

**Ticker:** EMR AU  
**Market cap:** A\$2.63bn

**4Q24 net cash:** A\$213.5m  
**Price:** A\$4.00/sh

**Project:** Okvau / Memot / Bullseye  
**Country:** Cambodia / W Australia

REC. (unc): BUY

TARGET(-\$0.10): A\$5.20/sh

RISK RATING (unc): HIGH

*We don't see any significant long-term impact from today's Okvau March quarter guidance adjustment to 20koz (prev 25koz). We already expected and modelled a higher waste-stripping quarter to transition the pit to the new LT mine plan – given the fleet was focused on moving more waste tonnes, hence lowering production due to lower than planned grades. We expect strong quarters for the remainder of the year as indicated by grade control and with more mine plan flexibility as a contingency, and the plant continuing to perform well at 85% recovery despite lower head grades. Guidance for the June and September quarters (25-30koz at US\$900-1,000/oz AISC) are in line with our expectations. Given, we already expected higher tax payments this quarter based on historical timing, we expect flat cash this quarter followed by strong cash flow (A\$35m or US\$23m) in the coming quarters as the Sprott debt and associated hedges end in the March 2025 quarter and with SCPe production towards the top end of the 25-30koz quarterly guidance range.*

**Model changes:** We adjust our quarterly production to 20.1koz at US\$1,350/oz AISC. Given timing, we also adjust our Dingo Range build start by 2 quarters to calendar Q4 this year from Q2, with Memot moved one quarter to calendar 1Q26 build start. The overall SCPe NAV impact is -2.4% to US\$2.33bn.

**We maintain our BUY rating and adjust our price target to A\$5.20/sh (prev A\$5.30/sh) based on 1.0x NAV5%-2300/oz.** We expect Emerald to deliver their growth plans to 350-400kozpa by the end of 2026. We see value here – although the growth plan is ambitious, this is a team that has proven its build and operating capabilities over multiple companies and with strong management alignment through equity ownership. Moreover, to the extent build starts are pushed back, Emerald accumulates more cash and we now estimate they can fund the builds through cash flow, though we expect a corporate debt facility to manage liquidity and for contingency. We see upside at these price levels with SCPe NAV<sub>5%-2300</sub> at A\$3.5bn lifting to A\$5.0bn at spot vs the current A\$2.6bn market cap.

### Okvau guidance adjusted to 20koz for MQ25, no impact to LT guidance

Emerald adjusted guidance for the March 2025 quarter to 20koz (prev 25-30koz) with AISC expected to be within 20% of guidance (US\$1,100-1,200/oz previously). Guidance is 25-30koz at US\$900-1,000/oz AISC for the June (unch) and September (newly issued) quarters. Guidance is 105-115koz at US\$900-1,000/oz for FY25 and 110-125koz in line with LOM US\$966/oz in FY26.

### Why we like Emerald

1. Management has built seven mines on time and on budget at Equigold, Regis and Emerald
2. Management aligned with holders as A\$19m equity invested
3. Pathway to SCPe 350-400kozpa with Dingo Range and Memot mine builds in 2025
4. Likely reserve extensions in Cambodia, and regional potential with first-mover belt control

### Catalysts

- Mid 2025: Updated Dingo Range and Memot MREs
- 2025: Dingo Range and Memot FID and build start

### Research

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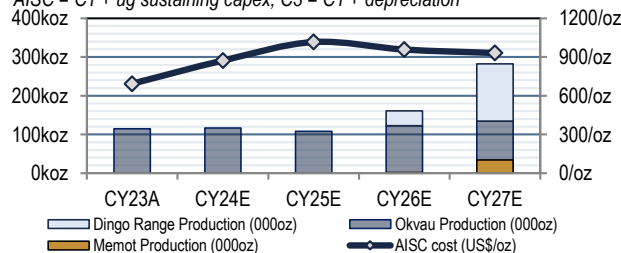
<b>Ticker:</b> EMR AU	<b>Price / mkt cap:</b> A\$4.00/sh, A\$2628r	<b>Group P/NAV today:</b> 0.77x	<b>Country:</b> Cambodia / WA
<b>Author:</b> J Chan	<b>Rec/PT:</b> BUY, A\$5.20sh	<b>1xNAV5% FF FD:</b> A\$5.18/sh	<b>Asset:</b> Okvau / Dingo Rang

Commodity price	CY23A	CY24E	CY25E	CY26E	CY27E
Gold price	1,947	2,435	2,548	2,368	2,300
Group-level SOTP valuation Mar 25					
	A\$m	US\$m	O/ship	NAVx	A\$/sh*
NPV Okvau 1Q25	1293	867	100%	1.00x	1.92
NPV Dingo Range CY 1Q25	1150	770	100%	1.00x	1.71
NPV Memot CY 1Q25	854	572	100%	1.00x	1.27
NPV central & finance costs	(135.4)	(91)	-	1.00x	(0.20)
Net cash (incl. bullion) CY 4Q2	210.3	140.9	-	1.00x	0.31
Cash from options	38.0	25.4	-	1.00x	0.06
Expl'n (0.5Moz@US\$100/oz)	74.6	50	-	1.00x	0.11
<b>1xNAV5% US\$2300/oz</b>	<b>3484</b>	<b>2,335</b>			<b>5.18</b>
Asset value: 1xNAV (US\$m, geared)*					
Group NAV (US\$m)	\$2000oz	\$2300oz	\$2500oz	\$2700oz	\$2900oz
9% discount	1,638	2,019	2,273	2,528	2,782
7% discount	1,755	2,167	2,442	2,717	2,992
5% discount	1,888	2,335	2,632	2,930	3,228
Group NAV (A\$/sh)	\$2000oz	\$2300oz	\$2500oz	\$2700oz	\$2900oz
9% discount	3.63	4.48	5.04	5.61	6.17
7% discount	3.89	4.81	5.42	6.03	6.64
5% discount	4.19	5.18	5.84	6.50	7.16

\*Company NAV net finance costs and SG&A

Group NAV5% over time	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29
NPV Okvau 1Q25	866.6	794.3	711.2	604.1	485.6
NPV Dingo Range CY 1Q25	770.4	835.7	966.4	861.2	740.4
NPV Memot	571.9	625.1	746.4	700.8	623.5
Cent. costs (US\$m)	(90.7)	(74.3)	(67.3)	(59.9)	(52.2)
Net cash (incl. bullion) CY 4Q2	140.9	168.8	96.5	446.5	840.9
Cash from options (US\$m)	25.4	25.4	25.4	25.4	25.4
Expl'n (0.5Moz US\$100/oz)	50	50	50	50	50
NAV (US\$m)	2,335	2,425	2,529	2,628	2,714
1xNAV5%/sh FF FD (Ac/sh)	518	538	561	583	602
Production	CY23A	CY24E	CY25E	CY26E	CY27E
Okvau Production (000oz)	115	117	108	123	135
Okvau AISC (US\$/oz)	693	873	1,017	913	889
Dingo Range Production (000oz)	-	-	-	38	148
Dingo Range AISC (US\$/oz)	-	-	-	890	890
Memot Production (000oz)	-	-	-	6	102
Memot AISC (US\$/oz)	-	-	-	2,277	1,049
Group production (000oz)	115	117	108	167	384
AISC cost (US\$/oz)	693	873	1,017	958	931
C3 cost (US\$/oz)	158	174	273	287	265

AISC = C1 + ug sustaining capex, C3 = C1 + depreciation



Source: SCP estimates

Resource	Au (koz)	Au (g/t)	Reserve	Au (koz)	Au (g/t)
Okvau M&I&I	1,000koz	1.92g/t	Okvau 2P	700koz	1.51g/t
Dingo Range M&I&I	1,010koz	1.13g/t	-	-	-
Memot M&I&I	1,030koz	1.65g/t	-	-	-
Share data					
Basic shares (m)	657.0		FD with options (m)	673	
Ratio analysis	CY23A	CY24E	CY25E	CY26E	CY27E
Avg shares out (m)	530	530	530	530	530
EPS (A\$/sh)	0.14	0.22	0.25	0.35	0.88
CFPS (A\$/sh)	0.26	0.35	0.15	(0.20)	0.98
EV (A\$m)	(51)	(188)	(232)	(124)	(222)
FCF yield (%)	6.4%	8.9%	3.7%	-	24.6%
PER (x)	27.8x	18.1x	16.3x	11.3x	4.5x
P/CF (x)	15.6x	11.3x	27.2x	-	4.1x
EV/EBITDA (x)	(0.2)	(0.6)	(1.0)	(0.4)	(0.3)
Income statement	CY23A	CY24E	CY25E	CY26E	CY27E
Revenue (A\$m)	342.5	434.1	400.9	586.2	1,318.6
COGS incl royalty (A\$m)	(121.8)	(138.2)	(179.6)	(246.5)	(527.9)
D&A (A\$m)	(38.3)	(40.0)	(11.1)	(47.2)	(135.4)
<b>Gross profit (A\$m)</b>	<b>182.4</b>	<b>255.9</b>	<b>210.2</b>	<b>292.5</b>	<b>655.3</b>
Finance cost (A\$m)	(13.4)	(20.6)	(14.6)	-	-
Exploration (A\$m)	(23.6)	(49.3)	-	-	-
Admin + other (A\$m)	(52.2)	(12.5)	(19.5)	(19.6)	(19.7)
Tax (A\$m)	(16.9)	(55.9)	(45.9)	(84.8)	(168.8)
<b>Net income (A\$m)</b>	<b>76.3</b>	<b>117.5</b>	<b>130.2</b>	<b>188.0</b>	<b>466.8</b>
EBITDA (A\$m)	220.7	295.9	221.3	339.7	790.7
Cash flow statement	CY23A	CY24E	CY25E	CY26E	CY27E
Revenue (A\$m)	339.0	427.3	400.9	586.2	1,318.6
Payments (A\$m)	(188.5)	(199.7)	(252.2)	(346.1)	(711.5)
Chaning in WC (A\$m)	-	-	(8.2)	(45.5)	(41.6)
Others (A\$m)	(4.9)	(35.4)	0.0	0.0	-
<b>Cash flow ops (A\$m)</b>	<b>145.6</b>	<b>192.2</b>	<b>140.6</b>	<b>194.6</b>	<b>565.4</b>
PP&E (A\$m)	(9.3)	(3.9)	(62.4)	(302.4)	(43.0)
<b>Cash flow inv. (A\$m)</b>	<b>(9.3)</b>	<b>(3.9)</b>	<b>(62.4)</b>	<b>(302.4)</b>	<b>(43.0)</b>
Shares / lease (A\$m)	(6.7)	(8.3)	-	-	-
Debt draw (repay) (A\$m)	(43.8)	(36.9)	(9.7)	-	-
<b>Cash flow fin. (A\$m)</b>	<b>(50.4)</b>	<b>(45.2)</b>	<b>(9.7)</b>	<b>-</b>	<b>-</b>
Net cash change (A\$m)	85.8	143.1	68.4	(107.9)	522.4
Balance sheet	CY23A	CY24E	CY25E	CY26E	CY27E
Cash (A\$m)	115.5	217.5	251.9	144.0	241.5
Acc rec. + inv. (A\$m)	57.5	53.6	54.0	118.0	155.1
PPE (A\$m)	74.5	66.9	118.2	373.5	348.8
Oth + mine-build (A\$m)	349.2	449.6	485.0	485.0	485.0
<b>Total assets (A\$m)</b>	<b>596.7</b>	<b>787.6</b>	<b>909.1</b>	<b>1,120.5</b>	<b>1,230.4</b>
Debt (A\$m)	42.9	8.3	(1.4)	(1.4)	(1.4)
Accnts payable (A\$m)	24.8	31.9	40.1	58.6	66.0
Total liabilities (A\$m)	67.8	40.2	38.7	57.2	64.6
S'holders equity (A\$m)	351.5	452.2	456.9	461.8	463.0
Retained earnings (A\$m)	3.4	28.5	28.5	28.5	28.5
Reserves (A\$m)	71.6	154.8	285.0	473.0	574.3
<b>Liabilities + equity (A\$m)</b>	<b>596.7</b>	<b>787.6</b>	<b>909.1</b>	<b>1,120.5</b>	<b>1,230.4</b>

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Summary of Recommendations as of March 2025	
BUY:	47
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	48

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