Sprott | Equity Research

Precious Metals

Greatland Gold (GGP LN)

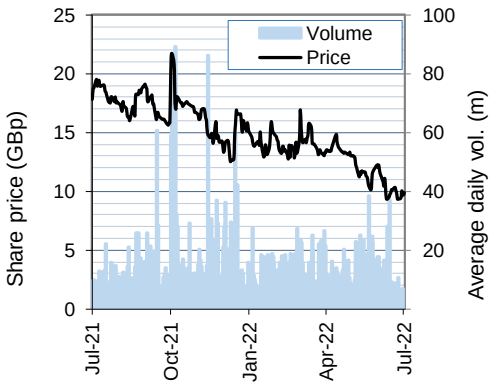
Initiation: Springboard for ex Northern Star management

RECOMMENDATION: **BUY** *PRICE TARGET:* **17p/sh** *RISK RATING:* **HIGH**

SHARE DATA	
Shares (basic, FD, FF FD)	4070 / 4277 / 4812
Share price (A$/sh)	9.90p/sh
52-week high/low	21.7p / 9.3p
Market cap (£m)	403
SCPe net cash 2Q22 (A$m)	(25.8)
1.0xNAV5% @ US$1850/oz (A$m, 100%)	5,062
Project P/NAV today (x, FD)	0.58x
Average daily value (£m, 3M)	1,555

FINANCIALS	CY24E	CY25E	CY26E
Gold sold (000oz, 100%)	33	175	228
Revenue (A$m, 100%)	106	565	710
AISC (US$/oz)	622	665	737
Income (£m, attr)	6	30	37
EPS (GBp/sh)	0.1	0.6	0.8
PER (x)	80.6x	15.6x	12.8x
CFPS (A$)	-	0.4	0.5
FCF yield (%)	-	4%	5%
EBITDA (A$m)	9	47	58
EV/EBITDA (x)	25.0x	4.7x	3.6x

ATTR 1xNAV: 1,850/oz	Jun-24	Jun-25	Jun-26
1xNAV5% FF FD (A$m)	1,127	1,197	1,268
1xNAV5% FF FD (GBp/sh^)	13.3	14.1	15.0



*Source: Fidessa; *diluted for options only ^plus mine*

Free ride as Newcrest builds Australia's newest Au-Cu mine

Havieron is a West Australian 6.5Moz @ 1.9g/t AuEq Telfer Type / IRGS system, with ore in a vertical breccia pipe under ~400m of cover. Greatland's 30% participating interest sees Newcrest building the decline for 2024 first gold through its Telfer mill ~45km away, with ample capacity. A 3Mtpa PFS envisages 10Y at 264koz pa AuEq. Long term, we expect a second conveyor-decline to support larger high-grade stoping up to 9Mtpa, followed by block-caving in separate areas, with discovery drilling firmly still underway.

2.9Moz@3.6g/t AuEq; potential SCPe 9Moz AuEq & 700koz AuEq pa

Newcrests' initial 8Y 2Mtpa PFS for ~226koz pa AuEq in conc. lifted to Greatland's 3Mtpa PFS, at a lower cut-off grade, for 264koz pa over 10Y. This excludes reserve ounces increasing ~50% once infilled, depth extensions to the high-grade Crescent Zone, and 'cherries' out of adjacent bulk lower-grade areas. We estimate a potential expanded stoping operation, requiring only A$200m capex for a second conveyor decline, could lift production to 723koz pa AuEq in conc. (600oz pa Au), taking our $NPV_{5\%-1850}$ from A$993m to A$3.8bn.

Strategic potential for another SCPe 6Moz block cave

The above expanded stoping scenario excludes areas of bulk low grade, themselves excluding more ounces if cut-offs were lowered for caving. We estimate 6.2Moz @ 1.0g/t of caveable material; 2.3Moz resources outside reserves, 1.5Moz within this at a lower cut-off, and 2.4Moz of vertical extensions. With ample space in the mill, and/or for long-term potential, this could support a long-life Tier 1 operation. The strategic value to a major like Newcrest is clear, potentially 'filling (half) of their mill' to extend the life of Telfer and add greater economies of scale. Critically, the high-grade Crescent Zone 'pays' for the infrastructure, much like the Cadia pit enabled subsequent caves.

Northern Star 2.0 with CEO Shaun Day?

CEO Shaun Day joined Greatland after supporting >900% shareholder returns across over five years as CFO of Northern Star during its rise from 100koz pa to >800koz pa, with similar returns from 2006-2014 at company Sakari Resources before that. The opportunity, which is all the more post Northern Star CEO Bill Beament's departure in CY21, is to combine the value and dividend streams from Havieron with the ex Northern Star technical (and C-suite) network to do it again. In these markets more than ever, to extract the full value from the opportunity we prefer to back the team over the asset every time.

Initiate with BUY rating and 17p PT

Our modelled 9Mtpa SLOS operation producing 668koz pa payable AuEq cornerstones our A$3.8bn NAV (A$404/oz inventory). We add our 6Moz caveable material at half this valuation, and net of G&A and net cash, initiating with a BUY rating and $1xNAV_{5\%-1850}$ 17p PT diluted for options. Key price drivers are drilling / MRE / 4Q22 BFS / debt funding, all ahead of 2024 production.

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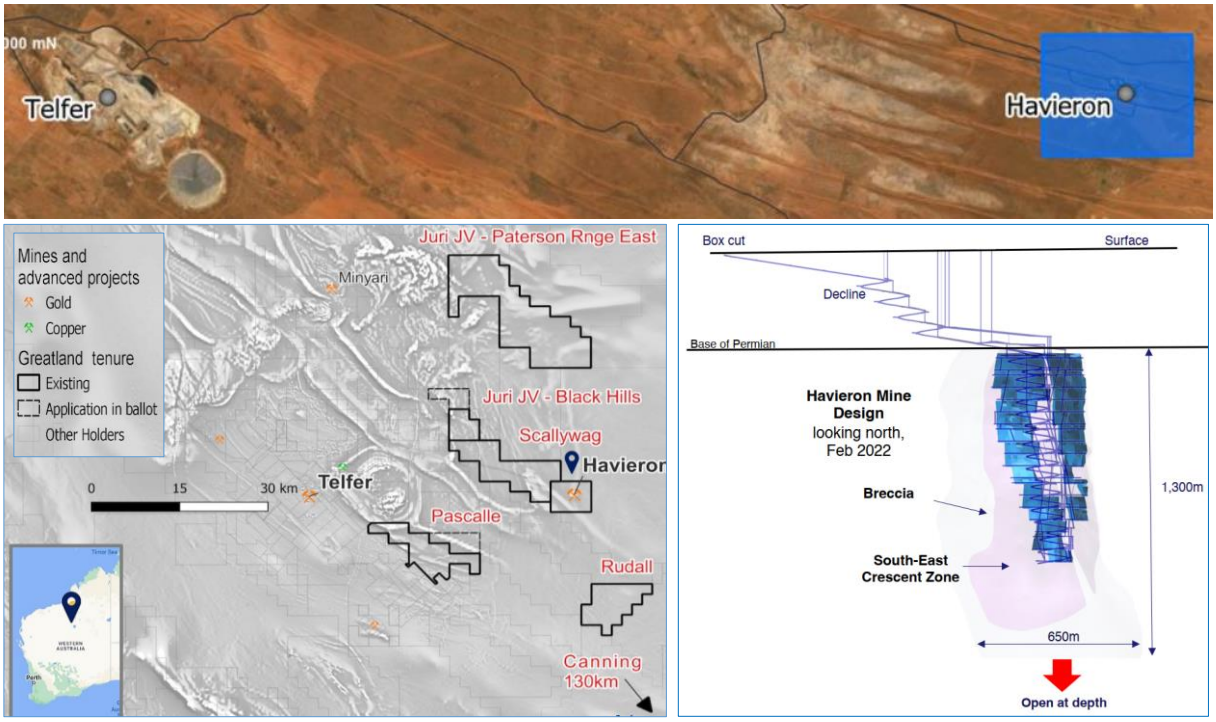
Asset summary

Greatland formed as a junior specialising in under-deep-cover drilling. After a brief sojourn in the Pilbara, the company discovered the 'Telfer Type' Havieron deposit in 2018. Newcrest drills from the 1990s only hit lower grades with Greatland making the discovery in 2Q18. After just nine holes, a JV was formed allowing Newcrest, operator of the Telfer mill 45km away, to earn up to 70% on spend of A$65m and +5% at fair market value. The deposit is a 'Telfer style' intrusion related gold-copper system (IRGS) hosted by a vertical breccia 'pipe' under ~420m of barren cover. The 6.5Moz AuEq resource / 2.9Moz AuEq reserve spans 1.2km vertically, and remains open at depth.

Greatland is now a participating JV partner (currently 30%, negotiating a 5% final sell down) with Newcrest, where development of a decline commenced in CY2021, targeting production from CY24. Ore is to be sent to the existing Telfer mill, at a time when the Telfer mine is winding down and now on lower grade material. The approved mining plan sees a 2Mtpa sub-level open stoping (SLOS) operation, although the PFS states the preferred case to lift to 3Mtpa being adopted for the BFS. Greatland is responsible for 30% of capex of ~A$500m. Newcrest has advanced a US$50m loan to cover early works, and Greatland is evaluating funding the residual ~$93m including A$25m of exploration and finance costs, but excluding proceeds from sell down of its final 5%, A$13m attributable mill cost and any equity, or debt.

JV structure: Signed in 1Q19, Newcrest has the right to 70% for US$65m spend in (now complete) four-stage 6Y earn in, with option for +5% at 'fair market value'. Newcrest gave notice to acquire the final 5% in December 2021 – under the JVA if valuation submitted by both parties are within 20% of each other, an average will be taken, otherwise, an adjudicator will determine which of the two prices is to be used, triggering 30 business days for NCM to exercise. Funds from the option are to be used firstly to repay NCM loan facilities.

Figure 1. Havieron (A) location map and geology plan view, (B) regional licences and (C/D) section showing stopes



Corporate history

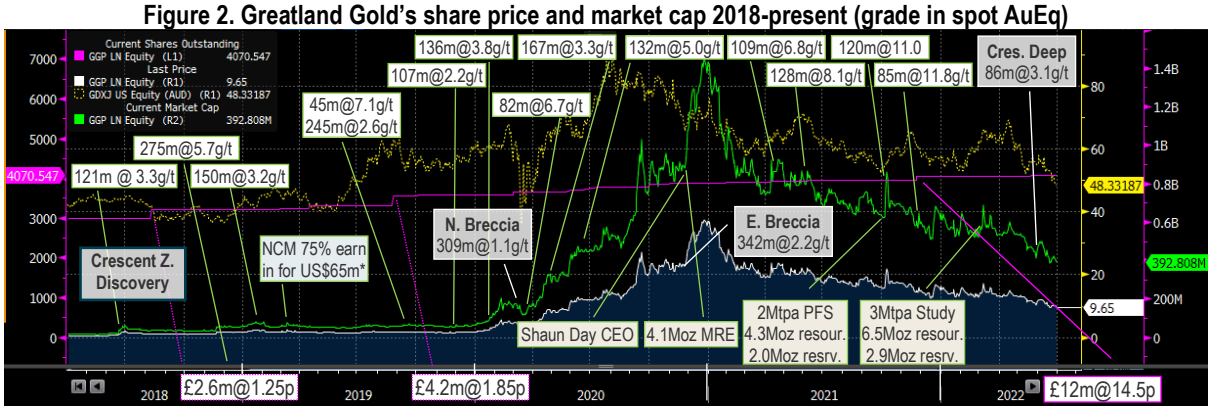
Following 4Q17 MMI and gravity work, 2Q18 maiden drilling at Havieron hit **121m @ 3.3g/t AuEq** drilling past holes prior operators terminated early, discovering what subsequently evolved into the first-to-be-mined **Crescent Zone**. After subsequent highlights of **275m @ 5.7g/t AuEq**, itself turning out to be one of the best holes ever drilled, in 1Q19 GGP granted Newcrest a 70% earn in for US$65m over 6Y. Newcrest hit US$10m spend by year end, although highlights of 45m @ 7g/t AuEq and 128m @ 4.0g/t AuEq didn't move the share price.

2020 was a seminal but peak-share-price year for Greatland, as momentum built after drilling 82m @ 6.7g/t AuEq and with a rising gold price. While less material to the initial mine plan, early 2020 saw the delineation of what is now called the **Northern Breccia**, a bulk low-grade target in the core of the breccia pipe exemplified by 309m @ 1.1g/t in the centre of the pipe. By year end, deeper drilling has made a third discovery of the **Eastern Breccia** with 342m @ 2.2g/t in a 'lobe' extending over ~450m vertical, several hundred meters away from the Crescent Zone. However, it was a series of events toward year end that saw peak share price, with a maiden resource of 4.1Moz @ 2.5g/t AuEq, entering the final Havieron Joint Venture Agreement and the future appointment of ex Northern Star CFO Shaun Day as CEO was announced.

In CY21, drilling focussed on expanding the high-grade Crescent Zone with highlights of 120m @ 11.0g/t AuEq, but also targeted at-the-time pre-MRE Eastern and Northern Breccias. This didn't come quickly, as only the Northern Breccia was added into a 4Q21 MRE with a maiden 1.1Moz @ 1.3g/t AuEq. The cornerstone Crescent Zone lifted to 2.9Moz, from which a maiden reserve of 2Moz @ 4.5g/t AuEq was defined in a PFS in 4Q21. The PFS itself showed a relatively small 14Mt reserve, and consequently only envisaged mining at 2Mtpa, although a 3Mtpa upside scenario was selected by the PFS to be adopted for the FS.

This year, stellar drilling of 85m @ 12g/t at the Crescent Zone led Greatland, not Newcrest, to release an expanded resource of 6.1Moz @ 2.2g/t AuEq, with growth on existing zones, but now the addition of 560koz @ 1.2g/t in the Eastern Breccia. This supported a ~50% lift in reserves to 2.9Moz @ 3.6g/t AuEq. Consequently, and given Greatland was (and remains) in a period of negotiation over a 5% sale to Newcrest at a price 'determined under the JVA', Greatland released an expanded 3Mtpa FS in 1Q22. The key development since the expanded FS was a single deep hole hitting an impressive 86m @ 3.1g/t ~100m under the MRE, and ~400m under the deepest reserves at the Crescent Zone.

Figure 2. Greatland Gold's share price and market cap 2018-present (grade in spot AuEq)



*Source: Bloomberg, Greatland; *Final 5% to be acquired at market value*

Why it works: Selective Crescent Zone mining drives payback and lays foundation to expand

We think Newcrest as the operator is a stamp of approval to boost investor confidence that the initial PFS mine plan works. We note that the 2.9Moz @ 3.7g/t AuEq Crescent Zone is similar to pits-paying-for-caves. Block caves are expensive and time consuming. Typically, as at Newcrest's Cadia, the pit 'pays for the mill' and a cave can be funded. Twin advantages at Havieron are the 3g/t Crescent zone does the same, paying for the decline, and that there is no requirement to build a mill given 22-24Mtpa capacity at nearby Telfer.

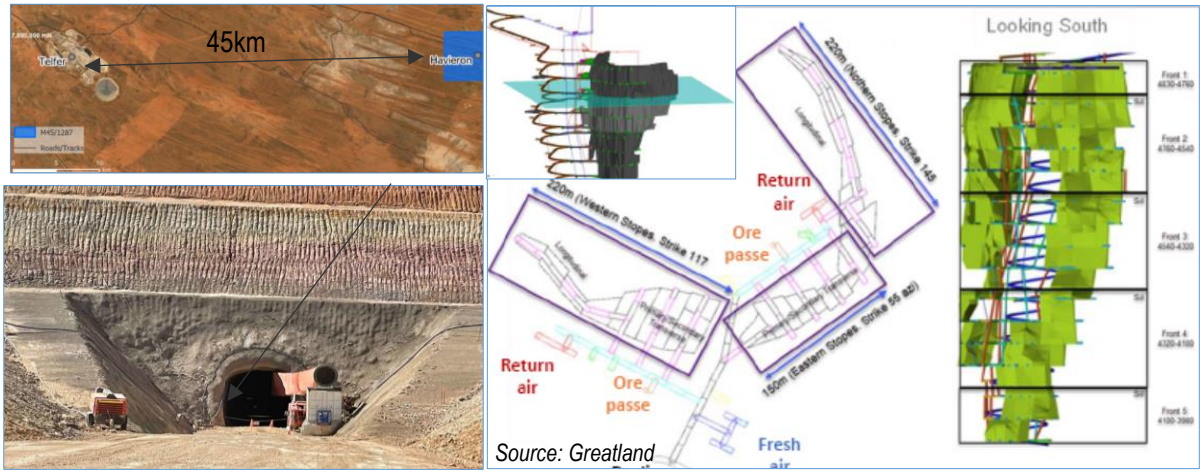
Geologically, the Crescent Zone resource is higher grade (>3g/t) associated with massive sulphides on the margin of the bulk Breccia zones (<2g/t) forming an arcuate shape. The second advantages is the sub-vertical dip and geometry with 5-40m width zones extending 550m in length and 1,150m vertically (so far), clearly amenable to long hole mining.

The tight distribution of ounces suggests the potential for (i) a central infrastructure layout for efficiency and lower development costs and (ii) multiple mining panels for higher flexibility and productivity for lower opex. Importantly, this is different from 'snakes and ladder vein' peers that struggle to achieve expected throughputs on >400 wireframes spread across kilometres of lateral development in deep UG mines. Hence, it is all about the 'shape' of the ounces at Havieron, not only the grade, not dissimilar to the Young Davidson Mine (2021A: 195koz @

US$1,072/oz AISC), Canada's largest UG gold mine at >2.8Mtpa nameplate with 3.4Moz @ **2.4g/t** P&P hosted in large, and deep (1.5km) syenite intrusion.

Existing infrastructure: Havieron benefits from existing roads, power, tailings and a ~22Mtpa capacity Au-Cu processing facility via dual process trains at Telfer (45km away) which requires only slight modifications to include magnetic separation within the flotation circuit, a Carbon in Pulp (CIP) circuit on the flotation tail and cyanide detoxification circuit to operate an up to 11Mtpa via single train—included in the A$529m PFS build capex. Notably the mill capex of A$45m isn't technically borne by the JV as this will go back to Newcrest, with its opex factored into the JV.

Figure 3. (A) Telfer > Havieron, (B) Havieron plan and long section showing SE Crescent stopes and (C) UG portal



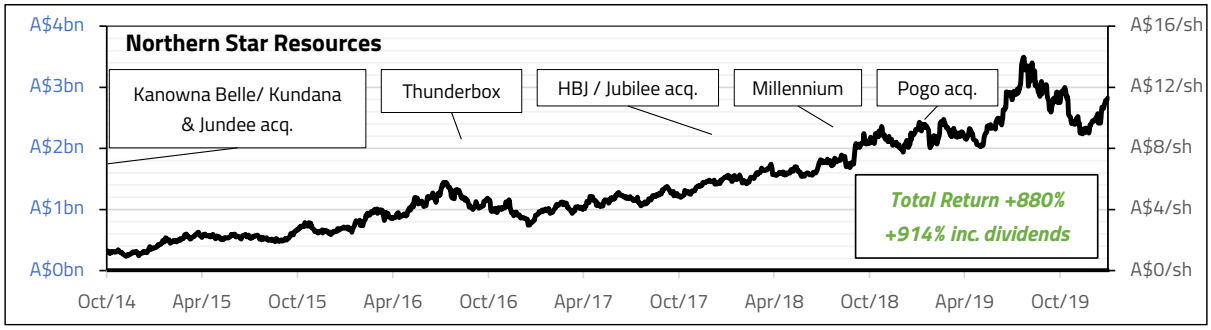
The Shaun Day advantage - not any ordinary CEO, but mine builder with proven track record

Shaun Day joined Greatland in 1Q21 and brings over 20 years of experience in executive and financial positions across mining and infrastructure, investment banking and international consulting firms. Shaun has a track record of creating shareholder value as demonstrated by his time as CFO of S&P / ASX100 Northern Star Resources, where he led several M&A transactions and was a part of multiple mine builds during his tenure that saw Northern Star grow to one of Australia's largest gold producers from 100koz pa to >800koz pa, including >900% shareholder returns over his ~5 year tenure. This wasn't luck, with prior company Sakari Resources also lifting from a single to multiple mines following a S$400m IPO until its acquisition by PTT Public Co in 2013 for total consideration of US$2,000m, plus maintaining a dividend pay-out ratio of 65% throughout that period.

The opportunity really arises out of Northern Star. Much like the management teams at Emerald / Capricorn, both ex Regis, big-company winners moving to new vehicles can drive tremendous value. The key aspect for Northern Star is the departure of Bill Beament in 1Q21, leaving Northern Star with a very different culture. What that means is that Shaun has the opportunity to put the 'band back together' in the event Greatland can secure second and third growth assets. This is perhaps the most important aspect of Greatland – attribute the value of the PFS FCFs under the current market cap. While this is in part rationalised by the opportunities for growth in either high-grade SLOS mining or potential future cave, we think it also represents what Shaun could do with the dividend streams: grow.

A key case study is Gold Road (A$1.2bn market cap). The company discovered Gruyere in 2013, established a 50/50 JV with Gold Fields for 2019 first-pour and 2020 maiden dividend. This year, the company is guiding between 300-350koz of production for attributable 150-200koz pa or ~A$685/oz pa. Where the two stories differ is that Gold Road spent extensive funds exploring under cover, before pivoting to own a(nother) minority interest, this time via its acquisition of DGO for a minority in De Greys. The opportunity for Shaun Day is to use his network on the technical side of the business to put together a tier one team to build the next Northern Star, rather than build a less efficient holding company. This includes the opportunity to add high quality and high-profile directors to the board of directors.

Figure 4. Share price and market cap over managements prior tenure showing asset commercial prod / acquisitions



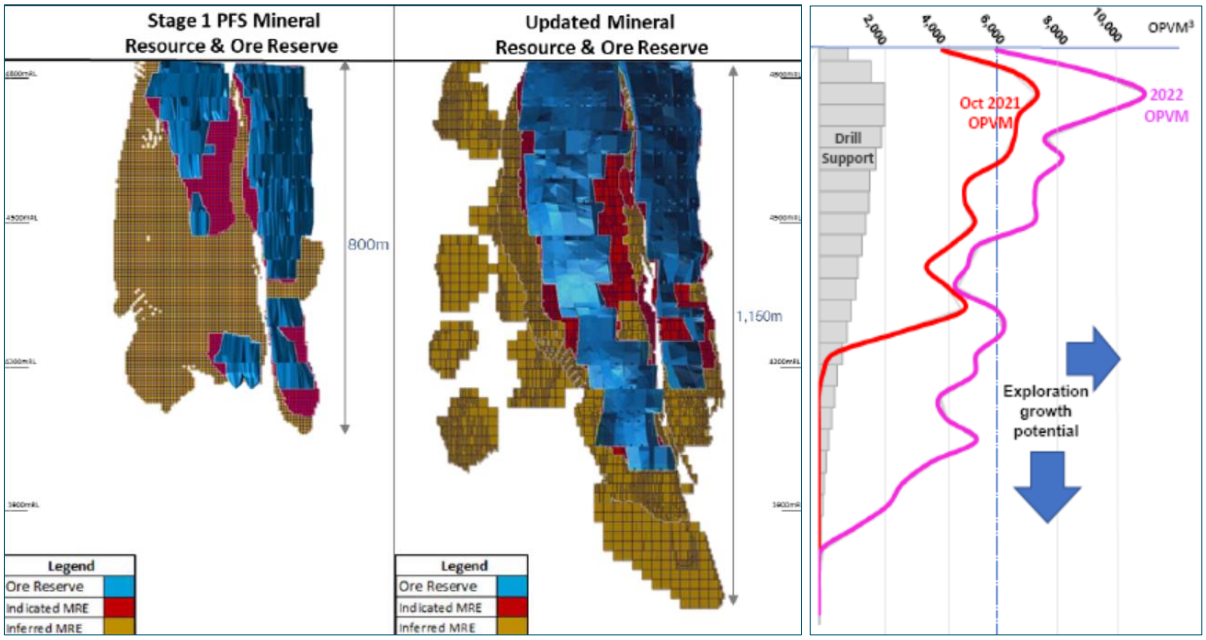
Source: Northern Star Resources, SCP.

Value runway is set: SE Crescent Zone starter mine 'in the bag' with 1Q22 PFS

The Stage 1 PFS published in 4Q21 by Newcrest was recut at higher commodity prices by Greatland for $NPV_{5\%-1750}$ of A$706m and 27% IRR. This was underpinned by an initial ore reserve of 14Mt @ 4.6g/t AuEq in the upper Crescent Zone for >195koz pa production at US$643/oz AISC from a ~2mtpa mining rate, impressive in its own right. Subsequently, in 1Q22, Greatland (not Newcrest) published an updated MRE with an additional ten-months of drilling data extending the Crescent zone laterally and at depth, with a strong 63% lift in indicated ounces, and lift in reserves to 25Mt. Greatland published a 3Mtpa mine plan, but no economics at that stage. The 4Q22 BFS will be based on this larger reserve base and should see the 3Mtpa throughput, while maintaining a long life.

Our geological confidence is strengthened by the existing vertical extent of the system to date. While the average endowment over the entire resources sits at 3,700oz /vm, this lifts to >10,000oz/vm in the well-drilled upper portion of the MRE. This suggests the lower average at depth is simply a function of a lack of drilling. This is a gap we think should close as UG development progresses deeper for better drill access, and a core pilar of our investment thesis. Separate from the Crescent Zone, the Breccia Zones (2.3Moz @ 1.2g/t AuEq MRE) are different (bulk tonnage potential) and are still being defined through exploration drilling and engineering studies which could see additional mining fronts and bulk mining to compliment the Crescent Zone.

Figure 5. (A) 4Q21 resources / reserves vs (B) 1Q22 and (C) OPVM profile vs. drill density



Source: Greatland

Is that it? SCPe 9.0Moz @ 3.5g/t AuEq of high-grade in expanded SLOS, or….

As discussed above, the updated 1Q22 25Mt reserves saw implied reserve additions of 0.9Moz @ 2.6g/t AuEq, well over the 4Q21 maiden PFS. Firstly, the 4Q22 BFS will be the first time we've seen economics for the larger reserve, and for the 3Mtpa operation. However, while this underpins the current build, upside comes from the existing resources outside reserves and growth potential beyond what has been demonstrated to date. Appendix 1 goes through in detail our build-up for higher-grade resources. In short, we bulk out the existing reserve to the same endowment (oz/vm) as well drilled upper levels, then simply pro-rata that to 200m beyond the deepest drilling. We add a subset of the Northern / Eastern Breccias, effectively carving out 'SLOS cherries' from the bulk resource.

Table 1. SCP Havieron MRE growth potential by zone / confidence and mining method

SLOS expansion case		Tonnes	AuEq (g/t)	AuEq (Moz)	Drill evidence
Cresent reserve (~850m vertical)	**P&P**	**25.0**	**3.6**	**2.91**	**-**
Crescent unclas. + infill (850m vertical)	Resources + SCPe	13.8	3.6	1.6	120m @ 11/gt AuEq
Pro-rata to deepest drilling (1,250m vert.)	Resources + SCPe	18.2	3.6	2.1	121m @ 9.6g/t AuE
SCPe + 200m (1,450m vert.)	SCPe	9.1	3.6	1.1	-
Northern Breccia high-grade	SCPe MRE subset	10.0	3.0	1.0	52m @ 3.1g/t AuEq
Eastern Breccia high-grade	SCPe MRE subset	4.0	3.0	0.4	42m @ 9.2g/t AuEq
SCP upside case:		**80.1**	**3.5**	**9.0**	
Delta to current reserve		221%	-3%	211%	

Source: SCP estimates

…block cave opportunity could add 6.2Moz @ 1.0g/t AuEq

We argue later in this report that a second decline with conveyor could add +6Mtpa, for combined 9Mtpa with the existing decline, albeit this would be capped at the SLOS mining rates. However, beyond that really requires a block cave, which could happily operate in the 6-10Mtpa range, not the least given the ~22Mtpa mill capacity at Telfer (~12Mtpa on single train). A detailed breakdown is provided in Appendix 1, where we show that an expanded SLOS and block-cave appear mutually in some places given the expanded SLOS would reduce grade (Table 2, grey text), but makes good sense in new areas like the Eastern Breccia. Building a block cave potential from first principals, the first 5.1Moz @ 1.3g/t is arguably compliant already, comprising resources outside Crescent / SLOS reserves, adding SCPe lower-grade material under SLOS cut-off but above a lower-cost block-cave cut off. Thereafter we simply add 50% and 100% depth extensions to the Northern and Eastern Breccia, respectively. While this is taking some geological liberty, the consistency of endowment gives us confidence in this. Further, this excludes the NW Pod and Link Zones, which could bulk out the block-caving opportunity in due course. Unlike for a 9Mtpa SLOS opportunity, we don't model a block cave given the timing, geotechnical, grade and cost uncertainty. However, make no mistake, to a major like Newcrest the long-term strategic opportunity is strong.

Table 2. Resources outside reserve

HAVERION (100%)		Tonnes	g/t (AuEq)	Moz (AuEq)
Northern Breccia	M&I+I	45	1.2	1.7
SCPe low-grade outside N. Bx MRE	Below cut-off	45	0.8	1.2
Eastern Breccia	M&I+I	14	1.3	0.6
SCPe low-grade outside E. Bx MRE	Below cut-off	14	0.8	0.4
Resources outside reserves (incl. SCP below cut off)		**118**	**1.0**	**3.8**
Less areas removed in SCP SLOS case		*14.0*	*3.0*	*1.4*
Resources outside reserves ex SLOS		***104***	***0.73***	***2.4***
Drilled targets outside MRE		**Tonnes**	**AuEq (g/t)**	**AuEq (Moz)**
Northern Breccia extensions	Drilled	45	1.0	1.4
Eastern Breccia extensions	Drilled	28	1.1	1.0
Drilled depth extensions (incl. SCP below cut off)		**73**	**1.0**	**2.4**
Cumulative caving potential	**MRE + drilled**	**191**	**1.0**	**6.2**

Sourece: Greatland, SCP estimates

Valuation scenarios

Newcrest case: Our valuation starts with the original Newcrest Stage 1 PFS, which shows a 2Mtpa operation production 184koz pa over 8 years mining 14Mt 2Moz @ 4.5g/t reserve. The $NPV_{4.5\%-1500}$ of A$304m represents a point-in-time to facilitate production start and arguably provides a low benchmark for negotiating the acquisition of the final 'at market' 5% of Havieron, with Greatland immediately releasing an NPV of A$706m at US$1,750/oz. **Our base-case 14Mt model matches this with a near-identical A$707m NPV from build start**

Greatland case: Next, Greatland (not Newcrest) released a reserve and mine plan outlining 3Mtpa operation producing 211koz Au pa from a 2.0Moz @ 3.6g/t AuEq reserve based on an expanded 25Mt operation. The 5.8x6m decline can readily handle the expanded throughput (albeit we expect it would max out around this level). However, with no capex, and NPV wasn't supplied. We model a 25% lift in capex for this operation, with no additional milling capex, surface infrastructure, or even mining fleet (lease) required, but extra development is likely. Lifting the gold price to US$1,850/oz, dropping FX from 0.72 to spot 0.68, and lifting the discount to 5% drives an **A$993m NPV for the 3Mtpa reserve-backed scenario.** In our view, being reserve-backed, this scenario is 'in the bag'.

Upside case: Havieron is big. Ultimately, and not the least, given their experience with block caving at Cadia NSW, we expect Havieron to be mined for decades. Quite how to model this is difficult though. We see very good potential for block caves on the Eastern Breccia and potentially the Northern Breccia too. However, the capex and more importantly timing, are both linked to geotechnical work to be done, making this difficult to value, and ultimately long dated. However, despite those two resources grading ~1.2g/t AuEq, many 3-6g/t drill hits over tens of meters points to high-grade cut outs. As we detail in Appendix 1, we see good potential for a total SLOS reserve of **9.0Moz @ 3.5g/t**, a ~tripling of existing reserves. The twin wins here are +1.6Moz AuEq from infilling, then +2.1Moz drilling to the deepest drill hole and +1.1Moz for a nominal +200m depth beyond that. The Eastern and Northern zones are more speculative, albeit drill highlights of 52m @ 3.1g/t AuEq and 150m @ 4g/t AuEq certainly point to high-grade zones there, with 1.4Moz of high-grade 'cherries' extracted from those resources in our work-up.

Mining rates: are the key constraint here – one can't simply ramp a single decline up to 5-10Mtpa. The existing decline likely tops out at 3Mtpa, so we model a second decline for A$200m, well under the existing capex given a smaller (conveyor and light-vehicle only) decline should cost ~30% less than the first ~6x6m decline. With an 80Mt SCPe inventory, we model a 9Mtpa operation for a >11y life – the attraction of Newcrest as owners is that sufficient mill capacity already exists, and vehicle fleet is already costed on a contractor basis.

Upside to economics: we see savings in both recovery and mining costs (published A$112/t cost implies relatively high processing cost). Ahead of a detailed breakdown in the DFS, and conscious of Newcrests 'gold plated' estimates (and economies of scale), we lift recoveries by 2%, and drop processing cost by A$2.50/t.

Valuation: the above 80Mt / 9Moz / 9Mtpa scenario drives our A$3.8bn NPV.

Table 3. Valuations for Havieron from 4Q21 PFS (14Mt) to 1Q22 updated PFS (25Mt), and SCP upside case (80Mt)

Havieron (100%)	NCM	GGP	SCP	GGP	SCP	SCP 80Mt
	4Q21 PFS (14Mt)			1Q22 MRE (25Mt)		Upside
Global resource (000t)	53	53	53	92	92	92
Global grade (AuEq)	2.5	2.5	2.5	2.2	2.2	2.2
Global ounces (000oz)	4,400	4,339	4,339	6,510	6,510	6,510
Reserve tonnes (000t)	14	14	14	25	25	80
Reserve AuEq grade (g/t)	4.48	4.59	4.57	3.62	3.63	3.53
Reserve AuEq (000oz)	1,958	2,000	2,004	2,909	2,918	9,115
Au / Cu recovery (%)	-	88 / 84	88 / 84	88 / 84	88 / 84	90 / 86
Plateau ROM (Mtpa)	2.0	2.1	2.1	3.0	3.0	9.0
LOM gold prod'n (000z)	**1,432**	**1,432**	**1,431**	**2,112**	**2,104**	**6,747**
Prod'n Au LOM (000oz pa)	**184**	**184**	**185**	**211**	**216**	**600**
Mine life (years)	7.80	7.80	7.75	10.0	9.75	11.3
AISC (US$/oz Au)	743*	643	696	-	839	826
Operating unit cost (A$/t)	112.0*	112.0	112.0	-	112.0	109.5
Mining cost (A$/t)	-	-	87.00	-	85.25	85.25

Havieron (100%)	NCM	GGP	SCP	GGP	SCP	SCP 80Mt
	4Q21 PFS (14Mt)			1Q22 MRE		Upside
Processing cost (A$/t)	-	-	20.83	-	22.29	19.79
G&A (A$/t)	-	-	4.17	-	4.46	4.46
Royalty (%)	-	2.5 / 5.0	2.5 / 5	2.5 / 5.0	2.5 / 5	2.5 / 5
Total build capex (A$m)	529	529	529	-	661	861
Total sust. capex (A$m)	-	179	179	-	328	1,055
Gold price (US$/oz)	1,500	1,750	1,750	-	1,850	1,850
Copper price (US$/lb)	3.30	4.08	4.08	-	4.08	4.08
AUD / USD	0.75	0.72	0.72	-	0.67	0.67
Discount (%)	4.5%	4.5%	4.5%	-	5.0%	5.0%
NPV calculated from:	SQ21	SQ21	SQ21	-	2Q22	2Q22
Post-tax NPV (A$m)	**304**	**706**	**707**	**-**	**993**	**3,760**
IRR post-tax (%)	16%	27%	26%	-	25%	39%
Payback (years)	4.00	3.00	1.75	-	2.25	3.00
Free cash flow LOM (A$m)	531	1,090	1,086	-	1,719	6,444

Source: Newcrest, Greatland, SCP estimates

Valuation modifiers

SCPe 5% valuation: it is difficult to value the 5% of Havieron given the off-market valuation process with the finer points of JVA non-public. Timing creates issues too, e.g. the published A$304m Newcrest 2Mtpa US$1,500/oz PFS lifts to A$702m at Greatland's US$1,750/oz, then to SCPe A$993m at 3Mtpa and US$1,850/oz / spot FX, and far above that factoring in an expanded SLOS and nominal valuations for the caves. Conversely, if we assume the A$720m market cap takes account of potential upside beyond the 26Mt Crescent Zone, Greatland's 30% ownership currently values the asset at A$2.4bn, 5% of which equates to **A$118m**. Taking the most reliable of the above valuations, the 3Mtpa scenario, gives an A$993m NPV, 5% of which equates to **A$50m**. This could perhaps be discounted given the pre-production status and minority stake, or lifted when adding areas like the Northern Breccia, Crescent Deeps and Eastern Breccia and block cave potential. How an independent valuer decides on *one or the other* (of issuer suggested valuations) is unclear. For now, we model an average of the two, for **A$84m**.

Funding sources and uses: **Uses:** Capex of US$381m / A$529 requires a 30% contribution (currently, potentially falls to 25%, which we detail below). Thus, Greatland needs to provide NCM with US$114m / A$159m of cash, plus modifiers detailed below. This lifts to A$193m when adding A$25m of finance costs pre-revenue and exploration costs. **Sources:** Newcrest provided Greatland with a US$50m / A$74m loan, and the company had/has ~A$16m cash from build start plus post-build-start equity for ~A$104m funding requirement.

Modifying factors: the funding requirement potentially falls by A$13m given the US$31m (100% basis) **mill capex is covered by Newcrest**. Also, a key swing-vote here is the **5% buy-down**. If this were done on our maths (A$83m / US$56m average of SCPe 3Mtpa NPV and market cap), it would have double benefit of funding Greatland's share, and reducing forward costs by 5%. Consequently, including **potential debt**, we see the funding as eminently doable, and not overly dilutive at the current share price, if at all, hence we dilute for options but not further equity.

Table 4. Sources and uses for Greatland on the Havieron build

CASH USES (Greatland)		CASH SOURCES (Greatland)	
US$381m DFS capex * 30%	A$159m	NCM debt to GGP (A$)	A$74m
SCPe Greatland exploration	A$13m	Rqd funding (debt/equity)	A$93m
SCPe GGP pre-Au fin. Costs	A$12m	Net cash from build start	A$16m
TOTAL USES:	A$183m	TOTAL SOURCES:	A$183m
Excludes 5% buy-down, A$13m attr. mill cost		*Buffer:*	*A$0m*

Source: SCP estimates on 30% basis

Recommendation

We take our A$3.8bn 9Mtpa SLOS valuation above, then add an expansion modelled to come progressively from Y3 to 9Mtpa. Next, we add a 5% buy-out at an average of market cap and 3Mtpa NPV as discussed above, valuing the company on a 25% ownership basis. Block cave ounces could be as valuable as SLOS, but being lower grade and undefined, we take the A$416/oz implied by our valuation of the SLOS, mark it down by 50% to A$208/oz, and apply this to our 6Moz estimate of caveable ounces for A$1.3bn valuation. Adding net cash and from options, we deduct Greatland central G&A and finance costs to derive our A$5.0bn / 17p valuation on a 1xNAV$_{5\%\text{-}1850}$, 25% attributable basis. As such, we initiate with a BUY rating and 1xNAV 17p/sh PT.

Figure 6. (A) SOTP 1xNAV valuation and (B) sensitivities

SOTP *project* valuation*		321			
NPV/rsvr oz: A$416/oz	US$m	A$m	O/ship	NAVx	GBP/sh
Havieron @ 3Mtpa	668	993	25%	1.00x	3.3
Additional value to 9Mtpa SLOS		2,767	25%	1.00x	9.2
SCPe 5% minority (avg MC val./NPV)		84	100%	1.00x	1.1
Cash (SCPe 2Q22)		10	100%	1.00x	0.1
Greatland debt (4Q21)		(35)	100%	1.00x	(0.5)
Cash from options		4	100%	1.00x	0.1
6Moz cave @ A$208/oz (50% SLOS NPV)		1,283	25%	1.00x	4.3
Greatland G&A / finance costs		(43)	100%	1.00x	(0.6)
Asset NAV5% US$1850/oz		5,062			17
Shares diluted for options but not mine build			Market P/NAV5% 2Q22		0.58x

Asset value: 1xNPV project @ build start (A$m, ungeared, 35Mt ROM)*					
Project NPV (A$m)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	2,545	2,944	3,343	3,742	4,141
7.0% discount	3,161	3,635	4,109	4,582	5,056
5.0% discount	3,931	4,496	5,062	5,628	6,193
Ungeared project IRR:	34%	37%	39%	41%	44%
Project NPV (GBp/sh)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	8.7	10.0	11.3	12.7	14.0
7.0% discount	10.7	12.3	13.9	15.4	17.0
5.0% discount	13.2	15.1	17.0	18.9	20.8

**Project NPV, ex fin. costs and cent G&A, d'cnt to build start*

Source: SCP estimates

Key Risks

- Reserve / resource: the existing resources and reserves underpin an ~A$1bn asset valuation, but the current A$714m market cap (for 30%) implies a A$2.1bn underlying asset valuation. We see considerable upside to both the high-grade SLOS mining operation, and in the longer-term, with block caving, but there can be no guarantee that resources and reserves emerge to validate our thesis.
- Development risk: current decline development is proceeding slower than management would like after intersecting unconsolidated sands in acquifers. Development rates are now improving, but there is considerable timing risk of the UG ramp up, exacerbated by WA labor shortages. However, this is offset by having an existing team next door at Telfer, and no requirement to build a mill.
- Funding: we estimate that Greatland requires A$93m additional capital – although there is potential to cover this with debt, additional equity would dilute our valuation.

Catalysts

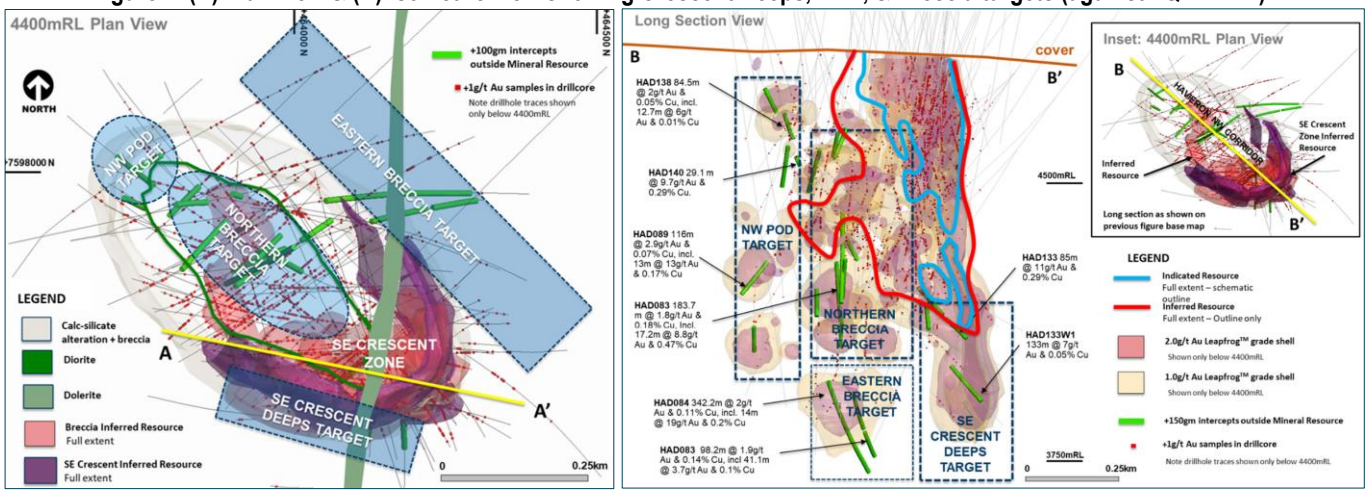
- 2H22: Concluded transaction to consider 5% sell down to Newcrest
- 2H22: Potential funding via combination of debt/equity/sell-down
- 4Q22: Newcrest Feasibility based on 25Mt reserve
- CY24: First gold

APPENDIX I: RESOURCE GROWTH TARGETS

Havieron has ~four target areas in addition to the Crescent; (i) **Crescent Deeps,** (ii) **Northern Breccia,** (iii) **Eastern Breccia** (Figure 7). The linearity of the ore deposit combined with the receding density of drilling at depth drives the **most important subtlety;** although the Crescent zone hosts 3.4koz/vm of resource, and 3.7koz/vm of reserve, in upper levels were drilling is more dense, the resource (no OVM published for reserve) sits at ~7.5koz/vm, ~double the existing. This adds two valuable ore sources to our estimates; (iv) **increased ounces with infill**, and by extension (vii) a **larger-multiple on dip extensions**.

Mining is an important drape – below we generally look at the ~3g/t AuEq material as targeted by SLOS where ~A$80/t incl. sustaining equates to ~0.9g/t AuEq, with the ~1g/t AuEq material suitable for caving where ~A$20-30/t equates to ~0.3g/t. Broadly, we expect the Crescent Zone to drive the NPV with SLOS of high-grade, including 'cherries' from the nearby Western Breccia which realistically won't be ready to cave in the near term. The deeper Eastern Breccia will most likely, in our view, support a cave of its own, with development paid for by the SLOS development going down the Crescent Zone. Given a block cave would only be pursued over SLOS if economics are preferred, the SLOS 'high grading' model we present thus neatly forms a base case, i.e. it shouldn't be worse than this under alternative scenarios, but it could be better, or even materially better with a Tier 1 mine-life.

Figure 7. (A) Plan view & (B) isometric view showing Crescent Deeps, Link, & Breccia targets (against 4Q21 MRE)



Crescent Zone

4Q20: The 18Mt resource on the Crescent Zone was defined over 800m vertical for 3.4koz AuEq/vm. 4Q21: The 19Mt PFS resource saw a small lift from 2.7Moz to 2.9Moz over ~800m again, for 3.6koz AuEq/vm (excluding the Northern Breccia), with 2.8koz AuEq/vm in the reserve. 1Q22: The 33Mt resource extended ~350m deeper to 1,150m vertical, lifting endowment to 3.7koz AuEq/vm over the 4.2Moz Crescent MRE, and seeing the reserve increase to 3.4koz/vm. This bodes extremely well for an improving endowment given the deeper 'tail' of the resource is drill, not geology, constrained (Figure 8), i.e. additional drilling is consistently driving an improvement in the ounces per vertical meter. This is exemplified in the +24% gain in reserve endowment above.

Adding unclassified: firstly, the Greatland PFS notes unclassified material (drilled, but at too wide a spacing for inferred) exists within this envelope. We model +500koz of unclassified, for a lift to 4.1koz/vm over the 1,150m M&I&inferred.

Quantifying infill upside: We estimate that the 3.4koz/vm comprises ~2.5koz/vm in the lower less-drilled part of the MRE, and ~7.5koz/vm in the upper portion (Figure 9). Thus, if the lower portion lifted by 2-3x as well, infill could see an overall +50% increase from infill. This would take the 4.1koz/vm above (including unclassified) to 6.2koz/vm. Applying an 86% reserve conversion, as seen to date, would equate to **5.3koz/vm**, which we adopt.

Deeps extension: The key hole, drilled last month, hit 84m @ 3.1g/t AuEq ~100m deeper than the current MRE, which is ~400m beyond the existing reserve. Applying our 5.3koz/vm pro-forma to a 1,250m vertical gives 6.6Moz SCPe reserve potential to the deepest drilling. Simply adding a further 200m beyond this gives our estimate of 7.7Moz (Figure 9).

Figure 8. MRE / footprint for (A) NCM 4Q20 MRE, (B) NCM 4Q21 PFS & MRE update, and (C) GGP 1Q22 PFS & MRE

SE CRESENT: 4Q20 (Feb 2020 drilling cut off, 100%)			
Resources	**Mt**	**Au (g/t)**	**AuEq (Moz)**
Cresent	18.0	3.8	2.71
Vertical: 800m	*23kt/vm*		*3.4koz/vm*
Northern Breccia	34.0	1.1	1.44
Total resource	**52**	**2.03**	**4.15**

4Q21 PFS (Feb 2021 drilling cut off, 100%)			
Reserve	**Mt**	**Au (g/t)**	**AuEq (Moz)**
Cresent	13.6	3.7	1.96
Vertical:~705mm	*19kt/vm*		*2.8koz/vm*
Resource	**Mt**	**Au (g/t)**	**AuEq (Moz)**
Cresent	18.6	3.9	2.87
Vertical: 800m	*23kt/vm*		*3.6koz/vm*
Northern Breccia	34.0	1.1	1.44
GRAND TOTAL	**53.0**	**2.1**	**4.34**

Havieron 1Q22 (Dec 2021 drilling cut off, 100%)			
Reserves	**Mt**	**Au (g/t)**	**AuEq (Moz)**
Cresecent	25.0	2.99	2.91
Vertical: ~845m	*30kt/vm*		*3.4koz/vm*
Resources	**Mt**	**Au (g/t)**	**AuEq (Moz)**
Cresent	33.0	3.30	4.23
Vertical: 1,150m	*29kt/vm*		*3.7koz/vm*
Northern Breccia	45.0	1.04	1.72
Eastern Breccia	14.0	1.11	0.56
GRAND TOTAL	**92.0**	**1.86**	**6.51**

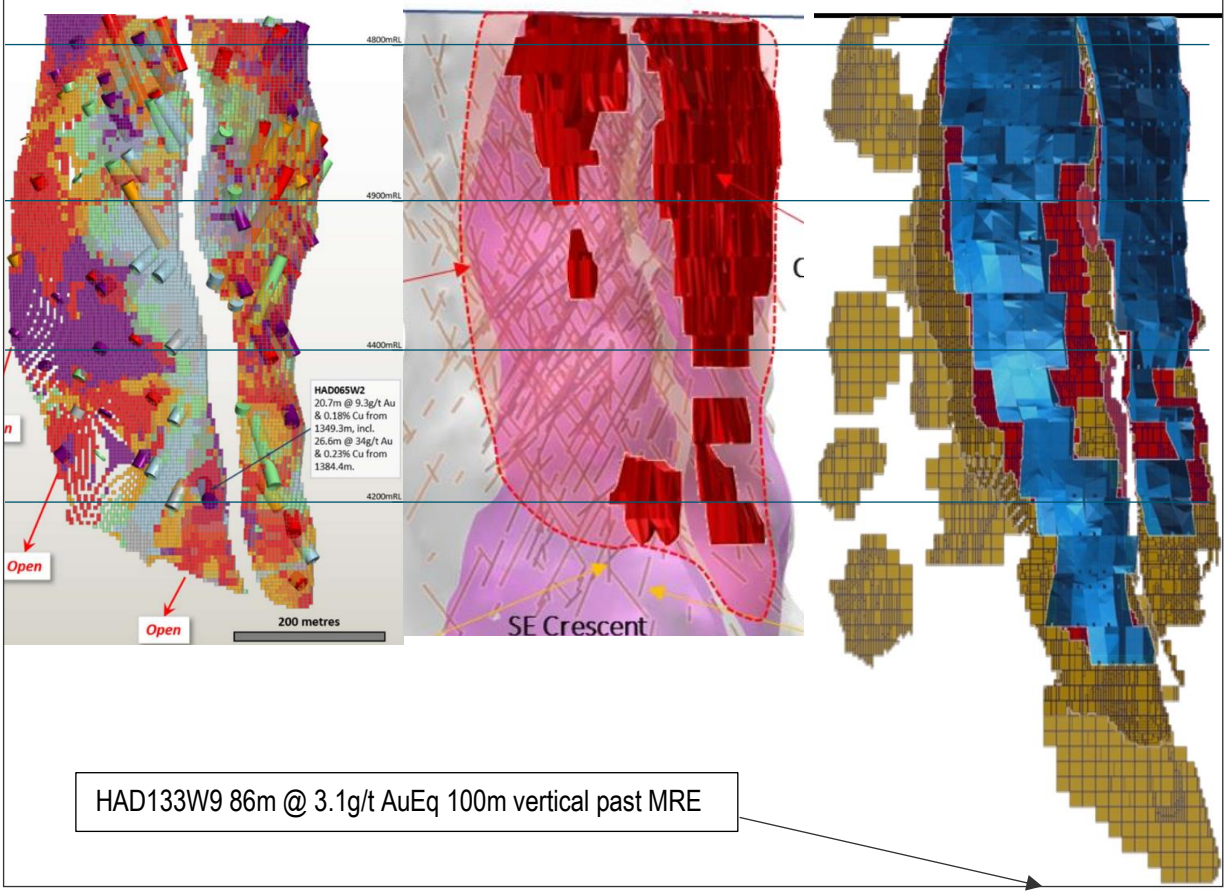
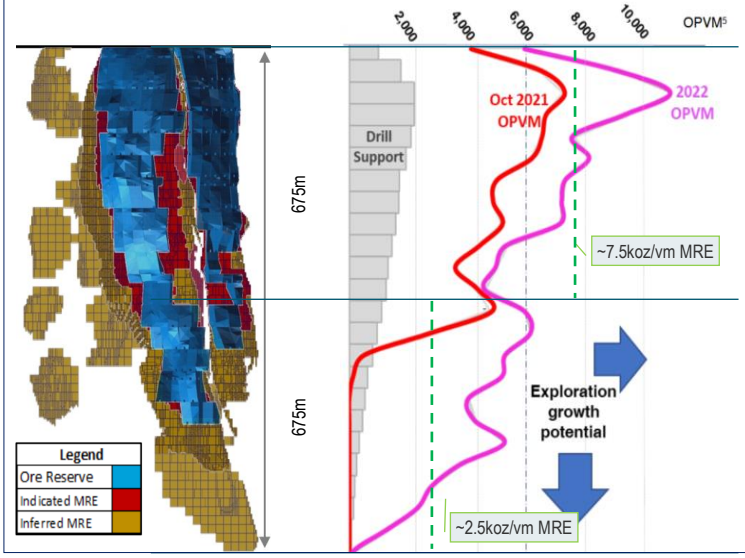


Figure 9 (A) 1Q22 MRE to 1,150m, showing (B) ounces/vm proportional to drilling with (C) SCPe reserve estimate



1Q22 MRE *Cresent only (100% basis)*	AuEq (koz)	Vertical (m)	AuEq (koz/vm)
Crescent reserve	**2.91**	**850**	**3.4**
Cresent M&I*Inf	**4.23**	**1,150**	**3.7**
+SCPe 15% unclassified	0.5	-	-
SCPe MRE	**4.73**	**1,150**	**4.1**
Infill increase	+50%		+50%
SCPe MRE	**7.10**	**1,150**	**6.2**
Reserve conversion	86%		86%
SCPe reserve (850m)	**4.51**	**850**	**5.3**
Delta to existing	**55%**		**54%**
Distance to deepest hole		+400	
SCPe reserve (1,250m)*	**6.63**	**1,250**	**5.3**
SCPe extension		200	
SCPe reserve (1,450m)*	**7.70**	**1,450**	**5.3**
Delta to existing	**165%**	**71%**	**54%**

Source: SCP estimates

Source: SCP estimates

Northern Breccia

SLOS potential: The Northern Breccia contains 45Mt @ 1.2g/t AuEq for 1.7Moz. This grade would be ideal for block caving, but is likely too low for SLOS mining. Higher grade zones lie within the Northern Breccia, exemplified by headline drilling of 309m @ 1.1g/t AuEq containing a subset of **44m @ 3.3g/t**. Other hits back this up, including 52m @ 3.1g/t AuEq drilled last quarter. However, with most of the resource low grade, we only add a **nominal 10Mt @ 3g/t for 1Moz to add to our upside SLOS model**, noting than in absence of a detailed grade tonnage curve, this is difficult to estimate. Overall, this is an aggressive sub-set of the Western Breccia. However, our estimate pulls in what was formerly known as the NW Crescent (fringe of breccia to NW, excluded from other estimates here) with **116m @ 3.0g/t AuEq.** Similarly, we expect some stopes out in the NW Pod after drill highlights of **53m @ 7.1g/t AuEq**.

Block cave potential: we don't attempt to model a block cave, based on difficulty in estimating geotechnical conditions and thus capex / opex, and extreme difficulty on estimating timing / discounts applied to long-dated production. On a strategic basis, the existing 45Mt @ 1.2g/t for 1.7Moz AuEq could reasonably be expected to double when lowering the cut-off to caveable levels, albeit with higher-grade zones more patchy, it is difficult to know at what grade this could come at as it is not so simple as pro-rating infill ounce-lift as is evident at Crescent. Ultimately, the operation 'needs' to start at Crescent SLOS to achieve payback – in our view it makes more sense for the Crescent development to grab the cherries out of the Northern Breccia, which would dilute it, and preserve the deeper Eastern Breccia for a cave.

Eastern Breccia

The existing 14Mt @ 1.2g/t AuEq for 560koz of the Eastern Breccia ostensibly appears to be another bulk mining area in addition to the Northern Breccia. The Eastern Breccia has only been drilled over ~450m vertical, but at higher grade, so is a contender for a block cave. However, just like the Northern Breccia, the zone has high-grade sub-intervals, exemplified by headline 150m @ 4g/t, itself hosting an impressive **42m @ 9.2g/t AuEq**. This hole doesn't exist in isolation, with other examples including **63m @ 6.3g/t AuEq**. However, being relatively deep, and at the edge of the system, the area has seen substantially less drilling. For now, this puts material ounce-addition in a higher risk category than the more well-drilled Northern Breccia. Consequently, we only add **4Mt @ 3g/t for 385koz** to our expanded SLOS case. Although we include the Eastern Breccia in our caving scenario, it is one area of unknown given the limited drilling, with potential for substantially more high-grade.

Block cave potential: The Eastern Breccia is far less well drilled, and comes much later in the mine life. Geologically, it also appears to have potential for 'tip of the iceberg' optionality, all the more in combination with the Link Zone between the main breccia pipe and the current Eastern Breccia drilling. Combined with access infrastructure being paid for by the Crescent Zone 'going straight past', we see this as a prime candidate for a future block cave. This is speculative right now given the lack of sizeable MRE and drilling, so we factor this into our model on a nominal basis only. Overleaf we show a breakdown of the potential caving contribution.

TOTAL: SLOS mining 9.0Moz @ 3.5g/t AuEq

Below we show a compilation of the above potential expanded-SLOS inventories we model in our expanded mining case. The reserve potential is clearly substantially above the current reserve. However, we think this is fully supported by our work-up on infill ounce-addition, pro-forma roots, and Northern / Eastern Breccia 'carve outs', thus although not supported by JORC reserves, is well founded on existing data and geology.

Table 5. SCP estimates for upside expanded 6Mtpa SLOS case

SLOS expansion case		Tonnes	AuEq (g/t)	AuEq (Moz)	Drill evidence
Cresent reserve (~850m vertical)	**P&P**	**25.0**	**3.6**	**2.9**	**-**
Crescent unclas. + infill (850m vertical)	Resources + SCPe	13.8	3.6	1.6	120m @ 11/gt AuEq
Pro-rata to deepest drilling (1,250m vert.)	Resources + SCPe	18.2	3.6	2.1	121m @ 9.6g/t AuEq
SCPe + 200m (1,450m vert.)	SCPe	9.1	3.6	1.1	-
Northern Breccia high-grade	SCPe MRE subset	10.0	3.0	1.0	52m @ 3.1g/t AuEq
Eastern Breccia high-grade	SCPe MRE subset	4.0	3.0	0.4	42m @ 9.2g/t AuEq
SCP upside case		**80.1**	**3.5**	**9.0**	
Delta to current reserve		221%	-3%	211%	

Source: SCP estimates

Bulk / cave potential: 6.2Moz @ 1.0g/t AuEq

Whilst our model seeks to value the high-grade cut-outs from the bulk mineralization areas, there is good potential for bulk low-grade (i.e. ~1g/t) mining in several parts of the deposit. Broadly, this breaks down into the same areas above (**Northern Breccia**, **Eastern Breccia**), but also adds new areas, including **Northern and Eastern Breccia Deeps**, and the **Link Zone** separating the Eastern Breccia from the Crescent Zone.

Resources outside reserves – 5.1Moz @ 1.3g/t AuEq: Existing resources outside of reserves at the Northern and Eastern Breccia stand at 2.3Moz @ 1.2g/t. The cut off used of A$80/t equates to 0.9g/t Au. At Cadia, a cut off of A$18/t is used for a 34Mtpa LOM; conservatively lifting this to A$30/t for a potentially smaller operation at Havieron would drop the cut off to 0.34g/t, a substantial delta. At Northern Breccia and Eastern Breccia, one could add 'same again' tonnes but at 0.8g/t to represent below-cut material. **This would take SCPe resources outside reserves to 3.8Moz @ 1.0g/t AuEq,** including SCPe below-cut-off material. From this, we remove areas modelled for SLOS, leaving a residual 2.4Moz @ 0.73g/t. As we argue for the Crescent Zone, we would expect this to grow over time with infill, which could see up to a 50% lift

Depth Extensions – 2.4Moz @ 1.0g/t AuEq: For the **Northern Breccia**, which already extends over a substantial vertical distance, we simply add 50% again for 45Mt @ 1.0g/t for 1.4Moz AuEq. The **Eastern Breccia** is drilled out over a smaller ~450m vertical, so conceivably could see a doubling without too much additional drilling, for 28Mt @ 1.1g/t for 1Moz, including the SCPe below cut-off grade.

Total: caveable material here stands at **6.2Moz @ 1.0g/t AuEq** in a ~191Mt resource (Table 6).

Upside: two areas have seen limited drilling – the **NW Pod,** a vertical zone NW of the main breccia, with drill highlight of 53m @ 7.2g/t AuEq, and 116m @ 2.0g/t AuEq. With limited drilling, we this from our estimates for now, but it could reasonably be considered to deliver additional feed. More excitingly is the Eastern Breccia, which is at a far earlier stage, but could be a 'tip of iceberg' situation. The **Link Zone,** an area between the Crescent Deeps and the Eastern Breccia, is a strong conceptual target, but has not yet been drilled, lies in the same area.

Table 6. Resources outside reserve

HAVERION (100%)		Tonnes	g/t (AuEq)	Moz (AuEq)
Northern Breccia	M&I+I	45	1.2	1.7
SCPe low-grade outside N. Bx MRE	Below cut-off	45	0.8	1.2
Eastern Breccia	M&I+I	14	1.3	0.6
SCPe low-grade outside E. Bx MRE	Below cut-off	14	0.8	0.4
Resources outside reserves (incl. SCP below cut off)		**118**	**1.0**	**3.8**
Less areas removed in SCP SLOS case		*14.0*	*3.0*	*1.4*
Resources outside reserves ex SLOS		***104***	***0.73***	***2.4***
Drilled targets outside MRE		**Tonnes**	**AuEq (g/t)**	**AuEq (Moz)**
Northern Breccia extensions	Drilled	45	1.0	1.4
Eastern Breccia extensions	Drilled	28	1.1	1.0
Drilled depth extensions (incl. SCP below cut off)		**73**	**1.0**	**2.4**
Cumulative caving potential	**MRE + drilled**	**191**	**1.0**	**6.2**

Sourece: Greatland, SCP estimates

Ticker: GGP AU	**Price / mkt cap:**	9.9p/sh, £403m	**Project PNAV today:**	0.58x	**Asset:** Havieron
Author: B Salier, E Magdzinski	**Rec / 1xNAV:**	BUY, 17p/sh	**1xNAV$_{3Q24}$ FF FD:**	A$14.97/sh	**Country:** Australia (WA)

Commodity price	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Gold price	1,850	1,850	1,850	1,850	1,850

SOTP *project* valuation*		**321**			
NPV/rsvr oz: A$416/oz		**A$m**	**O/ship**	**NAVx**	**GBP/sh**
Havieron @ 3Mtpa		**993**	25%	1.00x	3.3
Additional value to 9Mtpa SLOS		**2,767**	25%	1.00x	9.2
SCPe 5% minority (avg MC val./NPV)		**84**	100%	1.00x	1.1
Cash (SCPe 2Q22)		**10**	100%	1.00x	0.1
Greatland debt (4Q21)		**(35)**	100%	1.00x	(0.5)
Cash from options		**4**	100%	1.00x	0.1
6Moz cave @ A$208/oz (50% SLOS NPV)		**1,283**	25%	1.00x	4.3
Greatland G&A / finance costs		(43)	100%	1.00x	(0.6)
Asset NAV5% US$1850/oz		**5,062**			**17**
**Shares diluted for options but not mine build*				Market P/NAV5$_{\%\ 2Q22}$	0.58x

Asset value: 1xNPV project @ build start (A$m, ungeared, 35Mt ROM)*					
Project NPV (A$m)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	2,545	2,944	3,343	3,742	4,141
7.0% discount	3,161	3,635	4,109	4,582	5,056
5.0% discount	3,931	4,496	**5,062**	5,628	6,193
Ungeared project IRR:	34%	37%	39%	41%	44%
Project NPV (GBp/sh)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	8.7	10.0	11.3	12.7	14.0
7.0% discount	10.7	12.3	13.9	15.4	17.0
5.0% discount	13.2	15.1	**17.0**	18.9	20.8

**Project NPV, ex fin. costs and cent G&A, d'cnt to build start*

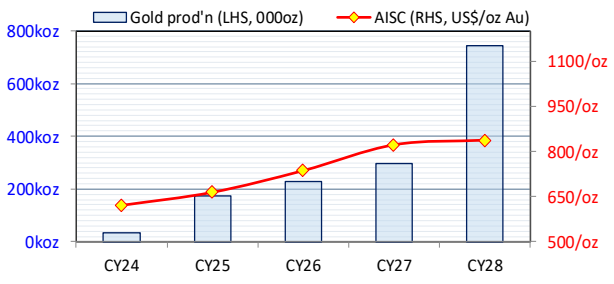
***Group* valuation over time^**	**Jun-22**	**Jun-23**	**Jun-24**	**Jun-25**	**Jun-26**
Attr. Havieron NPV (A$m)	990	1,086	1,213	1,298	1,329
G&A and finance costs (A$m)	(43.2)	(32.3)	(24.8)	(16.9)	(9.6)
Net cash prior qtr (A$m)	(34.0)	(79.2)	(149.4)	(172.7)	(139.5)
5% min. / option cash	88	88	88	88	88
6Moz cave @ A$208/oz	-	-	-	-	-
NAV FF FD (A$m)	1,002	1,063	**1,127**	1,197	1,268
Shares in issue (FD, m)	*4,277*	*4,812*	*4,812*	*4,812*	*4,812*
1xNAV5%/sh FF FD (GBp/sh)	13.3	12.5	**13.3**	14.1	15.0

Geared build-start NAV diluted for mine build, net G&A and finance costs					
NAV at first gold (A$/sh)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	655	749	844	939	1,034
7.0% discount	760	867	974	1,080	1,187
5.0% discount	885	1,006	**1,127**	1,248	1,369
Ungeared project IRR:	34%	37%	39%	41%	44%
NAV at first gold (GBp/sh)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	7.7	8.8	10.0	11.1	12.2
7.0% discount	9.0	10.2	11.5	12.8	14.0
5.0% discount	10.4	11.9	**13.30**	14.7	16.2

*^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for mine build equity*

Production	**CY24**	**CY25**	**CY26**	**CY27**	**CY28**
Gold production (000oz Au)	**33**	**175**	**228**	**298**	**743**
AISC cost (US$/oz Au)	**622**	**665**	**737**	**822**	**837**

AISC = C1 + sust capex / royalty - Cu revene



Source: SCP estimates

Resource / Reserve (100%)	**Tonnes**	**Grade (Au)**	**Oz (Au)**	**g/t (AuEq)**	**Oz (AuEq)**
Resource	92Mt	1.86g/t	5500koz	2.20g/t	6510koz
Reserve (GGP)	25Mt	2.99g/t	2400koz	3.62g/t	2909koz
SCP inventory	80Mt	2.91g/t	7497koz	3.54g/t	9115koz

CASH USES (Greatland)		**CASH SOURCES (Greatland)**	
US$381m DFS capex * 30%	A$159m	NCM debt to GGP (A$)	A$74m
SCPe Greatland exploration	A$13m	Rqd funding (debt/equity)	A$93m
SCPe GGP pre-Au fin. Costs	A$12m	Net cash from build start	A$16m
TOTAL USES:	A$183m	TOTAL SOURCES:	A$183m

Excludes 5% buy-down, A$13m attr. mill cost *Buffer: A$0m*

Share data (Greatland)	**Basic**	**FD with options**	**FD for build**
Basic shares (m)	4,070.0	4,276.5	4,812

Key financial line items (Grea	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Greatland attr. EBITDA (£m)	-	-	9.2	47.5	58.5
Greatland attr. cash flow (£m)	(20.2)	(38.5)	(29.1)	19.6	24.0
Greatland attr. Income (£)	-	-	5.9	30.5	37.2

Ratio analysis (Greatland)	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Average shares out (m)	4,070	4,812	4,812	4,812	4,812
EPS (GPp/sh)	-	-	0.1	0.6	0.8
CFPS (GBp/sh)	(0.5)	(0.8)	(0.6)	0.4	0.5
EV (£)	439	551	580	561	537
FCF yield (%)	-	-	-	4%	5%
PER (x)	-	-	80.6x	15.6x	12.8x
EV/EBITDA (x)	-	-	25.0x	4.7x	3.6x

Income statement (Havieron)	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Net revenue (A$m)	-	-	106.0	565.0	710.0
COGS (A$m)	-	-	41.3	231.8	299.7
Gross profit (A$m)	-	-	64.7	333.2	410.3
D&A, attrib (A$m)	-	-	4.4	22.6	30.2
G&A + sh based costs (A$m)	-	-	-	-	-
Finance cost (A$m)	-	-	(41.5)	(213.8)	(261.4)
Taxes (A$m)	-	-	18.8	96.8	118.7
Net income (A$m)	-	-	41.5	213.8	261.4

Cash flow, attrib. (Havieron)	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
EBIT (A$m)	-	-	18.8	96.8	118.7
Add back D&A (A$m)	-	-	4.4	22.6	30.2
Less tax + interest (A$m)	-	-	(22.7)	(117.1)	(142.6)
Net change wkg cap (A$m)	1.9	-	28.5	13.3	9.3
Other non-cash (A$m)	(3.7)	-	(11.6)	207.6	266.7
Cash flow ops (A$m)	**(1.9)**	**-**	**17.4**	**223.2**	**282.3**
PP&E - build + sust. (A$m)	-	-	45.9	236.4	291.6
PP&E - expl'n (A$m)	140.0	270.0	221.4	85.9	113.6
Cash flow inv. (A$m)	**(140.0)**	**(270.0)**	**(267.3)**	**(322.4)**	**(405.2)**
Share issue (A$m)	-	-	-	-	-
Debt draw (repay) (A$m)	-	-	-	-	-
Cash flow fin. (A$m)	**-**	**-**	**-**	**-**	**-**
Net change in cash (A$m)	(141.9)	(270.0)	(250.0)	(99.2)	(122.9)
EBITDA (A$m)	-	-	64.7	333.2	410.3

Balance sheet (Havieron)	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Cash (A$m)	(255.6)	(525.6)	(729.6)	(592.3)	(423.7)
Acc rec., inv, p.paid (A$m)	-	-	42.1	62.7	77.0
PP&E + other (A$m)	255.6	525.6	742.6	805.9	889.3
Total assets (A$m)	**-**	**-**	**55**	**276**	**543**
Debt (A$m)	-	-	-	-	-
Accounts payable (A$m)	-	-	13.6	20.9	25.9
Others (A$m)	-	-	-	-	-
Total liabilities (A$m)	-	-	13.6	20.9	25.9
Issued capital (A$m)	-	-	-	-	-
Retained earnings (A$m)	-	-	41.5	255.4	516.7
Liabilities + equity (A$m)	**-**	**-**	**55**	**276**	**543**

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SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	51

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