Genesis Minerals Limited

Initiate with Hold: Good foundation with organic growth, but fully priced

INITIATION

We initiate coverage on Genesis (GMD), as part of an expansion of our coverage within the Gold Mining Sector, with a Hold Recommendation and A$1.70/sh Target Price. We understand investor optimism towards GMD, given management quality/reputation, strength of balance sheet (A$160m cash, no debt) and strong organic growth pipeline (~290koz by FY28). However, we temper this against a high valuation, where the Company trades at a significant premium to its peer cohort (1.3x P/NAV vs 1x peers and 12.4x EV/EBITDA vs 6.1x peers). This precludes us from a higher Recommendation. We therefore initiate with a Hold and await the Capital Markets Day (~March 2024), which should outline a more granular path towards the Company's growth ambitions (currently +300koz).

Hard to argue against management and growth appeal…

- **Management appeal**: In our view, GMD's quality management team deserves a premium given their proven track record at their previous venture Saracen Minerals (SAR). Through organic operational improvements and value-accretive M&A, SAR was able to grow gold production +111% with a commensurate share price increase of +1700% from 2015 to the eventual merger with NST in 2021.
- **Growth appeal**: GMD has laid the foundations for fundamental growth with the acquisition of Dacian Minerals (ASX: DCN) and the Leonora assets (Gwalia mine, Leonora mill and surrounding deposits) from St Barbara Minerals (ASX: SBM). Broadly in-line with high-level guidance, we model a +150koz increase in production (+107%) with AISC's moderating from A$2,100/oz to A$2,000/oz – a differentiating feature vs peers (Figure 13)

…but valuation is a stretch too far for us

GMD trades at a relative premium (1.3x P/NAV, 12.4x EV/EBITDA and 3.1% FCF yield) vs peers (1x, 6.1x and 4% excl. SBM). We therefore need to gain greater certainty on the viability of numerous upside opportunities for a more constructive view. More clarity could be forthcoming at GMD's Capital Markets Day (planned ~March 2024), given we expect this to highlight operational improvements at Gwalia, 2H24 guidance (OMLe: 71koz at~A$2,155/oz) and further articulate growth plans. In the interim, we balance the growth outlook and management quality against a stretched valuation.

Earnings and valuation impact

We initiate coverage on GMD with a Hold Recommendation and A$1.70/sh Target Price. Our valuation is derived from equal parts P/NAV (1.3x) and P/DACF (10x), which is slightly higher than our domestic peer group when considering management, resource inventory and balance sheet.

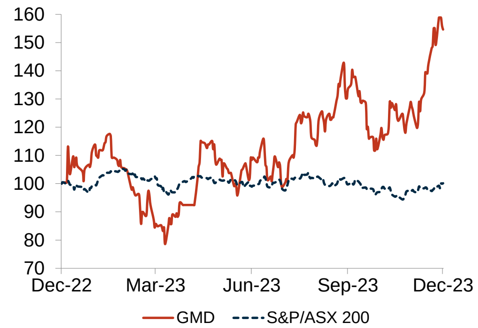
Year-end June ($)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue ($m)	-	77.0	413.7	418.4	484.8
EBITDA ($m)	(46.3)	(41.0)	149.6	154.2	182.0
EBIT ($m)	(46.4)	(65.1)	103.1	110.2	128.4
Reported NPAT ($m)	(46.4)	(117.2)	74.7	80.3	93.7
Reported EPS (c)	(6.3)	(16.3)	7.3	7.8	9.1
Normalised NPAT ($m)	(46.3)	(62.7)	74.7	80.3	93.7
Normalised EPS (c)	(6.3)	(8.7)	7.3	7.8	9.1
EPS Growth (%)	-	-	-	7.5	16.6
Dividend (c)	-	-	-	-	-
Net Yield (%)	-	-	-	-	-
Franking (%)	-	-	-	-	-
EV/EBITDA (X)	-	-	11.4	10.6	8.9
Normalised P/E (x)	-	-	25.3	23.6	20.2
Normalised ROE (%)	-	-	8.4	8.4	9.3

Source: OML, Iress, Genesis Minerals Limited

Last Price	**A$1.84**
Target Price	**A$1.70**
Recommendation	**Hold**
Risk	**Higher**

Gold	
ASX Code	GMD
52 Week Range ($)	0.94 - 1.89
Market Cap ($m)	2,005.6
Shares Outstanding (m)	1,090.0
Av Daily Turnover ($m)	0.0
3 Month Total Return (%)	15.7
12 Month Total Return (%)	54.6
Benchmark 12 Month Return (%)	0.1
NTA FY24E (¢ per share)	89.4
Net Cash FY24E ($m)	189.8

Relative Price Performance



Source: FactSet

Consensus Earnings

	FY24E	FY25E
NPAT (C) ($m)	68.4	62.3
NPAT (OM) ($m)	74.7	80.3
EPS (C) (c)	8.2	6.8
EPS (OM) (c)	7.3	7.8

Source: OML, Iress, Genesis Minerals Limited

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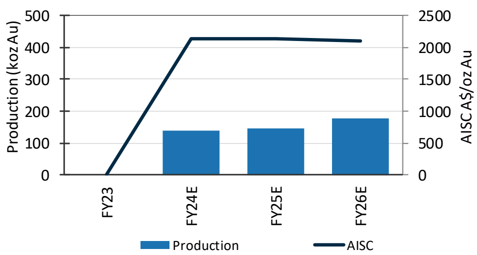
Figure 1: GMD operating and financial summary

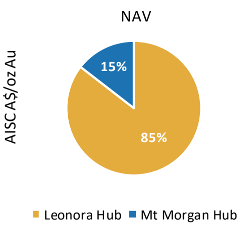
All AUD unless noted

Key Details						
Target Price	$/sh	1.70				
Recommendation		Hold				
Risk Assessment		Higher				
Share Price	$/sh	$1.86				
2023E Dividend	$/sh	$0.00				
NAV	$/sh	$1.39				
Implied Total Return	%	(8%)				
P/NAV	x	1.33x				
No Shares	m	1090				
Market Cap	M $	$2,022				
Enterprise Value	M $	$1,830				
Prices & Exchange Rates		**FY23**	**FY24E**	**FY25E**	**FY26E**	**LT - 2027E**
Gold Price	US$/oz	1831	1882	1983	1925	1850
Exchange rate	AUD:USD	0.67	0.67	0.70	0.71	0.72
Production, Costs & Guidance		**FY23**	**FY24E**	**FY25E**	**FY26E**	**FY27E**
Leonora Hub	koz Au	n.a.	140	147	179	192
Mt Morgan Hub	koz Au	n.a.	0	0	0	54
Total Gold Production	**koz Au**	**n.a.**	**140**	**147**	**179**	**246**
Guidance	*koz Au*		*n.a.*			
Total C1 Cash Cost	**$/oz**	n.a.	1770	1704	1620	1641
Leonora Hub	$/oz	n.a.	2141	2051	1935	1899
Mt Morgan Hub	$/oz	n.a.	n.a.	n.a.	n.a.	2167
Total All-in Sustaining Cash Cost	**$/oz**	**n.a.**	**2141**	**2137**	**2108**	**2076**
Guidance	*$/oz*					
Capex Breakdown (attrib)		**FY23**	**FY24E**	**FY25E**	**FY26E**	**FY27E**
Sustaining Capex	M $	6.2	35.6	37.6	43.5	61.2
Expansionary Capex	M $	4.6	40.0	20.0	78.0	34.0
Exploration	M $	0.0	8.7	8.0	8.0	8.0
Total	M $	10.8	84.3	65.6	129.5	103.2

Attributable Reserves & Resources (incl. 100% Dacian)	Au	EV
	Moz	**$/oz**
Proven/Probable Reserve (P&P)	3.9	$473
Measured/Indicated (MM&I) - Inclusive	11.3	$162
Inferred	14.7	$124

Group All-In Sustaining Costs, Production and NAV Breakdown





Net Asset Value (Attrib)	DR (%)	($m)	A$/Sh	NAV (%)
Operating Value				
Leonora Hub	10%	$565	$0.52	85%
Mt Morgan Hub	10%	$96	$0.09	15%
Total		**$660**	**$0.61**	**100%**
Listed investments		$0	$0.00	
Exploration (assets)		$770	$0.71	
Cash & Bullion		$192	$0.18	
Corporate G&A		($103)	($0.09)	
Debt		$0	$0.00	
Other		$0	$0.00	
Total Net Asset Value		**$1,520**	**$1.39**	
P/NAV			**1.33x**	

Year End June 30

Ratio Metrics		FY23	FY24E	FY25E	FY26E
Earnings - Adjusted	$/sh	($0.09)	$0.07	$0.08	$0.09
P/E Multiple	x	-21.3x	25.5x	23.8x	20.4x
CFPS (CFO)	$/sh	($0.04)	$0.14	$0.13	$0.14
FCFPS (CFO-capex-expl.)	$/sh	($0.05)	$0.06	$0.07	$0.02
P/CF Multiple	x	-50.8x	13.0x	14.4x	12.8x
FCF Yield	%	(2.8%)	3.3%	3.5%	1.0%
Dividends Per Share	$/sh	$0.00	$0.00	$0.00	$0.00
Dividend Yield	%	0.0%	0.0%	0.0%	0.0%
Gearing (ND: ND+E)	%	(27.1%)	(28.0%)	(36.7%)	(39.2%)
Return on Equity (ROE)	%	(7.4%)	8.1%	8.0%	9.1%
Return on Capital (ROIC)	%	(6.2%)	6.7%	6.7%	7.6%

P&L Statement		FY23	FY24E	FY25E	FY26E
Revenue	M $	$77	$414	$418	$485
Operating Costs	M $	($118)	($264)	($264)	($303)
EBITDA	**M $**	**($41)**	**$150**	**$154**	**$182**
D&A	M $	$24	$47	$44	$54
EBIT	**M $**	**($65)**	**$103**	**$110**	**$128**
Other Income/Expenses	M $	$2	$4	$5	$5
EBT	**M $**	**($63)**	**$107**	**$115**	**$134**
Taxes	M $	$0	$32	$34	$40
Net Income - Adjusted	**M $**	**($63)**	**$75**	**$80**	**$94**
Adjustments	M $	$55	$0	$0	$0
Net Income - Reported	**M $**	**($117)**	**$75**	**$80**	**$94**
Weighted average diluted shares	M	720	1,029	1,029	1,029

Cash Flow Statement		FY23	FY24E	FY25E	FY26E
Cash Flows from Operating Activities					
Net Income	M $	($63)	$75	$80	$94
D&A	M $	$24	$47	$44	$54
Taxes Paid	M $	$0	$0	$34	$40
Non Recurring/Other	M $	($28)	($7)	($0)	($0)
Operating Cash Flow	**M $**	**($66)**	**$114**	**$158**	**$187**
Changes in Working Capital	M $	$29	$32	($26)	($38)
Net Operating Cash flow	**M $**	**($38)**	**$147**	**$133**	**$149**
Cash Flows From Investing Activities					
Capital Expenditure	M $	($11)	($76)	($58)	($121)
Other	M $	($350)	($51)	($8)	($8)
Net Investing Cash Flow	**M $**	**($360)**	**($127)**	**($65)**	**($129)**
Cash Flows From Financing Activities					
Equity Issues (net of costs)	M $	$566	$0	$0	$0
Net Borrowings	M $	$0	$0	$0	$0
Dividends Paid & Other	M $	($3)	($0)	$0	$0
Net Financing Cash Flow	**M $**	**$563**	**($0)**	**$0**	**$0**
Increase (Decrease) in Cash	M $	$165	$20	$67	$20
Cash at End of Year	**M $**	**$182**	**$201**	**$268**	**$288**
Operating Free Cash Flow	M $	($48)	$71	$75	$28
Free Cash Flow	M $	($398)	$20	$67	$20

Balance Sheet		FY23	FY24E	FY25E	FY26E
Cash & Equivalents	M $	$182	$201	$268	$288
Other Current Assets	M $	$36	$79	$79	$79
PP&E & Mining Interests	M $	$595	$624	$637	$635
Other Long Term Assets	M $	$204	$213	$220	$228
Total Assets	**M $**	**$1,016**	**$1,116**	**$1,205**	**$1,231**
Current Liabilities	M $	$75	$75	$75	$75
Long Term Debt	M $	$7	$7	$7	$7
Other Long Term Liabilities	M $	$83	$115	$123	$125
Total Liabilities	**M $**	**$165**	**$197**	**$205**	**$207**
Shareholder Equity	M $	$852	$920	$1,000	$1,024
Total Liabilities & Shareholder Equit	**M $**	**$1,016**	**$1,116**	**$1,205**	**$1,231**

Source: Company reports, OMLe

Figure 2: GMD operating and financial summary at spot price and currency

All AUD unless noted

Key Details						
SPOT SCENARIO						
Share Price	$/sh	$1.86				
2023E Dividend	$/sh	$0.00				
NAV	$/sh	$1.96				
P/NAV	x	0.94x				
No Shares	m	1090				
Market Cap	M $	$2,022				
Enterprise Value	M $	$1,829				
Prices & Exchange Rates		**FY23**	**FY24E**	**FY25E**	**FY26E**	**LT - 2027E**
Gold Price	US$/oz	1831	1882	2040	2040	2040
Exchange rate	AUD:USD	0.67	0.67	0.65	0.65	0.65
Production, Costs & Guidance		**FY23**	**FY24E**	**FY25E**	**FY26E**	**FY27E**
Leonora Hub	koz Au	n.a.	140	147	179	192
Mt Morgan Hub	koz Au	n.a.	0	0	0	54
Total Gold Production	**koz Au**	**n.a.**	**140**	**147**	**179**	**246**
Guidance	*koz Au*		*n.a.*			
Total C1 Cash Cost	**$/oz**	n.a.	1773	1716	1637	1663
Leonora Hub	$/oz	n.a.	2144	2064	1954	1924
Mt Morgan Hub	$/oz	n.a.	n.a.	n.a.	n.a.	2194
Total All-in Sustaining Cash Cost	**$/oz**	**n.a.**	**2144**	**2142**	**2116**	**2087**
Guidance	*$/oz*					
Capex Breakdown (attrib)		**FY23**	**FY24E**	**FY25E**	**FY26E**	**FY27E**
Sustaining Capex	M $	6.2	35.7	37.8	43.9	62.0
Expansionary Capex	M $	4.6	40.0	20.0	78.0	34.0
Exploration	M $	0.0	8.7	8.0	8.0	8.0
Total	M $	10.8	84.4	65.8	129.9	104.0

Attributable Reserves & Resources (incl. 100% Dacian)	Au	EV
	Moz	**$/oz**
Proven/Probable Reserve (P&P)	3.9	$473
Measured/Indicated (MM&I) - Inclusive	11.3	$162
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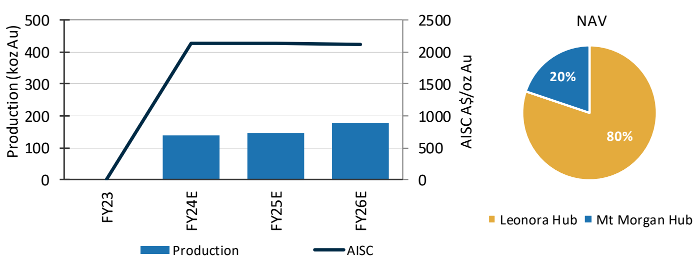
Group All-In Sustaining Costs, Production and NAV Breakdown



Net Asset Value (Attrib)	DR (%)	($m)	A$/Sh	NAV (%)
Operating Value				
Leonora Hub	10%	$1,027	$0.94	80%
Mt Morgan Hub	10%	$254	$0.23	20%
Total		**$1,281**	**$1.18**	**100%**
Listed investments		$0	$0.00	
Exploration (assets)		$770	$0.71	
Cash & Bullion		$193	$0.18	
Corporate G&A		($103)	($0.09)	
Debt		$0	$0.00	
Other		$0	$0.00	
Total Net Asset Value		**$2,141**	**$1.96**	
P/NAV			**0.94x**	

Year End June 30

Ratio Metrics		FY23	FY24E	FY25E	FY26E
Earnings - Adjusted	$/sh	($0.09)	$0.08	$0.11	$0.14
P/E Multiple	x	-21.3x	23.4x	17.4x	13.0x
CFPS (CFO)	$/sh	($0.04)	$0.15	$0.16	$0.20
FCFPS (CFO-capex-expl.)	$/sh	($0.05)	$0.07	$0.10	$0.07
P/CF Multiple	x	-50.8x	12.2x	11.5x	9.3x
FCF Yield	%	(2.8%)	3.8%	5.3%	3.9%
Dividends Per Share	$/sh	$0.00	$0.00	$0.00	$0.00
Dividend Yield	%	0.0%	0.0%	0.0%	0.0%
Gearing (ND: ND+E)	%	(27.1%)	(29.4%)	(42.9%)	(53.2%)
Return on Equity (ROE)	%	(7.4%)	8.8%	10.6%	13.1%
Return on Capital (ROIC)	%	(6.2%)	7.2%	8.8%	11.0%

P&L Statement		FY23	FY24E	FY25E	FY26E
Revenue	M $	$77	$424	$462	$562
Operating Costs	M $	($118)	($265)	($266)	($306)
EBITDA	**M $**	**($41)**	**$159**	**$196**	**$256**
D&A	M $	$24	$47	$44	$54
EBIT	**M $**	**($65)**	**$113**	**$152**	**$202**
Other Income/Expenses	M $	$2	$4	$5	$7
EBT	**M $**	**($63)**	**$116**	**$157**	**$209**
Taxes	M $	$0	$35	$47	$63
Net Income - Adjusted	**M $**	**($63)**	**$82**	**$110**	**$146**
Adjustments	M $	$55	$0	$0	$0
Net Income - Reported	**M $**	**($117)**	**$82**	**$110**	**$146**
Weighted average diluted shares	M	720	1,029	1,029	1,029

Cash Flow Statement		FY23	FY24E	FY25E	FY26E
Cash Flows from Operating Activities					
Net Income	M $	($63)	$82	$110	$146
D&A	M $	$24	$47	$44	$54
Taxes Paid	M $	$0	$0	$47	$63
Non Recurring/Other	M $	($28)	($7)	($0)	($0)
Operating Cash Flow	**M $**	**($66)**	**$121**	**$201**	**$262**
Changes in Working Capital	M $	$29	$35	($35)	($57)
Net Operating Cash flow	**M $**	**($38)**	**$156**	**$166**	**$205**
Cash Flows From Investing Activities					
Capital Expenditure	M $	($11)	($76)	($58)	($122)
Other	M $	($350)	($51)	($8)	($8)
Net Investing Cash Flow	**M $**	**($360)**	**($127)**	**($66)**	**($130)**
Cash Flows From Financing Activities					
Equity Issues (net of costs)	M $	$566	$0	$0	$0
Net Borrowings	M $	$0	$0	$0	$0
Dividends Paid & Other	M $	($3)	($0)	$0	$0
Net Financing Cash Flow	**M $**	**$563**	**($0)**	**$0**	**$0**
Increase (Decrease) in Cash	M $	$165	$29	$101	$75
Cash at End of Year	**M $**	**$182**	**$211**	**$311**	**$387**
Operating Free Cash Flow	M $	($48)	$81	$108	$83
Free Cash Flow	M $	($398)	$30	$101	$75

Balance Sheet		FY23	FY24E	FY25E	FY26E
Cash & Equivalents	M $	$182	$211	$311	$387
Other Current Assets	M $	$36	$79	$79	$79
PP&E & Mining Interests	M $	$595	$624	$638	$636
Other Long Term Assets	M $	$204	$213	$220	$228
Total Assets	**M $**	**$1,016**	**$1,126**	**$1,248**	**$1,329**
Current Liabilities	M $	$75	$75	$75	$75
Long Term Debt	M $	$7	$7	$7	$7
Other Long Term Liabilities	M $	$83	$118	$130	$135
Total Liabilities	**M $**	**$165**	**$200**	**$212**	**$217**
Shareholder Equity	M $	$852	$927	$1,036	$1,113
Total Liabilities & Shareholder Equit	**M $**	**$1,016**	**$1,126**	**$1,248**	**$1,329**

Source: Company reports, OMLe

Table of Contents

Summary of investment thesis

Introduction and investment thesis

We initiate research coverage on Genesis Minerals Limited (GMD) with a Hold Recommendation and a A$1.70/share Target Price. GMD has several years' experience as a gold explorer, and recently became a gold producer following the appointment of new management in early 2022, and subsequent acquisitions of DCN (progressively over 2022-23) / Leonora assets (30 June 2023).

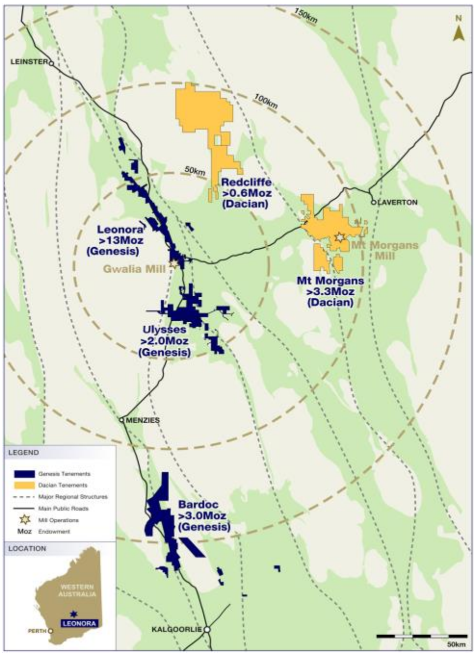
GMD's assets now include the Gwalia mine (13Moz resource), Gwalia mill (1.4Mtpa capacity), Tower Hill deposit (1.2Moz resource) and Bardoc assets (3.0Moz resource). GMD also owns the Ulysses group of deposits (2.0Moz resource) near Gwalia, and recently acquired 100% of Dacian Gold Limited (ASX: DCN), which holds the Mt Morgans mill (2.9Mtpa capacity) near Laverton, 90kms north-east of Leonora along with various other deposits (total resource of 2.7Moz).

GMD plans to be a ~300kozpa gold producer by developing its assets in and around the Lenora region (~100km radius). The Company intends to fill the Gwalia mill (currently at ~1.0Mtpa; 400ktpa latent capacity) with primary feed from the Gwalia mine and supplementary feed from the Admiral open pit deposit (from FY24; 2.4Mt reserve, ~30km from Gwalia) and the Ulysses underground (from FY26, 2.1Mt reserve ~30km from Gwalia). GMD also plans to restart the Mt Morgans mill in 2-3 years by developing the open pit mines at Tower Hill (1.2Moz resource) and at Jupiter (0.8Moz resource).

Our Hold recommendation on GMD balances the positive qualities of management (i.e. proven track record of creating shareholder value) and organic upside (OMLe: production growth of +150koz by FY28) with a valuation that appears fully priced (EV / EBITDA of 12.4x vs. peers: 6.1x). These factors are summarised below.

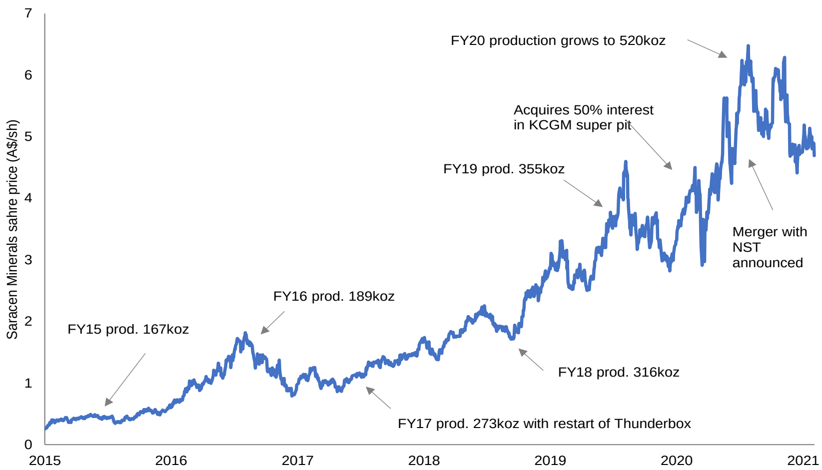
- **Management quality:** Key GMD management have come from Saracen Minerals (prev. ASX: SAR), which was a successful W.A. based gold producer that merged with Northern Star Minerals (ASX: NST) in 2021. SAR's rapid rise (~1,700% share price appreciation) occurred over a seven-year period (2015-2021) as the Company grew its production profile organically at Carosue Dam and Thunderbox before acquiring a 50% stake in KCGM (OMLe: A$2.6b NAV) and culminated in the NST merger (see Figure 4 below). In our view, investors gravitated towards SAR given their: attractive self-funded organic growth profile (+188koz from FY15-19 through mill expansions, exploration additions etc.); track record in achieving guidance targets (i.e. delivery); and value accretive M&A (e.g. Super-pit and NST). We expect management would likely be looking to replicate this success at GMD with a similar approach.

Figure 3: Map showing the location of GMD's key assets



Source: Company reports

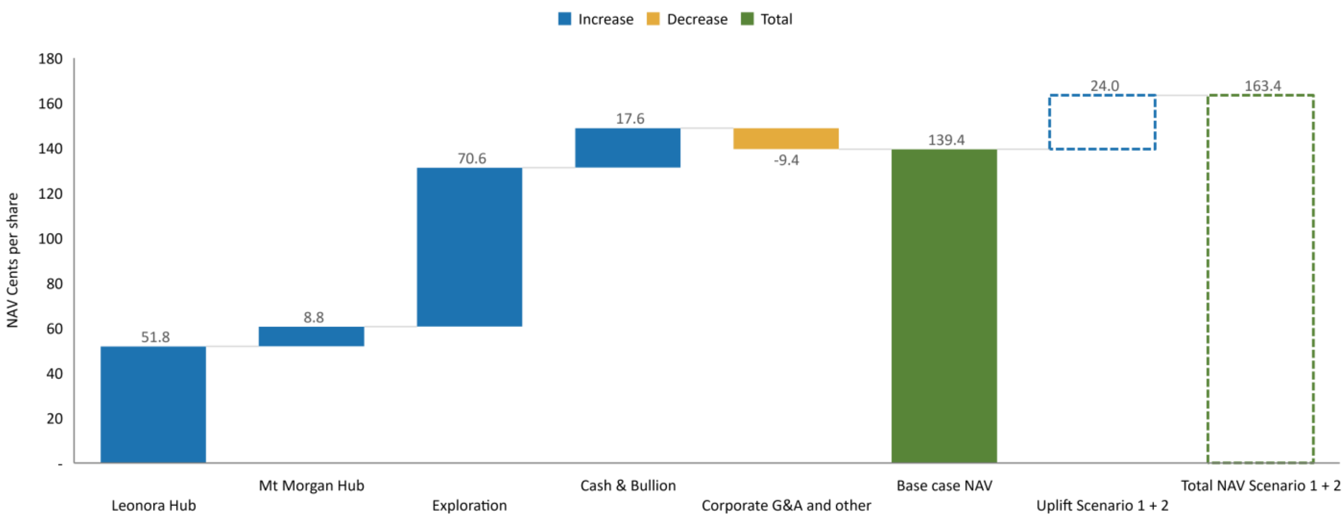
Figure 4: Saracen Minerals share price appreciation 2015-2021



Source: Company reports, OMLe

- **Organic production growth and potential upside.** GMD has a clear strategy for organic growth. GMD's flagship asset Gwalia has been operating since 1897[1] and has produced in excess of 5.5moz[2] from open pit and underground. Our base case mine life for the asset is ~12 years out to FY36. We forecast the asset to produce ~140koz in FY24 at ~A$2,140/oz AISC with both underground (Gwalia 120koz) open pit (Admiral 21Koz) feed sources, before ramping up to ~250koz at ~A$2,080/oz by FY27 as Ulysses UG comes online and ramps-up. Our base case assumes minor operating improvements at Gwalia as GMD fills the 1.4mtpa mill (economies of scale) and operates more effectively at depth (vs previous owners). Under our scenario analysis, we forecast that Gwalia could achieve higher production rates of ~15kozpa with more selective mining through higher grades combining with a longer date open pit mine life (e.g. Redcliffe). This could add A$169m to our NAV (~A$0.16/sh).
    - At Mt Morgan (~90km away), the Company plans to process open pit material from Tower Hill and Jupiter through the 2.9mtpa mill for production of 100koz in FY28. Our base case assumption for Mt Morgan to have a normalised operating capacity of 2.2Mtpa, we see latent capacity in the mill (~500-700kt) which could be filled through ore sources within the region following additional drilling. Under this scenario, A$92m (A$0.08/sh) would be added to the asset value collectively. These scenarios could potentially contribute a total of ~A$261m (A$0.24/sh) to our NAV estimate as shown in the Figure below.

Figure 5: Incremental value add potential from organic projects



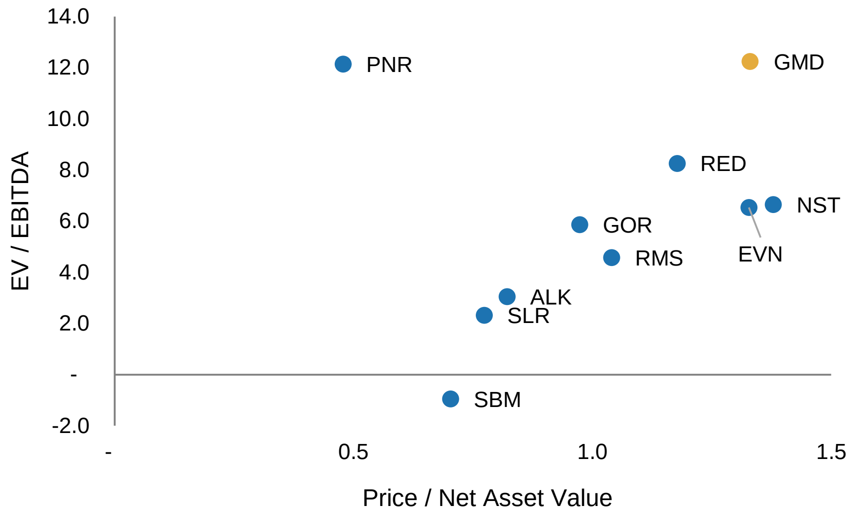
Source: Company reports, OMLe.

[1] McMahon website. https://www.macmahon.com.au/project/gwalia/

2 ABC News article. April 2019. https://www.abc.net.au/news/2019-04-22/gwalia-is-australias-deepest-gold-mine-and-getting-deeper/11004444

- **Stock looks expensive, so it's all about what happens next.** In relative terms, GMD screens as expensive given it is trading at elevated levels to domestic peers. As shown in Figure 6, this is evidenced by both near-term metrics (cash flow / earnings: EV / EBITDA of 12.4x vs.6.1x peers) and longer-dated ones (NPV: P/NAV of 1.3x vs. 1x peers). In absolute terms, however, GMD is trading approximately in-line with our valuation given the Target Price we derive (using our consistent methodology) utilises higher multiples to account for the relative management premium. We would not be inclined to take a negative view on the equity given the solid foundation set and the strength of the near-term cash flow and balance sheet. It's what happens next that matters most to us. Firstly, further clarity on the Company's organic growth ambitions (e.g. Tower Hill) could provide investors with the comfort required to back in further potential upside. Secondly, there is potential for further consolidation in the Leonora region, and we reserve our right for any potential for its value accretion following an announcement. Outside of any material transaction (or a commitment to organic opportunities) we would expect GMD to trade in line with the gold price.

Figure 6: Implied valuation from NAV (x-axis) and EV/EBITDA (Y-axis)



Source: Company reports, OMLe

Catalysts

The following catalysts are expected could potentially have a positive impact on the share price over the next 12 months.

- **Outcome of strategic review and five-year outlook (MarQ 2024):** Following the acquisition of SBM's Leonora assets, GMD is undertaking a strategic review to optimise existing operations and plan for future growth. This is expected to inform development of a detailed five-year outlook (due to release in MarQ 2024), which is expected to provide investors with comfort regarding future plans for production, costs, exploration and other initiatives.
- **Successful ramp-up of Admiral open pit:** The Admiral open pit is a shallow, high-grade (1.6 g/t Au) resource that contains 120koz Au. Admiral is expected to provide 1.5Mt of ore to help fill the 1.4Mtpa Leonora mill. We have assumed first material will be extracted in DecQ 23 and mill throughput will ramp up to full capacity of ~350kt by JunQ 24. Accelerated development and ramp up of Admiral could present upside to our estimates.
- **Tower Hill permitting:** GMD are yet to receive permitting for development of Tower Hill (560koz reserve at 1.8 g/t Au), which will require relocation of the rail line. Receipt of necessary approvals would provide investors with a positive indication of the restart of the Mt Morgans mill and more clarity regarding potential timeframes (OMLe: FY27).
- **Ongoing exploration results** from the Company's interests in the minerally-endowed Leonora and Mt Morgans regions. This would provide investors with confidence of likely reserve and resource additions / replenishment. Any news flow surrounding the evaluation of additional resources found along strike or through step out drilling is likely to be well received as it improves ore source optionality.

Valuation

Our A$1.70/share Target Price is based on a 50:50 blended DACF and NAV valuation. Our target multiples of 10x DACF and 1.3x NAV are higher than other emerging producers commensurate with our view on management, mine life, margin and overall risk profile. Our Target Price and -8% TSR supports our Hold rating.

- **NAV:** Sum-of-the-parts (SOTP) NAV incorporates life-of-mine DCFs on Gwalia and Gwalia discounted at a ~10% WACC. Additional SOTP items include: exploration value, cash and bullion and corporate G&A. We utilise a 1.3x P/NAV multiple, in line with historical trading of emerging producers, and apply no risk weighting to any of the projects.
- **DACF:** Debt-adjusted cash flow multiple of 10x which is higher than our ASX emerging peers coverage when considering production, mine life and reserve growth potential.

Risks

- **Gold price and currency:** The most significant risk to our forecasts remains the gold price. Our estimates assume a long-term price of ~US$1,800/oz, with LT USD:AUD to average ~72c.
- **Risks to ramp up.** There are material deliverability risks with starting new mines and ramping up production. Potential challenges could include permitting, grade reconciliation, labour availability, design failures or malfunctioning equipment. However, we note that delivery risks are somewhat mitigated by the GMD's strong balance sheet (A$160m cash; no debt).

- **Single asset risks:** GMD has concentrated exposure to the performance of a single operating asset. Any underperformance at Gwalia could potentially result in significant downside to its financial performance. However, we note this risk is somewhat mitigated through the expected ore source optionality provided by Admiral.
- **Resource/reserve delivery:** We have assigned a material value of $770m (50% of NAV) to residual resources. Most of this relates to resources at Gwalia and adjacent deposits. that could potentially be produced beyond our life of mine of 13 years. However, there is a risk that this value is not realised given uncertainty as to whether it could be extracted economically. However, we take confidence from Gwalia's location in a known high-grade gold field and the success of GMD's recent exploration.
- **Other operational disruptions:** There are a range of other operational disruptions that could adversely affect mining and processing activities including labour availability, COVID-19, weather and other factors.

ESG

GMD also prioritises delivery of key ESG outcomes alongside operational performance and financial returns. This is demonstrated by management's FY24 long-term incentives having a significant weighting to ESG outcomes (30%), alongside absolute share price growth (20%), relative shareholder returns (20%) and return on capital employed (~30%). Recent ESG priorities and activities include the following:

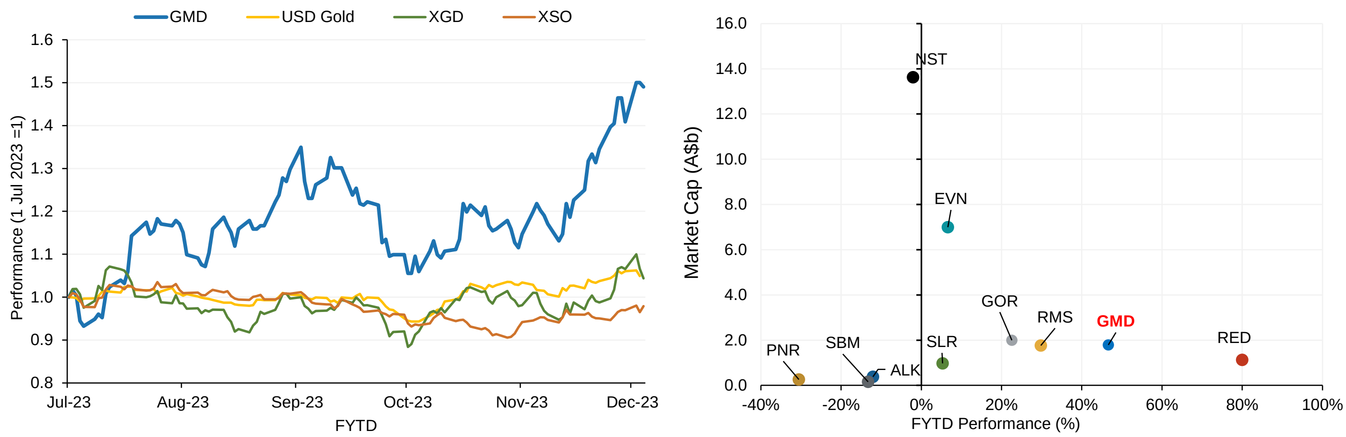
- **Health and safety:** GMD is committed to safety outcomes of its employees and in FY23 delivered a strong safety record of nil Lost-Time Injuries. As of 30 September, GMD now has a Lost Time Injury Frequency Rate of 0.7 which is well below the industry benchmark of 5.6 for metal ore mining. Management continues to implement a range of initiatives to support safety outcomes including instituting a safety management framework, maintaining a safety management system, providing PPE, regular safety training and ongoing monitoring of safety performance.
- **Environmental:** GMD embraces its responsibility for managing the environmental outcomes of its activities. The business works to ensure that all activities are undertaken in accordance with environmental obligations set out in GMD's mining permits and other applicable regulations.
- **Governance:** The GMD Board endorses the ASX Corporate Governance Council Principles and Recommendations and has adopted measures that are considered appropriate for the scale and scope of its activities. In FY24, GMD plans to form a stand-alone Risk and Sustainability Committee to further its ESG and risk management objectives.
- **Community relations:** GMD is committed to establishing and maintaining positive, long-term relationships with local communities to create positive economic and social outcomes. GMD actively engages with traditional owners to help preserve cultural heritage. GMD also supports several sponsorships aimed at improving educational outcomes for local children, including Stephen Michael Foundation, Shooting Stars and Leonora High School.
- **Diversity:** GMD is working to promote the diversity of its workforce by including specific management KPIs that are designed to increase the representation of women and Indigenous peoples in its workforce.

Outlook

We initiate with a Hold recommendation and $1.70/sh price target (-8% TSR) as we balance a positive outlook with a relatively full valuation.

- **Production growth outlook:** We consider that the business has a positive medium-term outlook following the acquisition of the Leonora assets from St Barbara. We forecast the asset to produce ~140koz in FY24 at ~A$2,140/oz AISC, before ramping up to ~250koz at A$2,076/oz by FY27 with the development of Admiral and then Ulysses. We also see organic upside with the eventual development of Tower Hill to support restart of the Mt Morgans mill (~100koz by FY28). The organic growth potential of these two assets provide us with confidence that GMD has the strongest growth outlook of the mid-capitalisation gold miners under our coverage (see Figure 13). We note that mine restart and ramp-up risks are mitigated by its strong balance sheet (A$160m cash excl. Dacian, no debt) and experienced management team that developed mining operations with Saracen Minerals.
- **Full valuation:** On our estimates, the Company trades at a significant premium to its peer cohort (1.3x P/NAV vs 1x peers, and 12.4x EV/EBITDA vs 6.1 peers). While a premium is understandable given the quality of management and growth outlook, we believe this is already priced in. We account for the management premium through our higher multiples (vs peers) and include the stated growth outlook in our base case estimates. These factors are reflected in our fair value assumption (A$1.70/sh Target Price). Therefore, we see limited potential upside in the name outside of commodity price movements.

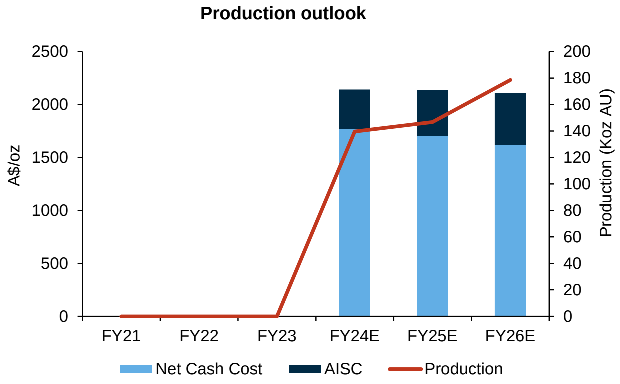
Figure 7: GMD have outperformed peers, benchmarks and gold price FYTD

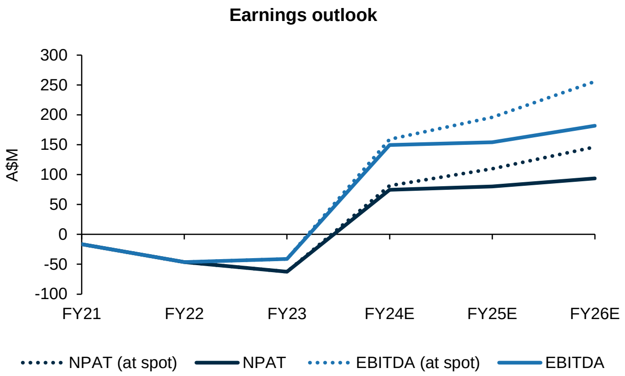


Source: Company reports, OMLe

GMD key charts

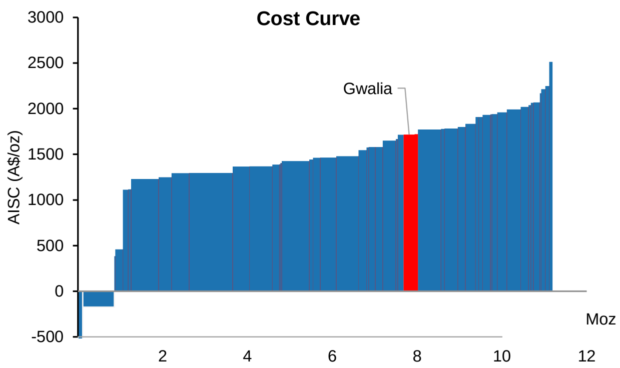
Figure 8: Following the acquisition from SBM, we expect production to improve over time

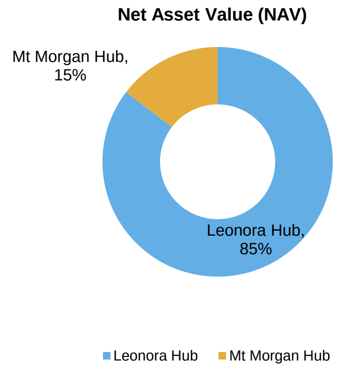




Source: Company reports, OMLe

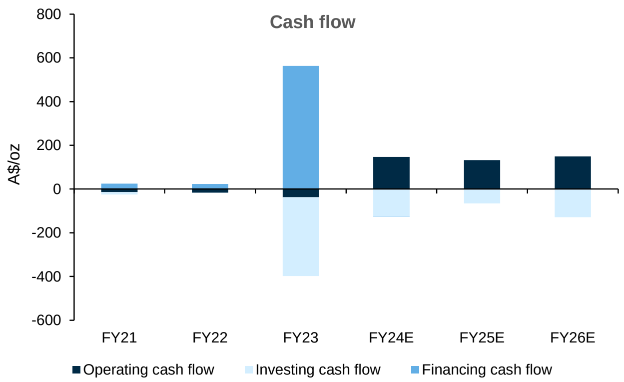
Figure 9: GMD cost curve distribution of assets (LHS) and OML current NAV assumptions (RHS)

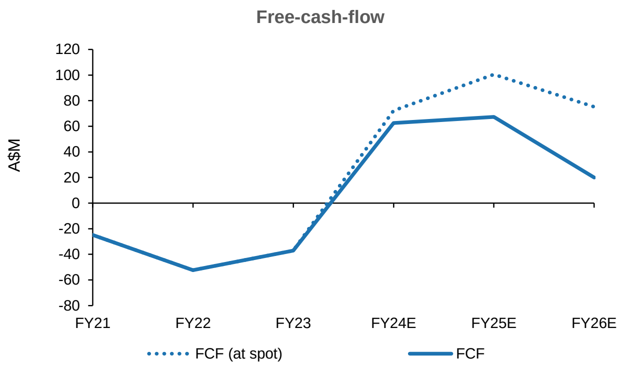




Source: Company reports, OMLe

Figure 10: OML Cash Flow outlook





Source: Company reports, OMLe

Introduction to GMD

GMD is a W.A. based gold mining and exploration company that listed on the ASX in 2007. The Company recently acquired a range of assets from St Barbara (SBM) on 30 June 2023 and gained 100% of DCN in October 2023. The Company now owns the following (as shown in Figure to the right):

- Gwalia underground mine (4.9Moz resource; 2.0Moz reserve) and Leonora mill (1.4Mtpa).
- Key deposits surrounding the Leonora region including the Ulysses group (2.0Moz), Tower Hill, (1.2Moz resource) and Bardoc (150km south; 3.0Moz resource) among others (e.g. Zoroastrian, and Aphrodite and Harbour Lights).
- The Mt Morgans mill (2.9Mtpa capacity) near Laverton 90kms north-east of Leonora and various other smaller deposits (total resource of 3.3Moz).

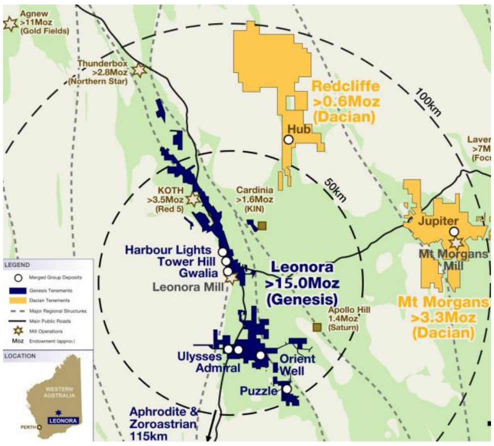
Development strategy to become +300kozpa producer

GMD is aiming to become a +300kozpa gold producer by developing its assets in and around Leonora. The newly-acquired Gwalia is currently operating at around ~1.0Mtpa, which provides around ~400ktpa in latent capacity. GMD plans to continue operating the Gwalia mine around this level by focussing on extracting high-grade material to support margins.

Gwalia's mill feed is expected to be supplemented by the development of the Admiral open pit deposit (590koz resource) and the Ulysses underground (850koz resource) – removing some of the latent capacity in the mill.

The Mt Morgans mill owned by Dacian is currently on care and maintenance and a restart is not expected in the near term. In the medium term, GMD plans to recommence mill operations with feed from the planned open pit at Tower Hill (1.2Moz resource; currently unpermitted) and planned open pit at Jupiter (0.8Moz resource). The Company has indicated that the Redcliffe open pit (0.6Moz resource; owned by Dacian) could provide further feed optionality in due course.

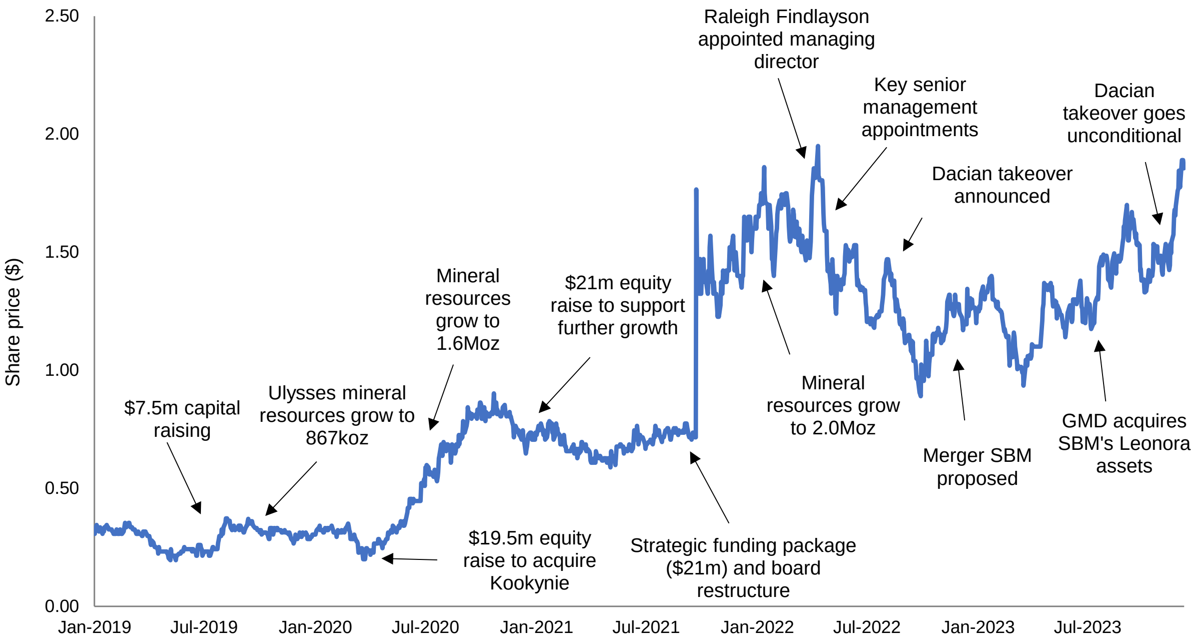
Figure 11: Location of key assets at Leonora and Mt Morgans



Source: Company reports

A summary of GMD's recent share price history is shown in the figure below.

Figure 12: GMD Share price performance ($)



Source: Iress, Company reports, OMLe

Three factors driving our view

Management premium warranted…

Investors are naturally placing a higher premium on strong(er) management teams, with a proven track record vs those who are relatively unknown (or have a poor track record). Furthermore, we've observed that management quality can often have a larger bearing on the share price than asset quality in the short term. We are also repeatedly hearing institutional investors express to us their preference for a: 'good management team with a poor asset rather than to poor management team, with a good asset'.

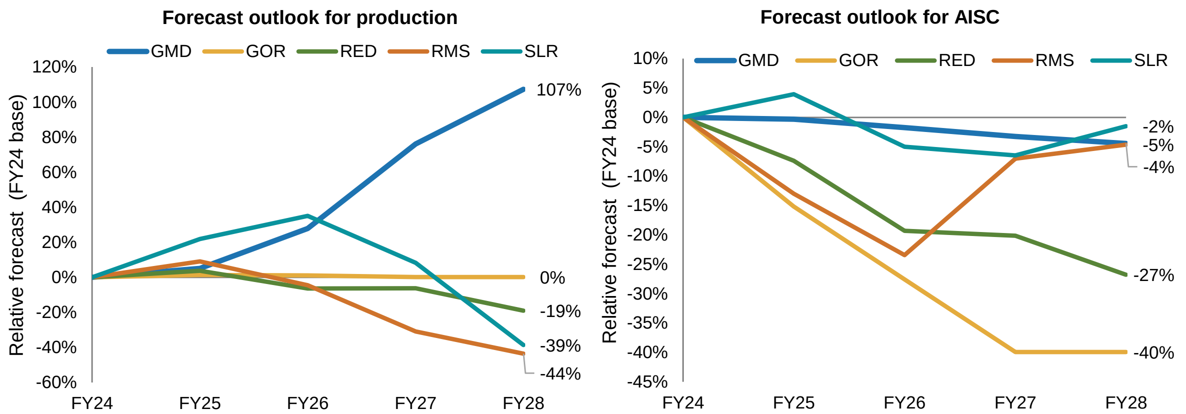
In our view, GMD has a high-quality management team which is demonstrated by its development / optimisation of mining operations and value accretive M&A at Saracen Minerals (SAR). SAR's production grew organically from 167koz in FY15 to 355koz in FY19 by driving improved performance from Carosue Dam and the restart and subsequent optimisation of Thunderbox. This organic improvement correlated well with share price appreciation where the stock increased +1,200%. Inorganically, the acquisition of a 50% interest in KCGM in early 2020, supported further share price rise (+40%), and eventually led to the merger with Northern Star (ASX: NST) in early 2021. We expect that management would be planning to execute a similar strategy of asset optimisation, organic production growth and value-accretive M&A with GMD.

Consequently, we consider that this management team deserves a material premium to peers and have accounted for this in our higher assumed valuation multiples (i.e. NAV multiple of 1.3x and P/CF multiple of 10x).

…Coupled with organic growth

Historically (in our view), SAR differentiated itself (vs peers) with an organic growth pipeline compared to others where operations (and production) were plateauing or declining. The Company continually reinvested in its business to generate positive momentum in production (e.g. mill improvements and strong near mine mineral inventory additions) and it appears this same management team is trying to replicate a similar model at GMD with the 'fill the mill strategy" at Gwalia (Gwalia, Ulysses and Admiral) coupled with Mt Morgans improvements as they plan to develop Tower Hill and Jupiter (with additional near mine-mine optionality, e.g. Redcliffe). We identify GMD as one of the few Australian gold companies that demonstrates an improvement in production over the near-term, and a corresponding move lower in AISC. Some peers (depicted in Figure 13) are likely to face downward pressure on production and upward pressure on costs and outside of gold price movements, and it could be argued that the best times are behind them.

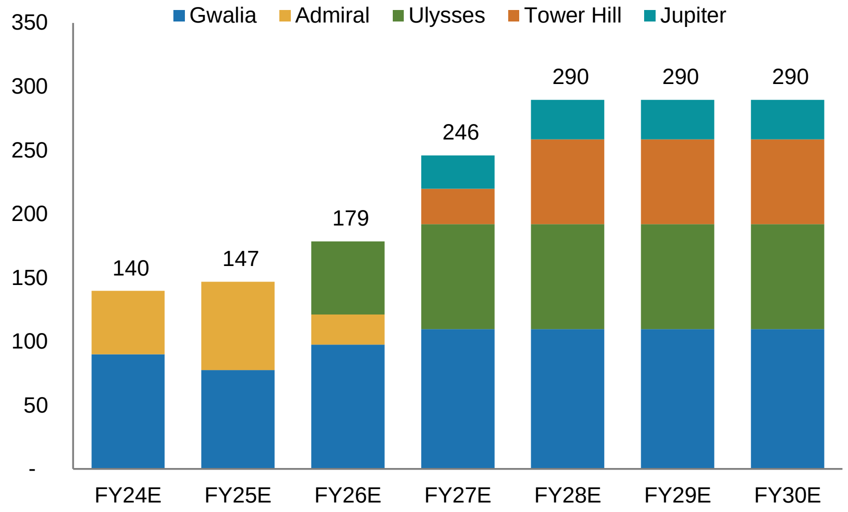
Figure 13: GMD's production (+150koz) and AISC (-A$100/oz) should continue trending in the right direction relative to peers.



Source: Company reports, OMLe

Our financial forecast assumes that total production grows from ~140koz in FY24 to 290koz by FY28. This growth will be driven by Gwalia (selective mining), development of satellite deposits (Admiral and Ulysses) and the restart of the Mt Morgans mill with feed from Tower Hill and Jupiter. Our base case forecast for production is shown in the Figure below.

Figure 14: Forecast organic production growth (OMLe: top)



Source: Company reports, OMLe

In our view, both business assets (Leonora / Mt Morgan) have further potential upside from here, beyond our base case estimates which we consider in more detail below.

Leonora Hub Organic Upside (A$169m or A$0.16/sh net upside)

We believe Gwalia has lower risk, more visible organic upside in the very near term, given the large overheads and mismanagement from previous owners. Lowering corporate costs, keeping the mill full (economies of scale) and focusing on higher margin material (selective approach) in the mining sequence are some of the tangible near-term opportunities. Our base assumes a ~A$180/oz reduction in C1 costs (-10%) over the next four years as a +54koz (+39%) increase in production (throughput/grade related) supports a decrease in in mining / processing / G&A costs. Under our scenario analysis, we assume that the Gwalia mill processes higher grades of 5.4 g/t Au (+0.4g/t vs the reserve grade for Gwalia UG due to a more selective mining approach). This, in combination with additional open pit material (e.g. Redcliffe) would add A$169m (+A$0.16/sh) to the asset.

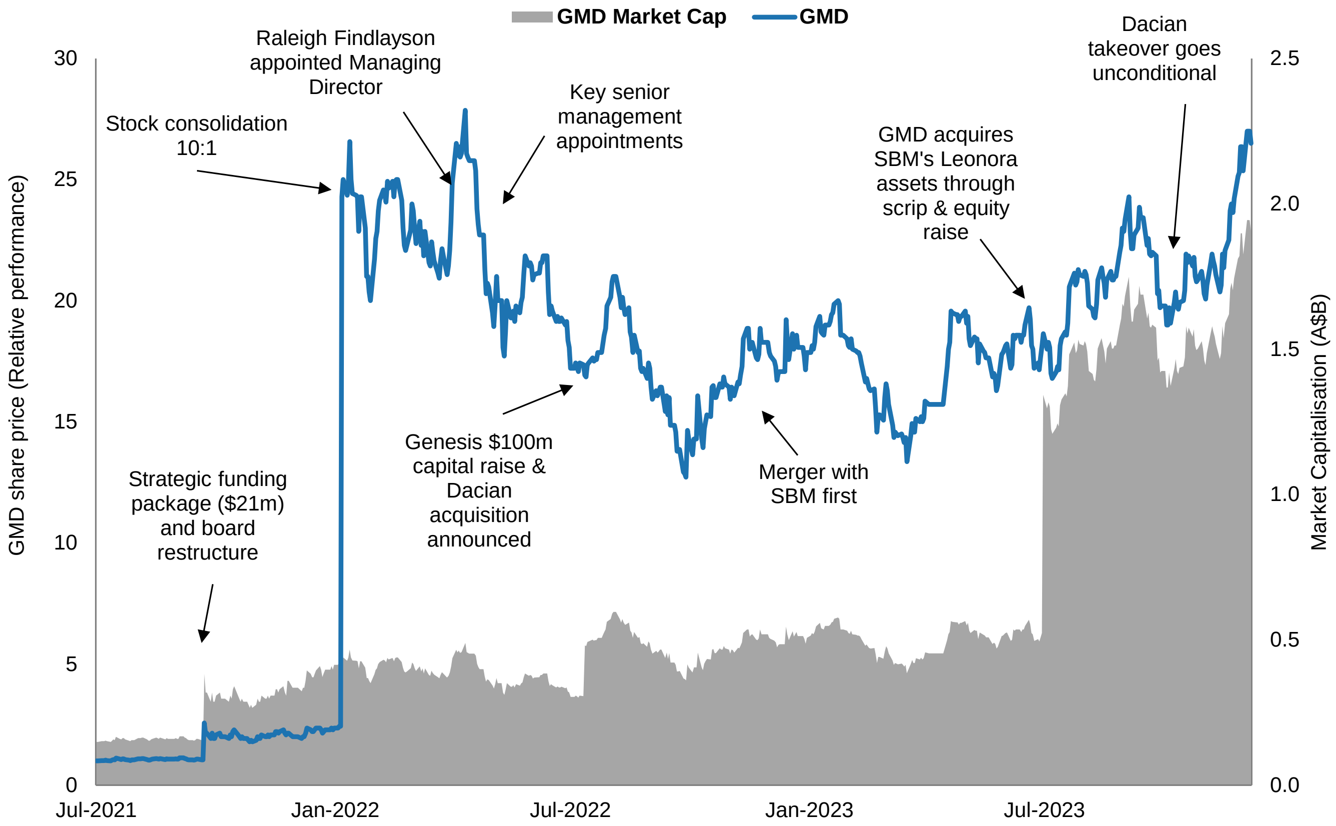
Mt Morgan Organic Upside (A$92m or A$0.8/sh net upside)

In our view, the potential benefits of organic opportunities at Mt Morgan are less obvious. Currently, Tower Hill OP and Jupiter OP are the excepted to be the main ore sources to the 2.9mtpa Mt Morgan Mill, with the former predicated on permitting / approvals (~2 - 3years) and therefore, we are unlikely to see production from the Hub until FY27 (on our estimates). Additional infill drilling could increase the mineral inventory and confidence in the resource base. Therefore, Tower Hill (21Mt) and Jupiter (24Mt) and additional ore sources have the potential to fill latent capacity in the mill (~500kt) over a longer time horizon (LOM increase 3 years). Under this scenario, this would add A$92m (+A$0.08/sh) to the asset value.

Valuation is stretched, so it's all about what happens next

GMD has enjoyed a strong run-in share price (Figure 15, +40% FYTD), predicated on what we believe is a strong new management team, good M&A (Dacian and Leonora Assets) and the added benefit of gold price tailwinds. While GMD may well continue to add further resources and longevity at both hubs (Lenora and Mt Morgans), our estimates suggest that based on the potential uplift we can measure now, the share price has captured this.

Figure 15: Share price appreciation post GMD management change and subsequent acquisitions

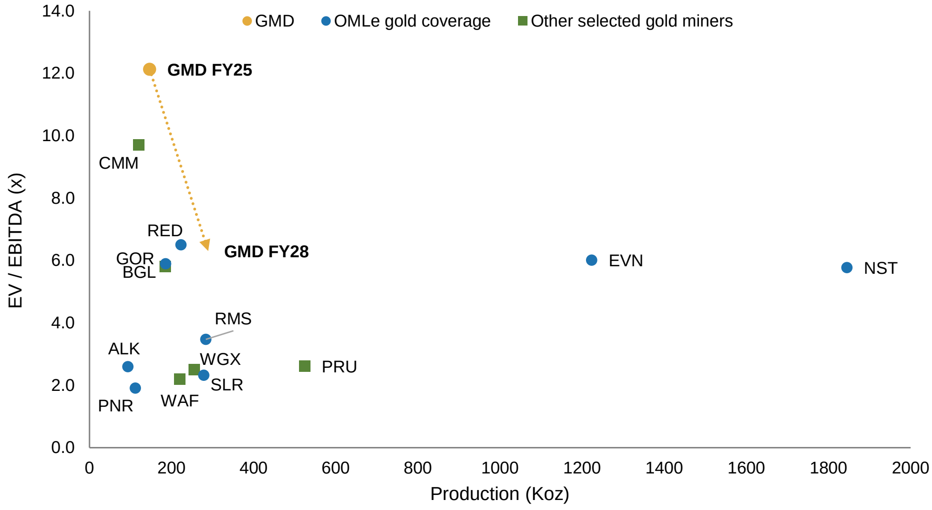


Source: OMLe, Iress

Valuation

We value GMD consistently with our domestic cohort. Clearly GMD is trading at a premium to NPV – although we do observe this trend across the larger cap (e.g. NST, EVN) peer group. The Company is currently trading at 1.3x P/NAV, 12.4x EV/EBITDA and 26.8x P/E (vs 1x, 6.1x and 12x peers respectively) on our estimates and would require a US$2,100/oz (A$2,900/oz) long term gold price (OMLe: US$1,750/oz) to provide sufficient valuation/cashflow to support the stock at current levels. The FY25 EV / EBITDA of 14.9x is the highest among the selected peer companies shown in Figure 16. Even with our forecast for production to increase to 290koz by FY28, we estimate that EV / EBITDA would only decrease to ~6.4x which is still at the top end of peers. This suggests that much of the future production growth has already been priced in. This premium alone is unlikely to be an impediment for investors given our observations across the sector where premiums are paid for good management teams, which is why we have not taken a more bearish view.

Figure 16: GMD screens at the top end of the range amongst our mid-tier domestic peer group



Source: OMLe, Iress

We need additional information to derive a higher valuation, although sentiment will likely remain positive

Without moving our gold price higher (our forecast remains US$1750/oz LT), we would require additional clarity around what Lenora, Mt Morgan (incl. Tower Hill) and to some extent additional inorganic opportunities to derive an even higher valuation. We expect GMD will likely have good stock specific newsflow given the improvement we see across the asset base in terms of integration as well as exploration. We should see significant improvement at Leonora (specifically Gwalia) with their capital markets day in March 2024, as well progress towards development at Tower Hill (e.g. permitting / approvals).

Our base case assumptions

Our base case assumptions for the GMD are premised on a combination of its disclosures, SBM's historical data for Gwalia and our own assumptions. We model a mineral inventory consisting of published reserves and M&I resources but do not explicitly model any production upside from the conversion of inferred resources. However, we incorporate an exploration valuation separate to the NAV for Gwalia Hub and Mt Morgans, which incorporates residual material including inferred resources.

Gwalia Hub

We model the Gwalia Hub with a LOM of 13 years to FY2035. We assume the mill operates at its capacity of 1.4Mtpa from FY25 with development of the Admiral deposit (from FY24) and Ulysses deposit (from FY26). We forecast for grades to improve over time from 3.7 g/t Au in FY24 to 4.4 g/t Au from FY27 onwards. Recoveries are assumed to be ~96% for gold. We model C1 Cash Costs of ~A$1,770/oz to ~1,600/oz and AISCs of ~A$2,140 to $1,900/oz.

Figure 17: OMLe assumptions for the Gwalia Hub

Metric	Unit	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
Throughput	Kt	976	1212	1400	1400	1400	1400
Grade	g/t Au	4.6	3.7	3.4	4.1	4.4	4.4
Recovery	%	96%	96%	96%	96%	96%	96%
Gold Production	koz	138	140	147	179	192	192
C1 Cash Costs	A$/oz	1940	1770	1704	1620	1593	1590
All-in Sustaining Costs	A$/oz	2521	2141	2051	1935	1899	1896
Expansion Capex	A$m	8	40	20	8	4	4
Development (sust.) Capex	A$m	69	36	38	43	46	46

Source: OMLe. FY23 actuals from SBM Company reports.

Mt Morgans operations

We assume that GMD spends $80m in FY26 and $30m in FY27 to develop the Tower Hill and Jupiter mines. We forecast for milling to begin in FY27 with throughput of 1.35Mt at grade of 1.3 g/t Au to produce 54koz. Production increases to 98koz in FY28 with mill feed for the full year (2.2Mt throughput) and a slight grade improvement to 1.4 g/t Au.

We model C1 Cash Costs of ~A$1,800/oz to 1,600/oz and AISCs of ~A$2,160 to ~$1,890/oz.

Figure 18: OMLe assumptions for the Mt Morgans operations

Metric	Unit	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
Throughput	Kt	0	0	0	0	1350	2200
Grade	g/t Au	0.0	0.0	0.0	0.0	1.3	1.4
Recovery	%	0%	0%	0%	0%	96%	96%
Gold Production	koz	0	0	0	0	54	98
C1 Cash Costs	A$/oz	0	0	0	0	1810	1605
All-in Sustaining Costs	A$/oz	0	0	0	0	2167	1893
Expansion Capex	A$m	0	0	0	70	30	0
Development (sust.) Capex	A$m	0	0	0	0	15	24

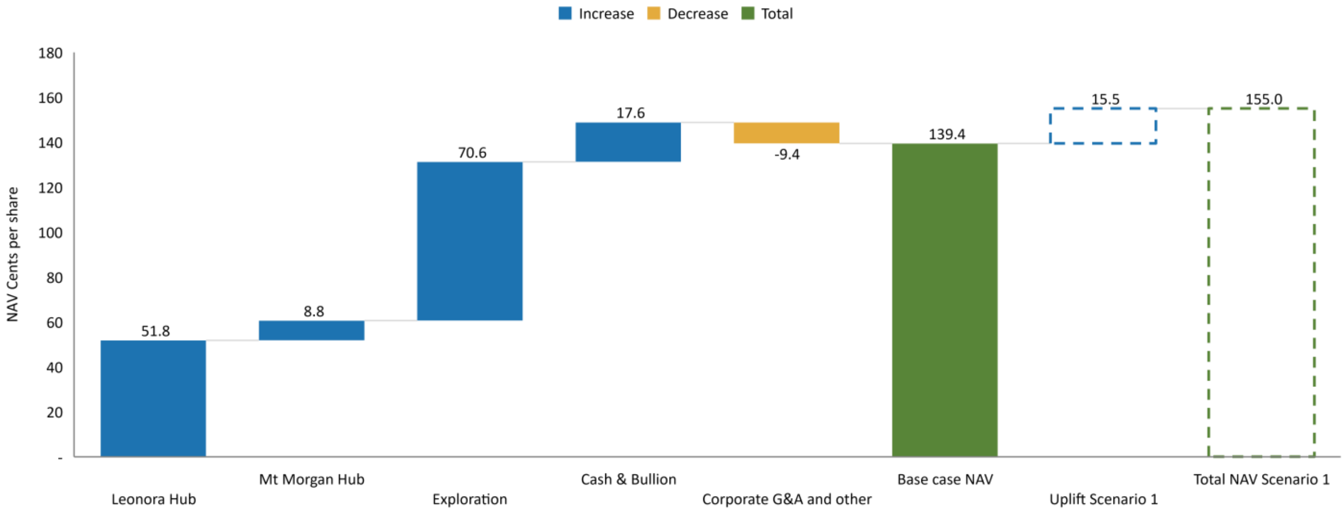
Source: OMLe.

Value uplift opportunities

We see value uplift opportunities at both the Leonora and Mt Morgans operations. At Leonora, GMD could potentially employ a more selective approach to mining the Gwalia UG, which should improve milled grades slightly above reserve grade of 5.0 g/t Au. For Mt Morgans, GMD could expand and increase confidence in the extensive resource at Tower Hill (21Mt) and Jupiter (24Mt). A summary of the assumptions used in our Base Case and Scenario analysis is shown below.

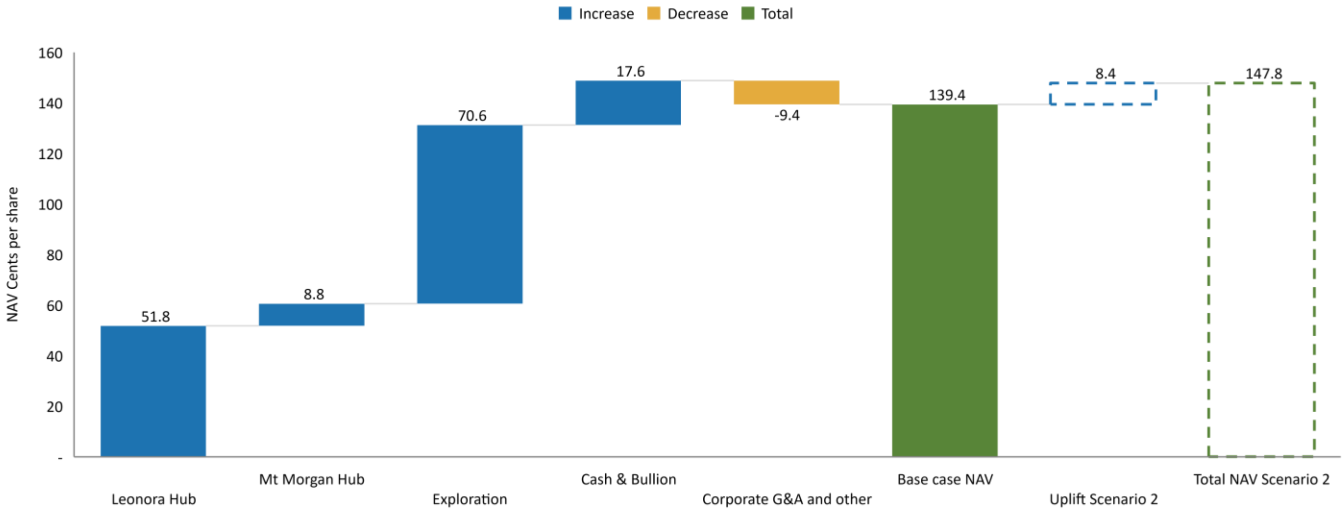
- **OML Base Case:**
  - **Leonora operations**
    - Peak throughput: 1.4Mtpa from FY25
    - 12 year LOM
    - Average gold grade: 4.2 g/t Au
    - Base case operating NAV: A$565m ($0.52/sh)
  - **Mt Morgans operations**
    - Peak throughput: 2.2Mtpa from FY28
    - 7-year LOM from FY27 to FY33
    - Average gold grade: 1.6 g/t Au
    - Base case operating NAV: A$96m ($0.09/sh)
- **Sensitivity Scenario 1:** Upside at Leonora Operations
  - Additional development capex: +A$20m in FY26 to bring on Redcliffe
  - Peak throughput: 1.4Mtpa from FY25 (no change)
  - 12-year LOM (no change)
  - Average gold grade: 4.6g/t Au (average slightly increased with +0.4 g/t Au at Gwalia and higher grades from Redcliffe)
  - Scenario operating NAV: A$732m ($0.67/sh)
- **Sensitivity Scenario 2:** Upside at Mt Morgans operations
  - Additional development capex: +A$30m in FY27
  - Peak throughput: 2.7Mtpa from FY29 with increased open pit contributions (mainly Tower Hill)
  - Average gold grade: 1.6 g/t Au
  - Scenario operating NAV: A$188m ($0.17/sh)

Figure 19: Incremental NAV uplift from Sensitivity Scenario 1 (cents per share)



Source: OMLe.

Figure 20: Incremental NAV uplift from Sensitivity Scenario 2 (cents per share)



Source: OMLe.

Earnings and valuation

We commence coverage of GMD utilising a similar methodology as the rest of our coverage universe and reach a 12-month Target Price of A$1.70/sh. We initiate with a Hold rating, given the limited upside to our Target Price (TSR of -8%).

Summary of our valuation methodology

In setting our Price Target, we use a blend of both NAV and cash flow multiple as a way to ensure we capture both the near-term and longer-term explicit valuation of the business. While NAV is clearly the best theoretical method to ascertain the value of a mine, out experience shows us that current cash flow (and free cash flow) has a strong correlation with share price performance.

Figure 21: OML Target Price methodology

Genesis Minerals Target Price				ASX: GMD
P/CF Target		**12-month A$MM**		**$/share**
Cash Flow from operations*		129		
* post sustaining capex, net interest & cash tax				
Changes in Working Capital		(20)		
Forecast 1 yr Forward DACF		**109**		**0.10**
Enterprise Value (EV) Target Multiple				10x
Implied EV Target		**1,094**		**1.00**
add: Cash, Working Capital and Investments			192	0.18
add: Exploration upside			770	0.71
less: Debt and Reclamation/Closure			-	0.00
less: Corporate costs			(103)	-0.09
Other (incl. listed investments)			-	0.00
P/CF implied TP				**1.79**
NAV target				
Operating NAV	A$MM		660	0.61
Target Multiple				1.3x
NAV Implied Target Price (operations)	**A$/sh**			**0.79**
add: Cash, Working Capital and Investments			192	0.18
add: Exploration upside			770	0.71
less: Debt and Reclamation/Closure			-	0.00
less: Corporate costs			(103)	-0.09
Other (incl. listed investments)			-	0.00
Implied NAV TP				**1.58**
Target Price				**1.70**

Source: OMLe

Net Asset Value

Our sum-of-the-parts (SOTP) NAV includes an operating value of A$660m, which incorporates production at Gwalia out to 2035 and the Mt Morgans Hub from FY27 to FY33. Our assumptions are broadly based on those published by the Company in its public disclosures. We utilise a 10% (nominal) WACC which in line with our cost of capital for mid and large capitalisation gold miners.

Figure 22: Breakdown of our SOTP valuation for GMD

Net Asset Value (Attrib)	DR (%)	($m)	A$/Sh	NAV (%)
Operating Value				
Leonora Hub	10%	$565	$0.52	85%
Mt Morgan Hub	10%	$96	$0.09	15%
Total		**$660**	**$0.61**	**100%**
Listed investments		$0	$0.00	
Exploration (assets)		$770	$0.71	
Cash & Bullion		$192	$0.18	
Corporate G&A		($103)	($0.09)	
Debt		$0	$0.00	
Other		$0	$0.00	
Total Net Asset Value		**$1,520**	**$1.39**	
P/NAV			**1.33x**	

Source: OMLe

What we include in our exploration assumption

Within our SOTP NAV, we have incorporated a value for the exploration upside not currently captured within our mine-life assumptions. There is often considerable option value in additional resources which we do not typically feature in the explicit operating value. This is especially the case when the resource hosts grades/geology similar to those in our current base-case mine plan. While harder to predict, we believe there is justification in paying ahead for future discoveries. We apply a risked valuation to account for 'known' ounces which are not captured in our life-of-mine estimates, but have appropriate grade and with increased likelihood of extraction. For GMD, we incorporate values for residual reserves (A$200/oz), measured and indicated resources (A$100/oz) and inferred resources (A$50/oz). This is scaled back by 30% to reflect uncertainty regarding the potential for future extraction. Altogether, this makes up our A$770m exploration value contained within our SOTP NAV.

Summary of the key financial metrics

Profit and loss summary

We forecast a significant uplift in GMD's financial performance following the acquisition of the Leonora assets from SBM. GMD reported a loss after tax of $117m in FY23, but we expect this to improve to $75m profit in FY24 with strong EBITDA generated at Leonora ($154m; 37% margin). We forecast that profits will improve from this level in FY25 ($80m NPAT), as the ramp at Admiral slightly improves production from the Gwalia mill. We expect profits to increase further in FY26 to $94m (+13% y-o-y) with the development of the Ulysses underground which improves milled grades (+8% to 4.4 g/t Au).

Figure 23: GMD's profitability improves with acquisition of Gwalia

P&L Statement		FY23	FY24E	FY25E	FY26E
Revenue	M $	$77	$414	$418	$485
Operating Costs	M $	($118)	($264)	($264)	($303)
EBITDA	**M $**	**($41)**	**$150**	**$154**	**$182**
D&A	M $	$24	$47	$44	$54
EBIT	**M $**	**($65)**	**$103**	**$110**	**$128**
Other Income/Expenses	M $	$2	$4	$5	$5
EBT	**M $**	**($63)**	**$107**	**$115**	**$134**
Taxes	M $	$0	$32	$34	$40
Net Income - Adjusted	**M $**	**($63)**	**$75**	**$80**	**$94**
Adjustments	M $	$55	$0	$0	$0
Net Income - Reported	**M $**	**($117)**	**$75**	**$80**	**$94**
Weighted average diluted shares	M	720	1,029	1,029	1,029

Source: Company reports, OMLe

Balance sheet summary

GMD has a strong balance sheet with cash of $160m (excl. bullion) and no debt as of 30 September 2023. We forecast the cash position to continue to grow to $196m at end of FY24 (+$36m) and then to $263m in FY25 (+$67m y-o-y) with strong free cash flow generation from the Gwalia mill. However, the increase in cash is expected to be more moderate in FY26 (+$20m to $283m), as the capital spend associated with development of the Tower Hill and Jupiter operations weighs on FCF.

The business has no long-term debt given the acquisition of the Leonora assets was financed through cash and scrip. We do not forecast the business to need any debt in the medium term (excl. lease liabilities) and expect that key growth projects will be financed from a combination of operating cash flows and available cash.

Figure 24: Cash grows as production improves from Gwalia mill

Balance Sheet		FY23	FY24E	FY25E	FY26E
Cash & Equivalents	M $	$182	$201	$268	$288
Other Current Assets	M $	$36	$79	$79	$79
PP&E & Mining Interests	M $	$595	$624	$637	$635
Other Long Term Assets	M $	$204	$213	$220	$228
Total Assets	**M $**	**$1,016**	**$1,116**	**$1,205**	**$1,231**
Current Liabilities	M $	$75	$75	$75	$75
Long Term Debt	M $	$7	$7	$7	$7
Other Long Term Liabilities	M $	$83	$115	$123	$125
Total Liabilities	**M $**	**$165**	**$197**	**$205**	**$207**
Shareholder Equity	M $	$852	$920	$1,000	$1,024
Total Liabilities & Shareholder Equit	**M $**	**$1,016**	**$1,116**	**$1,205**	**$1,231**

Source: Company reports, OMLe

Cash flow summary

We expect the business to generate operating cash flow of $141m in FY24 and assume the business does not pay any tax given historical after tax losses (FY20-23 tax credits not previously recognised: ~$25m). Operating cashflows are forecast to moderate in FY25 to $133m as tax payments resume, but increase again in FY26 to $149m as the relatively higher-grade material from Ulysses (OMLe: 3.7 g/t Au) displaces ore from the Admiral deposit.

We forecast that GMD will generate reasonable free cash flow in FY24 ($20m; 3.3% yield) before improving in FY25 ($67m; 3.5% yield) with ramp up of the Leonora operations (incl. Admiral). However, free cash flow is forecast to moderate somewhat in FY26 ($20m) due to elevated capital spend of $129m resulting from the development of the open pit operations at Tower Hill and Jupiter ($70m).

Financing cash flows are expected to be minimal, given the Company has no long-term debt. We expect the business will need to use cash to fund planned growth projects, so do not expect any dividends in the immediate future with the Company to prioritise capital spend on organic growth opportunities.

Figure 25: GMD is forecast to generate positive FCF in FY24, FY25 and FY26

Cash Flow Statement		FY23	FY24E	FY25E	FY26E
Cash Flows from Operating Activities					
Net Income	M $	($63)	$75	$80	$94
D&A	M $	$24	$47	$44	$54
Taxes Paid	M $	$0	$0	$34	$40
Non Recurring/Other	M $	($28)	($7)	($0)	($0)
Operating Cash Flow	**M $**	**($66)**	**$114**	**$158**	**$187**
Changes in Working Capital	M $	$29	$32	($26)	($38)
Net Operating Cash flow	**M $**	**($38)**	**$147**	**$133**	**$149**
Cash Flows From Investing Activities					
Capital Expenditure	M $	($11)	($76)	($58)	($121)
Other	M $	($350)	($51)	($8)	($8)
Net Investing Cash Flow	**M $**	**($360)**	**($127)**	**($65)**	**($129)**
Cash Flows From Financing Activities					
Equity Issues (net of costs)	M $	$566	$0	$0	$0
Net Borrowings	M $	$0	$0	$0	$0
Dividends Paid & Other	M $	($3)	($0)	$0	$0
Net Financing Cash Flow	**M $**	**$563**	**($0)**	**$0**	**$0**
Increase (Decrease) in Cash	M $	$165	$20	$67	$20
Cash at End of Year	**M $**	**$182**	**$201**	**$268**	**$288**
Operating Free Cash Flow	M $	($48)	$71	$75	$28
Free Cash Flow	M $	($398)	$20	$67	$20

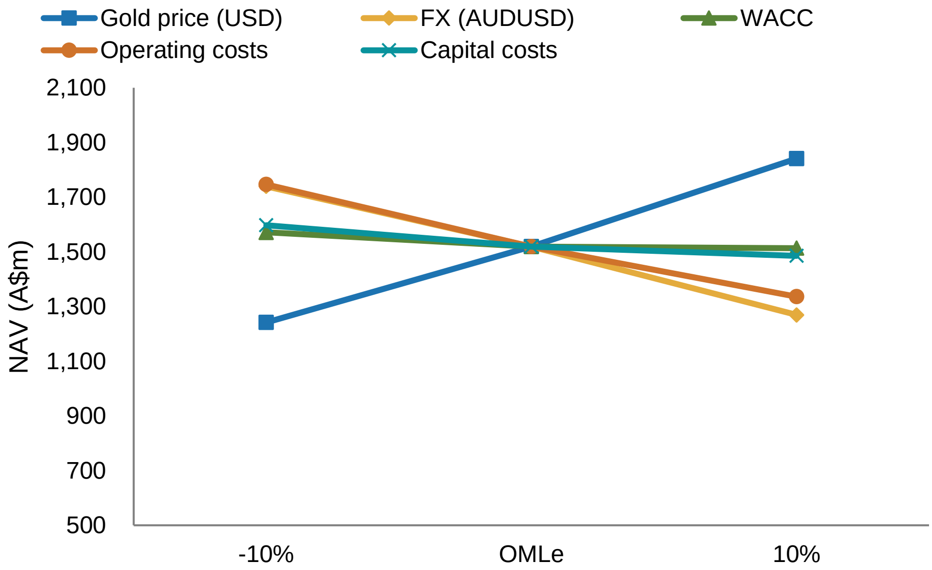
Source: OMLe

Sensitivity

Our sensitivity assesses the impact to our GMD valuation from a ±10% change in key parameters including the USD gold price, AUDUSD exchange rate, WACC rate, operating costs and capital costs. Our analysis suggests that our valuation (i.e. NAV/NPV) is most sensitive to changes in gold prices followed by the AUDUSD exchange rate (as shown in Figure 26). Relative to our OMLe base case, we assess that a 10% increase (decrease) to our forecast gold price assumption would impact the following in FY24e:

- EBITDA increase (decrease) of ~A$30m from our base forecast of ~$144m
- NPAT increase (decrease) of ~A$21m from our base forecast of ~$71m
- FCF increase (decrease) of ~A$30m from our base forecast of ~$57m.

Figure 26: GMD Cost Sensitivity for 10% change in variable



Source: Company reports, OMLe

West Australian Operations

Location and asset summary

GMD's flagship operations are located in the Leonora region in Western Australia which is 200km north of Kalgoorlie. Key assets recently acquired from St Barbara include the Gwalia mine (13Moz resource), Gwalia mill (1.4Mtpa capacity), Tower Hill deposit (1.2Moz resource) and Bardoc deposit (3.0Moz resource).

GMD also owns the Ulysses group of deposits (2.0Moz resource) near Gwalia as shown in Figure 27 on the right.

GMD also owns a controlling interest in Dacian Gold Limited (ASX: DCN), which holds the Mt Morgans mill near (2.9Mtpa capacity) Laverton 90kms north-east of Leonora and various other deposits (total resource of 2.7Moz).

Acquisition of SBM's Leonora assets

GMD acquired SBM's Leonora assets on 30 June 2023 for $606m including $370m cash and $236m scrip (205m shares at $1.15/sh). The scrip component includes ~$170m upfront and $60m contingent consideration vesting on Tower Hill achieving first production. To fund the cash component, GMD issued equity capital of $234m ($470m total scrip for the transaction). This followed a drawn-out sale process during 2023 where GMD beat offers from Silver Lake Resources (ASX: SLR).

Assets acquired from SBM include the following:

- Gwalia underground mine (4.9Moz resource; 2.0Moz reserve).
- Leonora mill (1.4Mtpa), and
- Other deposits including Tower Hill, Zoroastrian, and Aphrodite and Harbour Lights – refractory.

The location of key assets formerly owned by SBM are shown in Figure 28 to the right.

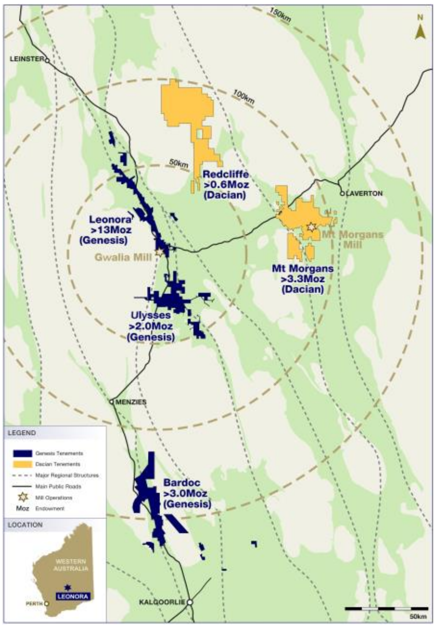
Development strategy for Leonora and surrounds

GMD aspires to become a +300kozpa gold producers by developing its assets In and around Leonora. The newly-acquired Gwalia is currently operating at around ~1.0Mtpa, which provides around ~400ktpa in latent capacity. GMD plans to continue operating the Gwalia mine around this level by focussing on extracting high-grade material to support margins.

Mill feed is expected to be supplemented by development of the Admiral deposit (0.6Moz resource) and the Ulysses underground (0.9Moz resource). The Redcliffe open pit (0.7Moz resource; owned by Dacian) provides further development optionality to supplement mill feed in due course.

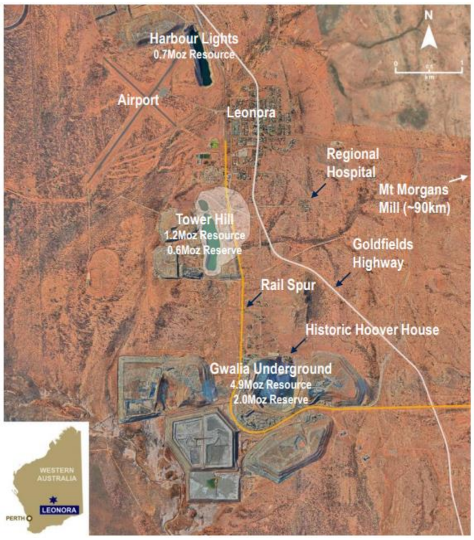
The Mt Morgans mill owned by Dacian (GMD has a controlling interest) is currently on care and maintenance. Over time, GMD plans to recommence mill operations with feed from the planned open pit at Tower Hill (1.2Moz resource) and planned open pit at Jupiter (0.8Moz resource). However, development of the Tower Hill deposit is dependent upon receipt of permitting approval and completion of pre-works (e.g. relocation of the railway line). Consequently, restart of operations at Mt Morgans is not expected to occur for two to three years.

Figure 27: Proximity of Leonora operations to surrounding assets



Source: Company reports

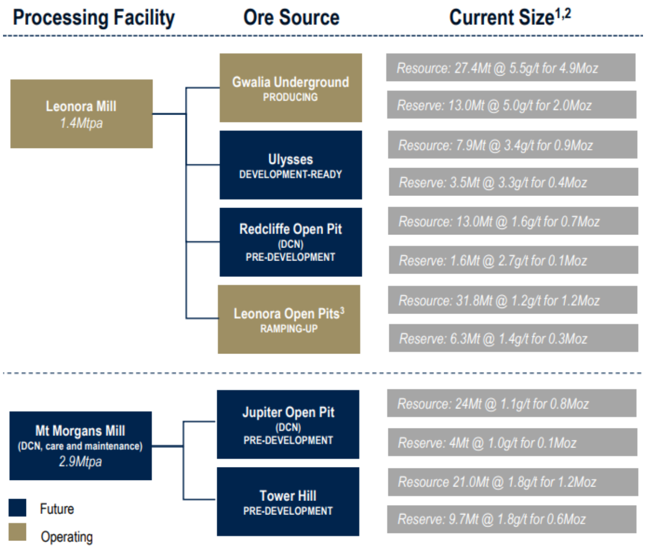
Figure 28: Location of key assets around Leonora



Source: Company reports

A schematic diagram of GMD's growth strategy is set out in the Figure below.

Figure 29: Development strategy for Leonora assets



Source: Company reports, OMLe. [3]Leonora open pits appear to include the Admiral, Orient Well and Puzzle Groups.

Production outlook

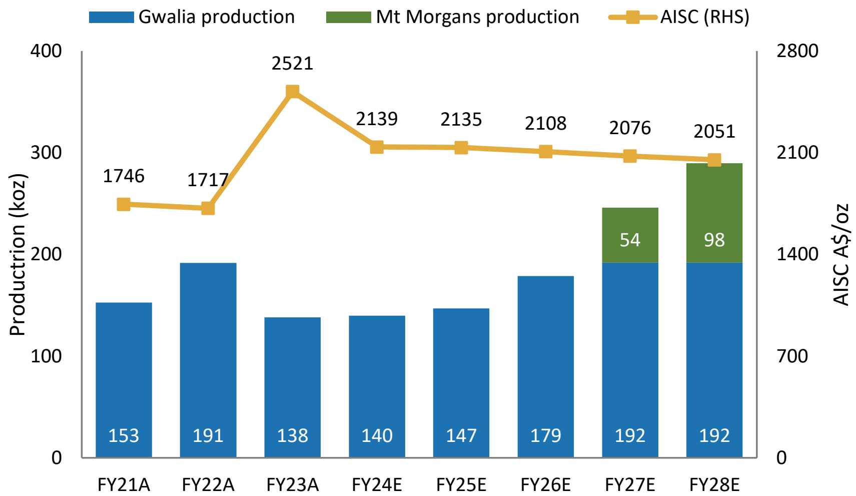
We forecast GMD's production to be 140koz in FY24 which is consistent with the production achieved by its former owners in FY23 (St Barbara; ASX: SBM).

Over time, we expect this to ramp up to 147koz in FY25 and 179koz in FY26, with improved grades from Gwalia underground as well as additional material from Admiral (first ore DecQ 2023; ramp up peaks in JunQ 2024) and Ulysses (first ore SepQ 2025).

We forecast Mt Morgans to begin production in FY27 (54koz) and ramp up to 98koz the following year by processing material from the Tower Hill and Jupiter deposits.

We forecast for AISC to be ~A$2,150/oz in FY24 and to decline gradually (in real terms) thereafter with improving grades at Gwalia and the increased proportion of open-pit material.

Figure 30: GMD forecast production and costs



Source: GMD company reports and SBM company reports. Figures on 100% basis. Note that prior to 30 June 2023, the Gwalia mine was owned and operated by St Barbara (ASX: SBM).

Resources and reserves

GMD has total mineral resources of 15Moz (100% basis) as of September 2023, including:

- 10.5Moz acquired through the purchase of SBM's Leonora assets (predominantly Gwalia, but also Harbour Lights, Tower Hill and Bardoc)
- 2Moz at other deposits in the Leonora region (i.e. Ulysses and Kookynie deposits), and
- 2.7Moz owned by Dacian (100% basis; GMD has a controlling interest).

GMD has mineral reserves of 3.9Moz (100% basis), most of which relate to Gwalia and associated deposits. GMD resources and reserves are shown in the tables below.

Figure 31: Mineral Resources (100% basis)

	Measured			Indicated			Inferred			Total		
Deposit	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)	Tonnes (000's)	Grade (g/t Au)	Ounces (000's)
Genesis												
Gwalia Deeps	3,600	5.5	630	18,000	5.7	3,300	2,400	6.6	510	24,000	5.8	4,500
Gwalia Shallows	1,100	3.5	130	1,500	3.7	180	770	3.3	82	3,400	3.5	390
Gwalia Open Pit	5,900	2.3	430	3,200	2.0	200	-	-	-	9,000	2.2	630
Harbour Lights	-	-	-	13,000	1.7	670	1,200	2.0	74	14,000	1.7	750
Tower Hill	-	-	-	21,000	1.8	1,200	-	-	-	21,000	1.8	1,200
Bardoc	150	2.3	11	36,000	1.8	2,000	17,000	1.8	970	53,000	1.8	3,000
Ulysses	1,600	3.8	190	4,100	3.5	460	2,200	2.9	210	7,900	3.4	850
Admiral Group	-	-	-	6,600	1.4	300	8,400	1.0	280	15,000	1.2	590
Orient Well Group	-	-	-	3,700	1.1	130	4,300	1.1	160	8,000	1.1	290
Puzzle Group	-	-	-	6,700	1.1	230	2,000	0.9	57	8,800	1.0	290
Laterite Deposits	-	-	-	570	0.7	12	200	0.7	4	770	0.7	17
Stockpiles	-	-	-	220	0.8	6	-	-	-	220	0.8	6
Total Genesis	**12,000**	**3.5**	**1,400**	**110,000**	**2.4**	**8,700**	**39,000**	**1.9**	**2,300**	**160,000**	**2.4**	**12,000**
Dacian												
Westralia	310	4.5	45	3,700	4.0	470	6,400	2.9	590	10,000	3.3	1,100
Jupiter	620	1.2	23	11,000	1.0	370	13,000	1.1	4,400	24,000	1.1	830
Mt Marven OP	-	-	-	1,200	1.2	45	340	1.2	13	1,500	1.2	58
Cameron Well/Maxwells OP	-	-	-	170	0.9	5	500	0.8	13	660	0.8	17
GTS	-	-	-	930	1.9	56	1,400	1.2	51	2,300	1.4	110
Hub	160	4.6	24	660	3.9	82	850	2.3	62	1,700	3.1	170
Nambi	-	-	-	720	2.7	62	850	2.8	76	1,600	2.7	140
Redcliffe Other	-	-	-	-	-	-	7,200	1.1	260	7,200	1.1	260
Stockpiles	-	-	-	-	-	-	3,200	0.4	41	3,200	0.4	41
Total Dacian	**1,100**	**2.6**	**92**	**18,000**	**1.9**	**1,100**	**33,000**	**5.1**	**5,500**	**53,000**	**1.6**	**2,700**
Group Total	**13,000**	**3.5**	**1,500**	**130,000**	**2.3**	**9,800**	**72,000**	**3.4**	**7,800**	**220,000**	**2.2**	**15,000**

Source: Company reports

Figure 32: Mineral Reserves (100% basis)

Deposit	Proved Tonnes (000's)	Proved Grade (g/t Au)	Proved Ounces (000's)	Probable Tonnes (000's)	Probable Grade (g/t Au)	Probable Ounces (000's)	Total Tonnes (000's)	Total Grade (g/t Au)	Total Ounces (000's)
Genesis									
Gwalia [1,6]	2,100	5.1	350	11,000	5.0	1,700	13,000	5.0	2,000
Aphrodite [1,6]	-	-	-	2,800	3.6	320	2,800	3.6	320
Zoroastrian [1,6]	-	-	-	800	3.8	97	800	3.8	97
Tower Hill [1,6]	-	-	-	9,700	1.8	560	9,700	1.8	560
Admiral [2,4]	-	-	-	2,400	1.6	120	2,400	1.6	120
Orient Well [2,4]	-	-	-	1,200	1.2	46	1,200	1.2	46
Puzzle [2,4]	-	-	-	2,700	1.3	110	2,700	1.3	110
Ulysses Open Pit [2,4]	820	2.6	69	620	1.9	38	1,400	2.3	110
Ulysses Underground [2,7]	490	4.1	65	1,600	3.6	180	2,100	3.7	250
Total Genesis	**3,400**	**4.3**	**480**	**32,000**	**3.1**	**3,200**	**36,000**	**3.2**	**3,600**
Dacian									
Jupiter OP [2,3]	680	1.1	23	3,400	1.0	110	4,000	1.0	130
Redcliffe - Hub [2,4]	-	-	-	580	3.4	64	580	3.4	64
Redcliffe - GTS [2,4]	-	-	-	640	2.2	46	640	2.2	46
Redcliffe - Nambi [2,4]	-	-	-	380	2.5	31	380	2.5	31
Total Dacian	**680**	**1.1**	**23**	**5,000**	**1.6**	**250**	**5,600**	**1.5**	**270**
Grand Total	4,100	3.8	500	37,000	2.9	3,400	41,000	3.0	3,900

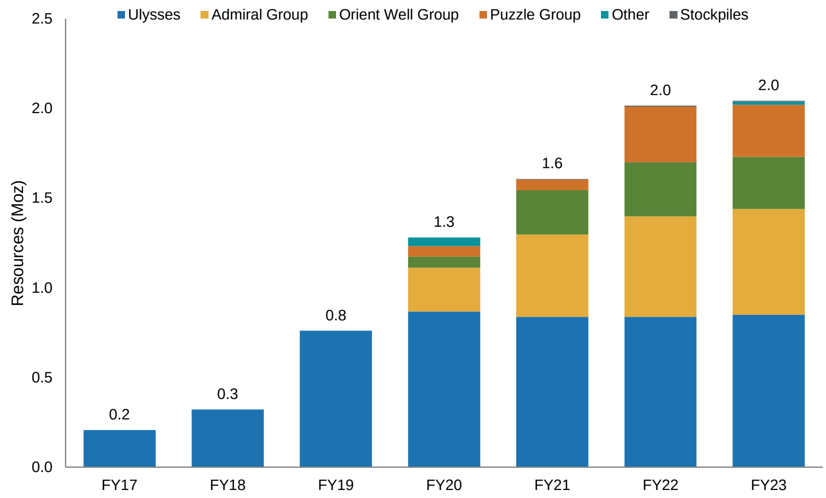
Source: Company reports

Exploration upside

While most of GMD's reserve growth has come through acquisitions (e.g. SBM's Leonora assets, Dacian and Kookynie), the business has also demonstrated capacity to increase resources organically.

For example, resources at Ulysses have increased from ~200koz in FY17 to ~850koz by FY20 (~650koz increase) and the Kookynie deposits increased from ~400koz to 1.2Moz by FY22 (~800koz increase). This organic growth in reserves was achieved through extensive targeted exploration drilling. In our view, this demonstrates the rich mineral endowment of GMD's interests in the Leonora region of the Eastern Goldfields, which gives us confidence the business is more likely to continue to add to resources and reserves over time.

Figure 33: Growth in Mineral Reserves (100% basis)



Source: Company reports

Appendix 1: Board and management

Figure 34: GMD Board

Board of directors		
Member	Title	Experience and Education
Anthony Kiernan (AM)	Non-Executive Chairperson	Anthony Kiernan is a former solicitor with extensive experience gained over 35 years' in the management and operation of listed public companies. He is Non-Executive Chair of Pilbara Minerals Limited (ASX:PLS). Mr Kiernan was previously Non-Executive Chair of Saracen Minerals (ASX:SAR) (2018 to February 2021) and a Non-Executive Director of Northern Star Resources (ASX:NST) (February 2021 to November 2021).
Raleigh Finlayson	Managing Director	Raleigh Finlayson is a Mining Engineer with over 20 years of technical and operational experience in multiple disciplines including both underground and open pit operations. He was previously the Managing Director of Saracen Mineral Holdings (ASX: SAR) and Northern Star Resources (ASX: NST). During his 14-year tenure at Saracen, Mr Finlayson was initially the Chief Operating Officer responsible for the feasibility study and development of Saracen's first operating gold mine at Carosue Dam. He was promoted to the role of Managing Director in 2013 and responsible for the acquisition and subsequent feasibility study and development of Saracen's second operating gold mine, Thunderbox, and subsequently the purchase of 50% of the KCGM Superpit from Barrick Gold. Saracen grew from a market cap of $53m in 2008 to $6.0bn in 2021 before merging with Northern Star.
Gerry Kaczmarek	Non-Executive Director	Gerry Kaczmarek has almost 40 years' experience in accounting and finance roles predominantly in the resources sector. He is currently Non-Executive Director of Dacian Gold Limited (ASX:DCN). His previous roles include Chief Financial Officer and Company Secretary for Saracen Mineral Holdings (ASX: SAR) from 2012 to 2016. He also served as Chief Financial Officer and Company Secretary at Troy Resources (ASX: TRY) from 1998 to 2008 and from 2017 to 2019.
Michael Bowen	Non-Executive Director	Michael Bowen has been practicing corporate law for 35 years and has deep knowledge of the Australian resources sector and the regulatory regimes around mine development and operation. He is Non-Executive Chairman of Lotus Resources Limited (ASX: LOT) and Non-Executive Director of Emerald Resources NL (ASX: EMR).
Mick Wilkes	Non-Executive Director	Mick Wilkes is a mining professional with 35 years' experience, mainly in gold and base metals operations. His experience includes overseeing the greenfield development of four major gold and copper mines. He is currently Non-Executive Chair of Kingston Resources Limited (ASX: KSN) and Andromeda Metals Limited (ASX: ADN). He holds a bachelor's degree in mining engineering from the University of Queensland and an MBA from Deakin University.
Jacqui Murray	Non-Executive Director	Jacqui Murray is a Partner at Resource Capital Funds (RCF), a mining-focused, global alternative investment firm, and has worked within the mining industry for over 20 years. Jacqui joined RCF in 2012 after working in business analysis and improvement roles with BHP Billiton. Prior to this she spent the early years of her career in geotechnical engineering roles in underground and open pit operations within BHP Billiton and WMC Resources. Jacqui holds an MBA from Melbourne Business School and a Bachelor of Geological Engineering from RMIT University.

Source: Company website with Ords edits

Figure 35: GMD Key Management Personnel

Management Team		
Raleigh Finlayson	CEO (Appointed February 2022)	As above.
Morgan Ball	Chief Commercial Officer (Appointed April 2022)	Mr Ball has more than 30 years' experience in accounting and finance roles and is currently a Non-Executive Director at Chalice Mining. Previously, he was the Chief Financial Officer at Northern Star (2020 – 2021) and at Saracen Minerals (2016 – 2020). Prior to Saracen, Mr Ball was Managing Director of BC Iron for more than six years.
Troy Irvin	Corporate Development Officer (Appointed April 2022)	Mr Irvin has extensive experience in business development, investor relations and strategy. He was previously the Chief Investor Relations Officer at Northern Star (ASX: NST) in 2021 and Corporate Development Officer at Saracen (2015 - 2021). Prior to this, Mr Irvin was Director of Institutional Equity Sales at Argonaut Securities.
Lee Stephens	General Manager Projects and Operations (Open Pit) (Appointed April 2022)	Mr Stephens has extensive experience in operational management roles at gold mines. Most recently, Mr Stephens was General Manager Open Pits at Northern Star's KCGM mine. Prior to this, he spent more than 12 years at Saracen as General Manager, initially at the Carosue Dam mine followed by the Thunderbox mine. Mr Stephens played a central role in developing Thunderbox into production.
Andrew Francis	General Manager Projects and Operations (Underground) (Appointed May 2022)	Mr Francis has extensive experience in operational management roles at various gold mines. His experience includes roles at Bardoc Gold (Chief Operating Officer), Northern Star (Underground Manager) and Barrick Gold (Underground Manager).

Source: Company reports and LinkedIn profiles with Ords edits

Appendix 2: Recent Company History

Figure 36: Timeline history

2019	- Equity raise for $7.5m with Alkane Resources (ALK) taking $6m. - Significant exploration program (20km) focussed on Ulysses and mineral resources grow to 867koz.
2020	- Equity raise of $19.5m to fund acquisition of Kookynie Tenements. - New exploration program commences (25km RC drilling) focussed on newly acquired Kookynie. - Mineral resources grow to 1.3Moz.
2021	- $11m equity raise in April to support further resource growth. - Continued exploration of deposits at Puzzle, Admiral and Orient Well. - Mineral resources grow to 1.6Moz Au. - Strategic Funding Package to raise $20.8m equity and Board restructure.
2022	- Raleigh Finlayson appointed Managing Director in February 2022. - Key management personnel appointed in April/May 2022 including Chief Commercial Officer, Corporate Development Officer and General Manager of Projects and Operations (see Figure 35 above). - Mineral resources grow to 2.0Moz with recent exploration. - GMD announces all-scrip takeover of Dacian (ASX: DCN) on 5 July 2022 for implied equity value of A$111m. GMD acquired control of DCN on 23 September 2022. - Merger of SBM and GMD proposed on 12 December 2022 including spin-out of non-Leonora assets.
2023	- GMD acquires St Barbara's Leonora assets on 30 June for $606m including $370m cash and $236m scrip (205m shares at $1.15/sh) (excl. contingent consideration). This followed a drawn-out sale process during the year where GMD beat offers from Silver Lake Resources (ASX: SLR). - GMD concurrently raises a further ~$234m equity ($470m equity issued in total) via issue of 204m shares at $1.15/sh. - GMD added to ASX 300 list. - GMD' takeover of Dacian becomes unconditional on 18 October. - GMD continues to develop the Admiral deposit (first ore delivered in September quarter) and progress Tower Hill (community engagement and planning for dewatering).

Source: Company reports with Ords edits.

Genesis Minerals Limited

Hold

PROFIT & LOSS (A$m)	2022A	2023A	2024E	2025E	2026E
Revenue	-	77.0	413.7	418.4	484.8
Operating costs	46.3	117.9	264.1	264.2	302.9
Operating EBITDA	**(46.3)**	**(41.0)**	**149.6**	**154.2**	**182.0**
D&A	0.1	24.1	46.5	44.0	53.6
EBIT	**(46.4)**	**(65.1)**	**103.1**	**110.2**	**128.4**
Net interest	0.0	2.4	3.7	4.6	5.4
Pre-tax profit	**(46.3)**	**(62.7)**	**106.8**	**114.8**	**133.8**
Net tax (expense) / benefit	-	-	32.0	34.4	40.1
Normalised NPAT	**(46.3)**	**(62.7)**	**74.7**	**80.3**	**93.7**
Reported NPAT	**(46.4)**	**(117.2)**	**74.7**	**80.3**	**93.7**
Normalised dil. EPS (cps)	(6.3)	(8.7)	7.3	7.8	9.1
Reported EPS (cps)	(6.3)	(16.3)	7.3	7.8	9.1
Effective tax rate (%)	-	-	30.0	30.0	30.0
DPS (cps)	-	-	-	-	-
DPS (cps)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Payout ratio (%)	-	-	-	-	-
Franking (%)	-	-	-	-	-
Diluted # of shares (m)	737.7	720.4	1,028.8	1,028.8	1,028.8

CASH FLOW (A$m)	2022A	2023A	2024E	2025E	2026E
Net Interest (paid)/received	0.0	2.4	3.7	4.6	5.4
Income tax paid	-	-	-	(26.2)	(38.3)
Other operating items	(13.4)	(27.7)	(7.0)	(0.3)	(0.3)
Operating Cash Flow	**(16.8)**	**(37.6)**	**146.6**	**132.6**	**149.1**
Other investing items	-	(345.0)	(42.7)	-	-
Investing Cash Flow	**(1.1)**	**(360.3)**	**(126.8)**	**(65.3)**	**(129.1)**
Inc/(Dec) in borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other financing items	(0.4)	(3.0)	(0.3)	-	-
Financing Cash Flow	**23.1**	**563.3**	**(0.3)**	**-**	**-**
FX adjustment	-	-	-	-	-
Net Inc/(Dec) in Cash	5.2	165.4	19.6	67.4	19.9

BALANCE SHEET (A$m)	2022A	2023A	2024E	2025E	2026E
Cash	16.1	181.5	201.1	268.5	288.4
Receivables	0.2	4.0	4.0	4.0	4.0
Inventory	-	31.9	31.9	31.9	31.9
Other current assets	-	-	43.0	43.0	43.0
PP & E	0.4	594.8	623.8	637.4	635.3
Investments	22.0	195.3	203.7	211.4	219.0
Financial Assets	-	8.9	8.9	8.9	8.9
Intangibles	-	-	-	-	-
Other non-current assets	-	-	-	-	-
Total Assets	**38.7**	**1,016.5**	**1,116.5**	**1,205.1**	**1,230.6**
Short term debt	0.2	4.4	4.4	4.4	4.4
Payables	3.2	66.4	66.4	66.4	66.4
Other current liabilities	-	-	-	-	-
Long term debt	-	7.0	7.0	7.0	7.0
Other non-current liabilities	6.7	83.1	115.2	123.4	125.2
Total Liabilities	**10.1**	**164.7**	**196.7**	**204.9**	**206.8**
Total Equity	**28.6**	**851.8**	**919.8**	**1,000.1**	**1,023.8**
Net debt (cash)	(15.9)	(170.2)	(189.8)	(257.1)	(277.1)

DIVISIONS	2022A	2023A	2024E	2025E	2026E

KEY METRICS (%)	2022A	2023A	2024E	2025E	2026E
Revenue growth	-	-	437.6	1.1	15.9
EBITDA growth	-	-	-	3.1	18.0
EBIT growth	-	-	-	6.9	16.5
Normalised EPS growth	-	-	-	7.5	16.6
EBITDA margin	-	-	36.2	36.9	37.5
OCF /EBITDA	7.5	30.0	100.2	100.2	100.2
EBIT margin	-	-	24.9	26.3	26.5
Return on assets	-	-	6.8	6.6	7.4
Return on equity	-	-	8.4	8.4	9.3

VALUATION RATIOS (x)	2022A	2023A	2024E	2025E	2026E
Reported P/E	-	-	25.3	23.6	20.2
Normalised P/E	-	-	25.3	23.6	20.2
Price To Free Cash Flow	-	-	30.2	28.1	95.0
Price To NTA	47.4	1.6	2.1	1.9	1.8
EV / EBITDA	-	-	11.4	10.6	8.9
EV / EBIT	-	-	16.5	14.9	12.6

LEVERAGE	2022A	2023A	2024E	2025E	2026E
ND / (ND + Equity) (%)	(125.2)	(25.0)	(26.0)	(34.6)	(37.1)
Net Debt / EBITDA (%)	34.4	415.3	(126.9)	(166.8)	(152.3)
EBIT Interest Cover (x)	1,449.2	26.9	-	-	-
EBITDA Interest Cover (x)	1,446.8	16.9	-	-	-

SUBSTANTIAL HOLDERS	m	%
Australian Super Pty Ltd	195.5	18.8%
Van Eck Associates Corporation	94.0	9.1%
State Street Global Advisors	80.4	7.8%

VALUATION	
WACC (%)	**9.9**
Equity NPV Per Share ($)	**1.39**
Multiples valuation method	P/DACF
Multiples	10.0
Multiples valuation	1.79
Multiples valuation method	P/NAV
Multiples	1.3
Multiples valuation	1.58
Target Price ($)	1.70
Valuation disc. / (prem.) to share price (%)	(7.6)

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SPECULATIVE BUY	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
RISK ASSESSMENT	Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historic volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.

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