SCP EQUITY RESEARCH

Greatland Gold, 21 December 2023

Ticker: GGP LN	**2Q23 Cash:** A$52m	**Project**: Havieron
Market cap: £450m	**Price:** 8.85p/sh	**Country:** Australia (WA)
REC. (unc): BUY	*TARGET (-1p): 14p/sh*	*RISK RATING (unc): HIGH*

*Today's MRE update sees a net +27% AuEq (spot) increase in ounces from implied additions of 39Mt @ 1.4g/t AuEq (spot) and healthy +26% lift in indicated resources ahead of next year's FS / reserve update. Notably, lower-grade Breccia and new 'Link Zone' accounted for 29Mt @ 1.2g/t AuEq of new ounce additions, with grades on par with previous 1.2g/t AuEq (spot) Breccia MRE. Overall, we were pleased to see modelling parameters largely in line with previous estimates, but now with more conservative minimum mining widths (from 4m to 5m) and recoveries (Au +1%, Cu -3%), it only sees -A$59m off our ~A$3bn NPV. In combination with a commodity price lift of 6-7% used, even at 17%/3% Au/Cu px below spot, this drives a +5% increase in recovered NSR value (net -11% on total ore value vs prior resource). Finally, although Link Zone is currently modelled on SLOS cut-offs, we envision a portion of this potentially falling into contiguous Breccia Zone's SLC (pending more advanced geotechnical studies) that could provide a nice sweetener to bulk grades. Updating for recent share/option issues, **we maintain our BUY rating and lower our PT from 15p to 14p** based on a 9Mtpa SLOS operation at ~600koz pa payable AuEq, plus a nominal valuation of half this (per ounce) on a 6Moz caveable estimate. While next year's FS remains a key catalyst, the big picture here is the potential Havieron-Telfer opportunity on the horizon. Media commentary is abundant on potential and risk of that. What we like about Greatland is that whilst consolidation with Telfer would be ideal, we think this ex NST / FMG team, with investment from Andrew Forest, can springboard even from a minority into a mid-tier mining house in a manner that peer carried assets like Gold Road have yet to do. Looking at Havieron, we still see substantial reserve-growth potential from i) adding lower grade haloes once geotech can feed into potential cave studies, ii) simple drilling, as seen in Figure 1 infill adds ounces, and iii) potential for deeper sub-zones also.*

Table 1. Havieron 4Q23 vs. 1Q22 MRE on a 100% basis

RESOURCES	Tonnes	Grade		Contained Metal		Metal AuEq	*M&I %*
Havieron (100%)	**Mt**	**Au (g/t)**	**Cu (%)**	**Au (Moz)**	**Cu (kt)**	**(Moz)**	
South East Crescent	44	2.8	0.38%	4.1	165	4.8	*88%*
Breccia	81	1.0	0.12%	2.6	93	3.1	*19%*
Link Zone	7	1.8	0.24%	0.3	15	0.5	*40%*
Total MRE	**131**	**1.7**	**0.21%**	**7.0**	**275**	**8.4**	***60%***
*∆ to 1Q22 (%)**	*42%*	*-11%*	*-13%*	*27%*	*26%*	*27%*	*+26%*
Implied SE Cres. additions	*11*	*1.7*	*0.06%*	*0.6*	*7*	*0.6*	*+24%*
Implied Breccia additions	*22*	*0.8*	*0.15%*	*0.6*	*33*	*0.8*	*+65%*
Implied Link additions	*7*	*1.3*	*0.21%*	*0.3*	*15*	*0.5*	*--*

*Source: Greatland Gold SCPe; *AuEq delta on like-for-like spot Au and Cu prices.*

Table 2. Havieron 4Q23 vs. 1Q22 MRE modelling assumptions

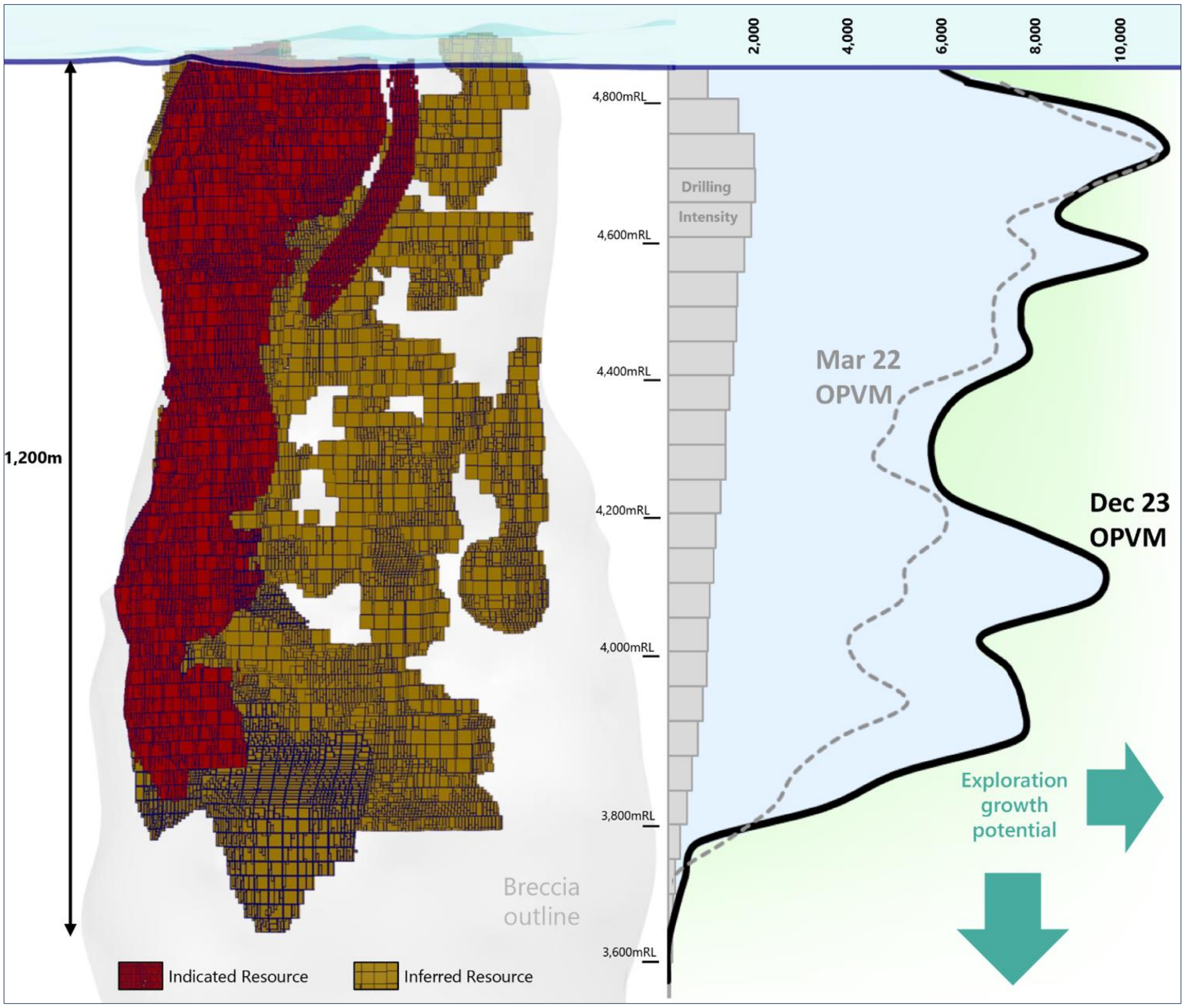
Modelling parameters	4Q23 MRE	1Q22 MRE
Method	Ordinary Kriging	Ordinary Kriging
Block size (m)	Parent: 20x20x20,sub-block: 4x4x4	Parent: 20x20x20,sub-block: 4x4x4
Drill holes / meters	368 holes / 295,657m	311 holes / 209,911m
Min. stoping thickness	5m	4m
SE Crescent cut-off	SLOS - A$80 NSR/t	SLOS - A$80 NSR/t
Breccia cut-off	SLC - A$50 NSR/t	SLC - A$50 NSR/t
Link Zone cut-off	SLOS - A$80 NSR/t	--
Recoveries	Au: 87%, Cu: 87%	Au: 88%, Cu: 84%
Metal prices	Au: US$1,700/oz, Cu: US$3.75/t	Au: US$1,600/oz, Cu: US$3.50/t

Source: Greatland Gold, SCPe

Havieron MRE lifts to 8.4Moz AuEq (+27%); 5.0Moz of reserves to form basis of CY24 FS

Greatland reports an updated MRE for its 30% owned Havieron project in Western Australia, based on 368 holes (295,657m) or an additional 107 holes (92,648m) from the prior 1Q22 MRE. The updated **indicated resource** now stands at **5.0Moz @ 3.1g/t AuEq** with the **inferred resource** at **3.4Moz @ 1.3g/t** bringing the total **global resource to 8.4Moz @ 2.0g/t AuEq** with ~60% of it already in the M&I category, reported on US$1,700/oz Au and US$3.75/lb Cu metal prices (vs prior US$1,600/oz Au & US$3.50/lb Cu 1Q22 MRE), at identical cut-offs. The 5.0Moz of indicated will form the basis of the upcoming CY24 Feasibility study.

Figure 1. Cross section looking NW, showing Havieron's 4Q23 MRE on LHS and ounces/vm on RHS



Source: Greatland Gold

Why we like Greatland

1. Existing 8.4Moz @ 2.0g/t AuEq Telfer Type/IRGS system
2. 2.9Moz @ 3.0g/t AuEq high-grade reserve could lift to 9Moz SCPe on infill and roots
3. Reserve increases could support elevated 6-9Mtpa for long-life Tier 1 asset
4. Potential SCPe 6Moz caveable material adds optionality above this
5. Newcrest existing mill / staff offers production without (plant) build risk
6. Ex Northern Star / Fortescue team could use this as springboard for future growth

Catalysts

- 2023: Debt funding executed
- CY24: Newcrest BFS to show valuation on 3Mtpa scenario
- CY24: First ore

Research

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Ticker: GGP AU	**Price / mkt cap:**	8.85p/sh, £450m	**Project PNAV today:**	0.62x	**Asset:**	Havieron
Author: B Salier / E Magdzinski / K	**Rec / 1xNAV:**	BUY, 14p/sh	**$1xNAV_{3Q24}$ FF FD:**	A$11.72/sh	**Country:**	Australia (WA)

Share data (Greatland)	**Basic**	**FD with options**		**FD for build**	
Basic shares (m)	5,090.4	5,956.6		6,498	
Commodity price	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Gold price	1,925	1,911	1,873	1,850	1,850

SOTP *project* valuation*	**334**			
NPV/rsvr oz: A$433/oz	**A$m**	**O/ship**	**NAVx**	**GBP/sh**
Havieron @ 3Mtpa	**975**	30%	1.00x	2.9
Additional value to 9Mtpa SLOS	**2,939**	30%	1.00x	8.9
Cash 2Q23	**8**	100%	1.00x	0.1
Greatland debt (2Q23)	**(69)**	100%	1.00x	(0.7)
Cash from options 2Q23	**72**	100%	1.00x	0.7
6Moz cave @ A$216/oz (50% SLOS NPV)	**1,335**	30%	1.00x	4.0
Greatland G&A / finance costs 4Q22	**(167)**	100%	1.00x	(1.7)
Asset NAV5% US$1850/oz	**5,093**			**14**
*Shares diluted for options but not mine build		Market P/NAV5% $_{4Q23}$		0.62x

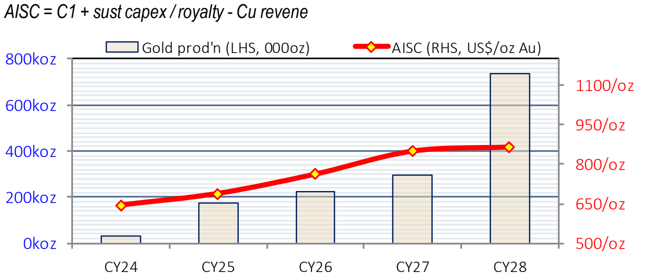
Asset value: 1xNPV project @ build start (A$m, ungeared, 35Mt ROM)*					
Project NPV (A$m)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	2,719	3,168	3,618	4,068	4,517
7.0% discount	3,253	3,770	4,286	4,803	5,320
5.0% discount	3,899	4,496	**5,093**	5,690	6,287
Ungeared project IRR:	29%	32%	34%	37%	39%
Project NPV (GBp/sh)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	7.2	8.6	10.0	11.4	12.8
7.0% discount	8.8	10.3	11.9	13.5	15.1
5.0% discount	10.6	12.5	**14.3**	16.1	18.0
**Project NPV, ex fin. costs and cent G&A, d'cnt to build start*					

***Group* valuation over time^**	**Dec-22**	**Dec-23**	**Dec-24**	**Dec-25**	**Dec-26**
Attr. Havieron NPV (A$m)	1,103	1,220	1,422	1,466	1,495
G&A and finance costs (A$m)	(177.4)	(162.3)	(161.1)	(147.4)	(121.9)
Net cash prior qtr (A$m)	22.7	22.7	(51.8)	(139.2)	(103.7)
6Moz cave @ A$208/oz	-	-	-	-	-
NAV FF FD (A$m)	949	1,081	**1,209**	1,179	1,270
Shares in issue (FD, m)	*5,957*	*6,498*	*6,498*	*6,498*	*6,498*
1xNAV5%/sh FF FD (GBp/sh)	9.6	10.0	**11.2**	10.9	11.7

Geared build-start NAV diluted for mine build, net G&A and finance costs					
NAV at first gold (A$/sh)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	686	803	921	1,038	1,155
7.0% discount	791	922	1,053	1,184	1,315
5.0% discount	915	1,062	**1,209**	1,356	1,503
Ungeared project IRR:	29%	32%	34%	37%	39%
NAV at first gold (GBp/sh)*	$1650oz	$1750oz	$1850oz	$1950oz	$2050oz
9.0% discount	6.3	7.4	8.5	9.6	10.7
7.0% discount	7.3	8.5	9.7	10.9	12.2
5.0% discount	8.5	9.8	**11.18**	12.5	13.9
*^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for mine build equity*					

Production	**CY24**	**CY25**	**CY26**	**CY27**	**CY28**
Gold production (000oz Au)	**33**	**173**	**225**	**294**	**735**
AISC cost (US$/oz Au)	**644**	**688**	**762**	**851**	**866**

AISC = C1 + sust capex / royalty - Cu revenue



Resource / Reserve (100%)	**Tonnes**	**Grade (Au**	**Oz (Au)**	**g/t (AuEq**	**Oz (AuEq)**
Resource	131Mt	1.70g/t	7000koz	1.99g/t	8400koz
Reserve (GGP)	25Mt	2.99g/t	2400koz	3.62g/t	2909koz
SCP inventory	80Mt	2.91g/t	7497koz	3.54g/t	9116koz

CASH USES (Greatland)		**CASH SOURCES (Greatland)**	
US$381m DFS capex * 30%	A$159m	Wyloo Debt	A$50m
NCM debt pay down (A$)	A$72m	Debt facility A	A$200m
SCPe Greatland exploration	A$13m	Debt facility B	A$20m
SCPe GGP pre-Au fin. Costs	A$0m	Pro fo. cash + ITM Options	A$80m
TOTAL USES:	A$244m	TOTAL SOURCES:	A$350m
Excludes 5% buy-down, A$13m attr. mill cost		*Buffer:*	*A$106m*

Key financial line items (Gr	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Greatland attr. EBITDA (£m)	(6.2)	(4.1)	8.5	57.0	69.9
Greatland attr. cash flow (£m)	13.7	(35.1)	(72.9)	22.4	27.3
Greatland attr. Income (£)	(6.3)	(4.1)	4.7	37.1	45.1

Ratio analysis (Greatland)	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Average shares out (m)	4,571	5,979	5,979	5,979	5,979
EPS (GPp/sh)	(0.1)	(0.1)	0.1	0.6	0.8
CFPS (GBp/sh)	0.3	(0.6)	(1.2)	0.4	0.5
EV (£)	387	547	620	597	570
FCF yield (%)	3%	-	-	4%	5%
PER (x)	(64.0)	(129.3)	113.6x	14.3x	11.7x
EV/EBITDA (x)	-	-	87.7x	5.4x	4.1x

Income statement (Havieron	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Net revenue (A$m)	-	-	103.2	547.9	687.6
COGS (A$m)	-	-	41.3	231.4	299.1
Gross profit (A$m)	-	-	62.0	316.5	388.5
D&A, attrib (A$m)	-	-	3.3	17.2	23.8
G&A + sh based costs (A$m)	25.4	20.4	14.5	-	-
Finance cost (A$m)	9.7	2.3	(40.4)	(206.1)	(250.8)
Taxes (A$m)	-	-	18.2	93.3	113.9
Net income (A$m)	(35.1)	(22.7)	25.9	206.1	250.8

Cash flow, attrib. (Havieron)	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
EBIT (A$m)	(25.4)	(20.4)	3.7	93.3	113.9
Add back D&A (A$m)	-	-	3.3	17.2	23.8
Less tax + interest (A$m)	9.7	2.3	(22.1)	(112.8)	(136.8)
Net change wkg cap (A$m)	(2.3)	(1.9)	41.9	12.9	9.0
Other non-cash (A$m)	6.1	(0.1)	(39.6)	199.8	255.6
Cash flow ops (A$m)	**(12.0)**	**(20.0)**	**(12.7)**	**210.4**	**265.6**
PP&E - build + sust. (A$m)	(14.3)	(21.9)	29.2	223.2	274.6
PP&E - expl'n (A$m)	24.5	160.2	392.4	85.9	113.6
Cash flow inv. (A$m)	**(10.2)**	**(138.3)**	**(421.6)**	**(309.2)**	**(388.2)**
Share issue (A$m)	106.5	1.0	-	-	-
Debt draw (repay) (A$m)	-	-	-	-	-
Cash flow fin. (A$m)	**106.5**	**1.0**	**-**	**-**	**-**
Net change in cash (A$m)	84.3	(157.3)	(434.4)	(98.8)	(122.7)
EBITDA (A$m)	(34.6)	(22.9)	47.4	316.5	388.5

Balance sheet (Havieron)	**CY22E**	**CY23E**	**CY24E**	**CY25E**	**CY26E**
Cash (A$m)	99.7	(97.8)	(502.9)	(378.5)	(226.5)
Acc rec., inv, p.paid (A$m)	0.6	0.2	41.5	61.7	75.7
PP&E + other (A$m)	88.1	189.5	578.6	647.4	737.2
Total assets (A$m)	**188**	**92**	**117**	**331**	**586**
Debt (A$m)	72.5	-	-	-	-
Accounts payable (A$m)	6.2	14.2	13.6	20.8	25.8
Others (A$m)	5.0	-	-	-	-
Total liabilities (A$m)	83.8	14.2	13.6	20.8	25.8
Issued capital (A$m)	186.6	182.2	182.2	182.2	182.2
Retained earnings (A$m)	(81.9)	(104.4)	(78.5)	127.6	378.3
Liabilities + equity (A$m)	**188**	**92**	**117**	**331**	**586**

Source: SCP estimates

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BUY:	54
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	55

[1] As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month