Geos Mining and **Salix Alba** are working together to provide the full suite of valuation and financial analytics essential for performance optimisation, M&A, capital management and compliance. This includes valuation, scenario-testing, sensitivities, uncertainty analysis and optimisation of key financial metrics such as revenue, EBIT and Net Cash Flow.

Valuations (Geos Mining)

Geos Mining values existing or proposed operations on the basis of earning potential, assessed by discounted cash flow analysis.

Other methods used include:

- comparable transactions
- modified replacement value
- prospectivity-based multiple of applicable exploration expenditure

Typically two methods are used to ensure a reasonable value is reached.

When comparing the value to any available data on recent sales, we are careful to allow for differences in regional markets, geological conditions, and other relevant factors.

We include an analysis of major risks as appropriate for specific client requirements.

We are completely **independent** with **transparency** in reporting a key focus

We complete valuations for potential investors, related party transactions, for impairment assessments, for banks, and for stamp duty purposes.

Geos Mining valuations are accepted by all banks and major accountancy and audit companies.

Valmin compliant expert reports are provided for all public valuation reports.
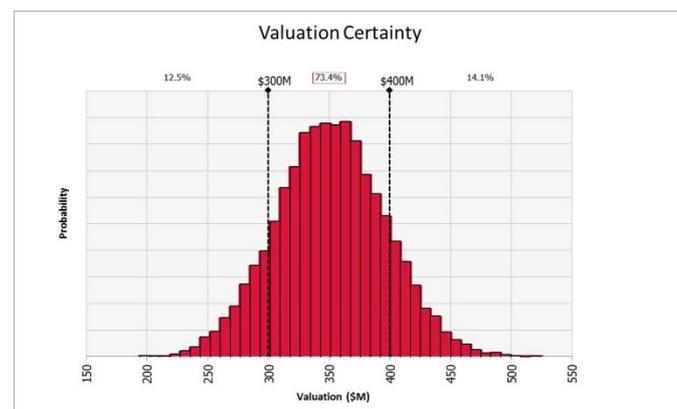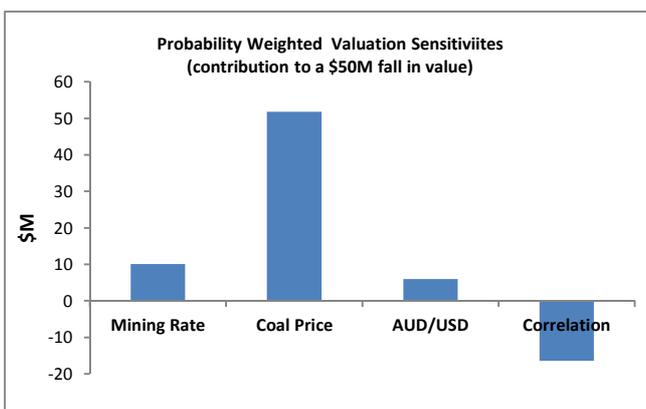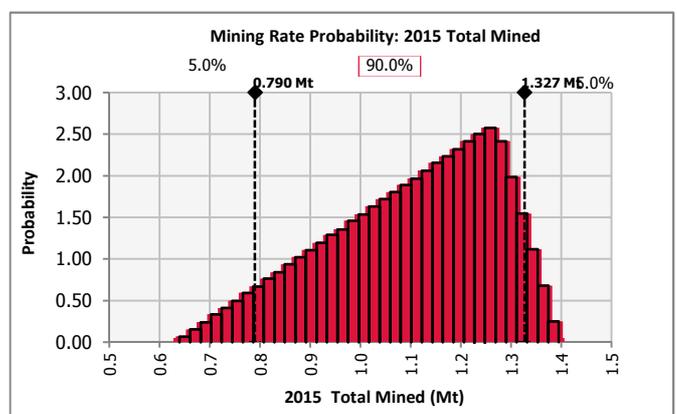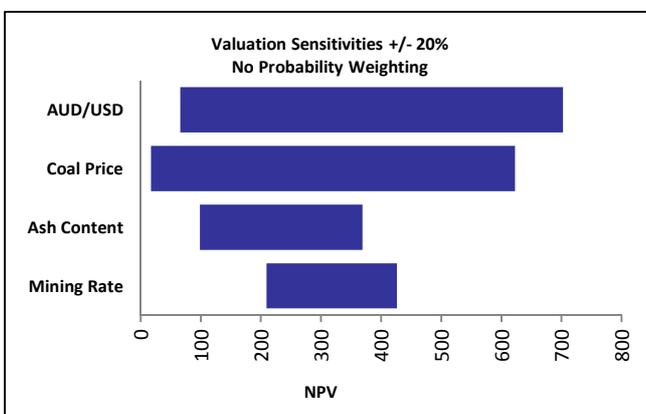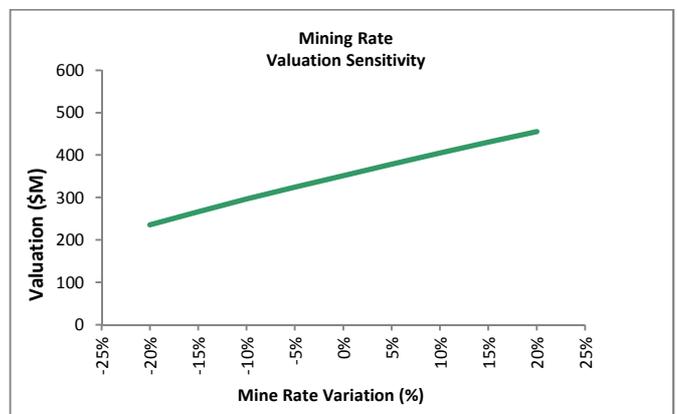
Financial Analytics
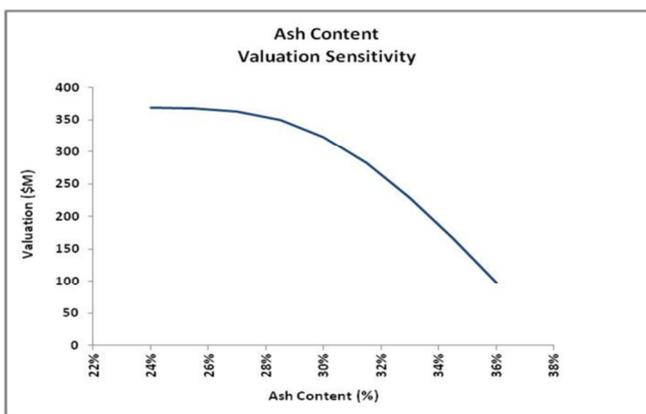
Some of the drivers of a project's value are within management control (levers) and some are beyond management control (risks). Levers might include for example mine production rate, beneficiation & product blending, capital structure and hedging instruments whilst risks might include geological conditions, commodity price, exchange rate, interest rate, energy and labour costs to name a few.

To fully understand how sensitive a project's valuation is to these levers and risks, it is necessary to model them all simultaneously, including any correlations between them (e.g. exchange rate and commodity prices).

Measuring sensitivities on their own is one thing, but what if it was possible to also measure the likelihood that these sensitivities will materially impact performance or valuations? Salix Alba provides unique analytics that do just that.

<u>You now have access to powerful analytics that measure and rank "probability weighted" sensitivities clearly identifying which lever and risk decisions are most important.</u>

Examples

Ash Content Valuation Sensitivity

Mining Rate Valuation Sensitivity

Valuation Sensitivities +/- 20% No Probability Weighting

Mining Rate Probability: 2015 Total Mined

Probability Weighted Valuation Sensitiviites (contribution to a $50M fall in value)

Valuation Certainty

Optimisation

Once we know the most important levers and risks, powerful optimisation routines within Salix Alba's Performance Optimisation System (POS) Analytics help determine the lever and risk management settings that maximise your performance metrics such as Project Value, EBIT, Share Price, Revenue or other. Common ways to use POS include:

- ✓ Stockpiling / inventory optimisation
- ✓ Hedge optimisation (volume and level)
- ✓ Product blending optimisation
- ✓ Shipping scheduling / seasonality optimisation
- ✓ Price optimisation (for price makers)
- ✓ Capital structure (debt vs equity mix)

The first tool of its kind in the mining industry, POS Analytics delivers financial rigour to support your decisions.