

# Investigator Resources (IVR) Targeting Silver Production From Paris

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### Key Points

- IVR's focus has shifted from exploration to now commercialisation of the Paris silver deposit. A recent well supported capital raising now provides IVR with cash to commence feasibility studies. Most of the capital raised will go towards Paris with limited focussed exploration.
- IVR is leveraged to not only the advancement of Paris but is also one of a very limited number of ASX silver plays.
- The next steps for IVR will be infill drilling at Paris to enable feasibility modelling and also exploration drilling.
- We continue to see IVR as well positioned to add value and become a significant silver company.

### Strong Track Record

**Strong Track Record:** We have followed the IVR story for a number of years from discovery in 2011 of the high grade Paris silver deposit, located in South Australia, through to resource delineation. What has happened since we last wrote on IVR in 2014?

- Extensions of the Paris host geology defined, highlighting the upside potential.
- Increased silver resource from 20Moz to 33Moz (+65%) and also increased ownership of Paris to 100%

**Production Focus:** The greenfields discovery and delineation of a new mineralised district highlights the technical skills of the IVR team. Now that the silver resource has increased to a size that will support feasibility studies IVR has decided to focus on bringing Paris into production, as soon as possible. We see the shift in focus by IVR as positive for the growth of the company.

**Possible production options:** IVR have identified that silver production can be either in the form of dore (higher value product; lower transport costs) or a concentrate (smaller footprint, lead recovery, likely lower capex, local ports). With both based on a shallow high grade open cut operation, and a modular approach to the plant so that production can be scaled up. The PFS will determine the best optimum scenario.

**Paris versus Peers:** In comparing Paris to a number of ASX peer deposits the grade is the key differentiator

**Focussed Exploration:** Whilst the exploration potential for not only silver but copper and other metals remains high IVR have put a line in the sand and will only drill a limited number of key targets in 16/17.

**Background:** Investigator Resources Ltd is a junior metals company targeting silver and copper/gold mineralisation, focussing on the southern Gawler Craton of South Australia. The main prospect within the Peterlumbo Project (100% IVR) is the Paris Silver Deposit, 8.8Mt at 116g/t silver, containing 33Moz silver.

### Recommendation

**Buy**

Previous Recommendation	Reinitiating
Risk Rating	High
Current Share Price	\$0.032
12 Month Price Target	\$0.08
Price Target Methodology	Risked NAV
NAV Valuation (un-risked)	\$93m (\$0.16/sh)
NAV Valuation (risked)	\$49m (\$0.08/sh)
Market capitalisation	\$19m
Liquidity – Daily Value	\$0.1m

### Investment Summary

IVR have a solid base at Paris which they can now build on as they focus on bringing Paris into production. With two production options and an identified water source they are well on the PFS path. The recent capital raised will be used towards the PFS and targeted exploration.

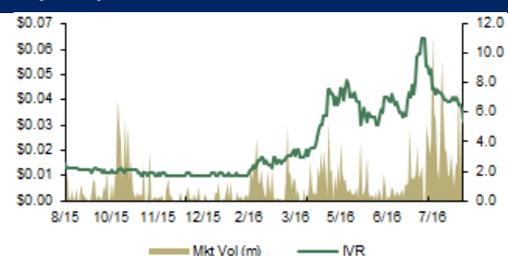
The opportunity for IVR is to actively market the Paris production and gain market appreciation. With a resource grade ~ double that of SVL and WRM the operating costs are likely to be lower, grade is king when it comes to mining. There are limited ways to play silver on the ASX and IVR is a well credentialed silver company with growth potential.

### Catalysts – News flow

- Drilling at Nankivel copper target – commenced with results likely end Sept Qtr
- Infill drilling at Paris to provide metallurgical results and improve resource classification. Starting in September and continue for ~1.5 months.
- Resource reclassification release late CY16 – early CY17
- PFS results 2HFY17.

**Recommendation: we reinitiate coverage on IVR with a Buy recommendation, High Risk, Price Target \$0.08/sh**

### IVR share price performance



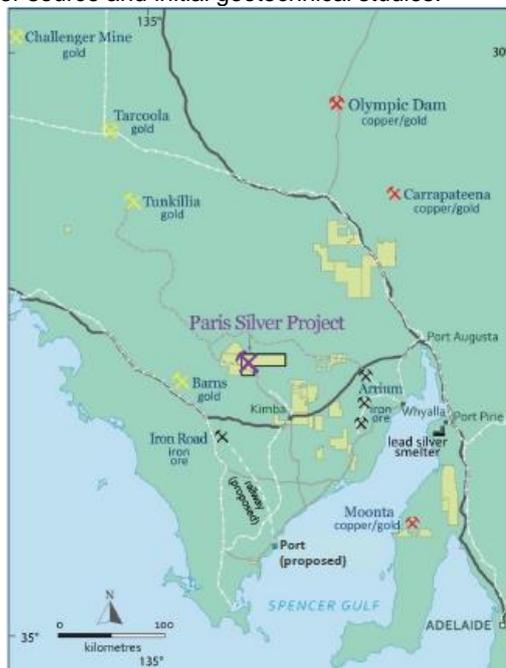
# Paris Project Overview

**Resource: 8.8Mt @ 116g/t silver for 33Moz silver**

**Local infrastructure an asset**

IVR has defined a shallow high grade silver resource at the Paris Project and also shown that there is scope to increase the resource. The objective is now on bringing Paris into production. The first stage is completion of feasibility studies at Paris, key milestones in this process include: infill drilling, metallurgical testing, definition of a water source and initial geotechnical studies.

Paris is located ~70km north west of the regional township of Kimba, access is along well maintained roads and close to infrastructure. IVR has established a field camp at Paris to assist with year round work with no seasonal climatic restrictions. The project lies within a pastoral lease and is not within any restricted or environmentally sensitive regions. The majority of the project area is situated on one property, making access relatively easy.



**Figure 1:** Location of the Paris Project, South Australia. Source Company Presentation

**Shallow and high grade – a good combination**

A key characteristic of the resource is that a majority (>75%) of the high grade mineralisation is situated at depths less than 100m, making the deposit amenable to open pit mining methods. The soft host rock indicates soft-dig options. Another positive is the grade, at 116g/t silver Paris is one of the highest grade silver projects in Australia.

**Two processing options**

**Path to production:** IVR has identified two possible production options for Paris. Firstly undertaking the production of silver metal in dore and secondly the production of a silver-lead concentrate. The dore route produces a more valuable end product but has higher capital and approval requirements. The concentrate option is less capital intensive and relatively quicker to approve. Both options will be modelled as part of the feasibility process.

Processing options		
	Positives	Negatives
Production of silver dore on site	<ul style="list-style-type: none"> <li>Higher sale price for silver produced</li> <li>Customers of silver ingots more diverse than concentrate offtake customers.</li> <li>Readily transportable</li> </ul>	<ul style="list-style-type: none"> <li>Relative higher capital and opex costs</li> <li>More permitting required</li> </ul>
Producing a silver concentrate for sale to a refinery	<ul style="list-style-type: none"> <li>Lower capex</li> <li>Smaller environmental footprint, leading to quicker approvals</li> <li>Uses less water</li> <li>Possibility to recover lead in concrete.</li> </ul>	<ul style="list-style-type: none"> <li>Lower per unit sale price.</li> <li>Smaller pool of customers</li> <li>Transport costs</li> </ul>

Source: PAC Partners estimates

**Water**

A potential aquifer water source has been identified within ~12km of Paris that maybe suitable for the operation. The water appears to be too saline for competing stock use. Testing of the water source will be undertaken in late FY17.

**Paris Extensions**

Step out drilling undertaken by IVR has identified a number of additional silver prospects on structural extensions to the Paris deposit

## Paris Modelled

Whilst IVR have identified that a modularised approach may be taken to the development of Paris, we have modelled operations as a single 1.4mtpa plant with a ramp up period. Our approach is based on the early stage of feasibility studies into the project.

**Paris alone provides 3x-5x current share price.**

**Our unrisks NPV for Paris is \$89m (\$0.15/sh) and our risks NPV is \$44m (\$0.08/sh). Upside to our valuation will be from an increase in recoveries, reduction in operating costs and an improving silver price.**

Our headline assumptions are:

- Plant throughput: 1.4Mtpa, with ramp up over first year
- Production rate at nameplate capacity ~4.0Moz pa silver
- Life Of Mine (LOM): 6 years
- Timing: PFS completed mid 2017  
BFS completed mid 2018
- Construction – 9 months
- First production April quarter 2019, ramping up in FY20 (Year 1)
- Total production 25.5Moz silver.

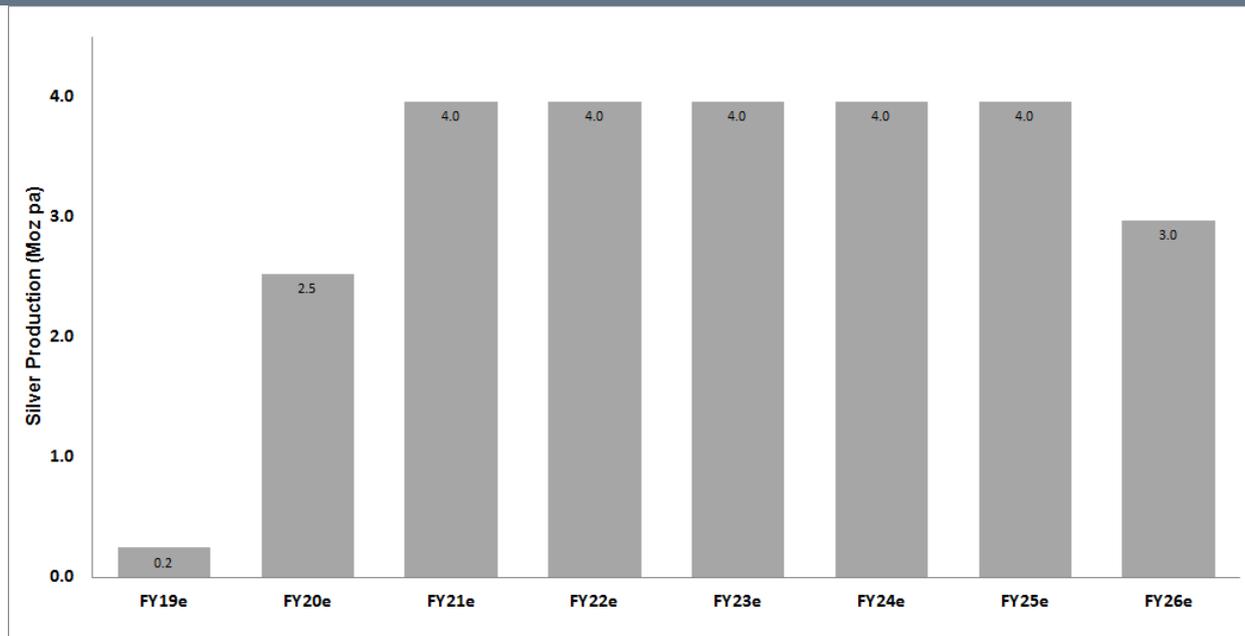
Paris Project Model Parameters								
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Production (MOz Silver)	0.250	2.530	3.960	3.960	3.960	3.960	3.960	2.970
Silver Price (US\$/oz)	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
AUD:USD	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74
AISC Cost (A\$/oz)	\$21.2	\$17.2	\$15.8	\$15.7	\$15.4	\$15.3	\$15.4	\$14.5
Head Grade (g/t)	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0

Source PAC Partners estimates

Paris Project Assumptions	
Plant capacity	1.4Mtpa
Ore Grade (g/t Silver)	110
Recoveries (%)	80%
Capex - plant	\$30m
Capex – support infrastructure	\$10m
Sustaining capital	\$1.6m pa
Opex (AISC)	Year 1 - A\$17.20/oz LOM Average – A\$15.50/oz
Silver price US\$	US\$18.5/oz
Silver Price (A\$)	A\$24.30/oz
Exchange Rate	0.74
Recovery rates	80%
Production (Silver oz pa)	~4.0Moz pa at nameplate capacity

Source: PAC Partners estimates

## Modelled Paris Silver Production



Source PAC Partners estimates

## Paris Project Modelled Cash Flows

	FY19	FY20	FY21	FY22	FY23	FY24
Sales (Moz Silver)	0.25	2.53	3.96	3.96	3.96	3.96
Revenue (A\$m)	6	63	99	99	99	99
Capex (A\$m)	(41.1)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Cash Operating Costs (A\$m)	(3.4)	(34.8)	(54.6)	(54.6)	(54.6)	-
Royalties (A\$m)	(0.1)	(1.3)	(2.0)	(2.0)	(2.0)	(3.5)
<b>EBITDA (A\$m)</b>	<b>0.7</b>	<b>26.1</b>	<b>41.4</b>	<b>41.4</b>	<b>41.4</b>	<b>40.2</b>
D&A (A\$m)	0.7	6.9	10.8	10.8	10.8	5.4
Tax (A\$m)	-	(3.5)	(9.2)	(9.2)	(9.2)	(10.4)
<b>Free Cash Flow (A\$m)</b>	<b>(39.9)</b>	<b>24.7</b>	<b>32.6</b>	<b>31.9</b>	<b>33.1</b>	<b>41.9</b>

Source: PAC Partners estimates

## Valuation

Our sum of the parts valuation for IVR includes a NPV for Paris with a nominal amount for exploration potential.

### SUM OF THE PARTS VALUATION

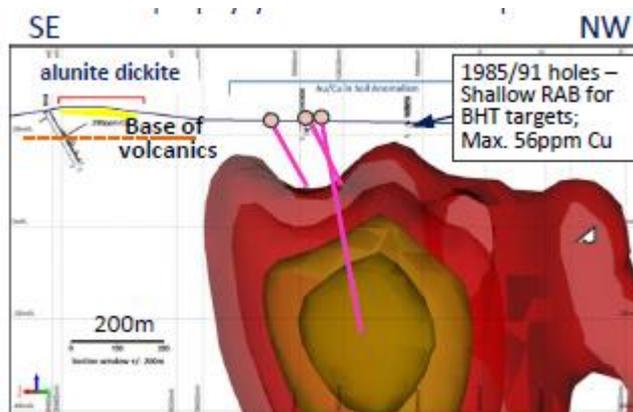
	Un-Risked Value (A\$m)	Risked Value (A\$m)	A\$/sh (un-risked)	A\$/sh (risked)
Paris Project	\$88	\$44	\$0.15	\$0.08
Corporate	-\$10	-\$10	-\$0.02	-\$0.02
Debt	\$0	\$0.0	\$0.00	\$0.00
Cash	\$7	\$6.5	\$0.01	\$0.01
Exploration Potential	\$8	\$8	\$0.01	\$0.01
<b>Total NAV</b>	<b>\$92</b>	<b>\$48</b>	<b>\$0.16</b>	<b>\$0.08</b>

Source: PAC Partners estimates

## Exploration Targets

### Nankivel Gold Copper Prospect

The Nankivel prospect is located ~5km east from the Paris deposit and is a copper-gold skarn and associated porphyry targets. The type of geological alteration at surface, an underlying magnetic body and anomalous zinc plus copper intersected in shallow historic drilling has been used by IVR to define the Nankivel target. Drilling commenced in August on the target, with a 500m hole planned. Funding for the hole will be part funded by the South Australian Government under their PACE initiative.



**Prospect located in the main IOCG belt**

**Potential drill hole targeted using geological and geophysical modelling.**

### Maslins Project

The Maslins IOCG (iron Oxide Copper Gold) target is located on the Stuart Shelf region of South Australia, an area that hosts the globally important Olympic Dam Mine, plus also the Prominent Hill and Carapateena Projects.

IVR has identified a strong gravity anomaly which is modelled at a depth of 600-700m below the surface.

Given the depth of the planned drill hole (~1,000m) and the likely cost, securing outside funding will be an advantage for IVR in deciding to undertake the drilling. IVR is actively seeking JV partners for the project.

### Diomedes Nickel Targets

The Diomedes prospect is located to the NE of Paris and is delineated by a soil sampling program and wide spaced scout holes, drilled in 2011 and 2014, has reported nickel values of up to 0.4% associated with ultramafic units. The results from shallow (~30 to 70m) drilling are interpreted to be associated with primary mineralisation and not secondary (lateritic) enrichment.

The initial results reported by IVR are positive early stage indicators for the presence of nickel sulphides. The next step would be a series of deeper drilling to test the ultramafic rock units.

The identification of the nickel potential again shows the technical ability of the IVR exploration team. However given the current soft price for nickel we would see Diomedes as a good project for future consideration.

## Major Shareholders

CITIC Australia Pty Ltd	67,097,772	11.56%
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## Recent Corporate Transactions

May 2011 Placement raised \$1.1m at \$0.051/share

September 2011 Underwritten Rights Issue raised \$8.3m at \$0.11/share

July 2012 Placement and Rights issue raised \$15m at \$0.18/share

August 2014 Rights Issue raised \$4.6m at \$0.04/sh

July 2016 raised \$5.4m in an oversubscribed placement via the issue of 114.8m shares at A\$0.047/share.

## Peer Comparison

In comparing the Paris deposit with the resource of other ASX listed silver companies the main differentiator is that outside of PNX's Hayes Creek Deposit the grade of Paris is well above the other ASX silver juniors

Of the half a dozen or so ASX listed silver plays we see that IVR, SVL and AZS stand out from the pack for either stage of project development or and/or exploration potential.

**Silver Mines (SVL)** has undertaken a roll up of a number of Australian silver projects to become a pure play silver company. The main asset is the Bowdens Deposit (NSW), purchased from Kingsgate (KCN) for \$25m (cash plus script). SVL have two other projects, Webbs (11.8Moz) and Conrads (9Moz), both located in Queensland. Whilst the grade on both is good we estimate that the small size would make them uneconomic at present. Therefore we look at Bowdens as the main driver for SVL. Permitting and Feasibility studies are ~80% completed on the Bowdens project.

**Azure (AZS)** has been exploring in Mexico for a number of years now and have made what looks like a very good discovery. It is too early to start estimating likely production parameters on the project. In addition to the silver resource there is potential for an adjacent gold resource.

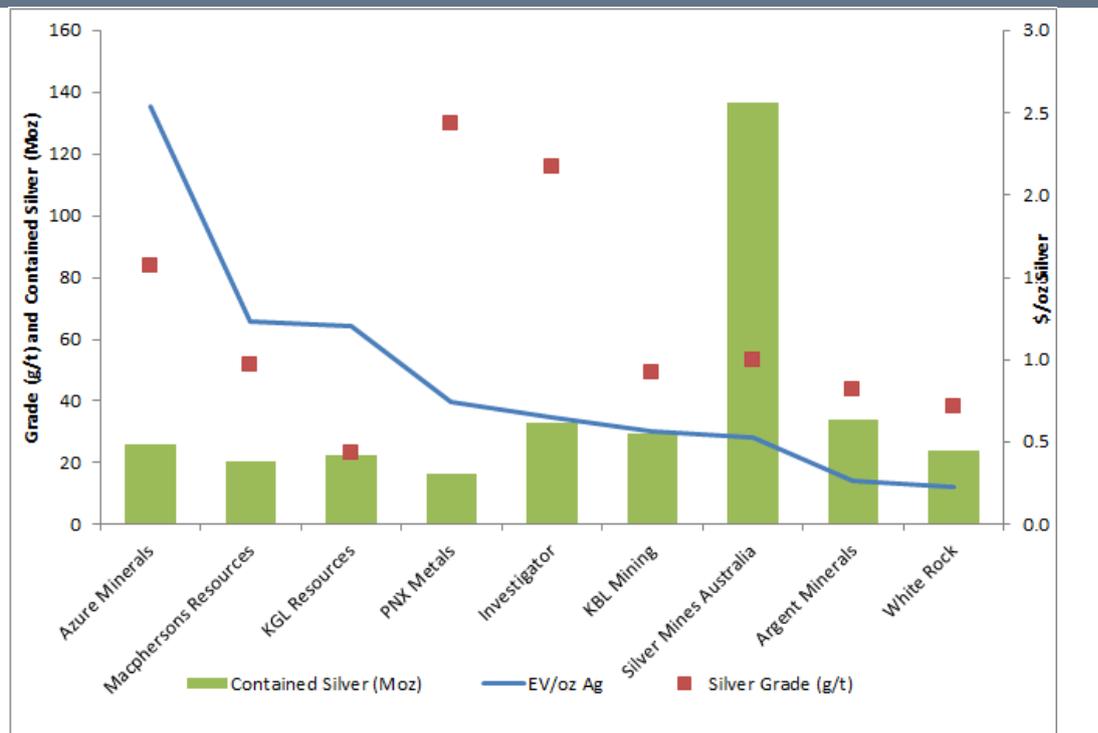
**White Rock (WRM)** has recently announced a funding arrangement for the development of their Mt Carrington

**Peer Comparison Conclusion:** On silver grade IVR ranks highest, on silver only resource they are second. SVL has the largest resource but a larger capex bill. Qualitative assessment of the exploration potential would see us rank both IVR and AZS at the top of the list.

So how does IVR compare to peers?

IVR has the second highest resource grade and one of the largest silver resources of ASX peers.

### Grade and size comparison for ASX Silver stocks.



Source: PAC Partners estimates and Company Reports

### Peer Comparison Table

On an EV/Contained Silver ounces basis IVR is well placed amongst peers.

Company	Market Cap (A\$m)	Silver Grade (g/t)	Contained Silver (Moz)	EV/oz Ag
Azure Minerals	67	84	25.9	1.89
Macphersons Resources	30	52	20.5	1.28
KGL Resources	30	23	22.5	1.21
PNX Metals	11	130	16.5	0.70
KBL Mining	7	49	29.3	0.64
Investigator	23	116	32.8	0.51
Silver Mines Australia	87	52	157.3	0.50
White Rock	10	38	23.9	0.39
Argent Minerals	10	44	34.1	0.28

Source: PAC Partners estimates and Company Reports

# Silver Overview

**Silver has investment and industrial drivers**

**Silver in deficit**

**Mine supply modestly increasing but lower scrap supplies reducing overall supply.**

Silver is similar to gold in that demand is driven as an investment vehicle, however silver also has a number of industrial applications that make it subject to physical demand drivers. Almost 50% of fabricated silver is used in industrial applications.

A decrease in secondary supply (scrap) and an increase in demand has seen the supply/demand balance for silver slip into deficit.

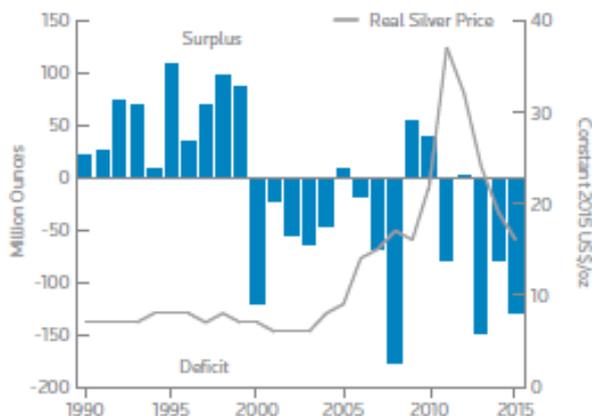
**Silver Supply:** Silver supply is generally broken into two parts, primary supply from mines (~66%) and secondary supply (~30%) from scrap, government sales and hedging.

Growth in mine supply slowed to 2% in 2015, with the global mine production of 887Moz in 2015 (868Moz 2014). The top producing country was Mexico followed by Peru. The modest gains in mine supply were offset by a drop in scrap supply of 13%. Global scrap supply in 2015 was 146Moz, down 13% on 2014 and the lowest level since 1992. The drop off in scrap supply since 2011 parallels a decline in the silver price.

**Demand:** Global silver demand increased in 2015 to a record of 1,170Moz, up 3% YoY. The increase in demand has been driven by a 24% increase in investment (bar and coin) primarily out of India and North America. Jewellery fabrication has also increased in India and North America, with a decline in Chinese fabrication. Declines in traditional industrial uses (electronics, brazing alloys & solders, and photography) in 2015 were offset by emerging uses (solar and ethylene oxide catalyst).

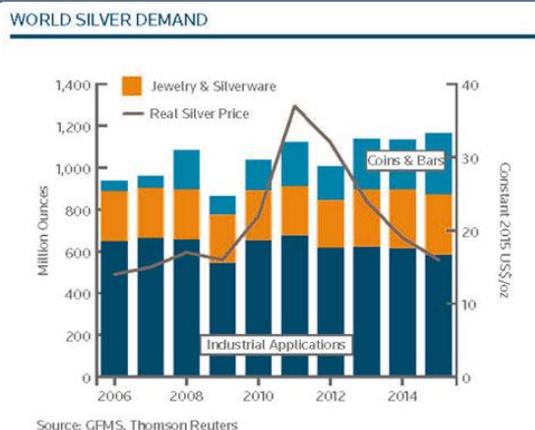
Overall the increases in demand and reduced secondary supply has pushed the silver market into deficit.

## Silver Physical Surplus/Demand



Source: World Silver Institute

## World Silver Demand



Source: World Silver Institute

## Board and Management

### Roger Marshall (Chairman)

The board of IVR has been stable for a number of years and guided the company through the exploration stage to resource delineation and now feasibility mode.

Roger has over 40-years' experience in the Mining Industry at senior level in both operations and in executive roles. He has been involved with the taking of a number of projects from development into production.

Roger previously served on the Boards of Mt Isa Mines Holdings Limited, CITIC Australia Trading Ltd, Energy Brix Corp, AGD Mining Ltd, Macarthur Diamonds Ltd, Copper Resources Corp Ltd, Queensland Ores Ltd, Macarthur Coal and OGL Resources Ltd.

### John Anderson (Managing Director)

John is a geologist with 40 years experience, having worked in various major base metal/gold mining centres including Kalgoorlie, Broken Hill, McArthur River, Mount Isa / Ernest Henry and the Gawler Craton. He has had exploration success leading the discovery of the Angas zinc resource, the Menninnie Dam zinc deposit, the White Dam gold copper deposit and several mineral sands deposits in the Murray Basin.

John served as a NED of Southern Gold Limited from 2004 to 2008 and has been managing Director of IVR since IPO. John is currently on the board of the Minerals and Energy Advisory Council in South Australia.

### Bruce Foy (Non-Executive Director)

Bruce has 25 years experience in senior banking roles. He is currently Chairman of State Water Corporation, a Non-Executive Director of The Doctor's Health Fund Pty Limited, an independent director of the Financial Planning Association of Australia Limited and Chairman of SMSF Owners' Alliance. He was previously Chairman of Transgrid Corporation, Chairman of the International Banks and Securities Association Limited and a NED of CITIC Australia Trading Ltd.

### David Jones (Non- Executive Director)

David commenced his career as a geologist in 1964 with Broken Hill South Ltd and was involved with the exploration that led to the discovery of the Duchess phosphate deposit near Mt Isa. He then moved into academia before re-entering the private sector with Newmont (later Newcrest), holding various roles from Exploration Manger to Manager Strategic Planning.

### Angelo Gaudio CFO and Company Secretary

Angelo is a qualified accountant with over thirty-five years of finance, management and accounting experience. He is currently the CFO and Company Secretary for Renascor Resources, as well as past Vice President, Finance and Administration with Heathgate Resources.

## Risks

**Transition from Explorer to Developer:** IVR has made a discovery and defined a resource the next stage will be bringing that resource into production. One key risk in making this transition is that the skill set required for production is different from exploration. The establishment of a production oriented team will help reduce this risk.

**Geological Variability:** The nature and grade of the mineralisation at Paris in particular will require tight geological control during mining.

**Potential Production from Paris** – the silver grade at Paris is variable, with several very high grade blocks in the resource model. This does present both an upside and down side risk with production. The use of a conservative average resource grade helps reduce this risk.

**Resource extensions** – We have assumed that ~75% of the current resource at Paris is recovered, until the final pit design is known the amount of recoverable silver remains an estimate.

**Access to capital** – The construction of Paris will require an estimated ~\$40m (PAC estimates), at this stage no funding package is in place.

**Commodity Pricing and Currency Changes:** As a commodities company IVR are exposed to movements in the underlying commodity prices and also the prevailing exchange rate.

**Permitting:** The permitting process will need to be completed before construction and production commence. The location of the project does not appear to be in an overtly environmentally sensitive region therefore we would expect that the permitting risk is low to moderate. The main risk will be around the time taken to achieve permitting for not only Paris but the potential water source.

**COMPANY SUMMARY**

**Investigator Resources**

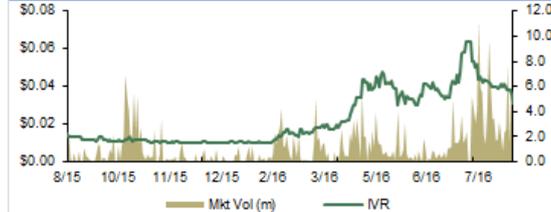
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22/08/2016

**Price Information**

Price (\$/Share)	\$0.03	Target Price (\$/Share)	\$0.08
Mkt Cap (\$m)	\$19		
Enterprise Value (\$m)	\$12		

**Share Price & Volume Chart**



**Commodity / FX forecasts**

	FY19E	FY20E	FY21E	FY22E
Silver (US\$/oz)	18.5	18.5	18.5	18.5
Ex Rate (AUD:USD)	0.74	0.74	0.74	0.74
Production (Moz Silver)	0	2.53	3.97	3.97

**Business Summary**

Investigator Resources (IVR) is a junior resources company focussing on their greenfields silver discovery in South Australia. The Peterlumho project is located in the mineral rich Gawler Craton region and is close to infrastructure. The resource for the Paris Deposit is 8.8Mt at 116g/t silver, containing 33Moz silver. The exploration potential remains high for not only Paris but also the greater Peterlumho Project. IVR has recently shifted focus towards the commercialisation of Paris

**NPV by parts**

	Un Risked		Risked	
	A\$m	Per Share	A\$m	Per Share
Paris Poject	\$88.80	\$0.15	\$44.40	\$0.08
Corporate	-\$9.73	-\$0.02	-\$9.73	-\$0.02
Debt	\$0.00	\$0.00	\$0.00	\$0.00
Exploration Potential	\$7.50	\$0.01	\$7.50	\$0.01
Cash	\$6.50	\$0.01	\$6.50	\$0.01
<b>Total</b>	<b>\$93.07</b>	<b>\$0.16</b>	<b>\$48.67</b>	<b>\$0.08</b>

**FINANCIAL SUMMARY**

**Year End - Jun**

KEY METRICS

	FY17E	FY18E	FY19E	FY20E	FY21E	FY22E
EPS Growth (%)	NA	21.7%	>100%	>100%	27.0%	-5.5%
PER (x)	-6.03	-7.70	37.27	1.98	1.56	1.65
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA (x)	-5.7	-7.6	97.2	1.7	0.3	
EV (\$m)	17	23	65	44	14	
ROE (%)	-5.0%	-4.7%	1.3%	21.2%	22.6%	18.0%
ROA (%)	-5.1%	-4.8%	1.1%	16.6%	22.0%	23.1%
ROIC (%)	-8.6%	-7.9%	0.0%	20.7%	32.0%	37.5%

**PROFIT & LOSS (AUD \$m)**

	FY17E	FY18E	FY19E	FY20E	FY21E	FY22E
Revenue	0	0	6	63	99	99
EBITDA	-3	-3	1	26	42	42
Depreciation & Amortisation	0	0	1	7	11	11
EBIT	-3.0	-3.0	0.0	19.4	31.0	31.0
Net Interest Expense	-0.1	0.0	0.9	2.0	1.0	-0.2
Income Tax Expense	0.0	0.0	0.0	-3.6	-9.3	-9.3
NPAT Reported	-3.1	-3.0	0.9	17.8	22.7	21.4
NPAT Adjusted	-3.1	-3.0	0.9	17.8	22.7	21.4

**PER SHARE DATA (cps)**

	FY17E	FY18E	FY19E	FY20E	FY21E	FY22E
Shares on Issue (m)	581	728	1103	1103	1103	1103
EPS Reported	-0.5	-0.4	0.1	1.6	2.1	1.9
EPS Adjusted	-0.5	-0.4	0.1	1.6	2.1	1.9
DPS	0.0	0.0	0.0	0.0	0.0	0.0

**BALANCE SHEET (AUD \$m)**

	FY17E	FY18E	FY19E	FY20E	FY21E	FY22E
Cash	1	1	-1	14	37	59
Debtors & Inventory	25	25	25	27	27	27
PP&E	1	1	40	33	22	11
Intangibles	34	37	40	41	41	41
Total Assets	64	66	107	122	135	146
Borrowings	0	0	29	23	16	8
Creditors	0	0	1	8	10	10
Total Liabilities	0	0	30	30	26	18
Net Assets	63	65	77	91	109	128

**BALANCE SHEETS RATIOS**

	FY17E	FY18E	FY19E	FY20E	FY21E	FY22E
Gearing - Debt/Equity (%)	na	na	na	9.6	-19.3	-39.7
Interest Cover (x)	na	na	na	-9.5	-30.9	129.7
NTA per Share (cps)	5.0	3.9	3.3	4.5	6.2	#REF!

**CASH FLOW (AUD \$m)**

	FY17E	FY18E	FY19E	FY20E	FY21E	FY22E
EBITDA	-2	-2	2	29	45	45
Interest & Tax	0	0	-1	-6	-10	-9
Working Capital Change	0	0	1	5	2	0
Operating Cash Flow	-2	-2	1	27	34	34
Maintenance Capex	0	0	-1	-2	-2	-2
Free Cash Flow	-2	-2	0	25	33	32
Expansion Capex	0	0	-40	0	0	0
Equity Issues / (Buy Backs)	5	4	12	0	0	0
Proceeds from Borrowings	0.0	0.0	28.0	-8.5	-8.5	-8.5
Other	-7.0	-6.0	-6.0	-6.0	-6.0	-6.0
<b>Net Cash Flow</b>	<b>-4</b>	<b>-4</b>	<b>-6</b>	<b>10</b>	<b>18</b>	<b>18</b>

**Resource Reserve Statement**

Resources (Inferred)	Tonnes (Mt)	Ag (g/t)	Ag (Moz)
Paris	8.8	116	33
<b>Total Resources</b>	<b>8.80</b>	<b>116.00</b>	<b>33.00</b>

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## Recommendation Criteria

### Investment View

PAC Partners Investment View is based on an absolute 1-year total return equal to capital appreciation plus yield.

Buy	Hold	Sell
>20%	20% – 5%	<5%

A Speculative recommendation is when a company has limited experience from which to derive a fundamental investment view.

### Risk Rating

PAC Partners has a four tier Risk Rating System consisting of: Very High, High, Medium and Low. The Risk Rating is a subjective rating based on: Management Track Record, Forecasting Risk, Industry Risk and Financial Risk including cash flow analysis.

### Disclosure of Economic Interests

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