BELL POTTER

19 October 2018

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Millennium Minerals (MOY)

Good start to turnaround

Recommendation
Buy (unchanged)
Price
$0.23
Target (12 months)
$0.29 (previously $0.28)

GICS Sector

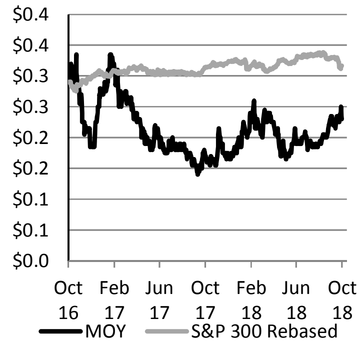
Materials

Expected Return	
Capital growth	26.1%
Dividend yield	0.0%
Total expected return	26.1%
Company Data & Ratios	
Enterprise value	$174.4m
Market cap	$182.2m
Issued capital	792.1m
Free float	52%
Avg. daily val. (52wk)	$261,300
12 month price range	$0.15-$0.26

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	0.22	0.21	0.18
Absolute (%)	4.5	12.2	31.4
Rel market (%)	8.1	17.3	29.2

Absolute Price



SOURCE: IRESS

Production on the up, grade coming through

MOY has delivered an improved third quarter, turning the momentum positive for an encouraging start to its planned operational turnaround. Production of 22.4koz (vs BPe 21.6koz) was up 77% from a tough June quarter and beat the 20.0-22.0koz guidance range. With 55.3koz produced ytd, the targeted 25koz for the December quarter would see MOY exceed its 2019 guidance of 75-80koz. All-In-Sustaining-Costs (AISC) of A$1,324/oz (vs BPe A$1,114/oz) were a necessary improvement from the A$2,178/oz of the June quarter but were above our expectations and MOY will need to beat its December guidance of 25koz at A$1,150/oz to meet its full-year cost guidance. We do see scope for higher grades to lift production and for AISC to be trimmed, but for now our CY18 forecast sits at 81.0koz at AISC ~A$1,400/oz. MOY finished the quarter with cash and bullion of $17.8m, after drawing down $10.0m of its $17.5m debt facility.

Tailwinds into CY19

There are several further positive developments reported in the quarterly which offer upside to our forecasts. The most immediate is the potential for production to commence ahead of schedule from the Bartons underground. This can provide high grade, free-milling ore to the plant and an immediate production lift that is independent of the sulphide expansion. The other key opportunity is the identification of high grade cross-cutting structures in the Golden Eagle pit and at depth below it. These had not previously been understood but are currently being drilled out and will be included in the next Resource update. There is potential for these to be an additional high grade ore source that is not currently in the mine plan – and located 500m from the mill.

Investment Thesis – Buy, Target Price $0.29/sh

One of the key tenets of our investment thesis is the management team executing an operational turnaround and this quarterly is showing positive signs. The exploitation of high grade refractory ore is another, with the drilling at Golden Eagle pursuing this. We retain our Buy recommendation on a target price increased by 3.7% to $0.28/sh.

Earnings Forecast

Year end December 31	2017a	2018e	2019e	2020e
Sales (A$m)	116	141	197	217
EBITDA (A$m)	22	27	59	76
NPAT (reported) (A$m)	(6)	(0)	30	38
NPAT (adjusted) (A$m)	(4)	(0)	30	38
EPS (adjusted) (¢ps)	(0.6)	(0.0)	3.8	4.9
EPS growth (%)	-132%	nm	nm	27%
PER (x)	nm	nm	6.0	4.7
FCF Yield (%)	-4%	-3%	18%	31%
EV/EBITDA (x)	7.9	6.5	2.9	2.3
Dividend (¢ps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	0%	0%	0%	0%
ROE (%)	-8%	0%	35%	32%

SOURCE: BELL POTTER SECURITIES ESTIMATES

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Key production metrics are summarised below:

Table 1 - Quarterly production summary

	Sep-17 Actual	Dec-17 Actual	Mar-18 Actual	Jun-18 Actual	Sep-18 Actual	Sep-18 Bpe	Variance % qoq	Variance % Bpe
Mining								
Ore mined (t)	261,351	353,273	369,927	568,927	529,152	450,000	-7%	18%
grade (g/t Au)	1.3	1.6	1.6	1.0	1.5	1.7	51%	-10%
Contained gold (oz Au)	10,503	18,173	18,554	18,474	26,029	24,595	41%	6%
Processing								
Ore milled (t)	444,638	469,078	474,420	436,887	523,614	450,000	20%	16%
Head grade (g/t Au)	1.3	1.6	1.6	1.0	1.5	1.7	51%	-10%
Recovery (%)	89.6%	88.7%	85.4%	89.1%	87.0%	88.0%	-2.1%	-1.0%
Gold produced (oz Au)	16,007	21,401	20,324	12,639	22,414	21,644	77%	4%
Costs								
Cash costs (A$/oz)	$1,286	$1,081	$1,194	$2,020	$1,183	$971	-41%	22%
AISC (A$/oz)	$1,470	$1,290	$1,295	$2,178	$1,324	$1,114	-39%	19%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Other key takeaways from the quarterly report include:

- The increase in head grade to 1.5g/t Au in the September quarter, together with the increased mill throughput is expected to be sustained into the December quarter, with potential for grade to increase further, underpinning the 25koz production target for the month;
- The development of the Bartons underground has progressed ahead of schedule, at rates approaching 400m/month with a single jumbo. Favourable ground conditions may enable a top-down mining method, which may see stoping production of free-milling ore commencing ahead of schedule, in the December quarter 2018;
- New high grade zones have been identified within the Golden Eagle deposit. Cross-cutting structures that have not been adequately drilled or properly understood previously are showing potential to add to the Golden Eagle mining inventory;
- The sulphide plant expansion to enable the treatment of refractory sulphide ore has commenced, with Ausenco appointed to deliver the project on schedule for commissioning in the March quarter 2019;
- In conjunction with the drawdown of $10.0m of the $17.5m Investec debt facility, MOY increased its hedge book position from 5.0koz @ A$1,757/oz to 31.5koz @ 1,687/oz, to be delivered by September 2019; and
- The Lost Time Injury Frequency Rate (LTIFR) has dropped to 0.0 from 1.47;

Changes to our forecasts

Following the September 2018 quarterly we have made the following changes to our modelled assumptions:

- Updated for the latest quarterly production and cost results;
- Updated for the last reported hedge book position;
- Increased our underground production assumptions, based upon the strong development rates achieved to date and the likely ahead-of-schedule commencement of production, as reported in the quarterly;
- Increased our near-term open-pit mining production forecasts, reflecting the improved mining rates of recent quarters;
- Lowered our sustaining capital estimates for CY19, due to the early completion of development of the first stage of the Bartons underground mine
- Incorporated our latest commodity price and foreign exchange rate forecasts, which include near-term reductions to our assumed US$ gold price, partially offset by a lower Australian dollar; and
- Updated for the latest capital structure.

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

Table 2 - Changes to earnings estimates

	Previous			New			Change		
Year ending 30 June	**2018e**	**2019e**	**2020e**	**2018e**	**2019e**	**2020e**	**2018e**	**2019e**	**2020e**
Prices & currency									
Gold (US$/oz)	1,320	1,380	1,410	1,284	1,360	1,410	-3%	-1%	0%
Silver (US$/oz)	17	17	17	16	17	18	-3%	1%	1%
US$/A$	0.76	0.75	0.75	0.75	0.74	0.75	-1%	-1%	0%
Production & costs									
Ore milled (kt)	1,826	1,950	1,960	1,980	2,130	2,110	8%	9%	8%
Gold produced (koz)	77.9	102.2	104.9	81.0	108.9	115.3	4%	7%	10%
Cash costs (A$/oz)	1,205	1,077	1,043	1,262	1,065	1,038	5%	-1%	0%
AISC (A$/oz)	1,340	1,285	1,235	1,400	1,216	1,197	4%	-5%	-3%
Earnings									
Revenue (A$m)	140	188	197	141	197	217	1%	5%	10%
EBITDA (A$m)	29	49	62	27	59	76	-6%	20%	23%
EBIT (A$m)	6	25	38	(0)	30	47	nm	19%	25%
NPAT (adjusted) (A$m)	6.0	25.7	31.2	(0.2)	30.3	38.4	-103%	18%	23%
EPS (reported) (cps)	0.8	3.2	3.9	(0.0)	3.8	4.9	-103%	18%	23%
PER (x)	30.3	7.1	5.8	nm	6.0	4.7	na	(1.1)	(1.1)
EPS growth (%)	nm	327%	21%	nm	nm	27%	na	na	5%
DPS (reported) (cps)	-	-	-	-	-	-	na	na	na
Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
NPV ($/sh)	0.26	0.28	0.31	0.26	0.29	0.32	0%	3%	5%
Price Target ($/sh)		0.28			0.29			4%	

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Following a solid production performance in the September quarter we increase our forecast for the December quarter but this is offset by a lower gold price and the higher costs in the September quarter. We now forecast a minor loss for CY18 (from a modest profit of $6m). Our CY19 and CY20 earnings increase 18% and 23% respectively, largely driven by higher head grade assumptions. Our 12-month-forward, NPV-based target price lifts 3.6% to $0.29/sh.

Upcoming catalysts

Upcoming catalysts for MOY include:

- Ongoing production updates, including the potential for the Bartons underground to commence production ahead of schedule in the December quarter 2018 (vs the March quarter 2019);
- Ongoing exploration updates, including the drill testing of depth extensions to the Bartons underground and the potential confirmation of high grade, cross-cutting structures at the Golden Eagle deposit;
- Progress reports on the Sulphide Plant Expansion project and commencement of commissioning in 1QCY19;
- Possible decision to commence a second underground operation at Golden Gate;
- The December quarter production and cost report; and
- Global Resource and Reserve update, incorporating the latest extension drilling and Resource optimisation, driven by the ability to economically process refractory ores in the Resource base.

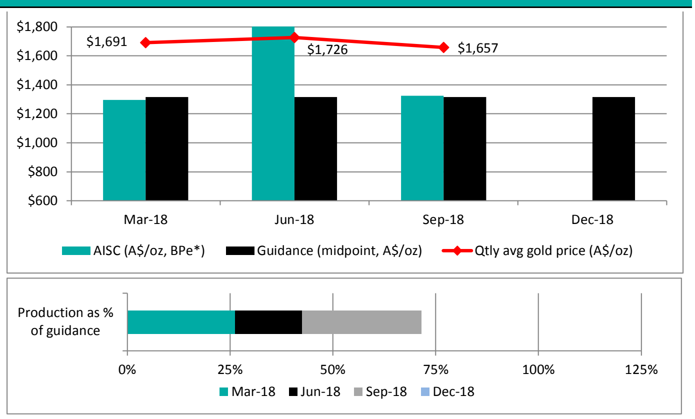
Quarterly progress monitor

For 3QCY18 MOY has achieved production of 22.4koz, beating the top end of quarterly production guidance range of 20.0-22.0koz. AISC for 3QCY18 were A$1,324/oz which, while within the CY18 guidance range of A$1,280-A$1,350/oz, means that AISC will need to drop to ~A$1,000/oz in the December quarter for CY2018 AISC to meet the guidance range. Production and cost guidance for the December quarter is 25.0koz at AISC of A$1,150/oz, which would result in annual production for 2018 of 80.4koz at AISC of ~A$1,400/oz.

Year-to-date production stands at 55.4koz at AISC of A$1,508/oz. A quarterly breakdown of actuals vs the guidance midpoint and the spot A$ gold price is shown below:

Figure 1 - MOY Quarterly progress monitor – 3QCY18

Millennium Minerals (MOY)	Mar-18	Jun-18	Sep-18	Dec-18	YTD
Production					
Reported production (oz Au)	20,324	12,639	22,414		55,377
Guidance (midpoint, oz Au)	19,375	19,375	19,375	19,375	77,500
Cumulative progress (%)	26.2%	16.3%	28.9%	-	71.5%
Costs					
AISC (A$/oz, BPe*)	$1,295	$2,178	$1,324		$1,508
Guidance (midpoint, A$/oz)	$1,315	$1,315	$1,315	$1,315	$1,315
Variance vs guidance (%)	-1.5%	65.6%	0.7%	-	14.7%



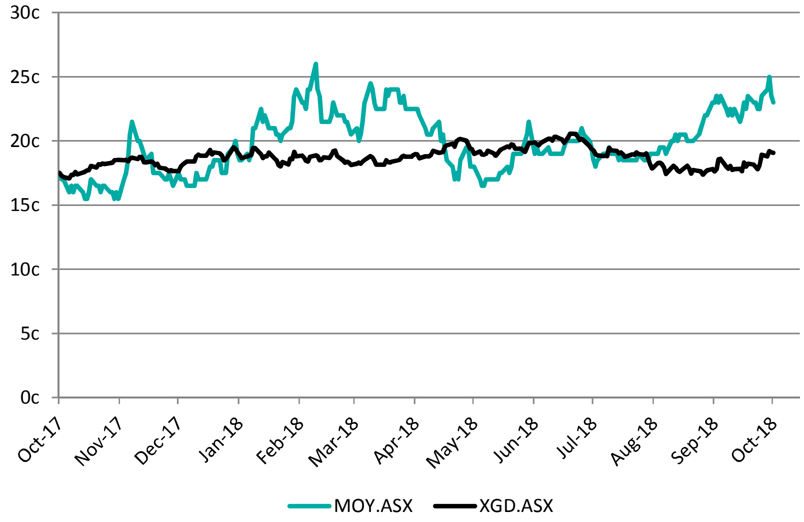
SOURCE: IRESS, COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

MOY's CY18 guidance is for 75.0-80.0koz at AISC of A$1,280-A$1,350/oz.

Share price performance vs ASX Gold Index

Relative performance chart of MOY vs XGD:

Figure 2 - MOY relative share price performance vs XGD



SOURCE: BLOOMBERG AND BELL POTTER SECURITIES ESTIMATES

Millennium Minerals Ltd (MOY)

Company description

MOY is a gold exploration and production company whose primary asset is its 100% owned Nullagine Gold Project, located approximately 200km north of Newman in the Pilbara region of Western Australia. Since commencing production in 2012, ore feed to the mill has largely consisted of open-pit oxide material, sourced from multiple deposits across the +40km strike length of MOY's 280km^2 tenement package. The bulk of this however remains largely under-explored due to drilling having been focussed on shallow extensions to known deposits. This has been successful in delineating sufficient free-milling oxide Reserves to underpin a 2 year mine life, but has left much of the landholding effectively untested. Very little drilling outside the main deposits extends deeper than 150m below surface. MOY is now showing there are opportunities to expand and monetise the entire Resource base. It has recently confirmed the technical viability of an expanded processing route to treat refractory sulphide mineralisation which makes up the majority of its Resource base. These developments could result in a significant increase to the Resource base, a much higher rate of conversion to Reserves and a material extension to the life-of-mine (lom) at Nullagine.

Investment Thesis – Buy, Target Price $0.29/sh

One of the key tenets of our investment thesis is the management team executing an operational turnaround and this quarterly is showing positive signs. The exploitation of high grade refractory ore is another, with the drilling at Golden Eagle pursuing this. We retain our Buy recommendation on a target price increased by 3.7% to $0.28/sh.

Valuation and Recommendation – Buy, TP$0.29/sh

Our target price is based upon the 12-month forward NPV of our forecast free cash flows from the Nullagine Project. 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 Nullagine tenements and a discounted cash flow estimate of corporate costs. Our valuation is estimated on a fully diluted basis.

Table 3 – MOY sum-of-the-parts valuation

Sum-of-the-parts (+12 month Target Price)	$m	$/sh
Project (un-risked NPV10)	207.4	0.26
Other exploration	45.0	0.06
Corporate overheads	(20.9)	(0.03)
Subtotal	231.5	0.29
Net cash (debt)	13.3	0.02
Total (undiluted)	244.8	0.31
Dilutive effect of options		(0.02)
Add cash	1.7	0.00
Total (diluted)	246.5	0.29

SOURCE: BELL POTTER ESTIMATES

With upside of 26.1% from the current share price to our valuation, we make a Buy recommendation in conformity with our rating structure.

Resource sector risks

Risks to MOY include, but are not limited to:

- **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.
- **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.
- **Operating and capital cost fluctuations.** Markets for 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 operating resource companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Resource growth and mine life extensions.** The viability of future operations and earnings forecasts and valuations reliant upon them may depend upon resource and reserve growth to extend mine lives.
- **Regulatory changes risks.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.
- **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.

Millennium Minerals
as at 19 October 2018

Recommendation	Buy
Price	$0.23
Target (12 months)	$0.29

Table 4 - Financial summary

PROFIT AND LOSS

Year ending December	Unit	2016a	2017a	2018e	2019e	2020e
Revenue	$m	141.6	115.6	140.8	196.6	216.9
Expense	$m	(99.5)	(93.5)	(113.8)	(137.5)	(141.1)
EBITDA	**$m**	**42.1**	**22.1**	**26.9**	**59.2**	**75.8**
Depreciation	$m	(21.9)	(25.3)	(27.0)	(29.0)	(28.8)
EBIT	$m	20.1	(3.2)	(0.1)	30.1	47.0
Net interest expense	$m	0.2	0.3	(0.1)	0.2	1.1
Unrealised gains (Impairments)	$m	(0.1)	(1.1)	-	-	-
Other	$m	(3.1)	(1.6)	-	-	-
PBT	**$m**	**17.1**	**(5.6)**	**(0.2)**	**30.3**	**48.2**
Tax expense	$m	-	-	-	-	9.7
NPAT (reported)	**$m**	**17.1**	**(5.6)**	**(0.2)**	**30.3**	**38.4**
NPAT (underlying)	$m	17.2	(4.5)	(0.2)	30.3	38.4

CASH FLOW

Year ending December	Unit	2016a	2017a	2018e	2019e	2020e
OPERATING CASHFLOW						
Receipts	$m	137.4	116.0	136.8	193.8	215.8
Payments	$m	(95.4)	(85.5)	(104.9)	(131.5)	(140.2)
Tax	$m	-	-	-	-	-
Net interest	$m	0.1	0.3	(0.1)	0.2	1.1
Other	$m	-	-	-	-	-
Operating cash flow	$m	**42.0**	**30.8**	**31.8**	**62.5**	**76.8**
INVESTING CASHFLOW						
Property, plant and equipment	$m	(0.1)	(2.1)	(15.2)	(13.3)	(6.6)
Mine development	$m	(10.0)	(12.7)	(6.5)	(5.7)	(5.4)
Exploration & evaluation	$m	(14.3)	(23.3)	(14.6)	(11.4)	(8.4)
Other	$m	(1.8)	(0.0)	-	-	-
Investing cash flow	$m	**(26.2)**	**(38.1)**	**(36.4)**	**(30.4)**	**(20.4)**
Free Cash Flow	$m	**15.8**	**(7.3)**	**(4.6)**	**32.1**	**56.4**
FINANCING CASHFLOW						
Share issues/(buy-backs)	$m	2.0	0.1	-	-	-
Debt proceeds	$m	-	-	10.0	-	-
Debt repayments	$m	(4.0)	(0.1)	-	(9.0)	(1.0)
Dividends	$m	-	-	-	-	-
Other	$m	(0.0)	(0.0)	-	-	-
Financing cash flow	$m	**(2.0)**	**0.0**	**10.0**	**(9.0)**	**(1.0)**
Change in cash	$m	13.8	(7.3)	5.4	23.1	55.4

BALANCE SHEET

Year ending December	Unit	2016a	2017a	2018e	2019e	2020e
ASSETS						
Cash & short term investments	$m	25.2	17.9	23.3	46.3	101.8
Accounts receivable	$m	2.6	3.1	7.0	9.8	10.8
Property, plant & equipment	$m	23.1	19.5	21.2	20.0	15.1
Mine development expenditure	$m	17.0	18.5	18.3	16.7	13.5
Exploration & evaluation	$m	20.1	32.4	40.3	44.4	44.2
Other	$m	18.0	18.3	18.3	18.3	18.3
Total assets	$m	**106.0**	**109.7**	**128.4**	**155.6**	**203.7**
LIABILITIES						
Accounts payable	$m	10.0	19.6	28.5	34.4	35.3
Income tax payable	$m	-	-	-	-	9.7
Borrowings	$m	-	-	10.0	1.0	-
Other	$m	20.3	19.0	19.0	19.0	19.0
Total liabilities	$m	**30.3**	**38.6**	**57.5**	**54.4**	**64.0**
SHAREHOLDER'S EQUITY						
Share capital	$m	165.2	165.3	165.3	165.3	165.3
Reserves	$m	5.5	6.3	6.3	6.3	6.3
Retained earnings	$m	(94.9)	(100.5)	(100.7)	(70.4)	(31.9)
Total equity	$m	**75.7**	**71.1**	**70.9**	**101.2**	**139.7**
Weighted average shares	m	758.0	781.3	789.8	792.1	792.1

CAPITAL STRUCTURE

Shares on issue	m		792.1
Total shares on issue	**m**		**792.1**
Share price	**$/sh**		**0.230**
Market capitalisation	$m		182.2
Net cash	$m		7.8
Enterprise value (undiluted)	**$m**		**174.4**
Options outstanding (m)	m	(wtd avg ex. price $0.05 per share)	52.8
Options (in the money)	m		50.4
Issued shares (diluted for options)	m		842.6
Market capitalisation (diluted)	$m		193.8
Net cash + options	$m		9.5
Enterprise value (diluted)	**$m**		**184.3**

MAJOR SHAREHOLDERS

Shareholder	%	m
IMC Group	47.8%	379.0
Old Mutual	1.8%	14.3

FINANCIAL RATIOS

Year ending December	Unit	2016a	2017a	2018e	2019e	2020e
VALUATION						
NPAT	$m	17.1	(5.6)	(0.2)	30.3	38.4
Reported EPS	c/sh	2.3	(0.7)	(0.0)	3.8	4.9
Adjusted EPS	c/sh	2.3	(0.6)	(0.0)	3.8	4.9
EPS growth	%	nm	-132%	nm	nm	27%
PER	x	10.2x	nm	nm	6.0x	4.7x
DPS	c/sh	-	-	-	-	-
Franking	%	0%	0%	0%	0%	0%
Yield	%	0%	0%	0%	0%	0%
FCF/share	c/sh	2.1	(0.9)	(0.6)	4.0	7.1
P/FCFPS	x	11.0x	-24.6x	-39.2x	5.7x	3.2x
EV/EBITDA	x	4.1x	7.9x	6.5x	2.9x	2.3x
EBITDA margin	%	30%	19%	19%	30%	35%
EBIT margin	%	14%	nm	nm	15%	22%
Return on assets	%	32%	-5%	0%	21%	21%
Return on equity	%	45%	-8%	0%	35%	32%
LIQUIDITY & LEVERAGE						
Net debt (cash)	$m	-	-	(13)	(45)	(102)
ND / E	%	0%	0%	-19%	-45%	-73%
ND / (ND + E)	%	0%	0%	-23%	-81%	-269%
EBITDA / Interest	x	-259.6x	-65.7x	nm	-331.3x	-66.2x

ORE RESERVE AND MINERAL RESOURCE

Nullagine Gold Project	Mt	g/t Au	(koz)
Mineral Resources			
Measured	4.040	1.5	190.5
Indicated	9.660	1.6	509.1
Inferred	8.220	1.5	407.5
Total	**21.920**	**1.6**	**1,107.1**
Ore Reserve			
Proven	1.670	1.2	67.1
Probable	4.350	1.7	237.6
Total	**6.020**	**1.6**	**304.7**

ASSUMPTIONS - Prices

Year ending December (avg)	Unit	2016a	2017a	2018e	2019e	2020e
Gold	US$/oz	$1,250	$1,260	$1,284	$1,360	$1,410
Silver	US$/oz	$17.13	$17.06	$16.08	$17.00	$17.63
Gold	A$/oz	$1,679	$1,644	$1,716	$1,831	$1,880
Silver	A$/oz	$22.99	$22.26	$21.48	$22.89	$23.50
Gold hedging						
Quantity	oz Au	-	-	9,750	21,750	-
Price	A$/oz	-	-	$1,687	$1,687	-
Currency						
AUD:USD	A$/US$	0.74	0.77	0.75	0.74	0.75

ASSUMPTIONS - Production & costs

Year ending December	Unit	2016a	2017a	2018e	2019e	2020e
Gold production						
Ore tonnes processed	kt	1,988	1,916	1,980	2,130	2,110
Head grade	g/t Au	1.5	1.3	1.5	1.9	2.0
Gold produced	koz	86.3	72.8	81.0	108.9	115.3
Costs						
Cash costs / oz Au	A$/oz	$1,028	$1,196	$1,262	$1,065	$1,038
All-in-Sustaining-Costs (AISC)	A$/oz	$1,213	$1,372	$1,400	$1,216	$1,197

VALUATION

Ordinary shares (m)	**792.1**
Options in the money (m)	50.4
Total shares diluted (m)	**842.6**

	Now		+12 mths		+24 mths	
Sum-of-the-parts	**$m**	**$/sh**	**$m**	**$/sh**	**$m**	**$/sh**
Project (unrisked NPV10)	186.3	0.24	207.4	0.26	198.1	0.25
Other exploration	45.0	0.06	45.0	0.06	45.0	0.06
Corporate overheads	(20.1)	(0.03)	(20.9)	(0.03)	(18.1)	(0.02)
Subtotal	211.3	0.27	231.5	0.29	225.0	0.28
Net cash (debt)	7.8	0.01	13.3	0.02	45.3	0.06
Total (undiluted)	**219.1**	**0.28**	**244.8**	**0.31**	**270.3**	**0.34**
Dilutive effect of options		(0.02)		(0.02)		(0.02)
Add cash from options	1.7	0.00	1.7	0.00	1.7	0.00
Total (diluted)	**220.7**	**0.26**	**246.5**	**0.29**	**272.0**	**0.32**

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

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.

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

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