

Ticker: EMR AU
Market cap: A\$2.5bn

CY1Q25 net cash: A\$186.6m
Price: A\$3.80/sh

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

REC. (unc): BUY

TARGET (unc): A\$5.20/sh

RISK RATING (unc): HIGH

Today's MQ25 production was overall in line with our revised numbers, with cash and bullion of A\$209.5m vs SCPe A\$215.8m after significantly more cash tax paid (US\$33m vs SCPe US\$12m and SCPe US\$7m paid last year in the March Q). Operating cash flow of A\$66m before tax was above our estimates, partly impacted by sales above production (23.6koz sold vs 20.6koz poured). As previously noted, the lower grades experienced during the quarter were a one-off and guidance for JQ25 is 25-30koz at US\$900-1000/oz, back in line with Okvau's LOM plan. With the debt repaid, including the associated 1.45koz/month at US\$1,100/oz gold-linked component, we expect Okvau cash flow to increase by ~A\$8m/month to A\$45-50m/quarter (~US\$30-33m/quarter) and US\$132m (SCPe ~US\$125m net cash incl leases) at quarter end to fund Dingo Range and Memot (combined SCPe US\$215m cash flow).

Model changes: We match quarterly production, taxes paid, capex, and ending cash and bullion. Our overall NAV estimate increases by US\$9m (+0.4%) to US\$2,344m. **We maintain our BUY rating and A\$5.20/sh price target based on 1.0x NAV5%-2300/oz.** Okvau remains a strong cash generator which enables Emerald to fund their organic growth plans, and we expect Dingo Range and Memot in production by the end of 2026, lifting Emerald to ~400kozpa group run rate. Emerald currently trades at 0.7x SCPe NAV5%-2300/oz which is well below Australian peers – we think the market is still applying a discounted multiple for growth and this will re-rate as Emerald progresses to FID at both assets (we expect this year).

MQ25 production of 19koz, A\$65m operating cash pre-tax, 25-30koz guided for June Q

Emerald announced March 2025 (fiscal Q3) quarterly production of 19,062oz Au (20,648oz poured) and sales of 23,636oz at US\$2,861/oz, slightly below updated production guidance of ~20koz as per the 21 March 2025 release. AISC is expected to be within 10% (reduced from 20% in the March news release) of the US\$1,100–1,200/oz as guided in the December half year report. Pre-tax operating cash flow from Okvau was A\$66m (US\$41.5m). Emerald reported that production during the March 2025 quarter was below guidance due to limited access to ore zones caused by accelerated earthworks and waste movements associated with cutback activities. Access constraints affected equipment mobility and restricted ore exposure late in the quarter. Additionally, the ore mined underperformed relative to reserve expectations, with lower grades and higher tonnage resulting in similar contained ounces but lower production. Cash and bullion decreased to A\$210m (US\$132m) from A\$243m (US\$151m) at the end of the December quarter, significantly attributable to a US\$19.3m corporate tax payment and US\$7.7m in development expenditure. Additionally, Emerald highlighted that following quarter-end, Emerald completed the final repayment of its US\$60m Okvau Debt Facility, leaving the company debt-free and unhedged.

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

Justin Chan (London) m +44 7554 784 688 jchan@scp-rf.com

Omeet Singh (Toronto) m +1 647 527 7509 osingh@scp-rf.com

Moatasm Almaouie (Toronto) m +1 780 299 5151 malmaouie@scp-rf.com

Ticker: EMR AU	Price / mkt cap: A\$3.80/sh, A\$2498r	Group P/NAV today: 0.73x	Country: Cambodia / WA
Author: J Chan	Rec/PT: BUY, A\$5.20sh	1xNAV5% FF FD: A\$5.20/sh	Asset: Okvau / Dingo Rang

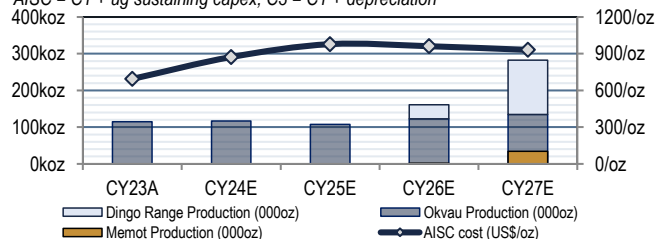
Commodity price	CY23A	CY24E	CY25E	CY26E	CY27E
Gold price	1,945	2,387	2,756	2,475	2,300
Group-level SOTP valuation					
	A\$m	US\$m	O/ship	NAVx	A\$/sh*
NPV Okvau 1Q25	1331	892	100%	1.00x	1.98
NPV Dingo Range CY 1Q25	1153	772	100%	1.00x	1.71
NPV Memot CY 1Q25	854	572	100%	1.00x	1.27
NPV central & finance costs	(137.8)	(92)	-	1.00x	(0.20)
CY1Q25 Net cash (incl. bullion & lease)	186.6	125.0	-	1.00x	0.28
Cash from options	37.5	25.1	-	1.00x	0.06
Expl'n (0.5Moz@US\$100/oz)	74.6	50	-	1.00x	0.11
1xNAV5% US\$2300/oz	3499	2,344			5.20

Asset value: 1xNAV (US\$m, geared)*					
Group NAV (US\$m)	\$2000oz	\$2300oz	\$2500oz	\$2700oz	\$2900oz
9% discount	1,619	2,028	2,301	2,574	2,847
7% discount	1,737	2,177	2,471	2,764	3,058
5% discount	1,869	2,344	2,661	2,978	3,295
Group NAV (A\$/sh)	\$2000oz	\$2300oz	\$2500oz	\$2700oz	\$2900oz
9% discount	3.59	4.50	5.10	5.71	6.32
7% discount	3.85	4.83	5.48	6.13	6.78
5% discount	4.15	5.20	5.90	6.61	7.31

*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	892.0	805.5	713.3	605.7	486.9
NPV Dingo Range CY 1Q25	772.3	837.7	967.0	861.2	740.4
NPV Memot	572.1	625.3	746.7	700.8	623.5
Cent. costs (US\$m)	(92.3)	(74.3)	(67.3)	(59.9)	(52.2)
CY1Q25 Net cash (incl. bullion & lease)	125.0	179.4	117.7	469.0	863.8
Cash from options (US\$m)	25.1	25.1	25.1	25.1	25.1
Expl'n (0.5Moz US\$100/oz)	50	50	50	50	50
NAV (US\$m)	2,344	2,449	2,553	2,652	2,738
1xNAV5%/sh FF FD (Ac/sh)	520	543	566	588	607
Production	CY23A	CY24E	CY25E	CY26E	CY27E
Okvau Production (000oz)	115	117	107	123	135
Okvau AISC (US\$/oz)	694	873	979	916	889
Dingo Range Production (000oz)	-	-	-	38	148
Dingo Range AISC (US\$/oz)	-	-	-	894	890
Memot Production (000oz)	-	-	-	6	102
Memot AISC (US\$/oz)	-	-	-	2,280	1,049
Group production (000oz)	115	117	107	167	384
AISC cost (US\$/oz)	694	873	979	962	931
C3 cost (US\$/oz)	152	176	284	288	266

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)	657.3		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	0.31	0.38	0.88
CFPS (A\$/sh)	0.26	0.36	0.18	(0.17)	0.99
EV (A\$m)	(52)	(189)	(249)	(157)	(256)
FCF yield (%)	6.8%	9.3%	4.8%	-	26.0%
PER (x)	26.4x	17.1x	12.4x	9.9x	4.3x
P/CF (x)	14.8x	10.7x	20.9x	-	3.8x
EV/EBITDA (x)	(0.2)	(0.6)	(0.9)	(0.4)	(0.3)

Income statement	CY23A	CY24E	CY25E	CY26E	CY27E
Revenue (A\$m)	342.5	434.1	447.6	610.8	1,318.6
COGS incl royalty (A\$m)	(121.8)	(138.2)	(180.3)	(248.1)	(527.9)
D&A (A\$m)	(38.3)	(40.0)	(12.5)	(48.8)	(137.1)
Gross profit (A\$m)	182.4	255.9	254.8	314.0	653.6
Finance cost (A\$m)	(13.4)	(20.6)	(17.0)	-	-
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)	(56.5)	(90.9)	(168.3)
Net income (A\$m)	76.3	117.5	161.8	203.4	465.6
EBITDA (A\$m)	220.7	295.9	267.3	362.7	790.7

Cash flow statement	CY23A	CY24E	CY25E	CY26E	CY27E
Revenue (A\$m)	339.0	427.3	447.6	610.8	1,318.6
Payments (A\$m)	(188.5)	(199.7)	(295.7)	(353.8)	(711.0)
Chaning in WC (A\$m)	-	-	19.9	(46.2)	(40.1)
Others (A\$m)	(4.9)	(35.4)	-	0.0	0.0
Cash flow ops (A\$m)	145.6	192.2	171.8	210.8	567.5
PP&E (A\$m)	(9.3)	(3.9)	(75.5)	(302.9)	(43.0)
Cash flow inv. (A\$m)	(9.3)	(3.9)	(75.5)	(302.9)	(43.0)
Shares / lease (A\$m)	(6.7)	(8.3)	-	-	-
Debt draw (repay) (A\$m)	(43.8)	(36.9)	(9.7)	-	-
Cash flow fin. (A\$m)	(50.4)	(45.2)	(9.7)	-	-
Net cash change (A\$m)	85.8	143.1	86.6	(92.1)	524.4

Balance sheet	CY23A	CY24E	CY25E	CY26E	CY27E
Cash (A\$m)	115.5	217.5	267.7	175.6	274.7
Acc rec. + inv. (A\$m)	57.5	53.6	53.4	119.7	155.1
PPE (A\$m)	74.5	66.9	129.9	384.1	359.0
Oth + mine-build (A\$m)	349.2	449.6	456.1	456.1	456.1
Total assets (A\$m)	596.7	787.6	907.1	1,135.5	1,244.9
Debt (A\$m)	42.9	8.3	(1.4)	(1.4)	(1.4)
Accnts payable (A\$m)	24.8	31.9	38.7	58.8	66.0
Total liabilities (A\$m)	67.8	40.2	37.3	57.4	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	316.7	520.1	621.1
Liabilities + equity (A\$m)	596.7	787.6	907.1	1,135.5	1,244.9

DISCLOSURES & DISCLAIMERS

This research report (as defined under CRO Rule 3600, Part B) is issued and approved for distribution in Canada by SCP Resource Finance LP ("SCP"), an investment dealer who is a member of The Canadian Investment Regulatory Organization ("CRO") and the Canadian Investor Protection Fund ("CIPF"). This research report is provided to retail clients and institutional investors for information purposes only. The opinions expressed in this report are the opinions of the author and readers should not assume they reflect the opinions or recommendations of SCP's research department. The information in this report is drawn from sources believed to be reliable but the accuracy or completeness of the information is not guaranteed, nor in providing it does SCP or persons assume any responsibility or liability whatsoever. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any securities. SCP accepts no liability whatsoever for any loss arising from any use or reliance on this research report or the information contained herein. Past performance is not a guarantee of future results, and no representation or warranty, expressed or implied, is made regarding future performance of any security mentioned in this research report. The price of the securities mentioned in this research report and the income they generate may fluctuate and/or be adversely affected by market factors or exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Furthermore, the securities discussed in this research report may not be liquid investments, may have a high level of volatility or may be subject to additional and special risks associated with securities and investments in emerging markets and/or foreign countries that may give rise to substantial risk and are not suitable for all investors. SCP may participate in an underwriting of, have a position in, or make a market in, the securities mentioned herein, including options, futures or other derivatives instruments thereon, and may, as a principal or agent, buy or sell such products.

DISSEMINATION OF RESEARCH: SCP's research is distributed electronically through email or available in hard copy upon request. Research is disseminated concurrently to a pre-determined list of clients provided by SCP's Institutional Sales Representative and retail Investment Advisors. Should you wish to no longer receive electronic communications from us, please contact unsubscribe@scp-rf.com and indicate in the subject line your full name and/or corporate entity name and that you wish to unsubscribe from receiving research.

RESEARCH ANALYST CERTIFICATION: Each Research Analyst and/or Associate who is involved in the preparation of this research report hereby certifies that:

- The views and recommendations expressed herein accurately reflect his/her personal views about any and all of the securities or issuers that are the subject matter of this research report;
- His/her compensation is not and will not be directly related to the specific recommendations or view expressed by the Research analyst in this research report;
- They have not affected a trade in a security of any class of the issuer within the 30-day period prior to the publication of this research report;
- They have not distributed or discussed this Research Report to/with the issuer, investment banking group or any other third party except for the sole purpose of verifying factual information; and
- They are unaware of any other potential conflicts of interest.

UK RESIDENTS: SCP Partners UK Limited ("SCP UK") is an appointed representative of PillarFour Securities LLP which is authorized and regulated by the Financial Conduct Authority. This document has been approved under section 21(1) of the FMSA 2000 by PillarFour Securities LLP ("PillarFour") for communication only to eligible counterparties and professional clients as those terms are defined by the rules of the Financial Conduct Authority. Its contents are not directed at UK retail clients. PillarFour does not provide investment services to retail clients. PillarFour publishes this document as non-independent research which is a marketing communication under the Conduct of Business rules. It has not been prepared in accordance with the regulatory rules relating to independent research, nor is it subject to the prohibition on dealing ahead of the dissemination of investment research. It does not constitute a personal recommendation and does not constitute an offer or a solicitation to buy or sell any security. SCP UK and PillarFour consider this note to be an acceptable minor non-monetary benefit as defined by the FCA which may be received without charge. This is because the content is either considered to be commissioned by SCP UK's clients as part of their advisory services to them or is short term market commentary. Neither SCP UK nor PillarFour nor any of its directors, officers, employees or agents shall have any liability, howsoever arising, for any error or incompleteness of fact or opinion in it or lack of care in its preparation or publication; provided that this shall not exclude liability to the extent that this is impermissible under the law relating to financial services. All statements and opinions are made as of the date on the face of this document and are not held out as applicable thereafter. This document is intended for distribution only in those jurisdictions where PillarFour is permitted to distribute its research.

IMPORTANT DISCLOSURES FOR U.S. PERSONS: This research report was prepared by SCP Resource Finance LP ("SCP"), a company authorized to engage in securities activities in Canada. SCP is not a registered broker/dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Sprott Global Resource Investments Ltd. ("SGRIL"), a broker dealer in the United States registered with the Securities Exchange Commission ("SEC"), the Financial Industry Authority ("FINRA"), and a member of the Securities Investor Protection Corporation ("SIPC"). Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through SCP.

SGRIL accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. The analyst whose name appears in this research report is not licensed, registered, or qualified as a research analyst with FINRA and may not be an associated person of SGRIL and, therefore, may not be subject to applicable restrictions under FINRA Rule 2241 regarding communications by a research analyst with a subject company, public appearances by the research analyst, and trading securities held by a research analyst account. To make further inquiries related to this report, United States residents should contact their SGRIL representative.

ANALYST CERTIFICATION / REGULATION AC: The analyst and associate certify that the views expressed in this research report accurately reflect their personal views about the subject securities or issuers. In addition, the analyst and associate certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

SCP RESOURCE FINANCE EXPLANATION OF RECOMMENDATIONS: Should SCP issue research with recommendations, the research rating guidelines will be based on the following recommendations:

BUY: The stocks total returns are expected to be materially better than the overall market with higher return expectations needed for more risky securities markets

NEUTRAL: The stock's total returns are expected to be in line with the overall market

SELL: The stocks total returns are expected to be materially lower than the overall market

TENDER: The analyst recommends tendering shares to a formal tender offering

UNDER REVIEW: The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

NOT RATED (N/R): The stock is not currently rated

Research Disclosure		Response
1	SCP collectively beneficially owns 1% or more of any class of the issuer's equity securities ¹	NO
2	The analyst or any associate of the analyst responsible for the report or recommendation or any individual directly involved in the preparation of the report holds or is short any of the issuer's securities directly or through derivatives	NO
3	An SCP partner, director, officer or analyst involved in the preparation of a report on the issuer, has during the preceding 12 months provided services to the issuer for remuneration other than normal course investment advisory or trading execution services	NO
4	SCP has provided investment banking services for the issuer during the 12 months preceding the date of issuance of the research report or recommendation	YES
5	Name of any director, officer, employee or agent of SCP who is an officer, director or employee of the issuer, or who serves in an advisory capacity to the issuer	NO
6	SCP is making a market in an equity or equity related security of the issuer	NO
7	The analyst preparing this report received compensation based upon SCP's investment banking revenue for the issuer	NO
8	The analyst has conducted a site visit and has viewed a major facility or operation of the issuer	YES
9	The analyst has been reimbursed for travel expenses for a site visit by the issuer	YES

SCP Resource Finance Equity Research Ratings:

Summary of Recommendations as of April 2025	
BUY:	48
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	49

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