary in size, so mine production is expected to also vary with Long-Wall shifts.

Figure 14 shows this variability in expected production, with an expected peak year of over 3.0Mt for which an expansion of the CHPP has been allowed.

Figure 14 : Expected production from Lochinvar



Source : NAE ASX announcement, 27 October 2014

Figure 13 also shows that overall, 38% of production comes the Indicated Resources, with 56% from Inferred Resources.

The first 6 years is almost entirely from Indicated and there is sufficient time to increase drill density to get an appropriate mine plan.

Coal Quality

Figure 15 compares the qualities of Lochinvar coal with that of high volatile US coking coals, with benchmark low volatiles and mid volatile Australian coals.

Figure 15 : Coal qualities

		Hampton Roads			
	Lochinvar	**HV A**	**HV B**	**Premium HCC**	**Hard Coking Coal**
Inherent moisture	3.0 %			10 %	10 %
Ash	5.0 %	Max 9%	Max 9%	base 9.5%, Max 11%	base 9.5%, Max 11%
Volatile matter	34.0 %	31% - 34%	34% - 37%	base 21%	base 25%
				Max 25%, Min 18%	Max 27%, Min 19.5%
Fixed Carbon	59.2 %				
Total Sulphur	1.2% - 1.4%	1.2% Max	0.9% - 1.3%	base 0.5%, Max 1.1%	base 0.6%, Max 1.5%
Phosphorous	0.007 %				
Swell (CSN)	7.0	8.0 - 9.0	7.0 - 9.0	base 8.0, Min 7.0	base 7.0, Min 6.0
Coke Strength (CSR)	50 %	Min 50 %	Min 45, Max 54	base 71%, Min 67%	base 64%, Min 57%
Gross Califoric Value (kCal/kg)	7,775				
Vitrinite Content	70 %				
Max fluidity (ddpm)	100 - 11,000	27,000 - 30,000	20,000 - 27,000	base 500, Min 40	base 500, Min 40
Vitrinite Reflectance (Ro Max)	0.84 %	1.0% - 1.1%	0.85% - 1.0%	base 1.35%	base 1.20 %
				Max 1.6%, Min 1.1%	Max 1.5%, Min 1.0%

Source : NAE ASX announcement, 27 October 2014, Metal Bulletin, January 2014, Beer & Co

The fluidity test gave a wide range of results and may have been impacted by the washing media.

Otherwise the results are very consistent with the US high volatile coking coals and give us confidence in our pricing of :

- 80% of benchmark; plus
- capturing a location premium for the lower cost to the customer, which we have assumed to be about $12.5/t of a total transport cost of about $20/t.

Valuation Impact

Figure 16a : Revised valuation of NAE

discount rate = 12.0 %		30-Jun-14			31-Oct-14
	risk :	100%	Product	per share	
Lochinvar, NAE share	50 %	$ 149m	$ 75m	5.6 c	6.5 c
Asset sale	50 %	$ 77m	$ 39m	2.9 c	2.9 c
Corporate	100 %	($ 22m)	($ 22m)	(1.7c)	(1.7c)
Exploration	100 %	($ 1m)	($ 4m)	(0.3c)	(0.3c)
Cash / debt	100 %	$ 2m	$ 2m	0.2 c	0.2 c
Cash to be raised	80 %	$ 16m	$ 13m	0.9 c	0.9 c
TOTAL		$ 222m	$ 102m	7.7 c	8.6 c
Shares on issue		258.3m	FPO shares	4.5m	options
		54m	issued 2014	0.0m	op. ex'd
		1,020m	issued 2015 & 16		

Source : Beer & Co estimates

Figure 16b : Previous valuation of NAE

discount rate = 12.0 %		30-Jun-13			29-Oct-14
	risk :	100%	Product	per share	
Lochinvar, NAE share	40 %	$ 152m	$ 61m	4.5 c	8.0 c
Asset sale	40 %	$ 75m	$ 30m	2.2 c	2.2 c
Corporate	100 %	($ 21m)	($ 21m)	(1.6c)	(1.6c)
Exploration	100 %	($ 2m)	($ 3m)	(0.2c)	(0.2c)
Cash / debt	100 %	$ 5m	$ 5m	0.4 c	0.4 c
Cash to be raised	80 %	$ 36m	$ 29m	2.2 c	2.2 c
TOTAL		$ 246m	$ 101m	7.5 c	10.9 c
Shares on issue		258.3m	FPO shares	4.5m	options
		54m	issued 2014	0.0m	op. ex'd
		541m	issued 2015 & 16		
		489m	Issued 2017		

Source : Beer & Co estimates

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Figure 16a shows Beer & Co's revised valuation while Figure 16b is our previous valuation.

Note that our current valuation now discounts cashflows from 1 July 2014, while the previous valuation was based on cashflows from 1 July 2013. This should cause asset values to be roughly 12% higher.

Note that most values, on a 100% basis, are roughly the same.

With the publication of scoping study estimates, our risk weighting is not as great and we now assumed 50% of projected cashflows, as opposed to 40% previously.

The major difference is that we have reduced the value at which equity is raised in the near term, reflecting the lower than expected share price.

Also, we now estimate that a final equity raising will not be required as the sale of a 50% equity stake in the project will fund NAE's equity needs. Note that the value of the asset sale is much less than the value of the asset as we assume that it is sold at a discount to fair value and also that NAE will be required to pay capital gains tax on the sale.

Conclusions

The NAE share price is poor due to the low coking coal price.

Beer & Co is confident that the coking coal price will rise in 2015 as announced production reductions take effect.

The scoping study has caused only slight changes to Beer & Co's valuation.

Beer & Co affirms our BUY, High Risk recommendation on NAE.

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New Age Exploration (NAE.ASX) — October 2014

Year ended June		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Section 1 - P&L								
Sales revenue	$A m	0	0	0	0	0	2	46
Interest revenue	$A m	0	0	0	0	1	1	1
Other revenue	$A m	0	0	0	0	0	0	0
Total Revenue	$A m	0	0	0	0	1	3	47
Cost of Goods Sold	$A m	0	0	0	0	0	(3)	(28)
Royalties	$A m	0	0	0	0	0	(0)	(0)
Exploration Expense	$A m	(3)	(0)	(0)	0	0	0	0
Corporate Costs	$A m	(3)	(2)	(2)	(2)	(2)	(3)	(3)
Other Operating Expenses	$A m	0	0	0	0	0	0	0
Total Operating Expenses	$A m	(6)	(2)	(2)	(2)	(2)	(6)	(31)
EBITDA	$A m	(6)	(2)	(2)	(2)	(2)	(3)	16
Dep'cn & Amort'sn	$A m	0	0	0	0	0	(0)	(2)
EBIT	$A m	(6)	(2)	(2)	(2)	(2)	(3)	14
Interest Expense	$A m	0	0	0	0	0	(4)	(9)
Other	$A m	0	0	0	0	0	0	0
Pre-Tax Profit	$A m	(5)	(2)	(2)	(2)	(2)	(7)	4
Tax Expense	$A m	0	0	0	0	0	1	(1)
NPAT	$A m	(5)	(2)	(2)	(2)	(2)	(6)	3
Reported NPAT	$A m	(5)	(2)	(2)	(2)	(2)	(6)	3
Section 2 - Key Data								
Ordinary shares - year end	m	258.3	312.2	1,002.2	1,333.5	1,333.5	1,333.5	1,333.5
Fully diluted shares on issue	m	258.3	312.2	1,002.2	1,333.5	1,333.5	1,333.5	1,333.5
Weighted # shares	m	258.3	274.6	830.0	1,250.7	1,333.5	1,333.5	1,333.5
Earnings per Share		(3.0c)	(0.9c)	(0.2c)	(0.2c)	(0.1c)	(0.5c)	0.2 c
Dividends Per Share		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Section 3 - Balance Sheet								
Cash	$A m	5	2	2	6	67	36	41
Receivables	$A m	0	0	0	0	0	1	8
Other	$A m	0	0	0	0	0	0	0
CURRENT ASSETS	$A m	5	2	2	6	67	36	48
Receivables	$A m	0	0	0	0	0	0	0
P , P & E	$A m	0	1	2	2	2	2	2
Mining Properties / Explorati	$A m	5	5	5	5	47	72	71
Other	$A m	0	0	0	0	0	0	0
NON-CURRENT ASSETS	$A m	5	6	7	7	48	73	73
TOTAL ASSETS	$A m	10	8	8	13	115	110	121
Payables	$A m	1	0	0	0	0	(0)	(3)
Debt	$A m	0	0	0	0	0	0	16
Other	$A m	0	0	0	0	0	0	0
CURRENT LIABILITIES	$A m	1	0	0	0	0	(0)	14
Long Term Debt	$A m	0	0	0	0	0	102	95
Deferred Tax Liability	$A m	0	0	0	0	0	0	0
Other	$A m	0	0	0	0	0	0	0
Provisions	$A m	0	0	0	0	0	0	0
NON-CURRENT LIABILITIES	$A m	0	0	0	0	0	102	95
TOTAL LIABILTIES	$A m	1	0	0	0	0	101	109
NET ASSETS	$A m	**9**	**8**	**8**	**13**	**115**	**8**	**13**
Accumulated Profit (Loss)	$A m	(13)	(16)	(18)	(20)	(22)	(22)	3
Reserves	$A m	1	7	(1)	(7)	97	(10)	(30)
Contributed Equity	$A m	21	22	28	41	41	41	41
	$A m	9	13	9	13	115	8	13
Minority Interest	$A m	0	0	0	0	0	0	0
Total Equity	$A m	9	14	9	13	116	9	13
Section 4 - Cashflow								
Net Cashflow from operatior	$A m	(3)	(5)	(6)	(8)	(7)	(7)	4
Net Interest Paid	$A m	0	0	0	0	0	(4)	(9)
Taxes Paid	$A m	0	0	0	0	0	0	1
Change in Working Capital	$A m	0	(1)	0	0	0	(1)	(9)
OPERATING CASHFLOW	$A m	(3)	(6)	(6)	(8)	(7)	(12)	(13)
Exploration Expenditures	$A m	(4)	(1)	(1)	0	0	0	0
Maintenace Capex	$A m	0	0	0	0	0	0	(2)
Expansion Capex	$A m	0	0	0	0	(42)	(25)	0
PPE Acquisitions (Total Cap	$A m	(4)	(1)	(1)	0	(42)	(25)	(2)
PPE Divestments	$A m	0	0	0	0	108	0	0
INVESTING CASHFLOW	$A m	(4)	(1)	(1)	0	66	(25)	(2)
Change in Equity	$A m	0	0	7	13	0	0	0
Dividends Paid	$A m	0	0	0	0	0	0	0
Change in Debt	$A m	0	0	0	0	0	102	9
FINANCING CASHFLOW	$A m	0	0	7	13	0	102	9
Free Cashflow	$A m	(6)	(7)	(7)	(8)	60	(37)	(15)
Net Cashflow	$A m	(6)	(7)	(1)	4	60	65	(6)

Commodity price assumptions

Year ended June		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
AUD-USD		0.918	0.916	0.863	0.850	0.850	0.850
HQ HCC	US$ / t	140	138	153	169	170	170
GBP - USD		1.584	1.600	1.600	1.600	1.600	1.600
Lochinvar blend	US$ /t	125	123	135	148	149	149
Mine Production (100% basis)							
RoM coal	000 t	0	0	0	0	48	921
Coal sold '000 t	000 t	0	0	0	0	23	529
NAE share		100 %	100 %	100 %	75 %	50 %	50 %
RoM coal	000 t	0	0	0	0	24	460
Coal sold '000 t	000 t	0	0	0	0	12	264

Resources

	Inferred	RoM Coal Analysis				
Coal Seam	**Resource**	**I M**	**Ash**	**Vol.**	**S**	**CSN**
Nine Foot seam	78 Mt	2.4 %	10.4 %	32.6 %	2.1 %	6.5
Six foot seam	34 Mt	3.0 %	11.0 %	32.0 %	3.5 %	6.5
0						
TOTAL	**112 Mt**					

		Washed coal Analysis					
Coal Seam	**Yield**	**Ash**	**Vol.**	**S**	**CSN**	**P**	**Fluidity**
Nine Foot seam	89 %	3.1 %	33.8 %	1.26 %	7.0	0.003 %	T B A
Six foot seam	77 %	4.0 %	34.7 %	1.82 %	7.0	0.034 %	1,400
Blend	**85 %**	**3.4 %**	**34.1 %**	**1.43 %**	**7.0**	**0.012 %**	

Assumed mining inventory (50% of coal shallower than 600m)

Coal Seam	**RoM**
Nine Foot seam	25 Mt
Six foot seam	13 Mt
TOTAL	**38 Mt**

Asset based Valuation

discount rate = 12.0 %		30 June 2014			31-Oct-14
	risking	100%	Product	per share	
Lochinvar, NAE share	50 %	$ 149m	$ 75m	5.6 c	6.5 c
Asset sale	50 %	$ 77m	$ 39m	2.9 c	2.9 c
Corporate	100 %	($22m)	($22m)	(1.7c)	(1.7c)
Exploration	100 %	($1m)	($1m)	(0.1c)	(0.3c)
Cash / debt	100 %	$ 2m	$ 2m	0.2 c	0.2 c
Cash to be raised	80 %	$ 16m	$ 13m	0.9 c	0.9 c
TOTAL		$ 222m	$ 105m	7.9 c	**8.6 c**
Shares on issue		258.3m	FPO shares	4.5m	options
		54.0m	issued 2014	0.0m	exercised
		1,020.3m	issued 2015		

Assumed Cash Costs, US $/t

	LoM	2016-17	2017-18	2018-19	2019-20	2020-21
Mining	**27**	0	47	35	27	26
Processing	**13**	0	45	18	13	13
Tech. Services	**5**	0	54	12	5	5
Site Admin	**4**	0	28	7	4	3
Transport	**19**	0	8	11	19	20
C1 Total	**69**	**0**	**182**	**83**	**67**	**66**
Royalties	**0.4**	0.0	0.5	0.5	0.4	0.4
Sustaining Capital	**10**	0	5	5	5	4
Quality / Location	**21**	0	22	22	22	22
TOTAL	**US$ 101/t**	**US$ 0/t**	**US$ 209/t**	**US$ 110/t**	**US$ 94/t**	**US$ 93/t**

Financial Ratios

Year ended June		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue	$A m	0	0	0	1	3	47
EBITDA	$A m	(6)	(2)	(2)	(2)	(2)	(3)
EBIT	$A m	(6)	(2)	(2)	(2)	(2)	(3)
NPAT (reported)	$A m	(5)	(2)	(2)	(2)	(2)	(6)
Adjusted EPS (cps)		(3.0c)	(0.9c)	(0.2c)	(0.2c)	(0.1c)	(0.5c)
EPS Growth (%)			71 %	72 %	34 %	14 %	(244%)
DPS (c)		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Dividend Yield (%)		0 %	0 %	0 %	0 %	0 %	0 %
PE adj. (x)	x	(1)	(2)	(6)	(10)	(11)	(3)
EV / EBITDA (x)	x	0	0	0	0	0	0
EV / EBIT (x)	x	0	0	0	0	0	0
Gearing (%)		0 %	0 %	0 %	0 %	93 %	92 %
Return on Assets		(29%)	(28%)	(16%)	(2%)	(3%)	11 %
Return on Equity		(18%)	(27%)	(16%)	(2%)	(71%)	24 %
EBITDA Margin (%)		n/a	n/a	n/a	n/a	n/a	(154%)
Interest Cover (x)	x	n/a	n/a	n/a	n/a	n/a	(0.8)

Substanital Shareholders

Resource Capital Fund V L.P	99.9m	31.9 %
Mr YAW Chee Siew	40.8m	13.0 %

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