DACIAN GOLD LIMITED (DCN)

Mt Morgans Feasibility Confirms Compelling Project

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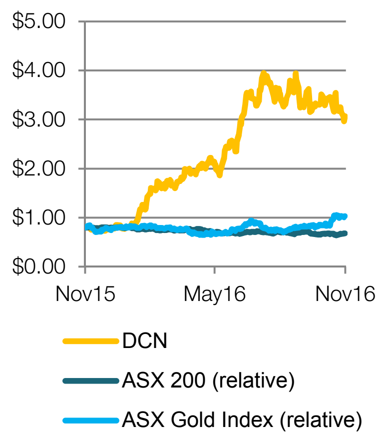
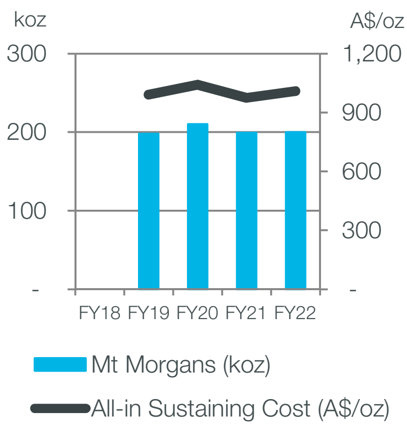
We say	Price	Target	Strategic Target
BUY	**3.07**	**4.60**	**6.80**

Earlier this week Dacian released a comprehensive 100 page report outlining two studies for its compelling Mt Morgans project in WA: A Feasibility Study based on a 1.2moz reserve and an expanded PFS based on a 1.7moz mining inventory including inferred material in the Beresford and Allanson underground mines at Westralia. We believe the expanded PFS is more representative of Mt Morgans and adopt it as our base case. Dacian remains our top pick of the ASX gold developers. Maintain Buy.

DCN SHARE PRICE



FORECAST PRODUCTION & COSTS



COMPANY DATA & RATIOS

Enterprise value	$450m
Diluted market cap*	$455m
Diluted shares*	148m
Free float	100%
12 month price range	0.73-4.00
GICS sector	Materials

Management holds ~13% (fully diluted)
*Diluted for 12.6m options

IMPLIED RETURN

Implied all-in return	50%

MT MORGANS: A COMPELLING PROPOSITION

We endorse the company's expanded PFS for Mt Morgans in our valuation which assumes A$223m capex for a 2.5mtpa project producing 197kozpa over its initial 7 years. AISC are projected to be A$975/oz over the initial 9 year mine life. The project's robust cash flow is illustrated by the rapid payback of only 21 months @ A$1,600/oz.

INCREASING PRICE TARGET TO $4.60

We increase our Dacian price target to $4.60 (from A$4.20) based on unchanged gold prices of US$1,400/oz from CY18 and a reduced 10% discount to NPV (from 20%). With its strong management team, and compelling project metrics at Mt Morgans, Dacian remains our top pick of the ASX gold developers.

INCREASING STRATEGIC TARGET TO $6.80

Taking a slightly longer term view, once Dacian makes the transition to a producer (in ~16 months), we believe it should trade at a modest premium to NAV, in line with its comparable producing peers.
Our NAV for Dacian once in production rises to ~A$5.65 and our A$6.80 Strategic Target assumes the stock trades at a modest 20% premium to NAV.

MT MORGANS STUDIES GALVANISE OUR VIEW

Earlier this week Dacian released a very detailed 100 page release outlining two studies for its compelling Mt Morgans project in WA:

1) A Feasibility Study (FS) based on a new 1.2moz reserve
    - Initial Capex: $220m
    - Initial production: 186kozpa for first 4 years
    - Mine life: 8 years
    - All-in sustaining cost: A$1,039/oz
    - Payback: 21 months @ A$1,600/oz gold

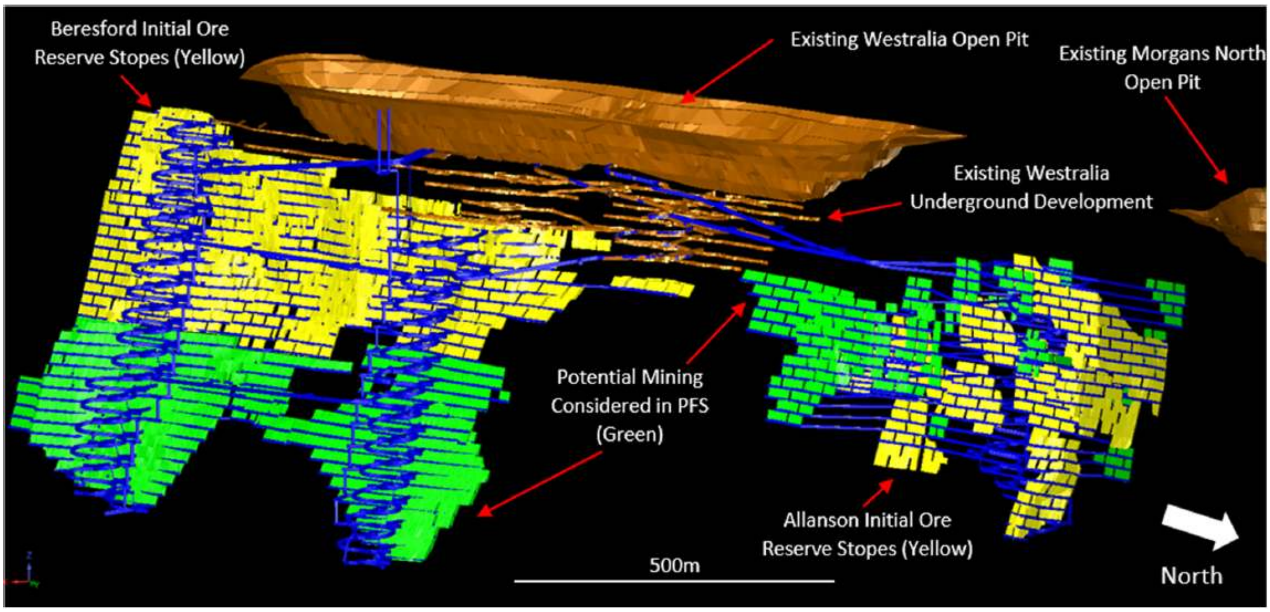
2) A Pre-Feasibility Study (PFS) based on an expanded mining inventory of 1.7moz
    - Key Difference to FS: Includes inferred material at depth at Beresford and Allanson underground mines (shown in green below)
    - Initial Capex: $223m (only +A$3m on the FS)
    - Enhanced production: 197kozpa for first 7 years
    - Mine life: 9 years
    - All-in Sustaining Cost: A$975/oz (an improvement of A$64/oz on the FS)

We believe the PFS figures are more representative of what the Mt Morgans project will ultimately look like, once the inferred material at Beresford and Allanson is drilled at closer spacing. As such, our valuation of Mt Morgans is predominantly based on the expanded PFS.

<u>On our forecasts Mt Morgans has very attractive economics</u>:

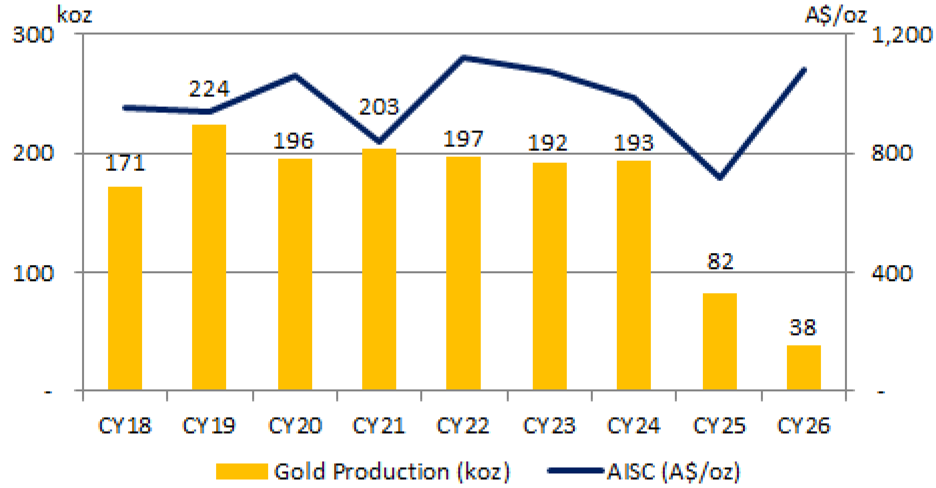
- **A post-tax IRR of 63%** on our long term forecasts (US$1,400/oz gold, 0.70 A$/US$)
- **A post-tax IRR of 37% at spot** (US$1,189/oz gold, 0.74 A$/US$)
- **Avg margin of ~A$125m p.a. at spot** (197kozpa first 7 years @ spot margin of A$630/oz)

<u>The Beresford & Allanson underground mines at Westralia</u>



Source: Company

Mt Morgans Production and AISC profile

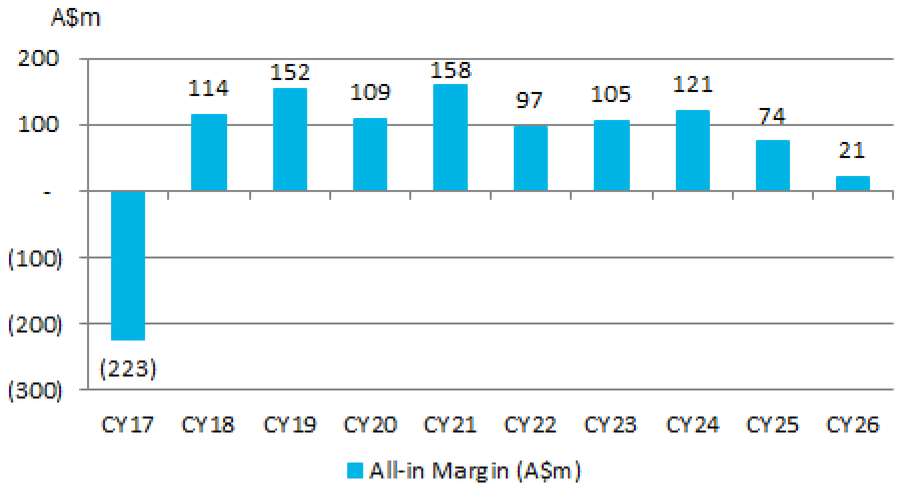


Source: Company, Blue Ocean estimates

PFS Highlights

- 197kozpa over first 7 years
- A$975/oz average AISC over initial 9 years

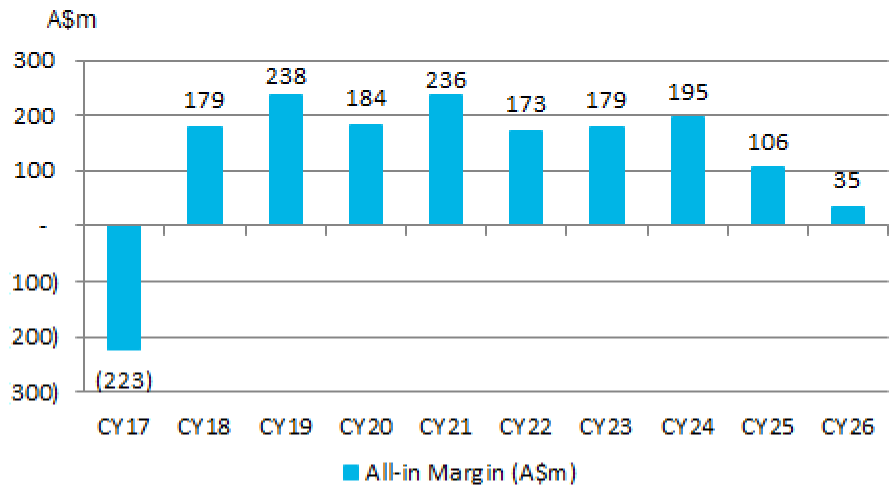
Mt Morgans All-in Margin at Spot Prices



Source: Company, Blue Ocean estimates. Spot Prices: US$1,189/oz gold, 0.74 A$/US$

We forecast very robust all-in margins from Mt Morgans at spot prices

Mt Morgans All-in Margin at US$1,400/oz gold, 0.70 A$/US$



Source: Company, Blue Ocean estimates

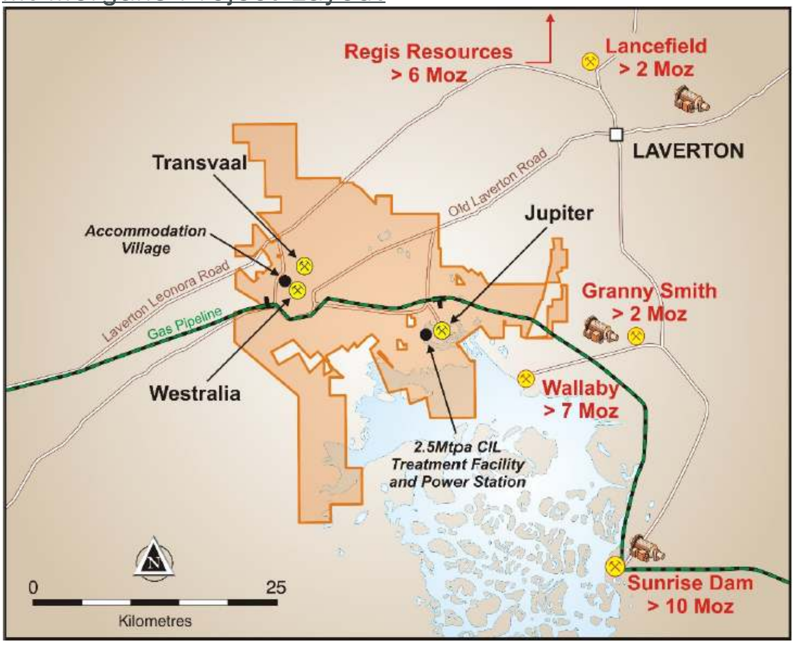
We forecast a material improvement in all-in margins at our long term forecasts of US$1,400/oz gold and 0.70 A$/US$

MT MORGANS DETAILED OVERVIEW

Dacian's Mt Morgans project will comprise:

- A conventional 2.5mtpa CIL plant
- Fed by 4 ore sources:
    - 2 underground mines at Westralia
        - Allanson UG
        - Beresford UG
    - A large 1.8km long open pit at Jupiter
    - A modest UG mine at Transvaal

Mt Morgans Project Layout



Source: Company

Snapshot of key project highlights

- Contract Mining: A very conventional approach across the board:
    - Underground mining: Standard top-down, sublevel open stoping, very typical of other mines in the WA gold fields. Haulage using 60t trucks.
        - Beresford: Average ore body width 2.5-2.7m. Mining depth 430m for reserves, 680m in the PFS (including inferred material)
        - Allanson: Average ore body width 1.4-1.7m. Mining depth 540m for reserves, 550m in the PFS (including inferred material)
    - Open pit mining: Conventional drill, blast, truck and shovel operation using 100t & 250t trucks. Average strip 7.5:1. Pit to be 1.8km long, 650m wide, 220m deep.
- Processing: Again a conventional configuration comprising single stage crushing, SAG & ball mill with a pebble crusher, followed by gravity and CIL circuits. A very typical grind size for the WA goldfields of P_{80} passing 106 microns.
- Power: Contract power provided via 20MW diesel gensets under a Build Own Operate model (BOO). The potential benefit of gas-fired power will be assessed once in operation given the mines proximity to the gas pipeline (in green above)
- Water: Raw water to be sourced from historic borefield which supplied the previous Mt Morgans processing plant, located 13km to the northwest of the new plant site.

MT MORGANS CAPEX

The estimated initial capex for Mt Morgans is A$220m +/-15% comprising:

- A$172m for process plant and infrastructure (breakdown below)
- A$48m for mine establishment costs
    - A$30m at the Beresford underground
    - A$4m at the Allanson underground
    - A$14m at the Jupiter open pit

In the expanded PFS, there is additional capex of A$3m to accommodate larger capacity into the tailing facility.

Dacian's new initial capital estimate of A$220m, was ~A$30m or ~16% higher than our previous estimate of A$190m, although this negative impact on our valuation was more than offset by several other layers of conservatism which we built into our previous forecast (detailed on p10).

Processing Plant & Site Infrastructure Capital Cost Estimate Summary

	A$ million
Processing Plant	
Crushing & Ore Storage	$13.2
Grinding & Gravity	$24.1
Leaching & Adsorption	$12.4
Goldroom & Reagents	$4.9
Tailings disposal & storage	$7.2
Plant power reticulation	$13.7
Plant piping & water services	$11.7
Plant building & laboratory	$3.3
Engineering & Construction costs	$34.0
Fuel Storage & Distribution	$2.0
Mobile equipment	$4.3
First Fill & Spares	$3.4
Subtotal	$134.2
Site Infrastructure	
Accommodation village	$20.8
Mine service areas	$7.3
Power distribution	$1.5
Communications	$4.4
Earthworks, roads, fencing	$4.0
Subtotal	$38.0
Total	$172.3

Source: Company

Potential for Lower Capex Flagged

While the estimated initial capex for plant and infrastructure at Mt Morgans increased by A$15m or 9.6% to A$172m compared to the Scoping Study estimate of A$157m, the company has also flagged potential for a capex saving of ~A$10m through:

- The acquisition of a second-hand camp (A$20.8m budgeted in capex for a new camp)
- Leasing light vehicles (which currently represent over A$4m in the new capex estimate)

For now, in our valuation, we assume none of these potential capex savings are achieved.

MT MORGANS OPEX

The new estimated AISC for Mt Morgans has increased on the Scoping Study estimate of A$929/oz, although only marginally in the expanded PFS:

- Feasibility Study: AISC A$1,039/oz (+11.8% on Scoping Study)
- Expanded PFS: AISC A$970-975/oz (+4.7% on Scoping Study)

In our view, the company's cost assumptions are defensible and are comparable to costs being achieved at other operating mines. The company's key cost assumptions comprise:

- **Open pit mining cost**: A$2.88/t material or A$24.48/t ore (based on a 7.5:1 strip)
- **Underground mining cost**: A$70.00/t
- **Processing cost**: A$17.88/t (breakdown below)
- **Site General & Administrative costs**: A$2.88/t
- **Underground sustaining capex**: A$145/oz

MMGP Initial Ore Reserve Mining Operating Costs

	C1 A$/t	C1 A$/oz	AISC A$/oz
Open Pit			
Mining	24	620	620
Processing	18	457	457
Site General & Administration	3	73	73
Sustaining Capital	-	-	2
Royalties & Refining	-	-	42
Total	**45**	**1,150**	**1,193**
Underground			
Mining	70	522	522
Processing	18	134	134
Site General & Administration	3	22	22
Sustaining Capital	-	-	145
Royalties & Refining	-	-	42
Total	**91**	**678**	**865**
Initial Ore Reserve Mining Total	**55**	**935**	**1,039**

Source: Company

The table below provides a breakdown of Mt Morgans' estimated processing costs:

Process Operating Costs	A$/t
Cost Area	
Power	$5.74
Reagents & Grinding Media	$6.22
Labour	$3.08
Maintenance & wear materials	$1.61
Other	$1.23
Total	**$17.88**
Plant Area	
Crushing and screening	$1.00
Grinding and classification	$9.32
Leach and adsorption	$4.18
Elution and gold recovery	$1.23
Tailings disposal	$0.11
Reagent storage and distribution	$0.10
Water and air services	$0.46
Workshop	$1.21
Laboratory	$0.11
Administration	$0.16
Total	**$17.88**

Source: Company

MT MORGANS MAIDEN 1.2MOZ RESERVE

In addition to its Feasibility Study for Mt Morgans Dacian also released its maiden 1.2moz reserve, as outlined below.

Mount Morgans Gold Project Initial Ore Reserves

		Proved Ore Reserves			Probable Ore Reserves			Total Initial Ore Reserves		
	COG (g/t)	Tonnes (Kt)	Au g/t	Au (Koz)	Tonnes (Kt)	Au g/t	Au (Koz)	Tonnes (Kt)	Au g/t	Au (Koz)
Beresford UG	2.0	50	4.9	8	2,383	4.2	323	2,433	4.2	331
Allanson UG	2.0	-	-	-	882	5.7	162	882	5.7	162
Transvaal UG	1.4	193	4.7	29	325	3.4	36	518	3.9	65
Jupiter OP	0.5	867	1.7	48	13,884	1.3	595	14,751	1.4	643
INITIAL ORE RESERVE		**1,110**	**2.4**	**85**	**17,475**	**2.0**	**1,115**	**18,585**	**2.0**	**1,200**

Source: Company

MT MORGANS 1.7MOZ MINING INVENTORY

In Dacian's expanded PFS, the company added the green inferred material in the Beresford and Allanson underground mines (shown on p2) to its mining inventory, increasing the ounces mined from 1.2moz (in the Feasibility Study) to 1.65moz (in the expanded PFS):

MMGP Expansion PFS Mining Summary

	COG (g/t)	Tonnes (Kt)	Au (g/t)	Au (Koz)
Beresford UG	2.0	4,540	4.7	682
Allanson UG	2.0	1,590	5.0	256
Transvaal UG	1.4	520	3.9	65
Jupiter OP	0.5	14,750	1.4	643
PFS Total Mining		**21,400**	**2.4**	**1,650**
% of PFS comprising Ore Reserves (ounces)	**73%**	18,590	2.0	1,200
Forecast AISC	A$970-975/oz			
	US$730-735/oz			

Source: Company

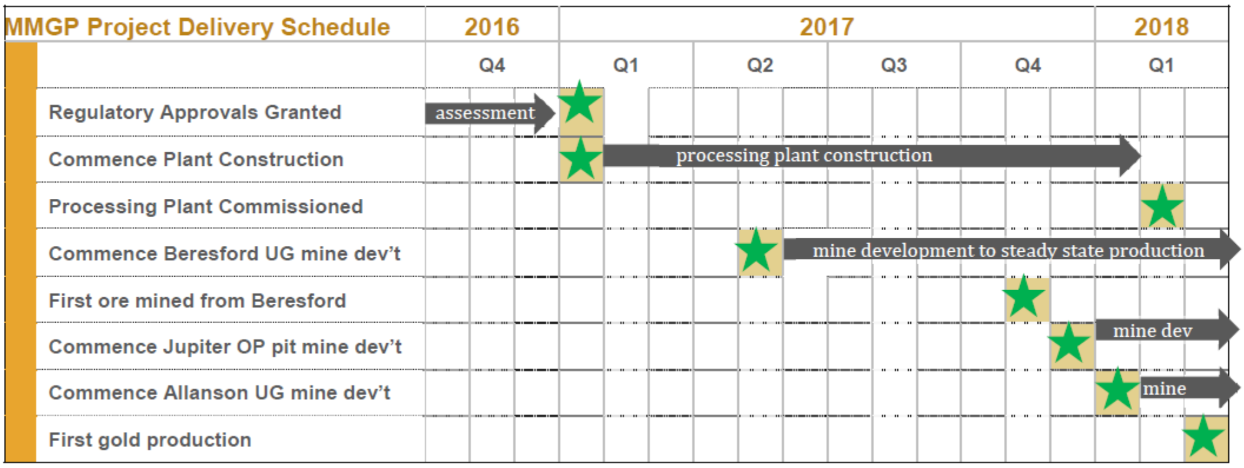
<u>We endorse the company's expanded PFS mining inventory in our base case valuation of Mt Morgans</u>.

MT MORGANS DEVELOPMENT SCHEDULE

The development schedule for Mt Morgans is made considerably simpler by the fact there are no native title claims over the project and the majority of tenements including all production and infrastructure areas are on approved Mining Leases.

As per the schedule below, Dacian is aiming to:

- Have project finance in place in Q4 CY16 (this quarter)
- Begin construction in Q1 CY17
- Produce first gold in March 2018



Source: Company

<u>3D image of 2.5mtpa plant with Jupiter open pit in the background</u>

Source: Company

PROJECT FUNDING

On our estimates, Mt Morgans is a very robust project with strong cash flow and rapid projected payback and in our view the project is likely to support at least ~A$150-180m of project debt (and perhaps more).

In the table below we assume:

- Initial capex of A$223m (based on the expanded PFS)
- Exploration during construction of A$12m (DCN targeting A$12-15m)
- Working capital of A$30m (our estimate)
- We also assume 60% debt funding. On the Feasibility Study conference call this week the CEO indicated the Dacian board would likely be comfortable with up to 60% debt.

Funding Uses	A$m
Initial Capex	223
Exploration during construction	12
Working capital	30
Total	**265**

Funding Sources		A$m
Equity	40%	106
Debt	60%	159
Total		**265**

Source: Company, Blue Ocean estimates

At the end of September Dacian had A$5m in cash.

We expect Dacian to raise equity of ~A$100-110m in the coming weeks and we expect *substantial* demand from investors given:

- **The compelling project economics of Mt Morgans at current prices**
- **The high-quality management team and proven track record** (Avoca Resources)
- **The limited number of high quality development-ready gold projects on the ASX.** In our view, The Gold Fields deal with Gold Road on its Gruyere project earlier this month probably extinguished the other major near-term potential liquidity event for institutional investors looking to get set in a high-quality ASX gold developer.

Whilst we have no knowledge of the planned timing or structure of Dacian's major equity raising, we note the company does have a very supportive shareholder register, almost 40% of which is made up of institutional shareholders. We would not be surprised to see the major raising be at least partially undertaken as a rights issue to existing holders (as per the company's previous raising).

i.e. For those investors, who like the Dacian story and are hoping to participate when the company does come to market, we would strongly recommend buying shares on market now.

DON'T FORGET ABOUT GOLD FIELDS…

Dacian's Mt Morgans project sits only ~20km from Gold Fields Granny Smith 3.5mtpa processing plant, which is currently only at ~50% capacity. We continue to believe there is a strong chance that Gold Fields may bid for Dacian at some point.

Since Dacian has to spend A$172m building a new processing plant, Dacian's Mt Morgans project is actually worth ~A$172m *more* to Gold Fields than it is to DCN (or anyone else for that matter).

On 7 November, Gold Fields acquired a 50% stake in Gold Road's (GOR) Gruyere project in WA for A$350m + 1.5% NSR post 2moz of production. On our forecast, the implied premium for acquisition was 49%, in our view, an excellent outcome for GOR shareholders.

One week later, on 14 November, Gold Fields announced another deal, a joint C$1.4bn proposal with Silver Standard to acquire Canadian gold miner, Kirkland Lake Gold.

Many would assume Gold Fields probably has its hands full with these two transactions, but after the Kirkland Lake proposal, the CEO of Gold Fields said the company had *not* closed the door on further acquisitions.

He also said "it certainly doesn't in any way detract from us making sure the existing asset portfolio of Australia is optimised".

To us, this says a potential bid for Dacian could still be on the cards.

UPGRADING OUR PRICE TARGET TO $4.60

We maintain our high conviction Buy on Dacian and upgrade our Price Target to $4.60 (from $4.20) based on:

- Earlier Gold Production: Our previous forecasts included a 6-month buffer to first production. We now assume first production in March CY18 in line with the company's target.
- Reduced Discount to NAV: With the higher confidence Mt Morgans Feasibility Study now complete, we reduce our discount to NAV from 20% to 10%.
- Reduced Buffer on Cash Costs: Given the early stage nature of the previous study, our forecasts included much higher sustaining capex (+45% on the Scoping Study) until more detailed studies could be completed. We now endorse the company's sustaining capex targets.
- A Stronger A$ Long Term: We use the A$/US$ forward curve from Bloomberg comprising spot of 0.74 falling to 0.70 long term (previously 0.67 long term). This adjustment to our long term forecast had a meaningful ~10% negative impact to our valuation.
- Unchanged Long Term Gold Prices: We forecast US$1,300/oz gold in CY17 (previously US$1,400/oz) and US$1,400/oz from CY18. In essence our gold price forecasts for the period when Dacian is in production (from March 2018) are unchanged.

STRATEGIC TARGET

To calculate our Strategic Target we assume:

- US$1,400/oz gold long term and A$/US$ on the forward curve (as described above)
- Our NPV for Dacian in production is ~$5.65
- Our $6.80 Strategic Target assumes Dacian trades at 1.2x NPV once in production, in line with many of the company's producing peers.

KEY RISKS

Dacian is exposed to all the normal risks associated with developing and operating mining projects, including permitting, funding and construction risk.

Assuming the company makes the transition into production, the company's revenues will be derived from the sale of gold. Fluctuations in the gold price as well as the Australian dollar could impact the company's cash flow, profitability and share price.

Dacian's shares also carry an embedded Australian sovereign risk as the company's development projects are based in Western Australia.

MODEL SUMMARY – FINANCIALS & VALUATION

Stock Details					
Recommendation:	BUY			Diluted MCap	$455m
Target	$4.60	Share Price	$3.07	Diluted Shares	148m
NAV	$4.61	52 Week High	$4.00	Free Float	100%
Implied Return	50%	52 Week Low	$0.73	Avg Daily Value	$1.04m

Enterprise Value $450m

Macro Assumptions	FY15	FY16	FY17E	FY18E	FY19E
Exchange Rate (A$/US$)	0.84	0.73	0.74	0.72	0.71
Gold Price (US$/oz)	1,224	1,167	1,296	1,350	1,400
Gold Price Realised (A$/oz)	1,464	1,602	1,753	1,875	1,972

Profit & Loss (A$m)	FY15	FY16	FY17E	FY18E	FY19E
Revenue	-	-	-	167	390
Operating Costs	-	-	-	(74)	(169)
Operating Profit	**-**	**-**	**-**	**93**	**222**
Corporate & Other	(1)	(3)	(2)	(2)	(5)
Exploration Expense	(7)	(19)	(9)	(11)	(11)
EBITDA	**(8)**	**(22)**	**(10)**	**80**	**206**
D&A	(0)	(0)	(0)	(0)	(29)
EBIT	**(9)**	**(22)**	**(11)**	**80**	**177**
Net Interest Expense	0	0	1	(9)	(6)
Pre-Tax Profit	**(8)**	**(22)**	**(9)**	**71**	**171**
Tax Expense	0	0	-	(24)	(51)
Underlying Profit	**(8)**	**(22)**	**(9)**	**47**	**120**
Signficant Items (post tax)	-	-	-	-	-
Reported Profit	**(8)**	**(22)**	**(9)**	**47**	**120**

Cash Flow (A$m)	FY15	FY16E	FY17E	FY18E	FY19E
Operating Cashflow	(1)	(2)	(2)	91	217
Tax	-	-	-	-	(24)
Net Interest	0	0	1	(9)	(6)
Net Operating Cash Flow	**(1)**	**(1)**	**(1)**	**82**	**188**
Exploration	(6)	(17)	(10)	(12)	(12)
Capex	(0)	(1)	(111)	(118)	(19)
Acquisitions / Disposals	-	-	-	-	-
Other	(0)	-	-	-	-
Net Investing Cash Flow	**(6)**	**(18)**	**(121)**	**(130)**	**(31)**
Equity Issue	-	24	106	4	0
Borrowing / Repayments	(0)	(0)	24	56	(80)
Dividends	-	-	-	-	(21)
Other	(0)	-	-	-	-
Net Financing Cash Flow	**(0)**	**24**	**130**	**60**	**(100)**
Change in Cash Position	(6)	5	8	12	57
FX Adjustments	-	-	-	-	-
Cash Balance	**5**	**10**	**18**	**30**	**87**

Balance Sheet (A$m)	FY15	FY16E	FY17E	FY18E	FY19E
Cash	5	10	18	30	87
Other Current Assets	0	0	0	0	0
PP&E	0	1	112	230	219
Exploration & Development	8	8	9	10	11
Other Non Current Assets	0	0	0	0	0
Total Assets	**14**	**19**	**139**	**270**	**317**
Debt	0	-	24	80	0
Other Liabilities	3	5	5	29	57
Net Assets	**10**	**13**	**110**	**161**	**260**

Ratio Analysis		FY15	FY16	FY17E	FY18E	FY19E
Diluted Shares	m	96	145	148	153	153
EPS - Diluted	Ac	(8.4)	(16.9)	(6.4)	30.9	78.4
P/E	x	**n.m.**	**n.m.**	**n.m.**	**9.9x**	**3.9x**
CFPS - Diluted	Ac	(0.7)	(1.0)	(0.5)	53.6	122.8
P/CF	x	**n.m.**	**n.m.**	**n.m.**	**5.7x**	**2.5x**
FCF - Diluted	Ac	(1.0)	(1.4)	(76.6)	(17.9)	114.2
P/FCF	x	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**2.7x**
Dividends	Ac	-	-	-	7.0	19.0
Dividend yield	%	-	-	-	2.3%	6.2%
Payout Ratio	%	-	-	-	21%	22%
Franking	%	-	-	-	100%	100%
Enterprise Value	A$m	450	445	461	505	368
EV/EBITDA	x	**(53.8x)**	**(20.1x)**	**(44.1x)**	**6.3x**	**1.8x**
ROE	%	(78%)	(165%)	(9%)	29%	46%
ROA	%	(59%)	(117%)	(7%)	18%	38%
Net Debt / (Cash)		(5)	(10)	6	49	(87)
Gearing (ND/(ND+E))	%	n.m.	n.m.	n.m.	23%	(50%)
Gearing (ND/E)	%	n.m.	n.m.	n.m.	31%	(33%)

	P&P Reserves			M&I Resources			Inferred
	mt	g/t	moz	mt	g/t	moz	moz
Westralia	3	4.6	0.5	5.2	5.4	0.9	0.7
Jupiter	15	1.4	0.6	27.4	1.3	1.1	0.2
Transvaal	1	3.9	0.1	0.8	5.5	0.1	0.1
Other	-	-	-	3.7	0.8	0.1	0.1
Sub Total	**19**	**-**	**1.2**	**37.1**	**1.9**	**2.3**	**1.2**
Total						**3.3**	

Earnings Sensitivity			FY19E	FY20E	FY19E	FY20E
			A$m	A$m	%	%
Gold Price	US$/oz	+10%	27	29	24%	24%
Exchange Rate	A$/US$	-10%	30	32	26%	26%

Valuation	Discount	Stake	A$m	A$/sh	
Mt Morgans (unrisked)		100%	703	4.87	
Mt Morgans (risk-adjusted)	10%	100%	633	4.38	
Exploration			50	0.35	
Corporate & Other			(32)	(0.22)	
Debt			-	-	
Cash			5.0	0.03	
Option Strikes			10.5	0.07	P/NAV
Risk adjusted NAV			**666**	**4.61**	0.67

Source: IRESS, Company data, Blue Ocean estimates

MODEL SUMMARY – INPUTS & FREE CASH FLOW

Macro Assumptions		FY18E	FY19E	FY20E	FY21E	FY22E
Exchange Rate	A$/US$	0.72	0.71	0.70	0.70	0.70
Gold Price	US$/oz	1,350	1,400	1,400	1,400	1,400
Gold Price Realised	A$/oz	1,875	1,972	2,000	2,000	2,000

Operational Summary		FY18E	FY19E	FY20E	FY21E	FY22E
Mt Morgans - Mining						
Open Pit Ore						
Percent from Open Pits	%	72%	65%	58%	66%	76%
Open Pit Mill Feed	kt	935	1,791	1,649	1,785	2,555
Open Pit Head Grade	g/t	1.2	1.4	1.4	1.1	1.4
Underground Ore						
Percent from Underground	%	28%	35%	42%	34%	24%
Underground Mill Feed	kt	367	968	1,211	917	789
Underground Head Grade	g/t	5.3	4.6	4.2	4.4	4.9
Mt Morgans - Processing						
Mill Throughput	mt	1.0	2.2	2.5	2.5	2.5
Head Grade	g/t	2.9	3.0	2.9	2.7	2.8
Recovery	%	91%	91%	91%	90%	90%
Gold Production	koz	86	198	210	200	200
All-in Sustaining Cost	A$/oz	966	968	1,018	971	1,001

FCF Contribution	A$m	FY18E	FY19E	FY20E	FY21E	FY22E
Mt Morgans						
Revenue		167	390	420	399	400
Operating Costs		74	169	188	170	180
Sustaining Capex		8	19	21	19	15
Sustaining Exploration		-	-	-	-	-
Corp Overheads		2	5	5	5	5
All-in Sustaining Margin		**83**	**199**	**206**	**205**	**200**

Group		FY18E	FY19E	FY20E	FY21E	FY22E
Gold Production	**koz**	**86**	**198**	**210**	**200**	**200**
All-in Sustaining Cost	A$/oz	966	968	1,018	971	1,001
All-in Sustaining Cost	US$/oz	695	687	713	680	701

Operations	A$m	FY18E	FY19E	FY20E	FY21E	FY22E
Revenue		167	390	420	399	400
All-in Sustaining Cost		84	192	214	194	200
All-in Sustaining Margin		**83**	**199**	**206**	**205**	**200**
Growth Capex		110	-	-	-	-
Growth Exploration		12	12	12	12	12
All-in Margin		**(39)**	**187**	**194**	**193**	**188**

Corporate	A$m	FY18E	FY19E	FY20E	FY21E	FY22E
Cash Tax		-	24	32	49	64
Other Items		-	-	-	-	-
FCF pre Debt Service		**(39)**	**163**	**163**	**144**	**124**
Net Interest		9	6	(3)	(5)	(8)
Debt Drawdown / (Repayment)		56	(80)	-	-	-
FCF post Debt Service		**8**	**78**	**165**	**149**	**132**

New Equity/Dividends	A$m	FY17E	FY18E	FY20E	FY21E	FY22E
Proceeds from Shares/Options		4	0	2	6	-
Dividends Paid		-	21	33	26	36
Change in Cash		**12**	**57**	**134**	**129**	**96**
Cash Balance		**30**	**87**	**221**	**350**	**446**

Source: IRESS, Company data, Blue Ocean estimates

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