

30 July 2019

Superior Lake Resources (SUP)

Near Term Canadian Zinc Producer

Key Catalysts Ahead: SUP is on the verge of delivering a bankable feasibility study (BFS) on its high-grade Superior Lake zinc project situated in Ontario, Canada. The BFS builds upon the Oct-18 restart study which outlined a zinc/copper operation producing 46ktpa of zinc metal at low Capex & All in Sustaining Operating Costs (AISC) of US\$75m (incl. 25% contingency) and US\$0.51/lb respectively. We believe the BFS is likely to confirm and improve upon the project economics in the restart study, following the recent ~10% resource upgrade.

Infrastructure Advantage: The project area retains substantial existing infrastructure including mains electricity, a permitted TSF, established road access and significant underground development. The benefits are two-fold: capex requirements are relatively low, and the relatively short lead time required to bring the asset into production. These are important advantages which de-risk crucial elements of the development timeline.

Exploration Upside: In FY18 SUP carried out a modest amount of exploration work, after 20 years when almost no work had been conducted at the tenements. This initial drill program was successful in increasing the defined resource by ~10%. More importantly to the project longevity, several highly prospective near-mine geophysics anomalies were identified, which warrant further exploration work in the future.

Outlook for Zinc: 2019 is on track to be the 4th consecutive year of global zinc metal deficit as production has again fallen short of demand¹, and LME warehouse stocks have declined significantly as a result. The economics of SUP's orebody look favourable against the current market backdrop, reflecting strong cash margins and providing scope for SUP to define an ore reserve capable of comfortably supporting capex of US\$75m.

Valuation & Recommendation: SUP provides investors exposure to an emerging zinc producer in a stable jurisdiction, with lightly explored ground and proven production history. The project can come into production quickly (we expect 2021) with the benefit of existing infrastructure and permitting. Furthermore, the shares trade at a significant discount to our 6.5¢/share (AUD) valuation, set using 1.0x P/NPV based on our DCF valuation. We initiate research coverage with a Buy rating. Key risks include the availability of funding, zinc prices and operational issues.

Recommendation	BUY
Target Price (AUD)	6.5¢
Share Price (AUD)	1.8¢
Forecast Capital Return	264%
Forecast Dividend Yield	0.0%
Total Shareholder Return	264%
Market Cap	A\$19.5m
Net Cash (Debt)	A\$5.0m
Enterprise Value	A\$14.4m
Shares On Issue	1082m
Share Options On Issue	105m

Daniel Seeney | Senior Analyst

Key Executives

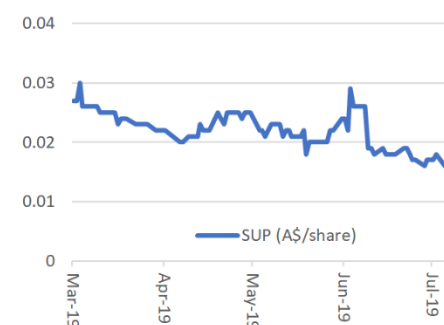
Non Exec Chairman	Keong Chan
Exec Director	Grant Davey
Non Exec Director	Peter Williams
CEO	David Woodall
Project Director	Keith Bowes

Catalysts

DFS release	Sep Qtr 19
Reserve release	Sep Qtr 19
PF - indicative proposals	Sep Qtr 19
Finalise financing	Dec Qtr 19
Commence Construction	1H 2020

Substantial Shareholders

Sonja Heath	10.4%
Tolga Kumova	7.5%
Grant Davey	6.7%
Shandong Ishine Mining	5.8%
Flannery Group	5.3%
Tribeca Investment Partners	5.3%



Disclosure: BW Equities advise that they and persons associated with them have an interest in the above securities and options over the securities that they may earn brokerage, commissions, fees and other benefits and advantages in connection with the making of a recommendation or a dealing by a client in these securities and have done business with the company covered in this report. Investors should consider investment risks and conflicts highlighted at the end of this report and not only consider this report in making an investment decision. ¹International Lead & Zinc Study Group, Market Outlook May-19

FINANCIAL SUMMARY

Superior Lake Resources (SUP)

Share Price	A\$/sh	0.018
Shares on Issue	m	1,082
Market Cap (A\$m)	A\$m	19.5
Net Debt / (Cash) (A\$m)	A\$m	(5.0)
Enterprise Value (A\$m)	A\$m	14.4

Rating	BUY
Target Price	0.065
Upside / (Downside)	264%
Dividend Yield	0.0%
Total Return Forecast	264%

Profit & Loss	Units	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
Sales	A\$m	-	-	-	62	148
Expenses	A\$m	(4)	(4)	(2)	(23)	(59)
EBITDA	A\$m	(4)	(4)	(2)	39	89
D&A	A\$m	(0)	(0)	(0)	(5)	(11)
EBIT	A\$m	(4)	(4)	(2)	34	78
Net Interest	A\$m	0	0	1	(7)	(5)
Profit Before Tax	A\$m	(4)	(4)	(1)	27	73
Tax	A\$m	-	-	(0)	(7)	(18)
Adjusted NPAT	A\$m	(4)	(4)	(1)	20	54

Per Share Data (¢)	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
Shares Out (m)	857	2,166	2,166	2,166	2,166
EPS (¢)	(0.4¢)	(0.3¢)	(0.0¢)	0.9¢	2.4¢
Growth (%)	n/a	n/a	n/a	n/a	n/a
Dividend (¢)	-	-	-	-	-
Payout Ratio (%)	0%	0%	0%	0%	0%
Net Tangible Assets (A\$)	0.00	0.02	0.02	0.03	0.06
Book Value (A\$)	0.00	0.02	0.02	0.03	0.06
Free Cash Flow (A\$)	(0.00)	(0.00)	(0.05)	(0.00)	0.03

Cashflow	Units	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
Cash From Operations	A\$m	(1)	(3)	(1)	42	97
Interest	A\$m	0	0	1	(7)	(5)
Tax	A\$m	-	-	(0)	(7)	(18)
Net Cash From Operations	A\$m	(1)	(2)	1	28	73
Capex (incl. exploration)	A\$m	(1)	(2)	(102)	(31)	(19)
Acquisitions (Net)	A\$m	-	-	-	-	-
Other	A\$m	(1)	(0)	-	-	-
Free Cash Flow	A\$m	(3)	(4)	(101)	(3)	54
Proceeds from issue of shares / (buyback)	A\$m	7	39	-	-	-
Proceeds / (Repayment) of Borrowings	A\$m	-	-	80	5	-
Dividend	A\$m	-	-	-	-	-
Net Increase / (Decrease) in Cash	A\$m	4	35	(21)	2	54

Valuation Metrics	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
EV / Sales	n/a	n/a	n/a	0.2x	0.1x
EV / EBITDA	n/a	n/a	n/a	0.4x	0.2x
EV / EBIT	n/a	n/a	n/a	0.4x	0.2x
P/E (x)	n/a	n/a	n/a	2.0x	0.8x
Dividend Yield (%)	n/a	n/a	n/a	0.0%	0.0%

Balance Sheet	Units	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
Cash	A\$m	4	39	18	20	74
Receivables	A\$m	0	-	-	2	4
Inventory	A\$m	-	-	-	7	13
PP&E	A\$m	0	0	100	124	124
Other	A\$m	0	0	0	0	0
Assets	A\$m	5	42	123	160	230
Creditors	A\$m	1	-	-	4	9
Debt	A\$m	-	-	80	85	85
Provisions	A\$m	0	0	0	0	0
Tax Liabilities	A\$m	0	0	0	0	0
Liabilities	A\$m	1	0	80	90	94
Minority Interest	A\$m	-	-	-	-	-
Net Assets	A\$m	4	42	42	70	136

Operating Metrics (%)	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
EBITDA Margin	n/a	n/a	n/a	63%	60%
EBIT Margin	n/a	n/a	n/a	56%	53%
Net Profit Margin	n/a	n/a	n/a	33%	37%
ROIC	n/a	n/a	n/a	25%	53%
Return on Assets	n/a	n/a	n/a	13%	24%
Return on Equity	n/a	n/a	n/a	29%	40%
Effective Tax Rate	n/a	n/a	n/a	25%	25%

Liquidity & Leverage	Units	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
Net Debt / (Cash)	A\$m	(4)	(39)	62	65	11
Net Debt / EBITDA	x	1.0x	9.4x	(28.0)x	1.7x	0.1x
EBIT Interest Cover	x	273.7x	9.1x	1.5x	4.8x	14.3x
Net Debt / Equity	%	-99%	-94%	146%	92%	8%

Key Assumptions	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
Zinc (US\$/t)	-	2,833	2,900	2,973	3,048
Copper (US\$/t)	-	6,631	6,788	6,959	7,135
Gold (US\$/oz)	-	1,206	1,234	1,265	1,297
Silver (US\$/oz)	-	17.1	17.5	17.9	18.4
AUDUSD	-	0.72	0.72	0.72	0.72

Production	Dec-18	Dec-19e	Dec-20e	Dec-21e	Dec-22e
Zinc in con (kt)	-	-	-	17	40
Copper in con (kt)	-	-	-	1	2
Gold in con (koz)	-	-	-	0	1
Silver in con (koz)	-	-	-	41	98

Table of Contents

Executive Summary	4
Valuation Summary	5
Scenario Analysis.....	6
Key Risks to Achieving Price Target.....	6
Project Overview	7
BFS Underway	8
Strong Margin Profile	8
Established Infrastructure Advantages	9
Permitting & First Nations	10
Exploration Strategy.....	11
Mine Overview	13
Brief Mine History	14
Key Operational Assumptions.....	15
Financing	17
Shareholdings of Directors & Management	18
Zinc: Commodity View	19
Project History	20
SUP's Acquisition of the Project.....	21
Board of Directors	22
Management.....	23
Risks	24
Company Description.....	26
Appendix: Major Shareholders	27

Executive Summary

The Superior Lake zinc project, situated in Ontario Canada, has a number of favourable aspects which provide tailwinds to its development pathway, and differentiate the company from other emerging zinc miners. These include:

1. **High Grade = Low Unit Cost** – The project's unit costs defined as part of the restart study (US\$0.51/lb) provide for strong cash margins in the current zinc price environment (~US\$1.20/lb);
2. **Modest Capex Requirements** – Given the established infrastructure at site, as well as the location close to transport infrastructure in Canada, capex requirements of US\$75m to production are relatively modest;
3. **Quick Pathway to Development** – The mine site has some existing regulatory approvals in place as a result of the historic mine, providing a significant head start with regards to remaining permitting work;
4. **Significant Exploration Potential** – Existing deposits are VMS style, and no notable exploration has taken place at the tenements in ~20 years. Numerous new exploration techniques have emerged since the mine last operated, which SUP intends to utilise to seek to identify resource additions;
5. **Zinc Exposure** – Investor interest in zinc has been reinvigorated in recent times given the rally in zinc prices and persistent deficits in global supply. However there remains few listed options for investors to gain exposure to the zinc market.

The Superior Lake zinc project has several favourable aspects which differentiate the operation.

Several crucial near-term catalysts are anticipated to substantially de-risk the project

The company is well funded after the recent capital raise

Zinc markets need new mine supply

We initiate with a Buy rating and 6.5¢/share target price

The company is expected to complete a Bankable Feasibility Study (BFS) during the September quarter 2019, and indicated in recent announcements that operating and capital costs are "largely in-line" with those formulated in the prior Restart Study. Based on exploration work since the Restart Study was released (Oct-18), we see scope for potential mine-life extension as part of the BFS update.

SUP has already commenced negotiations regarding project financing, and expects indicative proposals to be received in the September quarter. Concurrently, discussions are underway with potential offtake partners and 2 indicative proposals have been received. SUP have indicated that binding offtake agreements have the potential to provide additional funding by way of mezzanine debt or concentrate pre-payments.

After the recent A\$3.8m capital raising (Jun-19), SUP is well funded (~A\$5m cash on hand) and in a strong position to secure an attractive financing package. As outlined above, numerous catalysts lie ahead over the remainder of 2019 which, if capably delivered by management, will substantially de-risk the project.

Zinc markets have seen significant warehouse inventory drawdowns as deficits continued into their 4th consecutive year in 2019. New mine supply is needed, particularly in the medium-term (~2023) when commodity forecasters anticipate further market deficits.

Overall, we expect that the Superior Lake BFS will confirm the attractive economics of the project and support a competitive financing process which should see the project commence construction in early 2020. We initiate research coverage with a BUY rating and 6.5¢ target price.

Valuation Summary

We adopt a DCF methodology to value Superior Lake as is typical with most mining companies. We have compiled a comprehensive financial model based on the assumptions outlined by the company in the recent restart study.

We assume that the bankable feasibility study confirms or improves upon the current project parameters, and that a US\$60m project finance facility is successfully secured. We assume the balance of the financing is secured via an equity raise at AUD 5¢/share.

A discount rate of 10% has been used to reflect the mine's location in the stable mining jurisdiction of Canada, established infrastructure and conventional operational design. This is in line with market discount rates generally applied to other similar listed mining equities.

Given the inherent uncertainty in commodity price forecasts, we adopt the price assumptions from the restart study in our financial modelling. As long-term consensus analyst forecasts are similar to these assumptions, we regard them as reasonable for base case valuation. Below is a summary of base case (restart study) commodity price assumptions vs current market spot prices:

Commodity	Base Case	Spot	% var
Zinc (US\$/t)	2,820	2,425	-14.0%
Copper (US\$/t)	6,600	6,065	-8.1%
Gold (US\$/oz)	1,200	1,425	18.8%
Silver (US\$/oz)	17.0	16.5	-2.9%

A summary of our valuation is outlined below:

	US\$M	Ownership	Risk Weight	A\$M	A\$/share
Superior Lake Project	122	100%	75%	131	0.06
Exploration and Investments	30	100%	100%	43	0.02
Corporate Costs	(20)	100%	100%	(29)	(0.01)
Net Cash (Debt)	2.6	100%	100%	4	0.00
Total	134			149	0.065
WACC					10%
AUDUSD					0.70
Shares on issue (m)					1,082
Options (m)					105
Equity Raising - Project Funding (m)					714
Equity Issued - 30% Additional Stake (m)					370
Fully Diluted SOI (m)					2,271

We set our 12 month target price equal to the valuation derived using our NPV analysis of 6.5¢/share.

Scenario Analysis

We have conducted basic scenario analysis in order to consider how SUP's valuation may change in the event that actual outcomes vary relative to current base case expectations both on the upside and the downside.

In analysing the potential scenarios, the array of assumptions which we could consider in financial modelling relative to base case assumptions includes commodity price & foreign exchange estimates, mill throughput, head grade, recovery rates, metal production, operating & capital costs, mine life, and financing.

However, given the project has supported mining activity, for simplicity we focus on the most uncertain and material assumption: key commodity prices.

- **Upside Scenario** = 10.2¢/share valuation: Zinc & copper prices +20% relative to base case assumptions
- **Downside Scenario** = 2.9¢/share valuation: Zinc & copper prices -20% relative to base case assumptions

		Zinc Price (US\$/t)				
		-20%	-10%	BASE	+10%	+20%
Copper Price (US\$/t)	-20%	2.9	4.5	6.2	7.9	9.5
	-10%	3.0	4.7	6.4	8.0	9.7
	BASE	3.2	4.9	6.5	8.2	9.9
	+10%	3.4	5.0	6.7	8.4	10.0
	+20%	3.6	5.2	6.9	8.6	10.2

Key Risks to Achieving Price Target

- Metal Prices & Exchange Rates;
- Interest Rates & Availability of Funding;
- Operational Risk;
- Higher than anticipated costs (capex &/or opex);
- Political & Regulatory Risk;
- Environmental Risk;
- Reserve & Resource Uncertainty;
- Capital Raise Risk;

We discuss the key advantages & risks in more detail in this report.

Project Overview

The Superior Lake Zinc Project is a high-grade, underground zinc mine situated in the Canadian province of Ontario 200km north-east of the city of Thunder Bay.

Superior Lake Zinc Project location:



Source: Company Reports

The mineral resource currently defined is 2.35 Mt at 17.7 % Zn, 0.9% Cu.

The operation retains substantial underground and surface infrastructure from previous mining conducted by Inmet from 1988-1998. The prior operation ceased in 1998 primarily due to the poor zinc price environment at the time of ~US\$0.42/lb.

A restart study was completed by SUP in Oct-18 which outlined an operation producing an average 46ktpa of zinc in concentrate over a 6.5 year mine life at an all in sustaining cost of US\$0.51/lb. Capex has been estimated in the restart study at US\$75m (including 25% contingency), and the mine could be in production in 2021 if development commitment was made by late 2019.

Restart Study Key Metrics:

Description	Units	Value (approx.)
Tonnes Mined	Tonnes	2,000,000
Plant Throughput	Tonnes per day	1,000
Head Grade - Zinc	% Zn	14.10%
Head Grade - Copper	% Cu	0.66%
Zn Conc production (steady state)	Tonnes per annum	88,000
Cu Conc production (steady state)	Tonnes per annum	6,700
Life of Mine	years	6.5
Start-up Capital	US\$m	75
LOM Opex	US\$/lb Zn	0.51
NPV at 10% - pre-tax	US\$164.8m	A\$219.7m
NPV at 10% - post-tax	US\$118.9m	A\$158.5m
IRR at 10% - pre-tax	56%	
IRR at 10% - post-tax	48%	

Source: Company Reports

BFS Underway

A bankable feasibility study (BFS) is currently being prepared to confirm the project parameters, which is expected to be complete during the September quarter 2019 and represents a crucial milestone for the project. The BFS is anticipated to include an initial ore reserve, and form the prerequisite for project finance negotiations.

Based on our review of the restart study assumptions as well as reported exploration work conducted by SUP to date, we believe the BFS will reaffirm and improve upon the economics of the project.

SUP currently owns 70% of the project, growing to 85% (upon shareholder approval of the acquisition of the additional 15%). We believe there is the potential for SUP to increase its interest to 100% in the future.

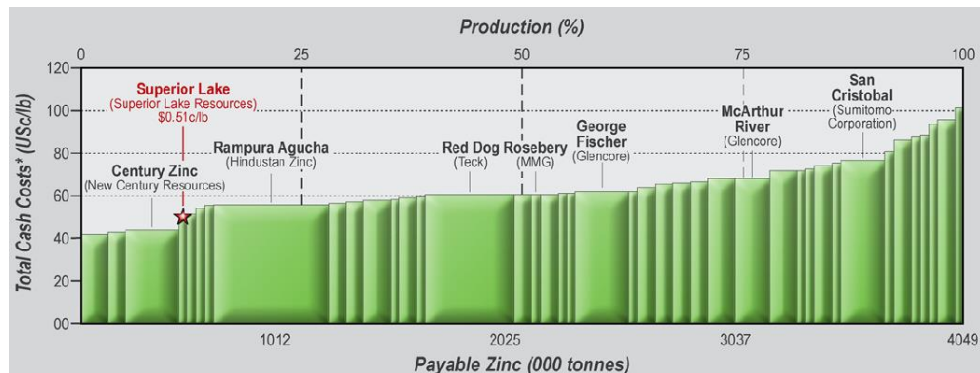
As such the second half of 2019 represents an important period for the company and several key project milestones lie ahead including:

- Release of the Bankable Feasibility Study & Ore Reserve;
- Potential acquisition of the remaining 15% interest in the project;
- Arrange project finance and complete equity financing;

With the satisfactory completion of the above the company should be in a position to commence construction at the operation in the first half of 2020.

Strong Margin Profile

The life of mine average all in sustainable cost estimate for the project of US\$0.51/lb (payable metal) places the project in the lowest quartile of cash costs for zinc producers globally, reflecting the high-grade nature of the deposit:



Source: Company Reports

In the current market pricing environment for zinc, which has strengthened considerably over the last few years as LME warehouse stocks have declined, the restart study presents a very favourable cash margin profile for low cost zinc producers. In 2019 zinc prices have traded from ~US\$1.10/lb to as high as ~US\$1.35/lb. Current market prices of ~US\$1.10/lb offer prospective cash operating margins to SUP of ~55%.



Source: Kitco

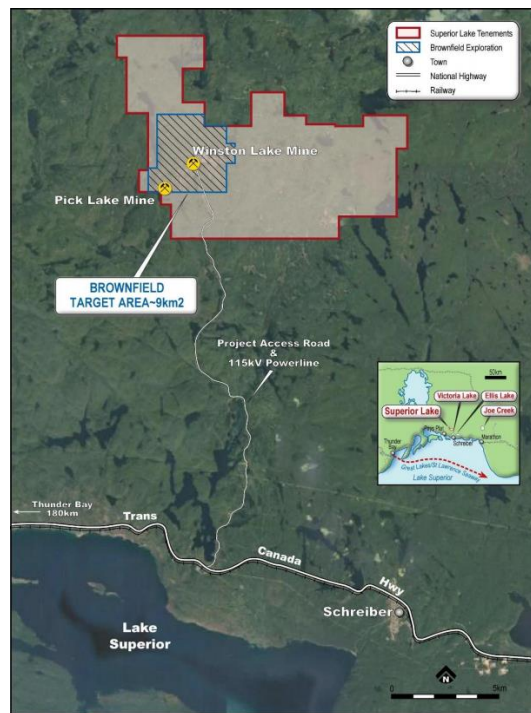
Leading zinc market analysts are predicting further price strength in the second half of the year. This is predicated on expectations of the fourth consecutive year of refined zinc metal deficits (International Lead & Zinc Study Group, Market Outlook May-19), driving further warehouse stock drawdowns and fundamental support for market prices. In addition, a potential de-escalation or resolution of the US/China trade dispute would improve market confidence in demand, as China is the largest zinc consumer in the world.

Established Infrastructure Advantages

The project location is situated ~200km east of the city of Thunder Bay, a city of >100,000 people which has a history of mining industry with many mining companies operating out of the centre. The prior operation under Inmet, produced a concentrate onsite, trucked to Schreiber (~20km drive) where it was railed to Thunder Bay and exported at the city's port. Existing infrastructure includes:

- Established 20km gravel road connecting the mine site to the Trans-Canada Highway approximately 10km East of the town of Schreiber (population ~1100);
- Skilled workforce living within driving distance of the mine including the regional centre of Thunder Bay with a population of >100,000. Thunder Bay is served by an international airport which is the 4th busiest airport in Ontario by aircraft movements;
- Mains power connection (115kV) to the site;
- Established and permitted tailings facility with capacity for the present resource;
- Freshwater dam for process water;
- Rail terminal connecting with the national network at the nearby town of Schreiber (~20km from the mine);
- Historical underground development including 2 vertical shafts adjacent to the resource to be mined which enables quick access to the resource;

Infrastructure: Access roads, powerlines & rail



Source: Company Reports

This established infrastructure advantage provides a significant head start in terms of the timeframe to bring the asset into production. Furthermore, capex for development is relatively low as a consequence. The existing infrastructure both at the mine and transport logistics to Canadian smelters, provides improved certainty for equity investors as well as potential financiers and/or offtake partners. These benefits de-risk the development schedule and allow SUP's management team to focus on execution at the mine site.

Permitting & First Nations

SUP has already commenced the permitting process in the province of Ontario, with the benefit of some existing approvals in place given the prior mining activities. The Winston Lake mine has existing permits in place for an environmental certificate of approval (ECA) as well as a Closure Plan, which were assessed by consultants as part of the restart review to be in good standing.

Permitting requirements identified in the restart study included:

- Conversion of the Pick Mining Claims to Mining Lease;
- Transfer of Winston Permits and Ownership;
- Notice of Project – Permit to take water (mine dewatering);
- Notice of Project – Development to Production;
- Commencement of Commercial Production;

The permitting process commenced in Q4 2018 with a multi-departmental Government review in Nov-18. Given the history of the operation and supportive nearby communities with existing mining industry, we anticipate that the permitting process will be relatively straight forward.

The property is located on the Pays Platt First Nation Territory. A written agreement (Impact Benefit Agreement or IBA) will need to be established with the First Nations communities, to define business development opportunities for the local communities to ensure they share in the project's success. Consultation with First Nations communities has already commenced, with SUP indicating communities have expressed support for the project.

Exploration Strategy

The existing deposits (Winston Lake & Pick Lake) are volcanogenic massive sulphide (VMS) style deposits which have a geological tendency to occur in clusters.

However, very little exploration has taken place around the operation in the 20 years since mining operations ceased in 1998. During this time exploration techniques have improved significantly.

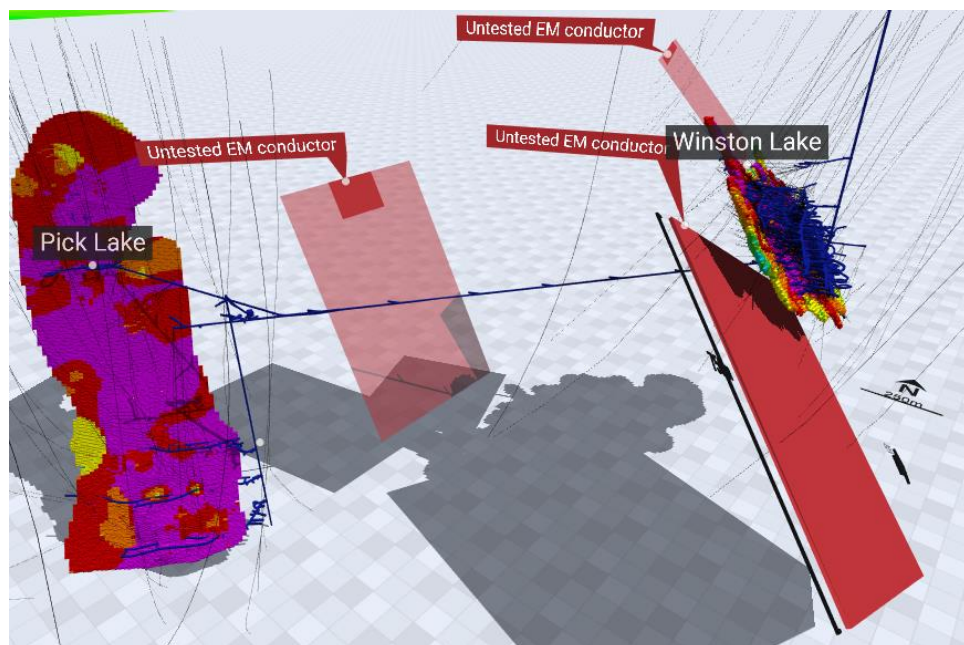
SUP has conducted preliminary exploration work to date which commenced in 2018 incorporating multiple modern exploration techniques and focused on a small area of 9km² surrounding the current resource and mine infrastructure.

Structural and lithogeochemical work initially identified seven exploration targets likely at similar depths to Winston Lake (>300m) and Pick Lake (>450m).

This was followed up by a test Down Hole Transient Electromagnetic (DHTEM) & a surface Fixed Loop Electromagnetics (FLTEM) program to verify the effectiveness of EM on the known Pick Lake deposit. SUP noted that Pick Lake was "clearly identified" using both DHTEM & FLTEM, which confirmed the effectiveness of EM in the project area.

An FLTEM program then identified three major mineralised anomalies close to the existing resource, as is illustrated below:

Major Mineralised Anomalies Identified:



Source: Company Reports

These conductors will form the focus of drilling and DHTM work, once access to the underground mine is re-established. While the identification of these conductors is early stage, they are encouraging signs particularly given the limited work completed so far and the proximity to existing resources and mine infrastructure.

In Sep-18, SUP outlined a conceptual exploration target in order to outline the potential resource in close proximity to existing JORC resources. This was predicated on available geological information including the drill hole database and was compiled largely by extrapolating strike and plunge continuations of the existing resource into zones not yet drilled. Based on this information SUP's assessment of the resource defined an exploration target of 2.1-5.2mt at 13.3% - 15.4% zinc.

Brownfield exploration target defined in close proximity to existing resource:

PICK LAKE						
Range	Tonnes	Zn%	Cu%	Au (g/t)	Ag (g/t)	Reporting Cut Off Zn%
Upper Bound	1,500,000	18.5	0.9	0.4	35	6
Lower Bound	900,000	18.8	0.7	0.3	34	3

WINSTON LAKE						
Range	Tonnes	Zn%	Cu%	Au (g/t)	Ag (g/t)	Reporting Cut Off Zn%
Upper Bound	3,700,000	14.1*	0.7	1.0	18	6
Lower Bound	1,200,000	9.1	0.6	0.8	15	3

TOTAL						
Range	Tonnes	Zn%	Cu%	Au (g/t)	Ag (g/t)	Reporting Cut Off Zn%
Upper Bound	5,200,000	15.4	0.9	0.4	35	6
Lower Bound	2,100,000	13.3	0.7	0.3	34	3

*average mined grade

Source: Company Reports

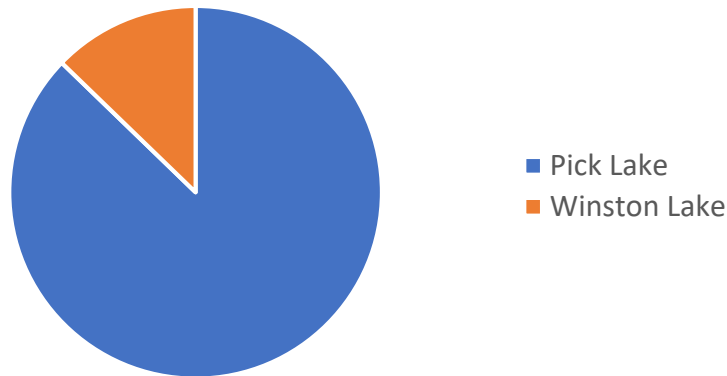
SUP has made sensible steps in demonstrating the effectiveness of modern geophysics techniques response to known mineralisation. Clearly a successful discovery close to existing mine infrastructure would provide significant value uplift.

While further drilling work is now required to test these geophysical anomalies, early signs are encouraging and the strategy appears to have gained reasonable results for limited expenditure.

Mine Overview

As the Winston Lake deposit was mostly mined out during prior mining by Inmet, the Pick Lake deposit is expected to provide the majority of the ore for the operation and represents 87% of the current ore resources.

Superior Lake Mineral Resource by deposit:



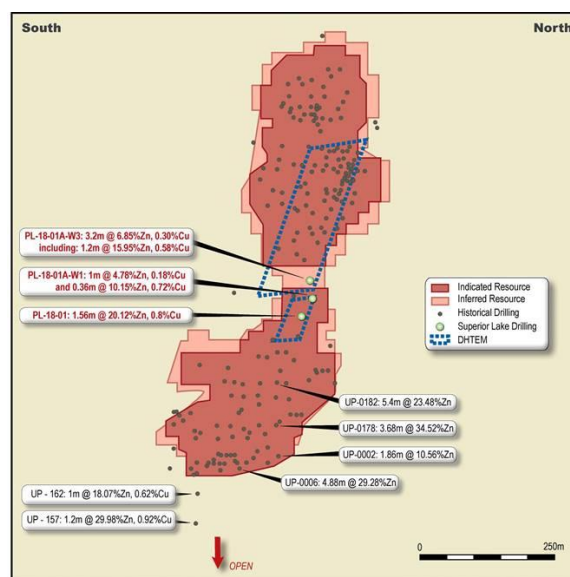
Source: Company Reports, BW Equities

The Pick Lake deposit had been classified into 3 ore zones in the past: Upper, Mid & Lower. The Upper & Lower zones had been intensively drilled previously by Inmet, however the Mid zone required additional drilling to define a resource.

SUP conducted 1,750m of drilling on the Mid zone to confirm the continuity and grade (the first drilling at the project in >20 years) which produced results in line with expectations and lead to an increase in Superior Lake Resources by ~10%, 87% classified at the JORC Indicated category.

Following the completion of this work Pick Lake is now considered a single ore lens which is best illustrated in the figure below:

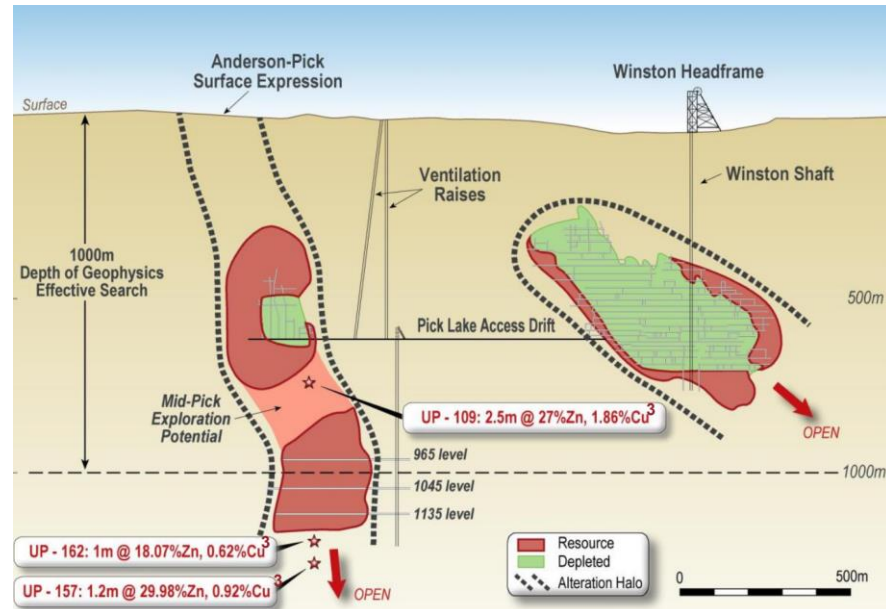
Pick Lake Deposit:



Source: Company Reports

The Pick Lake resource is accessed via a 2.2km drift from underground at Winston Lake. The following diagram illustrates this along with the location of depleted resource areas vs current resource locations:

Pick Lake vs Winston Lake deposits:



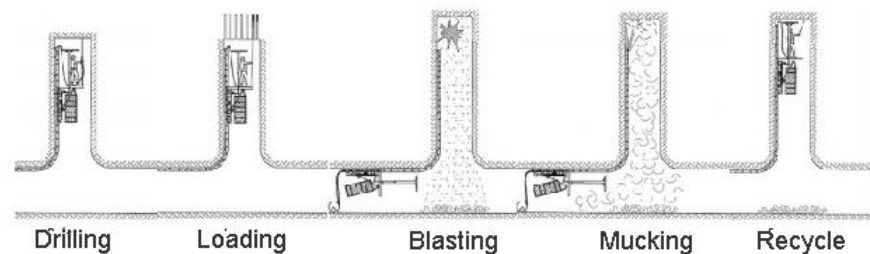
Source: Company Reports

Brief Mine History

Inmet had partially mined Upper Pick and invested ~US\$40m in development at Lower Pick, prior to the decision to close the mine in 1998 in an environment of sustained weak zinc prices. Inmet was also concerned about potential dilution at Lower Pick after weak hanging wall rocks were noted during development work.

Inmet used the Alimak mining method (also called “raise climbing”) in the Upper Pick area, a variation of longhole stoping typically used on tabular shaped narrow-vein ore bodies.

Alimak Mining Method:



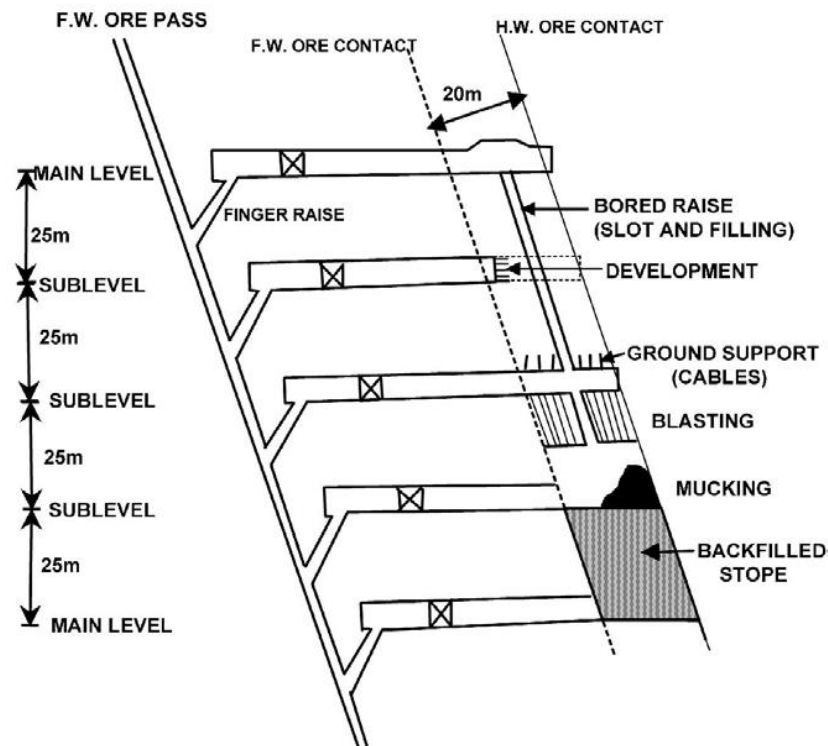
Source: PicsWe

A drawback of Alimak is that there are limitations to how much miners can change direction. As such it can become difficult to follow high grade ore veins, and as such can lead to higher than expected dilution levels as experienced by Inmet.

This operating history is well known & understood by SUP management. SUP will adopt longhole open stoping (LHOS) with cemented paste fill, a different approach which aims to address the historical issues raised by Inmet.

LHOS requires more development work (in waste) to provide the various levels to access the orebody (see diagram below). Stopes are typically much smaller and SUP will backfill mined out stopes with cemented paste fill.

Typical Open Stope Mine Cross-Section:



Source: ReserachGate.net

Inmet conducted a test stope using LHOS in 1998/99 in Lower Pick, which resulted in more normal dilution levels of ~25%. Furthermore, extensometers measured no movement in the wall rock for > 20 days. In addition, SUP's drilling program conducted in the Mid Pick zone showed drill core indicating good ground conditions.

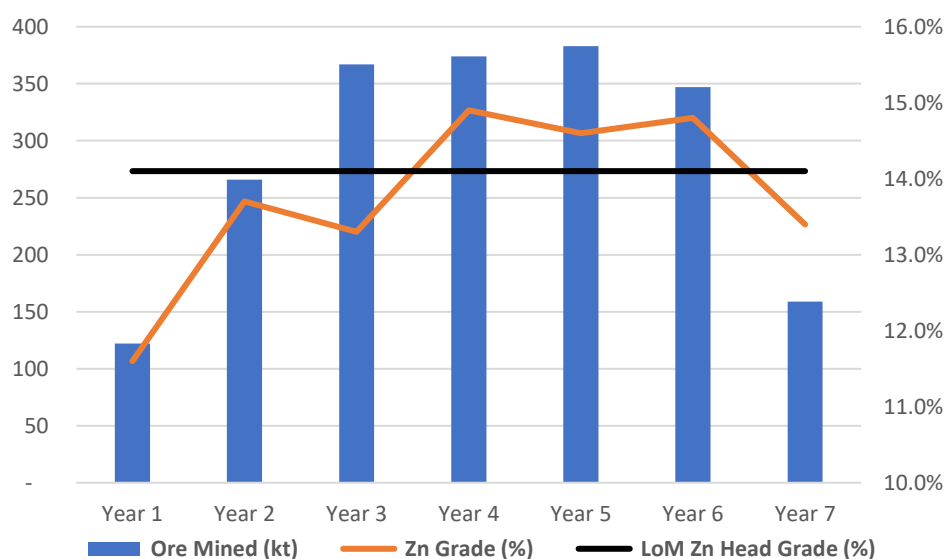
Utilising LHOS in conjunction with the advancement in mining equipment & technology, we think SUP has good prospects of delivering the operational targets outlined in the restart study.

Key Operational Assumptions

We have relied upon the technical and operational assumptions contained in the restart study as being reasonable for the purposes of our valuation work. SUP engaged with third party experts to compile the work underpinning the restart study, being Nordmin Engineering Ltd as consultant for engineering work and Mining Plus who completed a mining scoping study.

The restart study outlined a mine production profile in detail as follows:

Mine Production Profile:



Source: Company Reports

Initial production is focused on the Mid-Pick zone and the Upper-Pick zone. This has been scheduled in order to defer capex (US\$15-20m) associated with the refurbishment of the Pick Lake shaft, which accesses the Lower-Pick zone from the drift on the 615 level. Unless further resources or extensions can be defined at depth, SUP does not anticipate using the Pick Lake shaft.

We expect construction to commence in Q1 2020 with first ore production 12 months later in Q1 2021 (1 quarter delay vs the restart study assumptions – for conservatism). We expect first concentrate production in Q2 2021 with a 12 month expected ramp-up to full production.

Thereafter we forecast milling at 350ktpa using a flat head grade of 14.1% Zn (for simplicity and in the absence of any more detailed technical information).

We believe the key operational assumption to be mindful of is unit mining cost. The underground mining cost assumed in the restart study is US\$64.50/t mined. We regard this as reasonable based on our knowledge of other underground mining operations around the world, however we look for more detail and technical confirmation regarding this estimate in the forthcoming BFS.

Financing

SUP completed 3 placements over the past 18 months to fund the development of the project to date. Brief details of these are as follows:

- Feb-18: raised \$2.5m as part of the acquisition via a placement 1.1¢ / share;
- Aug-18: raised \$5m via a placement at 3.5¢ / share. Tribeca Investment Partners Pty Ltd acted as a cornerstone investor under the Placement taking \$1.5m of the money raised.
- Jun-19: raised \$3.8m via a placement at 1.75¢/share

As at the date of this report SUP currently has a market capitalisation of A\$19m at a share price of 1.8¢ (AUD). After the most recent raising we estimate the company has A\$5.0m cash in the bank, which is more than sufficient to fund completion of the BFS.

Capex for development of the project is estimated (as part of the restart study) at US\$75m (includes capital works, pre-production capital costs and 25% contingency). We assume an additional US\$10m of working capital buffer may be required through the commissioning process.

SUP has appointed an independent advisory firm Orimco Resource Investment Advisors as the company's advisor with regards to securing project finance. Recent commentary noted that numerous financial institutions and offtakers have made approaches to the company, and preliminary site visits have also been conducted. Given the strong zinc price environment and high margins of the project outlined to date, SUP is in a reasonable position to secure the necessary funding on reasonable terms.

We assume a debt/equity split of 60%-80% for financing the project through to production. This implies US\$17-US\$34m is required to be funded through a potential equity raise.

Given the uncertainty regarding the size of debt facilities and the share price at which the company can complete the balance of funding requirements, we consider the range of potential further share issuances in the table below:

		Debt Funding (US\$m)			
		50	60	70	80
Equity Raise Px (A\$/sh)	0.03	1,643	1,174	704	235
	0.05	986	704	423	141
	0.07	704	503	302	101

Our base case assumption is US\$60m debt finance and the balance (US\$25m) secured via an equity raise at AUD 5.0¢/share.

This reflects the possible market rerating of SUP shares, which should follow from increased confidence in project parameters (via the BFS), and de-risked funding via securing project finance.

Shareholdings of Directors & Management

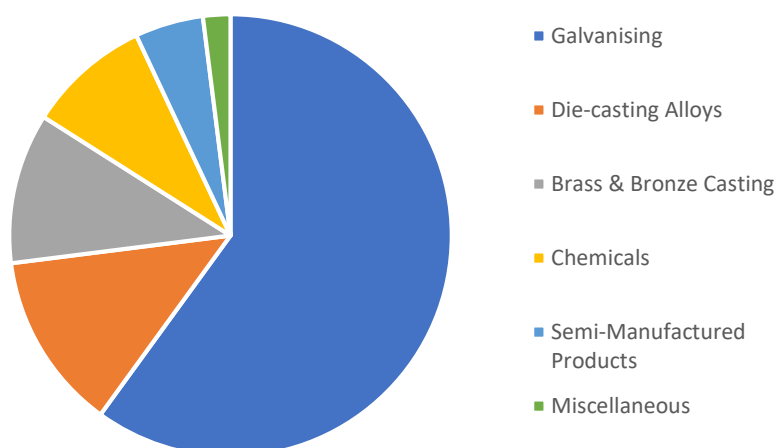
We view shareholdings by directors and management is important to ensure the the company's leadership interests are aligned with shareholders. The following table summarises relevant interests in SUP shares of directors and management:

Name	Position	Options	Shares Held Directly	Shares Held Indirectly
Yunde Li	Prior Chair	-	10,000,000	63,151,291
Chuanshui Yin	Prior NED	-	1,020,000	3,170,000
Keong Chan	Non-Exec Chair	20,000,000	-	-
Grant Davey	ED	-	8,821,428	73,337,758
Peter Williams	NED	20,000,000	-	-
David Woodall	CEO	20,000,000	500,000	-

Zinc: Commodity View

More than half of global zinc metal production is used in galvanising steel which protects it against corrosion. The next largest categories of demand for zinc are in the production of metal alloys (a metal made by combining 2 or more other metals to improve its properties). Brass & bronze are the most notable zinc alloys which are generally used for components in the construction and infrastructure industries.

Zinc End Uses:

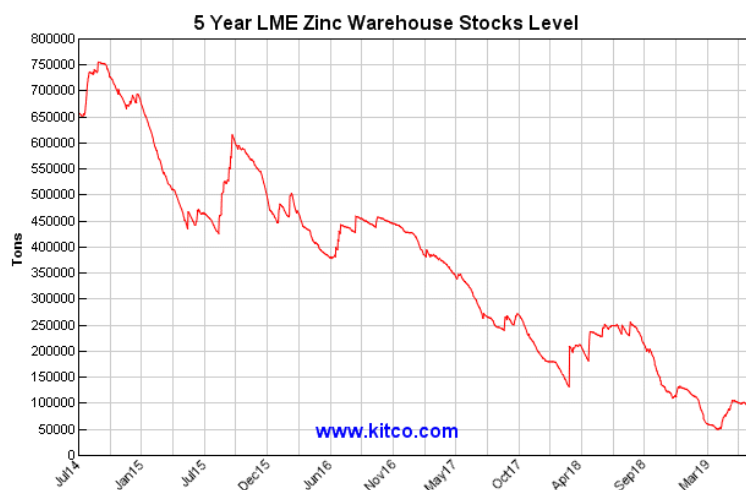


Source: Wood Mackenzie, BW Equities

The Zinc market has now been in deficit for 3 consecutive years according to data compiled by the International Lead & Zinc Study Group (ILZSG). This has taken place as global metal demand has remained steady, while production declined due to mine closures and production cuts. Declines in Chinese production have been a notable factor in the market, resulting primarily from the Chinese Government's crack down on environmental matters which impacted many mining and smelting operations.

Concurrently zinc warehouse stocks have declined dramatically to their lowest levels in more than 10 years:

Zinc Warehouse Stocks:



Source: Kitco

Market expectations are that the deficits observed over recent years in zinc markets will continue in 2019, and warehouse stocks will decline further providing fundamentally supportive conditions for the zinc price. Stronger zinc prices are expected by consensus commodity analyst forecasts during the second half of calendar year 2019.

China is a major consumer of zinc metal (~50% of global consumption) and as such Government policies on infrastructure expenditure which typically require large quantities of galvanised steel is an important factor on the demand side. A de-escalation of the US/China trade dispute or a satisfactory resolution would provide supportive sentiment for Chinese & global economic conditions generally which would be a positive development for zinc from both a fundamental demand and market sentiment perspective.

Looking further forward new supply coming into the market is anticipated to gradually return the global balance to surplus. As such zinc prices are expected to moderate and long-term market assumptions of US\$2,820/t (US\$1.28/lb) have been adopted by SUP (and BW Equities) in financial modelling.

These prices are a premium to the current market price of zinc. Given the recent market deficits and drawdown in warehouse stocks, the medium/longer term market fundamentals will depend upon new mine supply coming on stream.

While there are identifiable zinc projects capable of fulfilling market expectations of demand over the medium-term, the progression/realisation of this prospective supply depends upon market expectations of the zinc price, and the relative merits of each project. If zinc price expectations remain subdued, projected new mine supply may not materialise giving rise to higher than expected zinc metal deficits and potential for more supportive fundamental market conditions than currently expected.

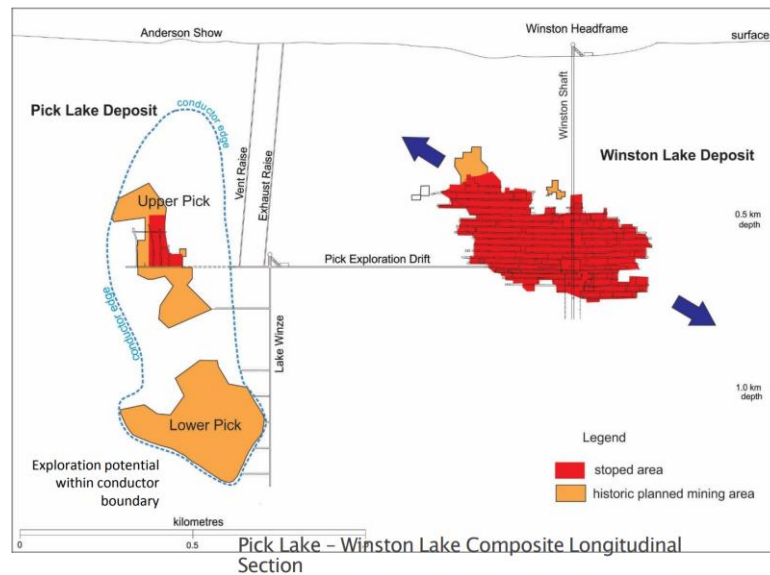
Project History

The Winston Lake deposit was first discovered in 1982 by Minnova Inc (formerly Falconbridge). An ore reserve of ~3mt at 15% zinc, 1% copper, 31g/t silver and 1g/t gold, was defined and in 1988 Minnova commenced production at Winston Lake. Capex at the time was ~C\$72m.

Minnova had subsequent exploration success at the deeper Pick Lake deposit in 1990 when hole 67 returned 13.4m grading 25% Zn, 2.69% Cu, 106.1 g/t Ag and 0.4 g/t Au. This was followed by further diamond drilling work.

In 1993 a 2.2km drift was commenced from 615m below surface within the Winston Lake underground mine, to provide access to the Pick Lake deposit.

In 1992 Metall Mining Corp secured a 50.4% stake in Minnova, and in May-95 the merged entity changed its name to Inmet Mining Corporation. Inmet commenced production from the Pick Lake Upper Zone in 1996 and mining of the Pick Lake Lower Zone took place briefly in 1998 before the operation was suspended by Inmet in Dec-98 after it was concluded that the deposit was not economic at the prevailing zinc prices.



Inmet announcements noted difficult mining conditions & lower grades at the outer edges of the Winston Lake deposit, which resulted in higher mining costs. At Pick Lake ore reserves were substantially reduced after development on 3 levels indicated weak hanging wall rocks which may have resulted in significant dilution.

The operation produced ~3.3mt of ore at a grade of 14% zinc, 1% copper, 1.0g/t gold and 30g/t silver over an 11 year period prior to closure.

Subsequent to suspension of operations, Inmet let claims around Pick Lake lapse and the deposit ended up in the hands of prospectors in 2008.

In 2013 Silvore Fox Minerals Corporation performed a 43-101 technical report on Pick Lake. Silvore Fox is a Canadian mineral exploration company which was at the time listed on the TSX Venture Exchange under the symbol SFX.

In 2013 First Quantum purchased Inmet in a C\$5.1bn hostile takeover aimed at securing ownership of the Cobre Panama copper mine in Panama. As part of this purchase First Quantum became the owner of Winston Lake.

In Aug-16 Pick Lake was purchased from prospectors by Ophiolite Holdings Pty Ltd, an Australian private exploration company & in Feb-18 Ophiolite entered an option agreement to acquire Winston Lake from First Quantum, consolidating the 2 deposits once again.

SUP's Acquisition of the Project

The Pick Lake Zinc Project was acquired by SUP via an option agreement on 4-Dec-17. SUP acquired 100% of Superior Mining Pty Ltd, which had a 70% initial indirect interest in the Pick Lake Zinc Project which is held by Ophiolite Holdings Pty Ltd, an Australian private exploration focused company.

Further to this, Superior Lake announced on 21-Feb-18 that they had entered into an option agreement to acquire 70% of the Winston Lake Project (via its 70% interest in Ophiolite Holdings Pty Ltd).

Board of Directors

Keong Chan – Non Executive Chairman, appointed 14-Sep-18

Mr. Chan has provided advice to a number of companies on corporate matters in relation to capital raisings, IPOs, back door listings, mergers and acquisitions, takeovers/divestments and has sat on or acted as an advisor to a number of ASX listed boards. Mr.

Chan holds a Bachelor of Commerce from the University of Western Australia and a Master of International Customs Law and Administration from the University of Canberra.

Grant Davey – Executive Director, appointed 27-Feb-18

Mr Davey is a mining engineer with over 25 years of senior management and operational experience in the construction and operation of gold, platinum and coal mines in Africa, Australia, South America and Russia. More recently, he has been involved in venture capital investments in several exploration and mining projects and he has been instrumental in developing the Panda Hill niobium project as well as the Honeymoon uranium project. His focus is in securing firstclass mining projects in worldclass mining jurisdictions.

Mr Davey is currently a Director for Cradle Resources Limited (CXX) and Graphex Mining Limited (GPX) and is a member of the Australian Institute of Company Directors (AICD).

Peter Williams – Non Executive Director, appointed 27-Feb-18

Mr Williams was formerly Chief Geophysicist and Manager of Geoscience Technology for WMC Resources. He was one of the founding members of Independence Group Limited and developed high powered 3 component 3D TEM applications that lead to the discovery of over 75,000t of nickel at the Victor Long Nickel Mine in Kambalda.

Peter has extensive experience in West Africa where he was the vendor of Gryphon Minerals' Banfora Gold Project, was involved in the project generation of Papillion's Mali projects and was a founding director of Ampella Mining Ltd. Peter was a co-founder of the International Resource Sector Intelligence company, Intierra, and was a co-founder of the first dedicated hard rock mineral seismic company in the world, HiSeis. Mr Williams is currently a Non-Executive Director of Boss Resources Limited & Alderan Resources.

Management

David Woodall – Chief Executive Officer, appointed 9-Apr-18

Mr. Woodall is a mining engineer with over 30 years' experience in operations, project development and evaluations in the mineral resources industry including gold, copper, iron ore, and nickel.

He has had senior management corporate and operation positions in large scale open pit, large and small scale underground operations in Canada, Australia, USA, Fiji, Africa, Central Asia and China. Prior to joining Superior Lake, he ran his own consultancy company, and recently was the Executive General Manager International Operations for Newcrest and Director Operations for FMG.

Mr. Woodall is a Member of the Australian Institute on Mining and Metallurgy (AusIMM) and a member of the Australian Institute of Company Directors (AICD)

Keith Bowes – Project Director

Mr Bowes is a process engineer with over 20 years' experience in metallurgy, project management and operations. He has worked in Africa, South America and Australia for major mining houses on projects and plants covering a wide range of commodities and processes.

He led the study team involved in the development of the world class Panda Hill Niobium Project located in Tanzania and is currently involved in a number of new development including; uranium in South Australia, graphite in Africa and base metal and gold projects in North America and Africa.

Mr Bowes has been involved in a number of new technology developments and has successfully incorporated these into the projects and operating plants in which he has been involved.

Stuart McKenzie – Company Secretary, appointed 6-Mar-19

Stuart has over 25 years of experience in senior commercial roles. He was previously Company Secretary with Anvil Mining Limited for six years, prior to which he held senior positions with Ok Tedi Mining Limited, Ernst and Young and HSBC.

Risks

The following risks are important factors for investors to be mindful of when considering an investment in shares of the company. This list is by no means exhaustive and should be read carefully in conjunction with the body of the report.

Metal Prices & Exchange Rates

The expected cash flows from mining operations are significantly affected by fluctuations in metal prices and exchange rates. For the Superior Lake operation this includes zinc, copper, silver, gold, CAD:USD & AUD:USD. Metal prices and exchange rates can be volatile and projections are subject to significant uncertainty. Metal prices are quoted in US\$ and changes in exchange rates can have a material impact on revenue and profitability as revenues are priced in US\$, and operating costs are predominantly in local currency (C\$).

Interest Rates & Availability of Funding

Project financing is likely to incorporate a component of debt which will incur interest expense. The details of these arrangements are yet to be finalised and may include a fixed and floating interest rate component, and may include various covenants. Interest rates are currently at historical lows and market expectations are that they will move higher over the medium term. Fluctuations in interest rates and the availability of credit can have a material impact on profitability of the company and the ability of the company to continue as a going concern. If any covenants are breached creditors may recall credit facilities or amend the terms materially which may place significant financial strain on the ability of the company to continue to fund the operations in the future. Changes in the availability of credit/debt could lead to equity raisings at a point of significant uncertainty which could materially dilute existing shareholders. The current market capitalisation of the company is small relative to the capex requirements, and there is no guarantee that new or existing shareholders will provide the equity funding required to finance the project.

Operational Risk

Mining operations are subject to a range of operational uncertainties which can vary depending on the geographic location, nature of the operation, labour relations and reliability of critical infrastructure such as electricity & water supply, as well as transportation routes. Superior Lake is an underground operation and the Pick Lake deposit is relatively deep. The orebody is also relatively narrow and mining by the prior owners experienced higher than expected rates of dilution and as a consequence lower than expected grades processed. While some issues are known based on the history of the operation, and a different proposed mining method is proposed by SUP to address this, all mining operations are inherently challenging and material unforeseen issues can and do occur regardless of the preparation and expertise of capable management teams.

Costs

Cost estimates are conducted as part of the restart study and refined in the feasibility work currently underway. These estimates are based on numerous assumptions and may be materially different to the actual cost required for the operation. This includes both the capital cost of bringing the operation into production as well as operating costs. Operating costs can change based on various uncertainties including general economic conditions, unemployment rates (particularly in the local area), commodity prices and exchange rates, and disruptions or limitations to the supply of key equipment or inputs. If unit costs escalate materially the profitability of the operation may be reduced either temporarily or permanently.

Political Risk

Superior Lake operates in the relatively stable developed country of Canada within a province which has a historical familiarity with and support for mining. The local economy has significant exposure to the mining industry including diamonds and gold. Nevertheless political conditions can change unfavourably at a Provincial and Federal level. The site is also situated on Pays Platt First Nation Territory and so striking agreements with, as well as receiving support generally from local native communities is critical to the successful operations.

Environmental Risk

Mining operations must adhere to environmental regulations which vary depending on the location. Increased community and political focus on environmental matters has lead to environment related regulatory reviews becoming increasingly costly, lengthy and complex. Obtaining these approvals can cause significant delays to the expected timeline of mining operations both in terms of commencement and closure as decommissioning activities can be prolonged. Potential unforeseen changes in regulations can make it difficult to accurately anticipate closure costs related to remediation and rehabilitation of the disturbed mining area.

Reserve & Resource Estimates

The presence and measurement of Reserves & Resources are subject to various estimations and limitations. Actual orebody size, shape and grade can vary significantly from that estimated by the geological work conducted. While variances can be both positive and negative, negative outcomes versus expectations can lead to higher operating costs and material revisions to the amount of economic reserves, and hence potential changes to the mine life.

Equity risk

If the share price is weak and continues to trade at a significant discount to our target price, a capital raise at 5¢ / share may not be possible. Equity funding to support development may require higher than expected dilution to secure an adequate financing package.

Company Description

Superior Lake Resources Limited (SUP) is a mineral exploration and development company based in Perth, Western Australia. The primary asset of the company is the Superior Lake Zinc Project, situated approximately 200km from the city of Thunder Bay (population ~100,000) in Ontario Canada, and ~20km away from the Northern edge of Lake Superior on the US/Canada border.

The project consists of two deposits, Winston Lake & Pick Lake, where there was previously a historical operating mine and which host a combined JORC resource of 2.35 Mt at 17.7% Zn, 0.9% Cu, 0.4 g/t Au and 33.5 g/t Ag. The grade of the resource places it amongst the highest grade zinc deposits in the world.

The prior operation closed in 1998 due to a sustained low zinc price environment. Prior to closure the mine had produced ~3mt of ore. Given the prior operations there is significant established infrastructure at the site including underground mine development, a tailings storage facility, grid power connection to site and all-weather road access.

The project restart study contemplates production of 47ktpa Zinc & 1.7ktpa Copper at an average AISC of US\$0.51/lb over an initial 6.5 year mine life. Initial capital cost is currently estimated at US\$75m. A Bankable Feasibility Study is currently underway to enhance the level of confidence in these assumptions.

Superior Lake Project – Total Mineral Resource at 3% Zn cut-off grade:

Classification	Tonnage (mt)	Zn%	Cu%	Au g/t	Ag g/t
Indicated	2.07	18.0	0.9	0.38	34
Inferred	0.28	16.2	1.0	0.31	37
Total	2.35	17.7	0.9	0.38	34

Source: Company Reports

Appendix: Major Shareholders

Twenty largest shareholders as at 24-July-2019:

Position	Holder Name	Holding	% IC
1	ZERO NOMINEES PTY LTD	70,429,018	6.51%
2	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	63,703,747	5.89%
3	SHANDONG ISHINE MINING INDUSTRY CO	63,151,291	5.84%
4	MS SONJA LOUISE NEWMAN HEATH	42,338,495	3.91%
5	ILWELLA PTY LTD	42,098,301	3.89%
6	UBS NOMINEES PTY LTD	39,173,610	3.62%
7	D GRAY & CO PTY LTD	34,285,714	3.17%
8	CITICORP NOMINEES PTY LIMITED	29,538,963	2.73%
9	MR GRANT LAWRENCE BURNAFORD DAVEY & MR EVAN ALEXANDER GEORGE CRANSTON <SUPERIOR MINING A/C>	28,680,222	2.65%
10	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIM	27,955,868	2.58%
11	MR RUPERT NIGEL CHEONG <CC INVESTMENT A/C>	24,173,425	2.23%
12	DAVEY HOLDINGS (AUS) PTY LTD <BURNAFORD A/C>	24,016,854	2.22%
13	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	23,431,020	2.17%
14	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	17,682,361	1.63%
15	DAVEY MANAGEMENT (AUS) PTY LTD <DAVEY FAMILY SUPER FUND A/C>	16,577,046	1.53%
16	GLEN LEWIS PTY LTD <SAMUEL MCCARDEL A/C>	16,477,608	1.52%
17	POINTCIANA PTY LTD	16,174,852	1.50%
18	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	15,864,179	1.47%
19	MAXIMUS FLANNERY PTY LTD <FINCO INVESTMENT A/C>	15,435,065	1.43%
20	SILKTREE INVESTMENTS PTY LTD <PETER VASSILEFF SUPER A/C>	14,314,286	1.32%
	Total	625,501,925	57.82%
	Total issued capital - selected security class(es)	1,081,815,614	100.00%

Substantial shareholders (as at 26 March 2019)

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Holder name	Number of shares
Ms Sonja Louise Newman Heath (and related entities)	113,077,513
Tolga Kumova (and related entities)	81,886,108
Mr Grant Davey (and related entities)	73,587,758
Shandong Ishine Mining Industry Co	63,151,291
Tribeca Investment Partners Pty Ltd	56,428,572

APPENDIX 1

Disclaimer

This research was prepared for wholesale investors only as defined by sections 708 and 761 of the Corporations Act. This report was prepared as a private communication to clients and was not intended for public circulation or publication or for the use of any third party, without the approval of BW Equities Pty Ltd (BW Equities). While this report is based on information from sources which BW Equities considers reliable, its accuracy and completeness cannot be guaranteed. Any opinions expressed reflect BW Equities judgment at this date and are subject to change. BW Equities has no obligation to provide revised assessments in the event of changed circumstances.

BW Equities, its directors and employees do not accept any liability for the results of any actions taken or not taken on the basis of information in this report, or for any negligent misstatements, errors or omissions. This report is made without consideration of any specific client's investment objectives, financial situation or needs. Those acting upon such information do so entirely at their own risk. This report does not constitute an offer or invitation to purchase any securities and should not be relied upon in connection with any contract or commitment whatsoever.

DISCLOSURE OF INTEREST

BW Equities and/or its affiliated companies may make markets in the securities discussed. Further, BW Equities and/or its affiliated companies and/or their employees do and from time to time may hold shares, options, rights and/or warrants on any issue included in this report and may, as principal or agent, sell such securities. BW Equities has done business with the company covered in this report, more specifically was involved in the May 2019 capital raising.

The Directors of BW Equities advise that they and persons associated with them have an interest in the above securities and that they may earn brokerage, commissions, fees and other benefits and advantages, whether pecuniary or not and whether direct or indirect, in connection with the making of a recommendation or a dealing by a client in these securities, and which may reasonably be expected to be capable of having an influence in the making of any recommendation, and that some or all of our Authorised Representatives may be remunerated wholly or partly by way of commission.

ANALYST DISCLOSURE

I, Daniel Seeney, Authorised Representative number 001276035 of BW Equities certify that the views expressed in this report accurately reflect my personal views about the company and no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

The analyst responsible for preparing this research report received compensation based on several factors including BW's total revenues, a portion of which are generated by corporate advisory activities.

BW Equities Pty Ltd ABN 66 146 642 462 AFS Licence No. 389353