



## SPEC BUY

Current Price	\$1.18
Valuation	\$2.70
TSR (%)	129%

Tuesday, 2 July 2024

## Magnetic Resources (MAU)

### LJN4 MRE Update

Analyst | Patrick Streater

#### Quick Read

The LJN4 discovery continues to grow with today's MRE update adding another 550koz, taking the total LJN4 resource to 1.49Moz at 2.02g/t Au. We continue to see good drill results at depth with a clear pathway to drill out a significant underground resource at LJN4 to complement the existing high-grade open pit resource. We maintain our Speculative Buy with a Price Target increase to A\$2.70 (\$2.10 prior). Our Price Target increase is driven by the inclusion of additional underground mining inventory (211koz) into our mining scenario and 3-5% increase in Argonaut's FY25-FY27 gold price assumptions. Further drill results at depth represent a clear upside catalyst to our valuation.

#### Key points

**Extensional drilling highlights upside:** Extensional drilling at depth on broad 100-200m spaced step outs continues to demonstrate the exploration potential at LJN4. Recent intercepts (23m at 6.3g/t) demonstrate another continuous high-grade shoot at the northern end of the deposit. Already tested and confirmed to a depth extent of 600m below surface, current drilling is testing the lode at depth of 750m below surface. If successful, this drill hole will establish depth extent of 1000m to mineralisation.

**LJN4 MRE Update:** LJN4 continues to grow at a rapid pace with today's MRE update taking the LJN4 total resource to 1.49Moz at 2.02g/t Au. The update represents a +550koz increase since the last March 2024 update. The total Lady Jule Project Resource now stands at 1.69Moz at 1.91g/t Au across three deposits LJN4, LJC and HN9. LJN4 remains open at depth with an ongoing drill out continuing to establish a significant underground resource in addition to the current open pit resource.

**Initial Argonaut Underground Inventory:** Using recently reported drilling at LJN4, Argonaut's valuation incorporates an initial underground mining inventory of 211koz at 3.4g/t Au using a 2.0g/t Au cutoff. Mineralisation in our model demonstrates simple continuous lode geometries ideal for underground mining with true widths ranging from 7-20m over an average strike length of 225m. From our assessment of the drilling results, we view this inventory as starting point with a clear pathway to a developing 500-750koz underground resource at LJN4. Our mining scenario at the Lady Jule project now models a 9-year mine life producing an average of 110kozpa at AISC of A\$1,689/oz.

#### Valuation & Recommendation

Argonaut reiterates our SPEC BUY recommendation with a Price Target increase from \$2.10 to \$2.70, driven higher by the inclusion of additional mining inventory and a 3-5% increase in Argonaut gold price forecasts. We expect a continuous news flow of drilling results as MAU continues to scope out the size of the LJN4 deposit at depth.

Shares on issue (m)	258
Market Cap (A\$m)	304
Net cash (debt) (A\$m)	11.5
Enterprise Value (A\$m)	293

52 Week High	1.05
52 Week Low	1.71
ADTO (msh)	0.0

Key Metrics	FY24E	FY25E	FY26E
P/E (x)	nm	nm	nm
EV/Ebit (x)	nm	nm	nm
EV/Ebitda (x)	nm	nm	nm
FCF yield (%)	(2.6%)	(2.6%)	(11.4%)
Dividend yield (%)	0.0%	0.0%	0.0%

Financial Summary	FY24E	FY25E	FY26E
Revenue (A\$m)	0	0	0
Ebitda (A\$m)	(8)	(8)	(15)
Ebit (A\$m)	(8)	(8)	(14)
Earnings (A\$m)	0	0	0

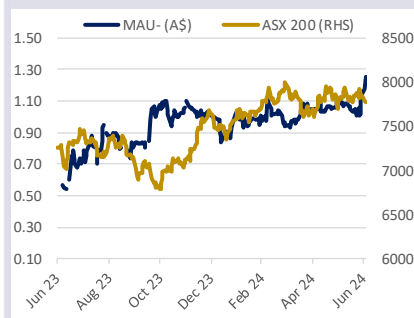
Op cash flow (A\$m)	(1)	(2)	(9)
Capex (A\$m)	(0)	0	(20)
Free CF (A\$m)	(8)	(8)	(15)

Debt (cash) (A\$m)	(11)	(54)	(19)
Gearing (%)	(741%)	(3,552%)	(86%)

Gold production (koz)	FY24E	FY25E	FY26E
Lady Julie	0.0	0.0	0.0

AISC	FY24E	FY25E	FY26E
Lady Julie	0	0	0

Share price performance vs ASX 200



Source: Factset, Argonaut

Figure 1 – Earnings and valuation summary

<b>Magnetic Resources NL</b>						
Shares (m)	258					
ASX: MAU	Share price (A\$)	1.18				
	Market Cap (A\$m)	304				
Analyst: Patrick Streater www.argonaut.com						
Key metrics	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E
EPS (Ac)	(3.04)	(3.09)	(4.81)	26.25	63.53	64.97
DPS (Ac)	0.00	0.00	0.00	0.00	0.00	0.00
P/E (x)	nm	nm	nm	25.9	62.7	64.1
EV/Ebit (x)	nm	nm	nm	1.2	(0.1)	(0.8)
EV/Ebitda (x)	nm	nm	nm	1.2	(0.1)	(0.8)
EV/Production (x)	nm	nm	nm	1,561	(246)	(1,416)
Free cash flow yield (%)	(2.6%)	(2.6%)	(11.4%)	41.3%	64.5%	61.6%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net debt (cash) (A\$m)	(11.5)	(53.5)	(18.7)	(144.4)	(340.6)	(528.2)
Gearing (%)	(741%)	(3,552%)	(86%)	579%	1,123%	2,320%
Profit & Loss	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E
Sales revenue (A\$m)	0.0	0.0	0.0	348.6	484.2	513.3
Operating costs (A\$m)	0.7	0.0	(7.0)	(204.2)	(190.3)	(218.0)
Explorator expense (A\$m)	(7.0)	(6.1)	(6.3)	(6.4)	(6.6)	(6.8)
Corporate overhead (A\$m)	(2.2)	(2.0)	(2.1)	(3.2)	(4.4)	(4.6)
<b>Ebitda (A\$m)</b>	<b>(8.4)</b>	<b>(8.1)</b>	<b>(15.3)</b>	<b>134.7</b>	<b>282.8</b>	<b>283.9</b>
Depreciation (A\$m)	(0.0)	(0.0)	(0.0)	(6.7)	(9.8)	(10.8)
<b>Ebit (A\$m)</b>	<b>(8.5)</b>	<b>(8.1)</b>	<b>(15.4)</b>	<b>128.0</b>	<b>273.0</b>	<b>273.0</b>
Net interest (A\$m)	0.6	0.2	0.9	(6.7)	3.7	8.1
<b>Pre-tax profit (A\$m)</b>	<b>(7.8)</b>	<b>(8.0)</b>	<b>(14.4)</b>	<b>121.4</b>	<b>276.7</b>	<b>281.1</b>
Tax (A\$m)	0.0	0.0	0.0	(42.5)	(85.8)	(85.9)
<b>Underlying earnings (A\$m)</b>	<b>(7.8)</b>	<b>(8.0)</b>	<b>(14.4)</b>	<b>78.8</b>	<b>190.8</b>	<b>195.1</b>
Exceptional items (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Reported Earnings (A\$m)</b>	<b>(7.8)</b>	<b>(8.0)</b>	<b>(14.4)</b>	<b>78.8</b>	<b>190.8</b>	<b>195.1</b>
Cash flow statement	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E
Net profit (A\$m)	(7.8)	(8.0)	(14.4)	78.8	190.8	195.1
Depreciation (A\$m)	0.0	0.0	0.0	6.7	9.8	10.8
Exploration, interest and tax (A\$m)	7.0	6.0	6.0	55.3	15.2	(8.6)
Working Capital (A\$m)	0.0	0.0	(0.4)	(4.0)	(8.3)	2.0
Other (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating cash flow (A\$m)</b>	<b>(0.8)</b>	<b>(1.9)</b>	<b>(8.8)</b>	<b>136.8</b>	<b>207.5</b>	<b>199.4</b>
Capital expenditure (A\$m)	(0.0)	0.0	(20.0)	(5.2)	(5.3)	(5.8)
Exploration (A\$m)	(7.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Other (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Free cash flow (A\$m)</b>	<b>(7.8)</b>	<b>(7.9)</b>	<b>(34.8)</b>	<b>125.6</b>	<b>196.2</b>	<b>187.6</b>
Dividends (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Equity (A\$m)	16.4	50.0	0.0	0.0	0.0	0.0
Debt draw / (repay) (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash flow (A\$m)</b>	<b>8.6</b>	<b>42.1</b>	<b>(34.8)</b>	<b>125.6</b>	<b>196.2</b>	<b>187.6</b>
Balance sheet	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E
<b>Current assets</b>						
Cash at bank (A\$m)	11.5	53.5	18.7	144.4	340.6	528.2
Receivables (A\$m)	0.2	0.2	2.0	10.0	20.6	17.2
Inventories (A\$m)	0.0	0.0	1.0	9.0	16.4	13.8
Other (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current assets (A\$m)</b>	<b>11.7</b>	<b>53.8</b>	<b>21.8</b>	<b>163.4</b>	<b>377.7</b>	<b>559.2</b>
<b>Non-Current assets</b>						
PP&E and Development (A\$m)	2.0	1.9	21.9	20.4	15.9	10.9
Exploration & evaluation (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Other (A\$m)	0.2	0.2	0.2	0.2	0.2	0.2
<b>Non-Current assets (A\$m)</b>	<b>2.1</b>	<b>2.1</b>	<b>22.1</b>	<b>20.6</b>	<b>16.1</b>	<b>11.0</b>
<b>Total assets (A\$m)</b>	<b>13.8</b>	<b>55.9</b>	<b>43.8</b>	<b>184.0</b>	<b>393.7</b>	<b>570.2</b>
<b>Current liabilities</b>						
Payables (A\$m)	0.6	0.6	3.0	15.0	24.7	20.6
Short-term debt (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Other (A\$m)	0.2	0.2	0.2	0.2	0.2	0.2
<b>Current Liabilities (A\$m)</b>	<b>0.8</b>	<b>0.8</b>	<b>3.2</b>	<b>15.2</b>	<b>24.9</b>	<b>20.9</b>
<b>Non-current liabilities</b>						
Long-term debt (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Lease liabilities (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Provisions (A\$m)	0.0	0.0	0.0	7.5	7.8	8.2
Deferred tax (A\$m)	0.0	0.0	0.0	41.9	50.7	35.7
Other (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-Current liabilities (A\$m)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>49.3</b>	<b>58.5</b>	<b>43.9</b>
<b>Total liabilities (A\$m)</b>	<b>0.8</b>	<b>0.8</b>	<b>3.2</b>	<b>64.6</b>	<b>83.4</b>	<b>64.8</b>
<b>Net assets (A\$m)</b>	<b>13.0</b>	<b>55.1</b>	<b>40.6</b>	<b>119.4</b>	<b>310.3</b>	<b>505.4</b>
<b>Equity</b>						
Contributed equity (A\$m)	71.0	121.0	121.0	121.0	121.0	121.0
Accumulated earnings (losses)	(58.0)	(65.9)	(80.4)	(1.5)	189.3	384.4
<b>Total attributable equity</b>	<b>13.0</b>	<b>55.1</b>	<b>40.6</b>	<b>119.4</b>	<b>310.3</b>	<b>505.4</b>
Minorities (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Equity (A\$m)</b>	<b>13.0</b>	<b>55.1</b>	<b>40.6</b>	<b>119.4</b>	<b>310.3</b>	<b>505.4</b>

Source: MAU, Argonaut Research

Recommendation	SPEC BUY
Price Target (A\$)	2.70
TSR (%)	129%



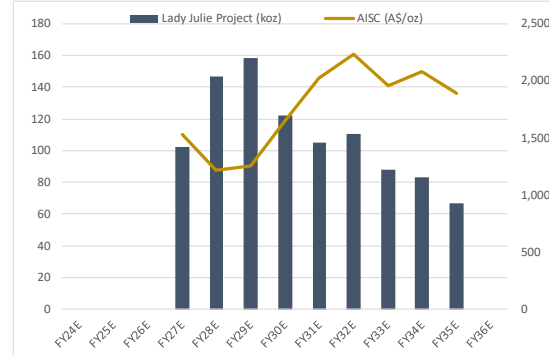
Commodity price assumption:	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E
Gold price (US\$/Oz)	2,080	2,388	2,325	2,225	2,150	2,112
A\$/US\$ exchange rate (x)	0.656	0.650	0.650	0.650	0.650	0.650
Gold price (A\$/Oz)	3,171	3,673	3,577	3,423	3,308	3,249

Mine production details	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E
<b>Gold production</b>						
Lady Julie (kOz)	0	0	0	103	147	158.0
<b>Total (kOz)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103</b>	<b>147</b>	<b>158.0</b>

<b>AISC</b>						
Lady Julie (A\$/Oz)				1,532	1,217	1,259

Group (A\$/Oz)	nm	nm	nm	1,532	1,217	1,259
----------------	----	----	----	-------	-------	-------

#### Production Outlook



#### Reserves and Resources

##### Argonaut Lady Julie Project Mining Inventory

Project	Ore (mt)	(g/t)	(kOz)
LN4 - OP	9.6	2.4	751
LN4 - UG	1.9	3.4	211
LJC - OP	0.8	1.7	45
HN9 - OP	1.2	1.3	52
<b>Total</b>	<b>13.6</b>	<b>2.42</b>	<b>1,059</b>

##### Mineral Resources

Project	Ore (mt)	(g/t)	(kOz)
LN4	23.1	2.01	1492
HN9	3.2	1.28	130
LJC	1.3	1.68	72
Other	5.0	1.12	180
<b>Total</b>	<b>32.6</b>	<b>1.79</b>	<b>1,875</b>
EV/Resource (A\$/Oz)			160

#### Board and Management

Eric Lim	Non-Executive Chairman
George Sakalidis	Managing Director
Hian Siang Chan	Non-Executive Director
Ben Donovan	Non-Executive Director

#### Substantial shareholders

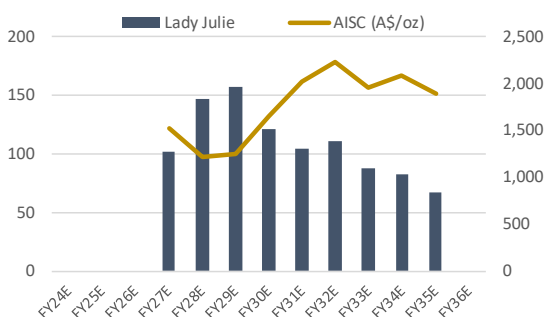
	Shares (m)	Stake (%)
Chim Seng Oan	37.8	14.7%
Choon Kong Lim	16.4	6.4%
Dale Alcock	29.2	11.3%
Top 20	190.2	73.7%

Valuation	Spot Prices		Argonaut forecasts	
	A\$m	A\$sh	A\$m	A\$sh
Lady Julie Project NPV6	827.9	2.66	554.3	1.78
Resources	107.1	0.34	107.1	0.34
Hedge book	0.0	0.00	0.0	0.00
Corporate overhead	(14.3)	(0.05)	(14.3)	(0.05)
Unpaid capital	51.5	0.17	51.5	0.17
Cash	11.5	0.04	11.5	0.04
Debt	0.0	0.00	0.0	0.00
<b>Total</b>	<b>983.7</b>	<b>3.16</b>	<b>710.1</b>	<b>2.28</b>
Price Target (50/50 spot/base case)				2.70

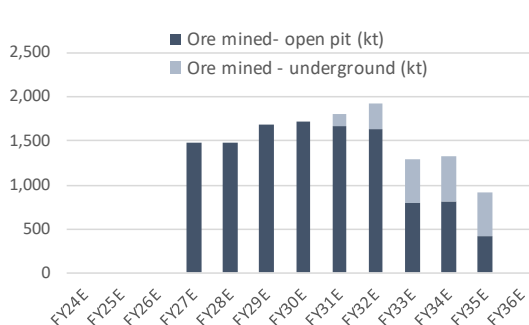


### Seven Key Charts

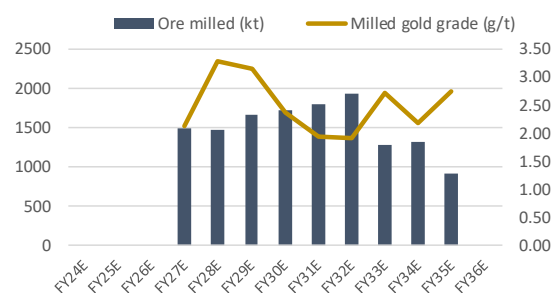
**Figure 2: Lady Julie production and AISC**



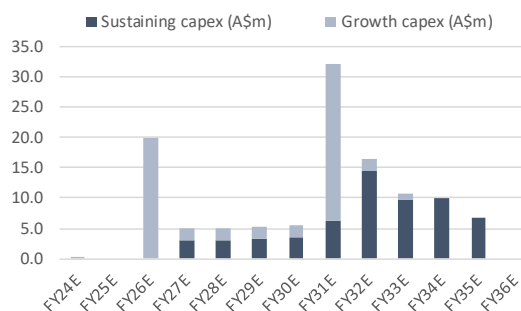
**Figure 3: Lady Julie ore mined and grade**



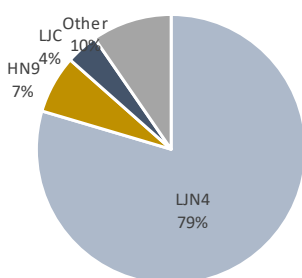
**Figure 4: Lady Julie ore milled and grade**



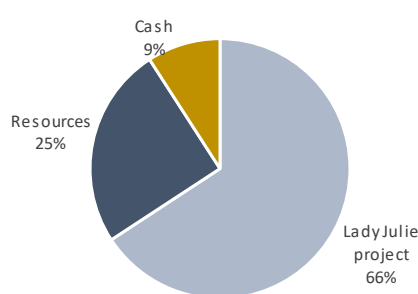
**Figure 5: Capex breakdown**



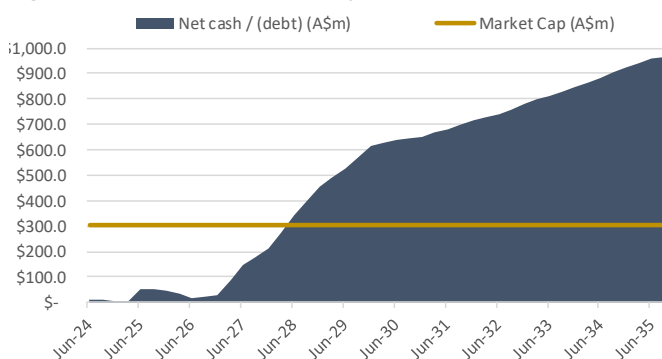
**Figure 7: Resources by deposit**



**Figure 8: NPV Breakdown**



**Figure 9: Net cash build vs market cap**



Sources Fig 2-9: Factset, Argonaut Research, July 2024

## Underground Potential Unfolding

### Extensional drilling growing LN4 at depth

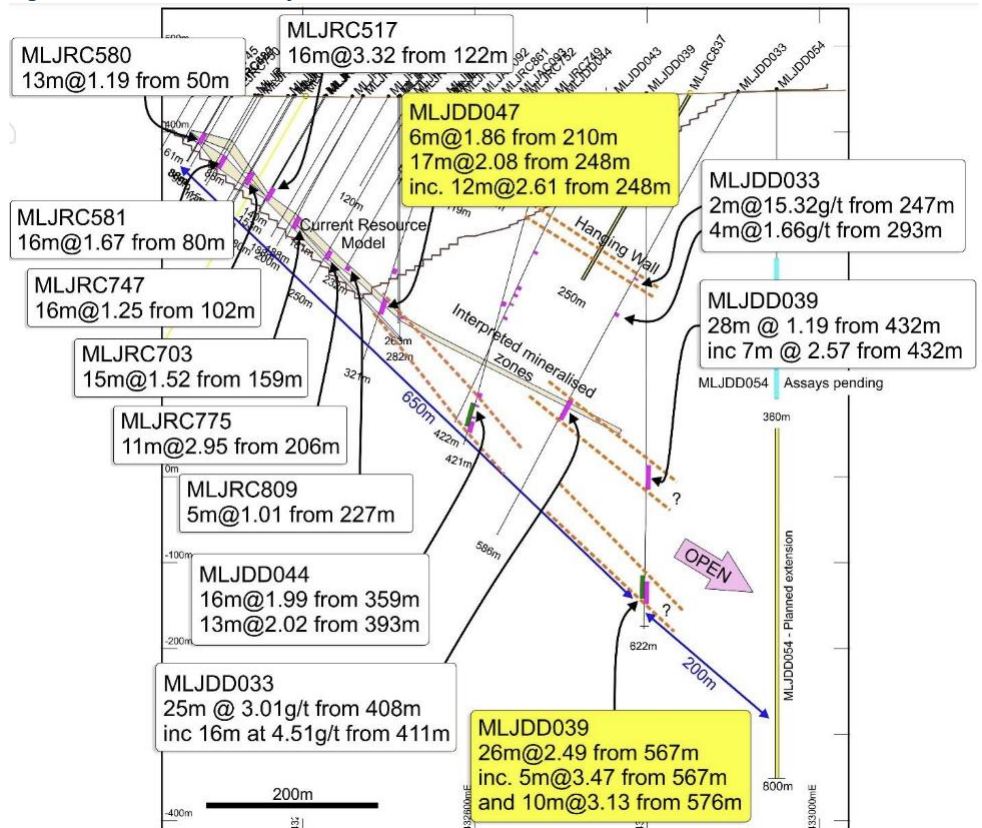
Current drill programs are targeting an increase to the existing LN4 1.49Moz resource through an aggressive extensional drill program at depth to scope out the size of the deposit. Drilling continues to deliver good widths, grades, and continuity on 100-200m step outs with best results of:

- 23m at 6.3g/t Au
- 25m at 3.01g/t Au, Incl 16m at 4.5g/t Au
- 7m at 4.7g/t Au
- 25m at 3.9g/t Au
- 26m at 2.5g/t Au, Incl 10m at 3.1g/t Au & 5m at 3.5g/t Au
- 11m at 3.2g/t Au

**Recent results at LN4 demonstrate a consistent high-grade shoot over a 225m strike length to a depth extent of at least 600m below surface**

Recent drilling has focused on an east dipping lode located at the northern end of the deposit. At its deepest extent, mineralisation has been confirmed to at least 600m below surface, with another drill hole currently underway that will look to test the main lode a depth of ~750m below surface. If successful, this drill hole would confirm a +1000m depth extent for the LN4 lode and establish a framework of the lode geometry enabling a ramped up inferred resource drill out to commence.

Figure 10 - Cross section of recent results at LN4



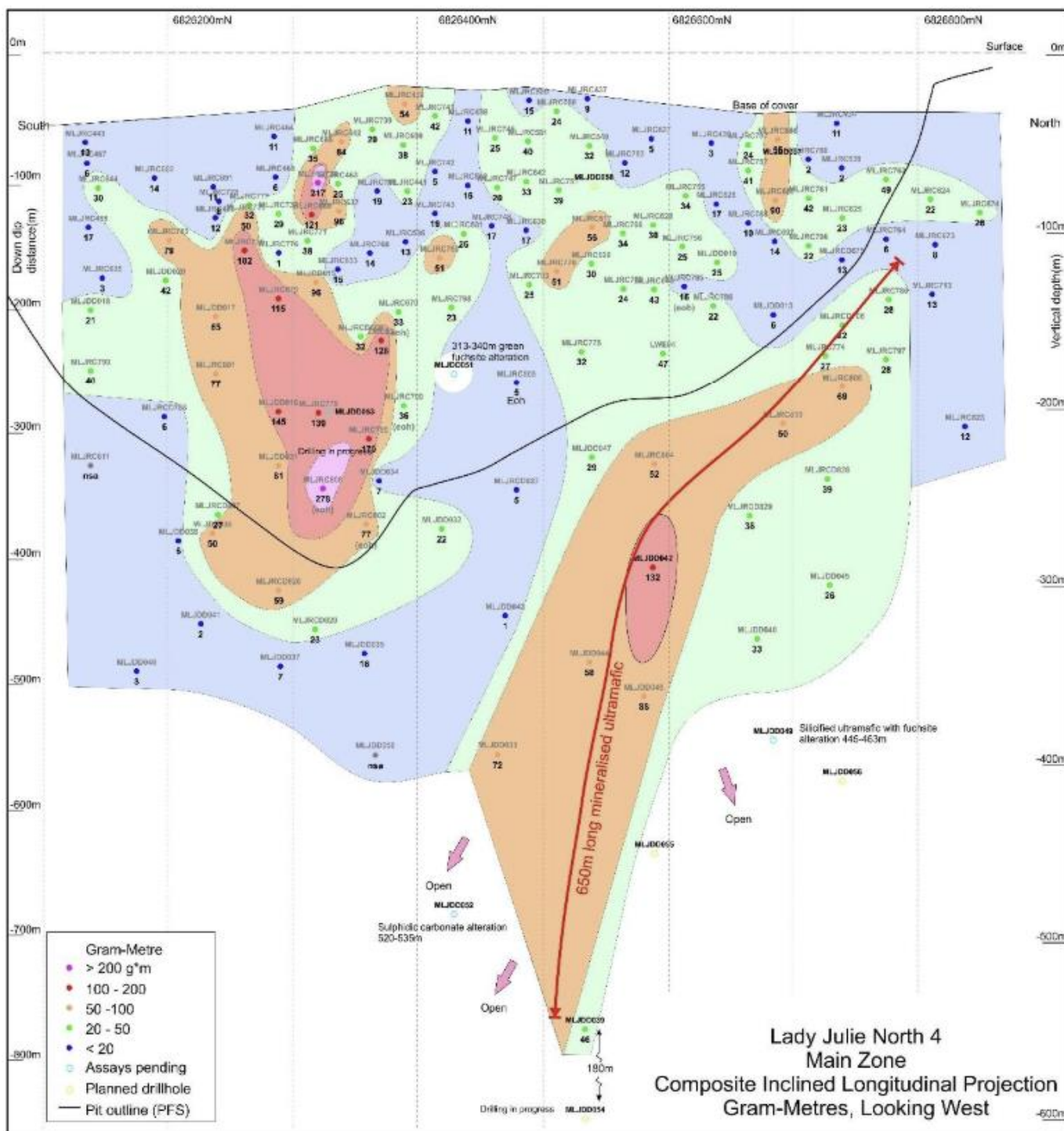
Source: MAU

**Recent drilling at depth has intersected an additional hanging wall lode, adding further exploration upside**





Figure 11 - Long section of recent results at LN4



Source: MAU

**LN4 MRE Update increases LN4 to 1.49Moz at 2.01g/t Au**

Today's MRE update increased the LN4 resource to 1.49Moz at 2.01g/t representing a +550koz increase since the last update in March this year. The ongoing drill out of the northern shoot added the majority of ounces to the resource. Once further pit optimisations are completed we expect that a portion of these additional ounces added will be converted into a underground resource where pit optimisations fall away.

Figure 12- MAU Lady Julie Project July 2024 MRE update.

Deposit	Classification	Tonnes	Au g/t	Ounces
LJN4	Indicated	16,089,000	2.13	1,101,000
LJC	Indicated	792,000	1.97	50,200
HN9	Indicated	1,995,000	1.29	82,800
<b>Total</b>	<b>Indicated</b>	<b>18,876,000</b>	<b>2.03</b>	<b>1,234,000</b>
LJN4	Inferred	6,970,000	1.75	391,400*
LJC	Inferred	541,600	1.26	22,000
HN9	Inferred	1,182,000	1.25	47,600
<b>Total</b>	<b>Inferred</b>	<b>8,693,600</b>	<b>1.65</b>	<b>461,000</b>
LJN4	Total	23,060,000	2.01	1,490,000*
LJC	Total	1,333,600	1.68	72,200
HN9	Total	3,177,000	1.28	130,400
<b>Total</b>	<b>Total</b>	<b>27,570,600</b>	<b>1.91</b>	<b>1,695,400</b>

\*LJN4 includes 2g/t cut off mineralisation for an undergrown resource below 440m of 580,000t at 2.51g/t for 47,500oz  
Source: MAU

**July 2024 MRE update increases LJN4 to 1.49Moz at 2.02g/t Au**

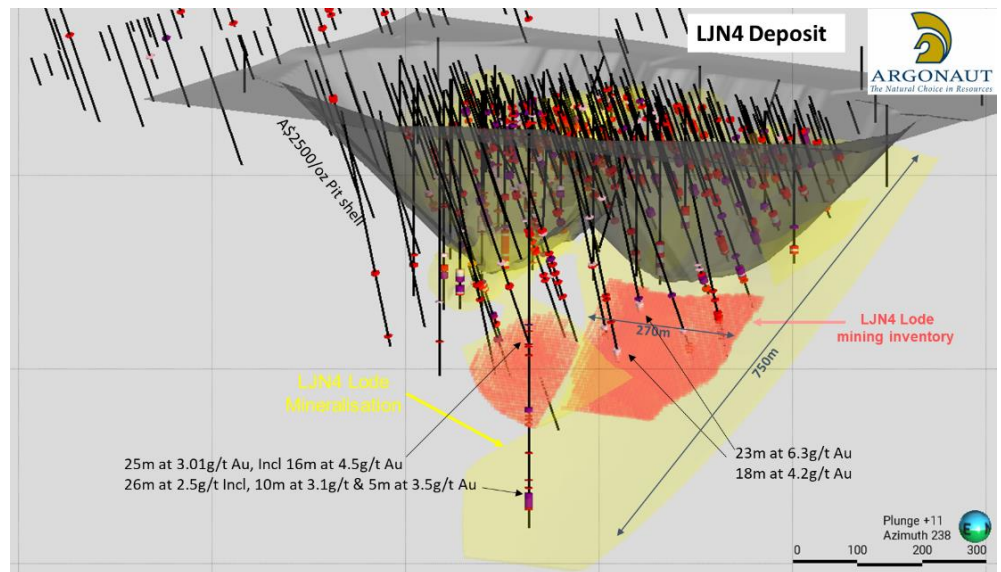
**Initial Argonaut Underground Inventory**

We incorporate an initial underground mining inventory for LJN4 into our mining scenario of 211koz at 3.42g/t Au using a 2.0g/t cut-off. Our underground mining inventory captures mineralisation up to 175m below our existing open-pit designs in areas where sufficient drilling has been reported. The main LJN4 lode continues to show good continuity of grades and widths which, combined with strike lengths, produces an attractive ounces per vertical metre profile of 1,200 OVM. True widths range from 7-20m over our selected mining areas with an average strike length of 225m.

**We expect further additions to our mining inventory as further drilling is reported**

Our inventory estimates for a LJN4 underground currently total 425koz at 3.2g/t which incorporates mineralisation down to 640m below surface. Based on our assessment of the deeper LJN4 drill results we see a pathway to an eventual +500koz-750koz underground resource at LJN4 based on an extrapolation of lode widths and grade. Further drilling will be required to reach our target which we estimate at 10-15km of diamond drilling. MAU is currently well funded with A\$12M cash balance at the end of the MQ.

Figure 13 – Argonaut modelled initial mining inventory for the LJN4 deposit.



Source: Argonaut Research

## Valuation

Argonaut's base case mining scenario for the Lady Julie Gold Project is an open pit operation with staged cutbacks over a 7-year mining period at LJN4. We utilise MAU's reported mining inventories for the LJC and HM9 deposits for our valuation. For LJN4 we use Argonaut's internal inventory estimates that incorporates all additional drilling reported after the November 2023 MRE. We model a lower tonne/higher grade estimate for LJN4 using MAU's released drill results which are reported at 1.0g/t Au cutoff. Our model assumes underground mining commencing in year 5 with a portal at the northern end of the LJN4 open pit. We model a 9-year mine life producing an average of 110kozpa at an AISC of A\$1,689/oz. Production averages 132koz pa during years 1-4 in our model.

*Figure 14 – Argonaut's base case mining inventory estimates.*

### Argonaut Lady Julie Project Mining Inventory

Project	Ore (mt)	(g/t)	(kOz)
LJN4 - OP	9.6	2.4	751
LJN4 - UG	1.9	3.4	211
LJC - OP	0.8	1.7	45
HN9 - OP	1.2	1.3	52
<b>Total</b>	<b>13.6</b>	<b>2.42</b>	<b>1,059</b>

Source: Argonaut Research

**Argonaut maintains its Speculative Buy recommendation with a \$2.70 Price Target (\$2.10 prior).**

Our base case scenario considers a toll treating arrangement at a nearby mill (15km) with a toll treating cost of \$35/t. We use a pre-production capex estimate of A\$30M to cover a 5Mt waste pre-strip, offices, site infrastructure and other G&A. We model A\$25M of growth capex in year four (FY30) to cover underground mining startup costs, including construction of a paste plant. Our base case valuation uses a WACC of 6% with inflation escalated costs. The price target is set using a 50/50 weighting of our sum-of-the-parts NPVs using Argonaut gold price forecasts and spot prices (page 2).

*Figure 15- Valuation Summary, July 2024*

Valuation Asset	Spot Prices		Argonaut forecasts	
	A\$m	A\$sh	A\$m	A\$sh
Lady Julie Project NPV <sub>6</sub>	827.9	2.66	554.3	1.78
Resources	107.1	0.34	107.1	0.34
Hedge book	0.0	0.00	0.0	0.00
Corporate overhead	(14.3)	(0.05)	(14.3)	(0.05)
Unpaid capital	51.5	0.17	51.5	0.17
Cash	11.5	0.04	11.5	0.04
Debt	0.0	0.00	0.0	0.00
<b>Total</b>	<b>983.7</b>	<b>3.16</b>	<b>710.1</b>	<b>2.28</b>
<b>Price Target (50/50 spot/base case)</b>				<b>2.70</b>

Source: Argonaut Research

## Upgrading gold price outlook

Gold prices in the 4QFY24 were 6% above our estimates

### Gold price strength continues to support bullish outlook

Spot gold prices have continued to outperform our expectations. We have marked to market the 4QFY24 price, which has come in 6% higher than we had anticipated. Our price profile remains unchanged, but we have lifted the starting point by ~US\$100/oz, which translates to 4% higher prices through to the end of 2025.

Figure 16: Lifting our near-term gold price forecasts by ~US\$100/oz

Quarterly forecasts	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Gold (US\$/oz) - Previous	2,074	2,200	2,250	2,300	2,300	2,300	2,250	2,250
Gold (US\$/oz) - New	2,074	2,338	2,350	2,400	2,400	2,400	2,350	2,350
Change		6%	4%	4%	4%	4%	4%	4%

Source: Bloomberg, Argonaut Research, July 2024

The US\$100/oz lift in our price forecasts for FY25 translates to similar increases for FY26 and FY27, with our gold price assumptions rising 4% in FY26 and 5% in FY27, with the net increase US\$100/oz in both years.

We upgrade medium-term prices by US\$100/oz

Figure 17: Upgrades to our gold price outlook

Y/E June	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	Long-term
Gold (US\$/oz) - Previous	2,288	2,225	2,125	2,089	2,111	2,172	1,850
Gold (US\$/oz) - New	2,388	2,325	2,225	2,150	2,112	2,172	1,850
Change	4%	4%	5%	3%	0%	0%	0%

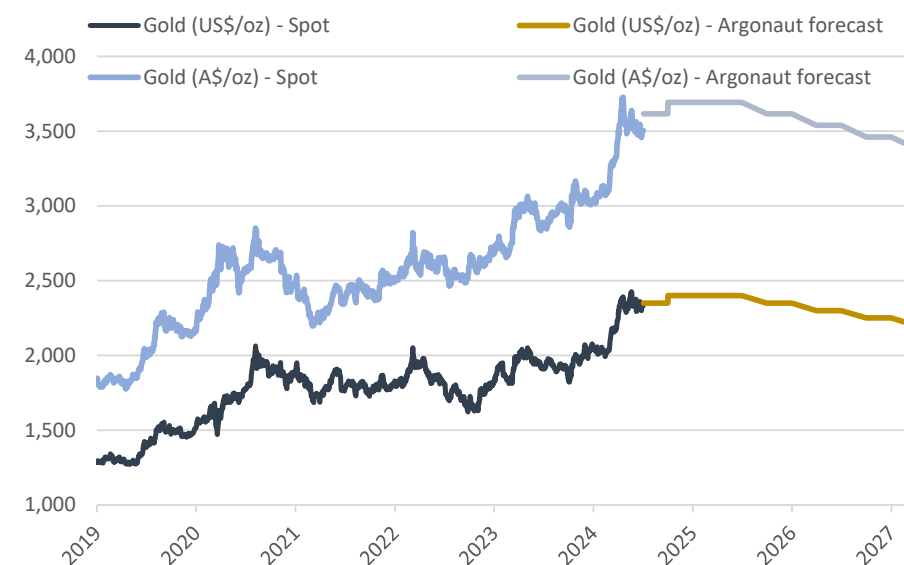
Source: Bloomberg, Argonaut Research, July 2024

### Longer-term price forecasts largely unchanged

We have introduced a forecast of US\$2,150/oz for FY28, 3% higher than our previous assumption, which was based on our long-term gold price of US\$1,850/oz. We have left our FY29 and beyond forecasts linked to our long-term price assumption, hence our forecasts are largely unchanged.

Our long-term price forecasts are unchanged

Figure 18: We maintain a bullish outlook for gold prices



Source: Bloomberg, Argonaut Research, July 2024



**RESEARCH:**

**Hayden Bairstow** | Executive Director, Head of Research  
+61 8 9224 6835

**Ian Christie** | Director Research - Industrials  
+61 8 9224 6872

**Jon Scholtz** | Director Research - Metals & Mining  
+61 8 9224 6873

**George Ross** | Senior Analyst, Metals & Mining Research  
+61 8 9224 6840

**Pat Streater** | Analyst, Metals & Mining Research  
+61 8 9224 6818

**INSTITUTIONAL SALES:**

**Chris Wippl** | Executive Director, Head of Institutional Sales  
+61 8 9224 6875

**Damian Rooney** | Director, Institutional Sales Trader  
+61 8 9224 6862

**Josh Welch** | Institutional Research Sales  
+61 8 9224 6868

**George Ogilvie** | Institutional Research Sales  
+61 8 9224 6871

**Jonathan Bank** | Institutional Research Sales  
+61 2 4086 9413

**Matt Middlemas** | Associate, Institutional Sales  
+61 8 9224 6803

**John Santul** | Consultant, Institutional Sales & Research  
+61 8 9224 6859

**CORPORATE AND PRIVATE CLIENT SALES:**

**Glen Colgan** | Executive Director, Desk Manager  
+61 8 9224 6874

**Kevin Johnson** | Executive Director, Corporate Stockbroking  
+61 8 9224 6880

**Ben Willoughby** | Senior Dealer, Corporate Stockbroking  
+61 8 9224 6876

**David Keogh** | Senior Dealer, Corporate Stockbroking  
+61 8 9224 6852

**Geoff Barnesby-Johnson** | Senior Dealer, Corporate Stockbroking  
+61 8 9224 6854

**James Massey** | Dealer, Corporate Stockbroking  
+61 8 9224 6849

**Cameron Prunster** | Dealer, Private Clients  
+61 8 9224 6853

**Harry Massey** | Dealer, Private Clients  
+61 8 9224 6829

**Jake Solomon** | Dealer, Private Clients  
+61 8 9224 6855

**Matej Mandic** | Dealer, Private Clients  
+61 8 9224 6887

**Amanda Fu** | Provisional Provider, Private Clients  
+61 8 9224 6805

**Important Information**

The publishing analyst owns shares in Magnetic Resources (MAU)

Argonaut Securities Pty Limited is acting as Joint Lead Manager to the Placement to raise up to \$10M announced in March 2024 and will receive fees commensurate with this service.

**Information Disclosure**

Each research analyst of this material certifies that the views expressed in this research material accurately reflect the analyst's personal views about the subject securities and listed corporations. None of the listed corporations reviewed or any third party has provided or agreed to provide any compensation or other benefits in connection with this material to any of the analyst(s).

**Argonaut Deposit Estimates & Inventories**

Argonaut's internal deposit estimates and inventories are based on incomplete publicly available collar, survey, assay, lithology, and other data. These estimates represent the Analysts' view of potential in-ground and exploitable inventories and are not JORC compliant. All Argonaut estimates and inventories should be treated with caution.

**For U.S. persons only**

This research report is a product of Argonaut Securities Pty Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution by Argonaut Securities Pty Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Argonaut Securities Pty Limited has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

**General Disclosure and Disclaimer**

This research has been prepared by Argonaut Securities Pty Limited (ABN 72 108 330 650) ("ASPL") for the use of the clients of ASPL and other related bodies corporate (the "Argonaut Group") and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient you must not use or disclose the information in this report in any way. ASPL is a holder of an Australian Financial Services License No. 274099 and is a Market Participant of the Australian Stock Exchange Limited.

Nothing in this report should be construed as personal financial product advice for the purposes of Section 766B of the Corporations Act 2001 (Cth). This report does not consider any of your objectives, financial situation or needs. The report may contain general financial product advice and you should therefore consider the appropriateness of the advice having regard to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision.

This research is based on information obtained from sources believed to be reliable and ASPL has made every effort to ensure the information in this report is accurate, but we do not make any representation or warranty that it is accurate, reliable, complete or up to date. The Argonaut Group accepts no obligation to correct or update the information or the opinions in it. Opinions expressed are subject to change without notice and accurately reflect the analyst(s)' personal views at the time of writing. No member of the Argonaut Group or its respective employees, agents or consultants accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Nothing in this research shall be construed as a solicitation to buy or sell any financial product, or to engage in or refrain from engaging in any transaction. The Argonaut Group and/or its associates, including ASPL, officers or employees may have interests in the financial products or a relationship with the issuer of the financial products referred to in this report by acting in various roles including as investment banker, underwriter or dealer, holder of principal positions, broker, director or adviser. Further, they may buy or sell those securities as principal or agent, and as such may effect transactions which are not consistent with the recommendations (if any) in this research. The Argonaut Group and/or its associates, including ASPL, may receive fees, brokerage or commissions for acting in those capacities and the reader should assume that this is the case. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment.

The analyst(s) principally responsible for the preparation of this research may receive compensation based on ASPL's overall revenues.

**Copyright**

© 2024. All rights reserved. No part of this document may be reproduced or distributed in any manner without the written permission of Argonaut Securities Pty Limited. Argonaut Securities Pty Limited specifically prohibits the re-distribution of this document, via the internet or otherwise, and accepts no liability whatsoever for the actions of third parties in this respect.