

Analyst

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Bells Gold Tracker

Authorisation

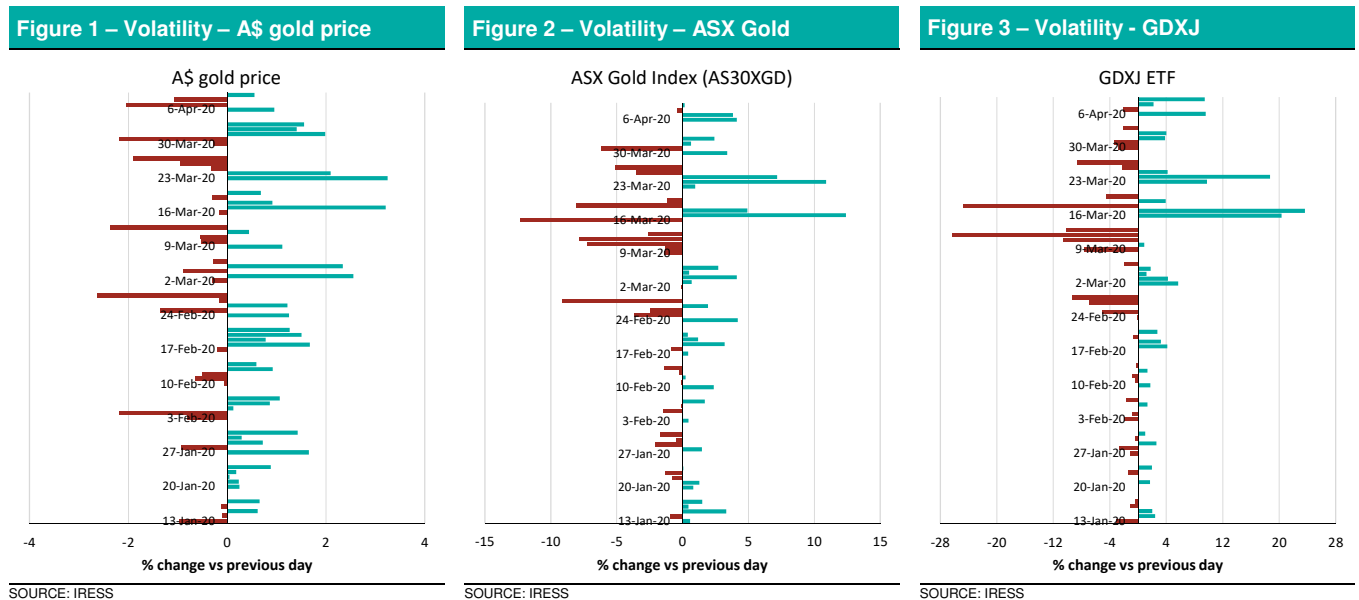
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ASX-listed gold review

The Bells Gold Tracker is a periodic review of ASX-listed gold equities and the gold market. We run through a current market theme, our current coverage, our quarterly production monitor, recent Substantial Holding Notices, gold-producers' and explorers' comparison tables, a gold equities performance "heat-map" and some key price and relative value charts.

TALKING POINT

If there is one thing that the last couple of months has brought it is increased volatility. Fortunately, in the precious metals space, it has been skewed to the upside. Measures taken to contain the COVID-19 virus have shut down and disrupted vast swathes of the global economy, spurring massive monetary policy interventions by the world's central banks and financial support packages from most Governments. After an initial liquidity squeeze, we believe we are now seeing the market position itself defensively for the safe-haven trade and a long-term, low interest rate environment. These factors have led to wild swings in valuations across a range of asset classes including gold bullion and gold equities.



We recently completed a sector report reviewing some of the issues facing production companies under our coverage ([Opportunities and threats in a fluid market](#)) and in terms of positioning for the safe-haven trade and a long-term, low interest rate environment a number of key factors emerged:

- Australia, and in particular Western Australia, is one of the most, if not the most, attractive operating jurisdictions in the world right now. A genuinely collaborative effort is being made by all stakeholders (Government, companies, employees, communities) to enable the continuous operation of mines through the COVID-19 pandemic;
- Australian assets are benefitting from all-time high A\$ gold prices, a devalued Australian dollar effectively lowering operating costs and lower energy costs due to the oil price collapse. This is resulting in very strong operating margins – illustrated in our Comparison Table - which shows even the highest cost producers generating positive All-In-Sustaining-Cost (AISC) margins (December 2019 quarter) and an average margin of A\$1,175/oz; and
- Balance sheets are generally very strong across the producers, with either relatively manageable levels of debt or net cash positions. Current conditions also point to the capacity for quick debt repayment.

Top recommendations from our coverage include RRL (Buy, TP\$5.72/sh), GOR (Hold, TP\$1.40/sh) and PNR (Buy, TP\$0.16/sh). Across the sector more generally, we would be looking for exposure to Australian assets with minimal hedging and strong balance sheets.

BELL POTTER PRECIOUS METALS COVERAGE**Table 1 - Bell Potter precious metals coverage**

Prices at 14/04/2020	Market capitalisation	Price	Target price	Recommendation
Regis Resources Ltd (RRL)	\$2,119m	\$4.17/sh	\$5.72/sh	Buy
Gold Road Resources Ltd (GOR)	\$1,487m	\$1.69/sh	\$1.40/sh	Hold
Dacian Gold Ltd (DCN)	\$103m	\$0.45/sh	\$0.55/sh	Hold (Spec)
Westgold Resources Ltd (WGX)	\$832m	\$2.08/sh	\$2.45/sh	Hold
Pantoro Limited (PNR)	\$129m	\$0.11/sh	\$0.16/sh	Buy
Breaker Resources NL (BRB)	\$44m	\$0.19/sh	\$0.71/sh	Buy (Spec)
Xanadu Mines (XAM)	\$24m	\$0.03/sh	\$0.00/sh	Under review

SOURCE: BELL POTTER SECURITIES

RRL: RRL is one of our top picks among the ASX-listed gold producers due to its strong balance sheet, low costs, capital efficient growth and high shareholder returns. Furthermore, we view RRL's 100%-owned organic growth options as a strategic advantage vs peers and the McPhillamys development project in NSW as undervalued by the market.

GOR: Gruyere's production ramp-up is virtually complete. Recent in-fill and extension drilling below the previous pit outline has seen the Gruyere JV upgrade the Measured and Indicated Resource component by 29% after mining depletion and lift total Gruyere Resources to 6.6Moz at a gold price of A\$1,850/oz ahead of an updated Reserve later in the year. GOR's 2020 guidance for its share of Gruyere production is 125-142.5koz at an average AISC of A\$1,100-A\$1,200/oz. GOR 100% owned regional exploration continues in its \$26m 2020 exploration budget.

DCN: Its A\$200m, 2.5Mtpa Mount Morgans Gold Project declared commercial production on January 1, 2019 originally targeting production of +200kozpa at AISC of ~A\$1,000/oz. Poor Reserve reconciliations have led to multiple Resource and Reserve downgrades and mine plan revisions. A major recapitalisation (~\$98m) is in the process of being completed to repair the balance sheet. Production is expected to decline from ~140kozpa in FY20 to 100-110kozpa in FY22. Resources have been cut from 3.5Moz @ 2.0g/t Au to 2.1Moz @ 2.0g/t Au and Reserves from 1.4Moz @ 1.6g/t Au to 0.75Moz @ 1.4g/t Au.

WGX: Production recently began from sub-level caving at Big Bell, which will ramp-up over the course of 2020, marking the completion of WGX's four year mine re-development and refurbishment program. The company is now generating growing free cash flow from its sole focus on the three Murchison mining operations following the spin out and ASX-listing of its NT polymetallic assets at the start of 2020.

PNR: Following a difficult CY19 during which its Nicolson's operation was mining constrained and underperformed, we continue to look for production improvements in coming quarters to drive a valuation uplift. The recent acquisition of a 50% managing interest in the Central Norseman Gold Project (CNGP) adds a second high grade project that is well suited to PNR's skill-set. Exploration results and development planning are the key catalysts here in coming quarters.

BRB: Is continuing to advance its 100% owned Lake Roe Gold Project, located 100km east of Kalgoorlie, 60km south-southeast of the operating 3.5Moz Carosue Dam gold mine. In September 2019 an updated Resource of 23.2Mt @ 1.3g/t Au for 981koz contained gold was announced, including 803koz @ 1.4g/t Au in the Indicated category and a high grade core of 673koz @ 2.2g/t Au. While Resource growth has been slower than expected we remain of the view that Lake Roe is a compelling greenfields gold discovery with potential for either standalone development or as a bolt-on acquisition.

XAM: Further limited assessment of shallow oxide gold mineralisation prospects (Golden Eagle, Stockwork Hill and Copper Hill) within the 76.5% owned flagship Kharmagtai Copper-Gold Project in Mongolia continues as part of the investigation of a possible "starter" project to help funding of the potentially much larger copper-gold development. Drilling of further major primary copper-gold targets recently yielded impressive results that will be followed up while JOGMEC is to spend up to US\$7.2m under deal to explore the Red Mountain Project.

CHANGES IN SUBSTANTIAL HOLDINGS

(over the last month)

Increases:

SPX/RMS: RMS increases to 75.5% (under takeover);

RED: Ruffer LLP increases from 6.9% to 8.0%;

WGX: Fidelity increases from 6.7% to 9.8%;

BLK: Sparta AG (Delphi Unternehmensberatung) increases from 19.8% to 39.0% via Placement;

BGL: BlackRock becomes substantial at 10.2%;

RSG: IPConcept (Luxembourg) becomes substantial at 5.2%;

BGL: Van Eck (GDXJ) increases from 5.1% to 6.4%;

RSG: Vanguard becomes substantial at 5.1%;

NCM: Allan Gray increases from 9.9% to 10.9%;

MML: Ruffer LLP increases from 14.9% to 16.1%;

SLR: Vanguard becomes substantial at 5.1%;

PRU: Vanguard becomes substantial at 5.1%;

Decreases:

HRZ: Orion Mine Finance decreases from 7.9% to 6.2%;

RED: Regal Funds decreases from 9.3% to 7.8%;

SAR: Van Eck (GDX + GDXJ) decreases from 12.0% to 11.0%;

PRU: Van Eck (GDX + GDXJ) decreases from 12.0% to 11.0%;

NST: Van Eck (GDX + GDXJ) decreases from 11.9% to 10.7%;

GOR: Van Eck (GDXJ) decreases from 8.7% to 7.6%;

SBM: Van Eck (GDX + GDXJ) decreases from 12.2% to 11.1%;

RRL: Van Eck (GDX + GDXJ) decreases from 12.6% to 11.4%;

OGC: Van Eck (GDX + GDXJ) decreases from 12.5% to 11.5%;

WGX: Van Eck (GDXJ) ceases to be substantial;

RMS: Van Eck (GDXJ) ceases to be substantial;

SLR: Van Eck (GDXJ) ceases to be substantial;

NCM: BlackRock decreases from 11.2% to 10.2%;

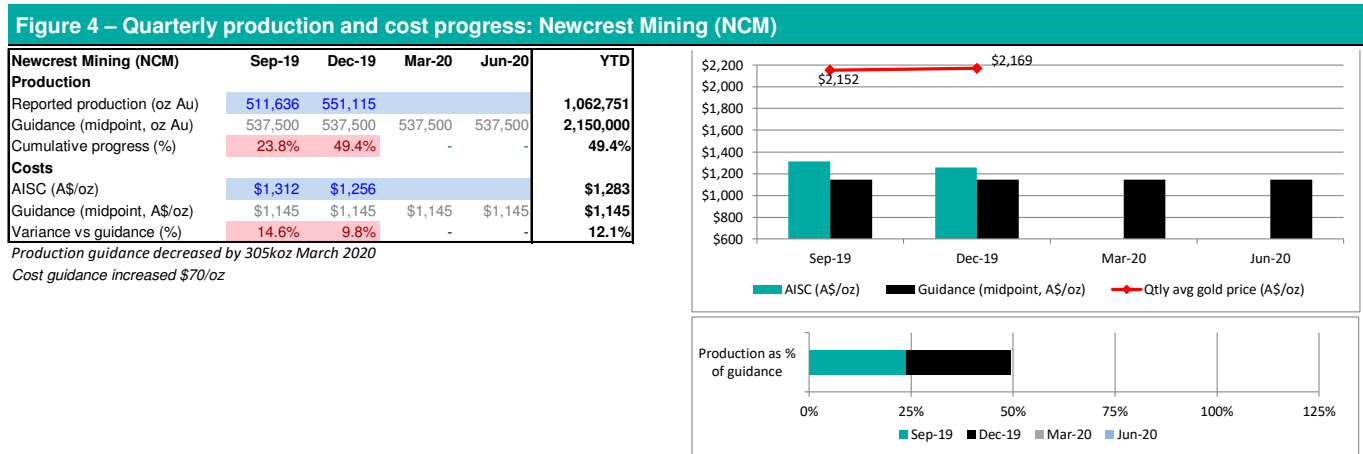
RRL: Vinva Investment Management ceases to be substantial;

RMS: Vinva Investment Management ceases to be substantial;

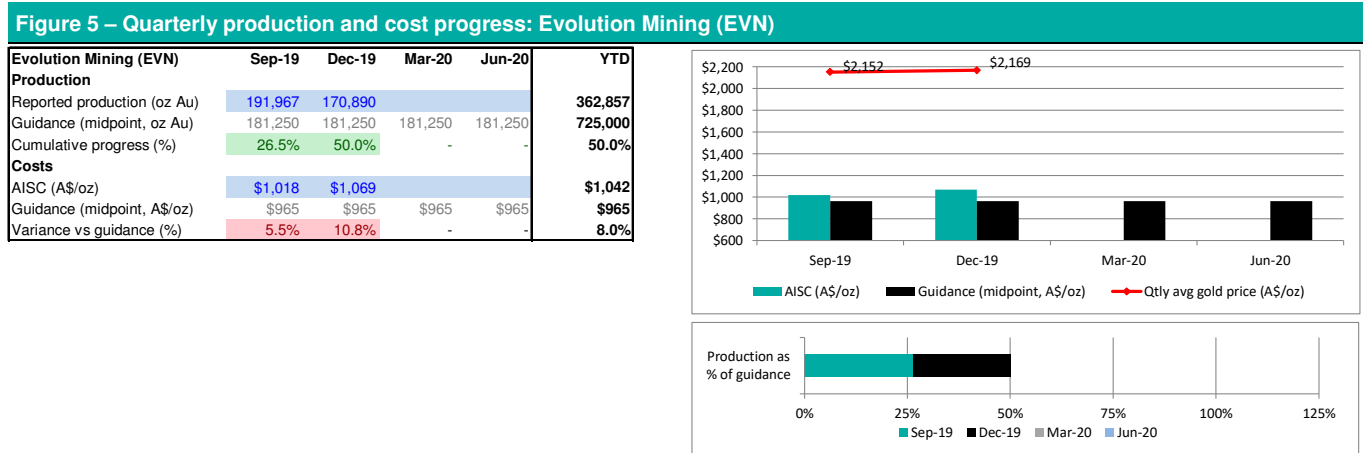
SPX/CHN: Chalice Gold Mines (CHN) ceases to be substantial;

ASX QUARTERLY PRODUCTION MONITORS TO DECEMBER 2019

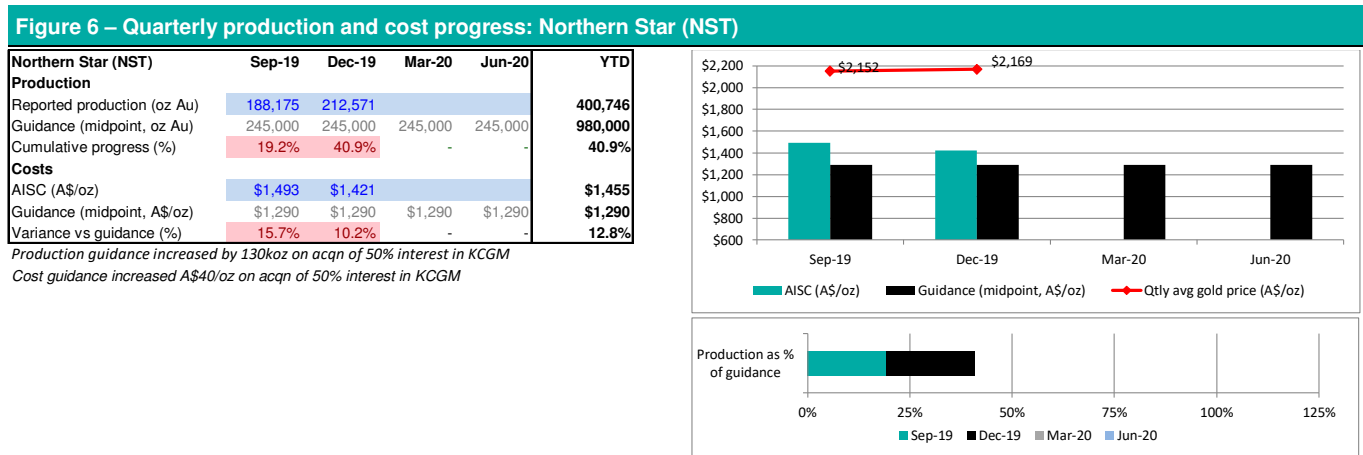
The tables and charts below monitor the quarterly production and cost progress against guidance for the largest ASX gold producers. The tables show actual production and costs vs the company’s guidance midpoint. Variance vs the midpoint is highlighted in green or red according to whether the company is tracking ahead of or behind guidance respectively.



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES



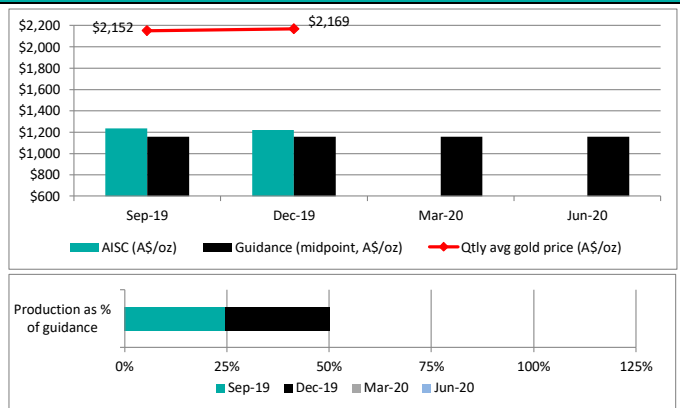
SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 7 – Quarterly production and cost progress: Regis Resources (RRL)

Regis Resources (RRL)	Sep-19	Dec-19	Mar-20	Jun-20	YTD
Production					
Reported production (oz Au)	87,633	90,849			178,482
Guidance (midpoint, oz Au)	88,750	88,750	88,750	88,750	355,000
Cumulative progress (%)	24.7%	50.3%	-	-	50.3%
Costs					
AISC (A\$/oz)	\$1,234	\$1,219			\$1,226
Guidance (midpoint, A\$/oz)	\$1,160	\$1,160	\$1,160	\$1,160	\$1,160
Variance vs guidance (%)	6.4%	5.1%	-	-	5.7%

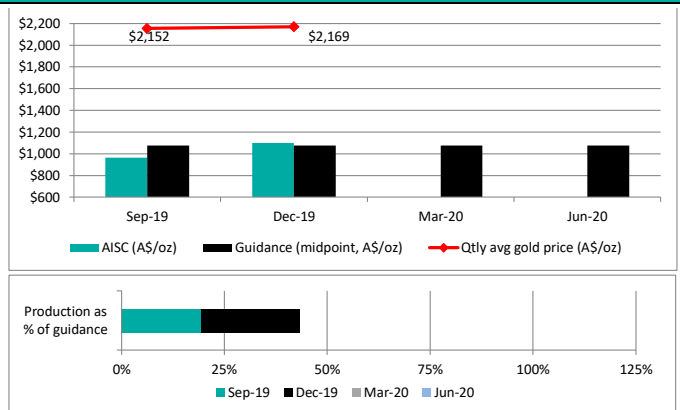


SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 8 – Quarterly production and cost progress: Saracen Mineral Holdings (SAR)

Saracen (SAR)	Sep-19	Dec-19	Mar-20	Jun-20	YTD
Production					
Reported production (oz Au)	96,324	120,127			216,451
Guidance (midpoint, oz Au)	125,000	125,000	125,000	125,000	500,000
Cumulative progress (%)	19.3%	43.3%	-	-	43.3%
Costs					
AISC (A\$/oz)	\$964	\$1,098			\$1,038
Guidance (midpoint, A\$/oz)	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075
Variance vs guidance (%)	-10.3%	2.1%	-	-	-3.4%

Production guidance increased by 140koz DecQ-19 on acqn of 50% interest in KCGM
 Cost guidance increased by A\$25/oz

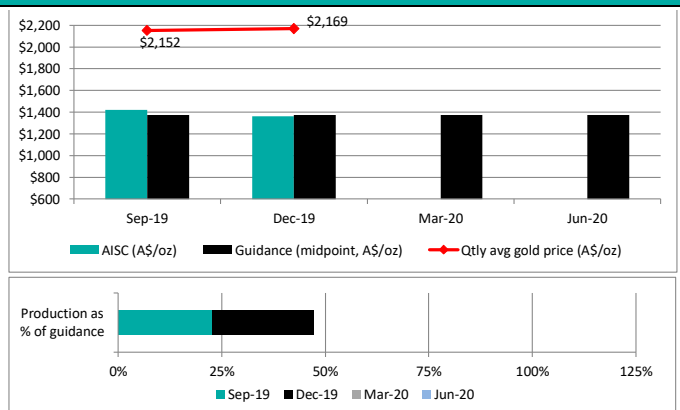


SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 9 – Quarterly production and cost progress: St Barbara Mines (SBM)

St Barbara (SBM)	Sep-19	Dec-19	Mar-20	Jun-20	YTD
Production					
Reported production (oz Au)	87,569	94,159			181,728
Guidance (midpoint, oz Au)	96,250	96,250	96,250	96,250	385,000
Cumulative progress (%)	22.7%	47.2%	-	-	47.2%
Costs					
AISC (A\$/oz)	\$1,421	\$1,364			\$1,391
Guidance (midpoint, A\$/oz)	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375
Variance vs guidance (%)	3.3%	-0.8%	-	-	1.2%

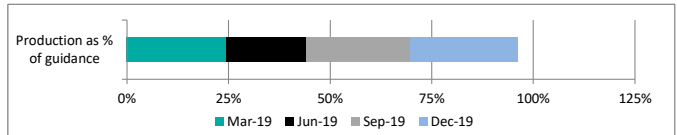
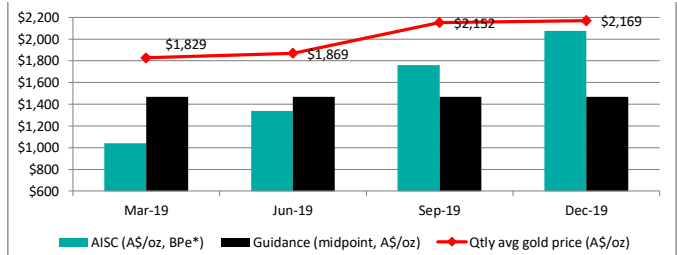
Production guidance decreased by 15.0koz DecQ-19
 Cost guidance increased \$90/oz DecQ-19



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 10 – Quarterly production and cost progress: Resolute Mining (RSG)

Resolute Mining (RSG)	Mar-19	Jun-19	Sep-19	Dec-19	YTD
Production					
Reported production (oz Au)	98,105	78,132	103,201	105,293	384,732
Guidance (midpoint, oz Au)	100,000	100,000	100,000	100,000	400,000
Cumulative progress (%)	24.5%	44.1%	69.9%	96.2%	96.2%
Costs					
AISC (A\$/oz, BPe*)	\$1,039	\$1,341	\$1,759	\$2,075	\$1,577
Guidance (midpoint, A\$/oz)	\$1,467	\$1,467	\$1,467	\$1,467	\$1,467
Variance vs guidance (%)	-29.2%	-8.6%	19.9%	41.5%	7.5%

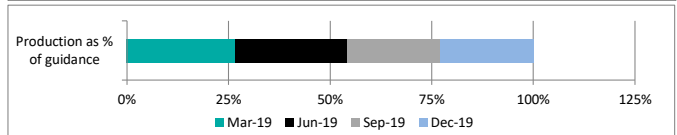
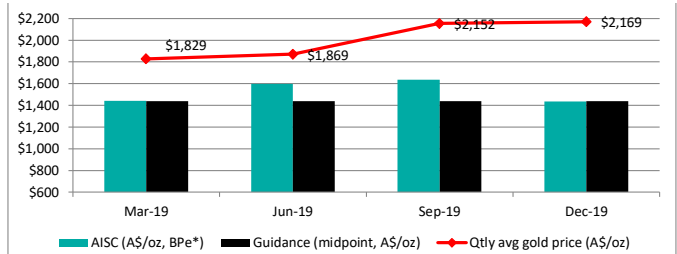


SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 11 – Quarterly production and cost progress: OceanaGold (OGC)

OceanaGold (OGC)	Mar-19	Jun-19	Sep-19	Dec-19	YTD
Production					
Reported production (oz Au)	125,681	129,290	107,500	108,200	470,672
Guidance (midpoint, oz Au)	117,500	117,500	117,500	117,500	470,000
Cumulative progress (%)	26.7%	54.2%	77.1%	100.1%	100.1%
Costs					
AISC (A\$/oz, BPe*)	\$1,440	\$1,597	\$1,637	\$1,433	\$1,526
Guidance (midpoint, A\$/oz)	\$1,439	\$1,439	\$1,439	\$1,439	\$1,439
Variance vs guidance (%)	0.1%	10.9%	13.7%	-0.4%	6.1%

Production guidance lowered 55koz in Oct-19 on Didipio suspension
 Cost guidance increased \$260/oz in Oct-19 on Didipio suspension

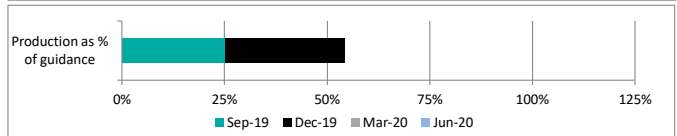
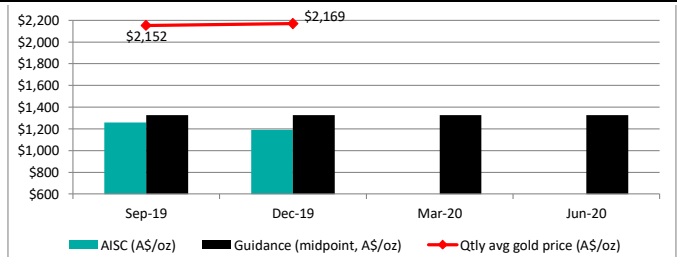


SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 12 – Quarterly production and cost progress: Silver Lake Resource (SLR)

Silver Lake (SLR)	Sep-19	Dec-19	Mar-20	Jun-20	YTD
Production					
Reported production (oz Au)	59,288	68,519	-	-	127,807
Guidance (midpoint, oz Au)	58,750	58,750	58,750	58,750	235,000
Cumulative progress (%)	25.2%	54.4%	-	-	54.4%
Costs					
AISC (A\$/oz)	\$1,260	\$1,192	-	-	\$1,224
Guidance (midpoint, A\$/oz)	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325
Variance vs guidance (%)	-4.9%	-10.0%	-	-	-7.7%

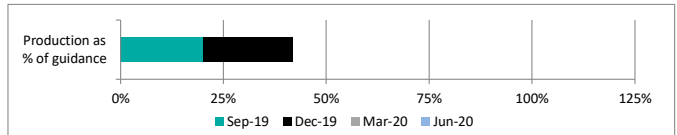
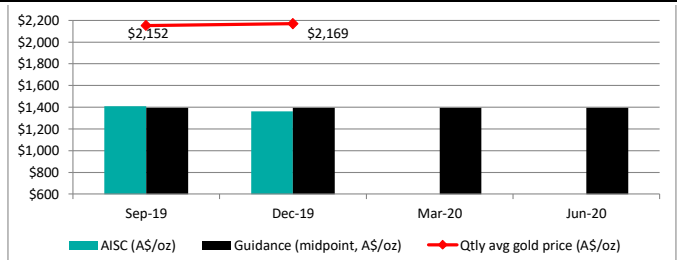
Production guidance increased by 17.5koz DecQ-19 (gold only)
 Cost guidance decreased \$90/oz DecQ-19



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 13 – Quarterly production and cost progress: Westgold Resources (WGX)

Westgold (WGX)	Sep-19	Dec-19	Mar-20	Jun-20	YTD
Production					
Reported production (oz Au)	57,472	62,655			120,127
Guidance (midpoint, oz Au)	71,875	71,875	71,875	71,875	287,500
Cumulative progress (%)	20.0%	41.8%	-	-	41.8%
Costs					
AISC (A\$/oz)	\$1,410	\$1,361			\$1,384
Guidance (midpoint, A\$/oz)	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395
Variance vs guidance (%)	1.1%	-2.4%	-	-	-0.8%

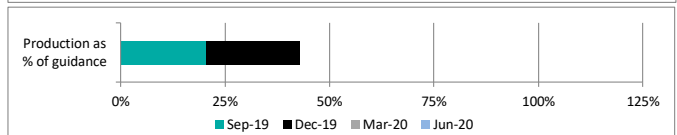
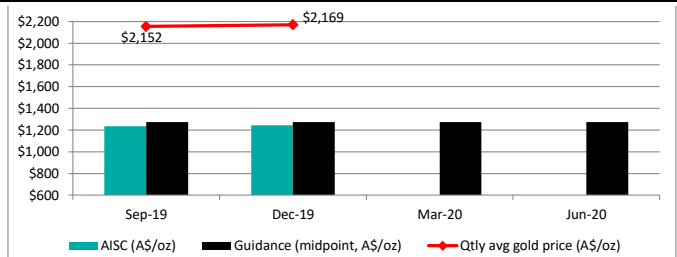


SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 14 – Quarterly production and cost progress: Ramelius Resources (RMS)

Ramelius (RMS)	Sep-19	Dec-19	Mar-20	Jun-20	YTD
Production					
Reported production (oz Au)	44,182	47,902			92,084
Guidance (midpoint, oz Au)	53,750	53,750	53,750	53,750	215,000
Cumulative progress (%)	20.5%	42.8%	-	-	42.8%
Costs					
AISC (A\$/oz)	\$1,234	\$1,245			\$1,240
Guidance (midpoint, A\$/oz)	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275
Variance vs guidance (%)	-3.2%	-2.4%	-	-	-2.8%

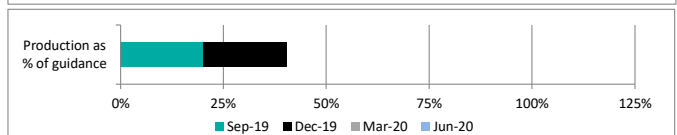
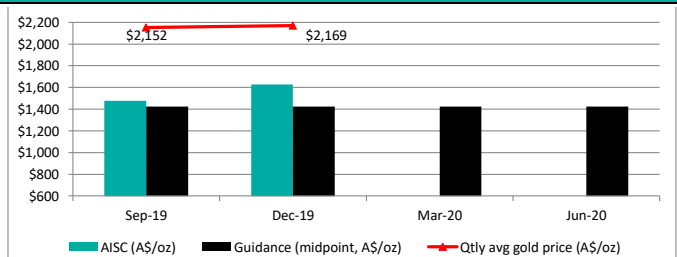
Production guidance decreased by 10.0koz w Dec Qtly
Cost guidance narrowed but unchanged



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

Figure 15 – Quarterly production and cost progress: Red 5 Ltd (RED)

Red 5 Ltd (RED)	Sep-19	Dec-19	Mar-20	Jun-20	YTD
Production					
Reported production (oz Au)	28,649	23,346			51,995
Guidance (midpoint, oz Au)	28,750	28,750	28,750	28,750	115,000
Cumulative progress (%)	24.9%	45.2%	-	-	45.2%
Costs					
AISC (A\$/oz)	\$1,476	\$1,628			\$1,544
Guidance (midpoint, A\$/oz)	\$1,425	\$1,425	\$1,425	\$1,425	\$1,425
Variance vs guidance (%)	3.6%	14.2%	-	-	8.4%



SOURCE: COMPANY DATA, IRESS, BELL POTTER SECURITIES ESTIMATES

GOLD EQUITIES – PRODUCERS COMPS TABLE

Company	ASX Code	Price (A\$/sh)	Market Cap (A\$m)	Net Cash/(Debt) (A\$m)	EV (A\$m)	Current production rate (kozpa)	Latest AISC (A\$/oz)	AISC margin (A\$/oz)	Implied AISC margin (A\$/pa)	EV/AISC margin x	Total hedged (koz)	Avg hedged price (A\$/oz)	Mark-to-market (A\$m)	Net cash (debt)/ Mkt Cap
Newcrest Mining Limited	NCM	\$28.82	\$22,168	-\$1,858.3	\$24,027	2,204	\$1,256	\$1,415	\$3,118.9	7.7 x	658.2	\$1,875	-\$524.1	-8.4%
Northern Star Resources Ltd	NST	\$13.13	\$9,717	-\$253.0	\$9,970	850	\$1,421	\$1,250	\$1,063.0	9.4 x	543.5	\$2,014	-\$357.0	-2.6%
Evolution Mining Limited	EVN	\$4.96	\$8,454	-\$420.0	\$8,874	720	\$1,069	\$1,602	\$1,152.9	7.7 x	350.0	\$1,860	-\$283.9	-5.0%
Saracen Mineral Holdings Limited	SAR	\$4.40	\$4,853	-\$101.0	\$4,954	481	\$1,098	\$1,573	\$755.9	6.6 x	538.5	\$1,997	-\$363.1	-2.1%
Regis Resources Limited	RRL	\$4.17	\$2,119	\$168.8	\$1,950	363	\$1,219	\$1,452	\$527.7	3.7 x	428.5	\$1,617	-\$451.7	8.0%
St Barbara Limited	SBM	\$2.51	\$1,765	\$166.2	\$1,781	377	\$1,364	\$1,307	\$492.3	3.6 x	170.2	\$1,837	-\$141.9	-0.9%
Silver Lake Resources Limited	SLR	\$1.77	\$1,557	\$186.0	\$1,371	274	\$1,192	\$1,479	\$405.4	3.4 x	154.5	\$1,900	-\$119.2	11.9%
Gold Road Resources Limited	GOR	\$1.69	\$1,487	\$21.0	\$1,466	140	\$1,102	\$1,569	\$219.8	6.7 x	111.7	\$1,844	-\$92.4	1.4%
OceanaGold Corporation	OGC	\$2.14	\$1,332	-\$143.9	\$1,476	433	\$1,433	\$1,238	\$349.7	2.8 x	118.8	\$1,952	-\$79.8	-10.8%
Perseus Mining Limited	PRU	\$1.07	\$1,244	\$43.6	\$1,200	277	\$1,407	\$1,264	\$535.7	3.4 x	276.0	\$2,103	-\$156.9	3.5%
Resolute Mining Limited	RSG	\$1.00	\$1,072	-\$410.3	\$1,482	421	\$2,075	\$596	\$251.1	5.9 x	155.0	\$2,029	-\$99.6	-38.3%
Ramellus Resources Limited	RMS	\$1.17	\$875	\$87.7	\$788	192	\$1,245	\$1,426	\$273.3	2.9 x	272.0	\$2,015	-\$178.5	10.0%
Westgold Resources Limited	WGX	\$2.08	\$832	\$32.0	\$800	251	\$1,361	\$1,310	\$328.4	2.4 x	180.0	\$1,892	-\$140.3	3.8%
Alkane Resources Limited	ALK	\$0.92	\$534	\$78.4	\$455	28	\$1,441	\$1,230	\$34.1	13.4 x	24.8	\$1,851	-\$20.3	14.7%
Aurelia Metals Limited	AMI	\$0.37	\$323	\$63.6	\$260	61	\$1,977	\$694	\$42.4	6.1 x	18.0	\$1,911	-\$13.7	19.7%
Red 5 Limited	RED	\$0.23	\$319	\$6.6	\$312	93	\$1,628	\$1,043	\$97.4	3.2 x	81.0	\$2,095	-\$46.7	2.1%
Pantoro Limited	PNR	\$0.11	\$129	\$31.7	\$98	38	\$2,014	\$657	\$24.7	4 x	8.0	\$1,800	-\$7.0	24.5%
Medusa Mining Limited	MML	\$0.50	\$104	\$35.6	\$68	83	\$1,969	\$703	\$58.4	1.2 x	-	na	na	34.3%
Dacian Gold Limited	DCN	\$0.45	\$103	-\$51.7	\$934	133	\$1,737	\$934	\$124.2	1.2 x	125.0	\$1,968	-\$87.9	-50.3%
Blackham Resources Limited	BLK	\$0.01	\$93	-\$0.9	\$94	80	\$1,527	\$1,144	\$91.6	1 x	-	na	na	-1.0%
Average						80	\$1,477	\$1,194		5 x				

CHANGE IN NET CASH (DEBT) QoQ to Dec-19

Company	ASX Code	Net Cash/(Debt) (A\$m)	Change qoq (A\$m)	Change A\$/oz
Gold Road Resources	LIGOR	\$21.0	\$30.0	\$857
Silver Lake Resources	L SLR	\$186.0	\$30.8	\$450
Evolution Mining	Limitex EVN	-\$420.0	\$78.0	\$434
Regis Resources	Limitex RRL	\$168.8	\$21.4	\$236
St Barbara Limited	SBM	-\$16.2	\$19.8	\$210
Ramellus Resources	Lin RMS	\$87.7	\$1.5	\$31
OceanaGold Corporation	OGC	-\$143.9	-\$4.7	-\$43
Blackham Resources	Lir BLK	-\$0.9	-\$1.4	-\$69
Westgold Resources	Lin WGX	\$32.0	-\$14.3	-\$228
Resolute Mining	Limited RSG	-\$410.3	-\$29.1	-\$276
Dacian Gold Limited	DCN	-\$51.7	-\$11.0	-\$331
Medusa Mining	Limited MML	\$35.6	-\$10.4	-\$502
Red 5 Limited	RED	\$6.6	-\$13.5	-\$578
Aurelia Metals	Limited AMI	\$63.6	-\$12.1	-\$792
Newcrest Mining	Limitex NCM	-\$1,858.3	-\$1,130.2	-\$1,025
Perseus Mining	Limited PRU	\$43.6	-\$75.8	-\$1,096
Pantoro Limited	PNR	\$31.7	-\$10.7	-\$1,138
Alkane Resources	Limitex ALK	\$78.4	-\$20.7	-\$2,987
Northern Star Resources	NST	-\$253.0	-\$1,288.5	-\$6,062
Saracen Mineral	Holdings SAR	-\$101.0	-\$1,093.1	-\$9,100

NOTE: This purely measures changes in net cash (debt) qoq net of equity raising inflows and dividend payment outflows over gold ounces produced. Therefore, over and above cash outflows measured by the AISC, it will also capture capital investments in new projects, debt repayments/drawdowns, asset acquisitions and divestments, gold forward sales, timing of sales, cash tax payments and other one-off items impacting quarterly cash movements over and above the ongoing operations. Companies with by-products have cash changes measured over gold ounces only, exaggerating this metric.

RESOURCE AND RESERVE OUNCE VALUATIONS

Company	ASX Code	Resources (MoZs)	Grade (g/t Au)	EV/Res oz (A\$/oz)	Reserves (MoZs)	Grade (g/t Au)	EV/Resv oz (A\$/oz)
Newcrest Mining Limited	NCM	131.2	0.53	\$183	52.2	0.79	\$460
Northern Star Resources Ltd	NST	28.6	2.67	\$348	9.8	2.04	\$1,013
Evolution Mining Limited	EVN	22.2	1.19	\$400	8.7	0.94	\$1,015
Saracen Mineral Holdings Limited	SAR	15.1	1.61	\$329	7.0	1.57	\$713
Regis Resources Limited	RRL	8.2	0.97	\$238	4.0	1.11	\$483
St Barbara Limited	SBM	12.2	2.00	\$146	6.4	2.00	\$278
Silver Lake Resources Limited	SLR	6.1	4.50	\$227	1.1	3.71	\$1,282
Gold Road Resources Limited	GOR	3.6	1.40	\$406	1.9	1.24	\$788
OceanaGold Corporation	OGC	13.7	1.46	\$108	5.3	1.31	\$278
Perseus Mining Limited	PRU	6.6	1.23	\$181	3.3	1.38	\$365
Resolute Mining Limited	RSG	10.1	2.70	\$147	3.9	2.50	\$380
Ramellus Resources Limited	RMS	4.5	1.60	\$175	0.8	1.80	\$938
Westgold Resources Limited	WGX	9.1	2.17	\$88	2.6	2.58	\$305
Alkane Resources Limited	ALK	0.4	2.00	\$1,119	0.1	2.00	\$5,115
Aurelia Metals Limited	AMI	0.8	1.40	\$326	0.3	1.90	\$982
Red 5 Limited	RED	5.6	2.67	\$55	2.7	1.51	\$115
Pantoro Limited	PNR	2.6	4.45	\$38	0.2	6.59	\$546
Medusa Mining Limited	MML	1.3	3.63	\$54	0.3	6.27	\$206
Dacian Gold Limited	DCN	2.1	2.00	\$74	0.8	1.40	\$205
Blackham Resources Limited	BLK	6.4	2.10	\$15	1.4	1.70	\$67
Average				\$212			\$546

Priced as at: 14/04/2020

SOURCE: IRESS, COMPANY REPORTS, BELL POTTER ESTIMATES

AISC margin: margin between AISC and A\$ spot gold price

Production is gold ounces only, by-product credits are accounted for in AISC

Implied AISC margin = AISC margin x annualised production. Is an estimate only

GOLD EQUITIES – EXPLORERS COMPS TABLE

Company	ASX Code	Price (\$/sh)	Market Cap (\$A\$m)	Net Cash/(Debt) (\$A\$m)	EV (\$A\$m)	Resources (MoZs)	Grade (g/t Au)	EV/Res oz (\$/oz)	Reserves (MoZs)	Grade (g/t Au)	EV/Rsv oz (\$/oz)	Net cash (debt) / Mkt Cap
West African Resources Limited	WAF	\$0.54	\$470.1	-\$236.9	\$707.1	3.089	1.77	\$229	1.7	2.40	\$429	-50.4%
Capricorn Metals Ltd	CMM	\$1.16	\$379.0	\$68.0	\$311.0	1.525	0.90	\$204	0.9	1.00	\$349	17.9%
Bellevue Gold Limited	BGL	\$0.55	\$373.1	\$40.0	\$333.1	2.200	11.30	\$151	-	-	na	10.7%
De Grey Mining Limited	DEG	\$0.29	\$311.2	\$9.0	\$302.2	2.200	1.80	\$137	-	-	na	2.9%
Cardinal Resources Limited	CDV	\$0.38	\$190.0	-\$19.0	\$209.0	6.990	1.13	\$30	5.1	1.13	\$41	-10.0%
Spectrum Metals Limited	SPX	\$0.13	\$187.3	\$5.7	\$181.6	0.356	13.80	\$511	-	-	na	3.0%
Catalyst Metals Limited	CYL	\$2.12	\$174.7	\$21.7	\$153.0	0.000	0.00	na	-	-	na	12.4%
Ora Banda Mining Ltd	OBM	\$0.18	\$102.6	\$22.9	\$79.7	2.039	2.60	\$39	0.2	2.30	\$380	22.3%
Vango Mining Limited	VAN	\$0.13	\$93.4	-\$0.4	\$93.8	0.410	8.00	\$229	-	-	na	-0.4%
Bardoc Gold Limited	BDC	\$0.07	\$90.7	\$16.7	\$74.0	3.020	1.90	\$25	0.8	2.36	\$94	18.4%
Calidus Resources Limited	CAI	\$0.30	\$63.3	\$5.8	\$57.5	1.250	1.83	\$6	0.4	1.50	\$138	9.2%
Apollo Consolidated Limited	AOP	\$0.20	\$53.8	\$7.5	\$46.3	1.035	1.20	\$45	-	-	na	13.9%
Musgrave Minerals Limited	MGV	\$0.13	\$50.7	\$4.1	\$46.6	1.167	3.05	\$40	-	-	na	8.1%
Tanami Gold NL	TAM	\$0.04	\$48.2	\$28.2	\$20.0	1.646	2.80	\$12	-	-	na	58.5%
NTM Gold Limited	NTM	\$0.07	\$46.8	\$7.0	\$39.8	0.537	1.34	\$74	-	-	na	14.9%
Breaker Resources NL	BRB	\$0.19	\$44.0	\$9.5	\$34.5	0.981	1.30	\$35	-	-	na	21.6%
Genesis Minerals Limited	GMD	\$0.03	\$39.9	\$6.0	\$33.9	0.867	3.20	\$39	-	-	na	15.0%
Antipa Minerals Limited	AZY	\$0.02	\$34.6	\$3.4	\$31.2	1.630	1.13	\$19	-	-	na	9.9%
KIN Mining NL	KIN	\$0.05	\$32.5	\$2.7	\$29.8	0.945	1.40	\$32	0.3	1.10	\$105	8.3%
Rox Resources Limited	RXL	\$0.02	\$32.1	\$3.7	\$28.4	0.595	2.97	\$48	-	-	na	11.5%
Saturn Metals Limited	STN	\$0.35	\$29.5	\$4.5	\$25.0	0.781	1.00	\$32	-	-	na	15.3%
Venus Metals Corporation Limited	VMC	\$0.18	\$27.2	\$6.1	\$21.1	0.595	2.97	\$35	-	-	na	22.5%
Horizon Minerals Limited	HRZ	\$0.06	\$27.2	\$4.2	\$23.0	1.175	1.55	\$20	-	-	na	15.5%
Prodigy Gold NL	PRX	\$0.04	\$20.3	\$12.6	\$7.7	1.010	2.00	\$8	-	-	na	62.0%
Middle Island Resources Limited	MDI	\$0.01	\$17.7	\$0.8	\$16.9	0.537	1.40	\$31	-	-	na	4.3%
Ausgold Limited	AUC	\$0.01	\$14.4	\$3.1	\$11.3	1.201	1.10	\$9	-	-	na	21.7%
Total / average			\$2,954.3			37.8	2.5	\$82	9.3	1.5	\$219	

Priced as at: 14/04/2020

SOURCE: IRESS, COMPANY REPORTS, BELL POTTER ESTIMATES

GOLD EQUITIES – PERFORMANCE HEAT MAP

We previously noted that performance in the sector has been dominated by the larger, multi-mine producers, but that we had expected this to begin to flow down to the smaller names should we see an extension of the current gold price rally and stronger momentum in the market. This has eventuated to a degree, but still on a selective basis as liquidity has dampened upside at the smaller end of the market. M&A has been a key driver of outperformance among the explorers and developers, as well as exploration success. This should be no surprise – these are key reasons for investing in this group – but that there is M&A activity crystallising value and the market is giving recognition for good drilling results signals that the market remains open and sentiment is positive.

Figure 16 – ASX gold equities heat map of rolling share price performance

Stock	3 months to Apr-2019	3 months to Jul-2019	3 months to Oct-2019	3 months to Jan-2020	3 months to Apr-2020	12 months to Apr-2020
US\$ gold	4%	9%	6%	3%	9%	30%
A\$ gold	7%	11%	10%	1%	18%	46%
XGD	12%	21%	10%	-9%	-7%	12%
NCM	17%	25%	15%	-14%	-18%	2%
NST	161%	29%	1%	0%	-3%	27%
EVN	-47%	17%	9%	-19%	19%	23%
SAR	-44%	26%	3%	-1%	12%	44%
RRL	37%	7%	-8%	-14%	-9%	-23%
SBM	-32%	-2%	-11%	0%	-18%	-29%
SLR	-64%	50%	-22%	48%	15%	97%
GOR	-24%	24%	3%	12%	9%	55%
PRU	-36%	34%	18%	51%	-12%	109%
OGC	139%	-16%	10%	-30%	-36%	-58%
RSG	-54%	13%	3%	-15%	-28%	-29%
RMS	95%	-6%	75%	-3%	-22%	25%
WGX	115%	44%	37%	-2%	-22%	50%
ALK	-20%	60%	88%	-24%	25%	187%
WAF	-44%	9%	30%	-4%	6%	44%
CMM	43%	69%	61%	8%	-11%	163%
BGL	35%	10%	-6%	-9%	-5%	-11%
DCN	359%	-72%	134%	5%	-11%	-39%
RED	-76%	68%	36%	11%	-38%	57%
AMI	1127%	-45%	1%	2%	-29%	-60%
DEG	-57%	-10%	-14%	-16%	372%	207%
EAR	-30%	-3%	103%	-3%	3%	97%
CDV	100%	-7%	18%	-13%	10%	6%
SPX	-91%	-11%	300%	-12%	36%	329%
PNR	213%	-35%	12%	-21%	-35%	-63%
MML	-19%	59%	32%	3%	-47%	15%
BCN	-92%	55%	48%	-9%	-21%	66%
BLK	-90%	-14%	-17%	20%	-17%	-29%
CAI	541%	24%	-16%	0%	0%	4%
MOY	662%	-28%	-27%	-39%	0%	-68%
OBM	1796%	-93%	42%	6%	-8%	-90%
BRB	1071%	-15%	-13%	-5%	-38%	-56%
BSR	-72%	-11%	0%	-6%	-13%	-28%
KSN	726%	-31%	54%	-23%	-13%	-28%
PRX	-32%	18%	15%	-42%	-48%	-59%
Average	180%	7%	29%	-5%	0%	27%

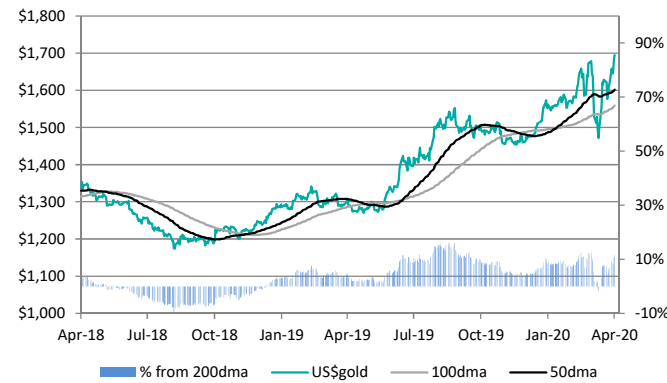
SOURCE: IRESS, BELL POTTER SECURITIES ESTIMATES

This list was sorted by market capitalisation as at April 2020.

GOLD IN CHARTS - PRICES

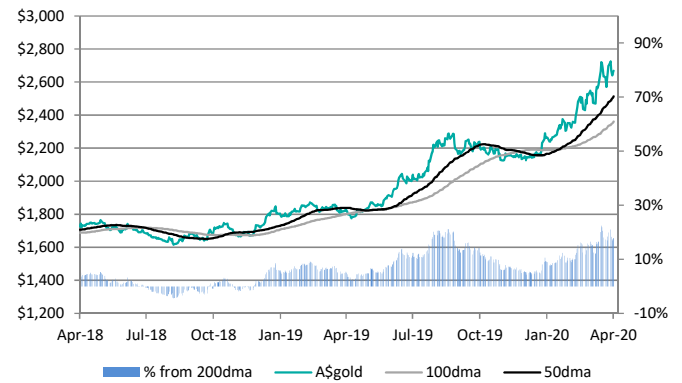
From a technical point of view the gold price looks very strong, if a little extended in A\$-terms where it lifted to 20% ahead of its 200dma at the end of March. This is a similar level to August 2019, which preceded a period of consolidation and slightly lower prices. Looking at the US\$ price chart, however, shows the price much less extended and volatility a much stronger feature, trading across a US\$220 range in just the last month. We view this as supportive for the near-term outlook.

Figure 17 – Rolling 2yr US\$ gold price and 200dma divergence



SOURCE: IRESS, BELL POTTER ESTIMATES

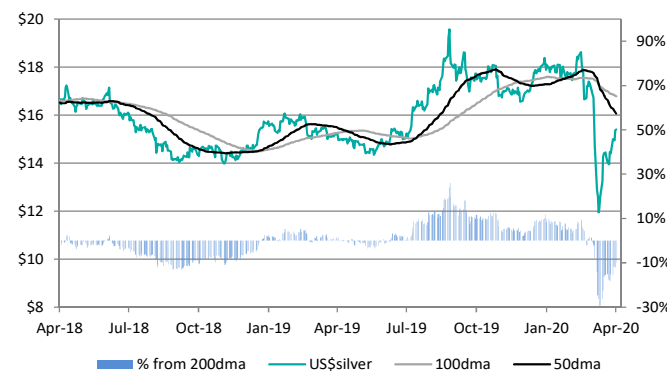
Figure 18 – Rolling 2yr A\$ gold price and 200dma divergence



SOURCE: IRESS, BELL POTTER ESTIMATES

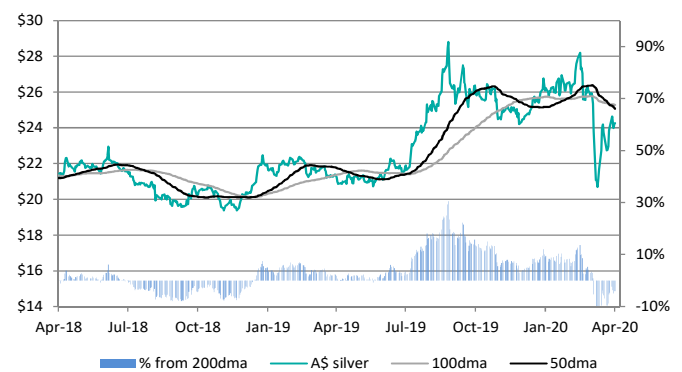
Silver's volatility has left gold for dead, trading over a 56% trough-to-peak range in the last 6 weeks in US\$-terms. While silver has struggled to hold onto gains and is now on the end of a 9-year outperformance hiding vs gold (see Figure 19), we are of the view that silver is relatively cheap right now and worth accumulating as a potentially leveraged alternative to gold.

Figure 19 – Rolling 2yr US\$ silver price and 200dma divergence



SOURCE: IRESS, BELL POTTER ESTIMATES

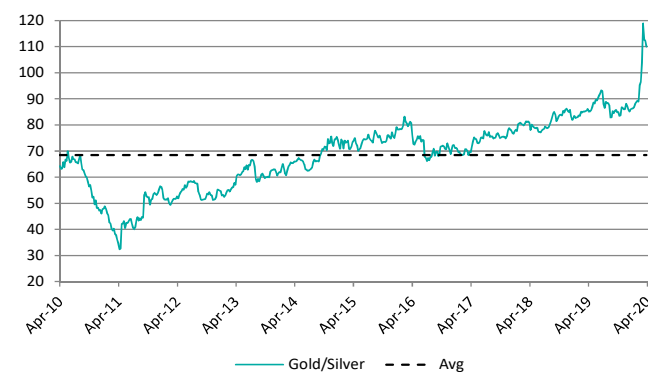
Figure 20 – Rolling 2yr A\$ silver price and 200dma divergence



SOURCE: IRESS, BELL POTTER ESTIMATES

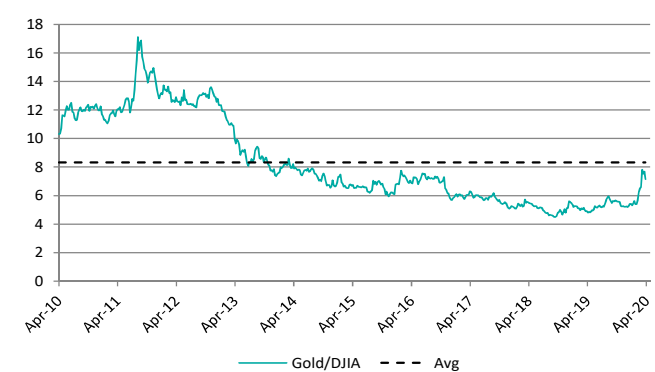
We had been watching the gold:silver ratio for an indication of bullish sentiment, but that has arrived without silver outperformance. What we do see now is what may be a compelling value opportunity. Gold still does not look expensive and in a supportive gold price environment we believe it is more likely silver has catching up to do rather than gold pulling back.

Figure 21 – Gold:Silver ratio (10 years)



SOURCE: IRESS, BELL POTTER ESTIMATES

Figure 22 – Gold vs DJIA (10 years)

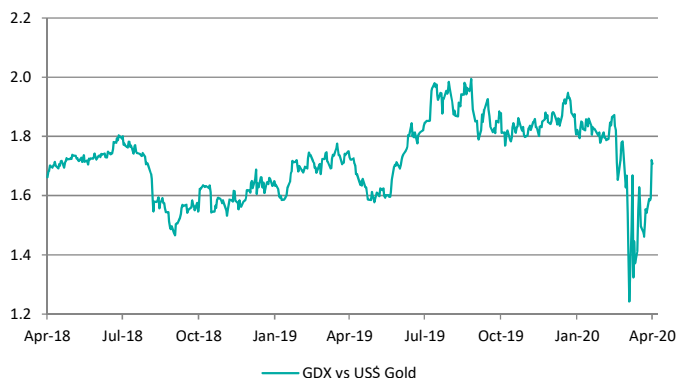


SOURCE: IRESS, BELL POTTER ESTIMATES

GOLD IN CHARTS – EQUITY PERFORMANCE AND INDICATORS

The charts below monitor the performance of gold equities vs gold bullion. Relative outperformance of the equities is, in our view, a good indicator of positive sentiment. Across all three Indices (GDX, GDXJ and XGD) volatility is a key recent feature, driven by big moves in both the gold price and the equities. While the equities initially suffered as a source of liquidity (more so than gold bullion) the most recent moves show outperformance and we view this as likely to continue.

Figure 23 – Relative performance: GDX vs US\$ gold



SOURCE: IRESS, BELL POTTER ESTIMATES

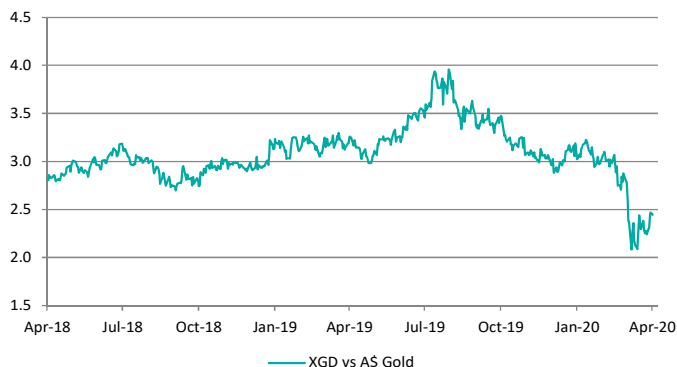
Figure 24 – Relative performance: GDXJ vs US\$ gold



SOURCE: IRESS, BELL POTTER ESTIMATES

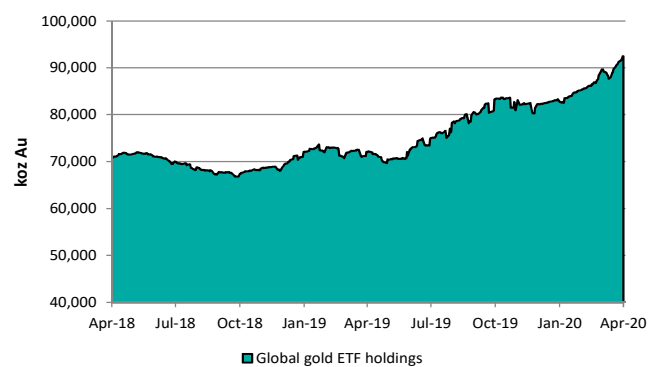
Global gold ETF holdings have surged a further 11% above the recent 7-year high set in October 2019, reflecting a new flight to safety over and above the prior positive sentiment and asset re-allocation trends we had observed through 2019.

Figure 25 – Relative performance: XGD vs A\$ gold



SOURCE: IRESS, BELL POTTER ESTIMATES

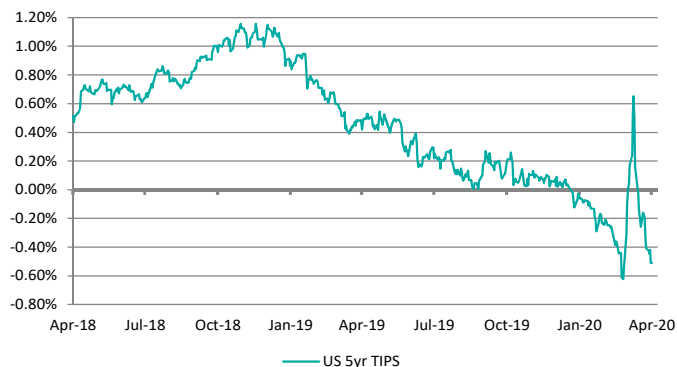
Figure 26 – Total known ETF gold holdings



SOURCE: BLOOMBERG

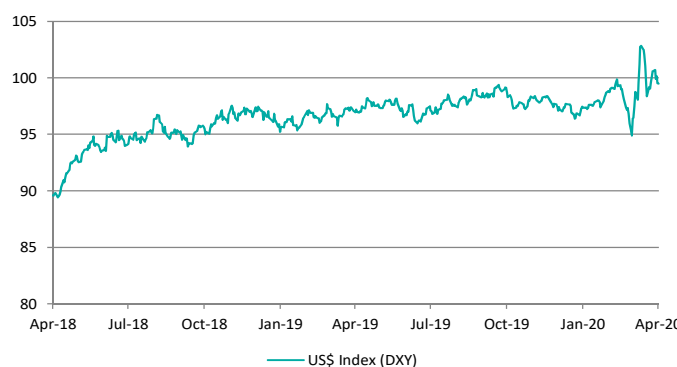
Real interest rates (as measured by US 5yr TIPS) have shown extreme volatility over the last 6 weeks as the US Federal Reserve implemented a 50bps out-of-cycle emergency rate cut in early March, a 100bps cut in mid-March and massive new quantitative easing programs. The overall trend for real interest rates remains negative and similar actions by Central Banks globally we believe creates a very supportive environment for the gold price, notwithstanding some US\$ strength.

Figure 27 – US Treasury 5yr Inflation Protected Securities



SOURCE: BLOOMBERG

Figure 28 – US\$ Index (DXY)



SOURCE: BLOOMBERG

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

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

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Disclosure: Bell Potter Securities acted as Lead Manager to Pantoro Limited's (PNR) \$43m equity raise of May 2019 and received fees for that service.

Disclosure: Bell Potter Securities acted as Lead Manager to Breaker Resources (BRB) \$6.4m equity raise of May 2019 and received fees for that service.

Disclosure: Bell Potter Securities acted as Lead Manager to Millennium Minerals (MOY) \$15m equity raise in February 2019 and received fees for that service.

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The Analysts hold long positions in shares in EVN, NST, OGC, RRL, SBM, RSG, GOR, PNR, WGX, and SLR.