

14 March 2018

Corp

Ticker	ASO:AIM
Mining	
Shares in issue (m)	81.6
Next results	FY Mar
Price	235.0p
Target price	320.0p
Upside	36%
Market cap	£191.7m
Net debt/(cash)	£65.6m
Other EV adjustments	£0.0m
Enterprise value	£257.3m

What's changed?	From	To
Adjusted EPS	-	-0.3
Target price	U/R	318.0

Share price performance



%	1M	3M	12M
Actual	10.6	20.5	-14.5

Company description

The company has three producing gold mines: New Liberty in Liberia and Youga and Balogo in Burkina Faso

Martin Potts

Director of Research
mpotts@finncap.com
020 7220 0544

Avesoro Resources*

Gold in West Africa

Avesoro Resources offers exposure to a substantial gold mining and exploration business in West Africa. The company has recently completed the restructuring of its business with the acquisition of the Youga gold mine and process plant and the Balogo gold mine, both in Burkina Faso. These assets were acquired from Avesoro's parent company, Avesoro Holdings (formerly MNG Gold), in exchange for cash and shares. Avesoro now has three operating gold mines, Youga, Balogo and the New Liberty gold mine in Liberia. Combined production from the three operations is forecast to exceed 200,000 ounces of gold per year on average for the next four years. We restart coverage with a price target of 320p.

- ▶ **Avesoro is now a highly profitable gold mining business which we expect to generate significant quantities of cash over the next few years.** The immediate challenge for management is to find and bring to account additional mineable ounces as the bonanza grade Balogo mine is expected to be exhausted by the end of 2018. The New Liberty mine has sufficient gold in reserve to keep the plant full for several years whereas the Youga plant will have spare capacity in 2019 and thereafter.
- ▶ **Given the company's substantial ground holding of 1,968 km², exploration is a significant part of the Avesoro business.** The company currently operates eight exploration diamond drill rigs with a further 16 on order for delivery later this year. The company has allocated US\$25m to exploration in 2018 with drilling in both Burkina Faso (139,000 metres) and Liberia (32,000 metres). Avesoro has identified some 154 distinct exploration targets within its licences.

Key estimates Year end: Dec		2015A	2016A	2017E	2018E	2019E
Revenue	\$m	0.0	63.6	97.8	319.2	259.1
Adj EBITDA	\$m	-9.4	-38.2	17.3	138.0	81.0
Adj EBIT	\$m	-9.4	-54.1	-10.7	98.0	51.0
Adj PBT	\$m	-8.9	-61.6	-21.7	92.5	47.9
Adj EPS	c	-2.4	-5.4	-0.3	113.4	58.7
DPS	c	0.0	0.0	0.0	0.0	0.0

Key valuation metrics		2015A	2016A	2017E	2018E	2019E
EV/EBIT (adj)	x	-38.4	-6.6	-33.6	3.7	7.1
P/E (adj)	x	-137.3	-60.4	-1,235.3	2.9	5.6
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Free cash yield	%	-30.4%	-29.6%	-6.4%	25.1%	22.8%
Pre-tax ROCE	%	-4.4%	-27.3%	-3.8%	31.7%	16.0%

Income statement		2016A	2017E	2018E	2019E
Year end: Dec					
Sales	\$m	63.6	97.8	319.2	259.1
Gross profit	\$m	-23.4	26.3	147.0	90.0
EBITDA (adjusted)	\$m	-38.2	17.3	138.0	81.0
EBIT (adjusted)	\$m	-54.1	-10.7	98.0	51.0
Associates/other	\$m	1.1	0.0	0.0	0.0
Net interest	\$m	-8.6	-11.0	-5.5	-3.1
PBT (adjusted)	\$m	-61.6	-21.7	92.5	47.9
Total adjustments	\$m	-51.4	0.0	0.0	0.0
PBT (stated)	\$m	-113.0	-21.7	92.5	47.9
Tax charge	\$m	0.0	0.0	0.0	0.0
Minorities	\$m	0.0	0.0	0.0	0.0
Reported earnings	\$m	-113.0	-21.7	92.5	47.9
Adjusted earnings	\$m	-61.6	-21.7	92.5	47.9
Shares in issue (year end)	m	1,132.9	8,155.7	81.6	81.6
EPS (stated)	c	-10.0	-0.3	113.4	58.7
EPS (adjusted, fully diluted)	c	-5.4	-0.3	113.4	58.7
DPS	c	0.0	0.0	0.0	0.0

Cash flow		2016A	2017E	2018E	2019E
Year end: Dec					
EBITDA	\$m	-38.2	17.3	138.0	81.0
Net change in working capital	\$m	-7.4	16.8	-21.9	7.8
Other operating items	\$m	-3.0	-11.0	-5.5	-3.1
Cash flow from op. activities	\$m	-48.6	23.1	110.5	85.7
Cash interest	\$m	8.6	-6.2	-5.5	-3.1
Cash tax	\$m	0.0	0.0	0.0	0.0
Capex	\$m	-39.2	-34.0	-37.8	-21.5
Free cash flow	\$m	-79.2	-17.1	67.2	61.1
Acquisitions / disposals	\$m	0.0	-69.5	0.0	0.0
Dividends	\$m	0.0	0.0	0.0	0.0
Shares issued	\$m	98.1	71.5	0.0	0.0
Other	\$m	-0.1	0.0	0.0	0.0
Net change in cash flow	\$m	18.7	-15.1	67.2	61.1
Opening net cash (debt)	\$m	-98.8	-80.0	-95.1	-28.0
Closing net cash (debt)	\$m	-80.0	-95.1	-28.0	33.1

Balance sheet		2016A	2017E	2018E	2019E
Year End: Dec					
Tangible fixed assets	\$m	191.1	262.6	235.5	217.0
Goodwill & other intangibles	\$m	0.0	4.0	29.0	39.0
Other non current assets	\$m	0.1	2.0	2.0	2.0
Net working capital	\$m	7.9	9.8	9.6	7.8
Other assets	\$m	0.5	0.0	0.0	0.0
Other liabilities	\$m	-14.6	-11.2	-11.2	-11.2
Gross cash & cash equivs	\$m	13.4	17.1	44.3	65.4
Capital employed	\$m	198.4	284.3	309.1	319.9
Gross debt	\$m	93.5	112.3	72.3	32.3
Net pension liability	\$m	0.0	0.0	0.0	0.0
Shareholders equity	\$m	105.0	172.1	236.8	287.6
Minorities	\$m	0.0	0.0	0.0	0.0
Capital employed	\$m	198.4	284.3	309.1	319.9

Growth analysis		2016A	2017E	2018E	2019E
Year end: Dec					
Sales growth	%	n/m	53.7%	226.4%	-18.8%
EBITDA growth	%	-307.2%	145.3%	697.7%	-41.3%
EBIT growth	%	-477.4%	80.2%	n/m	-47.9%
PBT growth	%	-596.2%	64.8%	526.1%	-48.2%
EPS growth	%	-127.3%	95.1%	n/m	-48.2%
DPS growth	%	n/m	n/m	n/m	n/m

Profitability analysis		2016A	2017E	2018E	2019E
Year end: Dec					
Gross margin	%	-36.8%	26.9%	46.1%	34.7%
EBITDA margin	%	-60.0%	17.7%	43.2%	31.3%
EBIT margin	%	-85.1%	-10.9%	30.7%	19.7%
PBT margin	%	-96.9%	-22.2%	29.0%	18.5%
Net margin	%	-96.9%	-22.2%	29.0%	18.5%

Cash flow analysis		2016A	2017E	2018E	2019E
Year end: Dec					
Cash conv'n (op cash / EBITDA)	%	n/m	133.5%	80.1%	105.8%
Cash conv'n (FCF / EBITDA)	%	207.6%	-98.7%	48.7%	75.3%
U/lying FCF (capex = deprn)	\$m	-56.0	-11.1	65.0	52.6
Cash quality (u/l FCF / adj earn)	%	90.9%	51.1%	70.3%	109.8%
Investment rate (capex / deprn)	x	2.5	1.2	0.9	0.7
Interest cash cover	x	net cash	3.7	20.0	27.3
Dividend cash cover	x	n/a	n/a	n/m	n/m

Working capital analysis		2016A	2017E	2018E	2019E
Year end: Dec					
Net working capital / sales	%	12.4%	10.0%	3.0%	3.0%
Net working capital / sales	days	45	37	11	11
Inventory (days)	days	94	37	18	18
Receivables (days)	days	33	18	11	11
Payables (days)	days	82	18	18	18

Leverage analysis		2016A	2017E	2018E	2019E
Year end: Dec					
Net debt / equity	%	76.2%	55.3%	11.8%	net cash
Net debt / EBITDA	x	n/a	5.5	0.2	net cash
Liabilities / capital employed	%	47.1%	39.5%	23.4%	10.1%

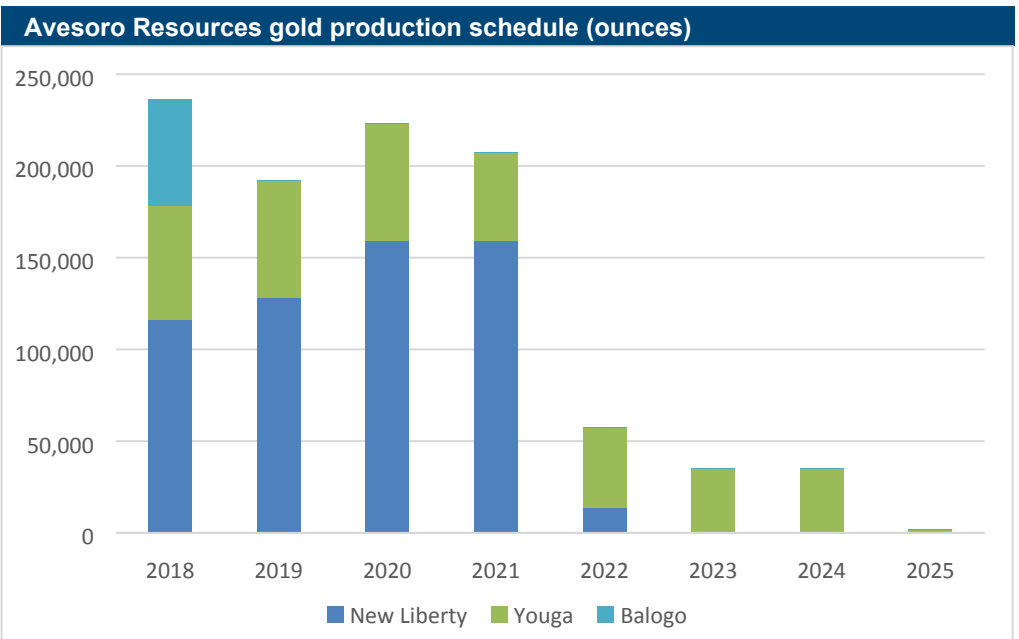
Capital efficiency & intrinsic value		2016A	2017E	2018E	2019E
Year end: Dec					
Adjusted return on equity	%	-58.7%	-12.6%	39.0%	16.7%
RoCE (EBIT basis, pre-tax)	%	-27.3%	-3.8%	31.7%	16.0%
RoCE (u/lying FCF basis)	%	-28.2%	-3.9%	21.0%	16.4%
NAV per share	c	9.3	2.1	290.4	352.6
NTA per share	c	9.3	2.1	254.8	304.8

Investment case

Avesoro Resources offers exposure to a portfolio of gold mines and exploration projects in West Africa. We have used the DCF methodology to value the gold operations and have added a nominal US\$100m for the extensive and high-quality exploration portfolio. We have set a target price of 320p. This is some 36% above the present price of the stock, which suggests that the market is still assigning some risk discount to the assets.

The principal assets are the New Liberty gold mine in Liberia and the recently acquired Youga and Balogo gold mines in Burkina Faso. In addition to the mines, the company has a substantial and highly prospective exploration portfolio in both countries. By the end of 2018, Avesoro will have a portfolio of 24 diamond drilling rigs, all of which will be used to test exploration targets in the vicinity of the existing mines and other infrastructure.

We recently (December 2017) visited the three operating mines in Liberia and Burkina Faso. The mines are currently working well and should be able to deliver to guidance. 2018 guidance is for the mines to produce between 220,000 and 240,000 ounces – this is a 15% to 25% increase on 2017. On present forecasts, we expect production to fall in 2019 following the exhaustion of presently defined reserves at Balogo. However, in reality we expect Balogo to make the transition to underground mining as recent exploration drilling has defined a high-grade oreshoot to a depth of at least 140m vertically below the bottom of the designed pit shell.



Source: finnCap

Valuation

We have used DCF methodology to value the principal operating assets. We have assumed that the exploration assets that are not included within the individual mine DCFs are worth a total of US\$100m. We consider that this is justified, given that the licence areas are large, that recent drilling has been highly successful, the company will have 24 diamond drill rigs working at its various projects by the end of 2018, and finally, that the Ndablama project already hosts some 901,000 ounces of gold in the Indicated and Inferred categories.

We calculate a value for Avesoro of US\$339.7m, equivalent to 320.4p per share.

We are using a gold price of US\$1,350 per ounce.

We have used an 8% discount rate for our base case DCF valuation.

We are using an exchange rate of US\$1.30 to GBP1.00.

Summary of valuation of Avesoro's assets

	US\$m	£m	Pence/share
New Liberty	227.9	175.3	215.0
Youga	63.2	48.6	59.6
Balogo	40.4	31.0	38.1
Exploration	100.0	76.9	94.3
Balance sheet	(91.8)	(75.5)	(92.5)
Total	339.7	261.3	320.4

Source: finnCap

Target price

To move from our undiscounted valuation to a target price, we apply risk discounts where appropriate. In our opinion, neither of the countries in which Avesoro operates justifies any specific discount over and above the normal discounts that apply to the sector. Burkina Faso does have significant security issues in the north of the country but this is far from Avesoro's operations.

We therefore derive a valuation of 320.4p per share, which we round to 320p as our target price.

New Liberty valuation

We have constructed a DCF model for the New Liberty mine, based on the most recent 43-101 study. The principal inputs are as follows:

- ▶ Reserve 6.5 million tonnes grading an average of 2.89 g/t
- ▶ Plant capacity 1.65 million tonnes per year
- ▶ Average cash operating cost US\$644/oz
- ▶ Tax is applied at 25% after allowances
- ▶ A 3% royalty is applicable

Summary of five years of DCF model – New Liberty mine

Year to January		2018E	2019E	2020E	2021E	2022E
Gold produced	t	116,072	127,969	159,394	159,201	13,864
Revenue	US\$m	156.7	172.8	215.2	214.9	18.7
Operating cost	US\$m	(105.2)	(113.0)	(86.3)	(63.9)	(2.9)
Cash profit	US\$m	46.7	54.5	122.5	144.6	15.2
Royalty	US\$m	(4.7)	(5.2)	(6.5)	(6.4)	(0.6)
Capex	US\$m	(13.4)	(10.0)	(9.5)	(7.69)	(10.6)
Tax	US\$m	0	0	(0.4)	(20.5)	0
Cash flow	US\$m	28.6	39.4	106.1	109.7	4.0

Source: finnCap

Valuation of New Liberty mine

DCF discount rate	US\$m	£m	Pence/share
0%	287.9	221.5	271.6
5%	248.1	190.9	234.0
8%	227.9	175.3	215.0
10%	215.8	166.0	203.5
15%	189.2	145.6	178.5

Source: finnCap

Youga valuation

We have constructed a DCF model for the Youga and Ouaré mines based on the recently published 43-101 study. The principal inputs are as follows:

- ▶ Reserve 5.566 million tonnes at 1.42 g/t at Youga and 2.632 million tonnes grading 1.64 g/t at Ouaré
- ▶ Plant capacity 1.2 million tonnes per year
- ▶ Cash operating cost variable
- ▶ Tax is applied at 17.5% after allowances
- ▶ A total of 5.8% in royalty payments is applicable

Summary of five years of DCF model – Youga mine

Year to January		2018E	2019E	2020E	2021E	2022E
Gold produced	t	62,294	63,991	63,905	48,075	43,512
Revenue	US\$m	84.1	86.4	86.3	64.9	58.7
Operating cost	US\$m	(36.3)	(45.9)	(46.0)	(45.9)	(45.9)
Cash profit	US\$m	42.9	35.5	35.3	15.3	9.5
Royalty	US\$m	(4.9)	(5.0)	(5.0)	(3.8)	(3.4)
Capex	US\$m	(8.6)	(2.8)	(2.0)	(2.6)	(3.3)
Tax	US\$m	(4.3)	(3.9)	(3.8)	(0.4)	(1.1)
Cash flow	US\$m	25.2	23.8	24.5	8.5	1.6

Source: finnCap

Valuation of Youga mine

DCF discount rate	US\$m	£m	Pence/share
0%	71.6	55.1	67.5
5%	66.2	51.0	62.5
8%	63.2	48.6	59.6
10%	61.3	47.2	57.8
15%	56.8	43.7	53.6

Source: finnCap

Balogo valuation

We have constructed a DCF model for the Balogo mine based on the recently published 43-101 study though modified for recent production experience and guidance. The principal inputs are as follows:

- Reserve 261,000 tonnes grading 7.69 g/t
- Plant capacity n/a
- Cash operating cost US\$309/oz
- Tax is applied at 27.5% after allowances
- A 4% royalty is applicable

Summary of five years of DCF model – Balogo mine

Year to January		2018E	2019E	2020E	2021E	2022E
Gold produced	t	58,086	0	0	0	0
Revenue	US\$m	78.4	0	0	0	0
Operating cost	US\$m	(17.9)	0	0	0	0
Cash profit	US\$m	57.3	0	0	0	0
Royalty	US\$m	(3.1)	0	0	0	0
Capex	US\$m	(3.6)	0	0	0	0
Tax	US\$m	(14.2)	0	0	0	0
Cash flow	US\$m	43.6	0	0	0	0

Source: finnCap

Valuation of Balogo mine

DCF discount rate	US\$m	£m	Pence/share
0%	43.6	33.5	41.1
5%	41.5	31.9	39.2
8%	40.4	31.0	38.1
10%	39.6	30.5	37.4
15%	37.9	29.2	35.7

Source: finnCap

Background

Avesoro Resources was originally established as Aureus Mining in Canada in February 2011 in order to hold and develop the gold assets that were formerly held by African Aura. Aureus commenced trading on the Toronto stock exchange and on AIM in London on 13 April 2011. African Aura was an AIM-quoted company that held various gold and iron ore projects in West Africa. In early 2011, the company was split in two with one new company (Aureus) taking the gold assets and the other (Afferro) taking the iron ore assets.

Aureus completed a Definitive Feasibility Study for the New Liberty gold project in 2012 and brought the mine into production in 2015, as described in more detail in the following section. However, for various reasons the start-up was not a success and control of Aureus passed to a private investment group, MNG Gold, in June 2016. MNG Gold financed the stabilisation and reorganisation of the New Liberty operations, which has operated profitably ever since.

MNG Gold was established in 2013 as a subsidiary of the MNG Group with the intention of investing in gold mines and projects in West Africa and Turkey. The MNG Group was established by Mehmet Nazif Günal in the 1970s. It currently employs more than 20,000 people and has over 70 trading companies with interests including construction, railways, tourism, energy production, media and finance and air cargo.

MNG Gold acquired its first gold project, Kokoya in Liberia, in April 2014 when it was at the Pre-Feasibility stage. A mine has subsequently been constructed and commissioned with first production in May 2016. At present, this mine remains within Avesoro Holdings' private portfolio.

It acquired a second project, Balogo, in Burkina Faso in April 2015 from Golden Rim Resources for US\$8m. Balogo is an exceptionally high-grade gold deposit but it is too small to justify the construction of a stand-alone plant.

MNG Gold acquired its first producing gold mine and some associated exploration projects in Burkina Faso in early 2016. The Youga gold mine and its associated Ouaré exploration project were acquired from Endeavour Mining Inc. in April 2016 for US\$25.3m. Youga had been in production since 2008 and was no longer a core asset for Endeavour. MNG saw the opportunity to revitalise Youga with an accelerated exploration programme at Ouaré and around the mine at Youga and also to use spare mill capacity at Youga to process high-grade ore from Balogo, which is located some 154 km from Youga. MNG started trucking ore from Balogo to Youga in March 2017.

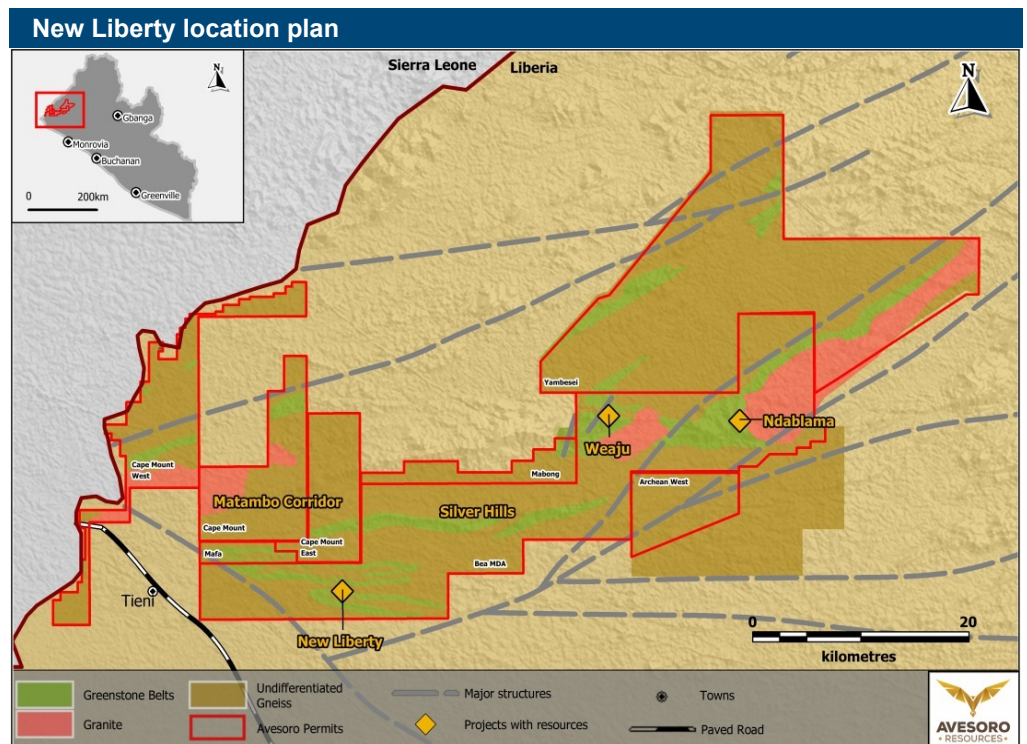
In late 2017, MNG's gold interests (with the exception of the Kokoya mine) were restructured. This transaction brought the gold assets in Burkina Faso into Avesoro in exchange for US\$69.5m in stock and cash, leaving the MNG Group through subsidiary Avesoro Holdings holding a 73.5% interest in Avesoro Resources. This was followed by a 1 for 100 stock consolidation.

Going forward, the backing of the MNG Group brings several significant advantages to Avesoro Resources. These include strong financial support with access to low-cost funding, considerable purchasing power and extensive construction and civil engineering experience. The MNG Group is also a significant contractor in Africa and brings political insight and relationships at a senior level in several countries.

New Liberty – Liberia

The New Liberty gold mine is situated in western Liberia around 20 km from the Sierra Leone border and 90 km northwest of the Liberian capital, Monrovia. The site is accessible by vehicle from Monrovia via a tarred road for the first 80 km and then a laterite road for the remaining 20 km to the project site. An airstrip at the site has recently been constructed and brought into use.

The climate at the mine site is equatorial with average rainfall of around 3,400 mm, most of which falls in a pronounced rainy season between May and October. The mine site is surrounded by dense tall rainforest, though this has to an extent been degraded by artisanal mining, logging and subsistence farming.



Source: Avesoro

The New Liberty prospect was first discovered by artisanal miners many years ago, though the discovery does not appear to have been formally recorded. A Liberian entity known as KAFCO held the ground in the mid-1990s. KAFCO assigned its rights to a company named Golden Limbo in 1995, which in turn assigned the rights to Bea Mountain Mining in 1996. Bea Mountain Mining was a subsidiary of Mano River, which at that time was a public company quoted on AIM. Mano River had been working in Liberia before the 1997 – 2003 civil war and indeed first visited the New Liberty project in 1997. It acquired the rights to the project in 1998 and started drilling in 1999. Exploration on site had to be suspended in 2001 because of the civil war and did not restart until 2004. The Mano River rights subsequently passed to a new company, African Aura, which included a combination of gold, iron ore and diamond exploration projects in West Africa.

A Feasibility Study on New Liberty was completed in 2012 and construction of a mine started in late 2012 with the intention of starting production in Q4 2014. At the time, the total cost of construction was estimated to be around US\$140m. In late 2013, the company raised US\$80m in new equity in parallel with agreeing a debt package of US\$100m. This was intended to be sufficient to fund the company through construction to cash profitability. An additional US\$16m was raised in October 2013, primarily to fund exploration work in parallel with the mine construction. This was followed by a further top-up of US\$15m in April 2014, at which point the company was targeting first production in Q1 2015.

The first cases from what became a massive epidemic of Ebola were recognised in March 2014, though its severity was not immediately recognised. However, it rapidly escalated and by July 2014, Liberia was in effective lock-down in an effort to contain the epidemic. The epidemic peaked in September 2014 and was brought under control by the end of the year, though it took until April 2015 before it was declared over.

The impact on the construction of New Liberty was significant. In essence, it became much more difficult to get into and out of Liberia as for a while, there were no scheduled flights into the country. Secondly, the main port that was being used for the import of plant and machinery effectively stopped functioning. Thirdly, there were additional costs associated with maintaining the skilled personnel needed for the actual construction work in-country. The net impact was that, by the end of 2014, the first gold pour had been put back to May 2015 with steady-state production expected two months later. A further US\$15m was raised in February 2015.

The first gold bar was produced in June 2015 though this was from gravity concentrates as the plant was still being commissioned. By that time, the main problem was that the actual mining operations were being impeded by a shortage of explosives in the country. An explosives plant had been partly constructed by Nigerian interests but they pulled out during the Ebola epidemic and, with the collapse of the iron ore industry that was intended to be the primary customer, there was no hurry to complete it. As a result, Aureus had to rely on scarce and expensive imported explosives. These problems were compounded in October 2015 when the primary crusher failed. By that time, steady-state production had been put back to the end of the year.

In November 2015, a “rescue” fund raise was completed, comprising a further US\$10m of debt and US\$11.5m of new equity, done at a deep discount to the market price. Even this was not sufficient as it became apparent that, primarily because of the design of the tailings facility and associated cyanide solution management systems, the plant was not able to operate continuously. The company declared Commercial Production in February 2016 but in reality production was still running below intended capacity. The ongoing problems with the process plant culminated in May 2016 with a discharge of cyanide solution into the environment. This resulted in the plant being shut down pending an investigation and rectification. By this time, it was apparent that the company was going to need significant refinancing as, in addition to the engineering work required, the company was in serious default on its debt-repayment schedule.

A new shareholder, MNG Gold, invested US\$30m in the form of new equity and took control of the company in June 2016. MNG installed an experienced management team and mining and processing operations were restarted. A further US\$72m equity fundraising was completed, of which US\$60m came from MNG Gold. This was used to complete the rebuild of the plant and tailings facility, to acquire the mining equipment fleet, and to make various due payments including some debt repayments.

Following these investments, the mine has at last become profitable and is now consistently operating at its designed rate in terms of tonnes milled, unit costs and gold recovered. The present plan envisages New Liberty mine operating until early 2022, though the reality is that it has the potential to go considerably beyond that point, given the potential for underground mining and the highly prospective nature of the geology within the licence areas.

Marvoe pit, New Liberty mine



Source: finnCap

Geology

The New Liberty mine and associated projects lie within the West African Craton – an Archean gold belt that hosts all of the region’s major gold mines and exploration projects from Guinea in the west to Ghana and Togo in the east. The regional geology consists of a sequence of highly deformed granitic gneisses into which have been folded sequences of ultramafic schist. Granite dykes have been intruded into these rocks.

Gold mineralisation is concentrated into shear zones and fold hinges close to the contacts with greenstone belts. It is speculated that these shears and associated structures acted as channels for auriferous solutions, which precipitated gold in suitable structures or chemical traps.

On the margins of the shearing, the schists are tightly folded and shearing increases towards the mineralised part of the zone. The gold mineralisation itself occurs with arsenopyrite where the rocks take on a more open texture. However, it is not refractory and the gold is simple to recover. Gold mineralisation occurs in zones of variable thickness and is continuous along more than 2 km of strike.

The most recent resource statement for New Liberty is summarised below.

New Liberty resource statement – July 2017				
Category	Cut-off	Tonnes	Au	Au
		Mt	g/t	Koz
Measured	0.8 g/t (OP)	0.1	3.6	15
Indicated	0.8 g/t (OP)	8.5	3.3	890
	2.0 g/t (UG)	0.6	3.3	65
Measured & Indicated	0.8 g/t (OP)	8.6	3.3	905
	2.0 g/t (UG)	0.6	3.3	65
Inferred	0.8 g/t (OP)	3.6	2.8	325
	2.0 g/t (UG)	2.8	3.3	295
Sub total Measured		0.1	3.6	15
Sub total Indicated		9.1	3.3	955
Sub total Measured & Indicated		9.2	3.3	970
Sub total Inferred		6.4	3	620
Stockpiles Indicated		0.4	1.1	15
Total Measured		0.1	3.6	15
Total Indicated		9.5	3.2	970
Total Measured & Indicated		9.6	3.2	985
Total Inferred		6.4	3.0	620

Source: Avesoro

Mining and Processing

New Liberty is currently being mined using conventional open pit methods. However, some of the higher grade ore shoots extend below the bottom of the economic pit limits and so may be mined using underground mining methods following exhaustion of the pits. The current mine consists of three open pits, Kinjor, Larjor and Marvoe though Kinjor and Marvoe will merge towards the end of the life of the mine. The previous contractor mining operation was replaced by an owner-operated fleet when MNG took over. The company has recently been buying additional Komatsu HD785 trucks and PC1250 excavators to increase loading and hauling capacity.

The ore has simple metallurgical characteristics. Around 45% of the contained gold is recovered in a gravity circuit with the remainder processed using a conventional CIL plant. Total gold recovery is currently running at 93%.

The area is highly stable in geological and seismic terms and is relatively flat-lying and so a conventional tailings dam facility is being used.

Power for the operation is generated on site – there is no grid power in Liberia. The power generation plant consists of containerised diesel units capable of generating a total of 10.8 MW.

New Liberty reserve statement – July 2017			
Category	Quantity	Au	Au
	Mt	g/t	Koz
Proven	0.2	3.03	15
In Pit	0.2	3.03	15
Probable	7.2	3.03	702
In Pit	7.0	3.09	690
Stockpiles	0.2	1.40	11
Total	7.4	3.03	717

Source: finnCap

Exploration Targets

A considerable amount of exploration work has been undertaken within the various exploration licences, both in the immediate vicinity of the mine and further afield. Several targets have been identified, of which the most advanced is Ndablama, as detailed below. However, possibly the most attractive prospects in terms of near-term gains are located close to New Liberty at the Silver Hills (10 km NE) and Matambo Corridor (10 km NW) targets. These have yet to be tested by Avesoro, though initial work including drilling is planned for the current year.

In 2018, Avesoro has several exploration initiatives under way within the Bea Mountain licences. The immediate priority will be to complete the 46-hole infill drilling programme in and around the New Liberty pits. This is intended to improve confidence in the continuity of the New Liberty orebody and to bring additional Inferred mineralisation into the Indicated category. This will be followed by a deep drilling programme, intended to test the down plunge extensions of the high-grade payshoots with a view to possible underground mining. Away from New Liberty, an infill programme is planned at Ndablama and some near mine targets are to be tested.

Ndablama

The Ndablama target lies around 40 km north-east of New Liberty in the eastern end of the Bea Mountain licence. The area hosts extensive artisanal workings and has produced gold for many years. These artisanal workings are held under annual surface mining permits though subsurface mining rights, such as those that are held by Avesoro, take precedence.

The geology is similar to that at New Liberty with gold hosted by sheared ultramafic rocks. The mineralisation is associated with disseminated pyrite, minor chalcopyrite and quartz veinlets. The target was initially tested by trenching and subsequently by reconnaissance drilling. Drilling at Ndablama was undertaken in four campaigns, and a total of 115 diamond drillholes for 21,333 m, 39 reverse circulation holes for 5,827 m, and 63 trenches for 3,967 m were completed. Metallurgical testwork showed that gold recoveries would be similar to New Liberty.

At the end of 2014, an initial resource estimate for Ndablama was released, as detailed below.

Ndablama resource statement – December 2014

Classification	Quantity	Au	
	(Kt)	(g/t)	(Koz)
Indicated	7,589	1.58	386
Inferred	9,576	1.70	515

Source: Avesoro

Liberia

The Republic of Liberia is located in West Africa and is bordered to the west by Sierra Leone, to the north by Guinea and to the east by Cote d'Ivoire. It has a long Atlantic coastline along the south western side of the country. Liberia has a hot equatorial climate with significant rainfall during the May to October rainy season. The interior of the country is mostly characterised by primary rainforest or secondary re-growth forest where it is not actively farmed.

Along with Ethiopia, Liberia is one of the two modern countries in Sub-Saharan Africa that were never part of the European colonial system. The country was originally established in 1847 as a home for freed American slaves. Liberia saw significant investment during and immediately after World War Two and was a founding member of the United Nations and the Organization of African Unity.

After a long, relatively peaceful history, a coup in 1980 led to a long period of instability, culminating in two major civil wars. The wars finally ended in 2003 and were followed by

democratic elections in 2005 in which Ellen Sirleaf was elected. She presided over a period of recovery and recently stood down having completed her second term in office. The first part of her time in office saw strong inward investment but this was severely impacted by the collapse in the price of iron ore in 2013, which led to the closure of most of the country's iron ore mines. This was compounded by the devastating impact of the Ebola epidemic of 2014 and 2015. Since then there has been some economic recovery but iron ore mining is still well below the levels expected a few years ago.

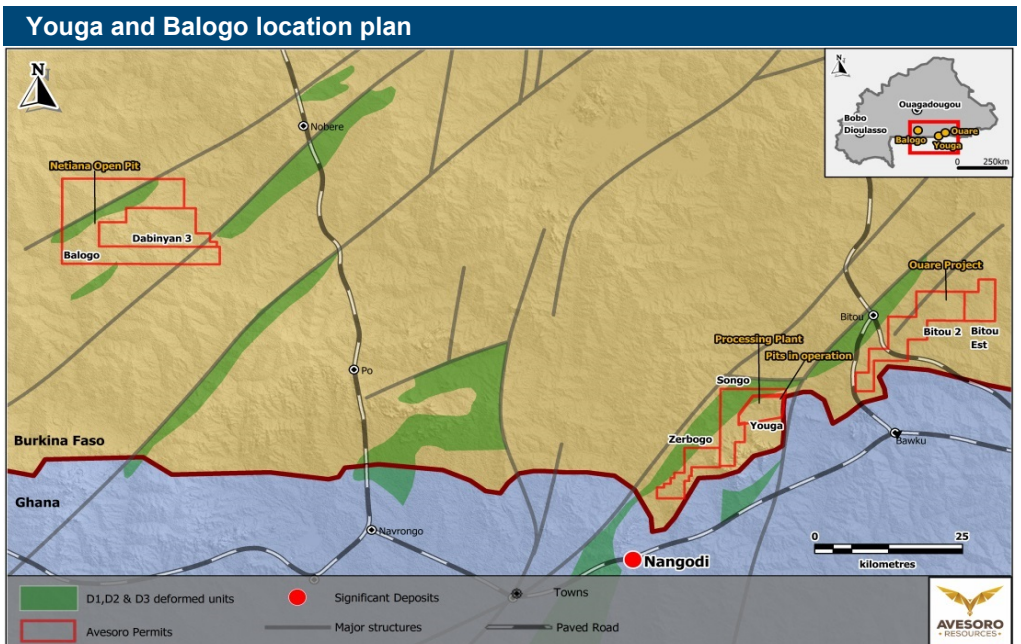
Elections were held in late 2017, which resulted in the appointment of George Weah as president in January 2018. He had been runner-up to Ellen Sirleaf in 2005 and was elected with a convincing majority of 61.5% over the runner-up candidate who achieved 38.5%.

Youga and Balogo - Burkina Faso

The Youga and Balogo Gold Mines are located in the province of Boulgou in Burkina Faso. Youga is located approximately 180 km south east of the capital of Ouagadougou, adjacent to the Ghanaian border. The Ouaré deposit is located 44 km to the east of the Youga gold mine, whilst the Balogo gold mine is located 154 km to the west. Combined, the operations have a current mine life running to 2025. Youga is accessible from Ouagadougou by a tarred road in good condition as far as the regional centre of Po followed by a dirt road for the remaining 80 km. An airstrip has recently been constructed at the Youga mine site.

The Youga property consists of one Exploitation Permit (Youga) and two Exploration Permits (Songo and Zerbogo II). The Ouaré Project is comprised of four Exploration Permits (Bitou 2, Bitou Sud, Bitou Nord and Bitou Est). Ouaré is situated to the east of Youga but is separated from it by the Nakambé River – a substantial watercourse that is not currently bridged.

The Youga Exploitation Permit covers an area of 29 km², and was granted in April 2003 and is valid for 20 years with five-year renewal periods. The Balogo Project is covered by two contiguous Exploration Permits (Balogo and Dabinyan III).



Source: Avesoro

The Youga and Balogo mines are located in the far south of Burkina Faso in a relatively dry semi-desert region. The wet season runs from May to October with total rainfall of around 900 mm. The remainder of the year is hot, dry and dusty with temperatures reaching highs of almost 40°C towards the end of the dry season. The area is characterised by undulating terrain covered by savannah woodland though this has to a significant degree been cleared for agriculture including subsistence and cotton farming. Some areas have been significantly affected by artisanal mining and tree and bush felling for firewood and charcoal manufacture. The local population density is low, limited by the lack of infrastructure resources and generally poor quality of the agricultural land. The main economic activity is subsistence farming.

The Youga project appears to have first been identified as being prospective in 1991 when an exploration permit was awarded to a company named Incanore Resources. However, Youga had presumably already been the subject of artisanal mining, given such miners' strong presence in the immediate area. Several other mining and exploration companies worked on the project subsequent to 1991, with significant input from Echo Bay Mines and Ashanti Goldfields (amongst others). A Canadian company, Etruscan, acquired the rights

to the project in 2003, completed a Feasibility Study in 2006 and brought the mine into production in 2008. Etruscan also did significant exploration work at the Ouaré project. Etruscan was then acquired by Endeavour Mining, another Canadian company, in 2010. Endeavour continued to operate the mine and the Ouaré project until its acquisition by MNG Gold in 2016.

The Balogo project was first subject to formal exploration by Golden Rim Resources between 2010 and 2013 when an initial Mineral Resource was declared following several drilling campaigns. The prospect was originally identified by artisanal miners, as is usual in the area. MNG acquired the rights to buy Balogo in 2015 as the project was no longer core to Golden Rim.

Geology

Youga, Ouaré and Balogo all lie within the West African Craton, an Archean gold belt that hosts all of West Africa's gold mines and exploration projects. Both Youga and Ouaré lie at the north eastern end of the Youga Greenstone belt – this belt runs south west from Ouaré for about 400km into northern Ghana. Balogo is associated with a significant northeast trending fault splay which is connected to the major Markoye Fault system. This fault system controls several substantial gold mines in Burkina Faso.

In the area around the Youga mine, gold deposits are hosted by weakly to moderately metamorphosed mafic-volcanic flows underlain by sandstone sediments and intruded by felsic intrusions. The mineralisation is associated with brittle deformation of the host rocks generating zones of weakness within which the mineralisation has been intruded and precipitated into appropriate chemical traps. Gold mineralisation at Youga has been concentrated into several separate though associated deposits within a small area. So far, seven deposits at Youga have been or are being mined but the area has by no means been exhausted in terms of exploration prospectivity.

Youga and Ouaré resource statement – February 2017

Deposit	Indicated			Inferred		
	Tonnes	Au	Au	Tonnes	Au	Au
	Mt	g/t	Koz	Mt	g/t	Koz
Main Pit	2.96	1.53	145.6	0.5	1.4	36
Zergoré	2.57	1.2	99.1	1.0	1.2	39
NTV	1.88	1.1	66.6	1.5	1.3	61
A2NE	0.86	1.98	54.7	0.5	1.8	29
East Pit	0.68	1.55	33.8	0	1.2	2
West Pit 3	0.64	1.53	31.5	0.2	1.2	7
West Pit 2	0.57	1.46	26.8	0.2	1.5	8
West Pit 4	0.34	1.53	16.6	0.4	0.9	13
West Pit 1				0.1	1.6	5
LeDuc				1.0	1.0	34
Ouaré	5.1	1.39	228.3	7.2	1.8	406
Total	15.6	1.4	703	12.9	1.57	640

Source: Avesoro

Mining and Processing

Mining operations at Youga



Source: finnCap

The Youga mine consists of several open pits of which two are currently being worked. Mining has been completed in Main Pit, East Pit, West 1, 2a, 2b, 3 Pits, NTV 1, 2, 3 and 4 Pits, and Zergoré B and C Pits. Some of these are being backfilled and returned to agricultural use whereas others are flooded and used for water storage.

As can be seen above, ore haulage is by means of ADT vehicles. Mining at Ouaré is due to commence once the 44 km haul road and bridge across the Nakambe River have been completed and following exhaustion of the Balogo high-grade orebody. The fleet of road trucks that currently transports ore from Balogo to Youga will be transferred to Ouaré.

Youga and Ouaré reserve statement – February 2017

Deposit	Probable			
	Cut-off grade	Tonnes	Au	Au
	g/t	Mt	g/t	Koz
Main Pit	0.7	1.3	1.63	66.6
Zergoré	0.7	1.5	1.22	57.1
NTV	0.7	1.2	1.07	41.6
A2NE	0.7	0.6	2.18	38.7
East Pit	0.7	0.5	1.47	22.4
West Pit 2	0.7	0.4	1.34	15.8
West Pit 3	0.7	0.4	1.61	20.2
West Pit 4	0.7	0.3	1.53	12.9
Ouaré	0.82	2.6	1.67	141.4
LG Stockpiles		0.4	1.32	17.7
Total		9	1.49	434.4

Source: Avesoro

The processing plant at Youga consists of three-stage crushing and a single-ball milling circuit followed by gravity, cyanide leaching and a five-stage CIL circuit and electrowinning to produce doré bars.

Power is supplied primarily via the Ghanaian grid with back-up diesel generators available on site.

Balogo

The Balogo mine is operated as a satellite of Youga, with minimal on-site facilities. Ore is mined using open-pit methods and is then trucked to Youga using conventional road trucks. The road used passes through several villages and so a convoy system with significant safety measures has been put in place. This includes the deployment of water spray trucks in order to mitigate the generation of dust.

The current plan is to complete open-pit mining at Balogo during 2018 but recent exploration drilling has shown that the high-grade oreshoot persists at depth. It is likely that an underground mine will be constructed.

Exploration drilling at Youga



Source: finnCap

Burkina Faso

Burkina Faso is a landlocked country in West Africa. It covers an area of around 274,200 square kilometres and is surrounded by six countries: Mali to the north; Niger to the east; Benin to the southeast; Togo and Ghana to the south; and Cote d'Ivoire to the southwest. Its capital is Ouagadougou, located in the centre of the country. Burkina Faso is a francophone country, with French an official language of government and business. Following independence from France in 1960, it was called the Republic of Upper Volta until it was renamed Burkina Faso in 1984.

Burkina Faso has had a typically chaotic political history since independence, though in recent years it has become considerably more stable. The current President, Roch Kaboré, was elected in the November 2015 general election, winning a majority in the first round of voting. Upon taking office, he became the first non-interim president in 49 years without any past ties to the military.

Directors

Executive

Serhan Umurhan, Chief Executive Officer

Mr Umurhan graduated as an electrical and electronic engineer from Cukurova University, Adana. Mr Umurhan's experience in the mining industry includes overseeing the construction of four CIL / Heap leach gold mines in Turkey and West Africa. Serhan previously worked for 7 years at Koza Gold Corporation where he worked as the Assistant General Manager – Technical. Prior to that Serhan held various positions with Normandy Mining and Newmont Mining Corporation Limited between 2001 and 2005.

Geoff Eyre, Chief Financial Officer

Mr Eyre is a Chartered Accountant and member of the ICAEW. He also holds a first-class BEng degree in Electrical Engineering from the University of Warwick. Mr Eyre has more than 10 years' experience in the mining industry, mostly gained in West Africa. He was the Group Financial Controller for Ferrexpo Plc during its IPO on the London Stock Exchange and was the CEO of Amlib Holdings Plc prior to its acquisition by MNG Gold in 2014. He previously spent eight years with accountancy firm Ernst & Young focussed on engineering and automotive businesses and undertook a three-year strategic secondment to Ernst & Young Global. Mr Eyre also undertook an engineering apprenticeship with the engineering group Hawker Siddeley where he worked for five years prior to moving into accountancy.

Non-Executive

Mehmet Nazif Günal, Non-Executive Chairman

Mr Günal graduated from the Middle East Technical University (METU), Ankara, as a civil engineer in 1971 and has an MBA from the same university. Mr Günal founded his first company in 1976 and is the owner of the MNG Group. The MNG Group now employs more than 20,000 people and has interests including construction (high-rise buildings, shopping & commercial centres, hotels, resort villages, industrial plants, dams, hydroelectric power plants, irrigation systems, tunnels, roads & highways), railways including high technology metro cars and compatible electrical locomotives manufacturing, energy production and marketing including renewable energy, a domestic and international cargo airline and MAPA Construction – one of the largest firms in Turkey.

David Netherway, Non-Executive Director

Mr Netherway is a mining engineer with over 35 years of experience in the mining industry. He received a B.E. in Mining Engineering from the University of Melbourne in 1975 and a Certified Diploma in Accounting and Finance from the Chartered Association of Certified Accountants in the United Kingdom in 1985. He was until the takeover by Gryphon Mineral Ltd the CEO of Shield Mining Limited, an Australian listed company exploring for gold and base metals in Mauritania. Prior to this, Mr Netherway served as the CEO of Toronto-listed Afcan Mining Corporation, a China-focussed gold mining company which was successfully taken over by Eldorado Gold. He is also a former director of Crusader Resources Ltd, Afferro Mining Inc., Gryphon Minerals Ltd, Altus Resource Capital Ltd, GMA Resources plc, Orezone Resources Inc. Kazakhgold Ltd and Equigold NL. Mr Netherway is a mine developer and operator who was involved in the construction and development of the Iduapriem, Siguir, Samira Hill and Kiniero gold mines in West Africa and has extensive worldwide mining experience. Mr Netherway is currently the Chairman of Kilo Goldmines Inc, Canyon Resources Ltd, Altus Strategies Ltd and is a non-executive director of Kore Potash plc

Jean-Guy Martin, Non-Executive Director

Mr Martin is a chartered accountant and a certified public accountant (Illinois) with over 35 years' experience in financial reporting, auditing and transactions. Mr Martin has recently retired from PricewaterhouseCoopers LLP ("PwC") after serving 35 years with the firm in Canada, of which the last 25 were as a partner. Mr Martin has advised various multi-national companies looking to complete acquisitions and divestitures. He held a number of senior partner positions during his career with PwC. His industry experience spans many market sectors, including mining, energy and utilities, industrial products, and forest and paper. He

has assisted numerous international clients, such as Rio Tinto Alcan, Bain Capital, Blackstone, Domtar and Hydro-Québec, in several cross-border transactions.

Loudon Owen, Non-Executive Director

Mr Owen is an international businessman and lawyer. He co-founded and manages McLean Watson Capital, a private Toronto-based venture capital company. Mr. Owen has extensive public and private company board experience and he currently serves on the boards of a range of private corporations including Quantec Geoscience Limited (Chair), as well as Kilo Goldmines Ltd. (TSX-V), Genesis Land Development Corp., and Posera-HDX (TSX, Chair). Mr Owen holds a BA (Economics and International Relations) from Trinity College, University of Toronto, a J.D. from Osgoode Hall Law School, Toronto, and an MBA from INSEAD in Fontainebleau, France.

Gold in West Africa

Income statement		2015A	2016A	2017E	2018E	2019E
Year end: Dec						
Sales	\$m	0.0	63.6	97.8	319.2	259.1
Cost of sales	\$m	0.0	-87.0	-71.5	-172.2	-169.1
Gross profit	\$m	0.0	-23.4	26.3	147.0	90.0
Operating expenses	\$m	-9.4	-14.8	-9.0	-9.0	-9.0
EBITDA (adjusted)	\$m	-9.4	-38.2	17.3	138.0	81.0
Depreciation	\$m	0.0	-15.9	-28.0	-40.0	-30.0
Amortisation	\$m	0.0	0.0	0.0	0.0	0.0
EBIT (adjusted)	\$m	-9.4	-54.1	-10.7	98.0	51.0
Associates/other	\$m	0.5	1.1	0.0	0.0	0.0
Net interest	\$m	0.0	-8.6	-11.0	-5.5	-3.1
PBT (adjusted)	\$m	-8.9	-61.6	-21.7	92.5	47.9
<i>restructuring costs</i>	<i>\$m</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>share based payments</i>	<i>\$m</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>other adjustments</i>	<i>\$m</i>	<i>-33.6</i>	<i>-51.4</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Total adjustments	\$m	-33.6	-51.4	0.0	0.0	0.0
PBT (stated)	\$m	-42.5	-113.0	-21.7	92.5	47.9
Tax charge	\$m	0.0	0.0	0.0	0.0	0.0
<i>tax rate</i>	<i>%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>0.0</i>	<i>0.0</i>
Minorities	\$m	0.0	0.0	0.0	0.0	0.0
Reported earnings	\$m	-42.5	-113.0	-21.7	92.5	47.9
Tax effect of adjustments / other	\$m	0.0	0.0	0.0	0.0	0.0
Adjusted earnings	\$m	-8.9	-61.6	-21.7	92.5	47.9
<i>shares in issue (year end)</i>	<i>m</i>	<i>369.8</i>	<i>1,132.9</i>	<i>8,155.7</i>	<i>81.6</i>	<i>81.6</i>
<i>shares in issue (weighted average)</i>	<i>m</i>	<i>369.8</i>	<i>1,132.9</i>	<i>8,155.7</i>	<i>81.6</i>	<i>81.6</i>
<i>shares in issue (fully diluted)</i>	<i>m</i>	<i>369.8</i>	<i>1,132.9</i>	<i>8,155.7</i>	<i>81.6</i>	<i>81.6</i>
EPS (adjusted, fully diluted)	c	-2.4	-5.4	-0.3	113.4	58.7
EPS (stated)	c	-11.5	-10.0	-0.3	113.4	58.7
DPS	c	0.0	0.0	0.0	0.0	0.0

Growth analysis (adjusted basis where applicable)						
Sales growth	%	n/m	n/m	53.7%	226.4%	-18.8%
EBITDA growth	%	n/m	-307.2%	145.3%	697.7%	-41.3%
EBIT growth	%	n/m	-477.4%	80.2%	n/m	-47.9%
PBT growth	%	n/m	-596.2%	64.8%	526.1%	-48.2%
EPS growth	%	n/m	-127.3%	95.1%	n/m	-48.2%
DPS growth	%	n/m	n/m	n/m	n/m	n/m

Profitability analysis (adjusted basis where applicable)						
Gross margin	%	n/m	-36.8%	26.9%	46.1%	34.7%
EBITDA margin	%	n/m	-60.0%	17.7%	43.2%	31.3%
EBIT margin	%	n/m	-85.1%	-10.9%	30.7%	19.7%
PBT margin	%	n/m	-96.9%	-22.2%	29.0%	18.5%
Net margin	%	n/m	-96.9%	-22.2%	29.0%	18.5%

Gold in West Africa

Cash flow		2015A	2016A	2017E	2018E	2019E
Year end: Dec						
EBITDA	\$m	-9.4	-38.2	17.3	138.0	81.0
Net change in working capital	\$m	-0.7	-7.4	16.8	-21.9	7.8
Share based payments	\$m	1.6	0.8	0.0	0.0	0.0
Profit/(loss) on sale of assets	\$m	0.0	0.0	0.0	0.0	0.0
Net pensions charge	\$m	0.0	0.0	0.0	0.0	0.0
Change in provision	\$m	0.0	0.0	0.0	0.0	0.0
Other items	\$m	0.4	-3.8	-11.0	-5.5	-3.1
Cash flow from operating activities	\$m	-8.0	-48.6	23.1	110.5	85.7
Cash interest	\$m	-5.2	8.6	-6.2	-5.5	-3.1
Tax paid	\$m	0.0	0.0	0.0	0.0	0.0
Capex	\$m	-68.2	-39.2	-34.0	-37.8	-21.5
Free cash flow	\$m	-81.4	-79.2	-17.1	67.2	61.1
Disposals	\$m	0.0	0.0	0.0	0.0	0.0
Acquisitions	\$m	0.0	0.0	-69.5	0.0	0.0
Dividends on ord shares	\$m	0.0	0.0	0.0	0.0	0.0
Other cashflow items	\$m	-0.1	-0.1	0.0	0.0	0.0
Issue of share capital	\$m	26.8	98.1	71.5	0.0	0.0
Net change in cash flow	\$m	-54.7	18.7	-15.1	67.2	61.1
Opening net cash (debt)	\$m	-44.0	-98.8	-80.0	-95.1	-28.0
Closing net cash (debt)	\$m	-98.8	-80.0	-95.1	-28.0	33.1

Cash flow analysis						
Cash conversion (op cash flow / EBITDA)	%	n/m	n/m	133.5%	80.1%	105.8%
Cash conversion (free cash flow / EBITDA)	%	868.1%	207.6%	-98.7%	48.7%	75.3%
Underlying free cash flow (capex = depreciation)	\$m	-13.2	-56.0	-11.1	65.0	52.6
Cash quality (underlying FCF / adjusted earnings)	%	149.2%	90.9%	51.1%	70.3%	109.8%
Investment rate (capex / depn)	x	n/m	2.5	1.2	0.9	0.7
Interest cash cover	x	n/a	net cash	3.7	20.0	27.3
Dividend cash cover	x	n/a	n/a	n/a	n/m	n/m

Gold in West Africa

Balance sheet		2015A	2016A	2017E	2018E	2019E
Year End: Dec						
Tangible fixed assets	\$m	222.2	191.1	262.6	235.5	217.0
Goodwill	\$m	0.0	0.0	0.0	0.0	0.0
Other intangibles	\$m	0.0	0.0	4.0	29.0	39.0
Other non current assets	\$m	0.9	0.1	2.0	2.0	2.0
<i>inventories</i>	<i>\$m</i>	<i>14.3</i>	<i>16.4</i>	<i>9.8</i>	<i>16.0</i>	<i>13.0</i>
<i>trade receivables</i>	<i>\$m</i>	<i>0.8</i>	<i>5.8</i>	<i>4.9</i>	<i>9.6</i>	<i>7.8</i>
<i>trade payables</i>	<i>\$m</i>	<i>-19.6</i>	<i>-14.2</i>	<i>-4.9</i>	<i>-16.0</i>	<i>-13.0</i>
Net working capital	\$m	-4.6	7.9	9.8	9.6	7.8
Other assets	\$m	0.0	0.5	0.0	0.0	0.0
Other liabilities	\$m	-11.4	-14.6	-11.2	-11.2	-11.2
Gross cash & cash equivalents	\$m	7.1	13.4	17.1	44.3	65.4
Capital employed	\$m	214.3	198.4	284.3	309.1	319.9
Gross debt	\$m	102.8	93.5	112.3	72.3	32.3
Net pension liability	\$m	0.0	0.0	0.0	0.0	0.0
Shareholders equity	\$m	111.5	105.0	172.1	236.8	287.6
Minorities	\$m	0.0	0.0	0.0	0.0	0.0
Capital employed	\$m	214.3	198.4	284.3	309.1	319.9
Leverage analysis						
Net debt / equity	%	85.8%	76.2%	55.3%	11.8%	net cash
Net debt / EBITDA	x	n/a	n/a	5.5	0.2	net cash
Liabilities / capital employed	%	48.0%	47.1%	39.5%	23.4%	10.1%
Working capital analysis						
Net working capital / sales	%	n/m	12.4%	10.0%	3.0%	3.0%
Net working capital / sales	days	n/m	45	37	11	11
Inventory (days)	days	n/m	94	37	18	18
Receivables (days)	days	n/m	33	18	11	11
Payables (days)	days	n/m	82	18	18	18
Capital efficiency & intrinsic value						
Adjusted return on equity	%	-7.9%	-58.7%	-12.6%	39.0%	16.7%
RoCE (EBIT basis, pre-tax)	%	-4.4%	-27.3%	-3.8%	31.7%	16.0%
RoCE (underlying free cash flow basis)	%	-6.2%	-28.2%	-3.9%	21.0%	16.4%
NAV per share	c	30.1	9.3	2.1	290.4	352.6
NTA per share	c	30.1	9.3	2.1	254.8	304.8

Research

Mark Brewer	020 7220 0556	mbrewer@finncap.com	Guy Hewett	020 7220 0549	ghewett@finncap.com
David Buxton	020 7220 0542	dbuxton@finncap.com	Mark Paddon	020 7220 0541	mpaddon@finncap.com
Lorne Daniel	020 7220 0545	ldaniel@finncap.com	Martin Potts	020 7220 0544	mpotts@finncap.com
Andrew Darley	020 7220 0547	adarley@finncap.com	Alex Pye	0207 220 0554	apye@finncap.com
Harold Evans	020 7220 0552	hevans@finncap.com	Roger Tejwani	020 7220 0548	rtejwani@finncap.com
Jeremy Grime	020 7220 0550	jgrime@finncap.com	Dougie Youngson	020 7220 0543	dyoungson@finncap.com
Raymond Greaves	020 7220 0553	rgreaves@finncap.com			

Corporate Broking

Sultan Awan	020 7220 0592	sawan@finncap.com	Alice Lane	020 7220 0523	alane@finncap.com
Andrew Burdis	020 7220 0524	aburdis@finncap.com	Emily Morris	020 7220 0511	emorris@finncap.com
Richard Chambers	020 7220 0514	rchambers@finncap.com	Stephen Norcross	020 7220 0513	snorcross@finncap.com
Camille Gochez	020 7220 0518	cgochez@finncap.com	Tim Redfern	020 7220 0515	tredfern@finncap.com
Mia Gardner	020 7220 0512	mgardner@finncap.com	Abigail Wayne	020 7220 0594	awayne@finncap.com
Simon Johnson	020 7220 0525	sjohnson@finncap.com			

Sales

Stephen Joseph	020 7220 0520	sjoseph@finncap.com	Louise Talbot	020 3772 4651	ltalbot@finncap.com
Tony Quirke	020 7220 0517	tquirke@finncap.com	Malar Velaigam	020 7220 0526	mvelaigam@finncap.com
Sunila de Silva	020 7220 0521	sdesilva@finncap.com	Rhys Williams	020 7220 0522	rwilliams@finncap.com

Investor Relations

Lianne Tucker	020 7220 0527	ltucker@finncap.com	Lisa Welch	020 7220 0519	lwelch@finncap.com
Lucy Nicholls	020 7220 0528	lnicholls@finncap.com			

Sales Trading

Kai Buckle	020 7220 0529	kbuckle@finncap.com	Danny Smith	020 7220 0533	dsmith@finncap.com
Mark Fidgen	020 7220 0536	mfidgen@finncap.com	Oliver Toleman	020 7220 0531	otoleman@finncap.com
David Loudon	020 7220 0530	dloudon@finncap.com			

Market Makers

Steve Asfour	020 7220 0539	sasfour@finncap.com	James Revell	0207 220 0532	jrevell@finncap.com
Russell Jackson	020 7220 0538	rjackson@finncap.com	Ben Tonnison	020 7220 0535	btonnison@finncap.com

Investment Companies

Johnny Hewitson	020 7220 0558	jhewitson@finncap.com	Mark Whitfield	020 3772 4697	mwhitfield@finncap.com
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60 New Broad Street

London EC2M 1JJ

Tel 020 7220 0500

Fax 020 7220 0597

Email info@finncap.com

Web www.finncap.com

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