

RAMELIUS RESOURCES LTD (RMS)

Magnet's bonus gold

Ramelius (RMS) produced 86.5koz in the June 2020 quarter. Net cash and bullion increased by \$68M across the quarter, to \$161M at 30 June 2020. Costs included the final \$9M Spectrum cash consideration payments.

Hedging at the end of the quarter stood at 247koz at \$2135/oz; a better position than we had figured. Ramelius delivered into about 45koz at A\$1890/oz during the quarter, effectively forgoing about \$32M revenue (we had figured \$26M), while placing 10koz in new forwards.

Total costs, after hedging and SPX payments, rose by about \$25M relative to the March 2020 quarter. The increase is mainly attributable to the return of Edna May to full capacity, with Greenfinch and Marda material movement fully ramped up and the mill back to continuous operation. We presume Edna May's JQ outperformance (25.3koz vs guidance of 23.5koz), was driven by tonnes rather than grade, and that total costs will not rise further.

Spill over into FY2021

Mt Magnet produced 61.2koz (44koz guided). As we noted previously, higher than expected ore grades from Eridanus and Shannon are likely responsible for the 40% overcall (undercall?). Production remained strong through to the end of the quarter. No doubt the Company's resource geologists are reviewing the estimates relevant to FY2021, assisted by exposure of the vein orientation in the Eridanus pit. Eridanus and Shannon will continue to feature as major ore sources over the full course of FY2021, with Stellar still to come as a short life pit in the September quarter. For now, RMS has guided 270koz for FY2021, up from previous guidance of 250koz, with no further granularity.

Five year LOMP

Ramelius updated its life of mine plan (LOMP), indicating 260-280koz expected gold production across FYs 2021-24. Total gold produced in the plan is 1.45Mozs. Forecast AISC are A\$1250-1350/oz across the plan, with \$35-65M additional capital per year, tapering after three years. Capital of \$55-65M is forecast in FY21. Annual exploration expenditure is \$20-30M. The LOMP includes Tampia, Eridanus pit and underground, and Penny. Eridanus underground is included as a starter concept with just 100koz modelled. All up the LOMP extends beyond our previous modelling and added costs in the FY2022-24 years.

RMS is looking to supersede this LOMP over the next 12 months. Underground mine options at Mt Magnet (Saturn, Mars, Titan, Hill 50, Morning Star as well as extensions to active mines at Eridanus, Stellar and Shannon, are under investigation. The Edna May cutback is also back on the table.

Maintain Buy

If we plug in RMS guidance and LOMPs into our model we get base case and spot price valuations of 178cps and 206cps respectively, compared to 185 and 204 previously. Having watched several years of delivery above reserves and forecasts, Hartleys suspects general upside, particularly in the evolving Cosmos mine area (Shannon/Eridanus/Stellar). Maintain Buy with a 12 month price target of 240cps.

	6 Jul 2020
Share Price	\$2.00
Valuation	\$1.78
Price Target (12 month)	\$2.40

Brief Business Description:

WA based gold producer and explorer.

Hartleys Brief Investment Conclusion

Profitable producer getting good returns from two WA gold projects. Market appreciation expected with continued good performance.

Chairman & MD

Kevin Lines (Non-exec Chairman)

Mark Zeptner (MD)

Top Shareholders

Ruffer LLP 7.4%

Vinva Investment Management 4.7%

Company Address

Level 1, 130 Royal St

East Perth, WA, 6005

Issued Capital

658m

- fully diluted 680m

Market Cap A\$1315m

- fully diluted A\$1360m

Cash + bullion (30 June 20) A\$185m

Debt (30 June 20) A\$24m

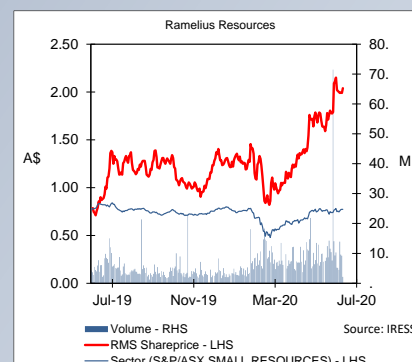
EV A\$1154m

EV/Resource oz A\$286/oz

EV/Reserve oz A\$230/oz

	Prelim. (A\$m)	FY19	FY20e	FY21e
Prod (koz Au)	196	232	274	
Op Cash Flw (A\$m)	107	222	303	
Norm NPAT (A\$m)	18	87	183	
CF/Share (cps)	27.5	27.5	37.5	
EPS (cps)	10.8	10.8	22.6	
P/E	18.5	18.5	8.9	

	Au
Resources (Moz)	4.0
Reserves (Moz)	1.2



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Hartleys has assisted in the completion of part of a capital raising in the past 12 months for Spectrum Metals Limited ("SPX"), for which it has earned gross fees. Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to SPX, for which it has earned gross fees and continues to earn fees. Hartleys acted as Corporate Advisor to Spectrum Metals Limited ("SPX") in relation to the Takeover Bid by Ramelius Resources Limited ("RMS"), for which Hartleys received a fee which was linked to the success of the Takeover Bid. In addition, Hartleys was the beneficial holder of 15 million options in Spectrum for which it has accepted an offer from Ramelius (cash and shares).

SUMMARY MODEL

Ramelius Resources							Buy							
RMS														
Market Information							Directors							
Share price		\$2.00					Kevin Lines (Non-exec Chairman)	Company Information						
Market Capitalisation		\$1616m					Mark Zepthner (MD)	Level 1, 130 Royal St						
Net cash (debt)		\$161m					Michael Bohm (Non-Exec Director)	East Perth, WA, 6005						
Issued Capital (F.pd)		808m					David Southam (Non-Exec Director)	+61 8 9202 1128						
Issued Capital (F.diluted)		817m					Natalia Streltsova (Non-Exec Director)	+61 8 9202 1139						
EV		\$1455m						www.rameliusresources.com.au						
Valuation		\$1.78					Top Shareholders							
12 month price target		\$2.40					Ruffer LLP	m shares %						
Spot Valuation		\$2.06					Vinva Investment Management	59.8 7.4						
							Van Eck Associates	38.0 4.7						
								36.4 4.5						
Profit & Loss							Production Summary							
	Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24		Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	
Net Revenue	ASM	552	713	659	642	612	Underground ore mined	Mt	0.60	0.69	0.29	0.36	0.26	
Forward sales	ASM	-92	-77	-29	-304	6	UG ore grade	g/tAu	6.0	5.2	5.3	2.7	0.0	
Total Costs	ASM	-253	-333	-352	-304	-272	Open pit ore mined	Mt	3.31	3.17	3.17	2.45	1.57	
EBITDA	ASM	208	303	277	344	340	Open pit ore grade	g/tAu	1.3	1.7	1.7	1.7	1.6	
- margin		38%	43%	42%	54%	56%	Mill Throughput	Mt	4.23	3.86	4.48	3.67	3.03	
Depreciation/Amort	ASM	-77	-42	-63	-50	-45	Head grade	g/t	1.8	2.4	2.0	2.5	2.9	
EBIT	ASM	131	261	214	294	296	Gold	(koz)	232	274	264	279	269	
Net Interest	ASM	0	0	0	0	0	AISC	AS/oz	1,211	1,268	1,356	1,131	1,064	
Pre-Tax Profit	ASM	131	261	214	294	296	Costs							
Tax Expense	ASM	-44	-78	-64	-88	-89	Cost per milled tonne	\$/t	55	73	66	72	78	
NPAT	ASM	87	183	149	206	207	Total cash costs incl. royalty	\$/oz	990	1088	1182	1005	940	
Abnormal Items	ASM						+ depreciation & amortisation	\$/oz	1320	1241	1421	1183	1106	
Reported Profit	ASM	87	183	149	206	207	All in sustaining costs (AISC)	AS/oz	1211	1268	1356	1131	1064	
Balance Sheet							Price Assumptions							
	Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24		Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	
Cash + bullion	ASM	183	325	449	633	810	AUDUSD		0.66	0.68	0.71	0.74	0.74	
Other Current Assets	ASM	44	53	54	55	56	Gold	US\$/oz	1567	1763	1763	1690	1680	
Total Current Assets	ASM	227	378	503	688	866	Gold	AS\$/oz	2382	2601	2492	2299	2273	
Property, Plant & Equip.	ASM	180	196	172	173	149	Hedging							
Investments/expln	ASM	146	146	146	146	146		Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	
Deferred tax assets	ASM	0	0	0	0	0	Hedged sales	koz	155	128	94	26	0	
Total Non-Curr. Assets	ASM	326	342	318	319	295	Hedged price	AS\$/oz	1808	2004	2195	2544	0	
Total Assets	ASM	553	720	821	1006	1161	Hedge gain/(loss)	AS/M	-92	-77	-29	6	0	
Short Term Borrowings	ASM	0	0	0	0	0	Hedged %		67%	47%	36%	9%	0%	
Other	ASM	82	75	75	59	63	Sensitivity Analysis							
Total Curr. Liabilities	ASM	82	75	75	59	63		Valuation		FY21 NPAT				
Contingent consideration	ASM	12	12	0			Base Case		1.78		182.6			
Other	ASM	79	79	79	79	79		Sens	-10%	+10%	Sens	-10%	+10%	
Total Non-Curr. Liabil.	ASM	91	91	79	79	79	US Gold price +/-10%	20%	1.42	2.13	12%	160.7	204.5	
Total Liabilities	ASM	172	167	154	138	142	AUDUSD +/-10%	-18%	2.10	1.46	-11%	202.7	162.5	
Net Assets	ASM	380	553	667	869	1019	Production +/-10%	25%	1.33	2.22	36%	116.8	248.3	
Cashflow							Operating Costs +/-10%	31%	1.23	2.33	29%	129.6	235.5	
	Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Unpaid Capital							
Operating Cashflow	ASM	222	303	277	344	340		No. (M)		\$M		Avg ex. % ord		
Income Tax Paid	ASM	-1	-44	-78	-64	-88	30-Jun-20	2		0.3		0.14 0.4%		
R&D grant	ASM						30-Jun-21	1		0.0		0.00 0.3%		
Interest & Other	ASM	0	0	0	0	0	30-Jun-22	8		0.0		0.00 1.4%		
Operating Activities	ASM	221	259	199	279	252	Total	11		0.3		0.03 2.1%		
Property, Plant & Equip.	ASM	-105	-59	-39	-51	-21	Reserves & Resources as at June 2019							
Exploration	ASM	-33	-19	-20	-21	-22		Mt	g/t Au	Koz		Mkt cap/oz		
Asset sales/acqcn	ASM	-24	0	0	0	0	TOTAL RESOURCE	65.2	1.3	4,038		40		
Investments	ASM						Mt Magnet/Vivien/Penny	43.6	2.1	2,936				
Investment Activities	ASM	-162	-78	-58	-71	-42	Edna May	21.6	1.6	1,102				
Borrowings	ASM	25	-24	0	0	0	INCLUDES TOTAL RESERVE							
Equity	ASM	-6	-16	-16	-24	-32	Mt Magnet open pit+stockpile	18.6	2.1	1,241		1302		
Financing Activities	ASM	18	-40	-16	-24	-32	Mt Magnet, Vivien, Penny underground.	10.0	1.3	416				
Net Cash Change	ASM	77	142	124	184	177	Mt Magnet, Vivien, Penny underground.	1.5	8.1	385				
Shares							Edna May open pit+stockpile.	6.7	1.8	377				
	Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Edna May underground.	0.4	4.7	63				
Ordinary Shares - End	M	807	808	816	816	816	Hartleys model June '20							
Diluted Shares	M	826	818	817	817	817		Mt	g/t Au	Koz		Mkt cap/oz		
Ratio Analysis							TOTAL INVENTORY	22.2	2.3	1664		97		
	Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Mt Magnet open pit	8.8	1.6	457				
GCFPS	A¢	27.5	37.5	34.3	42.5	42.1	Mt Magnet/Vivien/Penny underground	5.0	3.6	576				
CFR	X	7.3	5.3	5.8	4.7	4.8	Edna May/Marda/Tampia open pit	7.8	2.1	526				
EPS	A¢	10.8	22.6	18.5	25.4	25.6	Edna May underground	0.6	5.2	105				
PER	X	18.5	8.9	10.8	7.9	7.8	Share Price Valuation (NAV)							
DPS	%	1.0	2.0	3.0	4.0	4.0		Risked Est.		ASM		A\$/share		
Yield	%	0.5%	na	na	na	na	100% Mt Magnet after tax 7% DR			657		0.81		
Interest Cover	x	-	-	-	-	-	100% Edna May after tax 7% DR			429		0.53		
ROCE	%	40%	76%	67%	92%	100%	Exploration			293		0.36		
ROE	%	34%	47%	32%	34%	29%	Corporate overheads			-45		-0.06		
Gearing	%	3.0%	2.3%	-	-	-	Net cash			161		0.20		
Sources: IRESS, Company reports, Hartleys Research							Tax benefit			25		0.03		
							Hedging			-65		-0.08		
							Option/equity dilution			-18		-0.02		
							Total			1437		1.78		

ERIDANUS, SHANNON AND STELLAR

Eridanus, Shannon and Stellar are felsic intrusion associated deposits in the Cosmos mine area. Collectively they are responsible for Mt Magnet/Vivien's revival and achievement of +50koz in a quarter for the first time under Ramelius management. Based on group guidance, Ramelius reserve models have underestimated the amount of gold produced at each of Eridanus and Shannon. At Eridanus, gold production to March 2020 (74koz) contained 39% more gold than the initial ore reserve model. At Shannon, the mined grade of the first 94kt mined (beginning December 2019) was 7.2 g/t, above pre-development reserves of 290kt at 5.1 g/t (48koz). Now these deposits have contributed to a 40% output outperformance at Mt magnet in the June 2020 quarter.

Ramelius will update reserves according to mill-reserve model reconciliation over the next few months. Keep in mind that Ramelius prefers its reserve estimates to be beatable by its mining teams.

1. The Stellar pit (reserve of 170kt at 2.7 g/t, 15koz) is scheduled to be mined in the September 2020 quarter. Stellar's spectacular high grade drill results over a short strike length could easily follow suit with Eridanus and Shannon.
2. At Eridanus The Company estimates an ore reserve of 236koz within a pit to 230m vertical depth (about 1000ozs per vertical metre). Ramelius has scoped the potential for a bulk underground mine beneath the pit based on a 490koz resource, or 1140 ozs/vm, to 430m maximum vertical depth. Subsequent drilling (203m at 2.2 g/t from 297m down hole, 42m at 6.4 g/t from 249m down hole) has been encouraging.
3. In the March 2020 quarter Ramelius drilled 7 broad spaced holes at the Orion prospect, about 600m to the east of Eridanus, targeting the extension of the granodiorite host. The holes returned broad zones of anomalous stockwork and supergene related mineralisation analogous to Eridanus. Results included 7m at 15.2 g/t from 197m down hole and 36m at 2.7 g/t from 12m down hole. Drilling is ongoing.

In the light of the June 2020 production record, Ramelius' returns from the Cosmos area appear to us to have longer to run.

EARNINGS CHANGES

Fig. 1: Earnings changes to Hartleys' model since June 2020.

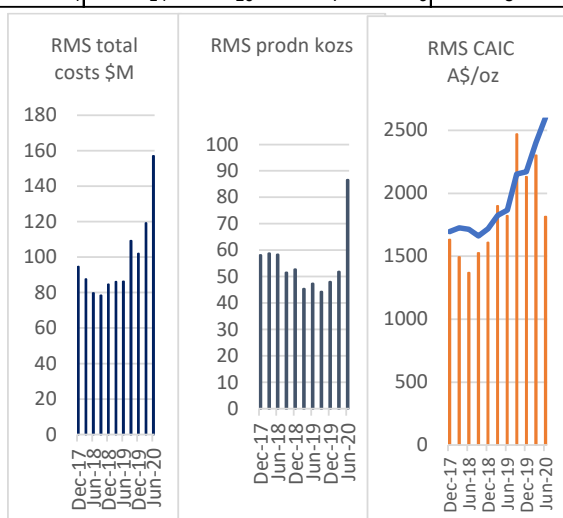
	30 Jun 19			30 Jun 20			30 Jun 21			30 Jun 22		
		old	new	% diff	old	new	% diff	old	new	% diff		
Hartleys Production (koz)	196	226	232	3%	260	274	5%	296	264	-11%		
Implied price received (A\$/oz)	1742	1999	1985	-1%	2306	2321	1%	2394	2382	0%		
Total cash costs (A\$/oz)	1197	1019	1090	7%	1073	1216	13%	1020	1334	31%		
Net Revenue	341	451	460	2%	599	636	6%	708	630	-11%		
Total Cash Costs	-235	-230	-253	10%	-279	-333	19%	-302	-352	17%		
EBITDA	107	221	208	-6%	320	303	-5%	407	277	-32%		
- margin	30%	41%	38%	-8%	47%	43%	-10%	55%	42%	-23%		
Depreciation/Amort	-81	-73	-77	5%	-46	-42	-9%	-57	-63	11%		
EBIT	26	148	131	-11%	274	261	-5%	350	214	-39%		
Net Interest	0	0	0	n/a	0	0	n/a	0	0	n/a		
Pre-Tax Profit	26	148	131	-11%	274	261	-5%	350	214	-39%		
Tax Expense	-8	-48	-44	-9%	-82	-78	-4%	-105	-64	-39%		
NPAT	18	100	87	-13%	192	183	-5%	244	149	-39%		
Abnormal Items	0	0	0	n/a	0	0	n/a	0	0	n/a		
Minority	0	0	0	n/a	0	0	n/a	0	0	n/a		
Profit Attrib	18	100	87	-13%	192	183	-5%	244	149	-39%		
capex + exploration	-67	-128	-138	7%	-106	-78	-27%	-29	-58	101%		
Net cash	106	220	183	-17%	386	325	-16%	647	449	-31%		
Dividends Per Share	0	1	1		0	2		0	2			

Source: Hartleys Research

COST TRENDS

Fig. 2: Ramelius AISC and CAIC trends September 2017 to June 2020.

		2017		2018				2019				2020	
		SQ	DQ	MQ	JQ	SQ	DQ	MQ	JQ	SQ	DQ	MQ	JQ
Gold price	A\$/oz	1632	1695	1725	1714	1660	1718	1826	1867	2153	2170	2403	2600
	US\$/oz	1279	1303	1325	1253	1192	1283	1298	1308	1475	1480	1581	1708
Exch rate		0.784	0.780	0.768	0.741	0.722	0.705	0.711	0.701	0.685	0.682	0.658	0.657
RMS													
Production	kozs	33.2	58.0	58.7	58.3	51.4	52.6	45.3	47.3	44.2	47.9	51.8	86.5
Net cash & bullion	\$M	96	62	75	96	102	108	105	107	93	88	93	161
Adjustment	\$M		38								7		
Hedge cost	\$M								4	14	14	25	32
Total costs ex hedging	\$M								83	95	88	95	125
Total costs	\$M		95	88	80	78	85	86	86	109	102	119	157
CAIC	A\$/oz		1631	1493	1369	1526	1610	1901	1823	2470	2130	2302	1814
Cash banked/paid	\$M		4	14	20	7	6	-3	2	-14	2	5	68



Corporate all in costs (CAIC) estimated from net cash change adjusted for dividends paid and equity capital raised.

Adjusted for \$38M acquisition of Edna May in DQ2017, and \$16M for Spectrum cash consideration in MQ2020. Includes Tampia and Marda acquisition cash consideration as CAIC in MQ2019.

Source: Company announcements, Hartleys Research

Fig. 3: *Hartleys' forecast Ramelius production and costs.*

Production Summary	Unit	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24
Mt Magnet/Vivien/Penny Nth						
Underground ore mined	Mt	0.46	0.47	0.07	0.17	0.26
UG ore grade	g/tAu	6.34	5.27	5.42	0.00	0.00
Open pit ore mined	Mt	2.74	1.57	1.57	1.57	1.57
Open pit ore grade	g/tAu	1.35	1.68	1.60	1.60	1.60
Mill Throughput	Mt	2.00	2.04	1.95	1.84	1.83
Head grade	g/t	2.73	2.51	1.61	2.61	3.22
Met. recovery	%	0.96	0.96	0.96	0.96	0.96
Gold	(koz)	168	158	97	148	182
AISC	(A\$/oz)	1033	1152	1540	1153	1033
Edna May						
Underground ore mined	Mt	0.14	0.22	0.22	0.19	0.00
UG ore grade	g/tAu	4.88	5.20	5.20	5.20	0.00
Open pit ore mined	Mt	0.57	1.60	1.60	0.88	0.00
Open pit ore grade	g/tAu	1.32	1.76	1.76	1.83	0.00
Mill Throughput	Mt	2.23	1.82	2.53	1.83	1.20
Head grade	g/t	0.99	2.17	2.26	2.45	2.50
Met. recovery	%	0.91	0.91	0.91	0.91	0.91
Gold	(koz)	64	116	167	131	88
AISC	(A\$/oz)	1674	1427	1250	1106	1127
Total						
Underground ore mined	Mt	0.60	0.69	0.29	0.36	0.26
UG ore grade	g/tAu	5.99	5.25	5.25	2.71	0.00
Open pit ore mined	Mt	3.31	3.17	3.17	2.45	1.57
Open pit ore grade	g/tAu	1.35	1.72	1.68	1.68	1.60
Mill Throughput	Mt	4.23	3.86	4.48	3.67	3.03
Head grade	g/t	1.81	2.35	1.98	2.53	2.93
Gold	(koz)	232	274	264	279	269
AISC	(A\$/oz)	1211	1268	1356	1131	1064
Costs						
Mt Magnet						
Cost per milled tonne	\$A/t	66	72	64	75	83
Total cash costs incl. royalty	\$A/oz	783	1029	1436	1039	926
+ depreciation & amortisation	\$A/oz	977	1170	1673	1176	1065
All in sustaining costs (AISC)	A\$/oz	1033	1152	1540	1153	1033
Total costs	\$M	189	217	136	202	189
All in site cost	A\$/oz	1128	1373	1404	1363	1040
Edna May						
Cost per milled tonne	\$A/t	44	74	68	69	71
Total cash costs incl. royalty	\$A/oz	1529	1169	1035	966	970
+ depreciation & amortisation	\$A/oz	2214	1338	1276	1191	1190
All in sustaining costs (AISC)	A\$/oz	1674	1427	1250	1106	1127
Total costs	\$M	147	164	238	140	94
All in site cost	A\$/oz	2294	1424	1420	1070	1072
Group						
Cost per milled tonne	\$A/t	55	73	66	72	78
Total cash costs incl. royalty	\$A/oz	990	1088	1182	1005	940
+ depreciation & amortisation	\$A/oz	1320	1241	1421	1183	1106
All in sustaining costs (AISC)	A\$/oz	1211	1268	1356	1131	1064
CAIC	(A\$M)	391	454	489	440	403
CAIC	(A\$/oz)	1688	1658	1851	1576	1495

Source: Hartleys Research

Hartleys' Ramelius modelling takes into account publicly available information including Ramelius' projected group production profile and production guidance given periodically. Costs are estimated according to information supplied by Ramelius and reconciliation against past accounts.

PRICE TARGET

The price target is based on a discounted cash flow valuation of the Mt Magnet, Vivien and Edna May operations, an informal estimate of exploration assets value and nominal assessment of Ramelius' other assets and liabilities. Hedging arrangements are valued separately from the mining assets. A real, after tax discount rate of 7% is used in net present value estimations. Hartleys base case commodity and currency forecasts, set out in the summary table, are used to estimate the base case NAV.

For Ramelius our 12 month share price target is based on application of a 1.35x premium the base case NAV. Premiums to NAV can be 'awarded' to gold companies that can demonstrate a relatively low cost structure, low risk balance sheet and can promise at least a 4-5 year mine life. Premiums are not permanent, but currently extend up to 1.8x for the larger producers.

RISKS

Fig. 4: Key assumptions and risks for valuation

Assumption	Risk of not realising assumption	Risk to valuation if assumption is incorrect	Comment
Gold price, currency	High	Industry ave. - high	Ramelius' forward looking AISC production cost of about A\$1250/oz is close to the Australian industry average, and hedging (30% of 3 yrs) is modest.
Exploration, re-investment	Medium	High	Ramelius may invest most of its cash and future free cash flows in exploration and/or other mineral asset acquisitions. Valuation assumes that future exploration and investments achieve acceptable returns.
Mine performance matches reserve estimates	Medium-low	Low	Ramelius has a very good recent record delivering against reserves.
Costs	Medium	High	Publicly available information has been used in forecasting operating and capital costs. Some cost assumptions are based on incomplete information or informal estimates.

Conclusion

Ramelius faces industry average risks with respect to gold price and currency. Major recommendation risks relate to future re-investment and exploration returns.

Source: Hartleys Research

HARTLEYS CORPORATE DIRECTORY

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Hartleys Recommendation Categories

Buy	Share price appreciation anticipated.
Accumulate	Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy".
Neutral	Take no action. Upside & downside risk/reward is evenly balanced.
Reduce / Take profits	It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period.
Sell	Significant price depreciation anticipated.
No Rating	No recommendation.
Speculative Buy	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.

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