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Genesis Minerals Ltd (GMD)

A Christmas Cracker

Recommendation
Buy (Hold)

Price
\$7.46
Target (12 months)
\$8.65 (previously \$4.45)

Sector
Materials
Expected Return

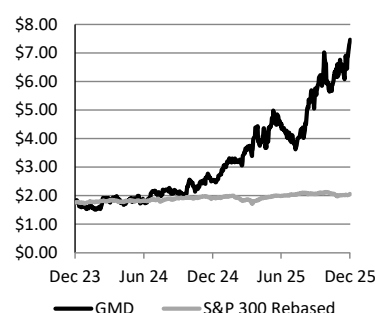
Capital growth	16%
Dividend yield	0%
Total expected return	16%

Company Data & Ratios

Enterprise value	\$8,359m
Market cap	\$8,522m
Issued capital	1,142m
Free float	95%
Avg. daily val. (52wk)	\$29m
12 month price range	\$2.43-\$7.50

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	6.60	5.30	2.54
Absolute (%)	13.0	40.8	193.7
Rel market (%)	10.4	40.4	186.0

Absolute Price


SOURCE: IRESS

Resumption of coverage

We resume coverage of GMD with a Buy recommendation and a \$8.65/sh TP (previously Hold \$4.45/sh). Our thesis is supported by **1) Growing production** - GMD is a domestically focused gold miner with growing production from its Laverton & Leonora Hub and Spoke model, we model production CAGR at 15% out to 2030. **2) Leverage to A\$ gold** - GMD is largely unhedged, with ~11% of FY26 production covered by zero- cost collars, providing direct exposure to rising gold prices (spot US\$4,515/oz, A\$ 6,739/oz). **3) Strategy update in 2HFY26** - looks to target the bottleneck in growth, being mill capacity. We interpret this to be an expansion of Leonora, to ~3.8Mtpa (from 1.4Mtpa) with eventual Tower Hill material feeding this from FY28. **4) Management discipline** - GMD's management has developed a reputation for disciplined, counter cyclical M&A and has generated ~957% in shareholder return since listing. We anticipate this strategy to continue to perform as GMD builds out its Mineral portfolio, capitalizing on rising gold prices.

Valuation stretched, premium warranted for now

GMD's trades on 7.8x EV/EBITDA (peer 5.5x) and 4.8x P/B, leading us to believe that the stock is pricing in a combination of future success, gold price appreciation and a quality premium. In a gold bull market this outlook is well supported. However, should commodity prices begin to turn we suspect GMD will be exposed given its above average valuation. Whilst the party continues however, GMD will continue to expand.

Investment thesis: Buy TP\$8.65

We resume coverage of GMD with a \$8.65 TP and a Buy recommendation (previously Hold \$4.45/sh). We believe GMD to be a high-quality gold producer, expanding production underpinned by a large Mineral Resource portfolio (18.6Moz), into a rising gold price environment (Spot US\$4,515/oz). Management's disciplined approach to counter-cyclical growth has seen shareholders rewarded (12m rolling shareholder return - 194%).

Earnings Forecast

Year end 30 June	2025a	2026e	2027e	2028e
Sales (A\$m)	920	1,588	1,650	1,904
EBITDA (A\$m)	454	811	1,013	1,224
NPAT (reported) (A\$m)	221	450	594	727
NPAT (adjusted) (A\$m)	221	450	594	727
EPS (adjusted) (¢ps)	20	41	54	67
EPS growth (%)	171%	103%	32%	22%
PER (x)	15.8 x	18.1 x	13.7 x	11.2 x
FCF Yield (%)	13%	4%	5%	5%
EV/EBITDA (x)	7.6 x	9.6 x	7.3 x	5.7 x
Dividend (¢ps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	0%	0%	0%	0%
ROE (%)	18%	26%	26%	24%

SOURCE: BELL POTTER SECURITIES ESTIMATES

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Investment thesis

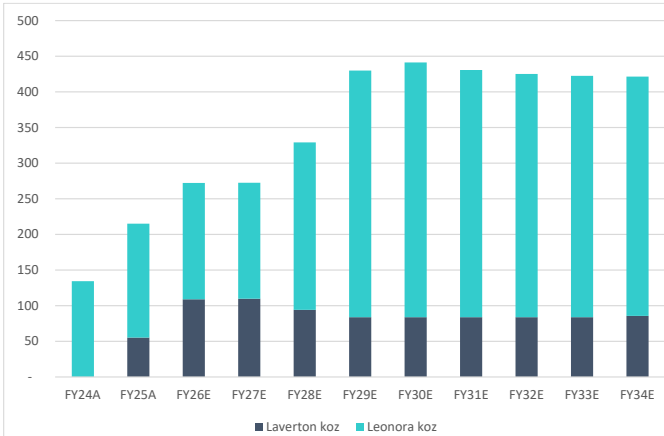
Investment thesis

We resume coverage of GMD with a \$8.65/sh target price and Buy recommendation. Our thesis is supported by the following:

- **Aussie gold producer with room to move** – GMD commands a dominant Hub and Spoke model in the Laverton & Leonora district in Western Australia. Group production of 214koz in FY25 (+59% YoY) and FY26 guidance of 275koz (BPe 272koz vs Visible Alpha (VA) 286koz), is expected to grow over the coming years, underpinned by ramping up of the Laverton Mill (3Mtpa), full utilisation and potential expansion of the Leonora Mill (1.4Mtpa) and additional high-grade ore sources (eg Tower Hill) entering production. The current Ore Reserve of 4.2Moz (68Mt at 1.9g/t) has potential to expand, with Mineral Resources of 18.6Moz (280Mt at 2.1g/t).
- **Near-term growth constrained by mill capacity, 2H FY26 update to address this** – We model a ~5 year growth CAGR of 15% (VA consensus 13%) however, growth in the near term will be constrained by mill capacity (4.4Mtpa group), particularly at Leonora. We model commencement of mining at Tower Hill in FY28, with a staged mill expansion at Leonora taking throughput from 1.4Mtpa to 3.8Mtpa by the end of the decade. At this point, we model Tower Hill material being processed at Leonora, however as with most of GMD's assets, the team will leverage the "right ore to the right mill" strategy in optimizing throughput. We suspect this will be the focus of the upcoming strategy update, scheduled for 2H FY26.
- **Capital allocation framework** – The capital allocation framework which dictates how the business aims to distribute annual returns focuses on equal shares of 1) Balance sheet strengthening, 2) Organic and inorganic counter cyclical growth projects and 3) Shareholder returns, be it in the form of dividends or buy-backs. We interpret this strategy to be one grounded in ensuring through-the-cycle performance, and a clear focus on maximizing shareholder returns.
- **Gold price leverage** – GMD's valuation is highly leveraged to the Aussie dollar gold price with approximately 30koz under zero-cost collar structure out to 1QFY27 (approximately 11% of our modelled production). The current spot price of US\$4,514/oz is up 72% YoY. For every \$100/oz increase in the spot gold price we model a 3% increase in Adjusted EPS generated over the coming decade.
- **Valuation stretching** – Whilst GMD is a high-quality, growth focused gold producer in a rising gold price environment, its valuation does appear stretched vs peers. On an EV/EBITDA basis, GMD is trading at 7.8x NTM EBITDA, vs the peer group average of 5.5x (a ~43% premium). This premium is supported by an expanding production base over the next 2 years. On a Price/ book value, GMD trades on 4.8x

Thesis in charts

Figure 1 – BPe production outlook koz (assumes Tower Hill processed at an expanded Leonora Mill)



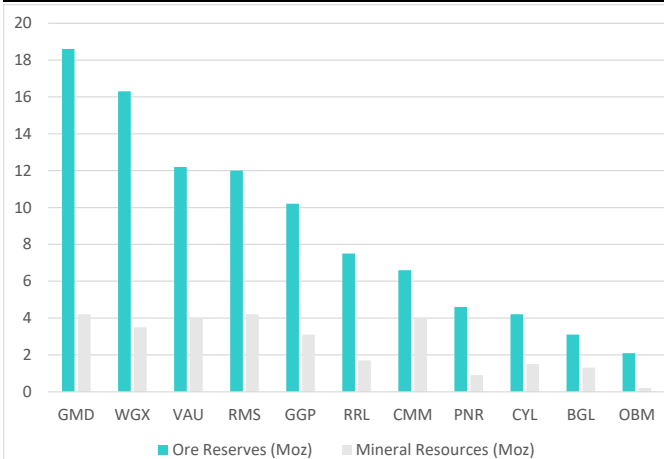
SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 2 - Revenue and EBITDA (A\$m LHS); EBITDA Margin (% , RHS)



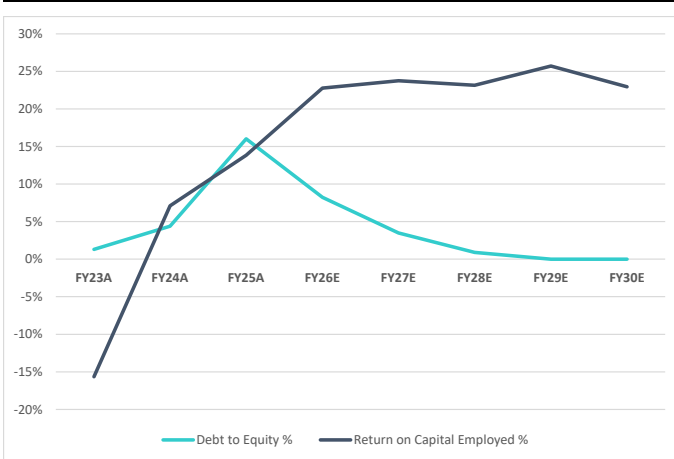
SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 3 – Ample room to expand Ore Reserves (Moz)



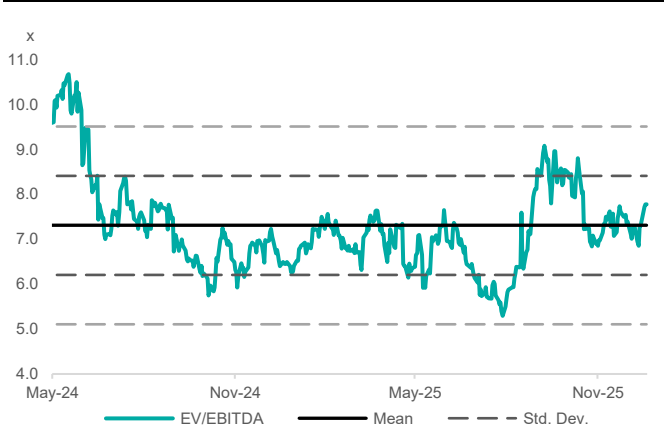
SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 4 – ROCE increasing, Gearing decreasing (%)



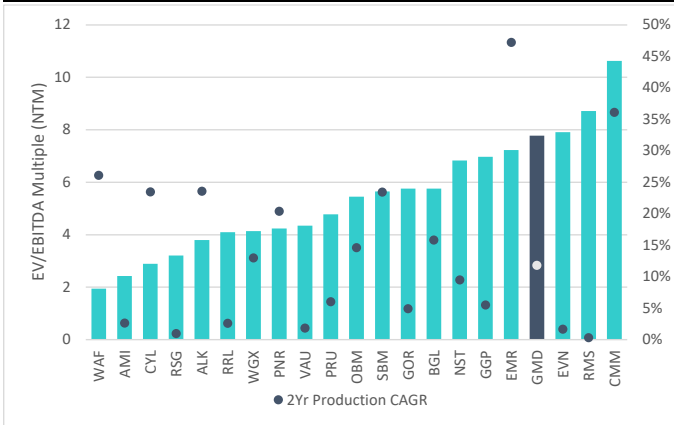
SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 5 - EV/EBITDA Multiple (x) - GMD Vs History



SOURCE: BELL POTTER SECURITIES, VISIBLE ALPHA

Figure 6 – Valuation stretching, but underpinned by growth



SOURCE: BELL POTTER SECURITIES ESTIMATES, VISIBLE ALPHA

Valuation

Overview & target price

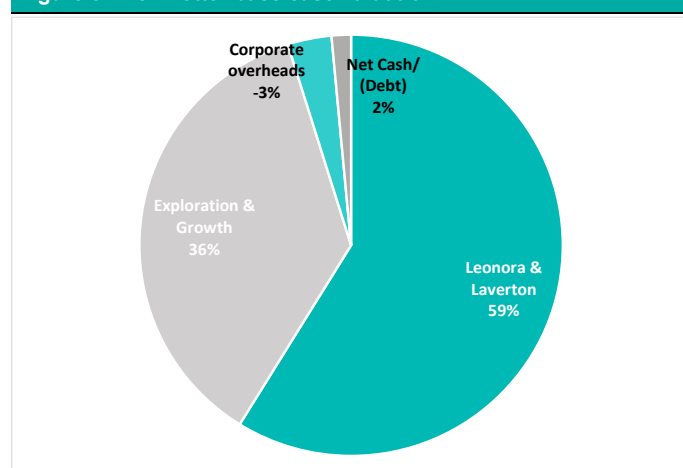
Our 12-month forward target price is based on the sum of the parts valuations for GMD's gold operating assets. We also include a present value estimate of corporate and exploration costs, adjusted for our forecast net cash position, and dilute our valuation for in-the-money options. Our sum of the parts valuation is rounded to the nearest 5c. The table below summarises our valuation.

Figure 7 - Bell Potter SOTP valuation

Shares outstanding (ordinary)	m	1,142
Options in the money	m	24.7
Total shares on issue	m	1,167
 Sum of the parts valuation	 A\$m	 A\$/sh
Leonora & Laverton	\$6,294	\$5.51
Exploration	\$3,973	\$3.40
Corporate overheads	-\$366	\$(0.31)
Net Cash/ (Debt)	\$162	\$0.14
Subtotal	\$10,063	\$8.74
Options and Performance Rights - 24.7m	\$2	\$0.00
Diluted valuation	\$10,065	\$8.63

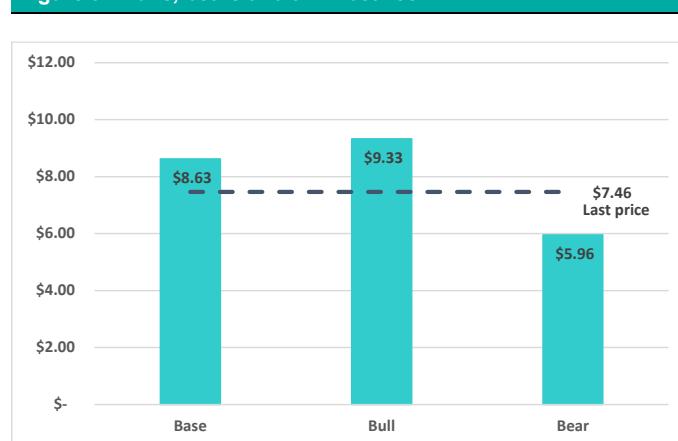
SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 8 - Bell Potter base case valuation



SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 9 - Bulls, bears and all in between



SOURCE: BELL POTTER SECURITIES ESTIMATES

Production and Earnings outlook

Bell Potter outlook

Key line-items on an FY basis have been provided below, and compared against consensus as published by Visible Alpha (VA):

- Production** – We forecast FY26 production of 272koz Au at the group level (VA cons 286koz Au, group guidance 275koz). We assume the following: Milled throughput at Leonora reaches nameplate (1.4Mtpa) in 3QFY26, with average processed grade over the year of 3.9g/t (1QFY26a 4.3g/t). For Laverton we model throughput of ~3Mtpa annualized per quarter, with primary ore being sourced from Jupiter and Admiral and supplementary third-party ore sources running until the end of FY26. Our production estimates are ~5% below consensus for FY26. Beyond that, we model production in-line with consensus up until FY29, where we hypothesize a potential mill expansion at Leonora and the commencement of operations at Tower Hill.
- Revenue** – We model FY26 revenue of \$1,588m (7% below VA cons of \$1,699m), which is driven by the production (discussed above) and our realised gold price in AUD which averages \$6,013/oz (VA cons A\$6,096/oz).
- Costs** – We forecast FY26 AISC of A\$2,520/oz which is at the low end of the guidance range of \$2,500-\$2,700/oz and ~4% below VA consensus of \$2,629/oz. Going forward, we model AISC to continue to creep higher, driven in part by rising gold prices, before declining as on an optimised cost base.
- EBITDA** – BPe for FY26 is A\$811m which implies a 51% EBITDA margin, down from 53% the prior year (VA cons \$985m, -18%). The primary differential in our numbers stems from our forecast gold price ~1% below consensus, and our production estimate ~5% below consensus.

Figure 10 - Annual summary - BPe Vs VA consensus

Bell Potter Estimates		FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E
Fiscal year end 30 June								
Production (Gold)	koz	134	214	272	273	329	430	441
% yoy	%		59%	27%	0%	21%	31%	3%
VA Production	koz			286	293	326	369	390
% differential	koz			-5%	-7%	1%	16%	13%
Sales (Gold)	koz	135	208	278	272	315	423	442
Achieved price	A\$/oz	3,290	4,387	6,013	6,059	6,082	6,243	6,399
Achieved price	A\$/oz			6,096	6,229	5,961	5,657	5,334
% differential	%			-1%	-3%	2%	10%	20%
AISC	A\$/oz	2,406	2,388	2,870	2,579	2,414	2,273	2,244
VA AISC	A\$/oz			2,629	2,514	2,491	2,394	2,396
% differential	A\$/oz			9%	3%	-3%	-5%	-6%
Revenue	A\$m	425	856	1,588	1,650	1,904	2,624	2,808
VA Revenue	A\$m			1,701	1,814	1,961	2,113	2,094
% differential	%			-7%	-9%	-3%	24%	34%
EBITDA	A\$m	115	454	811	1,013	1,224	1,758	1,934
VA EBITDA	A\$m			985	1,169	1,240	1,325	1,271
% differential	%			-18%	-13%	-1%	33%	52%
% Margin	%	27%	53%	51%	61%	64%	67%	69%
Adjusted EPS	cps	7	20	41	54	67	98	110
% yoy	%	-99%	171%	103%	32%	22%	47%	13%
Street EPS	cps			52	63	65	67	61
% differential	%			-20%	-13%	3%	46%	81%
Growth capital	A\$m	48	51	206	305	428	203	206
FCF	A\$m	123	465	307	379	415	1,054	1,235
VA FCF	A\$m			519	513	613	761	751
% differential	%			-41%	-26%	-32%	38%	65%
EV/EBITDA TTM	x	14.8x	7.6x	9.6x	7.3x	5.7x	3.3x	2.4x

SOURCE: BELL POTTER SECURITIES ESTIMATES, VISIBLE ALPHA

Peer Analysis

Valuation through the cycle

GMD's valuation, much like its peers, has expanded in the rising gold price environment, with NTM EV/EBITDA trading at 7.8x (Peer group mean 5.5x). We believe there may be some forward discounting in the stock price which is also contributing to the valuation high, i.e. investors are paying up for future growth in the business to be delivered via expansion of Leonora and additional production sources (eg Tower Hill). The correlation between valuation premiums and 2 year production growth is quite strong, with peers such as CMM (Buy TP\$14.70/sh) trading on 10.6x vs its 2 year production growth of ~85% a clear example.

Domestic comparison

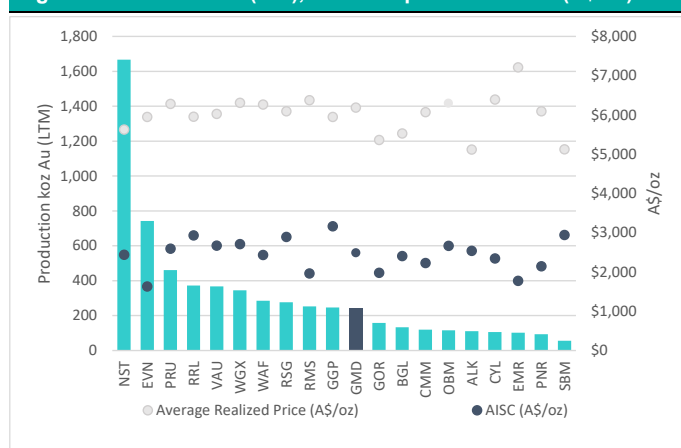
Our domestic comparison analysis has been provided below, utilising VA data:

Figure 11 - Domestic gold miners comparison

Company	Ticker	FY year end	All-in Sustaining Cost per Unit (AISC) - Gold(per ozt)			Average Realized Price - Gold(per ozt)			Production Volume - Gold(Kozt)			EBITDA Margin			Enterprise Value / EBITDA			Free Cash Flow Yield		
			LTM	NTM	STM	LTM	NTM	STM	LTM	NTM	STM	LTM	NTM	STM	LTM	NTM	STM	LTM	NTM	STM
Northern Star Resources Ltd	NST	30-Jun	\$2,335	\$2,484	\$2,440	\$4,665	\$5,590	\$5,693	1,668	1,841	2,000	56%	59%	61%	9.3x	6.8x	7.7x	3%	4%	7%
Evolution Mining	EVN	30-Jun	\$1,683	\$1,676	\$1,628	\$5,129	\$6,083	\$6,014	743	746	767	55%	60%	61%	10.0x	7.9x	7.6x	5%	7%	7%
Genesis Minerals Ltd.	GMD	30-Jun	\$2,510	\$2,573	\$2,503	\$5,217	\$6,182	\$6,179	248	288	310	54%	61%	63%	12x	7.8x	6.9x	5%	7%	7%
Greatland Resources Limited	GGP	30-Jun	\$2,152	\$2,766	\$3,161	\$5,214	\$5,995	\$5,945	248	289	276	52%	51%	46%	8.9x	7.0x	8.1x	8%	5%	0%
Perseus Mining Ltd	PRU	30-Jun	\$2,086	\$2,487	\$2,581	\$4,818	\$6,155	\$6,429	460	434	517	56%	56%	57%	5.8x	4.8x	3.6x	4%	3%	9%
Capricorn Metals Ltd	CMM	30-Jun	\$1,677	\$2,041	\$2,222	\$5,158	\$6,025	\$6,066	120	146	222	61%	68%	68%	16.7x	10.6x	6.9x	4%	4%	8%
Gold Road Resources	GOR	31-Dec	\$2,618	\$2,202	\$1,972	\$5,030	\$5,240	\$5,359	158	173	174	63%	70%	72%	7.3x	5.8x	5.5x	6%	9%	10%
Regis Resources	RRL	30-Jun	\$2,676	\$2,852	\$2,930	\$5,172	\$6,058	\$6,007	373	383	392	52%	57%	57%	5.4x	4.1x	4.0x	12%	14%	16%
Ramelius Resources	RMS	30-Jun	\$1,707	\$1,894	\$1,959	\$4,820	\$6,060	\$6,373	251	205	253	67%	69%	70%	9.5x	8.7x	6.6x	7%	4%	7%
Vault Minerals Ltd.	VAU	30-Jun	\$2,600	\$2,757	\$2,664	\$4,566	\$5,809	\$6,019	367	364	381	48%	56%	59%	6.5x	4.3x	3.6x	6%	11%	16%
Westgold Resources Limited	WGX	30-Jun	\$2,760	\$2,799	\$2,707	\$5,184	\$6,207	\$6,306	345	391	440	46%	58%	59%	6.8x	4.1x	3.6x	5%	12%	15%
West African Resources Ltd	WAF	31-Dec	\$2,315	\$2,364	\$2,433	\$5,177	\$6,249	\$6,264	286	457	455	61%	65%	65%	4.0x	1.9x	2.0x	4%	33%	32%
Emerald Resources NL	EMR	30-Jun	\$1,531	\$1,610	\$1,774	\$5,248	\$6,739	\$7,213	102	122	221	56%	68%	70%	12.7x	7.2x	3.7x	5%	6%	18%
Ora Banda Mining Ltd.	OBM	30-Jun	\$2,773	\$2,781	\$2,662	\$5,290	\$6,315	\$6,296	116	147	153	50%	57%	59%	9x	5.5x	5.1x	7%	11%	12%
Bellevue Gold Ltd	BGL	30-Jun	\$2,628	\$2,638	\$2,403	\$4,687	\$5,576	\$5,523	134	159	180	-	55%	58%	9.6x	5.8x	5.0x	6%	13%	17%
Catalyst Metals Ltd.	CYL	30-Jun	\$2,527	\$2,491	\$2,336	\$5,105	\$6,197	\$6,389	105	122	161	53%	67%	72%	5.8x	2.9x	1.9x	4%	7%	14%
Resolute Mining	RSG	31-Dec	\$2,652	\$2,952	\$2,863	\$5,081	\$6,304	\$6,040	275	250	280	47%	54%	55%	4.3x	3.2x	2.9x	4%	9%	6%
Pantoro Gold Limited	PNR	30-Jun	\$2,314	\$2,270	\$2,138	\$5,135	\$5,972	\$5,894	94	114	136	58%	65%	67%	6.7x	4.2x	3.5x	76%	52%	52%
Alkane Resources Ltd.	ALK	30-Jun	\$2,654	\$2,706	\$2,532	\$4,574	\$5,328	\$5,114	112	162	171	44%	53%	55%	6.7x	3.8x	3.6x	10%	18%	21%
Aurelia Metals Ltd	AMI	30-Jun	-	-	-	-	-	-	44	47	47	32%	32%	35%	2.8x	2.4x	2.0x	-2%	2%	13%
St Barbara Limited	SBM	30-Jun	\$4,430	\$3,819	\$2,925	\$5,073	\$5,577	\$5,113	56	64	85	5%	35%	54%	23.0x	5.7x	3.3x	-2%	11%	15%
Average			\$2,431	\$2,508	\$2,442	\$5,017	\$5,983	\$6,012	300	329	363	51%	58%	60%	8.7x	5.5x	4.6x	8%	11%	14%
Median			\$2,518	\$2,532	\$2,471	\$5,117	\$6,059	\$6,030	248	205	253	53%	58%	59%	7.3x	5.5x	3.7x	5%	9%	13%

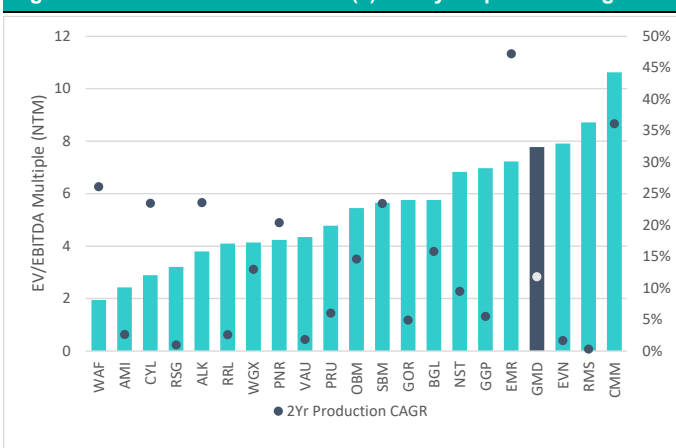
SOURCE: VISIBL ALPHA, BELL POTTER ESTIMATES

Figure 12 - Production (koz), Realised price and AISC (A\$/oz)



SOURCE: VISIBL ALPHA

Figure 13 - EV/EBITDA Valuation (x) Vs 2-year production growth



SOURCE: VISIBL ALPHA

Genesis Minerals Ltd (GMD)

Company description.

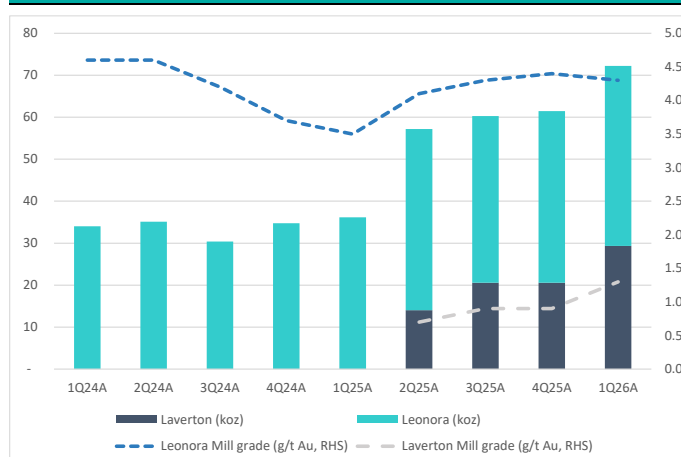
GMD is a Western Australian gold production and development company, focussed on the Leonora & Laverton District. GMD owns two gold processing plants (Leonora and Laverton). GMD estimates it has 18.6 million ounces of contained gold in Mineral Resources, and 4.2 million ounces in Ore Reserves. Following a period of significant M&A activity, GMD has outlined plans to grow production to 325kozpa by FY29 (from 135koz in FY24), and 350kozpa by FY34.

Processing overview – Right ore in the right mill

GMD currently processes ore through two mills, Leonora (1.4Mtpa CIL) and Laverton (3Mtpa CIL). Each Mill operates under a hub and spoke model, with ore sources feeding in from multiple open-pit and underground operations and the ability to swing production from certain deposits (like Hub and Tower Hill) between mills.

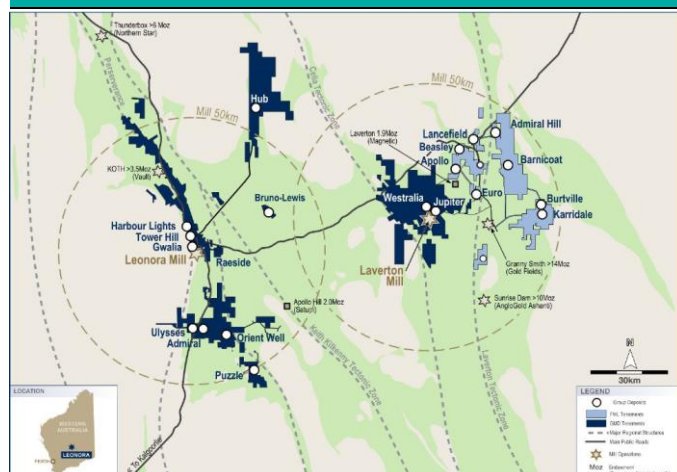
Leonora, located proximate to the Gwalia operation, is currently processing ore from Gwalia, Hub, Ulysses and Admiral, and focuses on processing GMD's higher-grade material. Eventually the Tower Hill project will also provide a feed source for Leonora (or Laverton). Laverton is currently being fed by Jupiter, stockpiled ore from Mt Morgans and third-party ore purchases, with a focus on low to medium grade open pit feed. Over time, GMD anticipates material from the Focus Minerals acquisition (May-25) to be processed at Laverton.

Figure 14 - Mining and Production centre key metrics



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 15 - Mineral Assets Plan View



SOURCE: COMPANY DATA

Leonora

Gwalia Underground Mine.

Acquired from St Barbara Limited (SBM, not rated) in July 2023, Gwalia is Australia's deepest gold mine (1.6km below surface). Gwalia has a Mineral Resource of 4.5Moz and an Ore Reserve of 1.1Moz, and is a significant contributor to GMD's long-term plans, providing long term base load processing plant feed at greater than 100kozpa at a portfolio-high average grade of 5.3g/t Au. Included in Gwalia's mine plan is a further 313koz beneath the Ore Reserves, which includes Inferred Mineral Resources. FY26 mined grade at Gwalia is anticipated to be in-line with the Ore Reserve grade (5.3 g/t). GMD is targeting conversion of 2.6Moz M&I Resources to Ore Reserves.

Figure 16 - Gwalia long section drill results



SOURCE: COMPANY DATA

Ulysses

Ulysses is located ~64mins drive (35km) from the Leonora Mill. Ulysses has an Ore Reserve of 3.4Mt at 3.1g/t for 350koz and a Mineral Resource Estimate (M+I+I) of 6.4Mt at 3.5g/t for 720koz. GMD anticipates mining rates of between 0.6-0.7Mtpa mining between 60-70kozpa by the end of FY26. This is a steep increase from current mining rates of ~0.3Mtpa, with a mined grade of 2.7g/t. The increase in efficiency, grade and production will stem from establishment of multiple mining fronts. The estimated mine life of ~5 years has potential to grow, with the Resource being open at depth, and underground exploration commencing this financial year.

Tower Hill.

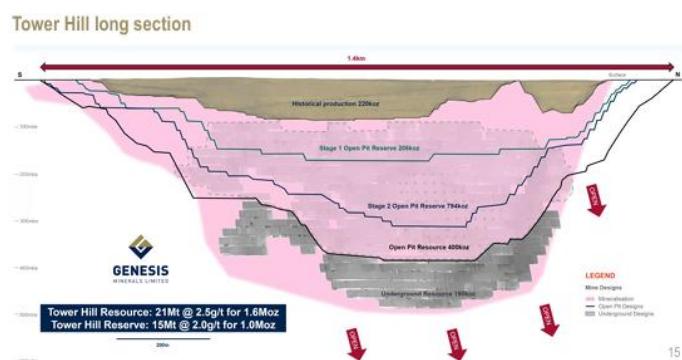
The Tower Hill deposit has a Mineral Resource of 1.6Moz and an Ore Reserve of 1.0Moz and is also a significant contributor to GMD's long-term plans. Tower Hill is a bulk tonnage, shallow high-grade (2.0g/t Au) open pit located 2km north of the Gwalia mine. Tower Hill has been mined previously with historical production of 220koz to 2003. The existing Ore Reserve is based on open pit mining, with two distinct stages; stage 1 (206koz) and 2 (794koz). Tower Hill has been drilled to a depth of ~450m, with approximately 190koz of the Mineral Resource estimate allocated for future underground mining. GMD remains on-track for first Ore in FY28 with further details to be released in the 2HFY26 update.

Figure 17 - Tower Hill development timeframe

On track for first ore in FY28

	FY25				FY26				FY27		FY28
	Sep Q	Dec Q	Mar Q	Jun Q	Sep Q	Dec Q	Mar Q	Jun Q	Dec H	Jun H	Dec H
STAGE 1 OPEN PIT											
Design and Planning	✓	Complete									
Technical Studies	✓	Complete									
Section 18 Approval	✓	Complete									
Mining Proposal and Closure Plan Approval					✓						
STAGE 2 OPEN PIT											
Design and Planning	✓	Complete									
Technical Studies											
Mining Proposal and Closure Plan Approval											
Gas Pipeline Design and Licensing											
Rail Infrastructure Planning / Termination											
OPERATIONAL READINESS											
Water Discharge Licensing	✓	Complete									
Water Management - Dewatering			✓	Complete							
Operational Readiness - HSE Management Systems											
Site Establishment (Road Access and Infrastructure)											
Mobilisation - Equipment and Personnel											
MINE OPERATIONS											
Commence Mining											
First Ore to Processing Plant											

SOURCE: COMPANY DATA

Figure 18 - Tower Hill long section, open at depth

SOURCE: COMPANY DATA

Figure 19 - ~1km from Leonora... Location, location, location

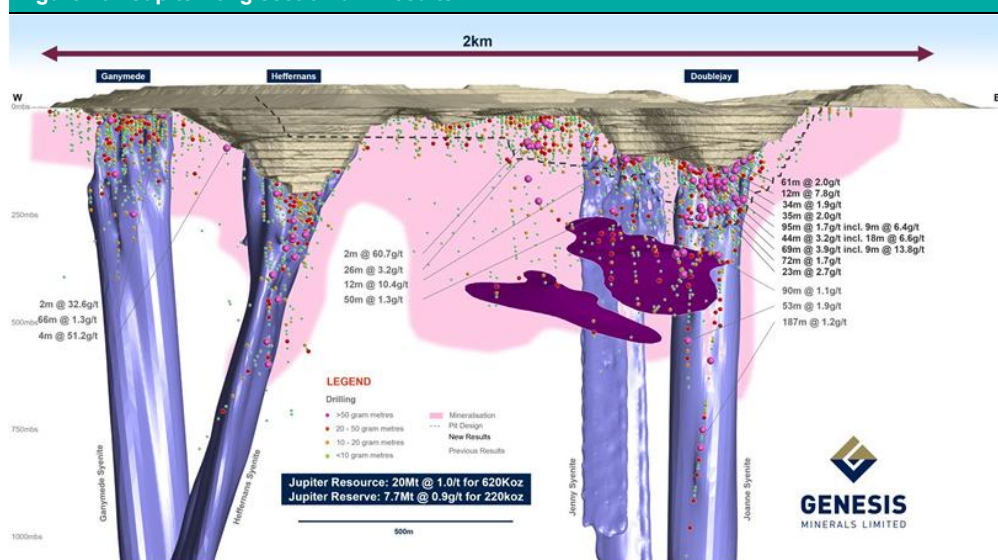
SOURCE: COMPANY DATA

Laverton

Jupiter

Jupiter returned to mining in 1QFY26, having been last mined in 2022. Material movement will eventually provide the baseload of material to the Laverton Mill. The current Ore Reserve estimate is 7.7Mt at 0.87g/t for 0.22Moz, with Mineral Resources being 20.9Mt at 1.0g/t for 0.63Moz. GMD estimate FY26 mined grades of 0.8g/t, lifting year-on-year, with recent drilling testing extensions to the current pit design.

Figure 20 - Jupiter long section drill results



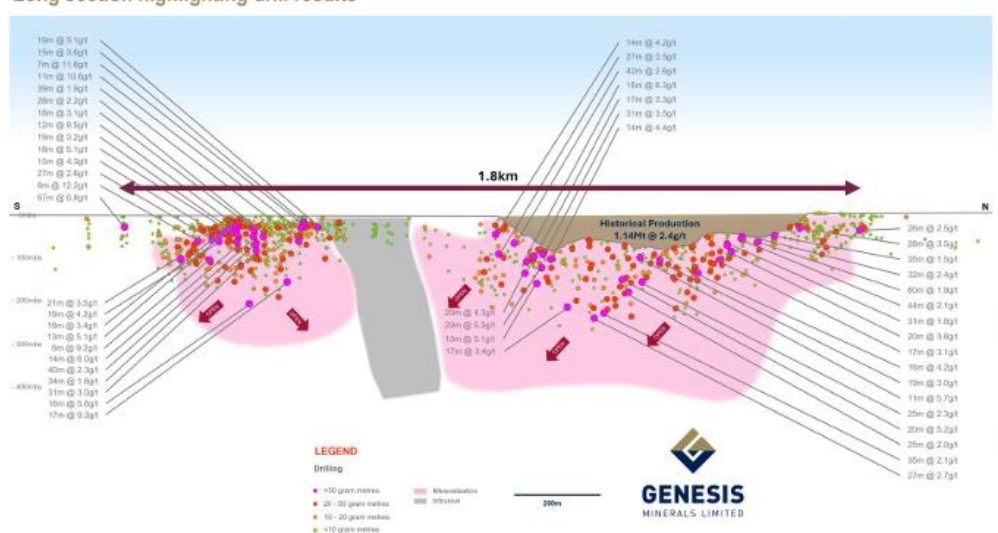
SOURCE: COMPANY DATA

Focus Mineral acquisition

GMD completed its \$250m acquisition of Focus Minerals in May-25, adding 4Moz of Resources proximate to its Laverton mill. Since the acquisition, the business has focused on de-risking the existing Resource via infill and extensional drilling. Additionally, at the time of acquisition, GMD was conducting staged mill expansion studies at Laverton, which will most likely coincide with optimisation work on the existing Resources acquired. The highest priority exploration target in the Focus portfolio is the Beasley Creek project, which has potential to deliver baseload tonnes to Laverton. Historical drill intercepts include: 17m at 9.3g/t, 11m at 10.6g/t, 12m at 9.5g/t and 60m at 1.9g/t.

Figure 21 - Beasley Creek the immediate Focus

Long section highlighting drill results



SOURCE: COMPANY DATA

Risks of investment

Risks include, but are not limited to:

- 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.
- 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.
- 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.
- Sovereign risks: Mining companies' assets are subject to the sovereign risks of the jurisdiction within which they are operating.
- Geopolitical risks: Mining companies' assets are subject to geopolitical risks, arising from events in, and outside, the jurisdictions they operate in.
- Corporate/M&A risks: Risks associated with M&A activity including differences between the entities and the market's perception of value associated with completed transactions.

Buy
\$7.46
\$8.65

ASSUMPTIONS								FINANCIAL RATIOS										
Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E			
COMMODITY PRICE								VALUATION										
Gold Price	US\$/Oz	2,223	3,071	4,058	4,150	4,257	4,370	NPAT	A\$m	83	221	450	594	727	1,067			
AUD/USD	A\$/US\$	0.67	0.70	0.68	0.69	0.70	0.70	Reported EPS	Ac/sh	8	20	41	54	67	98			
Gold Price	A\$/Oz	3,295	4,387	6,011	6,058	6,082	6,243	Adjusted EPS	Ac/sh	7	20	41	54	67	98			
PRODUCTION & COST								EPS growth	%	-119%	171%	103%	32%	22%	47%			
Gold	Koz	134	214	272	273	329	430	PER	x	22.5 x	15.8 x	18.1 x	13.7 x	11.2 x	7.6 x			
C1 Cost	A\$/Oz	1,903	1,786	2,093	2,014	1,843	1,719	DPS	Ac/sh	-	-	-	-	-	-			
AISC	A\$/Oz	2,406	2,388	2,870	2,579	2,414	2,273	Franking	%	0%	0%	0%	0%	0%	0%			
PROFIT AND LOSS								Yield	%	0%	0%	0%	0%	0%	0%			
Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FCF/share	Ac/sh	11	43	28	35	38	97			
Revenue	A\$m	439	920	1,588	1,650	1,904	2,624	P/FCFPS	x	0.1 x	0.1 x	0.3 x	0.2 x	0.2 x	0.1 x			
Expense	A\$m	(299)	(481)	(740)	(602)	(639)	(813)	EV/EBITDA	x	14.8 x	7.6 x	9.6 x	7.3 x	5.7 x	3.3 x			
EBITDA	A\$m	115	454	811	1,013	1,224	1,758	EBITDA margin	%	26%	49%	51%	61%	64%	67%			
Depreciation	A\$m	(74)	(137)	(156)	(154)	(180)	(233)	EBIT margin	%	9%	34%	41%	52%	55%	58%			
EBIT	A\$m	40	317	655	859	1,044	1,525	Return on assets	%	6%	12%	20%	22%	21%	24%			
Net interest expense	A\$m	(0)	(1)	7	14	26	43	Return on equity	%	8%	18%	26%	26%	24%	26%			
Unrealised gains (Impairments)	A\$m	(2)	0	0	0	0	0	LIQUIDITY & LEVERAGE										
	A\$m	0	0	0	0	0	0	Net debt (cash)	\$m	(126)	(39)	(370)	(774)	(1,206)	(2,250)			
PBT	A\$m	38	316	662	874	1,070	1,569	ND / E	%	-12%	-3%	-22%	-34%	-40%	-55%			
Tax expense	A\$m	45	(94)	(212)	(280)	(342)	(502)	ND / (ND + E)	%	-14%	-3%	-28%	-51%	-66%	-122%			
NPAT (reported)	A\$m	83	221	450	594	727	1,067	EBITDA / Interest	x	16.6 x	43.4 x	99.9 x	202.9 x	582.1 x	2434.1 x			
NPAT (underlying)	A\$m	81	221	450	594	727	1,067	ORE RESERVES AND MINERAL RESOURCES										
CASH FLOW								Genesis Minerals Ltd (GMD)								Mt	g/t	Moz
Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	Mineral Resources										
OPERATING CASHFLOW								Measured							5.9	4.0	0.8	
Receipts	A\$m	428	919	1,562	1,649	1,891	2,608	Indicated							180.0	2.1	12.0	
Payments	A\$m	(282)	(505)	(778)	(637)	(678)	(864)	Inferred							94.0	1.8	5.5	
Tax	A\$m	0	0	(212)	(280)	(342)	(502)	Total							279.9	2.1	18.6	
Net interest	A\$m	3	6	7	14	26	43	Ore Reserves										
Other	A\$m	1	1	0	0	0	0	Proven							1.7	3.7	0.2	
Operating cash flow	A\$m	151	421	579	747	897	1,285	Probable							66.0	1.9	4.0	
INVESTING CASHFLOW								Total						68.0	1.9	4.2		
Property, plant and equipment	A\$m	(48)	(51)	(206)	(305)	(428)	(203)	DCF VALUATION										
Mine development	A\$m	(37)	(15)	(41)	(38)	(38)	(38)	Ordinary shares (m)									1,142	
Other	A\$m	(106)	(377)	0	0	0	0	Options in the money (m)									25	
Investing cash flow	A\$m	(191)	(443)	(247)	(343)	(465)	(241)	Diluted m									1,167	
Free Cash Flow								Sum-of-the-parts valuation		\$m								

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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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