

Ticker: EMR AU**CY1Q25 net cash:** A\$186.6m**Project:** Okvau / Memot / Bullseye**Market cap:** A\$2.6bn**Price:** A\$3.91/sh**Country:** Cambodia / W Australia

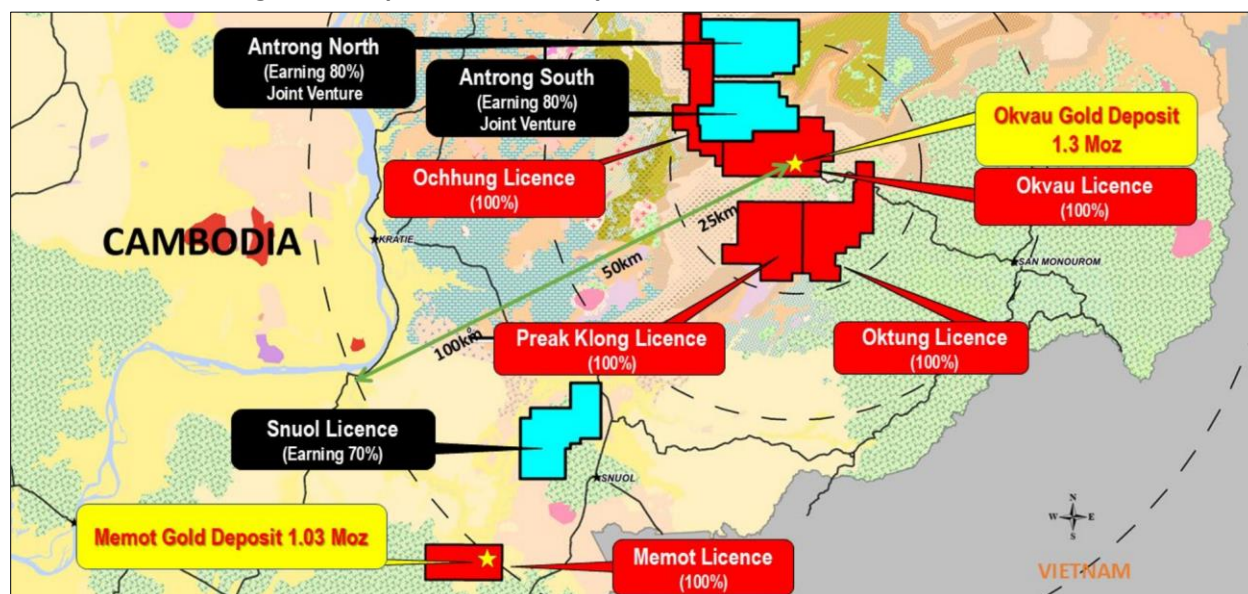
REC. (unc): BUY

TARGET (unc): A\$5.20/sh

RISK RATING (unc): HIGH

Today's 1Q25 exploration update showed good drilling progress as Emerald advances towards FID at Dingo Range and Memot, while also adding drill definition beneath the Okvau pit to delineate a planned UG mine (we model first UG ore in mid-2026). We expect Emerald to continue to progress towards its ambitious target of mine build start at both Dingo Range (SCPe 3Q25) and Memot (relocation start in 4Q25) targeting production lift to 350-400kozpa from 2027. The key here is that with SCPe A\$30-40m of FCF/quarter from Okvau, SCPe ~A\$185m net cash, and a total SCPe US\$215m combined capex budget for Memot and Dingo Range, we think Emerald can deliver this growth profile without additional share issuance or dilution. **We maintain our BUY rating and A\$5.20/sh price target based on 1.0x NAV5%-2300/oz.** Our SCPe NAV lifts from A\$3.5bn at our US\$2,300/oz LT gold price to A\$5.6bn at spot US\$3,300/oz so we see significant value uplift as Emerald delivers on its growth plans, with interim catalysts being an updated MRE at Dingo Range (we think targeting 1.5Moz MRE for ~1Moz at 1.5-1.7g/t reserve) and permitting and FID catalysts and Dingo Range and Memot (relocation more so the timeline driver at Memot than the MRE or other permits in our view).

Figure 1. Map of Emerald's exploration license areas in Cambodia



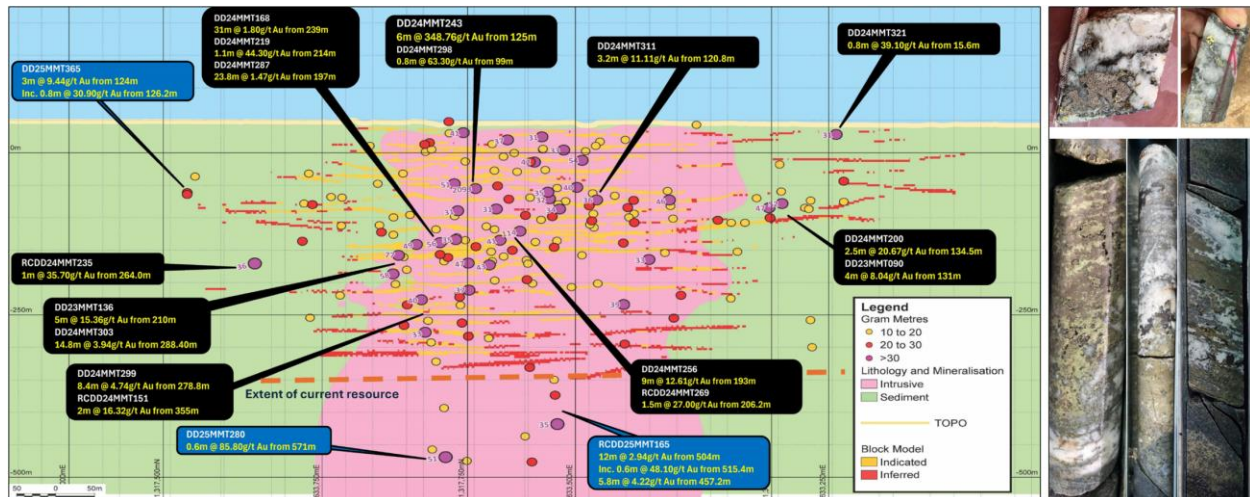
Source: Emerald Resources

MQ25 drilling: high-grade UG delineation at Okvau, Dingo and Memot advance towards FID

Emerald provided the market with an update on 1Q25 exploration at Memot, Okvau, and Dingo Range.

Memot (Cambodia, 1.03Moz at 1.65g/t MRE): Emerald has been targeting mineralization down-dip and along strike beyond the resource boundaries as well as infilling inferred with the aim of reclassification in future MRE updates. 18,728m across 47 collars were drilled, including eight testing depth extensions of prior holes. Highlights include **0.6m @ 85.80g/t Au** from 571m, **12.0m @ 2.94g/t Au** from 504m (incl. 0.6m @ 48.10g/t), and **3.0m @ 9.44g/t Au** from 124m (incl. 0.8m @ 30.90g/t Au). 111,160m across 407 collars have been drilled to date at Memot. The resource has an interpreted strike of 1.1km x 900m wide to a depth of up to 450m below surface in a series of parallel NE dipping sulphide-rich veins primarily within a diorite intrusion but can extend beyond the contact into hornfels metasediments.

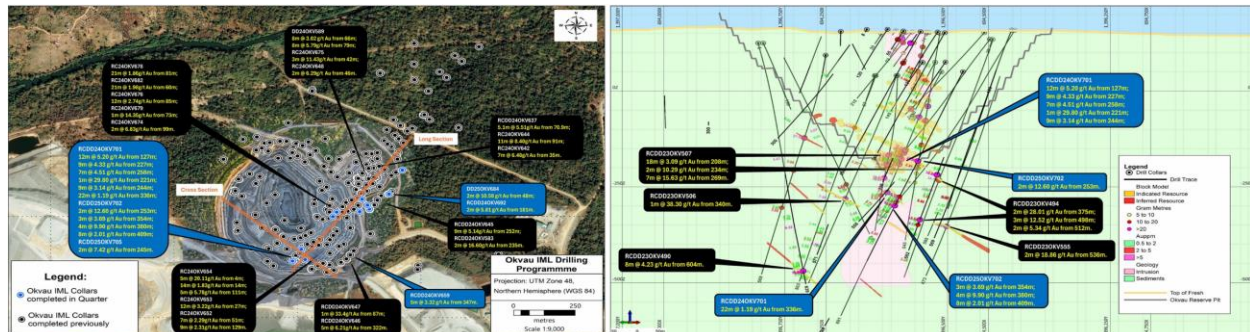
Figure 2. Memot (A) Long-section with previous (black) and current (blue) intercepts and (B) drill core



Source: Emerald Resources

Okvau (Cambodia): infill and extension drilling in Q1 targeted NE of the pit shell with 15 holes for 4,610m (5 RC, 529m; 1DD, 177m; 3,903m RCDD tail) with highlights **12.0m @ 5.20g/t Au** from 127m, **4.0m @ 9.90g/t** from 380m, and **9.0m @ 4.33g/t Au** from 227m. The mineralization is associated with massive pyrrhotite, arsenopyrite, and pyrite stacked sulphide vein sets hosted in both diorite and hornfels sedimentary lithologies. A total of 2,663 assays are currently outstanding.

Figure 3. Okvau Gold Project (A) plan and (B) cross-section showing recent drill highlights (blue)



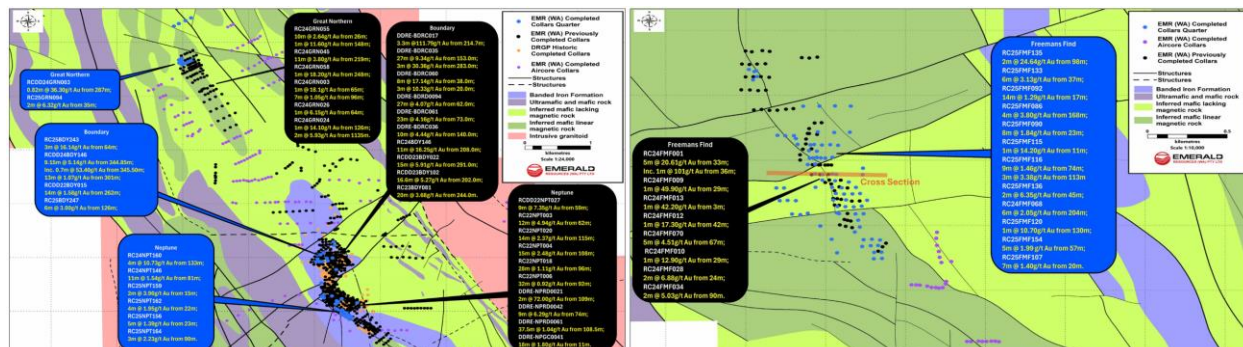
Source: Emerald Resources

Okvau (Near Mine Exploration): 63 RC (4,161m) were completed in Q1 on the Okvau North and Prey Sror Lao prospect (2-3km N of Okvau) targeting geophysical and geochemical anomalies as well as known mineralization with the aim of defining resources to provide supplemental ore feed for the Okvau processing facility. Highlights included of **13.6m @ 5.08g/t Au** from 54m and **6.8m @ 5.87g/t Au** from 26m (incl. 2.0m @ 14.53g/t). Assays are pending for ~1,500m of drilling following up on previous significant intercepts.

Dingo Range Gold (WA, 1.01Moz at 1.13g/t at 0.45g/t cutoff, 820koz at 1.46g/t at 0.7g/t cutoff): one air core, two RC percussion drills, and one DD rig are currently on-site conducting resource and exploration drilling, investigating extensions, as well as drilling other targets. Exploration was focused on infill and extensional drilling in Q1 at Great Northern, Boundary, Neptune and Freeman's Find prospects completing 188 holes for 21,960m (135 RC, 18,653m; 5 RCDD tail, 831m; 46 AC, 2,476m). Significant results include **8m @ 16.24g/t Au** from 336m (incl. 1.25m @ 56.7g/t), **2m @ 24.64g/t Au** from 98m, and **3m @ 16.14g/t Au** from 64m. Drilling at Great Northern and Freeman's find were closer spaced (25 & 50x100m) with mineralization associated with multiple, stacked, sheared quartz vein sets located proximal to a granodiorite intrusion into mafic volcanics and sedimentary lithologies. Drilling at Great Northern will

continue to infill and extend the 1km strike as well as some reconnaissance on the 3kms of strike between Great Northern and Boundary. At Freeman infill of the inferred resource will continue as well as extension drilling down dip and along strike.

Figure 4. Plan view of recent drilling in blue at (A) Great Northern, Boundary, and Neptune (B) Freeman



Source: Emerald Resources

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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Ticker: EMR AU	Price / mkt cap: A\$3.91/sh, A\$2570	Group P/NAV today: 0.75x	Country: Cambodia / WA
Author: J Chan	Rec/PT: BUY, A\$5.20sh	1xNAV5% FF FD: A\$5.20/sh	Asset: Okvau / Dingo Range

Commodity price	CY23A	CY24E	CY25E	CY26E	CY27E
Gold price	1,945	2,387	2,754	2,474	2,300

Group-level SOTP valuation	Mar 25				
	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	37.4	25.1	-	1.00x	0.06
Exp'n (0.5Moz@US\$100/oz)	74.6	50	-	1.00x	0.11
1xNAV5% US\$2300/oz	3498	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

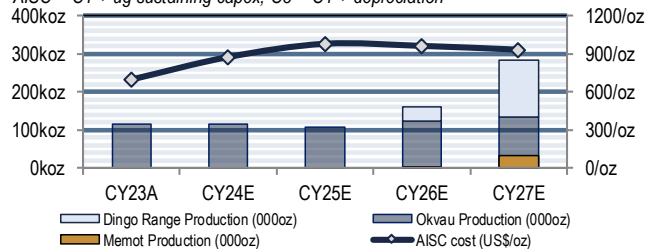
Group NAV (A\$/sh)	\$2000oz	\$2300oz	\$2500oz	\$2700oz	\$2900oz
9% discount	3.59	4.50	5.10	5.71	6.32
7% discount	3.85	4.83	5.48	6.13	6.78
5% discount	4.15	5.20	5.90	6.61	7.31

*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	891.8	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	179.2	117.5	468.8	863.6
Cash from options (US\$m)	25.1	25.1	25.1	25.1	25.1
Exp'n (0.5Moz US\$100/oz)	50	50	50	50	50
NAV (US\$m)	2,344	2,449	2,552	2,652	2,737
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	978	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
AI SC cost (US\$/oz)	694	873	978	962	931
C3 cost (US\$/oz)	152	176	284	288	266

AI SC = 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	0.30	0.38	0.88
CFPS (A\$/sh)	0.26	0.36	0.18	(0.17)	0.99
EV (A\$m)	(52)	(188)	(248)	(156)	(255)
FCF yield (%)	6.6%	9.1%	4.6%	-	25.3%

PER (x)	27.2x	17.6x	12.8x	10.2x	4.5x
P/CF (x)	15.2x	11.0x	21.6x	-	4.0x
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	447.3	610.6	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	254.5	313.8	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)	(56.4)	(90.8)	(168.3)

Net income (A\$m)	76.3	117.5	161.7	203.3	465.6
EBITDA (A\$m)	220.7	295.9	267.0	362.5	790.7

Cash flow statement	CY23A	CY24E	CY25E	CY26E	CY27E
Revenue (A\$m)	339.0	427.3	447.3	610.6	1,318.6
Payments (A\$m)	(188.5)	(199.7)	(295.6)	(353.7)	(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	171.6	210.7	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	86.4	(92.2)	524.4
Balance sheet	CY23A	CY24E	CY25E	CY26E	CY27E

Cash (A\$m)	115.5	217.5	267.5	175.3	274.4
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	906.9	1,135.2	1,244.6

Debt (A\$m)	42.9	8.3	(1.4)	(1.4)	(1.4)
Accts 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	316.5	519.8	620.8
Liabilities + equity (A\$m)	596.7	787.6	906.9	1,135.2	1,244.6

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

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Summary of Recommendations as of April 2025	
BUY:	49
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	50

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