

SMI: CEO Appointed. NZ enters recession

SMI.ASX | SANTANA MINERALS LIMITED | MATERIALS | METALS & MINING

PRICE
A\$0.54/sh

TARGET PRICE
A\$1.75/sh
(UNCHANGED)

RECOMMENDATION
SPECULATIVE BUY
(UNCHANGED)

ANALYST
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Event

Damien Spring appointed as CEO.

New Zealand enters recession.

Impact

Mr Spring, a mining engineer, has been the project's General Manager advancing the project with his deep network of mining professionals in New Zealand over the last year. Mr Spring has been involved with the permitting and mining of many assets in New Zealand, including Macraes (Oceana Gold - Au) and Bathurst Resources (Coal).

A resident to the area, Damian has a track record and established relationships with the community, which is important in permitting in New Zealand. We see the commentary on consent applications being lodged in late 2024 in the appointment letter as a strong vote of confidence that the company is progressing well (on track) toward an eventual mining scenario.

New Zealand has entered a recession for the first time in a decade, and mining provides a significant growth opportunity through diversification for NZ (particularly as discretionary spending globally on travel slows). We note tourism accounts for ~20% of NZ GDP and also note that numerous mines have been permitted in recent times.

Action

The Bendigo-Ophir-Gold Project (BOGP) is a high-grade (2.9Moz @ 2.3g/t), free-milling gold project in New Zealand's South Island. Located just 90km away from Oceana Golds Macraes Operations (8Moz) and 10km away from two operating open-pit quarries. The Company is well funded to see through mine studies and further exploration.

High-grade, open-pitable gold deposits like the BOGP are rare. Backed by a strong management team which has taken multiple assets into production globally and in New Zealand. The Company remains undervalued by the market with an EV:Rsc of \$26/oz and a sector average of \$67/oz.

Our PT is based on a risk weighted diluted DCF running a 12% WACC. We maintain our Speculative Buy rating and PT of \$1.75/sh.

Catalyst

Scoping Study (Q3 CY23)

Resource Update (Q3 CY23)

Gold Price

MARKET STATISTICS

Share Price	0.54 A\$/sh
Price Target	1.75 A\$/sh
Issued Capital	
Fully Paid Ord	176.7 m
Options (var. prices)	2.2 m
Total Dil. FPOrd	178.9 m

Market Capitalisation (dil)	\$97 m
Enterprise Value	\$77 m
Cash	\$19.8 m
Debt	\$- m

Directors

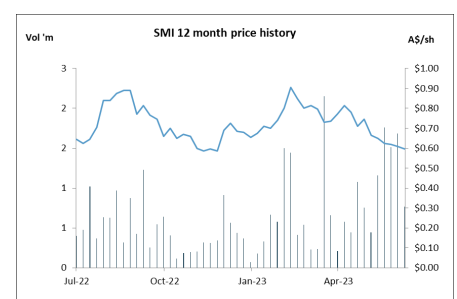
Tony McDonald	NED
Richard E Keevers	NED
Frederick Bunting	NED
Warren Batt	NED

ASSET VALUATION

	A\$m	A\$/sh
(+) Bendigo-Ophir Project	507	1.44
(+) Other	-	-
(-) Corporate	(11)	(0.03)
(+/-) Hedging	-	-
(+) Exploration	84	0.24
(+) Unpaid Capital	-	-
(+) Cash	20	0.06
(-) Debt	-	-

Valuation @ EH Deck	1.73
Valuation at Spot	2.31
US\$1909, USD:AUD 1:0.66	

Performance



Source: Euroz Hartleys

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Santana Minerals Limited (SMI.ASX) | Price A\$0.54 | Target price A\$1.75 | Recommendation Speculative Buy;

Price, target price and rating as at 30 June 2023 (not covered)*

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