

Analyst

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Authorisation

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Fenix Resources Ltd (FEX)

Q1 FY26: Iron will

Recommendation
Buy (unchanged)
Price
\$0.52
Target (12 months)
\$0.65 (unchanged)

Sector
Materials

Expected Return

Capital growth	25%
Dividend yield	2%
Total expected return	27%

Company Data & Ratios

Enterprise value	\$418m
Market cap	\$387m
Issued capital	744m
Free float	74%
Avg. daily val. (52wk)	\$614k
12 month price range	\$0.25-0.52

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	0.38	0.29	0.28
Absolute (%)	36.8	82.5	85.7
Rel market (%)	34.4	76.4	75.1



SOURCE: IRESS

Production & sales records continue to fall

FEX reported record group iron ore production of 1,018kwmt (BP est. 974kwmt) and sales of 885kwmt (up 17% QoQ, BP est. 974kwmt) as ramp-up progressed at its third operating mine, Beebyn-W11. FEX realised an average CFR price of US\$97/dmt (A\$148/dmt), a 95% realisation to the 62% Fe benchmark index supported by a higher lump to fines sales ratio (53%; Q4 FY25 42%). Group C1 cash costs were A\$76/wmt. FEX had quarter-end cash of \$58m (30 June 2025 \$57m); we estimate debt of ~\$80m and net debt (exc. leases) of ~\$22m. Key quarterly cash flow items included: -\$22m upfront and transaction costs for the Weld Range transaction with Sinosteel; -\$13m capex; -\$8m dividend payment; and an undisclosed amount received for iron ore prepayments, with proceeds to be used to fund FEX's substantial growth outlook. FY26 guidance was maintained (4.0-4.4Mt sales at a C1 cash cost of A\$70-80/wmt).

Rapidly de-risking a substantial Weld Range development

FEX is rapidly progressing the broader 290Mt Weld Range Project towards production (details [here](#)). Scoping study completion is expected in the current quarter, followed by a feasibility study in the June 2026 quarter. The studies will explore the potential for FEX to increase its iron ore production to +10Mtpa by leveraging its integrated haulage capabilities and latent port capacity. We believe FEX's Weld Range assets could produce around 5Mtpa from late CY26 with a small capital outlay to replace Iron Ridge (~1.4Mtpa) and Shine Stage 1 (~1.6Mtpa) depletion. We have updated our production outlook at FEX's operating assets to account for the Weld Range agreement.

EPS changes in this report include: +2% in FY26; -20% in FY27; and +25% in FY28.

Investment view – Buy, Target price \$0.65/sh

FEX continues to grow its portfolio of low capital mining assets, leveraging its integrated logistics networks to underpin cash flows for growth capital and shareholder returns. The company holds the largest storage position at the strategic and fast-growing Geraldton Port. The expanded FEX-SMC agreement provides a clearer pathway to +10Mtpa iron ore production at significantly lower unit costs.

Earnings Forecast

Year ending 30 June	2025a	2026e	2027e	2028e
Sales (A\$m)	319	588	558	645
EBITDA (A\$m)	56	142	102	112
NPAT (reported) (A\$m)	5	66	36	35
NPAT (adjusted) (A\$m)	5	66	36	35
EPS (adjusted) (¢ps)	0.7	9.0	4.9	4.8
EPS growth (%)	-85%	1109%	-45%	-2%
PER (x)	70.2x	5.8x	10.6x	10.9x
FCF Yield (%)	2%	4%	1%	12%
EV/EBITDA (x)	7.5x	3.0x	4.1x	3.7x
Dividend (¢ps)	1.0	1.0	1.0	1.0
Yield (%)	2%	2%	2%	2%
Franking (%)	100%	100%	100%	100%
ROE (%)	3%	32%	14%	13%

SOURCE: BELL POTTER SECURITIES ESTIMATES

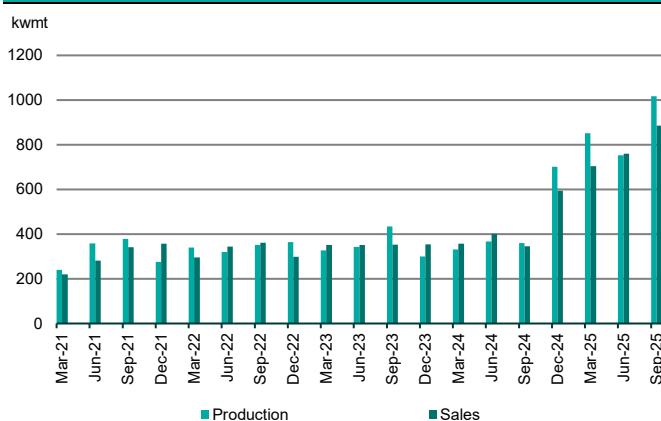
Q1 FY26: Iron will

Table 1 - Quarterly summary

	Sep-24 (actual)	Dec-24 (actual)	Mar-25 (actual)	Jun-25 (actual)	Sep-25 (actual)	QonQ	Sep-25 (BP est.)	Actual vs BP est.
Group iron ore production kwmt	359	702	851	753	1,018	35%	974	5%
Sales by asset								
Iron Ridge kwmt	346	353	349	296	354	20%	353	0%
Shine kwmt		241	355	464	415	-11%	403	3%
Beebyn-W11 kwmt					117	na	218	-47%
Group sales kwmt	346	594	704	760	885	17%	974	-9%
Realised pricing & unit costs								
Platts 62% CFR US\$/dmt	100	103	104	98	102	4%	102	0%
Average realised CFR price US\$/dmt – BP calculated	106	95	95	87	97	11%	99	-2%
Average realised CFR price A\$/dmt – BP calculated	159	146	151	135	148	9%	150	-1%
Average premium / (discount)	7%	-8%	-9%	-11%	-5%	-53%	-3%	95%
C1 cash cost (FOB) A\$/wmt – BP calculated	79	80	74	60	76	27%	76	0%
Haulage								
Total tonnes hauled kwmt	426	604	712	806	932	16%		
Port services								
Total shipments kwmt	770	594	704	760	885	16%		
Cash balance A\$m	72	57	55	57	58	2%		

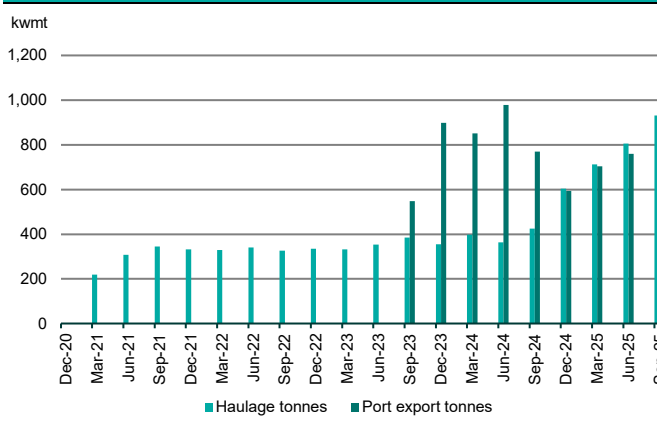
SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 1 – Iron ore production & sales (quarterly)



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 2 – Haulage & port shipments total (quarterly)



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Key observations from the quarterly

Operational & development summaries: Another quarterly production & sales record

- **Iron Ridge:** Consistent performance.
- **Shine:** Steady-state production, with seven high-grade shipments.
- **Beebyn-W11:** Maiden shipment in August 2025 (60kt at ~62% Fe). Steady state production is targeted in the current quarter.
- Group C1 cash costs were \$76/wmt (Q4 FY25 A\$60/wmt), higher on ramp-up of Beebyn-W11, however down 4% on the PcP with continued focus on operating efficiencies.
- Group lump to fines ratio was 53%:47%, compares with 42%:58% in the June 2025 quarter, contributing to improved realised pricing.

FY26 guidance maintained, as per below:

Table 2 - Guidance				
	FY24	FY25	FY26	FY26
	actual	actual	guidance	BP est.
Iron ore sales Mt	1.5	2.4	4.0 - 4.4	4.3
C1 cash cost A\$/wmt	78	73	70 - 80	72

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

290Mt transformational Weld Range Project: Studies commenced; rapidly progressing

- FEX is targeting completion of a scoping study in the current quarter and a feasibility study in the June 2026 quarter.
- We expect the studies will examine a 10Mtpa, 30-year Weld Range production outlook leveraging FEX's integrated logistics network at substantially lower unit costs. See [here](#) for further details of the agreement with Sinosteel Midwest Corporation, a subsidiary of the world's largest steelmaker, China's Baowu.

Logistics: Haulage & shipments records continue to fall

- Haulage and port shipments operated efficiently, with tonnages for each division up 16% QoQ.

Financials & balance sheet: Strong cash position; large quarterly cash flows

- 30 September 2025, FEX had cash of \$58m (30 June 2025 \$57m). We calculate debt of \$80m, for net debt of \$22m (excluding iron ore pre-payments).
- Operating cash flow (including hedging) was \$44m and includes iron ore prepayments with certain offtakers to fund FEX's substantial growth outlook. Other key quarterly cash flows include: -\$13m capex; \$9m debt repayments; -\$15m debt drawdown; -\$22m upfront payment and transaction costs related to Weld Range 290Mt Right to Mine Agreement; and a -\$8m dividend payment.
- During the quarter, FEX received an undisclosed amount for iron ore prepayments with certain offtake customers, with proceeds to be used to fund FEX's substantial growth outlook.

Other: Athena progressing the Byro Magnetite project

- **Athena Resources (AHN, not covered, 37% FEX):** FEX holds a 37% equity interest in AHN, who are progressing the Byro Magnetite Project in Western Australia's mid-west region. During the quarter, AHN produced a 10kg sample of high-grade magnetite concentrate (+70% Fe) which will be tested for green-iron suitability.

Changes to estimates & valuation

We have incorporated a heavily risked notional Weld range development scenario into our valuation. We have not included the expansion into our earnings forecast, due to the pre-study stage of development (feasibility study expected 2H FY26).

Changes to our earnings forecasts are the result of mine sequencing to factor in the Weld Range Agreement.

Table 3 - Changes to earnings estimates

Year ending 30 June	Previous			New			Change		
	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e
Benchmark prices									
Iron ore 62% Fe index CFR China US\$/t	97	93	92	98	93	92	2%	0%	0%
WA to China freight (panamax) US\$/t	17	16	16	17	16	16	0%	0%	0%
AUD/USD	0.66	0.68	0.70	0.66	0.68	0.70	0%	0%	0%
Volumes									
Iron ore sales (Mwmt)	4.4	4.4	4.4	4.3	4.4	5.4	-2%	0%	22%
Haulage tonnes (Mwmt)	5.4	5.4	5.4	4.4	4.4	5.4	-19%	-18%	0%
Port throughput (Mwmt)	5.4	5.4	5.4	4.4	4.4	5.4	-19%	-18%	0%
Financials									
Revenue (A\$m)	620	581	550	588	558	645	-5%	-4%	17%
EBITDA (A\$m)	143	115	90	142	102	112	-1%	-11%	25%
NPAT (reported) (A\$m)	65	45	28	66	36	35	2%	-20%	25%
NPAT (adjusted) (A\$m)	65	45	28	66	36	35	2%	-20%	25%
EPS (adjusted) (¢ps)	8.8	6.1	3.8	9.0	4.9	4.8	2%	-20%	25%
Dividend (¢ps)	1.5	0.8	0.4	1.0	1.0	1.0	-33%	25%	150%
Valuation (\$/sh)	0.66			0.65			-2%		

SOURCE: COMPANY DATA, FASTMARKETS, AND BELL POTTER SECURITIES ESTIMATES

Fenix Resources summary

Table 4 - Iron ore operating assets

	Iron Ridge	Shine	Beebwyn-W11
FEX equity	100%	100%	10Mt Right to Mine agreement (RTM)
Location	400km north-east of Geraldton	300km east of Geraldton	20km east of Iron Ridge
JV partners	-	-	Sinosteel Midwest Corporation (owner)
Resource	13.4Mt at 64.9% Fe	15.1Mt at 58.2% Fe	21.4Mt at 61.1% Fe
Reserve	2.9Mt at 64.8% Fe	-	10Mt at 62.2% Fe (limited by original RTM)
Project stage	Producing	Producing	Producing
FY26 sales (BP est.)	1.4Mwmt	1.6Mwmt	1.4Mwmt
Steady state sales wmt (BP est.)	1.4Mtpa	1.2Mtpa	1.6Mtpa
Product	Lump & fines DSO	Lump & fines DSO	Lump & fines DSO

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Table 5 – Logistics business
Newhaul Road Logistics

- State of the art trucking fleet (+70 x 200 tonne quad road trains)
- Fully equipped state of the art Geraldton Port depot
- Ruvidini inland port and rail siding; and the Perenjori rail siding.

Newhaul Port Logistics

- Sheds 4, 5, and 13 at Geraldton Port, catering for ~440kt bulk commodity storage and around 10Mtpa bulk-commodity throughput
- Fully owned truck unloader and connection to the Mid-West Port Authority's rail unloader and ship-loader.

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Table 6 - Balance sheet summary

Share price	\$0.52
Shares on issue	744m
Options in the money & rights	49m
Diluted market cap	\$413m
Cash (30-Jun-25)	\$58m
Debt inc. leases (31-Dec-24)	\$89m
Net debt / (cash) inc. leases	\$31m
Cash from options in the money	\$9m
Enterprise value (diluted)	\$435m

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Look out for...

- **290Mt/30-year Weld Range Project:** Results of a scoping study expected in the current quarter, and a feasibility study expected in the June 2026 quarter, following the September 2025 execution of a binding agreement granting FEX the exclusive right to mine SMC's 290Mt Weld Range Project.
- **Cost reduction initiatives:** FEX is pursuing several initiatives (including use of transshipping) aimed at reducing its overall cost base.
- **Shine mine plan updates:** Stage 1 is expected to average 100kt/month production. FEX are assessing additional stages, which could present the opportunity to extend the mine life.
- **Third-party logistics contract awards:** We expect intermittent announcements regarding the award of new third party haulage and/or port services contracts with Mid-West customers. Our earnings forecasts and valuation do not factor in unannounced third party contract wins.
- **Inorganic growth opportunities:** We expect FEX will pursue further inorganic growth opportunities throughout Western Australia.

Iron ore price scenarios: Sensitivity & spot leverage

FEX sells several grades of iron ore from its operations in the Mid-West Region of Western Australia. As such, the following sensitivity and break-even analysis can only provide a rough guide to earnings outcomes. The analysis references benchmark 62% Fe index price from which we calculate FEX's realised prices.

Note: Under each scenario, iron ore prices are flexed over the forecast period before returning to our long run estimates in FY29. Under spot, the currency estimates are flat across the forecast period, before returning to our long-run currency outlook in FY29.

Table 7 – Iron ore sensitivity & spot price leverage

	62% Fe Index			EBITDA A\$m			EPS Acps			FCF A\$m			Val'n
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28	A\$/sh
-5%	87	79	78	100	47	62	5.1	-0.4	-0.1	-21	-37	10	0.50
-10%	91	84	83	114	69	85	6.4	1.7	2.1	-9	-21	26	0.56
-15%	95	89	88	128	88	97	7.7	3.5	3.3	3	-7	35	0.61
Base	98	93	92	142	102	112	9.0	4.9	4.8	16	2	46	0.65
+5%	102	98	97	155	114	127	10.3	6.0	6.2	28	11	56	0.70
+10%	106	103	101	165	129	142	11.2	7.5	7.6	37	21	67	0.74
+15%	109	107	106	178	144	156	12.4	8.9	9.0	48	32	78	0.78
Spot	104	105	105	163	149	175	11.0	9.4	10.8	35	41	92	0.80

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Table 8 – Iron ore price sensitivity & spot price leverage

	62% Fe Index			EV/ EBITDA x			PE x			FCF yield %			Val'n vs share
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28	Price %
-5%	87	79	78	4.2	9.0	6.8	10.3	-129.9	-538.2	-5%	-9%	3%	-4%
-10%	91	84	83	3.7	6.1	4.9	8.2	30.3	24.6	-2%	-5%	7%	8%
-15%	95	89	88	3.3	4.8	4.3	6.8	14.8	15.6	1%	-2%	9%	17%
Base	98	93	92	3.0	4.1	3.7	5.8	10.6	10.9	4%	1%	12%	25%
+5%	102	98	97	2.7	3.7	3.3	5.1	8.7	8.4	7%	3%	15%	35%
+10%	106	103	101	2.5	3.2	3.0	4.7	7.0	6.8	10%	6%	17%	42%
+15%	109	107	106	2.4	2.9	2.7	4.2	5.8	5.8	13%	8%	20%	50%
Spot	104	105	105	2.6	2.8	2.4	4.7	5.6	4.8	9%	11%	24%	54%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Fenix Resources (FEX)

Company description

Fenix Resources is unlocking stranded mining assets across the Mid-West region of Western Australia, through three wholly owned business pillars: (1) Iron ore mining (Westmine); (2) bulk commodity haulage (Newhaul Road Logistics); and (3) port services (Newhaul Port Logistics). The company's internal iron ore production is growing to 4Mtpa through its Iron Ridge (100% FEX), Beebyn-W11 (10Mt Right to Mine agreement), and Shine (100% FEX) mining operations. FEX's logistics streams provision bulk commodity haulage and port services for in-house and third-party customers. The group controls the largest storage and throughput position (440kt and 10Mtpa, respectively) at the strategic and fast growing Geraldton Port.

Investment view – Buy, Target price \$0.65/sh

FEX continues to grow its portfolio of low capital mining assets, leveraging its integrated logistics networks to underpin cash flows for growth capital and shareholder returns. The company holds the largest storage position at the strategic and fast-growing Geraldton Port. The expanded FEX-SMC agreement provides a clearer pathway to +10Mtpa iron ore production at significantly lower unit costs.

Valuation: Risked, sum of the parts

Our valuation is based on:

- Discounted cash flow models of Iron Ridge, Shine, and Beebyn-W11 (NPV 8%, real);
- A heavily risked notional development scenario outlining a production scenario for the Weld Range Right to Mine agreement with SMC;
- Discounted cash flow models of Newhaul Road Logistics and Newhaul Port Logistics (NPV 8%, real); and
- An allowance for FEX's corporate overhead expenses.

Investment risks

Risks

Risks to resources sector equities include, but are not limited to:

- **Commodity price and exchange rate fluctuations.** The future earnings and valuations of exploration, development and operating resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Infrastructure access.** Bulk commodity producers are particularly reliant upon access to transport infrastructure. Access to infrastructure is often subject to contractual agreements, permits, and capacity allocations. Agreements are typically long-term in nature (+10 years). Infrastructure can be subject to outages as a result of weather events or the actions of third party providers.
- **Operating and capital cost fluctuations.** Markets for exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour markets.
- **Resource growth and mine life extensions.** Future earnings forecasts and valuations may rely upon resource and reserve growth to extend mine lives.
- **Sovereign risks.** Mining companies' assets can be located in countries other than Australia and are subject to the sovereign risks of that country.
- **Regulatory changes risks.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.
- **Environmental risks.** Resources companies are exposed to risks associated with environmental degradation as a result of their exploration and mining processes. Fossil fuel producers (coal) may be particularly exposed to the environmental risks of end markets including the electricity generation and steel production industries.
- **Operating and development risks.** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single operation company. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Occupational health and safety risks.** Mining companies are particularly exposed to OH&S risks given the physical nature and human resource intensity of operating assets.
- **Funding and capital management risks.** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments, and managing debt repayments.
- **Merger/acquisition risks.** Risks associated with value transferred during merger and acquisition activity.

Table 9 - Financial summary

Date	16/10/25					Bell Potter Securities											
Price	A\$/sh	0.52					James Williamson (jwilliamson@bellpotter.com.au, +61 3 9235 1692)										
Target Price	A\$/sh	0.65															
PROFIT AND LOSS							FINANCIAL RATIOS										
Year ending 30 June	Unit	2024a	2025a	2026e	2027e	2028e	Year ending 30 June	Unit	2024a	2025a	2026e	2027e	2028e				
Revenue	\$m	265	319	588	558	645	VALUATION										
Expenses	\$m	(192)	(262)	(446)	(455)	(533)	EPS (adjusted)	Ac/sh	4.9	0.7	9.0	4.9	4.8				
EBITDA	\$m	73	56	142	102	112	EPS growth (Acps)	%	-5%	-85%	1109%	-45%	-2%				
Depreciation & amortisation	\$m	(24)	(45)	(43)	(47)	(58)	PER	x	10.7x	70.2x	5.8x	10.6x	10.9x				
EBIT	\$m	49	11	99	55	54	DPS	Ac/sh	-	1.0	1.0	1.0	1.0				
Net interest expense	\$m	(0)	(3)	(4)	(4)	(3)	Franking	%	-	100%	100%	100%	100%				
Profit before tax	\$m	49	8	95	52	50	Yield	%	0.0%	1.9%	1.9%	1.9%	1.9%				
Tax expense	\$m	(15)	(3)	(28)	(16)	(15)	FCF/share	Ac/sh	4.3	1.1	2.1	0.3	6.2				
NPAT (reported)	\$m	34	5	66	36	35	FCF yield	%	8%	2%	4%	1%	12%				
NPAT (adjusted)	\$m	34	5	66	36	35	EV/EBITDA	x	5.7x	7.5x	3.0x	4.1x	3.7x				
CASH FLOW STATEMENT							LIQUIDITY & LEVERAGE										
Year ending 30 June	Unit	2024a	2025a	2026e	2027e	2028e	Net debt / (cash)	\$m	(42)	17	9	14	(25)				
OPERATING CASH FLOW							Net debt / Equity	%	-49%	18%	9%	15%	-26%				
Receipts from customers	\$m	259	333	571	555	640	Net debt / Net debt + Equity	%	-96%	15%	9%	13%	-36%				
Payments in the course of operations	\$m	(182)	(248)	(468)	(465)	(530)	Net debt / EBITDA	x	-0.6x	0.3x	0.1x	0.1x	-0.2x				
Tax paid	\$m	(10)	(15)	(14)	(24)	(14)	EBITDA / net int expense	x	290.3x	19.3x	37.1x	27.9x	32.2x				
Net interest expense	\$m	2	1	(5)	(4)	(4)	PROFITABILITY RATIOS										
Other	\$m	0	0	-	-	-	EBITDA margin	%	28%	18%	24%	18%	17%				
Operating cash flow	\$m	70	72	85	63	91	EBIT margin	%	18%	4%	17%	10%	8%				
INVESTING CASH FLOW							Return on assets	%	15%	2%	16%	8%	8%				
Capex	\$m	(26)	(64)	(50)	(40)	(25)	Return on equity	%	23%	3%	32%	14%	13%				
Other	\$m	(14)	0	(20)	(20)	(20)	ASSUMPTIONS - PRICES (NOMINAL)										
Investing cash flow	\$m	(40)	(64)	(70)	(60)	(45)	Year ending 30 June	Unit	2024a	2025a	2026e	2027e	2028e				
<i>Free cash flow</i>	<i>\$m</i>	<i>30</i>	<i>8</i>	<i>16</i>	<i>2</i>	<i>46</i>	Iron ore 62% Fe index CFR China	US\$/dmt	119	101	98	93	92				
FINANCING CASH FLOW							WA to China freight (panamax)	US\$/t	18.15	17.25	16.93	16.00	16.00				
Debt proceeds/(repayments)	\$m	(12)	(22)	-	-	-	AUD/USD	US\$/A\$	0.66	0.65	0.66	0.68	0.70				
Dividends paid	\$m	(14)	(0)	(7)	(7)	(7)	SALES & UNIT COSTS										
Proceeds share issues (net, incl. options)	\$m	-	-	-	-	-	Year ending 30 June	Unit	2024a	2025a	2026e	2027e	2028e				
Other	\$m	(2)	(6)	-	-	-	Total iron ore sales	kwmt	1,463	2,404	4,341	4,441	5,407				
Financing cash flow	\$m	(29)	(28)	(7)	(7)	(7)	Average realised price	US\$/dt CFR	125	99	96	93	91				
Change in cash	\$m	1	(20)	8	(5)	39	Average premium / (discount) to 62% index	%	5%	-1%	-2%	-1%	-1%				
BALANCE SHEET							C1 cash cost	US\$/wt FOB	51	47	48	49	48				
Year ending 30 June	Unit	2024a	2025a	2026e	2027e	2028e	AISC	US\$/wt CFR	81	76	74	77	78				
ASSETS							Average realised price	A\$/dt CFR	191	145	146	136	130				
Cash	\$m	77	57	65	60	99	C1 cash cost	A\$/wt FOB	78	73	72	72	69				
Receivables	\$m	22	8	25	27	32	AISC	A\$/wt CFR	124	117	113	114	111				
Inventories	\$m	7	43	43	43	43	Newhaul Road Logistics - Tonnes hauled	kwmt	1,502	2,548	4,387	4,441	5,407				
Capital assets	\$m	128	222	289	283	250	Newhaul Port Services - Port throughput	kwmt	3,276	2,827	4,387	4,441	5,407				
Other assets	\$m	32	34	34	35	36	VALUATION										
Total assets	\$m	267	364	457	448	459	Valuation period	+12 months									
LIABILITIES							NPV 8% real	A\$m	A\$/sh								
Creditors	\$m	31	81	59	50	53	Existing iron ore operations		197	0.26							
Borrowings	\$m	35	74	74	74	74	Weld Range RTM agreement (Risky 50%)		257	0.33							
Other liabilities	\$m	35	32	86	58	39	Logistics		106	0.14							
Total liabilities	\$m	100	187	220	183	166	Total value of operating assets	560	0.73								
NET ASSETS	\$m	166	178	237	266	293	Corporate & admin	(41)	(0.05)								
Share capital	\$m	86	94	94	94	94	Enterprise value	520	0.68								
Reserves	\$m	4	4	4	4	4	Net debt / (cash)	18	(0.02)								
Retained earnings	\$m	76	79	138	167	195	Equity value	502	0.65								
Non-controlling interest	\$m	-	-	-	-	-											
SHAREHOLDER EQUITY	\$m	166	178	237	266	293											
Weighted average shares	m	691	728	741	741	741											

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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