Analyst
David Coates 612 8224 2887

Authorisation
Bradley Watson 618 9326 7672

Nickel Mines Ltd (NIC)

Panic selling creates opportunity

Recommendation
Buy (unchanged)
Price
$1.405
Target (12 months)
$1.76 (unchanged)

GICS Sector

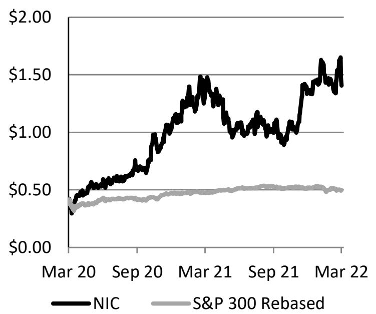
Materials

Expected Return	
Capital growth	25.3%
Dividend yield	4.3%
Total expected return	29.6%
Company Data & Ratios	
Enterprise value	$3,797m
Market cap	$3,686m
Issued capital	2,623m
Free float	77%
Avg. daily val. (52wk)	$14.8m
12 month price range	$0.885-$1.79

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	1.42	1.38	1.31
Absolute (%)	-0.7	2.2	7.7
Rel market (%)	-0.3	4.7	3.1

Absolute Price



SOURCE: IRESS

Nickel market mayhem

NIC entered and subsequently exited a Trading Halt on Wednesday 9 March, following a 23% drop in its share price in morning trade on the ASX. This resulted from speculation around the possible implications for Tsingshan Holding Group (a private company), the world's largest stainless steel producer and parent company of Shanghai Decent Investment (SDI). SDI is NIC's largest shareholder (17.9%) and partner in the Indonesian Morowali Industrial Park (IMIP) and Indonesia Weda Bay Industrial Park (IWIP), where NIC's Nickel Pig Iron (NPI) operations are hosted. According to reports, Tsingshan held a 200kt nickel short position, struck at US$21,000/t. Following the suspension and cancellation of LME nickel trades for Tuesday 8th March, the mark-to-market valuation of the position, calculated on Monday's cash closing price of US$48,200/t, was ~US$7.4 billion. Market concerns related to the solvency of Tsingshan, the status of operations and development at the IWIP and IWIP and the potential forced sale of SDI's shareholding in NIC.

Business as usual for NIC

NIC has stated that production, commissioning and construction activities at the IMIP and IWIP are unaffected by these developments. Tsingshan has provided assurances it will not be selling any shares in NIC, it will continue to purchase all NPI produced by NIC at market prices and, as outlined in the terms for NIC's acquisition of 70% of the Oracle Nickel Project, it will accept NIC shares as part consideration. In the meantime, we believe it is likely Tsingshan (annual revenues US$56 billion and regarded as the world's lowest cost stainless steel producer) will close out its short position, supported by physical delivery, without compromising its long-term financial viability.

Investment thesis – Buy, TP$1.76/sh (unchanged)

We make no changes to our forecasts or valuation with this update. The underlying fundamentals of the business are unchanged, other than that we expect upward pressure to be applied to Nickel Pig Iron (NPI) prices. We view NIC's steep price drop as an acquisition opportunity. We continue to forecast aggressive EPS growth of 82% and 85% for FY22 and FY23 and we retain our Buy recommendation.

Earnings Forecast

Year ending 31 December	2021a	2022e	2023e	2024e
Sales (US$m)	646	1,149	1,681	1,917
EBITDA (US$m)	243	463	838	914
Attributable NPAT (reported) (US$m)	138	255	492	534
Attributable NPAT (reported) (A$m)	184	349	674	732
EPS (adjusted) (A¢ps)	7.3	13.3	24.6	26.7
EPS growth (%)	-11%	82%	85%	9%
PER (x)	19.3	10.6	5.7	5.3
FCF Yield (%)	-15%	4%	25%	30%
EV/EBITDA (x)	11.4	6.0	3.3	3.0
Dividend (A¢ps)	4.0	6.0	10.0	11.0
Yield (%)	2.8%	4.3%	7.1%	7.8%
Franking (%)	0%	0%	0%	0%
ROE (%)	18%	28%	42%	38%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Panic selling creates opportunity

Business as usual for NIC

NIC entered and subsequently exited a Trading Halt on Wednesday 9 March, following a 23% drop in its share price in morning trade on the ASX. This resulted from speculation around the possible implications for Tsingshan Holding Group, the world's largest stainless steel producer and parent company of Shanghai Decent Investment (SDI). According to reports, Tsingshan held a 200kt nickel short position, struck at US$21,000/t. The mark-to-market valuation of the position, calculated on Monday's cash closing price of US$48,200/t, was ~US$7.4 billion. Market concerns related to the solvency of Tsingshan, the status of operations and development at the IWIP and IWIP and the potential forced sale of SDI's shareholding in NIC.

NIC has stated that production, commissioning and construction activities at the IMIP and IWIP are unaffected by these developments. Tsingshan has provided assurances it will not be selling any shares in NIC, it will continue to purchase all NPI produced by NIC at market prices and, as outlined in the terms for NIC's acquisition of 70% of the Oracle Nickel Project, it will accept NIC shares as part consideration.

In our view this is shaping up as an opportunity to acquire NIC shares at a material discount and when there has been no fundamental change to the outlook for the business, other than further upward pressure likely being applied to the NPI price.

Changes to our forecasts

We have made no changes to our forecasts or valuation with this update, as summarised in the table below:

Table 1 - Changes to our CY forecasts

	Previous			New			Change		
Year end 31 December	Dec-22	Dec-23	Dec-24	Dec-22	Dec-23	Dec-24	Dec-22	Dec-23	Dec-24
Prices & currency									
Nickel price (US$/t)	19,456	18,629	18,739	19,456	18,629	18,739	0%	0%	0%
US$/A$	0.73	0.73	0.73	0.73	0.73	0.73	0%	0%	0%
Production & costs									
Ore mined (t)	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	0%	0%	0%
Nickel in ore (t)	43,200	43,200	43,200	43,200	43,200	43,200	0%	0%	0%
RKEF NPI production (t)	517,008	789,615	904,615	517,008	789,615	904,615	0%	0%	0%
Contained nickel (t)	66,771	100,846	114,646	66,771	100,846	114,646	0%	0%	0%
Contained nickel (t, attributable)	53,417	78,457	88,117	53,417	78,457	88,117	0%	0%	0%
Cash costs (US$/t Ni)	10,700	8,674	8,858	10,700	8,674	8,858	0%	0%	0%
Earnings & valuation									
Revenue (consolidated, US$m)	1,149	1,681	1,917	1,149	1,681	1,917	0%	0%	0%
EBITDA (consolidated, US$m)	463	838	914	463	838	914	0%	0%	0%
EBITDA (attributable, US$m)	368	651	701	368	651	701	0%	0%	0%
NPAT (reported, attributable, US$m)	255	492	534	255	492	534	0%	0%	0%
EPS (reported) (Acps)	13.3	24.6	26.7	13.3	24.6	26.7	0%	0%	0%
PER (x)	10.6	5.7	5.3	10.6	5.7	5.3	-	-	-
EPS growth (%)	82%	85%	9%	82%	85%	9%	0%	0%	0%
DPS (Acps)	6.0	10.0	11.0	6.0	10.0	11.0	0%	0%	0%
Yield	4.3%	7.1%	7.8%	4.3%	7.1%	7.8%	0%	0%	0%
NPV (A$/sh)	1.76	2.16	2.66	1.76	2.16	2.66	0%	0%	0%
Price Target (A$/sh)		1.76			1.76			0%	

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

We have retained our dividend and earnings forecasts. We continue to forecast aggressive EPS growth of 82% and 85% for FY22 and FY23, on what we view as conservative production forecasts. Our NPV-based valuation is unchanged at $1.76/sh.

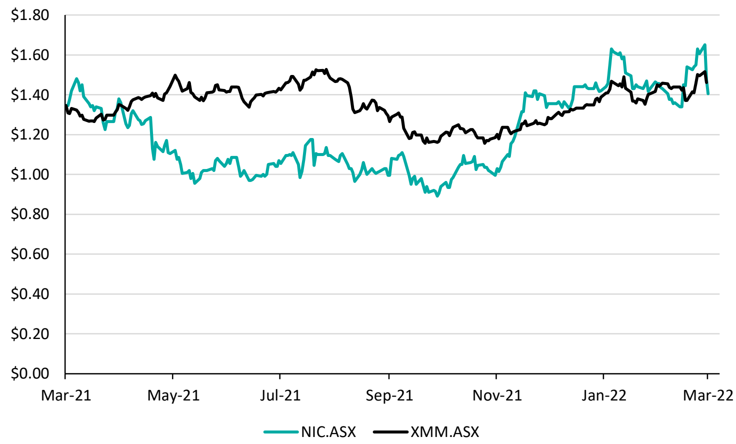
Upcoming catalysts

Upcoming catalysts for NIC include:

- Updates on Nickel Pig Iron (NPI) pricing and the effective Ni payability, which we believe the market will continue to consider as a measure of NIC's nickel price exposure;
- Further updates on the production ramp-up progress of ANI, in which NIC holds an 80% interest. We anticipate full production in the December quarter 2022;
- Further updates on the construction of ONI, comprising 4 next-generation RKEF lines being developed within the IMIP. Commissioning is to commence in 1QCY23;
- Progress updates for the Hengjaya Mine, where a major production expansion is complete. We will be looking for costs to track lower, towards ~US$20/t and for the first commercial limonite nickel ore sales in 1QCY22;
- The release of the March 2022 quarterly production and cost report, expected in late April 2022;
- Exploration and development updates on the Siduarsi Nickel-Cobalt project in Papua province, Indonesia, in which NIC has recently acquired a 100% interest; and
- Updates on the ownership levels of the 80%-owned Hengjaya Mine, which is subject to Indonesia's compulsory divestment laws.

NIC vs the ASX Metals and Mining Index

Figure 1 - NIC relative share price performance vs ASX Metals and Mining Index (XMM)



SOURCE: IRESS

Nickel Mines Limited (NIC)

Company description: fully integrated NPI producer

Nickel Mines Limited ('Nickel Mines' or 'NIC') was formed in 2007 and listed on the ASX in 2018. Its operations are focused in Central Sulawesi, Indonesia, where it holds an 80% interest four Rotary Kiln Electric Furnace (RKEF) NPI production lines (the two Hengjaya lines and the two Ranger lines) with Shanghai Decent Investments (SDI) a subsidiary of Tsingshan Group, the world's largest stainless steel producer. The RKEF lines are located in an existing, fully integrated stainless steel production facility, the Indonesian Morowali Industrial Park (IMIP).

First production from the Hengjaya Lines was achieved on 31 January 2019 and the Ranger Lines commenced production during the December quarter 2019. Both projects have since achieved steady state production of ~20ktpa contained Ni in NPI, exceeding nameplate production of ~16ktpa each at lower than planned operating costs.

NIC has also executed binding agreements to acquire an 80% interest in the Angel Nickel Project comprising four new generation RKEF NPI production lines currently in production ramp up production within the Indonesia Weda Bay Industrial Park (IWIP) on Halmahera Island in Indonesia and a 70% interest in the Oracle Nickel Project, comprising four new generation RKEF NPI production lines currently under construction within the IMIP.

NIC also holds an 80% interest in Hengjaya Mine ('HM'), a high-grade, long-life nickel laterite deposit, in close proximity to the IMIP. The HM produces Direct Shipping Ore (DSO), the bulk of which is sold into the IMIP facility.

Investment thesis – Buy, TP$1.76/sh (unchanged)

We make no changes to our forecasts or valuation with this update. The underlying fundamentals of the business are unchanged, other than that we expect upward pressure to be applied to Nickel Pig Iron (NPI) prices. We view NIC's steep price drop as an acquisition opportunity. We continue to forecast aggressive EPS growth of 82% and 85% for FY22 and FY23 and we retain our Buy recommendation.

Valuation: $1.76/sh

Our 12-month forward NIC valuation incorporates DCF models of its attributable interests in the Hengjaya laterite nickel ore mine (HM), an 80% interest in the two Hengjaya Nickel RKEF lines and an 80% interest in the two Ranger Nickel RKEF lines.

We have constructed a discounted cash flow (DCF) model for NIC's attributable interest in these RKEF lines that are in production at Tsingshan's IMIP facility and a DCF calculation for NIC's current 80% interest (declining to 49% in 2028) in the Hengjaya laterite nickel ore mine.

We also include a risk-adjusted, NPV-based valuation for NIC's 80% interest in the Angel Nickel Industry (ANI) project, its 70% interest in the Oracle Nickel Project (ONI) and a notional value for other exploration and development projects, an estimate of corporate overhead costs and NIC's last reported net cash position. Our valuation is calculated on a fully diluted basis. Following the latest update, our valuation stands at $1.76/sh.

Risks

Key risks to our investment case include (but are not limited to):

- **Funding and capital management risks:** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments. Exploration and development companies with no sales revenues are reliant on access to equity markets and debt financing to fund the advancement and development of their projects.
- **Operating and development risks:** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single mine company. Development of mining assets may be subject to receiving permits, approvals timelines or weather events, causing delays to commissioning and commercial production.
- **COVID-19 risks:** Mining companies' rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures being put in place to combat the COVID-19 pandemic are posing risks to these conditions.
- **Operating and capital cost fluctuations:** The cost and availability of exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour costs as well as access to, and availability of, technical skills, operating equipment and consumables.
- **Commodity price and exchange rate fluctuations:** The future earnings and valuations of exploration, development and producing Resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Resource growth and mine life extensions:** The viability of future operations and the earnings forecasts and valuations reliant upon them may depend upon resource and reserve growth to extend mine lives, which is in turn dependent upon exploration success, of which there are no guarantees.
- **Regulatory changes risks:** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies. NIC's assets are located in Sulawesi, Indonesia, which has in the past implemented regulatory changes related to mining project ownership, fiscal terms and mineral export requirements.
- **Sovereign risks:** Mining companies' assets are subject to the sovereign risks of the jurisdiction within which they are operating. NIC's assets are in Indonesia, a G20 country with one of the largest economies in SE Asia. Its sovereign debt is rated investment grade by the major ratings agencies.
- **Corporate/M&A risks:** Risks associated with M&A activity including differences between the entity's and the market's perception of value associated with completed transactions. NIC is the junior partner co-investing in production assets with a large, privately owned Chinese company. The strength and cohesiveness of this relationship over the long term has the potential to both add and reduce value to the partnership. One of the key mitigating factors in this respect has been the investment of a combined US$50m by SDI and Wanlu Investments (US$26m and US$24m respectively) into NIC equity.

Nickel Mines Ltd
as at 9 March 2022

Recommendation	Buy
Price	$1.405
Target (12 months)	$1.76

Table 2 - Financial summary

PROFIT AND LOSS

Year ending 31 Dec.	Unit	2020a	2021a	2022e	2023e	2024e
Revenue	US$m	523.5	645.9	1,149.3	1,681.4	1,916.7
Expense	US$m	(329.0)	(402.7)	(686.5)	(842.9)	(1,002.9)
EBITDA	**US$m**	**194.5**	**243.2**	**462.8**	**838.5**	**913.7**
Depreciation	US$m	(36.8)	(36.0)	(67.8)	(98.2)	(112.6)
EBIT	US$m	157.7	207.3	395.0	740.3	801.1
Net interest expense	US$m	(4.7)	(12.7)	(24.9)	(24.6)	(10.2)
Unrealised gains (Impairments)	US$m	-	-	-	-	-
Other	US$m	1.6	(13.5)	(28.1)	(26.4)	(26.0)
PBT	**US$m**	**154.6**	**181.0**	**342.0**	**689.3**	**764.9**
Tax expense	US$m	(0.9)	(5.1)	(7.7)	(45.4)	(63.0)
Consolidated profit (loss) for the year	US$m	153.7	176.0	334.3	643.9	701.9
Non-Controlling Interest	US$m	43.1	38.0	79.6	152.2	167.6
Attributable NPAT (reported)	**US$m**	**110.6**	**137.9**	**254.7**	**491.7**	**534.3**
NPAT (underlying)	US$m	110.6	137.9	254.7	491.7	534.3

CASH FLOW

Year ending 31 Dec.	Unit	2020a	2021a	2022e	2023e	2024e
OPERATING CASHFLOW						
Receipts	US$m	517.6	660.9	1,159.4	1,628.2	1,893.1
Payments	US$m	(358.9)	(464.0)	(570.6)	(803.8)	(962.9)
Tax	US$m	(9.1)	(8.2)	(11.8)	(34.1)	(71.4)
Net interest	US$m	0.3	0.3	(24.9)	(24.6)	(10.2)
Other	US$m	-	-	-	-	-
Operating cash flow	**US$m**	**150.0**	**189.0**	**552.2**	**765.7**	**848.6**
INVESTING CASHFLOW						
Property, plant and equipment	US$m	(7.4)	(6.5)	(442.9)	(72.1)	(10.9)
Mine development	US$m	(147.0)	(41.7)	-	-	-
Exploration & evaluation	US$m	-	-	(0.4)	(0.4)	(0.4)
Other	US$m	(30.0)	(549.6)	-	-	-
Investing cash flow	**US$m**	**(184.4)**	**(597.9)**	**(443.3)**	**(72.5)**	**(11.3)**
Free Cash Flow	*US$m*	*(34.5)*	*(408.8)*	*108.9*	*693.2*	*837.3*
FINANCING CASHFLOW						
Share issues/(buy-backs)	US$m	430.0	-	225.0	-	-
Debt proceeds	US$m	-	320.8	80.0	-	-
Debt repayments	US$m	(25.3)	(45.0)	-	(150.0)	(175.0)
Distributions to non-controlling interests	US$m	(43.3)	(29.1)	(36.2)	(62.5)	(61.4)
Dividends	US$m	(15.4)	(75.1)	(120.0)	(200.0)	(220.0)
Other	US$m	(12.4)	25.7	(11.3)	-	-
Financing cash flow	**US$m**	**333.6**	**197.3**	**137.5**	**(412.5)**	**(456.4)**
Change in cash	*US$m*	*299.2*	*(211.5)*	*246.4*	*280.7*	*380.9*

BALANCE SHEET

Year ending 31 Dec.	Unit	2020a	2021a	2022e	2023e	2024e
ASSETS						
Cash & short term investments	US$m	351.4	137.9	384.2	664.9	1,045.8
Accounts receivable	US$m	117.8	125.1	114.9	168.1	191.7
Property, plant & equipment	US$m	600.8	1,296.3	1,671.4	1,645.3	1,543.6
Mine development expenditure	US$m	-	-	-	-	-
Exploration & evaluation	US$m	-	-	0.4	0.8	1.2
Other	US$m	164.7	243.4	243.4	243.4	243.4
Total assets	**US$m**	**1,234.7**	**1,802.6**	**2,414.3**	**2,722.5**	**3,025.7**
LIABILITIES						
Accounts payable	US$m	40.3	55.7	171.6	210.7	250.7
Income tax payable	US$m	3.8	7.6	7.7	45.4	63.0
Borrowings	US$m	45.0	327.6	414.3	264.3	89.3
Other	US$m	59.4	81.7	87.7	87.7	87.7
Total liabilities	US$m	**148.4**	**472.7**	**681.4**	**608.1**	**490.7**
SHAREHOLDER'S EQUITY						
Share capital	US$m	732.9	732.9	957.9	957.9	957.9
Reserves	US$m	19.2	44.7	44.7	44.7	44.7
Retained earnings	US$m	187.9	250.8	385.5	677.2	991.5
Total equity to NIC holders	**US$m**	**940.1**	**1,028.4**	**1,388.1**	**1,679.9**	**1,994.1**
Non-controlling interest	US$m	146.2	301.5	344.8	434.6	540.8
Total equity	**US$m**	**1,086.2**	**1,329.9**	**1,733.0**	**2,114.4**	**2,534.9**
Weighted average shares	m	1,948.7	2,515.0	2,627.8	2,740.0	2,740.0

CAPITAL STRUCTURE

Shares on issue	m	2,623.2
Total shares on issue	**m**	**2,623.2**
Share price	**A$/sh**	**1.405**
Market capitalisation	A$m	3,685.5
Net cash	A$m	-111.4
Enterprise value (undiluted)	**A$m**	**3,796.9**
Options outstanding (m)	m	0.0
Options (in the money)	m	0.0
Issued shares (diluted for options)	m	2,623.2
Market capitalisation (diluted)	A$m	3,685.5
Net cash + options	A$m	-111.4
Enterprise value (diluted)	**A$m**	**3,796.9**

MAJOR SHAREHOLDERS

Shareholder	%	m
Shanghai Decent (SDI)	17.9%	469.7
Tanito Group (PT Karunia)	14.4%	378.4
BlackRock Investment Management	7.5%	195.5
Directors and Management	5.3%	137.9
Shanghai Wanlu	4.6%	121.3

FINANCIAL RATIOS

Year ending 31 Dec.	Unit	2020a	2021a	2022e	2023e	2024e
VALUATION						
Attributable NPAT	US$m	110.6	137.9	254.7	491.7	534.3
Attributable NPAT	A$m	160.1	183.6	348.9	673.6	731.9
Reported EPS	USc/sh	5.7	5.5	9.7	17.9	19.5
Reported EPS	Ac/sh	8.2	7.3	13.3	24.6	26.7
Adjusted EPS	Ac/sh	8.2	7.3	13.3	24.6	26.7
EPS growth	%	62%	-11%	82%	85%	9%
PER [1]	x	17.1x	19.3x	10.6x	5.7x	5.3x
DPS	Ac/sh	3.0	4.0	6.0	10.0	11.0
Franking	%	0%	0%	0%	0%	0%
Yield	%	2.1%	2.8%	4.3%	7.1%	7.8%
FCF/share [1]	Ac/sh	(2.6)	(21.6)	5.7	34.7	41.9
FCF yield [1]	%	-2%	-15%	4%	25%	30%
P/FCFPS [1]	x	-54.9x	-6.5x	24.8x	4.1x	3.4x
EV/EBITDA [1]	x	14.2x	11.4x	6.0x	3.3x	3.0x
EBITDA margin	%	37%	38%	40%	50%	48%
EBIT margin	%	30%	32%	34%	44%	42%
Return on assets [1]	%	17%	12%	16%	25%	24%
Return on equity [1]	%	27%	18%	28%	42%	38%
LIQUIDITY & LEVERAGE						
Net debt (cash)	$m	(306)	190	30	(401)	(957)
ND / E	%	-33%	18%	2%	-24%	-48%
ND / (ND + E)	%	-48%	16%	2%	-31%	-92%
EBITDA / Interest	x	40.9x	19.1x	18.6x	34.1x	89.3x

ATTRIBUTABLE DATA - NICKEL MINES LTD

Year ending 31 Dec.	Unit	2020a	2021a	2022e	2023e	2024e
Revenues	US$m	391.3	578.8	1,001.1	1,390.6	1,540.9
EBITDA	US$m	139.7	199.2	368.1	651.2	700.9
NPAT	US$m	110.6	137.9	254.7	491.7	534.3
Net distributable cash flow	US$m	269.3	(190.4)	221.7	252.6	342.8
EV/EBITDA	x	18.8	14.3	7.5	4.3	4.0
PER	x	17.1	19.3	10.6	5.7	5.3
P/FCF	x	nm	nm	nm	10.7	7.8

ORE RESERVE AND MINERAL RESOURCE

Hengjaya Nickel Mine (HM)	Mdmt	% Ni	t Ni
Mineral Resources			
Measured	20.000	1.30%	260,000
Indicated	109.000	1.30%	1,417,000
Inferred	56.000	1.30%	728,000
Total	**185.000**	**1.30%**	**2,405,000**

ASSUMPTIONS - Prices

Year ending 31 Dec. (avg)	Unit	2020a	2021a	2022e	2023e	2024e
Nickel	US$/lb	$6.25	$8.37	$8.83	$8.45	$8.50
Nickel	US$/t	$13,775	$18,460	$19,456	$18,629	$18,739
Currency						
AUD:USD		0.69	0.75	0.73	0.73	0.73

ASSUMPTIONS - Production & costs

Year ending 31 Dec.	Unit	2020a	2021a	2022e	2023e	2024e
Hengjaya Mine						
Ore mined	wmt	795,650	2,169,972	2,400,000	2,400,000	2,400,000
Ore grade	% Ni	1.8%	1.8%	1.8%	1.8%	1.8%
Nickel in ore	t Ni	14,479	38,165	43,200	43,200	43,200
Nickel in ore (attributable)	t Ni	11,583	30,532	34,560	34,560	34,560
RKEF (IMIP)						
NPI production	t	295,897	298,352	517,008	789,615	904,615
Contained nickel	t Ni	43,622	40,411	66,771	100,846	114,646
Contained nickel (attributable)	t Ni	30,619	32,329	53,417	78,457	88,117
Costs						
Cash costs	US$/t Ni	$7,330	$10,106	$10,700	$8,674	$8,858
All-in-Costs (AIC)	US$/t Ni	$7,414	$10,225	$10,795	$8,781	$8,967

VALUATION

Ordinary shares (m)	**2,623.2**
Options in the money (m)	-
Total shares diluted (m)	**2,623.2**

Valuation	**Now**		**+12 months**		**+24 mths**	
Sum-of-the-parts	**A$m**	**A$/sh**	**A$m**	**A$/sh**	**A$m**	**A$/sh**
IMIP RKEF (NPV12)	2,297.6	0.88	2,360.3	0.90	2,435.9	0.93
IWIP RKEF (NPV12)	1,598.1	0.61	2,435.2	0.93	2,510.3	0.96
ONI RKEF (NPV12)	728.5	0.28	855.1	0.33	1,521.7	0.58
Hengjaya Mine (NPV12)	102.7	0.04	115.6	0.04	104.6	0.04
Other exploration	120.0	0.05	120.0	0.05	120.0	0.05
Corporate overheads	(107.1)	(0.04)	(112.9)	(0.04)	(113.6)	(0.04)
Subtotal (EV)	4,739.8	1.81	5,773.3	2.20	6,579.0	2.51
Net cash (debt)	(111.4)	(0.04)	(111.4)	(0.04)	400.6	0.15
Total (undiluted)	**4,628.4**	**1.76**	**5,661.8**	**2.16**	**6,979.6**	**2.66**
Dilutive effect of options		-		-		-
Add cash from options	-	-	-	-	-	-
Total (diluted)	**4,628.4**	**1.76**	**5,661.8**	**2.16**	**6,979.6**	**2.66**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

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

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

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

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

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

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
Chris Savage	Head of Research/Industrials	612 8224 2835	csavage
Analysts			
TS Lim	Banks	612 8224 2810	tslim
John Hester	Healthcare	612 8224 2871	jhester
Anubhav Saxena	Healthcare	612 8224 2846	asaxena
Tara Speranza	Healthcare	612 8224 2815	tsperanza
Marcus Barnard	Industrials	618 9326 7673	mbarnard
Sam Brandwood	Industrials	612 8224 2850	sbrandwood
Olivia Hagglund	Industrials	612 8224 2813	ohagglund
Hamish Murray	Industrials	613 9235 1813	hmurray
Jonathan Snape	Industrials	613 9235 1601	jsnape
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9235 1856	showe
Brad Watson	Resources	618 9326 7672	bwatson
Regan Burrows	Resources	618 9326 7677	rburrows
Joseph House	Resources	613 9235 1624	jhouse
Associates			
Michael Ardrey	Associate Analyst	613 9256 8782	mardrey
Daniel Laing	Associate Analyst	612 8224 2886	dlaing

Bell Potter Securities Limited
ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited
Room 1701, 17/F
Prosperity Tower, 39 Queens Road
Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC
Floor 39
444 Madison Avenue, New York
NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited
16 Berkeley Street
London, England
W1J 8DZ, United Kingdom
Telephone +44 7734 2929

Research Policies:

For Bell Potter's Research Coverage Decision Making Process and Research Independence Policy, please refer to our company website:

https://bellpotter.com.au/research-independence-policy/

Disclosure of interest:

Bell Potter Securities Limited, its employees, consultants and its associates within the meaning of Chapter 7 of the Corporations Law may receive commissions, underwriting and management fees from transactions involving securities referred to in this document (which its representatives may directly share) and may from time to time hold interests in the securities referred to in this document.

Disclosure: Bell Potter Securities acted as Joint Lead Manager and Underwriter to the US$225m Equity Raise of February 2022 and received fees for that service.

ANALYST CERTIFICATION

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.