

European Lithium Limited

Australia / Mining
 Frankfurt, Sydney, Vienna
 Bloomberg: PF8 GR
 ISIN: AU000000EUR7

Update

RATING **BUY**
PRICE TARGET **€ 0.19**
 Return Potential 48.4%
 Risk Rating High

FINANCING DISCUSSIONS WITH POTENTIAL PARTNERS UNDERWAY

Since we published our initiating coverage study on 7 March, European Lithium has published a preliminary feasibility study (PFS) of the Wolfsberg project, released drilling results for Zone 2 of the deposit, and announced the promotion of Dietrich Wanke from General Manager to CEO. The publication of a maiden inferred resource estimate for Zone 2 is scheduled before the end of the current quarter and a new drilling programme will start in Zone 1 over the next few weeks. The goal of the new Zone 1 drilling programme is to convert the inferred portion of the existing Zone 1 resource estimate into measured and indicated resource. The current JORC (2012) resource estimate for Wolfsberg is 2.86m tonnes measured grading 1.28% lithium oxide, 3.44m tonnes indicated grading 1.08% Li₂O and 4.68m tonnes inferred grading 0.78% lithium oxide. Since the publication of the PFS, discussions with potential partners have intensified and management now expects that the most likely financing solution for the definitive feasibility study and bringing the mine to production is a partnership with/takeover by an industrial lithium user. Our price target of €0.19 is unchanged on our March initiating coverage study but is now based on average annual average output of 9,200 tonnes of lithium hydroxide monohydrate produced over a mine life of 11 years as described in the PFS (previously: 7,100 tonnes lithium carbonate over a 13 year mine life). Our recommendation rises to Buy (previously: Add) because the return potential is now above 25%. There will be scope to raise our price target, if, as we expect, European Lithium raises the measured and indicated part of its JORC resource to over 10m tonnes by the end of this year.

Imminent start of new Zone 1 drilling programme EUR's current JORC (2012) resource estimate relates solely to the northern limb of the mineralised anticline at Wolfsberg (Zone 1 of the deposit). The measured and indicated resource was first published in November 2016. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2015/16A	2016/17A	2017/18E	2018/19E	2019/20E	2020/21E
Revenue (AUD m)	20.19	0.79	0.66	0.01	0.01	220.61
Y-o-y growth	n.a.	-96.1%	-16.0%	-98.2%	25.0%	n.m.
EBIT (AUD m)	19.11	-8.00	-1.27	-2.08	-2.29	117.06
EBIT margin	94.7%	n.m.	n.m.	n.m.	n.m.	53.1%
Net income (AUD m)	19.11	-8.01	-1.13	-10.06	-27.22	64.63
EPS (diluted) (AUD)	7.64	-2.02	-0.22	-1.53	-3.55	7.44
DPS (AUD)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (AUD m)	-0.38	-6.51	-5.23	-295.17	-312.38	93.53
Net gearing	-6.3%	-4.5%	-12.0%	655.0%	1633.3%	472.7%
Liquid assets (AUD m)	0.34	0.55	3.24	30.15	38.22	56.75

RISKS

If the ongoing penetration of the automotive market by electric vehicles slows or comes to a halt, the lithium price is likely to fall.

COMPANY PROFILE

European Lithium is a mining exploration and development company focusing on its wholly owned Wolfsberg Lithium Project in Austria. The company targets the commencement of production of lithium carbonate/hydroxide for battery factories in 2020.

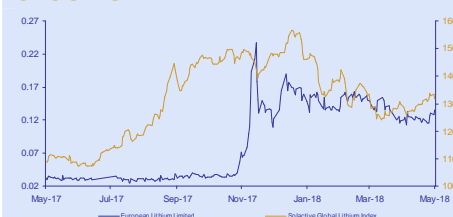
MARKET DATA

As of 21 May 2018

Closing Price	€ 0.13
Shares outstanding	545.70m
Market Capitalisation	€ 69.85m
52-week Range	€ 0.03 / 0.24
Avg. Volume (12 Months)	1,205,681

Multiples	2016/17A	2017/18E	2018/19E
P/E	n.a.	n.a.	n.a.
EV/Sales	139.5	166.0	9189.0
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2017

Liquid Assets	AUD 6.77m
Current Assets	AUD 7.44m
Intangible Assets	AUD 23.60m
Total Assets	AUD 31.29m
Current Liabilities	AUD 0.41m
Shareholders' Equity	AUD 3.09m

SHAREHOLDERS

Cape Lambert Resources	12.2%
Exchange Minerals Ltd.	10.1%
European Lithium	4.6%
Cedarland Consulting	2.8%
Free float and other	70.3%



The inferred resource is based on a four hole deep drill programme to below 1,300m above sea level carried out in Spring 2017. EUR and its consultants have developed a 33 drill hole programme totalling 11,330 metres intended to convert the inferred resource to measured and indicated status. This programme is expected to start during the next few weeks, will use three drilling rigs and take four months to complete.

Figure 1: Current JORC (2012) resource estimate

Type	Million tonnes ore	Grade	Tonnes in situ Li ₂ O
Measured	2.86	1.28%	36,608
Indicated	3.44	1.08%	37,152
Inferred	4.68	0.78%	36,504
Total	10.98	1.00%	110,264

Source: European Lithium

Zone 2 drilling results show vein thicknesses and grades similar to Zone 1 The southern flank of the anticline (known as Zone 2) is also a prospective area thought to “mirror” Zone 1. This thesis is supported by the occurrence of mineralised pegmatite boulders and exactly the same lithology as Zone 1. EUR drilled the first three drill holes of a planned 9 drill hole programme in Zone 2 in late spring/early summer 2017. Hole P15-1, the furthest from the hinge of the anticline, did not intersect pegmatites. But holes P15-5 and P15-6 showed wide intersections of spodumene rich pegmatites. The Zone 2 drilling programme was suspended during the summer of 2017 due to funding constraints but resumed in February 2018 on the basis of the funds raised through the November 2017 capital increase. Five drill holes were completed in Zone 2 during Q1 2018, four of which showed multiple pegmatite intersections. The results of the fifth hole are expected shortly. Vein thicknesses and grades were similar to those seen in Zone 1. The drill hole data from the 2017/18 programme and also from three holes drilled in 2012 will be used to estimate a maiden inferred resource for Zone 2 before the end of the current quarter. EUR is currently planning a next-phase drilling programme in Zone 2 to increase the resource further.

Figure 2: Composite* true widths and lithium assays from first three Zone 2 drill holes (published June 2017)

Drill Hole ID	Composite from (m)	Composite to (m)	Composite width (m)	Measured dip angle (°)	True thickness (m)	Composited % Li ₂ O	Composite mineralised (m)	Mineralised % Li ₂ O
P15-5	22.70	23.40	0.70	40	0.54	1.16	0.54	1.16
P15-5	47.60	48.40	0.80	40	0.61	1.87	0.61	1.87
P15-5	70.96	73.83	2.87	30	2.49	1.76	2.27	1.92
P15-5	132.35	136.38	4.03	35	3.38	1.45	3.38	1.45
P15-6	70.08	71.43	1.35	65	0.57	1.22	0.57	1.22
P15-6	83.84	88.77	4.93	53	2.97	1.23	2.38	1.52
P15-6	100.68	101.48	0.80	55	0.46	0.51	0.46	0.51
P15-6	106.50	117.40	10.75	60	5.38	0.82	3.88	1.10
P15-6	143.30	143.86	0.56	65	0.24	0.60	0.24	0.60
P15-6	167.70	169.01	1.31	60	0.66	0.41	0.66	0.41
P15-6	186.70	197.20	10.50	60	5.25	0.98	3.99	1.26

* best composites are highlighted

Source: European Lithium



Figure 3: Pegmatite intersection widths* and calculated true thicknesses with composite grades from five Zone 2 drill holes completed during Q1 2018 (published April 2018)

Drill Hole ID	Pegmatite from (m)	Pegmatite to (m)	Measured thickness (m)	Measured dip angle (°)	True thickness (m)	Li ₂ O %
P15-3	18.50	19.05	0.55	30	0.47	1.50
P15-3	19.85	20.20	0.35	30	0.30	1.27
P15-3	32.20	33.00	0.80	55	0.46	0.95
P15-3	46.00	50.00	4.00	65	1.69	1.90
P15-3	52.85	61.00	8.15	30	7.05	0.58
P15-3	132.00	133.10	1.10	70	0.40	1.21
P15-3	151.70	152.65	0.95	75	0.25	0.83
P15-3	185.20	186.10	0.90	70	0.32	1.00
P15-3	235.85	238.05	2.20	10	2.16	1.36
P15-7	17.70	21.28	3.58	20	3.36	1.10
P15-7	25.10	25.70	0.60	45	0.42	0.59
P15-7	214.75	217.50	2.75	30	2.38	1.08
P15-8	24.32	27.04	2.72	50	1.75	1.63
P15-8	28.92	29.40	0.48	40	0.37	2.44
P15-8	161.30	162.90	1.60	35	1.31	0.80
P15-8	174.50	175.70	1.20	30	1.03	1.15
P15-5b	135.00	135.75	0.75	35	0.61	0.85
P15-5b	159.30	160.40	1.10	25	1.00	0.71
P15-5b	204.45	205.90	1.45	10	1.43	1.91
P15-5b	217.35	218.45	1.10	20	1.03	1.28
P15-5b	260.10	260.95	0.85	35	0.70	2.49
P15-5b	261.65	264.15	2.50	30	2.16	1.06
P15-5b	268.12	268.57	0.45	30	0.39	0.84
P15-5b	298.10	298.55	0.45	20	0.42	0.24

* best intersections are highlighted

Source: European Lithium

EUR has opted for production of lithium hydroxide rather than lithium carbonate The valuation of EUR in our March study was based on the scoping study of the Wolfsberg project completed by SRK Consulting in April 2017. The SRK study was in turn based on the current measured/indicated resource and modelled 7.7m tonnes mined (an average of 590,000 tonnes per annum) over a 13 year mine life. The PFS noted that “During the development of the mine plan it became evident that with little extra equipment and improved scheduling the mining rate could be increased to about 720,000 tonnes per annum.” On the basis of the measured and indicated resource, this would result in a reduction of the mine life from 13 years to 11 years. The other big difference between the PFS and our March study is that our March study was based on production of lithium carbonate (Li₂CO₃) whereas the PFS assumes production of the more highly valued-added lithium hydroxide monohydrate (LiOH H₂O).

LiOH H₂O consumption expected to grow 2.5x faster than Li₂CO₃ consumption The consultant Benchmark Mineral Intelligence (BMI) expects global demand for lithium to increase from 180,000t LCE (lithium carbonate equivalent) in 2016 to 650,000t LCE by 2025 driven primarily by growth in demand for lithium ion batteries in electric vehicles. Worldwide, there are currently 25 lithium battery projects in construction or development with a total capacity of 338GWh. Four of these projects are in Europe with 78.5 GWh capacity. This translates to demand of over 100,000tpa LCE in Europe by 2025. EUR has opted for LiOH H₂O because the trend in lithium battery manufacture is towards increased use of nickel and reduced use of cobalt. This trend requires the use of LiOH H₂O rather than Li₂CO₃. According to BMI usage of LiOH H₂O will grow 2.5 times faster than Li₂CO₃ consumption.

LiOH H₂O premium to Li₂CO₃ reflects more capital intensive production The production of Li₂CO₃ entails two main stages - the production of spodumene concentrate from run-of-mine material (post-ore sorting) followed by the conversion of the spodumene concentrate into Li₂CO₃.



The conversion of Li_2CO_3 into $\text{LiOH H}_2\text{O}$ adds a third stage to this process. $\text{LiOH H}_2\text{O}$ trades at a premium to Li_2CO_3 to reflect the additional capital required for its production.

On 4 May EUR announced the appointment of Dietrich Wanke as CEO. Mr Wanke has more than 30 years experience in management at the operational level for both underground and open cut mines. He has been EUR's General Manager in Austria since 2016. Mr Wanke replaces Steve Kesler who was instrumental in completing the PFS for the Wolfsberg project.

Figure 4: Valuation model

	18/19E	19/20E	20/21E	21/22E	22/23E	23/24E	24/25E	25/26E	26/27E	27/28E	28/29E	29/30E	30/31E
Total mined (k tonnes)			462.5	707.5	740.0	720.0	725.0	740.0	725.0	720.0	715.0	690.0	490.4
Run of mine grade			0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%
Li_2O recovery to spodumene concentrate			75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%
Spodumene concentrate produced (6% Li_2O)			41,740	63,852	66,785	64,980	65,431	66,785	65,431	64,980	64,528	62,272	44,257
Li_2O recovery in conversion plant			89.7%	89.7%	89.7%	89.7%	89.7%	89.7%	89.7%	89.7%	89.7%	89.7%	89.7%
$\text{LiOH H}_2\text{O}$ produced (tonnes)			6,300	9,638	10,080	9,808	9,876	10,080	9,876	9,808	9,740	9,399	6,680
$\text{LiOH H}_2\text{O}$ price (USD/tonne)			24,200	25,025	23,650	21,450	19,250	16,300	15,000	15,000	15,000	15,000	15,000
$\text{LiOH H}_2\text{O}$ revenue (USDm)			152.5	241.2	238.4	210.4	190.1	164.3	148.1	147.1	146.1	141.0	100.2
By-products (USDm)			14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2
Total revenue (USDm)			166.2	254.7	251.9	224.0	203.8	178.0	161.9	160.9	159.9	154.8	114.1
Direct mining and sorting cost (USDm) (USD4,179/t Li_2CO_3)			26.3	40.3	42.1	41.0	41.3	42.1	41.3	41.0	40.7	39.3	27.9
Processing and G&A cost (USDm) (USD4,117/t Li_2CO_3)			25.9	39.7	41.5	40.4	40.7	41.5	40.7	40.4	40.1	38.7	27.5
EBITDA (USDm)			113.9	174.7	168.3	142.6	121.8	94.4	80.0	79.5	79.1	76.8	58.7
Depreciation (USDm)			26.3	40.3	42.2	41.0	41.3	42.2	41.3	41.0	40.7	39.3	27.9
EBIT (USDm)			87.6	134.4	126.1	101.6	80.5	52.2	38.7	38.5	38.3	37.5	30.7
25% tax (USDm)			21.9	33.6	31.5	25.4	20.1	13.1	9.7	9.6	9.6	9.4	7.7
Operating CF after tax (USDm)			92.0	141.1	136.8	117.2	101.7	81.3	70.3	69.9	69.5	67.4	51.0
Capital cost mine (USDm)	39.1	39.1											
Capital cost processing plant (USDm)	172.7	172.7											
Net cashflow (USDm)	-211.8	-211.8	92.0	141.1	136.8	117.2	101.7	81.3	70.3	69.9	69.5	67.4	51.0
NPV net cashflows (discount rate: 10%)	-190.6	-173.3	68.5	95.4	84.1	65.5	51.7	37.6	29.5	26.7	24.1	21.3	14.6
Sum NPVs (USDm)	155.0												
Sum NPVs (AUDm)	205.7												
End March 2018 net cash position (AUDm)	4.5												
Proceeds of option exercise (AUDm)	20.4												
Pre-production equity capital raise (AUDm)	19.9												
Total equity valuation	250.5												
Current no. shares outstanding (m)	545.7												
No. shares issued against option exercise (m)	204.3												
No. shares issued through equity capital raise (m)	110.6												
Proforma share count (m)	860.6												
Value per share (AUD)	0.291												
Value per share (€)	0.187												

Source: European Lithium, First Berlin Equity Research estimates

Figure 4 above shows our valuation model for EUR. As was the case in our March initiating coverage study, our valuation is based solely on EUR's current JORC (2012) resource estimate. This shows 2.86m measured tonnes grading 1.28% Li_2O and 3.44m indicated tonnes grading 1.08% Li_2O . Based on the PFS published in April, this resource estimate supports an 11 year mine life and annual average lithium hydroxide monohydrate output of 9,208 tonnes. The most important assumptions underlying our valuation model and changes made since our March study are summarised in figure 5.



Price target unchanged at €0.19 but recommendation rises to Buy (previously: Add)

We estimate that EUR currently has 204.3m options outstanding whose exercise would generate proceeds of AUD20.4m. EUR had net cash of AUD4.5m at end March 2018. We assume that the definitive feasibility, baseline and environmental impact studies, permitting and other operating costs will consume ca. AUD20m ahead of the start of production. Pending the outcome of financing discussions with potential partners, we have modelled the issue of 111m shares raising net proceeds of AUD20m to cover this sum. Our valuation of the Wolfsberg project is AUD206m. On a proforma fully diluted basis and based on a EURAUD exchange rate of 1.56, this becomes €0.19 per share. Our price target is unchanged on our March initiating coverage study but the recommendation rises to Buy (previously: Add) because the return potential is now above 25%. As we pointed out above, we will raise our price target in line with upgrades/increases in the resource estimate. We expect an upgraded/increased resource estimate to feature in the DFS due by the end of this year.

Figure 5: Key assumptions underlying our valuation model

	Old	New	Delta %
Life of mine	13 years	11 years	-15.4%
Average LiOH H ₂ O price (USD/tonne)	-	18,555	19.7%
Average Li ₂ CO ₃ price (USD/tonne)	15,500	-	
LiOH H ₂ O volume (tonnes)	-	101,287	9.4%
Li ₂ CO ₃ volume (tonnes)	92,574	-	
Total sales of LiOH H ₂ O (USDm)	-	1,874	30.6%
Total sales of Li ₂ CO ₃ (USDm)	1,435	-	
Total sales of by-products (USDm) (feldspar, quartz, mica, sodium sulphate)	121.5	155.7	28.1%
Total sales (USDm)	1,557	2,030	30.4%
LiOH H ₂ O production cost (USD/tonne)	-	8,296	32.4%
Li ₂ CO ₃ production cost (USD/tonne)	6,264	-	
Total EBITDA (USDm)	977	1,190	21.8%
Capital cost of mine construction (USDm)	53.8	78.2	45.4%
Capital cost of process plant (USDm)	175.0	345.4	97.4%
Total capital costs (USDm)	228.8	423.6	85.1%
Tax charge	25%	25%	-
Discount rate	10%	10%	-
Project NPV (USDm)	165.0	155.0	-6.1%
Project NPV (AUDm)	211.4	205.7	-2.7%
Proforma net cash position (AUDm)	48.6	44.8	-7.7%
Total equity valuation (AUDm)	259.9	250.5	-3.6%
Proforma share count (m)	847.8	860.6	1.5%
Value per share (AUD)	0.307	0.291	-5.2%
Value per share (€)	0.193	0.187	-3.2%

Source: European Lithium, DRA Global, Benchmark Mineral Intelligence, First Berlin Equity Research estimates



INCOME STATEMENT

All figures in AUD	2015/16A	2016/17A	2017/18E	2018/19E	2019/20E	2020/21E
Revenue and other incomes	20,193,003	790,705	664,252	12,000	15,000	220,611,047
Mining and processing costs	0	0	0	0	0	-66,049,484
Parent co. employee benefits expense	0	-315,124	-247,548	-272,303	-299,533	-329,486
Consulting fees	-8,043	-596,163	-655,779	-721,357	-793,493	-872,842
Travel expenses	0	-226,201	-248,821	-273,703	-301,074	-331,181
Regulatory and compliance costs	-22,847	-381,828	-400,000	-440,000	-484,000	-532,400
Reverse takeover transaction cost	0	-4,925,229	0	0	0	0
Other expenses	-52,593	-2,215,810	-349,241	-384,165	-422,582	-464,840
EBITDA	20,109,520	-7,869,650	-1,237,137	-2,079,528	-2,285,681	152,030,815
Depreciation, amortisation and impairment	-996,178	-127,820	-31,733	-2,400	-2,400	-34,975,430
Operating income (EBIT)	19,113,342	-7,997,470	-1,268,870	-2,081,928	-2,288,081	117,055,384
Net financial result	-2,691	-10,893	134,992	-7,982,765	-24,933,558	-30,885,821
Pre-tax income (EBT)	19,110,651	-8,008,363	-1,133,878	-10,064,694	-27,221,639	86,169,563
Income taxes	0	0	0	0	0	-21,542,391
Net income / loss	19,110,651	-8,008,363	-1,133,878	-10,064,694	-27,221,639	64,627,173
Diluted EPS (in AUD)	7.64	-2.02	-0.22	-1.53	-3.55	7.44
Ratios						
EBITDA margin on revenues	99.6%	n.m.	n.m.	n.m.	n.m.	68.9%
EBIT margin on revenues	94.7%	n.m.	n.m.	n.m.	n.m.	53.1%
Net margin on revenues	94.6%	n.m.	n.m.	n.m.	n.m.	29.3%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%
Expenses as % of revenues						
Mining and processing costs	n.m.	n.m.	n.m.	n.m.	n.m.	29.9%
Parent co. employee benefits expense	n.m.	39.9%	37.3%	2269.2%	1996.9%	0.1%
Other expenses	0.3%	280.2%	52.6%	3201.4%	2817.2%	0.2%
Y-Y Growth						
Revenues	n.a.	-96.1%	-16.0%	-98.2%	25.0%	n.m.
Operating income	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.
Net income/ loss	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.



BALANCE SHEET

All figures in AUD	2015/16A	2016/17A	2017/18E	2018/19E	2019/20E	2020/21E
Assets						
Current assets, total	426,224	1,079,853	3,907,493	30,754,147	38,966,368	63,363,792
Cash and cash equivalents	344,286	549,855	3,243,241	30,154,147	38,216,368	56,745,460
Trade and other receivables	81,938	330,765	664,252	600,000	750,000	6,618,331
Restricted cash and other deposits	0	199,233	0	0	0	0
Non-current assets, total	17,101,967	21,791,323	25,763,656	310,886,796	596,012,936	565,054,906
Property, plant & equipment	0	6,150	5,000	281,128,140	562,254,280	527,296,250
Deferred exploration and evaluation expenditure	17,072,463	21,532,875	25,503,542	29,503,542	33,503,542	37,503,542
Restricted cash and other financial assets	29,504	252,298	255,114	255,114	255,114	255,114
Total assets	17,528,191	22,871,176	29,671,149	341,640,943	634,979,304	628,418,697
Shareholders' equity & debt						
Current liabilities, total	1,009,236	523,484	531,402	480,000	600,000	4,412,221
Trade and other payables	337,836	523,484	531,402	480,000	600,000	4,412,221
Borrowings	671,400	0	0	0	0	0
Long term liabilities, total	0	0	0	300,000,000	600,000,000	525,000,000
Borrowings	0	0	0	300,000,000	600,000,000	525,000,000
Shareholders' equity	16,518,955	22,347,692	29,139,748	41,160,943	34,379,304	99,006,476
Total consolidated equity and debt	17,528,191	22,871,176	29,671,149	341,640,943	634,979,304	628,418,697
Ratios						
Current ratio (x)	0.42	2.06	7.35	64.07	64.94	14.36
Quick ratio (x)	0.42	2.06	7.35	64.07	64.94	14.36
Net debt	-1,045,190	-1,001,386	-3,498,355	269,590,739	561,528,518	467,999,426
Net gearing	-6.3%	-4.5%	-12.0%	655.0%	1633.3%	472.7%
Book value per share (in AUD)	n.m.	0.05	0.05	0.08	0.06	0.15
Return on equity (ROE)	n.a.	-41.2%	-0.7%	-28.6%	-72.1%	96.9%



CASH FLOW STATEMENT

All figures in AUD	2015/16A	2016/17A	2017/18E	2018/19E	2019/20E	2020/21E
Cash flow from operating activities						
Revenue from mining	0	0	0	0	0	220,611,047
Payments to suppliers, employees; mining costs	-37,127	-2,922,853	-1,945,845	-2,066,678	-2,315,681	-70,636,343
Payments for exploration	0	-3,575,108	-4,000,000	-4,000,000	-4,000,000	-4,000,000
Net interest received/(paid)	107	3,251	134,992	-7,982,765	-24,933,558	-30,885,821
Decrease/(increase) in restricted cash balances	0	-422,027	196,417	0	0	0
VAT refund	63,346	0	233,138	0	0	0
Tax paid	0	0	0	0	0	-21,542,391
Net cash provided by/(used in) operating activities	26,326	-6,916,737	-5,381,298	-14,049,443	-31,249,239	93,546,492
Cash flow from investing activities						
Proceeds from the sale of exploration tenements	-409,405	70,000	150,000	0	0	0
Payment for property, plant and equipment	0	-6,838	-1,250	-281,125,540	-281,128,540	-17,400
Cash acquired on acquisition of accounting subsidiary	0	343,642	0	0	0	0
Net cash provided by/(used in) investing activities	-409,405	406,804	148,750	-281,125,540	-281,128,540	-17,400
Free cash flow	-383,079	-6,509,933	-5,232,548	-295,174,983	-312,377,779	93,529,092
Cash flow from financing activities						
Proceeds from capital raisings/option exercise	0	7,016,675	8,377,309	22,085,889	20,440,000	0
Payment for share issue costs	0	-299,801	-451,375	0	0	0
Increase/(decrease) in loans and borrowings	-37,463	0	0	300,000,000	300,000,000	-75,000,000
Transfer to subsidiaries	754,759	0	0	0	0	0
Net cash provided by financing activities	717,296	6,716,874	7,925,934	322,085,889	320,440,000	-75,000,000
Net increase in cash and cash equivalents	334,217	206,941	2,693,386	26,910,906	8,062,221	18,529,092
Cash and cash equivalents at the beginning of the year	16,591	344,286	549,855	3,243,241	30,154,147	38,216,368
Effects of exchange rate fluctuations on cash held	-6,522	-1,372	0	0	0	0
Cash and cash equivalents at the end of the year	344,286	549,855	3,243,241	30,154,147	38,216,368	56,745,460
EBITDA/share (in AUD)	8.04	-1.98	-0.24	-0.41	-0.39	25.02
Y-Y Growth						
Operating cash flow	n.a.	2938.3%	4052.3%	n.m.	n.m.	n.m.
Free cash flow	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	7 March 2018	€0.15	Add	€0.19
2	Today	€0.13	Buy	€0.19

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