

# MOD Resources

Company de-risked and metrics improved

The completion of the feasibility study (FS) on the T3 copper-silver deposit, located in Botswana, is an important de-risking event for MOD Resources. The metrics contained in the FS give us a higher level of confidence in our valuation as well as the NPV and IRR calculations completed by the company. With the FS now in hand, MOD Resources can advance its mining licence application and secure the finance required to move T3 into production.

Year end	Revenue (A\$m)	PBT* (A\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/17	0.0	(2.3)	(1.3)	0.00	N/A	N/A
12/18	0.0	(5.4)	(2.5)	0.00	N/A	N/A
12/19e	0.0	(5.4)	(1.8)	0.00	N/A	N/A
12/20e	0.0	(5.6)	(1.2)	0.00	N/A	N/A

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

## FS returns robust operational metrics and economics

The FS for the T3 deposit has demonstrated robust operational metrics, with average copper production pa increasing by 22% to 28,000tpa. While the life of mine (LOM) all-in sustaining cost (AISC) post silver credits increased by 15% to US\$3,439/t Cu, the development capex intensity over the LOM decreased by 22% to US\$571.6/t Cu. The FS resulted in a 31% increase in the company's calculated, unfinanced pre-tax NPV<sub>8</sub> to US\$368m from US\$281m in the PFS (using a copper price of US\$3.08/lb vs US\$3.00/lb in the PFS). The pre-tax IRR has decreased by 15% to 33%, from 39% in the PFS.

## Forecasts pushed back and up

MOD Resources has revised its planned production date to Q121 from H220 to provide more time to get through permitting and funding, and we have pushed back our estimated timing for production as a result. Based on the metrics from the FS, we have also pushed up our forecast production levels and extended the LOM.

## Timeline requires a fast-paced development

MOD Resources is being ambitious with its timetable for the development of T3, aiming to commence production in Q121, just two years from now. To date, the company has wasted no time in advancing the T3 project from discovery, through several drill programmes, a scoping study, pre-feasibility study and now a feasibility study, all in just five years.

## Valuation: Decreased to A\$0.72/39p per share

We have lowered our valuation to A\$0.72/39p per share from A\$0.75/42p per share (see our [update note](#) published on 22 January 2019). While the project economics have improved in the FS compared to the PFS, several other factors have affected our valuation, including the delay to production start date, increased capex and changes to the capex schedule, combined with the 21% decrease in MOD Resources' share price, which results in increased dilution in our funding assumptions.

Results of feasibility study

Metals & mining

16 April 2019

Price **A\$0.36**

Market cap **A\$109m**

£/A\$1.86

Net cash (A\$m) at 31 December 2018 5.0

Shares in issue 304m

Free float 53%

Code MOD

Primary exchange ASX

Secondary exchange LSE

### Share price performance



% 1m 3m 12m

Abs 12.7 56.6 (23.4)

Rel (local) 11.2 44.8 (28.5)

52-week high/low A\$0.5 A\$0.2

### Business description

MOD Resources is an ASX-listed exploration and development company focused on the Kalahari Copper Belt of Botswana. The flagship T3 deposit has a JORC 2012 compliant mineral resource estimate of 60Mt at a grade of 0.98% copper.

### Next events

Issue of mining licence H119

Completion of infill drill programme Mid-2019

T3 underground scoping study H219

Secure project finance Q319

Commencement of construction Q419

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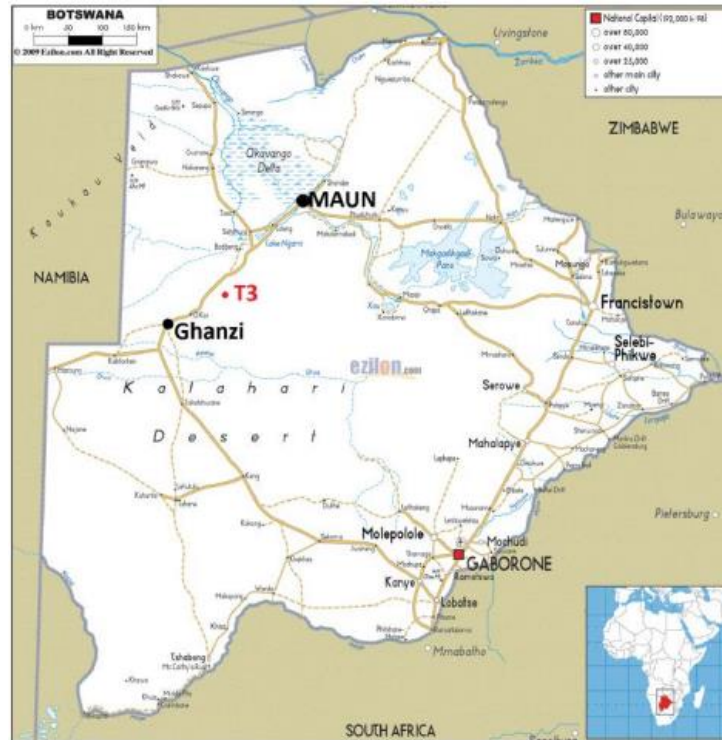
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**MOD Resources is a research client of Edison Investment Research Limited**

## Feasibility study results

On 28 March 2019, MOD Resources announced the results of the FS at its 100%-owned T3 copper-silver project, located in the Kalahari Copper Belt of Botswana (Exhibit 1).

### Exhibit 1: Location of the T3 copper-silver project



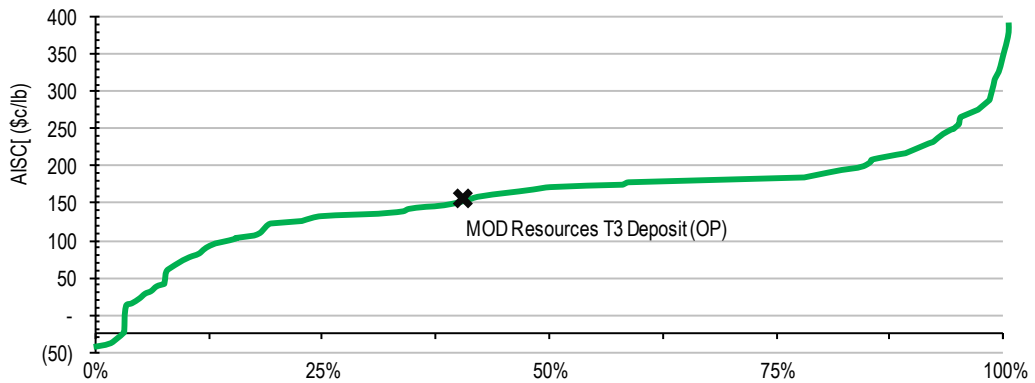
Source: MOD Resources, FS confirms outstanding project economics for T3 copper mine, 28 March 2019

The financial metrics presented in the FS demonstrate a significant improvement in the economics of the project overall compared to those for the base case in the PFS (announced on 31 January 2018). In terms of operational parameters, average annual copper production increased by 22%, the LOM AISC post silver credits increased by 15%, while the development capex intensity over the LOM decreased by 22%.

The company calculated that unfinanced pre-tax NPV<sub>8</sub> has increased by 31% to US\$368m in the FS from US\$281m in the PFS, while the pre-tax IRR has decreased by 15% to 33%, from 39% in the PFS. The LOM revenue has increased by 39% to US\$2.3bn from US\$1.41bn in the PFS, while LOM EBITDA has increased by 50% to US\$1.1bn from US\$734m in the PFS. The FS used a marginally higher copper price of US\$3.08/lb compared to US\$3.00/lb in the PFS.

The LOM all-in sustaining costs (AISC) post silver credits have increased by 15% to US\$1.56/lb copper (Cu) (US\$3,439.2/t Cu) from US\$1.36/lb Cu in the PFS (US\$2,998.3/t Cu). Although the AISC has increased, the T3 operation will still be in the lowest 40% of global copper projects (Exhibit 2).

**Exhibit 2: AISC of global copper projects**

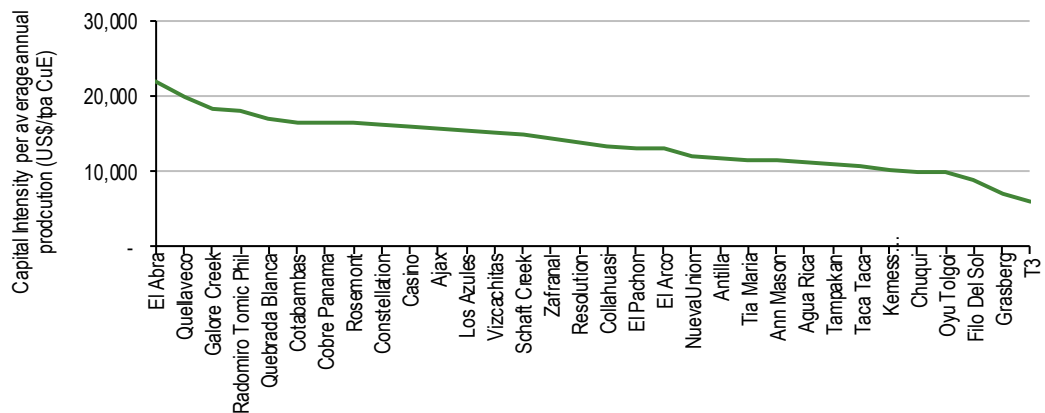


Source: Edison Investment Research

Development capex has increased by 17% to US\$182m from US\$155m in the PFS. However, development capex intensity (development capex per tonne of total copper produced) over the LOM has decreased by 22% to US\$571.6/t Cu from US\$736.6/t Cu in the PFS. This is a result of LOM copper in concentrate production increasing by 57% to 318,400t from 203,000t in the PFS.

On a capex intensity per annual average production basis, the project has a capital intensity of US\$6,138/t, compared to US\$6,388/t in the PFS. The capital intensity of T3 is very low compared to other copper development projects due to the projects existing infrastructure and near-surface nature of the deposit (Exhibit 3).

**Exhibit 3: Capex intensity of copper development projects**



Source: Edison Investment Research

As expected, mine life has increased by 31% to 11.5 years from 8.8 years in the PFS and the processing plant capacity has increased by 20% to 3Mtpa from 2.5Mtpa in the PFS. Average copper production pa has increased by 22% to 28,000tpa from 23,000tpa in the PFS, although in the first seven years of full production levels average 30,000tpa. Silver production pa has increased by 62% to 1.1Moz from 0.69Moz in the PFS.

The LOM strip ratio has increased by 21% to 5.7:1 from 4.7:1 in the PFS. The strip ratio is expected to be higher during the first four years of mine life while the bulk of the waste is removed. In the following years, the strip ratio is expected to reduce to 2:1 and opex costs are also expected to be lower in these years. LOM copper recovery has decreased by 0.2% to 92.9% from 93.1% in the PFS and silver recoveries have increased by 2% to 88% from 86.2% in the PFS.

## Project development finance

MOD Resources has already kicked off the project financing process and has received formal expressions of interest from many leading global debt financing institutions, several of which have commenced preliminary due diligence and visited the site. The company expects to finalise the debt funding agreements by Q319. This is an ambitious timeframe and delays could affect the overall project development timetable. MOD Resources is also advancing discussions with several potential strategic partners for non-debt finance.

## Project development timeline

MOD Resources is continuing its 60-hole mineral resource estimate infill drill programme, designed to increase confidence levels in the first two stages of the open pit. The company expects to complete this by mid-year.

The company submitted its draft ESIA to the Department of Environmental Affairs (DEA) on 24 December 2018 and received feedback in March 2019. MOD Resources is currently preparing responses to the comments it has received and will submit a second draft shortly.

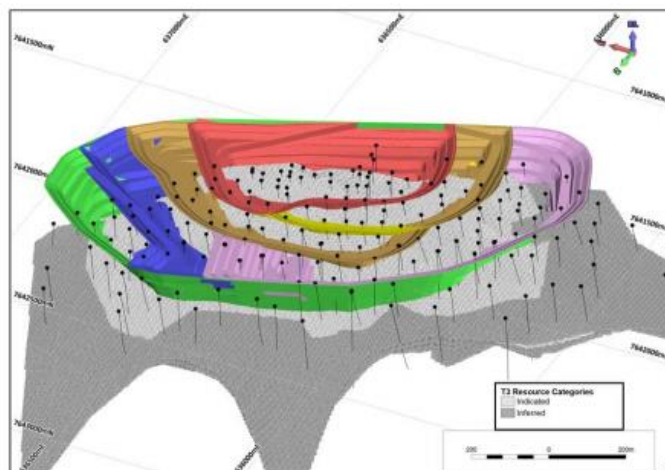
If the DEA believes the updated draft is satisfactory it will issue it for public review, a process expected to last four weeks. The DEA will then decide on final approval and, if given, a mining licence application can then be made. The exact timeframe for this process is unknown, but MOD Resources has tentatively assumed that the mining licence will be granted in H119. This is another ambitious timetable and any delays in the process could affect the mine's development.

MOD Resources expects to commence the pre-stripping for the pit in H120, with a three-month early works programme and a 19-month design, construction and commissioning timetable. It expects to process first ore in Q121.

## Mining operations

The principal difference between the mine plan for the FS compared to the PFS is that the open pit will be mined in six stages (see Exhibit 4) compared to four in the PFS. The Stage 1 pit has been designed to give early access to sustained ore production and to minimise the capitalised pre-strip cost.

**Exhibit 4: The six stages of the T3 open pit**



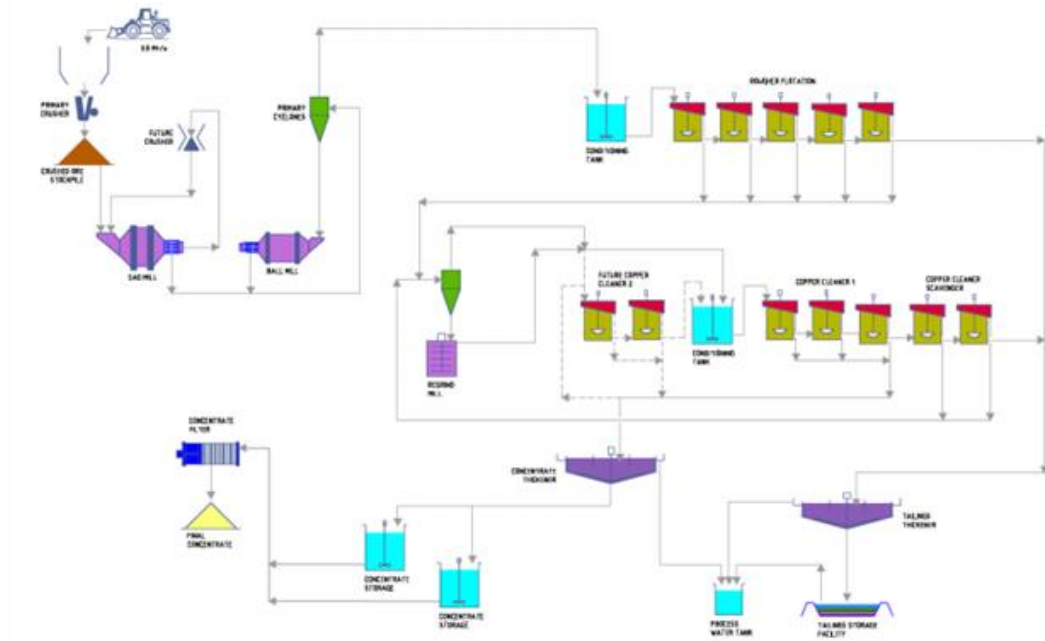
Source: MOD Resources, FS confirms outstanding project economics for T3 copper mine, 28 March 2019

Mining operations will be undertaken by a contractor using conventional truck (140t) and excavator (120–250t) open pit methods. This ensures capex is kept low as the company will not need to source the funding for the mining fleet and could also reduce operational risk if it selects an experienced contractor.

## Processing flow sheet

The flow sheet for processing the ore from T3 remains largely unchanged from the PFS, although the scale has increased to 3Mtpa from 2.5Mtpa, with a primary crusher, SAG/Ball mill comminution circuit, a natural pH flotation circuit, rougher flotation with a regrind circuit and a cleaner flotation circuit (see Exhibit 5). The principal difference between the PFS and the FS flow sheet is that the FS uses a coarser grind size of P80 180µm, which lowers the capex intensity and opex per tonne due to the reduced comminution requirement and power demand.

**Exhibit 5: T3 processing flow sheet**



Source: MOD Resources, FS confirms outstanding project economics For T3 copper mine, 28 March 2019

## Infrastructure

The T3 project is currently accessed via a series of farm tracks (14km) that lead off the A3 highway. These tracks will need to be upgraded to a 12m wide gravel carriageway. The existing accommodation camp will also be upgraded from a 40-person capacity to 400.

Power will be supplied to site via a 14km long 132kV overhead transmission line, from A3 highway where a 220kV grid power transmission line is scheduled by the Government of Botswana to be constructed during Q120. Delays to the construction of this line, which is not in MOD Resources' hands, could result in the company having to seek other power sources for the mine start-up or delaying the start of production.

Water for the project is expected to be supplied water bores, located 2km to the west of the open pit.

The tailings storage facility (TSF) will be located to the south-west of the open pit and behind the waste dump area. The design includes an underdrainage system to reduce seepage, increase water recovery, increase tailings densities, and improve the geotechnical stability of the facility. The TSF will have a storage capacity of 34.4Mt.

## T3 underground

MOD Resources completed a concept study on the T3 underground project in March 2019. These results have not yet been announced, but management has indicated that they are encouraging.

MOD Resources is planning additional drilling to further delineate the mineralisation that could be extracted from an underground operation and a scoping study is planned for completion during H219.

The company is targeting an underground mineral resource estimate to support a mining target of c 400–500ktpa of ore that could be used to supplement, and potentially increase, the open pit production at T3.

## Assumptions

### Metal price assumptions

We have maintained the copper and silver prices used in our forecasts. We forecast the copper price using a regression between the historic copper and oil prices since 2006. We then use our long-term oil price forecast of US\$70/bbl to forecast the future copper price. This analysis has an R<sup>2</sup> value of 0.78. The regression results in a base case, long-term copper price forecast of US\$6,400/t, with a standard error of US\$720/t (or +/-11%).

Our silver price forecasts are derived from our gold price forecasts and the long-term relationship between silver and gold prices since 1971 (when the link between the gold price and the dollar was broken by President Nixon). This analysis has an R<sup>2</sup> value of 0.90, which is statistically significant at the 5% level. The regression results in a base case silver price forecast that averages at US\$24/oz over the LOM, with a standard error of US\$3.4/oz.

### Feasibility study assumptions

We base our forecasts and valuation of MOD on the base case of the FS completed in March 2019. The key operational variables used in our discounted dividend model are outlined in Exhibit 6. In our updated forecasts we use an exchange rate of US\$/A\$1.41 compared to US\$/A\$1.40 in our previous report.

**Exhibit 6: Variables used in T3 valuation**

T3 Year to 31 December	2019 0	2020 1	2021 2	2022 3	2023 4	2024 5	2025 6	2026 7	2027 8	Total/ average (italics)
Copper price (US\$/t)	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Silver price (US\$/oz)	22	26	25	23	23	22	22	23	25	25
Ore mined (t)	-	-	2,800,000	3,200,000	3,200,000	3,200,000	3,000,000	3,000,000	3,000,000	34,600,000
Waste mined (t)	-	15,000,000	33,000,000	35,000,000	35,000,000	8,500,000	8,500,000	8,500,000	8,500,000	194,500,000
Copper grade (%)	-	-	0.9	1.0	1.1	1.0	1.0	1.2	1.1	0.995
Silver grade (g/t)	-	-	8.7	11.7	13.4	14.1	14.1	14.1	14.1	13.4
Concentrate produced (t)	-	-	82,500	110,000	105,000	83,000	83,000	83,000	83,000	1,044,500
Copper recovery (%)	-	-	86	93	94	93	93	93	93	92.44
Silver recovery (%)	-	-	82	88	88	88	88	88	88	87.54
Contained copper (t)	-	-	22,130	30,960	31,433	29,750	26,496	33,469	31,796	320,388
Contained silver (oz)	-	-	647,260	1,053,257	1,222,674	1,276,708	1,196,914	1,196,914	1,196,914	13,057,060
Copper payability (%)	-	-	96.6	96.6	96.6	96.6	96.6	96.6	96.6	89.2
Silver payability (%)	-	-	90.0	90.0	90.0	90.0	90.0	90.0	90.0	81.0
Opex per tonne (US\$/t)	-	-	(50.0)	(48.0)	(49.0)	(30.0)	(30.0)	(30.0)	(30.0)	(34.8)
Sustaining capex, including closure cost (US\$m)	-	-	(5.1)	(5.1)	(6.8)	(9.6)	(9.6)	(9.6)	(9.6)	(125.0)
AISC (US\$m)	-	-	(144.0)	(158.7)	(163.6)	(94.0)	(94.0)	(94.0)	(94.0)	(111.1)
Development capex (US\$m)	(14)	(163)	(4)	-	-	-	-	-	-	(182)

Source: Edison Investment Research. Note: 2028–32 not shown.

## Funding

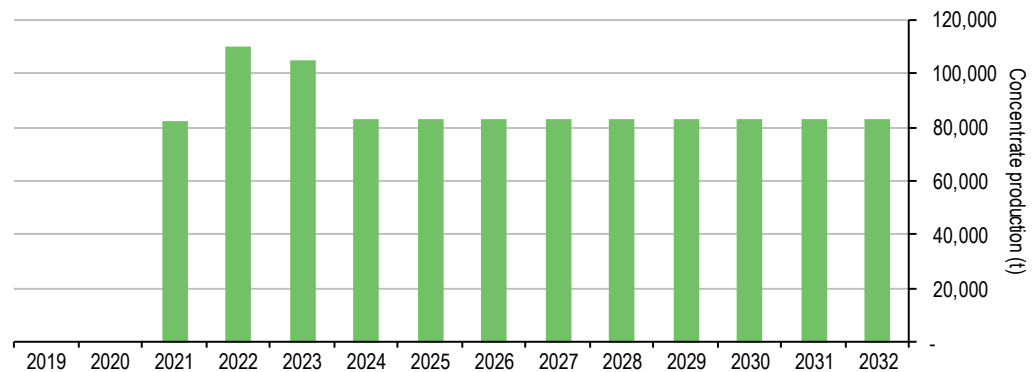
We use the FS to forecast that MOD will require US\$182m in mine development capex to build and construct the plant and mine and move from developer to producer. MOD finished FY18 with net cash of A\$5m, and early this year raised an additional A\$15m (gross) through a placing and rights issue. For the purposes of our model, we envisage that T3 development capex will be funded by a mixture of 60% debt and 40% equity. We assume the equity component of the funding is raised at the current share price (0.19p per share). For the debt, we assume an interest rate of 10% payable annually in arrears. Based on our estimates of the capex scheduling, exploration budgeting and cash flow from the mine for 2019, 2020 and 2021, we believe MOD will need to raise c A\$100m (net) in equity and A\$177m in debt, which includes funds required for exploration, mine development and working capital.

We also forecast that MOD will spend an additional US\$10–12m to fund ongoing development over the next three years, which we factor into our valuation. We also assume that the company's joint venture partner on the exploration projects, Metal Tiger (MTR.L), will continue to fund its 30% interest in the projects.

## Operational metrics

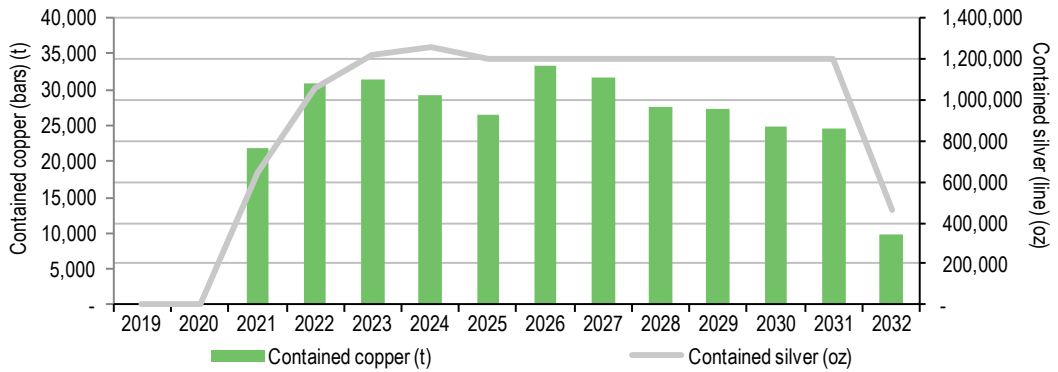
In line with the FS, we forecast that production from T3 will start in Q121 (previously H220); during the ramp-up phase, we forecast the production of 82,500t of copper-silver bearing concentrate in 2021 (Exhibit 7) (previously 81,000t), with 22,000t of contained copper and 650,000oz of contained silver (Exhibit 8). Concentrate production increases to 110,000t and 105,000t in 2022 and 2023 (Exhibit 7), respectively (previously 77,000t in both years), producing 31,000t and 31,400t of contained copper and 1moz and 1.2moz of silver, respectively (see Exhibit 8). From 2024 to 2031 we assume flat concentrate production levels of 83,000t (Exhibit 7) containing between 34,500t and 26,500t of copper per annum and an average of 1.1moz of silver per annum (Exhibit 8).

**Exhibit 7: Forecast concentrate production levels from T3**



Source: Edison Investment Research

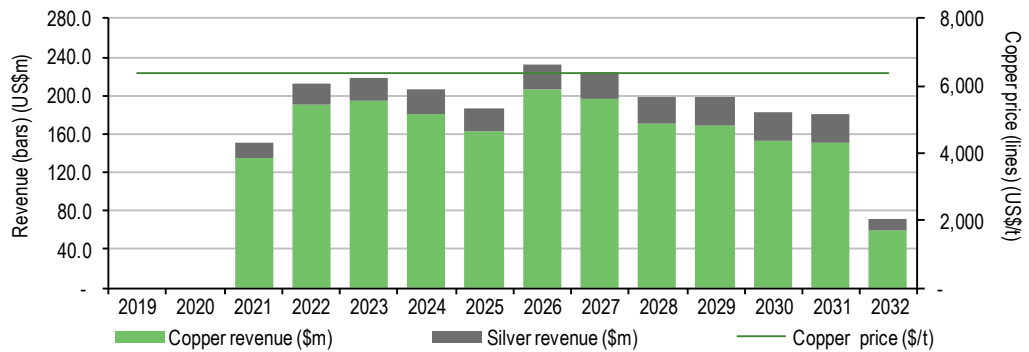
**Exhibit 8: Forecast copper and silver production levels from T3**



Source: Edison Investment Research

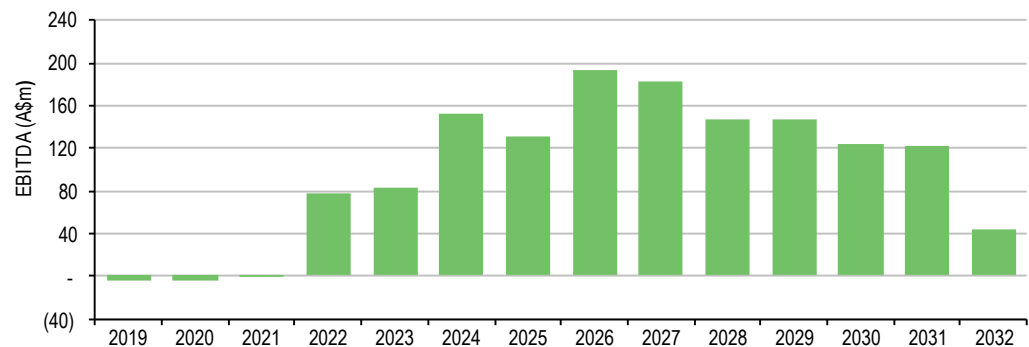
We forecast that the deposit will generate revenue of US\$150m (A\$212m) in 2021 (Exhibit 9) (previously A\$226m), increasing to US\$213m (A\$300m) in 2022 (Exhibit 9) (previously A\$253m), the first year of full production. Over the initial nine-year mine life, we expect total revenue to be US\$2.3bn (A\$3.2bn, previously A\$1.9bn). We forecast that MOD Resources will generate an average EBITDA per year of A\$117m (Exhibit 10) (previously A\$93m), totalling A\$1.4bn over LOM (previously A\$973m).

**Exhibit 9: Forecast revenue from T3**



Source: Edison Investment Research

**Exhibit 10: Forecast EBITDA from T3**



Source: Edison Investment Research

## Valuation

We value MOD using a SOTP method. Different valuation techniques have been used for projects at different stages. For the T3 deposit we used a discounted dividend analysis (DDM) at a 10% discount rate and value the project at £0.32 per share (Exhibit 11) (previously £0.35 per share). For



the T1 deposit, we use the contained CuE and the peer group multiple to maintain our valuation of £0.02 per share. We valued the other earlier-stage exploration targets on a relative DDM and peer group basis, considering the likelihood of another T3 (60%) and/or T1 (60%) discovery and applying discounts that reflect the stage of exploration (75%). As a result, we maintain our valuation of £0.05 per share for the exploration projects. Our total valuation of MOD is £0.39 per share (previously £0.42 per share), which gives an upside of 99%.

#### Exhibit 11: Valuation summary

Valuation components	(£)	(A\$)
T3 valuation per share DDM	0.32	0.59
T1 valuation per share (peer group)	0.02	0.03
Exploration targets valuation per share	0.05	0.09
Total valuation per share	0.39	0.72
Current share price	0.19	0.36
Upside/(downside) (%)	99.0	

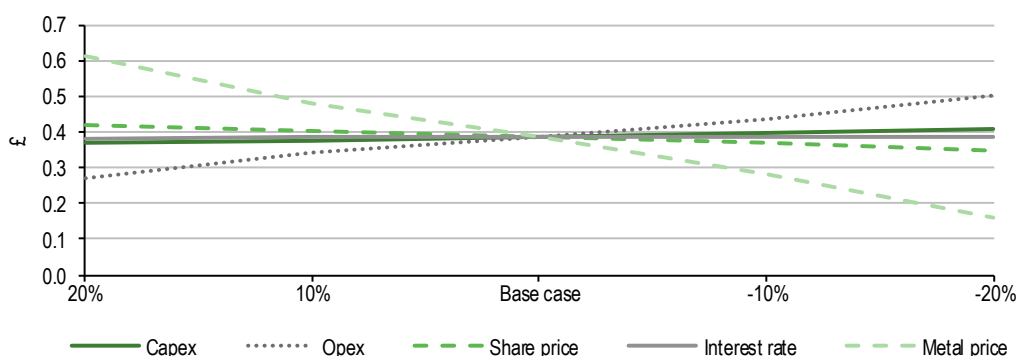
Source: Edison Investment Research

## Valuation sensitivities

We stress-tested our valuation of MOD for variations of  $\pm 10\%$  and  $\pm 20\%$  for capex, opex, the price of shares issued for the purpose of the modelled equity raise, interest rate on debt and metals prices (Exhibit 12 and 13).

The biggest influence on the T3 deposit economics and our valuation of MOD Resources is the metal price and opex used in the assumptions (Exhibit 12 and 13). Changes in capex and share price used for the modelled equity raise have a more moderate impact on our valuation, whereas changes in the potential interest rate on debt has minimal effect.

#### Exhibit 12: Changes in valuation shown by key variables



Source: Edison Investment Research

#### Exhibit 13: Changes in valuation (£) as per key variables

Variable	Capex	Opex	Share price	Interest rate	Metal price
20%	0.37	0.27	0.42	0.39	0.61
10%	0.38	0.34	0.40	0.39	0.48
Base case	0.39	0.39	0.39	0.39	0.39
-10%	0.40	0.44	0.37	0.39	0.28
-20%	0.41	0.50	0.35	0.39	0.16

Source: Edison Investment Research

## Financials

MOD Resources had net cash of A\$17.2m at 30 June 2018 and A\$5m at 31 December 2018. In January 2019, MOD Resources raised A\$10m (gross) at a price of A\$0.3 per share in a placement

and an additional A\$5m (gross) at a price of A\$0.24 per share in a fully underwritten rights issue (54m shares issued).

In FY18 administrative expenses will be higher, at A\$5.7m vs A\$2.5m in FY17. This is due to additional costs relating to the acquisition of the 30% interest in T3 and listing on the LSE. We expect administrative expenses to reduce in FY19. We anticipate a capex spend of A\$20.1m in FY19 and exploration expenses of A\$12m, 30% of which we expect to be funded by MOD's joint venture partner, Metal Tiger. Following the raise in January, we do not expect further equity raises in FY19, but we forecast that A\$12.1m of debt finance is secured to fund the start of the T3 development costs.

**Exhibit 14: Financial summary**

	A\$'000	2016	2017	2018	2019e	2020e	2021e
31 December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>INCOME STATEMENT</b>							
Revenue		0.0	0.0	0.0	0.0	0.0	213,581.5
Cost of Sales		0.0	0.0	0.0	0.0	0.0	(197,400.0)
Gross Profit		0.0	0.0	0.0	0.0	0.0	16,181.5
EBITDA		(1,069.3)	(2,511.1)	(5,699.0)	(4,000.0)	(4,200.0)	11,771.5
Normalised operating profit		(1,080.6)	(2,551.2)	(5,699.0)	(4,000.0)	(4,200.0)	11,771.5
Amortisation of acquired intangibles		0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals		(402.3)	(66.1)	(3.1)	0.0	0.0	0.0
Share-based payments		(319.2)	(1,074.0)	(227.5)	0.0	0.0	(13,422.3)
Reported operating profit		(1,802.1)	(3,691.3)	(5,929.6)	(4,000.0)	(4,200.0)	(1,650.7)
Net Interest		(103.7)	222.6	287.7	(1,400.0)	(1,382.2)	(15,774.3)
Joint ventures & associates (post tax)		0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals		0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax (norm)		(1,184.3)	(2,328.5)	(5,411.4)	(5,400.0)	(5,582.2)	(4,002.7)
Profit before tax (reported)		(1,905.8)	(3,263.4)	(5,668.3)	(5,400.0)	(5,582.2)	(17,425.0)
Reported tax		0.0	0.0	0.0	0.0	0.0	0.0
Profit after tax (norm)		(1,184.3)	(2,328.5)	(5,411.4)	(5,400.0)	(5,582.2)	(4,002.7)
Profit after tax (reported)		(1,905.8)	(3,263.4)	(5,668.3)	(5,400.0)	(5,582.2)	(17,425.0)
Minority interests		(30.5)	(2.7)	(302.2)	0.0	0.0	0.0
Discontinued operations		(15.0)	(57.2)	(3,736.6)	0.0	0.0	0.0
Net income (normalised)		(1,214.8)	(2,331.2)	(5,713.6)	(5,400.0)	(5,582.2)	(4,002.7)
Net income (reported)		(1,890.3)	(3,318.0)	(9,102.7)	(5,400.0)	(5,582.2)	(17,425.0)
Basic average number of shares outstanding (m)		131	182	224	303	454	604
EPS – basic normalised (c)		(0.9)	(1.3)	(2.5)	(1.8)	(1.2)	(0.7)
EPS – diluted normalised (c)		(0.9)	(1.3)	(2.5)	(1.8)	(1.2)	(0.7)
EPS – basic reported (c)		(1.4)	(1.8)	(4.1)	(1.8)	(1.2)	(2.9)
Dividend (c)		0.00	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)		0.0	0.0	0.0	0.0	0.0	N/A
Gross margin (%)		0.0	0.0	0.0	0.0	0.0	7.6
EBITDA margin (%)		0.0	0.0	0.0	0.0	0.0	5.5
Normalised operating margin (%)		0.0	0.0	0.0	0.0	0.0	5.5
<b>BALANCE SHEET</b>							
Fixed assets		15,806.9	22,205.0	43,920.9	76,055.7	316,576.6	339,294.8
Intangible assets		15,735.5	21,431.2	41,111.2	53,111.2	63,111.2	73,111.2
Tangible assets		71.4	773.8	2,809.7	22,944.5	253,465.4	266,183.6
Investments & other		0.0	0.0	0.0	0.0	0.0	0.0
Current assets		5,840.7	14,190.8	6,704.9	1,976.7	2,055.8	35,143.8
Stocks		0.0	0.0	0.0	0.0	0.0	8,192.2
Debtors		245.3	644.5	831.7	1,000.0	0.0	17,554.6
Cash & cash equivalents		5,546.1	9,997.5	5,038.4	178.4	1,257.5	406.5
Other		49.3	3,548.8	834.8	798.3	798.3	8,990.5
Current liabilities		(2,133.7)	(2,580.0)	(3,492.0)	(6,439.2)	(2,358.2)	(35,974.9)
Creditors		(603.2)	(1,935.3)	(3,256.6)	(1,800.0)	0.0	(16,224.7)
Tax and social security		0.0	0.0	0.0	0.0	0.0	0.0
Short-term borrowings		(1,500.0)	(565.2)	0.0	0.0	0.0	0.0
Other		(30.5)	(79.6)	(235.5)	(4,639.2)	(2,358.2)	(19,750.2)
Long-term liabilities		0.0	(44.4)	(11.1)	(14,000.0)	(159,000.0)	(177,000.0)
Long-term borrowings		0.0	0.0	0.0	(14,000.0)	(159,000.0)	(177,000.0)
Other long-term liabilities		0.0	(44.4)	(11.1)	0.0	0.0	0.0
Net assets		19,513.9	33,771.3	47,122.7	57,593.2	157,274.2	161,463.7
Minority interests		(1,106.5)	(3,124.0)	(439.1)	439.1	439.1	439.1
Shareholders' equity		18,407.4	30,647.3	46,683.6	58,032.3	157,713.3	161,902.8
<b>CASH FLOW</b>							
Operating cash flow before WC and tax		(1,069.3)	(2,511.1)	(5,750.3)	(4,000.0)	(4,200.0)	11,771.5
Working capital		(373.8)	237.9	1,022.3	(1,636.0)	(800.0)	(9,522.2)
Exceptional & other		0.0	0.0	0.0	0.0	0.0	0.0
Tax		0.0	0.0	0.0	0.0	0.0	0.0
Net operating cash flow		(1,443.1)	(2,273.2)	(4,728.0)	(5,636.0)	(5,000.0)	2,249.4
Capex		(32.4)	(651.4)	(2,042.7)	(20,134.8)	(230,520.9)	(12,718.2)
Acquisitions/disposals		26.2	0.0	(3.8)	0.0	0.0	0.0
Net interest		(237.1)	212.5	288.8	288.0	(1,400.0)	(1,382.2)
Equity financing		10,272.4	14,409.4	17,317.0	15,045.4	100,000.0	0.0
Exploration and Evaluation		(4,311.4)	(8,296.7)	(19,732.8)	(12,000.0)	(10,000.0)	(10,000.0)
Other		1,106.5	2,120.4	4,397.0	3,600.0	3,000.0	3,000.0
Net cash flow		5,381.1	5,521.0	(4,504.5)	(18,837.4)	(143,920.9)	(18,851.0)
Opening net debt/(cash)		1,547.4	(4,046.1)	(9,432.3)	(5,038.4)	13,821.6	157,742.5
FX		94.0	(44.1)	22.7	0.0	0.0	0.0
Other non-cash movements		118.4	(90.7)	87.9	(22.6)	0.0	0.0
Closing net debt/(cash)		(4,046.1)	(9,432.3)	(5,038.4)	13,821.6	157,742.5	176,593.5

Source: Company accounts, Edison Investment Research

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