

METALS X LIMITED (MLX)

Nifty shows mine life and low cost base.

Nifty production was down in the September quarter, at 3200t Cu in concentrate, even less than flagged in early September (3600-3900t) after the 9 day shutdown to repair the underground escape way. The Company was working towards a full complement of 6 working stopes (2 in preparation, 2 in production and 2 under fill) when the shutdown intervened. The ramp-up to target 40ktpa Cu output rate resumed after the August interruption. Two new stopes were brought on line in September with a third in early October. Four more stopes are being prepared in the December quarter.

Risk to the ramp-up profile remains while the full stoping sequence is under development. Hartleys estimates Nifty output of 7500t Cu in the current quarter and 9500t Cu in the March 2018 qtr.

Nifty is essentially a fixed cost operation – we assume \$50-55M/qtr at full capacity (incl. capital and concentrate costs, pre royalty), which, at A\$8,800/t Cu price, is equivalent to 6300t Cu (or a notional cost base 25,200t Cu, annualised).

Nifty reserves have been increased to 13.9Mt at 1.71% Cu, containing 237kt Cu. At the initially targeted 40ktpa output rate Nifty now has a 6 year reserve life. Drilling is continuing in the current half and MLX expects to upgrade reserves again in the June half of FY2018. A drill drive is planned for the June half of FY2018 to allow fans of holes drilled perpendicular to the syncline axis down-plunge, which should give an indication of the full reserve potential remaining at Nifty.

Tin production up

Tin in concentrate production at Renison Bell was 1811t (MLX 50%) in the Sept 2017 qtr; the project's best since the Dec 2016 qtr. AISC were A\$18060/t Sn (A\$26000/t received tin price). Tailings dam, ore sorter and additional mine development work are on track for completion in April 2018.

Time to nudge Wingellina along

Wingellina (MLX 100%) is a large limonitic laterite Ni-Co deposit with favourable characteristics compared to High Pressure Acid Leach (HPAL) projects worldwide. Hartleys expects HPAL projects to enjoy a resurgence of interest in anticipation of future (post 2019) growth of nickel demand for battery applications. Metals X is assessing the impact of recent developments in nickel and cobalt markets on Wingellina. The project has a resource of 216Mt at 0.91% Ni and 0.07% Co. At this stage we attribute only nominal risked value to Wingellina, but see potential for it to become significant to the Company in any nickel market upswing.

12 month target price raised to \$1.46/share

Hartleys raises its target share price for Metals X to \$1.46 per share, primarily because of a shift upwards in copper price assumptions. Still heavily discounted to NAV, MLX has further to run on receding risks to Nifty's ramp-up and growing clarity on mine life and costs.

26 Oct 2017

Share Price	\$0.99
Valuation	\$1.37
Price Target (12 month)	\$1.46

Brief Business Description:

Australian base metals producer and developer, with a noteworthy record in underground mine rejuvenation and operation.

Hartleys Brief Investment Conclusion

Increasing copper inventory and production from Nifty, with exploration upside, to drive MLX forward in 2017 and 2018.

Chairman & MD

Peter Newton (Chairman)
Warren Hallam (Executive Director and CEO)

Top Shareholders

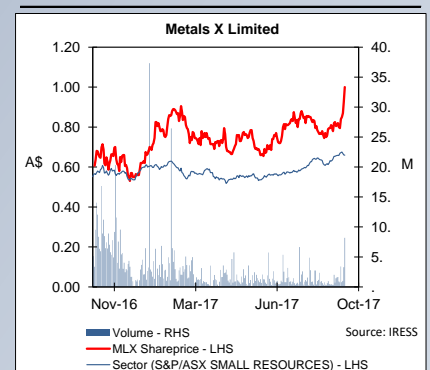
BlackRock Group	10.5%
Apac Resources Limited	9.2%
Jinchuan Group Limited	7.3%
Ausbil Investment Management Limited	5.2%

Company Address

Level 5, 197 St Georges Tce
Perth, WA 6000

Issued Capital	611m
- fully diluted	619m
Market Cap	A\$604m
- fully diluted	A\$611m
Cash + WC (30 Sep 17)	A\$91m
Debt (30 Sep 17)	A\$0m
EV	A\$513m

	Prelim. (A\$m)	FY17e	FY18e	FY19e
Prod (kt Cu)	25.3	29.4	41.6	
Prod (t Sn)	3522	3632	4025	
Op Cash Flw (A\$m)	54	88	227	
Norm NPAT (A\$m)	17	55	176	
CF/Share (cps)	8.8	14.4	37.1	
EPS (cps)	2.7	9.0	28.9	
P/E	36.0	10.9	3.4	
		Cu	Sn	
Resources (kt)		1179	157	
Reserves (kt)		238	85	



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SUMMARY MODEL

Metals X								Recommendation								
MLX								Buy								
Market Information								Company Information								
Share price		\$0.99						Level 5, 197 St Georges Tce								
Market Capitalisation		\$604m						Perth, WA 6000								
Net cash (debt)		\$159m						+61 8 9220 5700								
Issued Capital (fully diluted)		619m						+61 8 9220 5757								
EV		\$445m						www.metalsx.com.au								
Valuation		\$1.37														
12 month price target		\$1.46														
Profit & Loss								Top Shareholders								
	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	m shares	%							
Net Revenue	ASM	280	336	465	464	451	430	65	10.5							
Forward sales	ASM		-4	0				56	9.2							
Total Costs	ASM	-227	-254	-238	-239	-240	-224	44	7.3							
EBITDA	ASM	54	78	226	225	211	207	32	5.2							
- margin	ASM	19%	23%	49%	48%	47%	48%									
Depreciation/Amort	ASM	-38	-23	-32	-31	-30	-27									
EBIT	ASM	16	55	194	194	182	179									
Net Interest	ASM	1														
Pre-Tax Profit	ASM	17	55	194	194	182	179									
Tax Expense	ASM	-18	-18	-18	-16	-26	-26									
NPAT	ASM	17	55	176	177	166	153									
Abnormal Items	ASM															
Reported Profit	ASM	17	55	176	177	166	153									
Balance Sheet								Production Summary								
	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22		
Cash	ASM	107	159	251	326	390	455	Mt	1.54	1.98	2.50	2.50	2.50	2.50		
Other Current Assets	ASM	46	46	46	46	46	46	%Cu	1.80	1.85	1.83	1.83	1.83	1.83		
Total Current Assets	ASM	153	205	297	372	436	501	Combined Recovery & Payability	0.90	0.91	0.91	0.91	0.91	0.91		
Property, Plant & Equip.	ASM	182	197	192	183	176	161	Copper prodn	(kt)	25	29	42	42	42		
Investments/other	ASM	10	10	10	10	10	10	Mine Life	yr	13.0	9.1	6.2	5.2	4.2		
Tot Non-Curr. Assets	ASM	192	207	202	193	186	171	Renison throughput (whole project)	Mt	0.75	0.77	0.92	0.92	0.92		
Total Assets	ASM	345	412	499	565	622	672	Mined grade	%Sn	1.29	1.31	1.29	1.29	1.29		
Short Term Borrowings	ASM	2	2	2	2	2	2	Combined Recovery & Payability		0.73	0.72	0.68	0.68	0.68		
Other	ASM	32	32	32	32	32	32	Tin prodn (MLX share)	(kt)	3,522	3,632	4,025	4,025	4,025		
Total Curr. Liabilities	ASM	33	33	33	33	33	33	Mine Life	yr	12.6	11.2	8.4	7.4	6.4		
Long Term Borrowings	ASM	6	6	6	6	6	6	Costs		Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	
Other	ASM	40	40	40	40	40	40	Cost/milled tonne	AS/t	100	95	87	87	87	87	
Total Non-Curr. Liab.	ASM	46	46	46	46	46	46	EBITDA/tonne milled ore	AS/t	16	24	51	50	47	39	
Total Liabilities	ASM	79	79	79	79	79	79	Cash costs incl. royalty	AS/lb Cu	2.90	3.06	2.55	2.55	2.54	2.53	
Net Assets	ASM	266	333	419	486	543	592	+ depn & amort	US\$/lb	2.19	2.41	1.95	1.95	1.96	1.96	
Cashflow								Renison								
	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Renison cost / milled tonne	AS/t	137	126	118	121	123	125	
Operating Cashflow	ASM	54	88	227	225	211	207	EBITDA / tonne milled ore	AS/t	24	23	23	22	20	19	
Income Tax Paid	ASM				-18	-18	-16	Cash costs incl. royalty	US\$/kt Sn	16.3	15.1	15.3	15.7	15.8	16.0	
Hedging	ASM		-4	0				+ sust capital	US\$/kt	12.3	11.9	11.7	12.0	12.2	12.5	
Interest & Other	ASM	1							ASK/t Sn	18.0	19.0	17.3	17.2	17.4	17.6	
Operating Activities	ASM	55	84	226	207	194	190		US\$/kts	13.6	15.0	13.2	13.1	13.4	13.7	
Property, Plant & Equip.	ASM	-12	-28	-16	-12	-12	-12	Price Assumptions		Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22
Exploration	ASM							AUDUSD		0.754	0.788	0.763	0.763	0.772	0.778	
Asset sales	ASM							Copper	US\$/lb	2.52	2.99	3.00	3.00	2.95	2.80	
Investments	ASM								AS/lb	3.34	3.79	3.93	3.93	3.82	3.60	
Investment Activities	ASM	-12	-28	-16	-12	-12	-12		US\$/kt	20.0	19.4	19.5	19.5	19.1	19.1	
Borrowings	ASM								ASK/t	26.5	24.6	25.5	25.5	24.8	24.6	
Equity/dividend	ASM		-5	-12	-31	-37	-31	Sensitivity Analysis		Valuation		FY18 NPAT				
Financing Activities	ASM		-5	-12	-31	-37	-31	Base Case			1.37		55.3			
Net Cash Change	ASM	43	52	198	164	144	147	US Cu price +/-10%	Sens	-10%	+10%	Sens	-10%	+10%		
Shares								Unpaid Capital								
	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Expn/yr	No. (M)	\$M	Avg. ex.	% ord				
Ordinary Shares - End	M	609	611	611	619	619	619	30-Jun-18								
Diluted Shares - End	M	619	619	619	619	619	619	30-Jun-19								
Ratio Analysis								Reserves & Resources								
	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22		Mt	%	kt					
GCFPS	Ac	8.8	14.4	37.1	36.8	34.6	33.8	NIFTY sulphide Cu (Aug 2017)	48.4	1.4	694	Cu				
CFR	X	11.2	6.9	2.7	2.7	2.9	2.9	Measured	25.4	1.7	426					
EPS	Ac	2.7	9.0	28.9	28.9	27.1	25.0	Indicated	8.1	1.3	106					
PER	X	36.0	10.9	3.4	3.4	3.6	3.9	Inferred	8.1	1.1	90					
DPS	%	-	1.0	2.0	6.0	6.0	5.0	INCLUDES TOTAL RESERVE	13.9	1.7	238					
Yield	%	-	1.0	2.0	6.1	6.1	5.1	MAROOCHYDORE Cu	48.6	1.0	485					
Interest Cover	X	-	-	-	-	-	-	Indicated	40.8	0.9	375					
ROCE	%	8%	27%	96%	101%	98%	105%	Inferred	7.8	1.4	110					
ROE	%	6%	17%	46%	40%	34%	30%	RENISON Sn (MLX 50% June 2017)	39.9	0.8	313	Sn				
Gearing	%	2.3%	1.8%	1.4%	1.2%	1.1%	1.0%	Renison Bell resource	15.0	1.4	202					
*All values fully diluted unless otherwise stated								Mt Bischoff		1.7	0.5	9				
Debt/Equity		2.3%	1.8%	1.4%	1.2%	1.1%	1.0%	Rentails resource	23.2	0.4	102					
Share Price Valuation (NAV)								INCLUDES TOTAL RESERVE		29.1	0.6	170	Sn			
								Renison Bell Sn (MLX 50%)	6.8	1.1	72					
100% Nifty after tax 7% DR		413		0.68				Rentails Sn (MLX 50%)	22.3	0.4	98					
100% Maroochydore		41		0.07				Hartleys model June '17		Mt	%	kt				
50% Renison after tax 7% DR		141		0.23				TOTAL NIFTY INVENTORY	20.0	1.8	362	Cu				
Rentails 50%		35		0.06				TOTAL RENISON INVENTORY MLX share	4.7	1.3	60	Sn				
Wingellina 100%		40		0.07												
Exploration		55		0.09												
Corporate overheads		-49		-0.08												
Net cash (Jun 17)		107		0.18												
Tax benefit		65		0.11												
Hedging		-4		-0.01												
Option value		-8		-0.01												
Total		837		1.37												

Source: Hartleys Research

RAMP UP PROGRESS AT NIFTY

Nifty production was down in the September quarter, at 3200t Cu in concentrate, even less than flagged in early September (3600-3900t) after the 9 day shutdown to repair the underground escape way. The Company was working towards a full complement of 6 working stopes (2 in preparation, 2 in production and 2 under fill) when the shutdown intervened. One stope had to be redrilled after the suspension, which had a knock on effect on mine scheduling.

The ramp-up to target 40ktpa Cu output rate resumed after the August interruption. Two new stopes were brought on line in September with a third in early October. Four more stopes are being prepared in the December quarter.

While risk to the ramp-up profile remains while the full stoping sequence is under development, Hartleys estimates output of 7500t Cu in the current quarter and 9500t Cu in the March 2018 qtr.

Total Nifty costs (including capital, concentrate costs) of A\$39M in the September quarter were consistent with the previous quarter.

Nifty is essentially a fixed cost operation – We assume \$50-55M/qtr at full capacity (incl capital and concentrate costs, pre royalty), which, at A\$8,800/t Cu price, is equivalent to 6300t Cu (notional cost base – 25,200t annualised).

Nifty has a high proportion of fixed costs due to its underground conveyor haulage system and underutilised ore processing capacity.

NIFTY RESERVES AND RESOURCES

In October Metals X re-estimated Nifty reserves at 13.9Mt at 1.71% Cu, containing 237kt Cu. The estimate is the first to incorporate MLX drill data – comprising 20km drilled from underground prior to June 2017. This is an increase of 55% above MLX's May 2017 estimate, which was based entirely on previous owner data. The reserves remain a mix of remnant (Checkerboard) and new stope (up and down plunge from Checkerboard) positions.

At the initially targeted 40ktpa output rate Nifty now has a 6 year reserve life.

Access restrictions have dictated drill angles oblique to the axis of the syncline outside of the Checkerboard. Much of the keel of the syncline, that has produced the best widths and grades in the Checkerboard, remains outside reserves as a result. Drilling (under the same constraints) is continuing in the current half and MLX expects to upgrade reserves again in the June half of FY2018.

A drill drive is planned for the June half of FY2018 to allow fans of holes drilled perpendicular to the syncline axis down-plunge, which should give an indication of the full reserve potential remaining at Nifty.

In August Metals X intersected the Nifty mine sequence with a single drill hole 1km down plunge of the Nifty workings. Assays of the core indicate 20m at 1% Cu from 531m down hole, including 2.2m at 2.15% Cu. The hole was part of efforts to scope the scale of the Nifty system. Past production of 20Mt at 2.5% Cu has been mined from a 600m down plunge section. Metals X has resources and drill intersections of the mineralised mine sequence over 1.8km.

Nifty sulphide resources were estimated at 41.6Mt at 1.50% Cu (622kt, 68% measured 17% indicated), as at August 2017.

RENISON BELL

Tin in concentrate production in the September quarter, of 1811t (MLX 50%), was the project's best since the December 2016 qtr. Better tonnes and grade both contributed. AISC were A\$18060/t Sn (A\$26000/t received tin price). Tailings dam, ore sorter and additional mine development work are on track for completion in April 2018.

Reserves were estimated in August at 6.8Mt at 1.06% Sn (8 years of mine plan).

The average grade of the reserves is lower than previous (1.28% Sn) reflecting the shift to bulk stoping in selected areas. Ore sorting at Renison Bell is expected to reduce processing costs – hence the change in planned mine tonnes and grade. Mining costs per tonne will fall accordingly.

Renison Bell resources increased to 15.0Mt at 1.35% Sn (50% MLX).

Renison Bell is an extensive system with multiple mining and exploration fronts. Hartleys expects reserves to progress with mine development.

Metals X appointed a Project Manager to the Rentails project in the September quarter and submitted a Letter of Intent to secure final approvals. The JV aims to set out a development timeline by the end of December 2017.

Fig. 1: Production forecasts.

Production Summary	Unit	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22
Nifty throughput	Mt	1.54	1.98	2.50	2.50	2.50	2.50
Mined grade	%Cu	1.80	1.65	1.83	1.83	1.83	1.83
Combined Recovery & Payability		90%	91%	91%	91%	91%	91%
Copper prodn	(kt)	25	29	42	42	42	42
Mine Life	yr	13.0	9.1	6.2	5.2	4.2	3.2
Inventory tonnes	Mt	20.0	18.0	15.5	13.0	10.5	8.0
Inventory grade	%Cu	1.81	1.83	1.83	1.83	1.83	1.83
Renison throughput (whole project)	Mt	0.75	0.77	0.92	0.92	0.92	0.92
Mined grade	%Sn	1.29	1.31	1.29	1.29	1.29	1.29
Combined Recovery & Payability		73%	72%	68%	68%	68%	68%
Tin prodn (MLX share)	(kt)	3,522	3,632	4,025	4,025	4,025	4,025
Mine Life	yr	12.6	11.2	8.4	7.4	6.4	5.4
Inventory tonnes	Mt	9.4	8.6	7.7	6.8	5.9	4.9
Inventory grade	%Sn	1.29	1.28	1.28	1.28	1.28	1.28

Source: Hartleys Research.

Fig. 2: Cost forecasts.

Costs		Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22
Nifty							
Cost / milled tonne	A\$/t	100	95	87	87	87	87
EBITDA / tonne milled ore	A\$/t	16	24	51	50	47	39
Cash costs incl. royalty	A\$/lb Cu	2.90	3.06	2.55	2.55	2.54	2.53
	US\$/lb	2.19	2.41	1.95	1.95	1.96	1.96
+ deprn & amortn	A\$/lb Cu	3.37	3.19	2.67	2.67	2.65	2.63
	US\$/lb	2.55	2.51	2.03	2.03	2.05	2.04
Renison							
Renison cost / milled tonne	A\$/t	137	126	118	121	123	125
EBITDA / tonne milled ore	A\$/t	24	23	23	22	20	19
Cash costs incl. royalty	A\$/t Sn	16.3	15.1	15.3	15.7	15.8	16.0
	US\$/t	12.3	11.9	11.7	12.0	12.2	12.5
+ sust capital	A\$/t Sn	18.0	19.0	17.3	17.2	17.4	17.6
	US\$/t	13.6	15.0	13.2	13.1	13.4	13.7

Source: Hartleys Research.

Limonite comprises more than half of the Wingellina resource. Limonite ore is more suited to HPAL processes than saprolite. Lower Mg translates to lower acid consumption, and lower clay allows less viscous pulps and higher throughput for a given amount of capital.

WINGELLINA

Wingellina is a large limonite (laterite) Ni-Co deposit with an exploration and development study history extending back to the 1950s, although no-one has yet committed to the up-front capital. It has favourable metallurgical and size characteristics among High Pressure Acid Leach (HPAL) projects worldwide.

Hartleys expects HPAL projects to enjoy a resurgence of interest in anticipation of future (post 2019) growth of nickel demand for battery applications. HPAL nickel and cobalt products can be tailored to battery precursor specifications, unlike pyrometallurgically produced ferronickel and nickel pig iron.

Metals X is assessing the impact of recent developments in nickel and cobalt markets on Wingellina (MLX 100%).

Wingellina has a resource of 216Mt at 0.91% Ni and 0.07% Co, within which there are higher grade cobalt domains up to 0.6% Co.

MLX plans to infill drill selected high grade cobalt zones. Tests of nickel sulphate and cobalt sulphate production for battery industry feedstock will also be undertaken.

Wingellina has been a very minor part of our investment case to date. Nickel and cobalt markets are moving and market developments could quickly bring the project into early development calculations again. Hartleys' has raised its nominal valuation of Wingellina from \$20M to \$40M, with a close eye on nickel and cobalt market events.

FINANCE

Metals X paid a dividend of 1.0 cps (\$4.5M) in September.

Cash and working capital decreased over the course of the September quarter from \$111M to \$91M. Cash and working capital includes a high proportion of receivables

from tin and copper concentrate sales. Revaluation due to changing copper and tin prices can lead to changes in working capital.

At June 30 2017 Metals X had \$200M in unrecognised losses, which are subject to restricted utilisation. Hartleys estimates Metals X will pay no tax in FY2018, an effective tax rate of 15% from FY2019-2021 and 30% tax thereafter.

Metals X has 15,000 tonnes of copper covered by forward sale arrangements maturing before September 2018 with an average ceiling price of about A\$8200/t. Hartleys estimates a mark to market value of the position of minus A\$15M at A\$9080/t (25 October spot price).

*Hartleys' 12 month
price target is \$1.46
per share.*

VALUATION AND PRICE TARGET

Key model assumptions;

1. Nifty 20.0 Mt inventory at 1.8% Cu, mined at 2.5 Mtpa from July 2018. 92% met/payable recovery.
The inventory is 1.5 times the August 2017 reserve, in terms of contained copper. Capital costs of definition and development are included in the model. The mine life is assumed to extend to 2025.
2. Nifty site cost of \$A65/t of milled ore at full capacity, US\$82/t concs transport, US\$95, 0.09 TCRC, 97% payability → A\$2.60/lb C3 (C1+royalty+deprn, AUDUSD 0.78).
3. Cu price as per summary table. (US\$2.80/lb long run).
4. Renison 9.4Mt inventory at 1.3% Sn, mined at 920ktpa, 68% sorting/met recovery. The modelled inventory contains 67% more contained tin than the June 2017 reserves. Ore definition at Renison progresses with mining. Capital costs of definition and development are included in the model. The mine life is assumed to extend to 2027.
5. Site cost of A\$100-110/t crushed ore, US\$110 concs transport, 92% net pay. US\$1.9Mpa Cu revenue → A\$17,300/t AISC.
6. Sn price as per summary table; US\$19,100/t long run.
7. AUDUSD 0.78 long run.
8. A corporate overheads liability is included in the valuation to reflect the cost of management over the operational life of the company. Corporate overhead costs are estimated at A\$5Mpa.

Hartleys' estimated NAV for MLX is 136cps, using price forecasts similar to consensus as set out in the summary model page. Our long run base case copper price assumptions have been lifted from US\$2.75/lb to US\$2.80/lb. Hartleys' tin price and exchange rate assumptions are unchanged.

A real, after tax discount rate of 7% is used.

At real spot price assumptions the MLX NAV estimate increases to 166cps, with MLX's share of Renison increasing (to 26cps) and higher copper prices leading to a higher valuation for Nifty (90cps). Undeveloped projects Maroochydhore, Wingellina and Rentails are valued informally or in relative terms, and as if they were in separate unfunded entities. The value attributed to exploration (12cps) is intended to account for all prospects outside of modelled inventory or nominated exploration projects. Both Nifty and Renison have substantial associated exploration tenure and prospects.

At the end of September 2017 MLX had cash and working capital of \$91M, of which over \$40M was unsold concentrate at various stages of sale. Unsold inventory is

valued by MLX at spot prices at the end of accounting periods. At the end of September 2017 the tin price (A\$26,700) was higher than present spot (A\$25,500) but the copper price was lower; A\$3.73 vs A\$4.09/lb as at 25 October. Hedging and timing aside, a similar volume of unsold concentrate might be revalued at 25 October 2017 at about \$3M more (copper is the larger revenue stream).

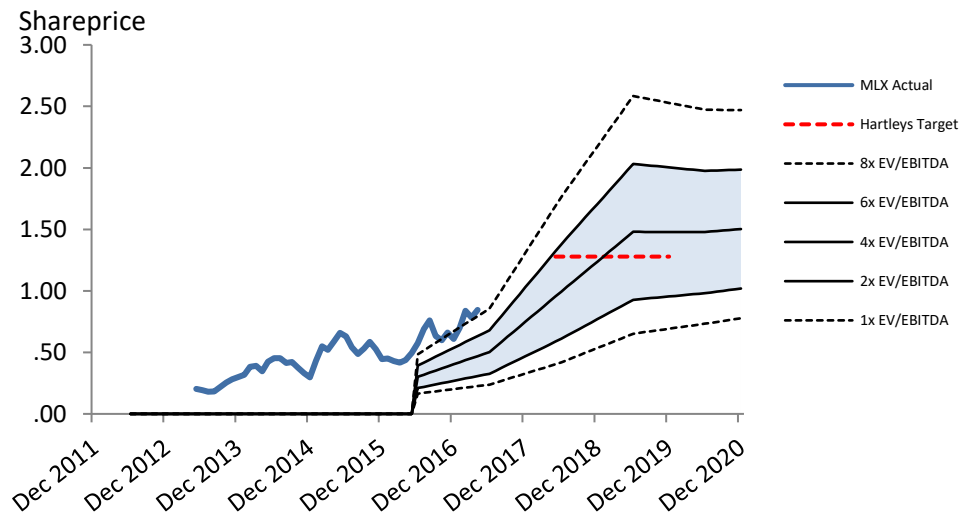
MLX owns 6.7% of Brainchip (BRN.ASX); a holding that has a market value of A\$12M at 23cps.

The 12 month price target for MLX is 7% more than the estimated NAV, or 146 cps.

MLX completed a demerger in December 2016, splitting its gold assets into Westgold Resources (WGX.ASX).

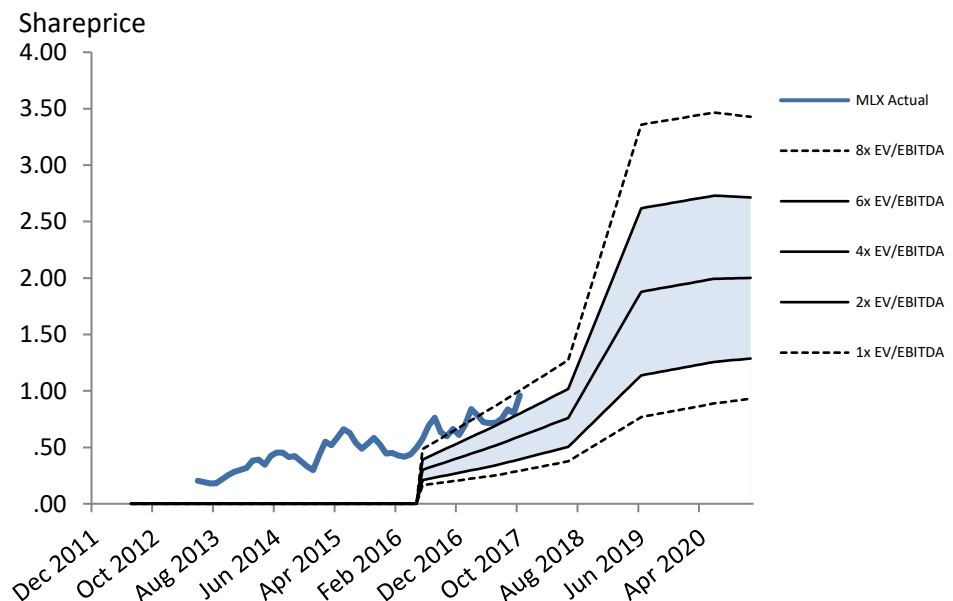
EV/EBITDA BANDS

Fig. 3: EV/EBITDA base case assumptions.



Source: Hartleys.

Fig. 4: EV/EBITDA spot price assumptions.



Source: Hartleys.

RISKS

Key assumptions and risks for valuation

Assumption	Risk of not realising assumption	Risk to valuation if assumption is incorrect	Comment
Copper price	Medium	Industry	The current spot price is higher than our LT assumptions. Current settings are considered sufficient to encourage supply growth and begin to meet future demand.
Tin price	Medium	Industry	A marginal tin supply response is expected, bringing the tin price down to ~\$19,000/t.
Nifty reserve extension	Low	High	Nifty is open down plunge and exploration drilling has begun to scope the project's potential.
Nifty costs	Medium	Medium	MLX has demonstrated unit costs at Nifty over several quarter. Costs are broadly in line with other bulk tonnage underground mines.
Renison reserve extension	Low	Medium	Renison reserves progress with mine development internally and around the margins of the resource.

Conclusion

Risks are predominantly commodity price and geological, and each has a counter balancing opportunity. Both Nifty and Renison are considered middle to lower cost curve producers in their respective markets, with long term mine life potential.

Source: Hartleys Research

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Hartleys Recommendation Categories

Buy	Share price appreciation anticipated.
Accumulate	Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy".
Neutral	Take no action. Upside & downside risk/reward is evenly balanced.
Reduce / Take profits	It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period.
Sell	Significant price depreciation anticipated.
No Rating	No recommendation.
Speculative Buy	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.

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