Beer & Co.
Equity Research

Energia Minerals (EMX) **24 April 2015**

Get your zinc now, while still cheap

First zinc in 2017; Best of a small bunch !

Recommendation
Strong BUY, High Risk

Price
4.4c

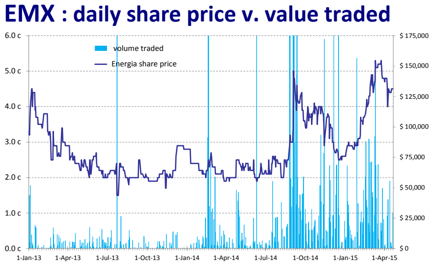
Risked, NPV based valuation
15.5c

- **EMX is continuing refurbishment of 1,400m of pre-existing tunnels at Gorno, which will give access to the un-mined and partly developed Colonna Zorzone deposit.**
- **EMX expects to begin resource definition drilling in July with Resource estimation by end 2015, and production in 2017.**
- **Zinc prices have been firm as exchange inventories continue to fall, with significant falls in mine production expected, especially when Century closes later in 2015.**
- **EMX is a low cost, near term, relatively certain zinc exposure; in our view, the best of a small bunch.**

Snapshot

Last Price	4.4c
Market Cap	$27m
Cash on hand (31 Dec 2014)	$5.7m
Shares on Issue	609m
52 Week High	6.6c
52 Week Low	1.9c
1 month / 6 month VWAP	4.6c / 3.5c

EMX : daily share price v. value traded



EMX first listed in December 2009. Its focus project was the Carley Bore uranium project.

On 18 June 2014, EMX announced that it had purchased Mining Leases at Gorno, to facilitate its development.

Gorno has an Exploration Target of 6Mt – 10Mt at 7% - 10% zinc plus lead. It has been mined previously, and the mine is fully developed for a quick re-start, subject to the processing plant being constructed.

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Zinc price is firm, as exchange inventories continue to fall

LME zinc stocks have fallen consistently, from 1.22Mt at the start of 2013, to 933kt by the end of 2013, to 692kt at the start of 2015 and 487kt now, at about 8.5 days of consumption. At the present rate, LME stocks will be exhausted about year end.

Century mine in Queensland, which is currently producing at a rate of about 425kt/yr, is set to close in September. The 160kt/yr Lisheen mine, in Ireland, will also close during 2015.

Zinc price set to lift; Very little zinc exposure on ASX (or other markets)

We expect the zinc price to rise significantly, but that the price will fall back. Many companies will use the price spike to raise equity to bring a mine into production, but there are few that will be producing zinc within 2 years, AND will have zinc account for the bulk of their revenue.

EMX is the lowest cost of this small number.

Analysis

As well as being a low cost, near term zinc exposure, EMX also has longer term uranium potential.

Beer & Co's base case valuation is heavily risked due to near term uncertainties in the information available. However, Gorno has been previously mined and much of the development is still in place.

Gorno also has significant geological information which needs to be re-processed and verified by further drilling so that the data will be JORC compliant.

Conclusions

Beer & Co affirms our Strong BUY, High Risk, rating on EMX, as a preferred exposure to the coming zinc price spike.

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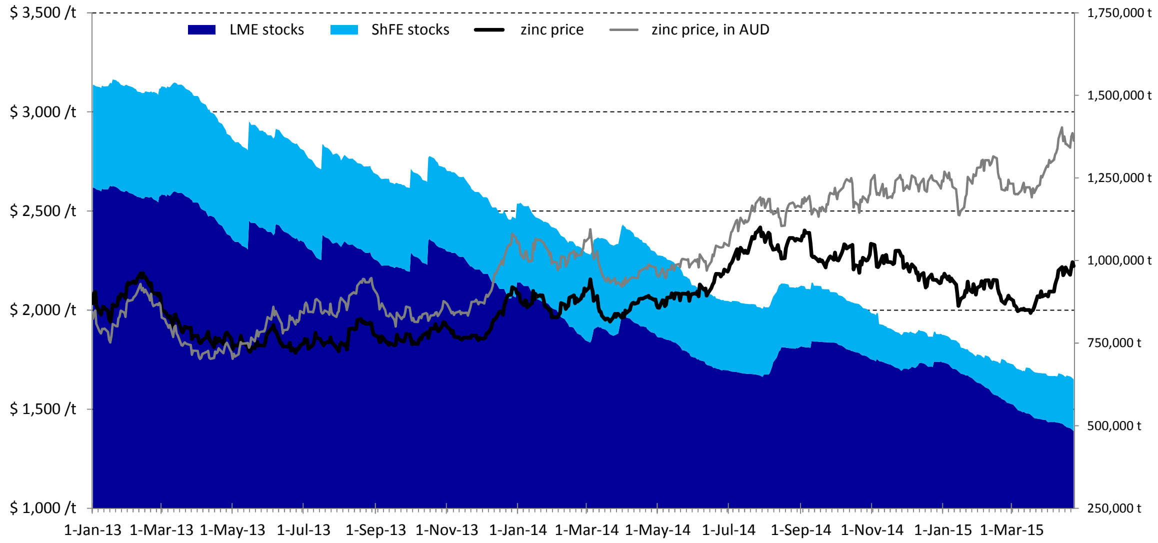
Zinc prices set to move up

Zinc inventories continue to fall

Figure 1 shows that exchange stocks of zinc metal have fallen consistently since January 2013.

Figure 1 : Zinc price v. Exchange stocks (LME + ShFE)



Source : IRESS, Shanghai Futures Exchange, Beer & Co

Figure 1 shows that there have been deliveries when prices have risen during 2013 and 2014 and that there has been no strong trend in USD prices, though price have risen strongly over the last 12 months or so in AUD and other producer currencies.

Note that in Figure 5, the Y2 axis has 250kt as the minimum value, which is just over 4 days of global consumption of 57kt a day (ie. 250 working days a year basis).

In our view, the fall in stocks is only partly due to industrial demand being greater than supply, with anticipation of the closure of major mines, such as Century and Lisheen later in 2015 being an important driver.

Zinc prices are set to rise

At the present rate of decline, LME stocks will be exhausted in January 2016.

Beer & Co expect the zinc price to respond later in 2015; this could be due to demand bidding up the price, or a squeeze.

While there is capacity coming on-stream, as shown by Glencore which expects to produce 1.58Mt in 2015 compared with 1.38Mt in 2014, and ramping up to 1.64Mt by 2017, there is only a small number of projects to bring on new supply.

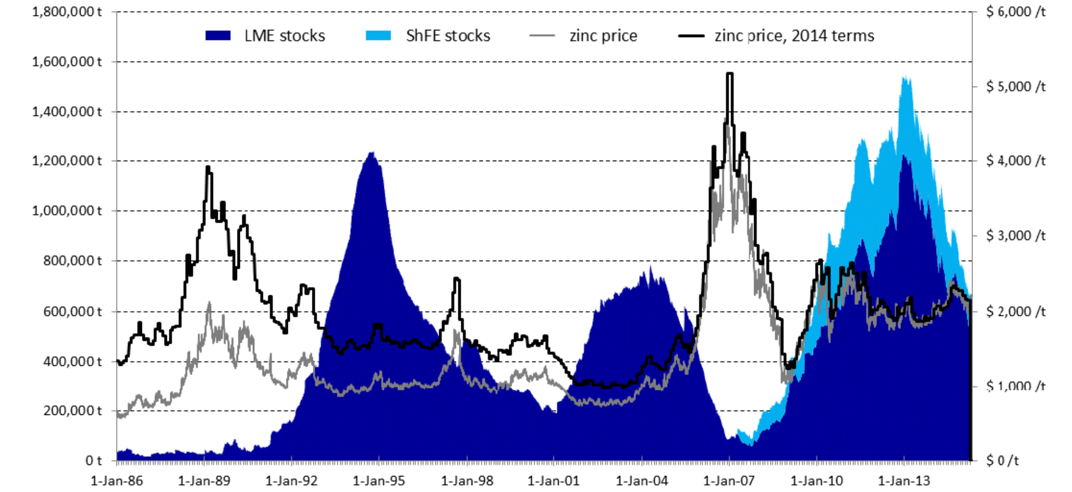
Figure 1 also shows that Shanghai stocks have been rising since the middle of January 2015, by 77,815t from 78,844t to 156,659t showing that "hidden" stocks are being released.

Figure 2 shows that over the last 30 years, zinc has shown a pattern of

- prices spiking (1988, 1998 and 2007) every 10 years or so;
- supply increasing following the price spike, leading to a major rise in inventory;
- prices falling as supply starts;

Figure 2 also shows that, in real terms (ie. adjusted for inflation) each price spike has been higher than the last and, except for the period from 2001 to 2005, it has settled at a price higher than before.

Figure 2 : History of zinc prices and inventories

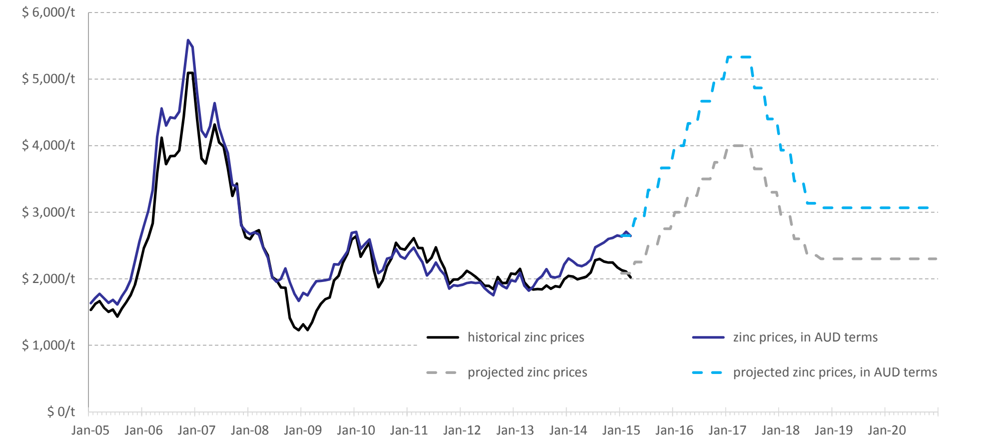


Source : IRESS, Shanghai Futures Exchange, US Bureau of Labor Statistics, Beer & Co

Zinc prices will also fall back again

Figure 3 shows that Beer & Co projects that zinc prices will follow the pattern shown from the history in Figure 2.

Figure 3 : Beer & Co's projected zinc prices (month average)



Source : IRESS, Beer & Co estimates

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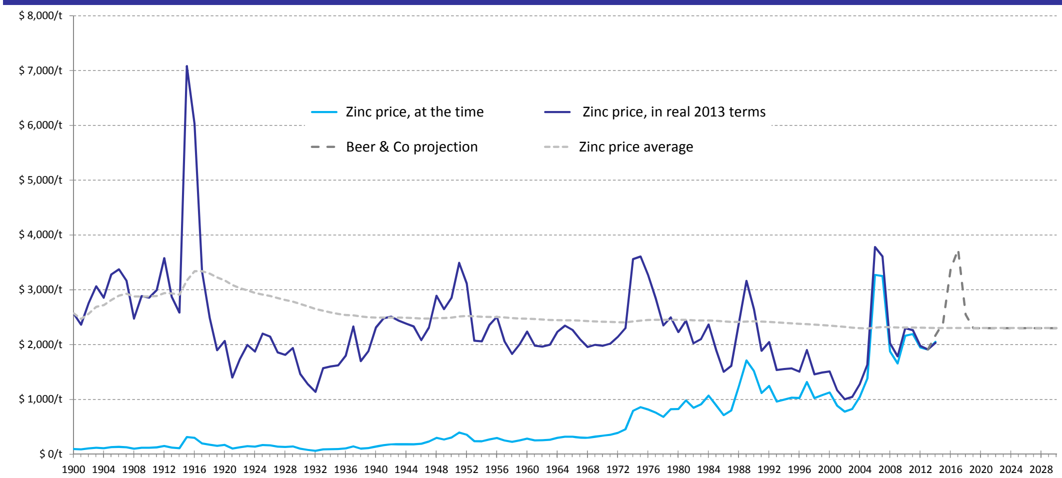
Compared with history, Figure 3 shows that Beer & Co projects :

- a much lower peak, in USD terms, but a similar peak in AUD terms;
- a longer period to reach this peak;
- a fall about as rapid as historically; and
- settling to a level a little higher than the historical average

Figure 4, which shows the annual average zinc price in both nominal (or dollars of the day) terms and real, 2014, terms, together with Beer & Co's projections.

Figure 4 : Long Run historical zinc prices v. Beer & Co's projected zinc prices



Source : IRESS, US Geological Service, US Bureau of Labor Statistics, Beer & Co

Figure 4 shows that, with the exception of the period from 1993 to 2005, the zinc price appeared to bottom out at about $2,000/t (in 2014 terms).

It also shows that the long run average, from 1900 to 2014, is $2,304/t, which compares with the long run average of $2,300/t used by Beer & Co.

Beer & Co does NOT believe that the last 20 years is a reliable guide as we do not expect that Chinese will respond as powerfully to a price spike as it has done as :

- the best material has already been mined; and
- Chinese environmental and O,H & S standards have been raised.

Pick your zinc exposure carefully !

Not many choices

Figure 5 lists all the companies known to Beer & Co that could claim to have some zinc exposure.

Of the 17 companies listed, a maximum of 8 can realistically claim to be zinc dominated exposures, and these are highlighted in Figure 5 (note that while HRR is less than 50% zinc on a resources basis, zinc is still the major source, while VXR's projected net revenue is roughly equal between copper and zinc).

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Figure 5 : ASX listed companies with some zinc

ASX Code	Company Name	Market Cap	Contained Metal		% zinc	Enterprise Value /t		C1	First Year	Annual Prod'n rate	
			Zinc	Zinc eq		Zinc	Zinc eq			Zinc	Zinc eq
RVR	**Red River Resources**	**$ 22.5m**	**307 kt**	**533 kt**	**58%**	**$ 40/t**	**$ 23/t**	**?????**	**2016**	**48 kt/yr**	**60 kt/yr**
EMX	**Energia Minerals**	**$ 27.4m**	**488 kt**	**583 kt**	**84%**	**$ 11/t**	**$ 6/t**	**60c/lb**	**2017**	**30 kt/yr**	**36 kt/yr**
MUX	**Mungana Gold**	**$ 31.3m**	**539 kt**	**753 kt**	**72%**	**$ 67/t**	**$ 48/t**	**?????**	**2017**	**64 kt/yr**	**84 kt/yr**
IBG	**IronBark Reesources**	**$ 46.4m**	**3,653 kt**	**4,057 kt**	**90%**	**$ 12/t**	**$ 11/t**	**71c/lb**	**2018**	**186 kt/yr**	**194 kt/yr**
HRR	**Heron Resources**	**$ 46.9m**	**1,452 kt**	**3,445 kt**	**42%**	**$ 13/t**	**$ 5/t**	**(1c/lb)**	**2018**	**32 kt/yr**	**68 kt/yr**
PLD	**PLD Corporation**	**$ 6.3m**	**2,232 kt**	**4,468 kt**	**50%**	**$ 3/t**	**$ 1/t**	**?????**	**2019**	**108 kt/yr**	**274 kt/yr**
OVR	**Overland Resources**	**$ 1.6m**	**667 kt**	**763 kt**	**87%**	**$ 1/t**	**$ 1/t**	**92c/lb**	**?????**	**52 kt/yr**	**64 kt/yr**
TZN	**Terramin**	**$ 159.1m**	**2,325 kt**	**2,984 kt**	**78%**	**$ 76/t**	**$ 59/t**	**?????**	**?????**	**?????**	**?????**
CSD	Consolidated Tin Mines	$ 52.7m	372 kt	2,330 kt	16%	$ 142/t	$ 23/t	58c/lb	2015	?????	?????
AMI	Aurelia Mining	$ 87.7m	145 kt	733 kt	20%	$ 1,259/t	$ 249/t	Gold	2015	11 kt/yr	40 kt/yr
MRP	MacPhersons Resources	$ 36.2m	86 kt	205 kt	42%	$ 364/t	$ 153/t	Silver	2017	15 kt/yr	24 kt/yr
AUQ	Alara Resources	$ 3.0m	566 kt	1,029 kt	55%	$ 0/t	$ 0/t	50c/lb	2018	80 kt/yr	99 kt/yr
RXL	Rox Resources	$ 25.5m	874 kt	1,109 kt	79%	$ 24/t	$ 19/t	?????	2020	?????	?????
VXR	Venturex Resources	$ 6.2m	1,070 kt	2,218 kt	48%	$ 4/t	$ 2/t	Copper	?????	30 kt/yr	87 kt/yr
SBR	Sabre Resources	$ 3.9m	245 kt	350 kt	70%	$ 8/t	$ 6/t	?????	?????	?????	?????
RMG	RMG Limited	$ 7.9m	281 kt	302 kt	93%	$ 20/t	$ 18/t	Copper	?????	?????	?????
KBL	KBL Mining	$ 9.8m	101 kt	3,023 kt	3%	$ 72/t	$ 2/t	Copper	Sorby Hills	?????	?????

Source :IRESS, Beer & Co estimates

Tables such as Figure 5 can only reflect the publicly known information at that time; and the market is pricing in information that is known with a lower degree of certainty than that required of companies to make the information public.

In some cases the data has been estimated by Beer & Co.

A fuller discussion of these issues is given in the Appendix to this note.

How to Make a Choice

In Beer & Co's view, making a choice among the companies in Figure 5 requires a blend of factors, rather than one factor only, and the data does not present a unique solution. The key factors to consider are :

- When in production
  - Figure 3 shows that Beer & Co projects that zinc prices will peak in 2017
  - Some companies will be using this peak to raise equity to develop projects, but equity investors should be focussed on those that will be in production;
- Lower cost exposures preferred
  - The lowest cost exposures, on the basis of Enterprise Value per tonne of contained zinc metal, are cheap due to their higher degree of uncertainty, either in terms of project economics or clear title (see Appendix);
- Zinc must be a meaningful contributor to revenue
  - This is shown by the difference between the EV/t of zinc compared with zinc equivalent;
  - Only 7 companies are more than half zinc, and in some cases (eg. RXL, VXR, RMG and possibly AUQ) the real value is elsewhere, but a resource estimate has not been published on the copper (AUQ and RMG) or nickel (RXL) prospects
- A degree of certainty is required :
  - TZN and AUQ are in the process of resolving title, and we have no indication as to when or how (ie get title or not), this will be resolved.

Beer & Co's Choice : EMX

Figure 5 shows that only 6 companies are expected to be producing zinc in 2017 so that the projected high zinc prices generate cashflow to shareholders.

Of these, only 3 would be properly classified as zinc exposures. All 3, being RVR, MUX and EMX, are in the process of re-starting previous mining and processing operations.

Of these 3, Figure 5 shows that EMX is, by a significant margin, the lowest cost zinc exposure.

EMX : Progressing Gorno

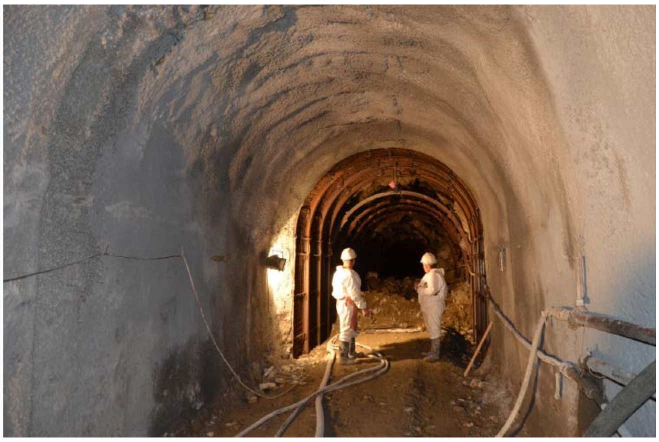
Resource definition drilling to start

EMX is refurbishing tunnels into the ore-bodies at the Gorno project, as shown in Figure 6.

Figure 6a : refurbishing access to Gorno

Source : EMX ASX announcement, 13 April 2015

Figure 6b : refurbishing access to Gorno



Source : EMX ASX announcement, 13 April 2015

EMX stated that it on track to begin resource definition drilling in July, which should enable a JORC compliant Resource estimate to be published by the end of year.

Beer & Co's estimate used in Figure 5, is based on EMX's announced Exploration Target, which in turn is based on production drilling, giving a high degree of confidence.

EMX also announced assays fr0m 32 historical grade control holes drilled at Gorno. Most holes finished in mineralisation. EMX estimated that the true widths of the following results are about 30% of the total intersection :

- 14.0m at 13.3% zinc and 1.9% lead;
- 20.8m at 7.9% zinc and 1.6% lead;
- 27.2m at 10.5% zinc and 1.0% lead;
- 22.4m at 8.9% zinc and 1.3% lead.

Conclusions

EMX is the BEST zinc exposure

Beer & Co's analysis of potential ASX listed zinc exposures found only 3 that are meaningful in terms of :

- being dominantly exposed to zinc, as opposed to other metals; and
- being in production in time to generate cash for shareholders when zinc prices are high.

Of these 3, EMX had the lowest EV/t.

Our choice of time frame excluded IG and HRR, which are also strong zinc exposures with a reasonable degree of certainty of delivering product and with current market pricing, in terms of EV/t, lower than RVR and MUX and more consistent with EMX, though still more expensive and without the upside potential from other projects.

EMX is cheap, in risk adjusted NPV terms

Beer & Co's previous note on EMX, from 23 February 2015 (see link below), detailed our valuation of EMX, which was, at that time, 16c/share.

http://beerandco.com.au/wp-content/uploads/2015/02/EnergiaMinerals_2015Feb23.pdf

Our risk adjusted valuation is now 15.5c/share, with the fall in value being due to the deferral of first product by one quarter, from late 2016 to early 2017.

Our 23 February note also detailed the potential value from EMX's uranium projects at Carley Bore in WA and Val Vedello and Novazza in Northern Italy (near Gorno).

Conclusion

In Beer & Co's view, there are 2 major reasons why EMX is a Strong BUY

1. It has projects that are projected to come into development at a time where there is expected to be strong interest in the relevant commodities
   - In 2016 for zinc and in 2019 for U_3O_8; and
2. EMX may not need to raise any more equity, as we expect EMX to sell stakes in their projects.

Beer & Co affirms our Strong Buy, High risk rating.

Appendix : Issues with Comparative Analyses

Timing

Any comparative table uses the information available at that time, so the company that has most recently announced a resource upgrade will tend to be favoured. Other companies may have announced drilling results that have caused a share price reaction but have not been included in the current resource estimate but are expected in an estimate expected to be announced in the not too distant future.

Estimates

For both RVR and MUX, the production data has been estimated by Beer & Co on the basis of known mill capacity and average resource grade by typical recovery.

For EMX, the production data has been estimated using an expected mining inventory that is based on an exploration target and an expected mining rate by typical recoveries.

Unknowns

AUQ and TZN both have what appear to e very good projects. However timing is very uncertain as title is not clear.

- AUQ is in a legal dispute with its joint venture partner over title to its zinc deposit in Saudi Arabia, Khnaiguyah.
- TZN continues to negotiate with the Algerian Government on the Tala Hamza project, based on a feasibility study technically completed but not able to be announced as the Algerian Government and its entities have not yet endorsed the project development concept.

Not Primarily Zinc Exposures

Many of the companies mentioned have some zinc, but would not be seen as zinc exposures. These will have a high EV value per tonne of zinc and a significant difference in the EV/t of zinc and zinc equivalent. These include :

- MRP, for which Nimbus a silver rich deposit;
- CSD : while we expect that CSD will produce significant zinc volumes, its focus project is tin and it also has significant copper resources
- AMI :
  - The DFS for its Hera project estimated annual average production of 39koz gold, 155koz silver, 10.8kt zinc and 7.8kt lead, so that at current prices, 56% of Hera's net revenue is gold and 24% zinc
  - The net value of the resources for Nymagee are 76% copper and 13% zinc
- RXL has interests in 3 projects : Teena zinc, Mt Fisher nickel and Bonya copper
  - Teena dominates the total resource due its size, but RXL is farming down to Teck Resources, which has 51% of the project and is increasing to its next level of 70%
  - RXL has 51% of the Bonya project and is in the process of earning in to 70%
  - RXL has 100% of Mt Fisher on which it has completed a coping study

- KBL is currently mining at Mineral Hill, NSW, and has a project at Sorby Hills, NT
  - KBL advised, in a presentation in October 2014, that Mineral Hill had resources of 5.4Mt, containing 63.7kt copper, 227koz gold, 6Moz silver, 83kt lead and 42kt zinc, which means that 38% of the net revenue is copper, 28% gold and 16% silver
  - Sorby Hills has a resource of 16.5Mt grading 4.7% Pb, 0.7% Zn and 53g/t Ag, so that about 60% of net revenue is lead and zinc and silver about equal proportions of the balance
- RMG Limited has a zinc project in Queensland, at Kamarga, for which it has a reported resource estimate, and a copper project in Tuina in Chile for which it has reported drill results, but not a resource estimate
  - Kamarga's resource estimate is 10.4Mt grading 2.7% zinc, o.2% lead and 1g/t silver
  - Tuina has returned drill intercepts of 33m at 1.9% Cu and 15g/t Ag, 108m at 1.1% Cu and 21g/t Ag, 49m at 1.0% Cu and 17g/t Ag, 22m at 2.3% Cu and 7g/t Ag and 23m at 2.2% Cu and 18g/t Ag
  - In our view, Tuina is much more attractive

Potential Zinc Exposures, but not within out timeframe

Aside from RVR. MUX and EMX, there are 5 other ASX listed stocks that are identified as zinc exposures, but do not fit in our time-frame :

- HRR
  - Like EMX's Gorno, RVR's Thalanga and MUX's Chillagoe, HRR's Woodlawn project a previously operated asset
  - In contrast to the other three, HRR has recently published information relating to the economics of the project and its timing
  - Using current prices, Beer & Co estimates net revenue for HRR's Woodlawn project to comprise 45% zinc, 24% copper, 17% lead and 13% silver
- IBG :
  - The results of the PFS were published in April 2013 and a Mining Licence Application has been lodged, but we do not have guidance as to when the project is expected to be in production;
  - Beer & Co's analysis indicates that the project needs at least current prices for the project to generate an economic return, subject to timing of first product
- OVR :
  - Results of its scoping study in June 2012, and current activities are to enhance the results so we do not have a time for first product
  - the cash costs announced, for concentrate on a boat, excluding Treatment Charges, was 70c/lb
  - Beer & Co estimates an overall cost, adding in freight and TCs, of about 92c/lb, which does not appear to be an economically viable project
- VXR :
  - Results of its feasibility study in December 2012, and current activities are to enhance the results and we do not have a time for first product
  - Beer & Co estimates net revenue being 47% zinc and 43% copper
- PLD : A zinc dominated project, and our estimate of first product in 2019 could be optimistic

Beer& Co Research

Energia Minerals (EMX.ASX) April 2015

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	39	63	48	55
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	39	64	49	56
Cost of Goods Sold	$A m	0	0	0	(12)	(19)	(19)	(22)
Royalties	$A m	0	0	0	(1)	(1)	(1)	(1)
Exploration Expense	$A m	(2)	0	0	0	0	0	0
Corporate Costs	$A m	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other Operating Expenses	$A m	(0)	0	0	0	0	0	0
Total Operating Expenses	$A m	(3)	(1)	(1)	(13)	(22)	(21)	(25)
EBITDA	$A m	(3)	(1)	(1)	26	43	28	31
Dep'cn & Amort'sn	$A m	0	0	0	(2)	(3)	(3)	(5)
EBIT	$A m	(3)	(1)	(1)	24	39	24	27
Interest Expense	$A m	0	0	0	(2)	(1)	(1)	(2)
Other	$A m	(0)	0	48	0	0	36	0
Pre-Tax Profit	$A m	(3)	(1)	47	22	38	59	25
Tax Expense	$A m	0	0	0	(7)	(11)	(7)	(7)
NPAT	$A m	(3)	(1)	47	16	27	52	17
Reported NPAT	$A m	(3)	(1)	47	16	27	52	17
Section 2 - Key Data								
Ordinary shares - year end	m	240.0	609.0	609.0	609.0	609.0	609.0	609.0
Fully diluted shares on issue	m	240.0	609.0	609.0	609.0	609.0	609.0	609.0
Weighted # shares	m	212.9	526.0	609.0	609.0	609.0	609.0	609.0
Earnings per Share		(1.4c)	(0.2c)	7.7 c	2.6 c	4.4 c	8.6 c	2.8 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	2	0	3	18	34	61	83
Receivables	$A m	0	0	0	0	8	7	6
Other	$A m	0	0	0	0	0	0	0
CURRENT ASSETS	$A m	2	0	3	18	43	68	89
Receivables	$A m	0	0	0	0	0	0	0
P , P & E	$A m	0	0	5	56	65	63	92
Mining Properties / Explorati	$A m	2	2	2	2	2	2	2
Other	$A m	0	0	0	0	0	0	0
NON-CURRENT ASSETS	$A m	2	2	7	58	66	65	93
TOTAL ASSETS	$A m	4	2	10	76	109	133	182
Payables	$A m	0	0	0	0	2	5	7
Debt	$A m	0	0	0	0	7	7	0
Other	$A m	0	0	0	0	0	0	0
CURRENT LIABILITIES	$A m	0	0	0	0	9	12	7
Long Term Debt	$A m	0	0	0	27	14	7	0
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	27	14	7	0
TOTAL LIABILTIES	$A m	0	0	0	27	23	19	7
NET ASSETS	$A m	**3**	**2**	**10**	**48**	**85**	**114**	**175**
Accumulated Profit (Loss)	$A m	(14)	(17)	(18)	29	45	71	124
Reserves	$A m	1	1	1	(8)	13	15	24
Contributed Equity	$A m	17	18	27	27	27	27	27
Total Equity	$A m	3	2	10	48	85	114	175
Section 4 - Cashflow								
Net Cashflow from operatior	$A m	(3)	(1)	(1)	26	43	28	31
Hedging	$A m	0	0	0	0	0	0	0
Net Interest Paid	$A m	0	0	0	0	0	1	1
Taxes Paid	$A m	0	0	0	0	0	0	0
Change in Working Capital	$A m	0	(0)	0	0	(6)	4	4
Other	$A m							
OPERATING CASHFLOW	$A m	(3)	(1)	(1)	26	37	32	36
Exploration Expenditures	$A m	0	0	0	0	0	0	0
Maintenace Capex	$A m	0	0	0	0	0	0	(0)
Expansion Capex	$A m	0	0	(0)	(0)	(1)	(2)	(31)
PPE Acquisitions (Total Cap	$A m	0	0	(0)	(0)	(1)	(2)	(31)
PPE Divestments	$A m	0	0	0	48	0	0	36
INVESTING CASHFLOW	$A m	0	0	(0)	48	(1)	(2)	5
Change in Equity	$A m	2	1	9	0	0	0	0
Dividends Paid	$A m	0	0	0	0	0	0	0
Change in Debt	$A m	0	0	0	27	(6)	(7)	(14)
Other								
FINANCING CASHFLOW	$A m	2	1	9	27	(6)	(7)	(14)
Free Cashflow	$A m	(3)	(1)	(1)	74	36	30	41
Net Cashflow	$A m	(1)	0	8	101	30	23	26

Enterprice Uranium	41.548m	15.0 %
Charles Ave	33.715m	12.2 %
Kim Robinson	12.770m	4.6 %

Commodity price assumptions

Year ended June		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
AUD/USD		0.835	0.835	0.750	0.750	0.750	0.750
U3O8 - contract	US$ / lb	38	55	55	55	55	55
Zinc	USD / t	2,202	2,875	3,813	3,125	2,313	2,300
Lead	USD / t	1,995	2,375	2,400	2,175	2,100	2,100
Silver	USD / oz	22	20	20	20	20	20

Production, 100% basis		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Zinc	' 000 t	0	15	30	30	30	30
Lead	' 000 t	0	3	6	6	6	6
Silver	' 000 oz	0	28	55	58	58	58
EMX share	60 %						
Zinc	' 000 t	0	9	18	18	18	18
Lead	' 000 t	0	2	4	4	4	4
Silver	' 000 oz	0	17	33	35	35	35

Gorno ExplorationTarget		grades			contained metal		
		Zinc	Lead	Silver	Zinc	Lead	Silver
Panel 7	6,500	6.25 %	1.25 %	4.5g/t	406 kt	81 kt	941 koz
Collonna Fortuna	1,500	5.50 %	1.00 %		83 kt	15 kt	
TOTAL	**8,000**	**6.11 %**	**1.20 %**	**4.5g/t**	**489 kt**	**96 kt**	**941 koz**

U3O8 produced		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
100% basis	000 lb	0	161	1,729	1,648	1,452	1,452
EMX share	60 %	0	97	1,037	989	871	871

Estimated Resources, at 150ppm cut-of grade

		U3O8 grade	contained uranium	
Indicated	5.4Mt	420 ppm	2.3 kt	5.0 Mlb
Inferred	17.4Mt	280 ppm	4.9 kt	10.7 Mlb
TOTAL	**22.8Mt**	**310 ppm**	**7.1 kt**	**15.7 Mlb**

Asset based Valuation

discount rate = 12.0 %		30-Jun-14			23-Apr-15
	risk :	100%	Product	per share	
Gorno	50 %	$ 50m	$ 25m	4.1 c	5.7 c
Carley Bore	40 %	$ 33m	$ 13m	2.2 c	2.9 c
franking credits	26 %	$ 15m	$ 4m	0.6 c	0.9 c
Asset sales	50 %	$ 59m	$ 29m	4.8 c	6.2 c
Exploration	100 %	$ 0m	$ 0m	0.0 c	0.0 c
Corporate	100 %	($6m)	($6m)	(1.0c)	(0.9c)
Cash / debt	100 %	$ 0m	$ 0m	0.0 c	0.4 c
cash to be raised	100 %	$ 8m	$ 8m	1.3 c	0.2 c
TOTAL		$ 159m	$ 74m	12.1 c	15.4 c
Shares on issue		240.0m	41820	32.2m	options
		369.0m	issued 2015	0.0m	op. ex'd
		0.0m	issued 2016		

Estimated Cash Costs, US c/lb

	LoM	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Mining	**17**	20	16	16	16	17	17
Processing	**17**	20	17	17	17	17	17
Site Admin	**4**	5	4	4	4	4	4
Transport	**6**	6	6	6	6	6	6
TC/RC	**31**	49	37	30	30	30	30
by-product credit	**(16)**	(18)	(17)	(16)	(16)	(16)	(16)
Royalties	**2**	3	2	2	2	2	2
Sustaining Capita	**5**	5	5	5	5	5	5
TOTAL	**65c/lb**	**89c/lb**	**71c/lb**	**63c/lb**	**63c/lb**	**63c/lb**	**63c/lb**

Assumed Cash Costs, US $/lb

	LoM	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Well Costs	**6.5**	6.4	5.0	7.4	7.9	7.9	7.9
Cons'bles & powe	**4.1**	3.9	4.0	4.5	4.6	4.6	4.0
Labour	**4.5**	10.4	3.7	4.1	4.6	4.6	4.6
Other	**1.2**	3.0	1.1	1.3	1.3	1.3	1.1
Royalties	**2.8**	2.8	2.8	2.8	2.8	2.8	2.8
Sus.cap.ex	**1.3**	12.0	1.1	1.2	1.3	1.3	0.7
TOTAL	**US$ 20 /lb**	**US$ 38 /lb**	**US$ 18 /lb**	**US$ 21 /lb**	**US$ 22 /lb**	**US$ 22 /lb**	**US$ 21 /lb**

Financial Ratios

Year ended June		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue	$A m	0	0	39	64	49	56
EBITDA	$A m	(1)	(1)	26	43	28	31
EBIT	$A m	(1)	(1)	24	39	24	27
NPAT (reported)	$A m	(1)	47	16	27	52	17
Adjusted EPS (cps)		(0.2c)	7.7 c	2.6 c	4.4 c	8.6 c	2.8 c
EPS Growth (%)			4,276 %	(67%)	69 %	97 %	(67%)
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	(24.3)	0.6	1.7	1.0	0.5	1.6
EV / EBITDA (x)	x	(28.4)	(26.6)	1.4	0.3	(0.7)	0.0
EV / EBIT (x)	x	(28.4)	(26.6)	1.5	0.4	(0.8)	0.0
Gearing (%)		0 %	0 %	36 %	19 %	11 %	0 %
Return on Assets		(47%)	(9%)	32 %	36 %	18 %	15 %
Return on Equity		(56%)	482 %	33 %	31 %	46 %	10 %
EBITDA Margin (%)		n/a	n/a	66 %	67 %	58 %	57 %
Interest Cover (x)	x	n/a	n/a	14.1	28.1	28.1	12.9

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