

Australian Equity Research
 17 April 2018

Tim McCormack | Analyst | Canaccord Genuity (Australia) Ltd. | tim.mccormack@canaccord.com.au | +61.8.6216.2088
Reg Spencer | Analyst | Canaccord Genuity (Australia) Ltd. | reg.spencer@canaccord.com.au | +61.2.9263.2701
BUY

unchanged

PRICE TARGET A\$1.25↓

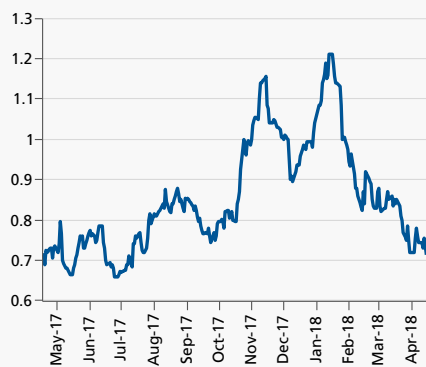
from A\$1.30

Price (17-Apr) A\$0.72

Ticker MLX-ASX

52-Week Range (A\$):	0.65 - 1.23
Avg Daily Vol (M) :	2.8
Market Cap (A\$M):	433
Shares Out. (M) :	606.0
Dividend /Shr (AUC):	1.0
Dividend Yield (%) :	1.4
Enterprise Value (A\$M):	385
NAV /Shr (AUC):	1.23
Net Cash (A\$M):	48.6
P/NAV (x) (A\$):	0.57
Major Shareholders:	APAC Resources 9.2% BlackRock 8.2%

FYE Jun	2017A	2018E	2019E	2020E
Sales (A\$M)	264.5	236.0↑	389.2↑	409.8↓
Previous	-	233.3	388.6	415.2
EBITDA (A\$M)	26.5	31.3↑	104.0↑	131.6↓
Previous	-	29.2	102.6	135.4
Net Income (A\$M)	(103.8)	7.7↑	89.1↑	119.7↓
Previous	-	5.2	88.0	123.6
EV/EBITDA (x)	14.5	12.5	3.0	1.6



Source: FactSet

Priced as of close of business 17 April 2018

Metals X Limited (MLX:ASX) is a tin producer from its 50% owned Renison Mine in Tasmania and also ramping up production to ~40ktpa of copper at its Nifty Copper mine.

Lowering Target Price

MarQ'18 report

MarQ'18 result in line at Nifty, JunQ'18 marks the inflection point. Copper production for the MarQ'18 at Nifty was 5.03kt at an AISC of A\$3.87/lb copper, in line with our expectations (CG est. 5.18kt at an AISC of A\$4.04/lb). While the result represents a relatively flat QoQ outcome, the implementation of a business improvement plan and the mobilisation of additional equipment (2x new loaders, 2x new charge-up machines, 1x new jumbo) remains on track, with the company re-iterating hitting a targeted production run-rate of 35ktpa by mid-2018. This implies a step-change in copper production, and we forecast an increase to ~7.4kt in the JunQ'18 (48% QoQ increase) and 8.5kt in the SepQ'18 (20% QoQ increase). We continue to see the long-stated 40ktpa production rate target as achievable in early 2019 – a view compounded by the diminishing reliance on the dilution-impacted checkerboard area of the orebody over the next 12 months.

Renison production in line, and set to increase in FY19. Tin production at Renison (100% basis, MLX 50%) was 1.7kt at an AISC of A\$17,196/t (CG est. 1.7kt at and AISC of A\$18,155/t) for the MarQ'18, a solid beat on the cost side and an improvement QoQ, albeit largely driven by stockpile adjustments. Construction of the ore sorting circuit remains on time and on budget for practical completion in the JunQ'18, and the commensurate 15-20% increase anticipated in tin production (~8-8.5ktpa) should be realised during FY19. MLX also completed a tailing dam expansion and additional mine development to accommodate the more aggressive mining rates required once the ore sorter is tied into the processing circuit. With minimal "one-off" capital required at Renison (outside of the Rentails expansion if it goes ahead) from FY19E, we expect the asset to contribute ~A\$40m pa FCF for MLX's 50% once at steady state (mid-FY19E).

Wingellina still the X factor. Exploration at Wingellina during the Q returned solid results, including: 86m at 0.22% cobalt and 1.04% nickel from 12m, 24m at 0.28% cobalt and 1.5% nickel from surface, 60m at 0.17% cobalt and 1.2% nickel from surface, and 38m at 0.31% cobalt and 1.3% nickel from surface. MLX has now tested six of 15 high-grade domains within the broader orebody, all of which demonstrated the potential for high-grade, low-strip open pits (CG est. combined tonnage ~15Mt of ore for 170kt nickel and 15kt cobalt). In our view, this is adequate for Engineering and Scoping Studies to be progressed with a view to establishing a low-capex, starter project. The next key news flow on Wingellina will be outcomes of metallurgical test work for the production of high-quality cobalt and nickel sulphate, which are expected during April 2018.

Valuation and recommendation. Our price target for MLX shares has reduced slightly to A\$1.25/sh (previously A\$1.30/sh) on account of refining the unit costs modeled at Renison and Nifty; however, we retain a bullish outlook for the stock, and highlight the imminent production step-change at Nifty as a significant near-term catalyst. Our NAV is underpinned by Renison and Nifty (NPV8%), net of corporate, balance sheet adjustments and nominal exploration value. MLX has healthy fundamental valuation upside (P/NAV 0.57x) and an undemanding FY19 EV/EBITDA of 3.0x, both of which are significantly cheaper than peer base metal producers.

FINANCIAL SUMMARY

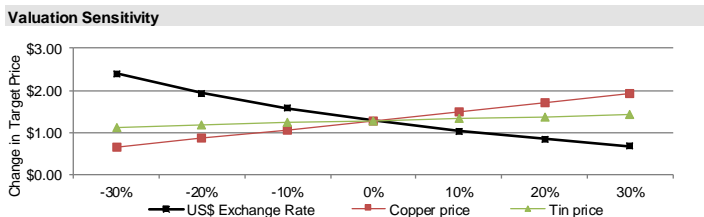
Metals X Limited **ASX:MLX**
Analyst: Tim McCormack
Date: 17/04/2018
Year End: June

Rating: **BUY**
Target Price: **\$1.25**

Market Information		
Share Price	A\$	0.72
Market Capitalisation	A\$m	433.3
12 Month Hi-Lo	A\$	1.93-0.62
Issued Capital	m	605.95
Options	m	1.64
Fully Diluted	m	607.59

Valuation	A\$m	Risk Adj.	A\$/share
Renison (MLX 50% owner)	NPV @ 8%	200.1	0.33
Nifty	NPV@ 8%	376.0	0.62
Exploration/Development assets		140.0	0.23
Hedging (against CG price deck)		(3.3)	(0.01)
Cash		48.6	0.08
Debt		-	-
Investments		8.3	0.01
Less: Corporate & O'heads		(26.5)	(0.04)
TOTAL NAV		743.2	1.23
Price:NAV			0.57
NAV at spot (copper, tin, FX)			1.29
Target Price (rounded)			1.25

Assumptions	2017a	2018e	2019e	2020e
Tin Price (US\$/t)	20,372	20,793	20,716	20,750
Copper Price (US\$/lb)	2.40	2.90	3.00	3.00
AUD:USD	0.75	0.80	0.79	0.79



Production Metrics	2017a	2018e	2019e	2020e
Renison Tin (MLX 50%)				
Tin production (tonnes)	6,972	7,345	8,492	8,544
AISC (A\$/t)	18,776	17,850	16,886	16,951
Nifty Copper Mine (MLX 100%)				
Copper production (tonnes)	23,429	20,421	37,271	39,480
C1 cost (A\$/lb)	2.45	3.93	2.96	2.70
AISC (A\$/lb)	3.31	4.45	3.17	2.90

Reserves & Resources				
Tin		Mt	Sn %	Sn (kt)
Resources - MLX 50%	Renison (M+H+I)	15	1.35	203
Reserves - MLX 50%	Renison (P+P)	7	1.06	72
Nickel		Mt	Ni%	Ni(kt)
Resources	Total	217	0.95	2,067
Reserves	Total	167	0.98	1,645
Copper (Nifty only)		Mt	Cu%	Cu(kt)
Resources	Total	42	1.50	622
Reserves	Total	14	1.71	238

Directors & Management	
Name	Position
Peter Newton	NE Chairman
Warran Hallam	Managing Director
Stephen Robinson	Executive Director
Allan King	COO
Simon Heggen	NE Director
Yimin Zhang	NE Director
Milan Jerkovic	NE Director

Substantial Shareholders		%
APAC		9.2%
BlackRock		8.2%
Jinchuan		7.2%
Ausbil		5.3%

Source: MLX & Canaccord Genuity estimates

Company Description
Metals X Ltd (MLX:ASX) is a tin and copper producer from its 50% owned Renison tin mine (Tasmania) and the Nifty copper mine (WA). The company demerged its gold business to form Westgold (WGX:ASX) in December 2016, and as such we only model continuing base metals operations from 2017.

Profit & Loss (A\$m)	2017a	2018e	2019e	2020e
Revenue	264.5	236.0	389.2	409.8
Operating Costs	-219.1	-195.4	-274.2	-267.1
Corporate & O'heads	-17.6	-6.8	-6.1	-6.1
Exploration (Expensed/WO)	-1.2	-2.5	-5.0	-5.1
EBITDA	26.5	31.3	104.0	131.6
Dep'n	-38.0	-10.7	-17.4	-18.0
EBIT	-11.5	20.6	86.6	113.6
Net interest	4.2	1.5	2.5	6.1
Tax	-36.1	0.6	0.0	0.0
Abnormals (pre-tax)	-60.3	-14.9	0.0	0.0
NPAT (continuing ops)	-103.8	7.7	89.1	119.7
Abnormals (incl. asset disp)	237.8	-14.9	0.0	0.0
NPAT (reported)	134.0	7.7	89.1	119.7

Cash Flow (A\$m)	2017a	2018e	2019e	2020e
Cash Receipts	385.0	258.5	389.2	409.8
Cash paid to suppliers & em	-364.1	-216.6	-280.2	-273.2
Tax Paid	0.0	0.0	0.0	0.0
Net Interest	1.1	0.9	2.5	6.1
Other (WC etc)	4.8	-5.0	0.0	0.0
Operating Cash Flow	26.8	37.8	111.5	142.8
Exploration and Evaluation	-14.1	-9.7	-10.0	-10.0
Capex	-50.3	-30.6	-18.5	-18.5
Other	-58.3	-0.3	0.0	0.0
Investing Cash Flow	-122.6	-40.6	-28.5	-28.5
Debt (repayment)/ gold prep:	0.0	-1.5	0.0	0.0
Share capital	115.6	0.0	0.0	0.0
Dividends	0.0	-4.5	-6.1	-11.2
Financing Expenses	-8.9	0.9	0.0	0.0
Financing Cash Flow	106.7	-5.1	-6.1	-11.2
Opening Cash	39.2	50.1	42.2	119.2
Increase / (Decrease) in cas	10.9	-7.9	77.0	103.0
FX Impact	0.0	0.0	0.0	0.0
Closing Cash	50.1	42.2	119.2	222.2

Balance Sheet (A\$m)	2017a	2018e	2019e	2020e
Cash + S/Term Deposits	50.1	42.2	119.2	222.2
Other current assets	100.8	47.7	62.7	66.6
Current Assets	150.9	89.9	181.8	288.7
Property, Plant & Equip.	40.5	36.5	36.4	36.3
Exploration & Develop.	4.9	9.9	14.9	19.9
Other Non-current Assets	86.8	128.1	164.0	200.5
Payables	29.3	23.7	39.2	41.6
Short Term debt	3.2	0.0	0.0	0.0
Long Term Debt	5.3	0.0	0.0	0.0
Other Liabilities	46.5	40.2	79.6	141.1
Net Assets	198.7	200.4	278.3	362.8
Shareholders Funds	252.5	252.5	252.5	252.5
Reserves	29.1	29.1	29.1	29.1
Retained Earnings	-82.9	-81.2	-3.3	81.2
Total Equity	198.7	200.4	278.3	362.8

Ratios & Multiples	2017a	2018e	2019e	2020e
EBITDA Margin	10%	13%	27%	32%
EV/EBITDA	14.5x	12.5x	3.0x	1.6x
FCF	-95.8	-2.8	83.0	114.2
EV/FCF	-4.0x	-137.3x	4.6x	3.4x
Op. Cashflow/Share	\$0.04	\$0.06	\$0.18	\$0.24
P/CF	16.1x	11.5x	3.9x	3.0x
EPS	-\$0.17	\$0.01	\$0.15	\$0.20
EPS Growth	nm	-107%	1058%	34%
PER	-4.2x	56.3x	4.9x	3.6x
Dividend Per Share	\$0.01	\$0.01	\$0.02	\$0.06
Dividend Yield	1.4%	1.4%	2.6%	8.1%
ROE	67%	4%	32%	33%
ROIC	-18%	7%	32%	41%
Debt/Equity	3%	0%	0%	0%
Net Interest Cover	nm	nm	nm	nm
Book Value/share	\$0.33	\$0.33	\$0.46	\$0.60
Price/Book Value	2.2x	2.2x	1.6x	1.2x

Appendix: Important Disclosures

Analyst Certification

Each authoring analyst of Canaccord Genuity whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research.

Analysts employed outside the US are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity LLC and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Sector Coverage

Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

Investment Recommendation

Date and time of first dissemination: April 17, 2018, 04:54 ET

Date and time of production: April 17, 2018, 04:54 ET

Target Price / Valuation Methodology:

Metals X Limited - MLX

Our valuation is underpinned by Renison and Nifty (NPV8%), net of corporate, balance sheet adjustments and nominal exploration value.

Risks to achieving Target Price / Valuation:

Metals X Limited - MLX

The key investment risks for MLX include: Operating Risks - The Company is subject to risk of such as plant breakdowns, rock falls, seismic activity and other technical issues. Increased extraction costs can severely impact the operating activities of the company and its share price. Adverse weather conditions restricting the company from operating activities could also result in encountering unexpected and costly delays. Exploration risks - Exploration is subject to a number of risks and can require a high rate of capital expenditure. Risks are associated in operating in remote areas that lack necessary infrastructure to support a mine life. Uncertainties associated with mining techniques and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. Commodity price fluctuations - The Company as a producer is exposed to commodity price fluctuations. Commodity price fluctuations are driven by many macro-economic forces including inflationary pressures, interest rates and supply and demand of commodities. These factors could reduce the profitability, costing and prospective outlook for the business upon changes in the pricing. Licenses, permits and environment risk - Metals X is subject to licensing and permit approvals which may require renewing of lease on certain tenements. This can result in the risk of lease renewal not being met within a timeframe convenient to the company or alternatively being seen as not meeting satisfactory environmental standards. Such a risk could result in considerable financial resources being drawn upon.

Distribution of Ratings:

Global Stock Ratings (as of 04/17/18)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	572	61.51%	40.38%
Hold	237	25.48%	26.16%
Sell	17	1.83%	11.76%
Speculative Buy	104	11.18%	61.54%
	930*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative risk-adjusted returns during the next 12 months.

NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.

“Risk-adjusted return” refers to the expected return in relation to the amount of risk associated with the designated investment or the relevant issuer.

Risk Qualifier

SPECULATIVE: Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.

12-Month Recommendation History (as of date same as the **Global Stock Ratings** table)

A list of all the recommendations on any issuer under coverage that was disseminated during the preceding 12-month period may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures-mar.canaccordgenuity.com/EN/Pages/default.aspx>

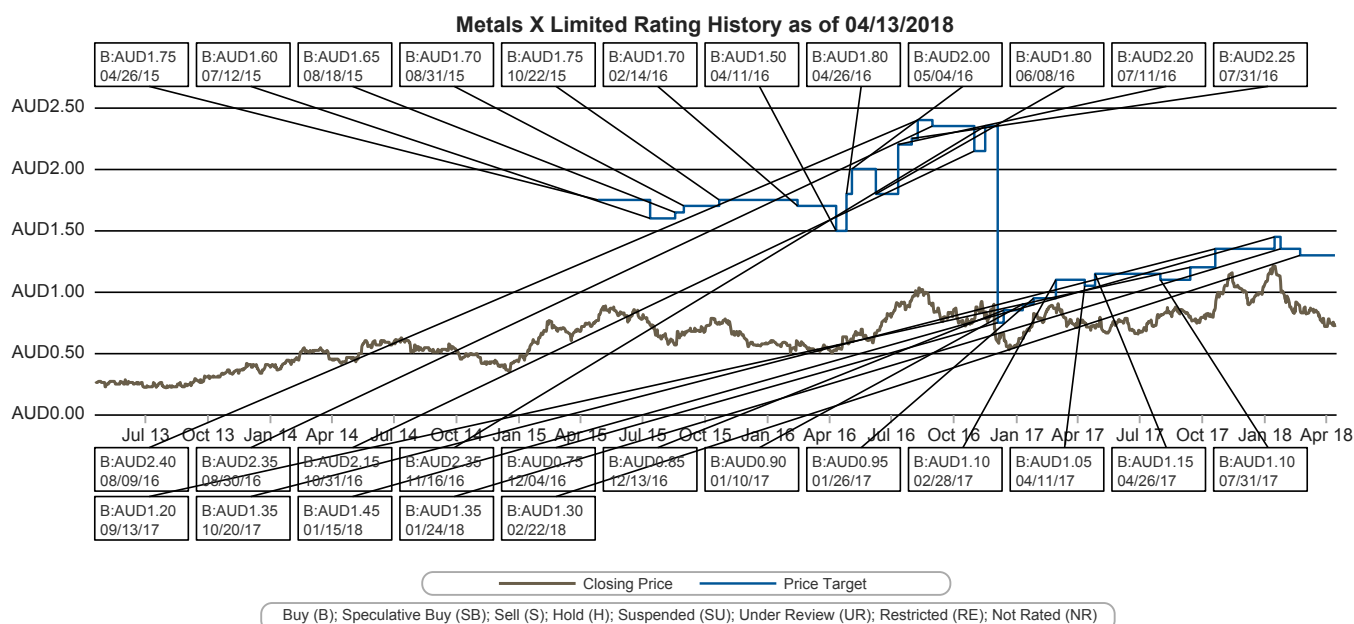
Required Company-Specific Disclosures (as of date of this publication)

Metals X Limited currently is, or in the past 12 months was, a client of Canaccord Genuity or its affiliated companies. During this period, Canaccord Genuity or its affiliated companies provided investment banking services to Metals X Limited.

In the past 12 months, Canaccord Genuity or its affiliated companies have received compensation for Investment Banking services from Metals X Limited .

Canaccord Genuity or one or more of its affiliated companies intend to seek or expect to receive compensation for Investment Banking services from Metals X Limited in the next three months.

An analyst has visited the material operations of Metals X Limited. Full payment was received for the related travel costs.



Past performance

In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please note price history refers to actual past performance, and that past performance is not a reliable indicator of future price and/or performance.

Online Disclosures

Up-to-date disclosures may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures.canaccordgenuity.com/EN/Pages/default.aspx>; or by sending a request to Canaccord Genuity Corp. Research, Attn: Disclosures, P.O. Box 10337 Pacific Centre, 2200-609 Granville Street, Vancouver, BC, Canada V7Y 1H2; or by sending a request by email to disclosures@canaccordgenuity.com. The reader may also obtain a copy of Canaccord Genuity’s policies and procedures regarding the dissemination of research by following the steps outlined above.

General Disclaimers

See “Required Company-Specific Disclosures” above for any of the following disclosures required as to companies referred to in this report: manager or co-manager roles; 1% or other ownership; compensation for certain services; types of client relationships; research analyst conflicts; managed/co-managed public offerings in prior periods; directorships; market making in equity securities and related derivatives. For reports identified above as compendium reports, the foregoing required company-specific disclosures can be found in

a hyperlink located in the section labeled, “Compendium Reports.” “Canaccord Genuity” is the business name used by certain wholly owned subsidiaries of Canaccord Genuity Group Inc., including Canaccord Genuity LLC, Canaccord Genuity Limited, Canaccord Genuity Corp., and Canaccord Genuity (Australia) Limited, an affiliated company that is 50%-owned by Canaccord Genuity Group Inc.

The authoring analysts who are responsible for the preparation of this research are employed by Canaccord Genuity Corp. a Canadian broker-dealer with principal offices located in Vancouver, Calgary, Toronto, Montreal, or Canaccord Genuity LLC, a US broker-dealer with principal offices located in New York, Boston, San Francisco and Houston, or Canaccord Genuity Limited., a UK broker-dealer with principal offices located in London (UK) and Dublin (Ireland), or Canaccord Genuity (Australia) Limited, an Australian broker-dealer with principal offices located in Sydney and Melbourne.

The authoring analysts who are responsible for the preparation of this research have received (or will receive) compensation based upon (among other factors) the Investment Banking revenues and general profits of Canaccord Genuity. However, such authoring analysts have not received, and will not receive, compensation that is directly based upon or linked to one or more specific Investment Banking activities, or to recommendations contained in the research.

Some regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of research. This research has been prepared in accordance with Canaccord Genuity’s policy on managing conflicts of interest, and information barriers or firewalls have been used where appropriate. Canaccord Genuity’s policy is available upon request.

The information contained in this research has been compiled by Canaccord Genuity from sources believed to be reliable, but (with the exception of the information about Canaccord Genuity) no representation or warranty, express or implied, is made by Canaccord Genuity, its affiliated companies or any other person as to its fairness, accuracy, completeness or correctness. Canaccord Genuity has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Canaccord Genuity’s judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

From time to time, Canaccord Genuity salespeople, traders, and other professionals provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Canaccord Genuity’s affiliates, principal trading desk, and investing businesses also from time to time make investment decisions that are inconsistent with the recommendations or views expressed in this research.

This research is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any designated investments discussed herein in any jurisdiction where such offer or solicitation would be prohibited. As a result, the designated investments discussed in this research may not be eligible for sale in some jurisdictions. This research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of Canaccord Genuity, its affiliated companies or any other person accepts any liability whatsoever for any direct or consequential loss arising from or relating to any use of the information contained in this research.

Research Distribution Policy

Canaccord Genuity research is posted on the Canaccord Genuity Research Portal and will be available simultaneously for access by all of Canaccord Genuity’s customers who are entitled to receive the firm’s research. In addition research may be distributed by the firm’s sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Canaccord Genuity’s customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

Short-Term Trade Ideas

Research Analysts may, from time to time, discuss “short-term trade ideas” in research reports. A short-term trade idea offers a near-term view on how a security may trade, based on market and trading events or catalysts, and the resulting trading opportunity that may be available. Any such trading strategies are distinct from and do not affect the analysts’ fundamental equity rating for such stocks. A short-term trade idea may differ from the price targets and recommendations in our published research reports that reflect the research analyst’s views of the longer-term (i.e. one-year or greater) prospects of the subject company, as a result of the differing time horizons, methodologies and/or other factors. It is possible, for example, that a subject company’s common equity that is considered a long-term ‘Hold’ or ‘Sell’ might present a short-term buying opportunity as a result of temporary selling pressure in the market or for other reasons described in the research report; conversely, a subject company’s stock rated a long-term ‘Buy’ or “Speculative Buy’ could be considered susceptible to a downward price correction, or other factors may exist that lead the research analyst to suggest a sale over the short-term. Short-term trade ideas are not ratings, nor are they part of any ratings system, and the firm does not intend, and does not undertake any obligation, to maintain or update short-term trade ideas. Short-term trade ideas are not suitable for all investors and are not tailored to individual investor circumstances and objectives, and investors should make their own independent decisions regarding any securities or strategies discussed herein. Please contact your salesperson for more information regarding Canaccord Genuity’s research.

For Canadian Residents:

This research has been approved by Canaccord Genuity Corp., which accepts sole responsibility for this research and its dissemination in Canada. Canaccord Genuity Corp. is registered and regulated by the Investment Industry Regulatory Organization of Canada (IIROC) and is a Member of the Canadian Investor Protection Fund. Canadian clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity Corp. in their particular province or territory.

For United States Persons:

Canaccord Genuity LLC, a US registered broker-dealer, accepts responsibility for this research and its dissemination in the United States. This research is intended for distribution in the United States only to certain US institutional investors. US clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity LLC. Analysts employed outside the US, as specifically indicated elsewhere in this report, are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity LLC and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

For United Kingdom and European Residents:

This research is distributed in the United Kingdom and elsewhere Europe, as third party research by Canaccord Genuity Limited, which is authorized and regulated by the Financial Conduct Authority. This research is for distribution only to persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restrictions in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) (High Net Worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This material is not for distribution in the United Kingdom or elsewhere in Europe to retail clients, as defined under the rules of the Financial Conduct Authority.

For Jersey, Guernsey and Isle of Man Residents:

This research is sent to you by Canaccord Genuity Wealth (International) Limited (CGWI) for information purposes and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This research has been produced by an affiliate of CGWI for circulation to its institutional clients and also CGWI. Its contents have been approved by CGWI and we are providing it to you on the basis that we believe it to be of interest to you. This statement should be read in conjunction with your client agreement, CGWI's current terms of business and the other disclosures and disclaimers contained within this research. If you are in any doubt, you should consult your financial adviser.

CGWI is licensed and regulated by the Guernsey Financial Services Commission, the Jersey Financial Services Commission and the Isle of Man Financial Supervision Commission. CGWI is registered in Guernsey and is a wholly owned subsidiary of Canaccord Genuity Group Inc.

For Australian Residents:

This research is distributed in Australia by Canaccord Genuity (Australia) Limited ABN 19 075 071 466 holder of AFS Licence No 234666. To the extent that this research contains any advice, this is limited to general advice only. Recipients should take into account their own personal circumstances before making an investment decision. Clients wishing to effect any transactions in any financial products discussed in the research should do so through a qualified representative of Canaccord Genuity (Australia) Limited. Canaccord Genuity Wealth Management is a division of Canaccord Genuity (Australia) Limited.

For Hong Kong Residents:

This research is distributed in Hong Kong by Canaccord Genuity (Hong Kong) Limited which is licensed by the Securities and Futures Commission. This research is only intended for persons who fall within the definition of professional investor as defined in the Securities and Futures Ordinance. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Recipients of this report can contact Canaccord Genuity (Hong Kong) Limited. (Contact Tel: +852 3919 2561) in respect of any matters arising from, or in connection with, this research.

Additional information is available on request.

Copyright © Canaccord Genuity Corp. 2018 – Member IIROC/Canadian Investor Protection Fund

Copyright © Canaccord Genuity Limited. 2018 – Member LSE, authorized and regulated by the Financial Conduct Authority.

Copyright © Canaccord Genuity LLC 2018 – Member FINRA/SIPC

Copyright © Canaccord Genuity (Australia) Limited. 2018 – Participant of ASX Group, Chi-x Australia and of the NSX. Authorized and regulated by ASIC.

All rights reserved. All material presented in this document, unless specifically indicated otherwise, is under copyright to Canaccord Genuity Corp., Canaccord Genuity Limited, Canaccord Genuity LLC or Canaccord Genuity Group Inc. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of the entities listed above.

None of the material, nor its content, nor any copy of it, may be altered in any way, reproduced, or distributed to any other party including by way of any form of social media, without the prior express written permission of the entities listed above.