

## PANORAMIC RESOURCES LTD (PAN)

### Savannah North on schedule to be reached Sep'19

Panoramic Resources (PAN) continues with the ramp-up of production at the Savannah nickel-copper mine in the Kimberley region of WA. The recent JunQ report highlighted increased ore development, ore milled and improved recoveries for higher metal production qoq. However, mining and processing physicals were still below plan, and further improvements are anticipated.

The Savannah North development continues to advance, with development rates for the twin declines improved qoq but were also below the original targeted rates (206m developed vs forecast of ~500m). A specialist underground miner (Pit N Portal) was engaged in May, with advancement some 50m ahead of target in June. The twin declines are scheduled to reach the Savannah North orebody in Sep'19, with first development ores on track for Oct'19. Mining at Savannah North is forecast to ramp-up in early CY20, with first stoped ores, and the operations are expected to reach the full production rate of +78ktpm (0.94Mtpa) in JunQ'20.

The decision has been made to reduce the size of the ventilation shaft at Savannah North from 4.5m to 4.1m, which increased penetration rates during the course of the quarter. The vent raise is now due to be completed in late MarQ'20 with the reduction in size not expected to impact required ventilation. Savannah North has ~90kt of contained nickel in the current mine plan, but with the system still open, a mine life in excess of 10 years can be assumed.

### JunQ production of 1.5kt Ni at cash costs (pay) of A\$8.29/lb

Ore mined was 141.6kt (+31% qoq) at 1.27% Ni, 0.61% Cu and 0.06% Co (Ni grade +19% qoq). Processed recoveries improved qoq, with nickel recoveries of 84.8%, up 19% qoq and are very close to the targeted 85%, with copper and cobalt recoveries also improved (close to target). Contained nickel production was 1,518t Ni (+64% on the MarQ) with 21,467dmt of concentrate shipped (+68% qoq), containing 1,471t nickel metal (+66%), along with copper and cobalt credits. Three bulk Ni-Cu-Co concentrate shipments were delivered in the JunQ, for provisional value of A\$23.6M (up from A\$15.8M), and at the end of the quarter PAN had some 1,310wmt of concentrate on hand (worth ~A\$1.5M). Reported cash costs (payable) were A\$8.29/lb Ni (US\$5.80/lb), with additional Savannah development cash cost of A\$2.81/lb. PAN reported Savannah site costs (capex/opex) of ~A\$33M in the JunQ, which we would estimate includes ~A\$9M of Savannah North pre-prod costs. LOM cash costs (payable) are forecast to be ~US\$2.40/lb Ni, with sustaining cash costs of ~US\$3.50/lb Ni, highlighting improved costs at full production.

Company production guidance for Savannah for **FY20 is 10-11kt nickel contained, 6-6.5kt copper contained and 0.6-0.7kt cobalt contained**. We had previously forecast FY20 production of ~9kt Ni, ~5kt Cu and ~0.6kt Co contained in concentrate. We have slightly adjusted our forecasts.

### Maintain our Buy recommendation with a 70cps Price Target

Group Cash at JunQ end was \$26.6M, and with fully drawn debt of A\$40M, PAN has an estimated Net Debt position of A\$13.4M.

We remain of the opinion that Savannah can ramp-up to the targeted production levels and maintain our **Buy** recommendation. Our latest PAN NAV is 72cps (from 78cps), spot NAV is 69cps and our **price target is 70cps** (unchanged) for significant upside potential.

1 Aug 2019

Share Price	\$0.340
Valuation	\$0.72
Price Target (12 month)	\$0.70

#### Brief Business Description:

Savannah nickel-copper mine restarted and ramping up production. Improved production forecast for the coming quarters.

#### Hartleys Brief Investment Conclusion

Effectively beginning a new nickel mine at Savannah, utilising existing infrastructure. Fully funded to ramp-up production.

#### Chairman & MD

Brian Phillips (Chairman)  
Peter Harold (MD)

#### Top Shareholders

Zeta Resources 32%

#### Company Address

Level 9, 553 Hay St  
Perth, WA, 6000

Issued Capital 553.6m  
- fully diluted 553.6m

Market Cap A\$188.2m  
- fully diluted A\$188.2m

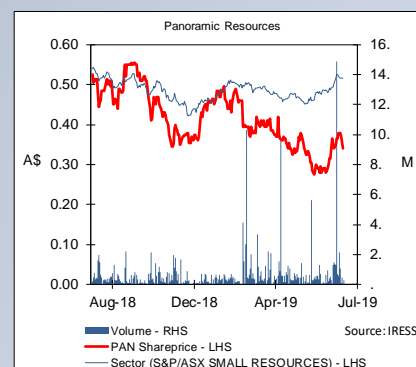
Cash (est) A\$26.6m

Debt (est) A\$40.0m

EV A\$201.6m

EV/Resource Ni lb A\$0.42/lb

	FY18a	FY19e	FY20e
Nick Prod (kt) -pay	0.0	1.7	6.3
Copp Prod (kt)-pay	0.0	0.6	2.1
Op Cash Flw A\$M	-6.1	-7.1	41.2
Norm NPAT A\$M	-36.0	-10.3	32.4
CF/Share (cps)	-10.4	1.0	7.8
EPS (cps)	-13.6	1.5	11.2
P/E	-3.3	32.7	4.4
	<b>Ni kt</b>	<b>Cu kt</b>	<b>Co kt</b>
Reserves (Kt) - 100%	113	52	8
Resources (Kt) -100%	218	99	15



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Hartleys has completed a placement and Underwriting of an Entitlement Offer in the last 12 months for Panoramic Resources Limited ("PAN"), for which it has earned fees. Hartleys assisted PAN with the sale of its Lanfranchi Nickel Project for which Hartleys earned fees. Hartleys has also provided corporate advice within the past 12 months and continues to provide corporate advice to PAN for which it has earned fees.

Panoramic Resources							Share Price								
PAN							\$0.340								
<b>Key Market Information</b>									<b>Buy</b>						
Share Price							\$0.340		<b>Directors</b>						
Market Capitalisation - ordinary							A\$188m		<b>Company Information</b>						
Net Debt (cash)							\$13m		Brian Phillips (Chairman) Level 9, 553 Hay St						
Market Capitalisation - fully diluted							A\$188m		Peter Harold (MD) Perth, WA, 6000						
EV							A\$202m		Peter Sullivan (Non-Exec Director, Zeta nominee) +61 8 9225 0999						
Issued Capital							553.6m		Nick Cernotta (Non-Exec Director) +61 8 9421 1008						
Options							0.0m		Rebecca Hayward (Non-Exec Director) www.panoramicresources.com						
Issued Capital (fully diluted inc. all options)							553.6m		Boyd Timler (COO) Tim Mason (GM Projects) Tim Shervington (Com Man)						
Issued Capital (fully diluted inc. all options and new capital)							553.6m		Trevor Eton (CFO) Robert Parkinson (BD) Ben Robinson (GM Ops)						
John Hicks (GM Expl)															
Valuation							\$0.72								
12month price target							\$0.70								
<b>P&amp;L</b>									<b>Top Shareholders (est)</b>						
Net Revenue	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21			Zeta Resources						
Total Costs	A\$m	-13.9	-48.8	-37.9	-99.1	-119.5			177.1 32%						
EBITDA	A\$m	-4.8	-47.6	1.1	65.1	88.1									
- margin		-53%	na	3%	40%	42%									
Depreciation/Amort	A\$m	0.0	0.0	-13.7	-19.6	-23.5									
EBIT	A\$m	-4.8	-47.6	-12.7	45.5	64.6									
Net Interest	A\$m	0.1	-0.5	-1.0	-2.3	-0.5									
Norm. Pre-Tax Profit	A\$m	-4.8	-48.0	-13.7	43.2	64.1									
Reported Tax Expense	A\$m	0.0	0.0	0.0	0.0	0.0									
Normalised NPAT	A\$m	-3.6	-36.0	-10.3	32.4	48.1									
Abnormal / Exploration	A\$m	-1.2	-12.0	15.7	10.8	16.0									
Reported Profit	A\$m	-4.8	-48.0	5.4	43.2	64.1									
Minority	A\$m	0.0	0.0	0.0	0.0	0.0									
Profit Attrib	A\$m	-4.8	-48.0	5.4	43.2	64.1									
<b>Balance Sheet</b>									<b>Reserves &amp; Resources</b>						
Cash	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21			Mt Ni Cu Co Ni kt Cu kt Co kt						
Other Current Assets	A\$m	0.8	17.9	19.6	31.5	34.8			Savannah Reserve						
Total Current Assets	A\$m	21.4	43.3	46.1	46.5	76.7			- Above 900 Fault 1.6 1.16% 0.74% 0.06% 18.1 11.5 0.9						
Property, Plant & Equip.	A\$m	11.6	10.6	50.4	62.5	67.0			- Savannah North 6.7 1.42% 0.61% 0.10% 94.5 40.9 6.7						
Exploration	A\$m	108.8	63.0	92.3	98.3	104.3			Total 8.2 1.37% 0.64% 0.09% 112.6 52.4 7.6						
Investments/other	A\$m	4.4	4.0	25.6	4.4	4.4									
Tot Non-Curr. Assets	A\$m	124.8	77.6	168.3	165.2	175.6									
Total Assets	A\$m	146.2	120.9	214.4	211.6	252.4									
Short Term Borrowings	A\$m	0.8	0.0	2.1	2.1	2.1									
Other	A\$m	3.5	8.2	20.6	10.8	12.4									
Total Curr. Liabilities	A\$m	4.3	8.2	22.8	13.0	14.6									
Long Term Borrowings	A\$m	0.1	0.0	40.6	25.6	0.6									
Other	A\$m	29.7	26.8	33.6	33.6	33.6									
Total Non-Curr. Liabil.	A\$m	29.8	26.8	74.2	59.2	34.2									
Total Liabilities	A\$m	34.1	35.0	96.9	72.2	48.8									
Net Assets	A\$m	112.1	85.9	117.5	139.5	203.6									
Net Debt	A\$m	-19.8	-25.4	16.1	12.7	-39.2									
<b>Cashflow</b>									<b>Savannah Mine Plan</b>						
EBITDA	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21			7.65 1.42% 0.68% 0.10% 108.7 51.7 7.3						
Chg working cap	A\$m	-2.5	41.1	-7.1	-21.7	-1.8									
Operating Cashflow	A\$m	-7.3	-6.5	-6.0	43.4	86.3									
Income Tax Paid	A\$m	0.0	0.0	0.0	0.0	0.0									
Interest & Other	A\$m	0.5	0.4	-1.0	-2.3	-0.5									
Operating Activities	A\$m	-6.8	-6.1	-7.1	41.2	85.8									
Property, Plant & Equip.	A\$m	-0.5	-3.9	-62.9	-31.7	-27.9									
Exploration and Devel.	A\$m	-5.4	-4.8	-2.5	-6.0	-6.0									
Other	A\$m	0.7	0.6	13.2	0.0	0.0									
Investment Activities	A\$m	-5.3	-8.1	-52.2	-37.7	-33.9									
Borrowings	A\$m	-0.8	-0.8	39.0	-15.0	-25.0									
Equity	A\$m	0.0	19.8	21.4	0.0	0.0									
Dividends Paid	A\$m	0.0	0.0	0.0	0.0	0.0									
Financing Activities	A\$m	13.3	19.0	60.4	-15.0	-25.0									
Net Cashflow	A\$m	1.2	4.8	1.1	-11.6	26.9									
<b>Shares</b>									<b>Price Assumptions</b>						
Ordinary Shares - End	m	428.6	491.6	553.6	553.6	553.6			Unit Jun 17 Jun 18 Jun 19 Jun 20 Jun 21						
Ordinary Shares - Weighted	m	428.6	460.1	522.6	553.6	553.6			AUD/USD 0.68, Ni US\$6.56/lb, Cu US\$2.68/lb, Co US\$11.61/lb						
Diluted Shares - Weighted	m	428.6	460.1	522.6	553.6	553.6			AUD/USD +/-10% 0.56 / 0.91 (-22.6% / 26.6%) 21.9 / 45.3 (-32.4% / 39.6%)						
<b>Ratio Analysis</b>									Nickel +/-10% 0.84 / 0.61 (16.7% / -15.3%) 41.1 / 23.7 (26.8% / -26.8%)						
Cashflow Per Share	A\$ cps	-1.6	-1.3	-1.4	7.4	15.5			Copper +/-10% 0.93 / 0.50 (29.2% / -30.7%) 45.0 / 19.9 (38.7% / -38.7%)						
Cashflow Multiple	x	-21.4	-25.8	-25.1	4.6	2.2			Operating Costs +/-10% 0.63 / 0.81 (-13.1% / 13.1%) 26.2 / 38.6 (-19.1% / 19.1%)						
Earnings Per Share	A\$ cps	-1.1	-10.4	1.0	7.8	11.6									
Price to Earnings Ratio	x	-30.5	-3.3	32.7	4.4	2.9									
Dividends Per Share	AUD	-	-	-	-	-									
Dividend Yield	%	0.0%	0.0%	0.0%	0.0%	0.0%									
Net Debt / Net Debt + Equity	%	-21%	-42%	12%	8%	-24%									
Interest Cover	x	72.2	na	na	19.9	131.5									
Return on Equity	%	na	na	na	23%	24%									
EV/EBITDA		na	na	192.3	3.1	1.7									
<b>Share Price Valuation (NAV)</b>									<b>Unpaid Capital</b>						
100% Savannah (pre-tax NAV at disc. rate of 12%)							464		na						
Other Exploration							46								
Horizon Gold (HRN) -51%							7								
Forwards							0								
Corporate Overheads							-39								
Net Cash (Debt)							-13								
Tax (NPV future liability)							-57								
Options & Other Equity							0								
Hedging							-10								
Total							399		0.72						
Analyst: Mike Millikan									Last Updated: 01/08/2019						
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Sources: IRESS, Company Information, Hartleys Research															

## EARNINGS CHANGES

We have adjusted our earnings. The changes are summarised below.

*Minor adjustments have been made to our earnings from the JunQ report*

*Our earnings are yet to include the funds that are expected from the sale of Thunder Bay North for C\$9M, will we update once the transaction completes*

*Savannah Project is located 240km south of Kununurra in the East Kimberley region of Western Australia*

*Savannah was placed on care and maintenance in May 2016, having been continually operated since commissioning in late 2004*

*The first bulk concentrate shipment was delivered in Feb'19*

*The Savannah North discovery has been a game changer for the restart of operations, located ~600m from existing underground development and adds mine life well beyond 8 years*

**Fig. 1: Hartleys Earnings Adjustment**

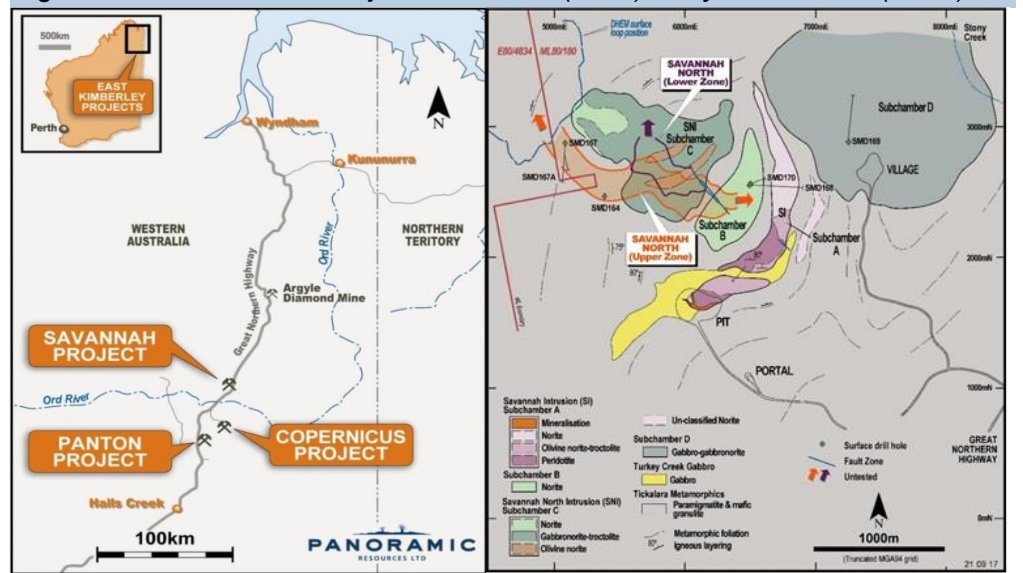
	30 Jun 18				30 Jun 19				30 Jun 20				30 Jun 21			
	Actual	Old	New	% diff	Old	New	% diff	Old	New	% diff	Old	New	% diff	Old	New	% diff
<b>Company Guidance</b>		<b>Circa</b>			<b>Guide kt</b>			<b>kt</b>			<b>Guide kt</b>			<b>kt</b>		
Nickel (kt) -prod	0.0	3.8	2.5	-35%	10.0-11.0	10.5	0.0%	11.0-12.0	11.5	0.0%						
Copper (kt) - prod	0.0	2.6	1.5	-44%	6.0-6.5	6.3	0.0%	5.5-6.0	5.8	0.0%						
Cobalt (kt) -prod	0.0	0.3	0.1	-56%	0.6-0.7	0.6	0.0%	0.6-0.7	0.6	0.0%						
<b>Hartleys Estimates</b>																
Nickel (kt) -prod	0.0	2.6	2.4	-4.7%	8.8	9.0	2.4%	10.9	10.9	0.0%						
Nickel (kt) -pay	0.0	1.8	1.7	-4.7%	6.2	6.3	2.4%	7.6	7.6	0.0%						
Copper (kt) - pay	0.0	0.7	0.6	-13.9%	2.1	2.1	-1.0%	2.4	2.4	0.0%						
Cobalt (kt) - pay	<b>0.0</b>	0.1	0.1	-36.4%	0.3	0.3	-12.1%	0.4	0.4	-1.1%						
<b>Net Revenue</b>	1.2	47.2	39.0	-17.3%	176.5	164.2	-6.9%	218.8	207.7	-5.1%						
<b>Total Costs</b>	-48.8	-39.4	-37.9	-3.6%	-100.2	-99.1	-1.1%	-120.4	-119.5	-0.7%						
<b>EBITDA</b>	<b>-47.6</b>	<b>7.8</b>	<b>1.1</b>	<b>-86.4%</b>	<b>76.2</b>	<b>65.1</b>	<b>-14.6%</b>	<b>98.4</b>	<b>88.1</b>	<b>-10.4%</b>						
- margin	na	0.2	0.0	-83.5%	0.4	0.4	-8.2%	0.4	0.4	-5.6%						
Depreciation/Amort	0.0	-12.9	-13.7	6.5%	-17.9	-19.6	9.5%	-21.7	-23.5	8.2%						
<b>EBIT</b>	<b>-47.6</b>	<b>-5.1</b>	<b>-12.7</b>	<b>149.1%</b>	<b>58.3</b>	<b>45.5</b>	<b>-22.0%</b>	<b>76.7</b>	<b>64.6</b>	<b>-15.7%</b>						
Net Interest	-0.5	-1.0	-1.0	8.1%	-2.0	-2.3	16.4%	-0.1	-0.5	nm						
<b>Norm. Pre-Tax Profit</b>	<b>-48.0</b>	<b>-6.1</b>	<b>-13.7</b>	<b>126.6%</b>	<b>56.4</b>	<b>43.2</b>	<b>-23.3%</b>	<b>76.6</b>	<b>64.1</b>	<b>-16.2%</b>						
Reported Tax Expense	0.0	0.0	0.0	nm	0.0	0.0	nm	-19.1	0.0	-100.0%						
<b>Normalised NPAT</b>	<b>-36.0</b>	<b>-4.5</b>	<b>-10.3</b>	<b>126.6%</b>	<b>42.3</b>	<b>32.4</b>	<b>-23.3%</b>	<b>57.4</b>	<b>48.1</b>	<b>-16.2%</b>						
Abnormal / Exploration	-12.0	17.6	15.7	-10.9%	14.1	10.8	-23.3%	0.0	16.0	nm						
Reported Profit	-48.0	13.1	5.4	-58.5%	56.4	43.2	-23.3%	57.4	64.1	11.7%						
Capex & Explor.	-9	-52	-65	26.3%	-37	-38	3.2%	-34	-34	1.0%						
Net Debt (Cash)	-25	10	16	61.4%	-6	13	-297.1%	-51	-39	-23.1%						

Source: Hartleys Estimates

## SAVANNAH – RAMPING UP PRODUCTION

The Savannah Project is located 240km south of Kununurra in the East Kimberley region of Western Australia. The project consists of nickel sulphide orebodies (Savannah and Savannah North), underground mine, processing plant and associated infrastructure. The mine commenced operation in 2004 and was placed on care and maintenance in May 2016, and has now restarted.

**Fig. 2: Savannah Project Location (LHS), Key Intrusions (RHS)**



Source: Panoramic Resources Ltd

Underground mining and ore processing recommenced in the DecQ. Mining ramp-up continues and the mill throughput is now exceeding 2,000tpd with recoveries improving for targeted 85% for nickel, 95% for copper and 88% for cobalt in the JunQ. LOM recoveries are targeted at 83% for nickel, 98% for copper and 92% for cobalt. The first bulk (Ni-Cu-Co) concentrate shipment was delivered in Feb'19. The project is expected to ramp-up to full production over 15 months with forecast annual production of 10.8kt nickel, 6.1kt copper and 0.8kt cobalt contained in concentrate.

# VALUATION AND PRICE TARGET

## VALUATION

The Savannah operation has been successfully restarted and we assume targeted production levels can be achieved and sustained. We have rising nickel prices which implies PAN could generate EBITDA ~A\$65M in FY20 and ~\$88M in FY21.

**Fig. 3: Hartleys Valuation Assumptions**

	FS Feb-17	FS Oct-17	Hartleys Base	Hartleys v FS update	Hartleys Spot	Hartleys Spot v Base
<u>Inventory</u>						
Mt	8.25	7.65	8.6	11.9%		
Ni Grade	1.38%	1.42%	1.39%	-2.0%		
Cu Grade	0.65%	0.68%	0.60%	-11.3%		
Co Grade	0.09%	0.10%	0.10%	-2.4%		
Mine Life (yrs)	10.3	8.3	9.5	14.5%		
Throughput (Mt)	0.8	0.9	0.9	0.2%		
Startup Capex (A\$M)	20	36	62.9	74.7%		
<u>Contained (Mt)</u>						
Ni	0.114	0.109	0.119	9.6%		
Cu	0.054	0.052	0.052	0.0%		
Co	0.008	0.007	0.008	14.5%		
<u>Recoveries (%)</u>						
Ni	87%	83%	83%	0.0%		
Cu	96%	98%	95%	-3.4%		
Co	90%	92%	88%	-4.2%		
<u>Recovered (Mt)</u>						
Ni	0.099	0.090	0.099	9.6%		
Cu	0.052	0.051	0.049	-3.4%		
Co	0.007	0.007	0.007	9.7%		
Ni Equiv	0.152	0.152	0.156	2.7%		
<u>Annual Prod (ktpa)</u>						
Ni	9.7	10.8	10.4	-3.7%	10.4	
Cu	5.0	6.1	5.2	-15.6%	5.2	
Co	0.7	0.8	0.8	-4.2%	0.8	
Ni Equiv	14.8	18.3	16.4	-10.3%	15.5	-5.6%
<u>Payable Prod (Mt)</u>						
Ni	0.064	0.059	0.069	18.0%	0.069	0.0%
Cu	0.021	0.020	0.022	8.6%	0.022	0.0%
Co	0.003	0.003	0.003	23.4%	0.003	0.0%
Ni Equiv.	0.085	0.083	0.095	13.9%	0.091	-4.1%
Total Costs	957	918	1,058	15.3%	1,052	-0.6%
- pa	93	108	111	3.1%	111	-0.6%
<u>Cost per tonne ore</u>						
	116	120	124	3.0%	122.9	-0.6%
<u>C1 cost</u>						
- A\$/equiv	5.08	5.00	5.06	1.2%	5.25	3.7%
- US\$/equiv	3.74	3.75	3.73	-0.6%	3.59	-3.6%
<u>C1 cost</u>						
- A\$/credit	4.78	4.27	4.32	1.2%	4.84	12.3%
- US\$/credit	3.52	3.20	3.18	-0.6%	3.32	4.3%
<u>Selling Prices (US\$)</u>						
Ni	6.00	6.75	7.06	4.7%	6.53	-7.5%
Cu	2.57	2.72	3.04	11.9%	2.68	-12.0%
Co	14.42	26.00	20.17	-22.4%	11.61	-42.4%
AUD/USD	0.74	0.75	0.74	-1.8%	0.68	-7.1%
<u>Selling Prices (A\$)</u>						
Ni	8.2	9.0	9.6	6.5%	9.54	-0.5%
Cu	3.5	3.6	4.1	13.9%	3.91	-5.4%
Co	19.6	34.7	27.4	-21.0%	16.96	-38.1%
Revenue	1,500	1,720	2,342	36.1%	2,330	-0.5%
Total Costs	-957	-918	-1,058	15.3%	-1,052	-0.6%
EBITDA	543.0	802.0	1,283.6	60.0%	1,277.8	-0.5%
- pa	53.0	96.6	135.1	39.8%	134.5	-0.5%
Valuation (pre-tax)			464.0		449.6	-3.1%

*Savannah production has restarted and continues to ramp up*

*We have higher nickel prices and have improved our cobalt price assumptions*

Source: Hartleys Estimates, Panoramic Resources Ltd (FS - Feb'17 and Oct'17)

**Fig. 4: Key assumptions and risks for valuation**

Assumption	Risk of not realising assumption	Risk to valuation if assumption is incorrect	Comment
Rising nickel prices	Moderate	Extreme	We assume rising nickel prices in the near term.
Restart of Savannah and +9 year mine life	Moderate	Extreme	We assume Savannah is ramped up to full production, and fed predominantly with ore from Savannah North.
Exploration upside potential	Moderate	Low	We do not include much exploration potential, mainly to be conservative.
Financing Risks	Moderate	Moderate	Debt has been secured through Macquarie Bank, and a recently completed equity raise provides additional working capital to ramp-up to targeted production levels. We assume debt can be repaid, as per the amended repayment schedule.

**Conclusion**

*Commodity prices (largely nickel, with copper and cobalt) are the biggest risk to our valuation. Financial risks are somewhat mitigated by an improved cash position and cash flow projections.*

Source: Hartleys Research

## PRICE TARGET

We have a 12 month price target of 70cps (unchanged), which is a weighted blend of different valuation scenario analysis.

**Fig. 5: PAN Price Target**

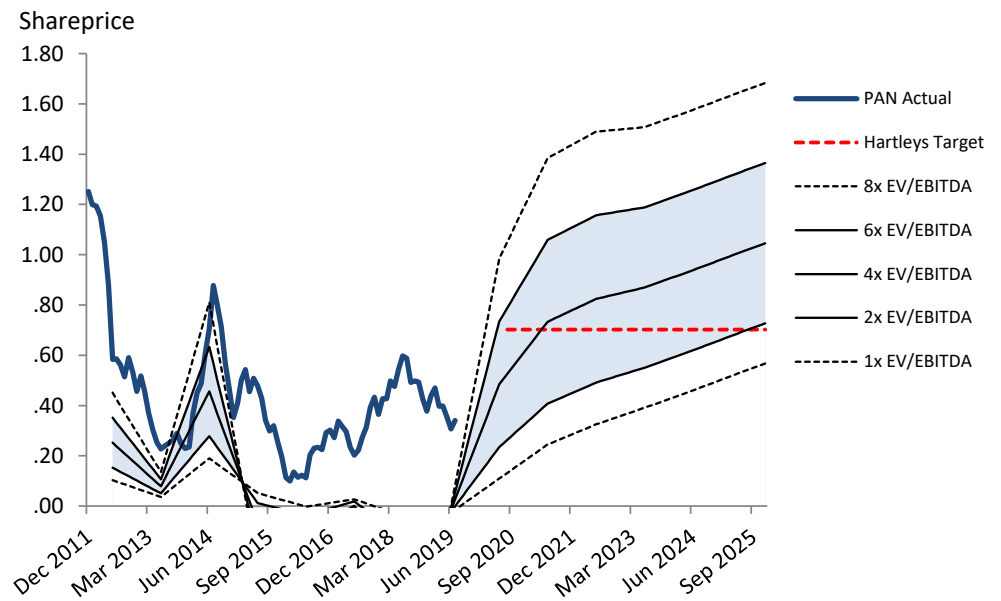
Price Target Methodology	Weighting	Spot	12 mth out
NPV Base Case	60%	\$0.72	\$0.79
NPV Base Case at Spot Commodity and FX prices	20%	\$0.69	\$0.75
NPV Base Case less exploration value	10%	\$0.64	\$0.70
Net Cash	10%	\$0.02	\$0.07
<b>Risk weighted composite</b>		<b>\$0.64</b>	
<b>12 Months Price Target</b>		<b>\$0.70</b>	
Share price - Last		\$0.340	
<b>12 mth total return (% to 12mth target + dividend)</b>		<b>107%</b>	

Source: Hartleys Estimate

*Our latest price target is 70cps (unchanged)*

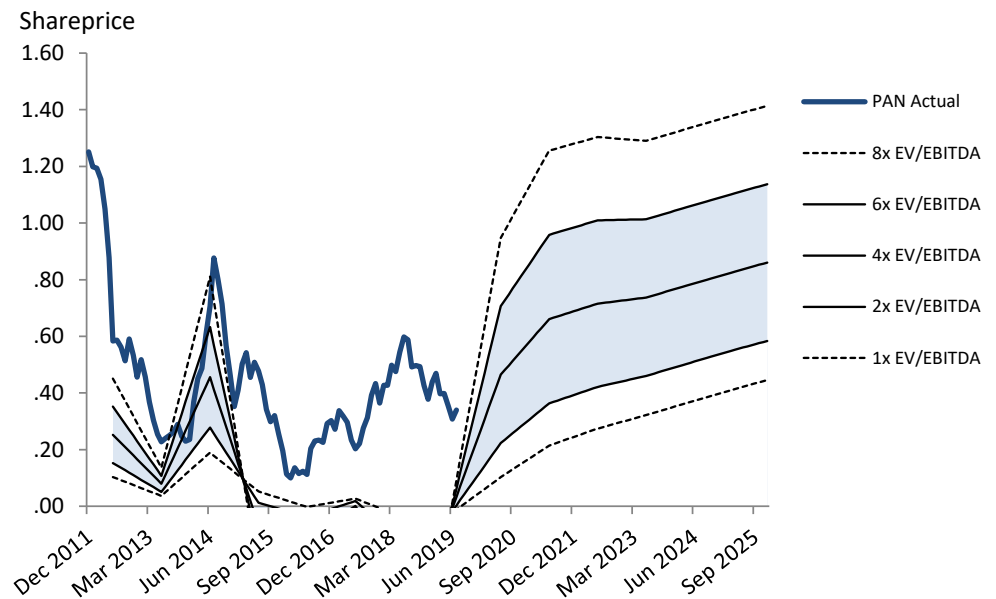
## EV/EBITDA BANDS

**Fig. 6:** *Using Hartleys base case commodity forecasts*



Source: Hartleys Estimates, IRESS

**Fig. 7:** *Using spot commodity prices*



Source: Hartleys Estimates, IRESS

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## Hartleys Recommendation Categories

Buy	Share price appreciation anticipated.
Accumulate	Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy".
Neutral	Take no action. Upside & downside risk/reward is evenly balanced.
Reduce / Take profits	It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period.
Sell	Significant price depreciation anticipated.
No Rating	No recommendation.
Speculative Buy	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.

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Hartleys has completed a placement and Underwriting of an Entitlement Offer in the last 12 months for Panoramic Resources Limited ("PAN"), for which it has earned fees. Hartleys assisted Panoramic with the sale of its Lanfranchi Nickel Project for which Hartleys earned fees. Hartleys has also provided corporate advice within the past 12 months and continues to provide corporate advice to Panoramic, for which it has earned fees.

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