

# Pluton Resources (PLV)

## Location, location, location

24 November 2009

### Opinion Data

<b>Recommendation</b>	<b>Buy (from Restricted)</b>
<b>Risk Rating</b>	<b>High</b>
<b>Current share price</b>	<b>\$0.50</b>
<b>DCF Valuation (Risked)</b>	<b>\$0.86</b>
<b>12 month price target</b>	<b>\$0.86</b>
<b>Market capitalisation</b>	<b>\$78m</b>

**Pluton will purchase Cleveland Cliffs' 50% interest in the Irvine Island project, giving Pluton 100% ownership of the Irvine Island project.**

Irvine Island benefits from the key competitive advantage of direct deepwater access and therefore does not suffer the rail and port limitations that most iron ore developments in the Pilbara or Mid-West region face.

The project is at an early stage of definition with resource definition drilling continuing and a pre-feasibility study yet to be undertaken. PLV upgraded the project resource to 54mt at 49%Fe, based on limited drilling to date, with a higher grade core. There is excellent scope to increase the resource to 60-100mt, with the company targeting up to 130mt, including 30mt DSO ore in the Isthmus region.

While project assumptions remain to be defined, we assume 54mt LOM sales from the Hardstaff Peninsula, with first production in FY'13, ramping up to 4.3mtpa sales from 6mtpa ore feed by 2016. We assume project capex of ~A\$300m and operating costs of A\$36/t overall, including cash costs of \$25/t and additional costs of \$13/t on the beneficiated ore component, with assumed port costs of \$3.60/t.

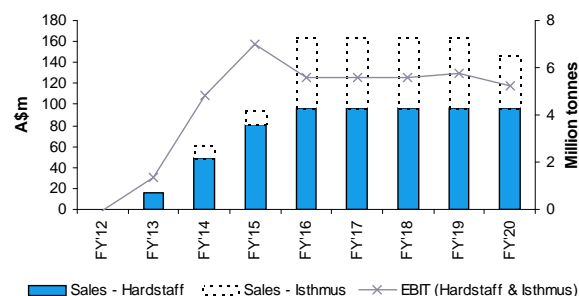
On a risked basis Austock values PLV at \$0.86/share, with our valuation for the Hardstaff Peninsula project risked to 50%, or \$132m (\$0.75/share). An increase in the long-term iron ore price to US\$55/t at an A\$/US\$ exchange rate increases the valuation to \$1.14 per share.

PLV's Irvine Island project is a high risk, early stage investment, but it has the potential to deliver significant value as the project is further defined and de-risked.

**In October PLV raised \$18.3m via placement at \$0.40/share. A \$5m SPP was also oversubscribed.**

***The Placement was lead managed by Austock, and fees were received for these services.***

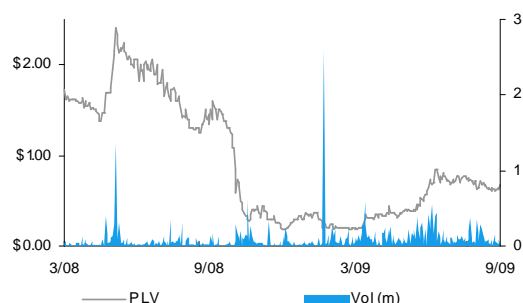
### Assumed Sales profile



### Earnings Forecasts

Y/e Dec (\$m)	FY12F	FY13F	FY14F	FY15F
Revenue	0.2	72.5	256.0	373.5
NPAT (reported)	-4.4	16.4	71.5	105.1
Adjusted EPS (cps)	-1.8	4.8	20.8	30.5
EPS Growth (%)	>100.0	na	>100.0	>100.0
PE adj. (x)	-27.2	10.5	2.4	1.6
EV / EBITDA (x)	>100.0	7.6	1.8	0.7
EV / EBIT (x)	0.0	11.4	2.7	1.2
Gearing (%)	24%	64%	58%	19%
EBIT Margin (%)	0.0%	41.3%	42.3%	42.1%

### PLV Share Price / Volume



### Contact Details

Report authorised for release by:

Craig Stranger  
 Head of Research, ph 03 8601 2010

## IRVINE ISLAND – BACK TO THE FUTURE

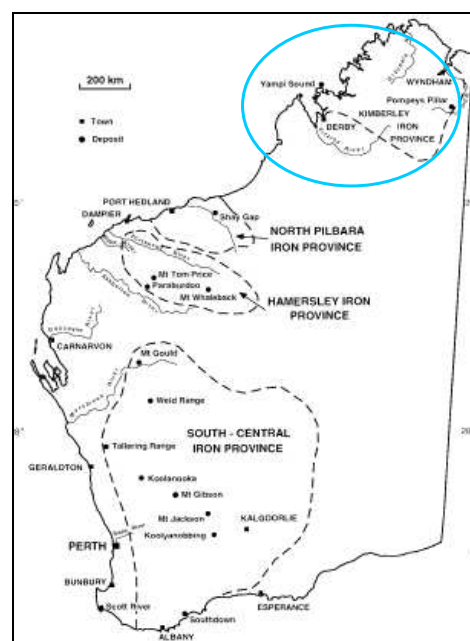
### OVERVIEW

Irvine Island, in the Yampi Sound, is one of three islands forming the Kimberley Iron Ore Province; Cockatoo, Koolan and Irvine. Irvine Island benefits from the key competitive advantage of direct deepwater access and therefore does not suffer the rail and port limitations that most iron ore developments in the Pilbara or Mid-West region face.

BHP began iron ore mining at Cockatoo Island in 1951, and continued to operate the mine until 1984. Production began on Koolan Island in 1965 and continued until 1994. Portman Mining subsequently re-opened the Cockatoo Island operations in the 1990's, beneficiating waste product produced during BHP's operation, and Koolan Island is also operating once again.

Pluton's Irvine Island project benefits from the same strategic infrastructure advantage that Cockatoo and Koolan Islands enjoyed, being only a short distance away, and enjoying the same deepwater access.

However, as the Irvine Island project is only at the scoping study stage, considerable uncertainty remains as to the final project parameters and capex requirements.



Source: WA department of Mines & Petroleum

#### **Risked NPV of \$0.86/share**

On a risked basis Austock values PLV at \$0.86/share, with our valuation for the Hardstaff Peninsula project risked to 50%, or \$132m (\$0.75/share), and our valuation for the Isthmus Region risked to 10%, or \$11m (\$0.06/share). We attribute only a nominal valuation of \$1m, for PLV's Tasmanian exploration project.

On an un-risked (but unfinanced) basis we value PLV at \$2.04/share. Our valuation is based on 4.3mtpa of product by 2016 from the Hardstaff Peninsula and (potentially) 3mtpa of product from the Isthmus region, with EBIT/Sales of ~28%, and a long-term iron ore fines price of US\$51.07/t.

### SWOT TABLE

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Island location with direct deepwater access</li> <li>Free of infrastructure constraints</li> <li>Strong management experience through Portman Mining &amp; Cockatoo Island</li> <li>Low levels of penalty elements in ore</li> </ul>	<ul style="list-style-type: none"> <li>High silica content in ore</li> <li>Need for beneficiation</li> <li>Early stage of project definition</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Definition of further resource, including DSO resource in Isthmus region</li> <li>Strong third party project interest</li> <li>Potential to use Cockatoo Island accommodation camp</li> <li>Potential to beneficiate Wonganin sandstone, currently assumed to be waste</li> </ul>	<ul style="list-style-type: none"> <li>Potential for delays due to level of environmental assessment required</li> <li>Potential third party investment complications due to recently released FIRB "guidelines"</li> </ul>

### Irvine Island & Cockatoo Island proximity

**PLV's Irvine Island project has direct deepwater access and is a short distance (~6km) from Cleveland Cliffs' Cockatoo Island iron ore mine and accommodation camp**



Source: Company reports

### 100% PROJECT OWNERSHIP

**100% project ownership**

In August, Pluton agreed to purchase Cleveland Cliffs' 50% interest in the Irvine Island project for \$5m in cash, ~19.5m shares and a 1% FOB royalty. This will give Pluton Resources 100% ownership of the project.

**Raised \$18m via placement and \$5m via SPP**

As part of the funding requirements for this transaction, and to finance ongoing resource definition and studies, PLV raised \$18m via placement at \$0.40/share and \$5m via SPP.

### GROWING RESOURCE BASE

Based on results of a Phase one drilling program PLV recently upgraded the Project resource from 13mt to 54mt. Details of the current resource are tabled below. The increased resource includes a high grade core of DSO ore.

**54mt at 49%Fe, with very low levels of impurities other than silica**

Irvine Island Resource						
Category	Tonnes	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	S (%)	P (%)
Inferred >40% Fe (Lens 1)	4	46	33.1	1.1	0.2	0.03
Inferred >50% Fe (Lens 1)	25	55	21.2	0.3	0.0	0.01
Inferred >30% & <50% Fe (Lens 2)	26	44	36.1	0.5	0.1	0.01
<b>Total Inferred resource</b>	<b>54</b>	<b>49</b>	<b>29.1</b>	<b>0.4</b>	<b>0.1</b>	<b>0.01</b>

Source: Company reports

***Beneficiation tests show promise***

PLV expects 20-30% of ore feed to be DSO at ~59%Fe. Initial beneficiation testing undertaken by Pluton has shown the ability to produce a marketable concentrate from the Yampi member ore at 66% Fe, reducing silica levels substantially, down to an acceptable 5.6%, with very low levels of other impurities.

In common with the Cockatoo Island and Koolan Island ores, Irvine Island iron ore has very low levels of impurities such as phosphorus, alumina and sulphur. These low impurity levels are likely to see Irvine Island ore become a sought after blending product, and could offset any pricing penalty applied due to higher levels of silica.

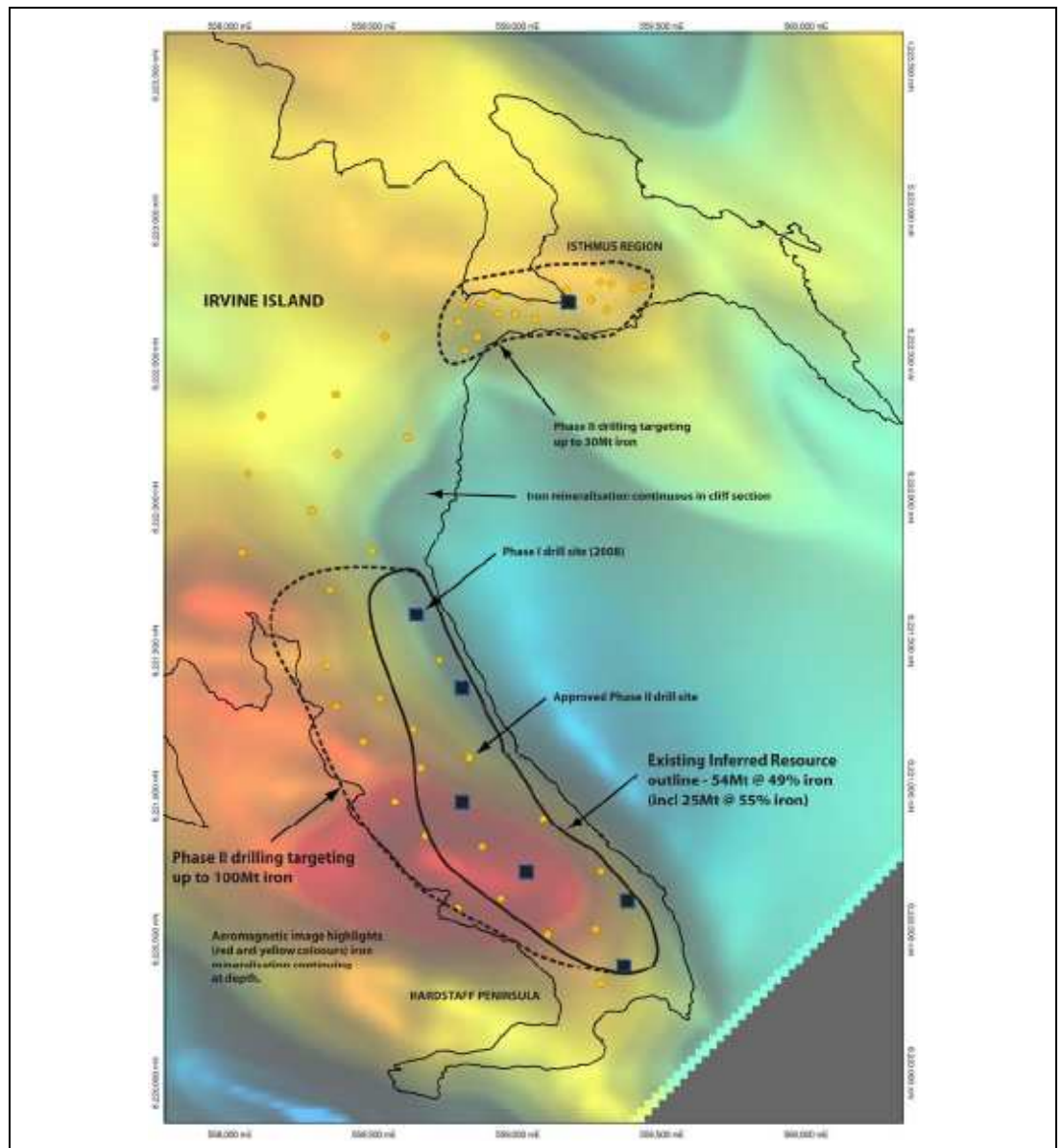
**PHASE II DRILLING TARGETING UP TO 130MT OF ORE**

PLV has budgeted \$8m for a Phase II drilling program, designed to test to the west of the existing Inferred Resource and to further test the Isthmus region, where the company hopes to define up to 30mt of potentially DSO quality iron ore.

Further drilling will test the continuity of iron ore in the area between the Hardstaff Peninsula and the Isthmus region.

**Phase II drilling targeting up to 130mt of ore**

***Phase II drilling is targeting up to 100mt on the Peninsula and up to 30mt in the Isthmus Region***



Source: Company reports

### Yampi Member

### Hardstaff Pensinsula

**Cliff sections along Hardstaff Peninsula show the main iron mineralised lower Yampi Member overlain by additional iron-bearing Wonganin Sandstone**



Source: Company reports

## ASSUMED PROJECT PARAMETERS

### Hardstaff Peninsula

**Assuming 54mt LOM sales from Hardstaff Peninsula**

Following the recent increase in the inferred resource, and growing confidence that PLV will define a significantly larger resource through ongoing drilling, we have assumed that PLV pursues an operation ramping up to mine 6mt of ore per annum (4.3mt product) by 2016, producing 54mt of saleable product over the life of mine.

There is excellent scope to increase the resource to 60-100mt.

Pending the outcome of the project feasibility study, we assume the following operating assumptions for the Hardstaff Peninsula:

**Ore feed of 6mtpa, producing 4.3mtpa product for LOM sales of 54mt**

- Production ramping to 6mt ore (4.3mt product) by FY'16 with first production in FY'13
- Approximately 30% of ore a DSO product at 59% Fe (silica 8-12%)
- Remaining ore feed beneficiated to produce a marketable concentrate at 65% Fe with a 60% recovery assumed.
- Long term fines price at US\$51.07/t
- Long term exchange rate of 0.80 AUD/USD
- Capex of ~A\$300m, comprising \$124m for shiploading and infrastructure, \$157m for a beneficiation plant and \$16m for general site infrastructure.
- Opex of A\$36/t overall, including cash costs of \$25/t and additional costs of \$13/t on beneficiated ore component, with assumed port costs of \$3.60/t.
- We assume benchmark iron ore pricing, with any discount due to high silica assumed to be offset by premiums attracted by very low levels of other penalty elements such as alumina, phosphorus and sulphur.

**Project valuation risked by 50% to \$0.75/share**

Under these assumptions we value the Hardstaff Peninsula project at \$289m. Due to the uncertainty regarding operating and capital costs, we risk weight this valuation by 50% to \$132m, or \$0.75/share.

**First production indicated for 2013**

We assume first production in FY'13. There may be scope to bring this forward if PLV are able to make use of existing shiploading infrastructure at Cockatoo Island.

## POTENTIAL UPSIDE

### Isthmus DSO target

**DSO upside potential in the Isthmus region**

PLV is targeting up to 30mt of DSO ore in the Isthmus region. With only nominal additional capex (~\$20m assumed) we value a 3mtpa DSO operation, producing ~15mt product over 5 years, at \$100m.

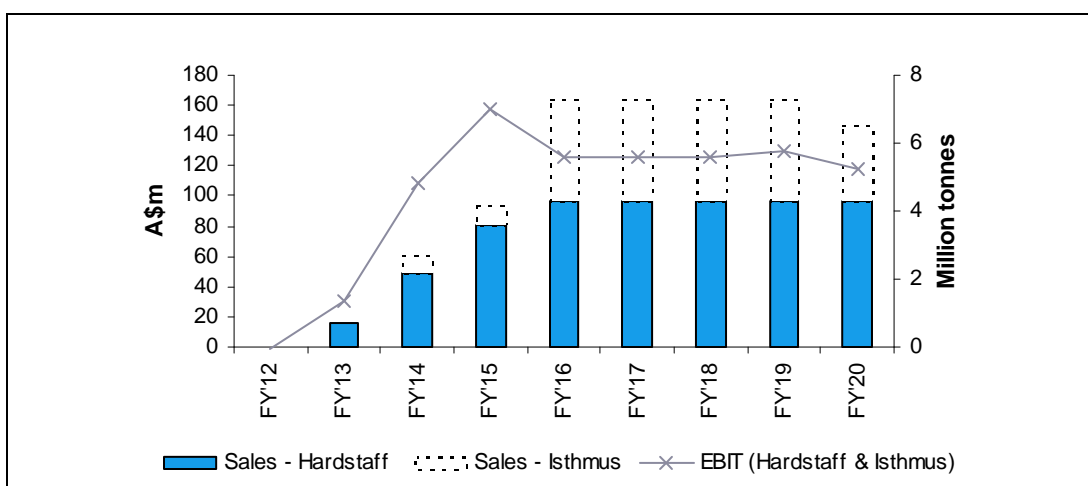
Due to the early stage of this project and the high level of uncertainty, we risk weight this valuation by 90% to \$11m, or \$0.06/share in our valuation. Clearly however, it represents good additional upside.

### Beneficiation of overburden

We do not attribute any value to the overlying Wonganin sandstones, despite initial test work demonstrating that this low grade material (25-35%Fe) can be beneficiated to a marketable product. We consider the potential beneficiation of this low grade waste to present potential upside once the project is up and running.

### Modelled Sales Profile

**LOM sales of 54mt for Hardstaff Pensinsula and potentially ~15mt from the Isthmus Region (risked by 90%)**

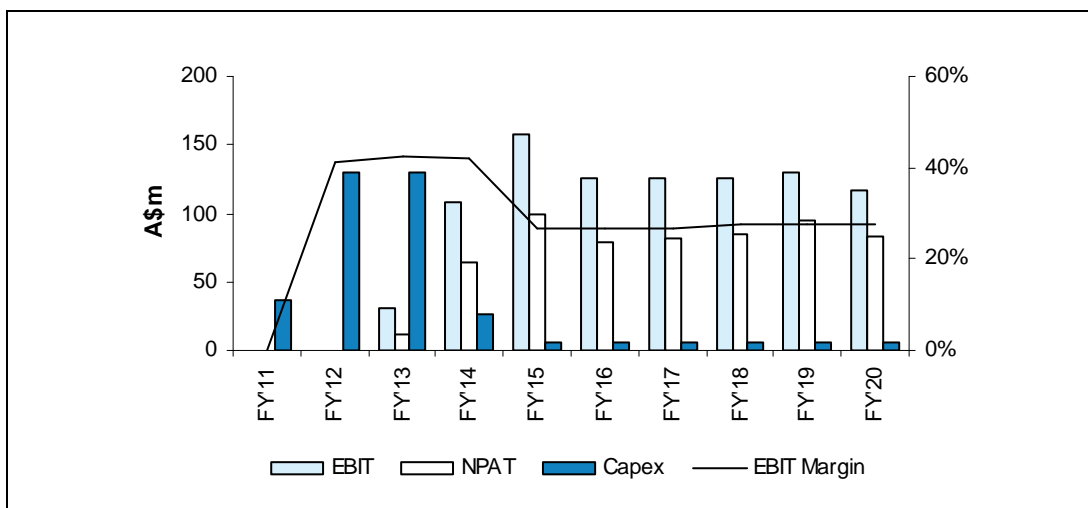


Source: Austock Securities forecasts

### Indicative Financials

**Long term EBIT margin of ~28%. EBIT contribution of ~\$80m pa from Hardstaff Pensinsula project post 2015.**

**Potential upside EBIT contribution of ~\$60m pa from the Isthmus region**



Source: Austock Securities forecasts

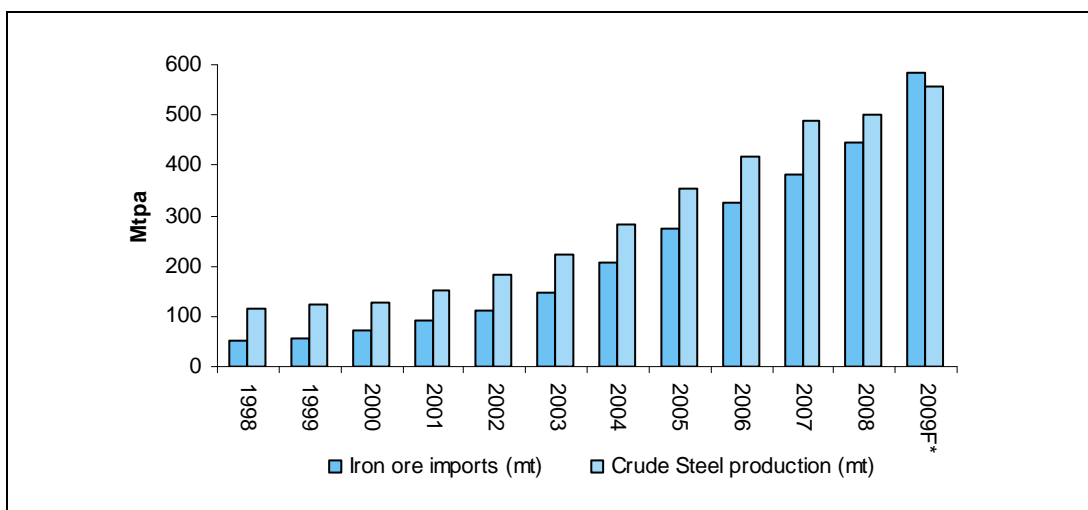
Since we assume iron ore prices normalise in FY'15, the EBIT/Sales margin declines from 40% to a long term sustainable margin of 28%.

## VALUATION & UPSIDE ANALYSIS

The strong growth in iron ore demand has been driven by Chinese import demand, which has grown at a compound annual growth rate of 27% since 2000, to an expected level of ~585mt in 2009. On a simple annualised basis iron ore imports would be heading to ~610mt in 2009. China is increasingly dependent on imports, which are replacing the high cost domestic production from low grade domestic deposits.

Chinese crude steel production and iron ore imports

**Chinese iron ore imports have grown strongly, in line with growth in crude steel production**



Source: The TEX Report \*Note:2009F is a seasonally adjusted annualised figure. On a simple annualised basis iron ore imports would be heading to ~610mt in 2009.

We assume a fairly conservative long term (from Dec 2015) iron ore fines price of US\$51.07/t in our valuation. Given the upside risk to price assumptions presented by continuing growth in Chinese import demand, we provide some insight into the valuation impact of a range of price and FX assumptions in the table below.

### Valuation (Risked) Sensitivity

AUD/USD	Long Term Iron Ore Fines Price					
	US\$40/t	US\$45/t	US\$50/t	US\$55/t	US\$60/t	US\$65/t
<b>0.65</b>	\$0.97	\$1.30	\$1.64	\$1.98	\$2.32	\$2.66
<b>0.70</b>	\$0.72	\$1.03	\$1.34	\$1.66	\$1.97	\$2.29
<b>0.75</b>	\$0.50	\$0.79	\$1.09	\$1.38	\$1.67	\$1.97
<b>0.80</b>	\$0.31	\$0.59	\$0.86	\$1.14	\$1.41	\$1.69
<b>0.85</b>	\$0.15	\$0.40	\$0.66	\$0.92	\$1.18	\$1.44
<b>0.90</b>	-\$0.01	\$0.24	\$0.49	\$0.73	\$0.97	\$1.22
<b>0.95</b>	\$0.89	\$0.10	\$0.33	\$0.56	\$0.79	\$1.02
<b>1.00</b>	-\$0.35	-\$0.04	\$0.18	\$0.40	\$0.62	\$0.84

Source: Austock Securities forecasts

**\*Note that in the above scenarios we only changed the long term prices, not our cost assumptions. In reality, a long term price of US\$65/t would suggest a significant increase in the industry's cost base.**

## KEY RISKS

The key risk is the early stage of project definition, with all other risks largely stemming from this early stage development position.

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### Indicative Irvine Island Development Timeline

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#### Early stage of project definition

#### Project related

2009	<ul style="list-style-type: none"> <li>Phase II drilling (\$8m) &amp; environmental studies (\$4m)</li> </ul>
2010	<ul style="list-style-type: none"> <li>Pre-Feasibility Study &amp; environmental studies</li> </ul>
2011	<ul style="list-style-type: none"> <li>Definitive Feasibility study &amp; submission of Mining Plan</li> </ul>
2012	<ul style="list-style-type: none"> <li>Development activities</li> </ul>
2013-2014	<ul style="list-style-type: none"> <li>First production targeted</li> </ul>

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- **Resource definition:** PLV are yet to define sufficient resource to support our modelled sales profile.
- **Capital and operating costs:** estimates have a large potential range at this stage, and may be above our assumed levels.
- **Project financing:** PLV has had strong third party interest in the project, but at this stage project capex of approximately \$300m remains unfunded.
- **Environmental approvals:** Irvine Island is in the established Kimberley Iron Province, but environmental hurdles remain to be cleared.
- **Granting of Mining Approvals:** We assume first production in FY'13. There is a risk that PLV may not be granted a Mining Lease in time to enable this to occur.
- **Negotiation of native title compensation:** PLV have negotiated access for exploration activities but are yet to finalise an agreement for mining with the Mayala People (although the recent Koolan Island agreement sets a precedent).

## GREENFIELDS EXPLORATION

### Tasmania

PLV holds an interest in two very early stage exploration tenements in Tasmania thought to be prospective for porphyry style copper and gold. We attribute only a nominal valuation of \$1m to these exploration assets, and expect the Company to either JV or sell these tenements.

- **Dove River:** PLV has a 100% interest in the Dove River EL in the Mt Read Volcanic Belt in Northern Tasmania, targeting porphyry style copper and gold. The Company plans an IP survey, but program timing is not yet confirmed.
- **Cethana:** PLV are also earning a 60% equity stake in the adjacent Cethana exploration tenement, which borders the Dove River tenement to the north, and is also thought to be prospective for porphyry-style copper and gold.

The Company plans to drill a single hole over the summer months, targeting the deep anomaly, with an option to drill a second hole dependent on the visual results of the first hole. Drilling will be conducted during the up-coming summer drilling season.

## BOARD OF DIRECTORS

**Strong management experience from Portman Ltd, operators of Cockatoo Island**

**Malcolm Macpherson, Chairman**

Mr. Macpherson was CEO of Iluka Resources Limited from 1978 to 2001, and was on the Board of Portman Ltd prior to the Cleveland Cliffs takeover.

**Tony Schoer, MD & CEO**

With 25 years experience in the mining and oil and gas industries, Tony was previously the Chief Financial Officer of Portman Ltd until the takeover by Cleveland Cliffs Inc.

**Mining background**

**Dr Alistair Reed, Executive Director**

With a PhD in Economic Geology from the University of Western Australia, Dr Reed specialises in evaluating and prioritising mineral exploration projects and target generation.

**Raymond Schoer, Non Executive Director**

## MAJOR SHAREHOLDERS

**Note Cleveland Cliffs will hold 19.5m shares on completion of the Irvine Island deal (19.9% prior to the capital raising)**

	<b>Pre recent raising...</b>
Current Directors	12.4%
JP Morgan	9.7%
Gujurat NRE Coke Ltd	8.4%
Bond Street Custodians	5.0%

**Pluton Resources**
**NFPOS**
**155 m**
**Price \$ 0.50**
**Market Cap \$78 m**
**Date: 24-Nov-09**
**Model Update 24-Nov-09**
**PROFIT & LOSS (A\$m)**

Y/E 30 June	FY'11F	FY'12F	FY'13F	FY'14F	FY'15F
Sales Revenue	0.2	0.2	72.5	256.0	373.5
Other Revenue (incl hedge)	0.0	0.0	0.0	0.0	0.0
Operating Costs	0.0	0.1	25.9	93.3	145.9
<b>Gross Operating Profit</b>	<b>0.2</b>	<b>0.2</b>	<b>46.6</b>	<b>162.6</b>	<b>227.7</b>
Depreciation	0.0	0.0	6.5	22.7	24.7
Exploration and Royalties	1.0	1.0	6.1	21.6	31.9
Corporate and Other	0.0	0.0	4.0	10.0	13.7
<b>EBIT</b>	<b>-0.9</b>	<b>-0.9</b>	<b>29.9</b>	<b>108.3</b>	<b>157.4</b>
Less Net Interest Expense	-0.7	-5.4	-6.5	-6.1	-7.2
<b>Pre-Tax Profits</b>	<b>-1.5</b>	<b>-6.2</b>	<b>23.4</b>	<b>102.1</b>	<b>150.2</b>
Add Associates less Dividends	0.0	0.0	0.0	0.0	0.0
Less Tax	-0.5	-1.9	7.0	30.6	45.1
Less Minorities	0.0	0.0	0.0	0.0	0.0
<b>NPAT (pre-Abs)</b>	<b>-1.1</b>	<b>-4.4</b>	<b>16.4</b>	<b>71.5</b>	<b>105.1</b>
Net Abnormals	0.0	0.0	0.0	0.0	0.0
<b>Reported Profit</b>	<b>-1.1</b>	<b>-4.4</b>	<b>16.4</b>	<b>71.5</b>	<b>105.1</b>

**BALANCE SHEET (A\$m)**

Y/E 30 June	FY'11F	FY'12F	FY'13F	FY'14F	FY'15F
<b>Current Assets</b>					
Cash and Liquids	16.1	147.0	9.0	36.3	106.2
Other	0.1	0.1	0.1	0.1	0.1
<b>Non-Current Assets</b>					
Investments	0.0	0.0	0.0	0.0	0.0
Fixed Assets	44.1	175.1	298.6	301.9	283.2
Other	7.9	7.9	7.9	7.9	7.9
<b>Current Liabilities</b>					
Borrowings	0.0	0.0	0.0	0.0	0.0
Creditors	0.2	0.3	21.7	76.8	112.1
Other	0.0	0.0	0.0	0.0	0.0
<b>Non-Current Liabilities</b>					
Borrowings	40.0	190.0	190.0	170.0	140.0
Other	0.4	0.6	0.8	1.0	1.2
<b>SHAREHOLDERS FUNDS</b>	<b>26.7</b>	<b>138.0</b>	<b>101.4</b>	<b>96.3</b>	<b>141.7</b>

**CASHFLOW STATEMENT (A\$m)**

Y/E 30 June	FY'11F	FY'12F	FY'13F	FY'14F	FY'15F
<b>Cash Flows From Operating Activities</b>					
Receipts From Customers	0.2	0.2	72.5	256.0	373.5
Payments To Suppliers	0.0	-0.1	-25.9	-93.3	-145.9
Net Interest	-1.1	-6.0	-13.2	-20.8	-30.8
Tax and Other	0.0	-15.0	-40.1	-67.3	-90.7
<b>Cash Flows From Investing Activities</b>					
Acq. of Property, Plant and Eq	-37.0	-130.0	-130.0	-26.0	-6.0
Exploration Expenditure	-1.0	-1.0	-1.0	-1.0	0.0
Other/Acquisition controlled Er	0.0	0.0	0.0	0.0	0.0
<b>Cash Flows From Financing Activities</b>					
Net Change in Borrowings	40.0	150.0	0.0	-20.0	-30.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Other	-0.2	132.8	-0.2	-0.2	-0.2
<b>Net Increase In Cash Held</b>	<b>0.9</b>	<b>130.9</b>	<b>-138.0</b>	<b>27.3</b>	<b>69.9</b>
Cash At End of Year	16.1	147.0	9.0	36.3	106.2

**PRICE ASSUMPTIONS**

Y/E 30 June	LT	FY'12F	FY'13F	FY'14F	FY'15F
Exchange Rate A\$/US\$	0.80	0.85	0.85	0.80	0.80
Iron Ore (Lump) US\$/t	70.74	107.00	107.63	98.86	94.58
Iron Ore (Fines) US\$/t	51.07	80.49	78.48	72.44	67.10

**BOARD**

Tony Schoer (MD & CEO)
Malcolm Macpherson (Chairman)
Dr Alistair Reed (Exec Director)
Raymond Schoer (Non-exec Director)

**KEY RATIOS**

Y/E 30 June	FY'11F	FY'12F	FY'13F	FY'14F	FY'15F	
EBITDA	\$m	-0.9	-0.9	36.4	131.0	182.1
EBITDA Margin	%	0%	0%	50%	51%	49%
EBIT Margin	%	0%	0%	41%	42%	42%
NPAT Margin	%	0%	0%	23%	28%	28%
ROE	%	-4%	-3%	16%	74%	74%
ROA	%	-1%	0%	9%	31%	40%
NTA per share	\$	0.17	0.43	0.32	0.30	0.44
Eff Tax Rate	%	30%	30%	30%	30%	30%
Interest Cover	x	-1.3	-0.2	4.6	17.6	21.9
Net Gearing	%	89%	31%	179%	139%	24%
Net Debt / Net Debt plus Equity %		47%	24%	64%	58%	19%

**VALUATION PARAMETERS**

Y/E 30 June	FY'11F	FY'12F	FY'13F	FY'14F	FY'15F	
EPS	c	-0.6	-1.8	4.8	20.8	30.5
P/E	x	->50.0	-27.2	10.5	2.4	1.6
Enterprise Value	\$m	101.7	202.5	340.6	293.3	193.3
EV / Sales	x	0.0	0.0	4.7	1.1	0.5
EV / EBITDA	x	-82.4	->100.0	7.6	1.8	0.7
EV / EBIT	x	0.0	0.0	11.4	2.7	1.2
Price / NTA	x	2.9	1.2	1.6	1.7	1.1
DPS	c	0.0	0.0	0.0	0.0	0.0
Dividend Yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Franking	%	0%	0%	0%	0%	0%
CFPS	\$	0.0	-0.1	0.0	0.5	0.7
P / CFPS	x	-85.6	-3.7	-11.4	1.0	0.7
NFPOS	m	156	319	319	319	319

**DCF VALUATION**

	NPV A\$m	NPV A\$m
Hardstaff Peninsula (50% risked)		132
Isthmus Region (90% risked)		10
Exploration		1
Investments		0
Corporate & other		-12
Net Cash		16
<b>TOTAL NPV (A\$m)</b>		<b>155</b>
NPV per Share (A\$) (risked)		0.86
Unrisked NPV per share		2.04

**ATTRIBUTABLE PRODUCTION PROFILE**

Y/E 30 June	FY'11F	FY'12F	FY'13F	FY'14F	FY'15F	
Hardstaff Pensinsula	Mt	0.00	0.00	0.72	2.16	3.60
Isthmus Region	Mt	0.00	0.00	0.00	0.55	0.55
<b>Total</b>	<b>Mt</b>	<b>0.00</b>	<b>0.00</b>	<b>0.72</b>	<b>2.71</b>	<b>4.15</b>
		<b>FY'16F</b>	<b>FY'17F</b>	<b>FY'18F</b>	<b>FY'19F</b>	<b>FY'20F</b>
Hardstaff Pensinsula	Mt	4.32	4.32	4.32	4.32	4.32
Isthmus Region	Mt	2.97	2.97	2.97	2.97	2.24
<b>Total</b>	<b>Mt</b>	<b>7.29</b>	<b>7.29</b>	<b>7.29</b>	<b>7.29</b>	<b>6.56</b>

**MARGIN ANALYSIS**

Y/E 30 Jun	FY'11F	FY'12F	FY'13F	FY'14F	FY'15F
<b>Price Received (A\$/t)</b>			<b>100.6</b>	<b>94.5</b>	<b>90.0</b>
Cash costs (A\$/t)			36.0	34.4	35.2
<b>Total costs (A\$/t)</b>			<b>62.6</b>	<b>53.1</b>	<b>50.5</b>
Incl interest (A\$/t)			9.0	2.3	1.7
Incl Tax (A\$/t)			9.8	11.3	10.9
<b>Net Margin After Tax (A\$/t)</b>			<b>38.1</b>	<b>41.4</b>	<b>39.5</b>

**RESERVES & RESOURCES**

	Ore	Mine Life
<b>Total</b>	(Mt)	(Years)
Total Reserves	0	0
Total Resources	54	6
Austock Estimate	100	10

## Directory

### Equities Research Team

#### Melbourne

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Andrew Cleeland	613 8601 2065	Quantitative/Data
David Grossman	613 8601 2616	Professional Services
Thomas Hodson	613 8601 2628	Retail / Online
Maribel Quiza	613 8601 2085	Emerging Companies

#### Sydney

Anna Kassianos	612 9233 9603	Resources
Rohan Sundram	612 9233 9638	Gaming / Small Property

### Institutional Sales

#### Melbourne

<b>Tony Smith</b>	<b>613 8601 2041</b>	<b>Head of Institutional</b>
Peter Hollick	613 8601 2011	Senior Research Sales
Stuart Low	613 8601 2022	Research Sales
Brooke Picken	613 8601 2014	Research Sales
Wayne Shand	613 8601 2642	Senior Research Sales
Chris Walker	613 8601 2038	Senior Research Sales
Peter Ward	613 8601 2099	Senior Research Sales
Matthew White	613 8601 2624	Sales Trading
Robert Wood	613 8601 2031	Head of Sales Trading

#### Sydney

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Gavin Todd	612 9233 9639	Senior Research Sales
James Wilson	612 9233 9607	Head of Sydney Sales

#### Asia

Chris Chia	612 9233 9605	Asian Sales
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#### UK

Desiree Hemberger	612 9233 9652	UK Research Sales
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### Private Clients

#### Melbourne

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John Axsentieff	613 8601 2042	Senior Client Adviser
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Nick Fitzsimmons	613 8601 2029	Client Adviser
Kate Hanrahan	613 8601 2058	Client Adviser
Michael Heffernan	613 8601 2053	Senior Client Adviser
Xiaoming Huang	613 8601 2088	Client Adviser
Peter King	613 8601 2002	Client Adviser
Peter Mason	613 8601 2015	Client Adviser
Daniel McFarlane	613 8601 2639	Client Adviser
Paul Shen	613 8601 2677	Client Adviser
Patrick Trindade	613 8601 2669	Client Adviser

#### Sydney

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Josh Graham	612 9233 9645	Client Adviser - Options
Jason Norval	612 9233 9625	Client Adviser
Justin Raisin	612 9233 9621	Client Adviser
Mark Schwarz	612 9233 9642	Client Adviser - Options
Peter Semaan	612 9233 9649	Client Adviser
Edward Tao	612 9233 9609	Client Adviser

### Corporate Finance

#### Melbourne

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Stephen Nossal	613 8601 2017	Director
Jonathan Tooth	613 8601 2006	Director
Harry Kingsley	613 8601 2089	Associate Director
Richard Fox	613 8601 2030	Associate
Terence Wong	613 8601 2651	Associate
Daniel Baohm	613 8601 2614	Analyst
John So	613 8601 2033	Analyst

#### Sydney

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#### Equity Capital Markets

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Buy	Hold	Sell
> 20%	20% - 5%	< 5%

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