Lepidico

Acquisition and rights offer

Acquisition, rights offer and Gulf Fluor alliance

Metals & mining

Lepidico (LPD) has, this week, announced a trio of transformative initiatives. The first of these is an all-share offer to acquire Desert Lion (TSXV: DLI), according to which LPD will pay 5.4 shares for every one Desert Lion share. The second is a supply and marketing alliance with Gulf Fluor for the supply of sulphuric acid, including the provision of land for the construction and operation of Lepidico's Phase 1 Plant project in Abu Dhabi. The third is a one for nine renounceable rights issue involving the issue of up to 372.9m new shares in Lepidico at A$0.029/share to raise A$10.8m.

Year end	Total revenues (A$m)	PBT* (A$m)	Cash from operations (A$m)	Net cash/(debt) (A$m)	Capex (A$m)
06/17	0.1	(5.4)	(3.6)	3.3	(0.9)
06/18	0.2	(7.2)	(3.0)	4.9	(3.1)
06/19e	0.0	(5.9)	(6.2)	24.3	(21.4)
06/20e	19.9	2.5	3.2	(5.2)	(32.7)

Note: *PBT is reported.

Full integration de-risks investment proposition

In contrast to its relationship with Grupo Mota at Alvarrões, the proposed Desert Lion merger will transform Lepidico into a fully integrated mining and processing entity by providing it with a direct, controlling interest in a lepidolite deposit under an awarded mining licence. In conferring ownership of a mine, the merger will therefore de-risk Lepidico as an investment proposition from a strategic perspective as well as from an operational perspective, since its L-Max plants will not then be dependent on a single source of lepidolite supply.

Advantages of locating Phase 1 plant in Abu Dhabi

Specific operating advantages for Lepidico of locating its Phase 1 plant project in Abu Dhabi include the fact that sulphuric acid can be piped directly from Gulf Fluor's plant to Lepidico's L-Max plant, land rents and labour are cheap relative to Sudbury and it offers world-class, established infrastructure, including power, gas, water, developed roads, storage and logistics hubs that have easy access to multiple ports and airports. Finally, Abu Dhabi also has a 'plug and play' approach towards new industrial developments, which means that the approvals and permitting process is expected to be completed within three months.

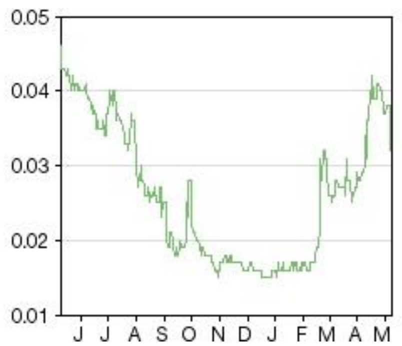
Valuation: 6.84c/share pending…

It is our intention to update our forecasts and valuation shortly to account for this trio of new developments. In our last report, entitled Alvarrões resource increases 290%, published on 12 April 2019, we estimated that execution of a 7t/hour (5,000tpa) Phase 1 plant would result in free cash flow to Lepidico of A$71.2m per year once steady-state production had been achieved, which we valued at A$0.0684/share, after assuming US$30m (A$41.8m) of equity funding at the then prevailing share price of 3.1c. Note that this valuation did not ascribe any value to the Phase 2 plant or other development options.

9 May 2019

Price	**A$0.032**
Market cap	**A$107m**
	A$1.4283/US$
Net cash (A$m) at end March 2019	4.9
Shares in issue	3,356.2m
Free float	68%
Code	LPD
Primary exchange	ASX
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	10.3	88.2	(25.6)
Rel (local)	9.6	81.8	(27.6)
52-week high/low		A$0.05	A$0.02

Business description

Lepidico provides exposure to a portfolio of lithium assets via its wholly owned properties, JVs and IP in Australia, Canada and Europe. Uniquely, it has successfully produced lithium carbonate from non-traditional hard rock lithium-bearing minerals using its registered L-Max process technology.

Next events

Rights issue record date	13 May 2019
Pilot plant operation	May 2019
Feasibility study	Q1 CY20

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Edison profile page

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Three transformative announcements

Lepidico has, this week, announced three transformative initiatives to develop its business:

- An all-share offer for Desert Lion (TSXV: DLI), whereby LPD will pay 5.4 shares for every one (1) Desert Lion share, representing a 38% premium based on the closing prices of Lepidico and Desert Lion shares on 3 May or a 39% premium based on the 10 trading day volume weighted average price of the share, and valuing the latter at A$20.3m (C$19.2m, US$14.2m) at the time of writing.
- A supply and marketing alliance with Gulf Fluor for the supply of sulphuric acid, including the provision of land for the construction and operation of Lepidico's Phase 1 Plant project in Abu Dhabi.
- A one for nine renounceable rights issue involving the issue of up to 372.9m new shares at A$0.029/share and 186.5m new listed options (exercisable at a price of A$0.05/share in three years' time) in Lepidico to raise A$10.8m. Investors should note that Edison calculates a Black Scholes valuation for the options (using Lepidico's annual historical share price volatility) of 1.4c apiece, ie equivalent to a value of 0.7c per share (there being half a new option issued per new share).

Proposed Desert Lion acquisition

Background

Desert Lion Energy is an emerging lithium development company and early-stage producer focused on building Namibia's first large-scale lithium mine. Its lithium projects are located in Namibia approximately 210km west of Windhoek, 240km east of the deep-water port of Walvis Bay and 25km south of the mining town of Karibib, which provides the project with a reliable source of skilled and semi-skilled labour and logistical support. The company's historical Rubicon and Helikon lithium mines are located within a 301km^2 prospective land package and have been variously operated for the ceramics, glass and battery industries since the 1960s. The project site is accessible year-round by road and has access to power, water, rail, port, airport and communication infrastructure.

A summary of the company's resources (currently defined to NI 43-101, but not JORC 2012, standards) at its historic Rubicon and Helikon deposits is as follows:

Exhibit 1: Desert Lion mineral resource estimate

Deposit	Category	Cut-off (% Li_2O)	Tonnage (kt)	Grade (% Li_2O)	Contained Li_2O (t)	Contained lithium carbonate equivalent (t)
Rubicon Main	Measured	0.2	0.0	0.00	0	0
	Indicated	0.2	3,006.9	0.63	18,943	46,843
	Inferred	0.2	1,600.9	0.58	9,285	22,960
	Total	0.2	4,607.8	0.61	28,229	69,804
Helikon 1	Inferred	0.2	2,030.0	0.62	12,586	31,123
Helikon 2	Inferred	0.2	215.6	0.56	1,207	2,986
Helikon 3	Inferred	0.2	294.7	0.48	1,415	3,498
Helikon 4	Inferred	0.2	1,510.1	0.38	5,738	14,190
Helikon 5	Inferred	0.2	179.2	0.31	556	1,374
Total	Inferred	0.2	4,229.6	0.51	21,502	53,170
Grand total	Measured	0.2	0.0	0.00	0	0
	Indicated	0.2	3,006.9	0.63	18,943	46,843
	Inferred	0.2	5,830.5	0.85	49,731	122,974
	Total	**0.2**	**8,837.4**	**0.78**	**68,674**	**169,817**
Desert Lion interest	80%		7,069.9	0.78	54,939	135,854

Source: Lepidico, Desert Lion, Edison Investment Research. Note: NI 43-101 compliant.

The mineral resource estimate described in Exhibit 1 was prepared by independent consultants The MSA Group (Pty) Ltd of South Africa, and was estimated in accordance with Canadian NI 43-101 requirements and reported to the TSX-V on 12 October 2018. Drilling at Rubicon in support of the mineral resource estimate comprised 142 diamond and RC holes on a general 50m x 50m grid, totalling over 10,000m, including 35 channel samples. At Helikon 1, diamond and RC holes were drilled on a staggered 40m x 20m grid, with 50 holes drilled over a total of 3,760m, including 36 channel samples. At Helikons 2–5, a total of 71 diamond drill holes were completed, totalling 7,700m and including 28 channel samples taken at Helikon 2, 3 and 4. In addition to the hard rock deposits, a mineral resource of 69.4kt at a grade of 0.95% Li_2O was reported for the Rubicon slimes in the indicated (89.6% of the total by tonnage) and inferred (10.4%) categories. Lepidico is of the opinion that there is sufficient information to undertake a JORC Code 2012 compliant mineral resource estimate. Nevertheless, as a matter of priority, it is Lepidico's intention, once the merger is completed, to undertake a programme of drilling to further increase the density and confidence of the data to a level to enable classification of a JORC Code 2012 compliant resource in the measured and/or indicated categories in order to facilitate a subsequent ore reserve estimate.

Lithium mineralisation at Rubicon and Helikon is contained within highly fractionated and well-zoned LCT-type pegmatites in the Karibib Pegmatite Belt. The main lithium minerals present are (predominantly) lepidolite with petalite and (minor) amblygonite. While Desert Lion's original business plan was predicated on using conventional roasting technology, as part of its due diligence process, Lepidico conducted metallurgical test-work with its technology partner, Strategic Metallurgy, that showed the lepidolite mineralisation at Rubicon and Helikon to be amenable to concentration and conversion to battery-grade lithium carbonate using Lepidico's proprietary L-Max® hydrometallurgical process technology. In the case of the sample in question, test-work demonstrated 94% lithium extraction from concentrate and production of lithium carbonate with 99.8% purity.

On 1 November 2018, Desert Lion published the results of a preliminary economic assessment (PEA) on its Namibian Lithium project. For an initial capital expenditure of US$275m, it calculated that the project had a pre-tax NPV_8 of US$144m and a pre-tax internal rate of return of 29% at a lithium carbonate price of US$13,000/t.

Finally, Desert Lion also has a non-binding offtake agreement for lithium hydroxide with German multi-national BASF.

Strategic rationale

Under the terms of its agreement with Grupo Mota at Alvarrões (announced on 9 March 2017), Lepidico undertook expenditure of at least €250,000 over an 18-month exclusive period with the goal of defining a JORC-compliant mineral resource of >1Mt at a grade of 1.5% Li_2O (which it achieved in December 2017). In return, Lepidico has an exclusive, pre-emptive right for three years in which to effect a commercial relationship with Grupo Mota regarding the supply of ore/concentrate from Alvarrões to Lepidico and/or the right for Lepidico to develop and operate a lithium mica mining and concentration project there. By contrast, the Desert Lion merger will create a fully integrated mining and processing entity by providing Lepidico with a direct, controlling interest in a lepidolite deposit under an awarded mining licence. In conferring ownership of a mine, the merger will therefore de-risk Lepidico as an investment proposition from a strategic perspective. It will also de-risk it from an operational perspective, since its L-Max plants will not then be required to be dependent on a single source of lepidolite supply.

While either deposit (Alvarrões or Rubicon/Helikon) could support Lepidico's Phase 1 plant for c 14 years, both hold out the possibility of doubling the project life from c 14 years to 25–30 years and/or simultaneously expanding it. While the costs of mining mica in Namibia may be expected to be lower than the equivalent costs in Portugal, the potential to blend ore from two different sources together also creates the possibility of lowering operating costs at the process plant as well.

In addition, while its historical Rubicon and Helikon mines are located within a 301km^2 prospective land package, Desert Lion holds a strategic land package of over 1,000km^2 of contiguous, exclusive prospecting licences covering a large portion of the underexplored, highly prospective Karibib and Southern pegmatite belts that contain numerous lithium-caesium-tantalum (LCT) type occurrences.

Finally, a sample of c 20,000t of Desert Lion lepidolite has already been transported to Perth for processing in Lepidico's pilot plant.

Valuation considerations

Pursuant to the transaction, Lepidico anticipates issuing 633.8m shares to Desert Lion shareholders (equivalent to 18.9% of LPD's currently outstanding capital – see Exhibit 5), implying an equity acquisition value of A$20.3m (C$19.2m, US$14.2m) at the time of writing. This compares to Desert Lion's balance sheet as at end-December 2018 (the last date for which Desert Lion's financial statements were available), as follows:

Exhibit 2: Desert Lion balance sheet (31 December 2018)

	C$m
ASSETS	
Current	
Cash and equivalents	2.5
Amounts receivable	0.4
Loan receivable	0.3
Prepaid expenses	0.0
Total current assets	3.1
Non-current assets	
Deposits	0.0
Property, plant & equipment	17.3
Exploration and evaluation assets	6.3
Total non-current assets	23.7
TOTAL ASSETS	**26.8**
LIABILITIES	
Current liabilities	
Trade payables	7.4
Unearned revenue	6.2
Total current liabilities	13.6
Non-current liabilities	
Liability component of convertible debenture	3.0
TOTAL LIABILITIES	**16.6**
NET ASSETS	**10.2**
Minority interest	1.2
NET ASSETS ATTRIBUTABLE TO DESERT LION SHAREHOLDERS	**11.4**

Source: Desert Lion. Note: Totals may not add up owing to rounding.

As at 31 December 2018, Desert Lion had 89.1m shares in issue, resulting in a book value of 12.8 Canadian cents per share. Since that date, Desert Lion has:

- issued 16.7m shares to repay C$3.3m in debts in March/April 2019, and
- issued 11.5m shares in payment of C$1.1m in debts in April 2019.

This takes shares in issue (excluding any warrant and/or option exercises, etc) to 117.2m.

In the year to 31 December 2018, Desert Lion made a loss of C$13.6m (in this case, largely financed via changes in working capital) before C$15.3m of expenditure in investing activities.

Inherent in the consideration payable by Lepidico for Desert Lion is C$7.8m in goodwill (relative to DLI's December 2018 balance sheet). However, it can be seen that consideration is otherwise relatively close to the value of assets acquired less unearned revenue and the liability related to DLI's convertible. Unearned revenue is secured against broken lepidolite stockpiles (old tailings not included in the resource) and – assuming the Chinese lithium carbonate price recovers – these stocks may be rehandled and shipped, thereby offsetting the prepayment and possibly providing some modest revenue. In the meantime, DLI has a C$5m (face value) convertible note with AIP Asset Management, of which C$4m is convertible at the exchange ratio into 108m Lepidico shares post-deal close, with the balance of C$1m being due in cash in December 2020.

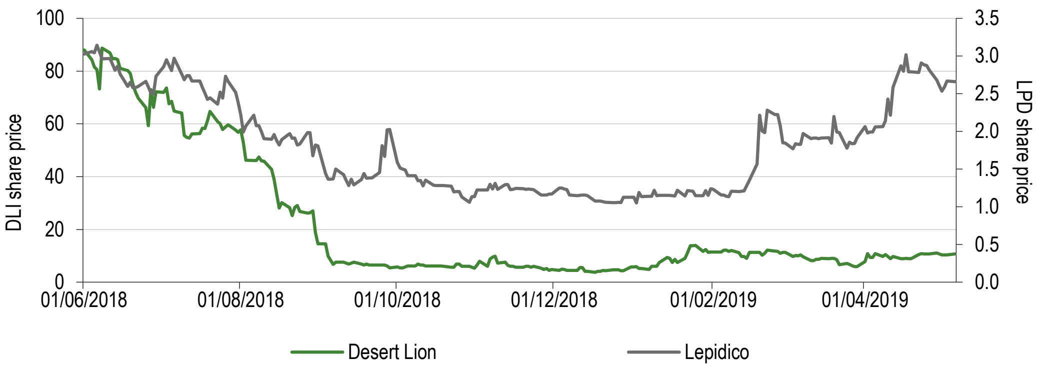
Alternatively, consideration could be expressed as US$103.53 per attributable tonne of lithium carbonate equivalent resource acquired (including Rubicon slimes). This is a premium to the average value of US$53.84/t for non-spodumene, non-brine lithium deposits that Edison calculated in its annual report, *Gold stars and black holes: Analysing the discount: From resource to sanction*, published in January 2019. However, it is broadly consistent with the value of US$130.16/t calculated for non-spodumene, non-brine lithium in the measured category of resources. Excluding all other assets therefore, Lepidico's purchase consideration of DLI could be said to discount an approximately 100% increase in the size of the latter's resource or the resource's being upgraded into the measured category in its entirety.

By contrast, applying the values calculated in our report, *Gold stars and black holes: Analysing the discount: From resource to sanction*, published in January 2019, to DLI's resource (including the Rubicon slimes) implies a value, attributable to the company, of between C$6.4m and C$10.0m (cf the C$6.3m book value at which those assets are held on the balance sheet – see Exhibit 2). As such, and given the other assets being acquired (eg banks of flotation cells, mills, a mining lease, water bores, roads etc), as well as DLI's resource upside and upgrade potential and the contribution that it is able to make to Lepidico's L-Max plant feed, the consideration being paid by LPD for DLI could be described as full, but fair.

Timing

A comparison of Lepidico's and Desert Lion's share prices (in US cents) since June 2018 would suggest that the timing of the merger is propitious from Lepidico's perspective:

Exhibit 3: Lepidico and Desert Lion share prices (US cents), June 2018 to present



Source: Refinitiv, Edison Investment Research

Supply and marketing alliance with Gulf Fluor

In addition to its proposed merger with Desert Lion, on 7 May, Lepidico also announced a supply and marketing alliance with Gulf Fluor for the supply of sulphuric acid and land for the construction and operation of Lepidico's Phase 1 plant project. Gulf Fluor operates a large industrial plant in the Industrial City of Abu Dhabi (ICAD) and is the largest producer of sulphuric acid (a critical reagent in the L-Max process) with an output rate of 140,000tpa in the region. In addition, it owns a large parcel of land in ICAD (on which it is proposed that Lepidico could construct its Phase 1 plant project), has its own dedicated wharf and offers marketing expertise for chemical by-products of the process.

Specific operating advantages for Lepidico of locating its Phase 1 plant project in the Industrial City of Abu Dhabi therefore include (but are not limited to) the following:

- Sulphuric acid could be directly piped from Gulf Fluor's plant to Lepidico's L-Max plant without the need for land hauled transportation.
- ICAD land rents and labour are cheap relative to Sudbury in Canada (the alternative location under consideration).
- ICAD offers world-class, established infrastructure, including power, gas, water, developed roads, storage and logistics hubs that have easy access to multiple ports and airports.
- ICAD is capable of supplying all of the consumables and services (eg gas and labour) that Lepidico's Phase 1 plant would require at a cost that has been identified as being lower than in Sudbury. Among other things, for example, Lepidico has identified a lime plant (also a key reagent for L-Max) almost directly opposite its proposed site at ICAD.

- Gulf Fluor can provide marketing knowledge and relationships for a number of by-products of Lepidico's chemical processes in the region (eg sulphate of potash, or SOP, and amorphous silica).
- ICAD itself provides a ready market for a number of L-Max and S-Max™ products (eg in the form of the cement industry situated there).
- Logistics costs for shipping concentrate from both Namibia and Portugal to ICAD are estimated to be lower than to Sudbury.
- ICAD has adopted a 'plug and play' approach towards new industrial developments; an environmental baseline study has therefore already been conducted for the site in question and the approvals and permitting process is expected to be completed within three months.
- A number of key Lepidico personnel, including the managing director, Joe Walsh, have worked in Abu Dhabi in the past and report a good working relationship with Gulf Fluor already.

Apart from the obvious (eg fiscal, employment, economic, etc), advantages for Gulf Fluor and the United Arab Emirates in Lepidico locating its Phase 1 plant project in ICAD include:

- The (effective) reinvestment of petro-dollars into electric vehicle technology – arguably a natural hedge.
- The opportunity for Gulf Fluor to diversify from its industrial chemicals base into speciality and battery metals.

Consequences of recent initiatives on feasibility study and development

Within the last few months, Lepidico has undertaken a number of initiatives that will affect the timing of its feasibility study on the Phase 1 plant project. These include:

- The extension of the Phase 1 plant project feasibility study to incorporate an LOH-Max™ circuit for the production of lithium hydroxide (cf lithium carbonate from the L-Max plant alone).
- The evaluation of a plant development at ICAD.
- The redesign of mining activities at Alvarrões to reflect the expanded resource (see our note Alvarrões resource increases 290%, published on 12 April 2019).

Lepidico's ICAD trade-off study is anticipated to be complete in the second half of 2019. The engineering required to incorporate an LOH-Max circuit into the plant is expected to be completed in the fourth quarter of calendar year 2019. Ore reserve delineation, mine design and scheduling at Alvarrões is expected to be finalised in early 2020. Once these studies are completed, they will then be incorporated into the final feasibility study in early 2020 at the same time that Lepidico will be seeking to finalise its offtake and financing arrangements.

Sudbury

Until the ICAD trade-off study is complete, however, the feasibility study will continue to contemplate the base-case scenario of locating the plant in Sudbury. Moreover, while the approvals and permitting process in particular favours the near-term development of the Phase 1 plant project at ICAD, in the longer term, Lepidico remains convinced of the benefits of developing a plant at Sudbury, with sulphuric acid being supplied by the two major nickel miners in the region, Vale and Glencore. To this end, it is continuing to establish acid and lime supply agreements as well as navigating the permitting and approvals process in Sudbury at the same time as pursuing a scoping study for a full-scale plant to follow the Phase 1 plant.

1:9 renounceable rights issue

In addition to its other announcements, on 7 May Lepidico announced that it is undertaking a 1:9 renounceable rights offer at a price of 2.9 Australian cents per share to raise A$10.8m via the issue of 372.9m new shares (plus half a warrant per share exercisable at 5 Australian cents per share at any time before the third anniversary of the date of issue). The offer is underwritten in the sum of A$3.0m by the lead manager and underwriter to the offer, CPS Capital Group. Relative to its pre-announcement last (closing) price of 3.8c on 3 May, the 2.9c subscription price implies an ex-rights price of 3.71c per share (excluding any value ascribed to the warrants) and therefore a value attributable to the rights of 0.81c/share. Investors should note that Edison calculates a Black Scholes valuation of the options (using Lepidico's annual historical volatility) of 1.4c apiece, ie equivalent to a value of 0.7c per share (there being half a new option issued per new share).

Any entitlement not taken up pursuant to the offer will form the Shortfall Offer, whereby the related shares will be offered to investors at a price of 2.9c for up to three months following the closing date of the renounceable offer (currently 29 May, subject to extension).

The funds raised from the offer(s) are anticipated to be applied as follows:

Exhibit 4: Utilisation of funds raised by Lepidico in 1:9 renounceable rights offer

	Full subscription		Minimum subscription	
Application	**Sum (A$)**	**Percent of total (%)**	**Sum (A$)**	**Percent of total (%)**
Integration of Desert Lion	3,000,000	28	2,500,000	83
LOH-Max engineering and revised location evaluation for Phase 1 plant feasibility study	2,000,000	18	0	0
Product development, including pilot plant operations	1,000,000	9	0	0
Mineral resource and mine development in Namibia	1,000,000	9	0	0
Mineral resource and mine development in Portugal	1,000,000	9	0	0
Exploration	1,000,000	9	0	0
Expenses of the offer	489,296	5	349,238	12
Working capital	1,325,046	12	150,762	5
Total	**10,814,342**	**100**	**3,000,000**	**100**

Source: Lepidico

Lepidico has been advised that Galaxy Resources (its largest shareholder with a c 11.02% shareholding) intends to take up its full entitlement under the offer. Its second largest shareholder, Strategic Metallurgy, is currently understood not to be contemplating taking up its entitlements. This is not a surprise, given that it is a small, specialised metallurgical consulting firm and it is also consistent with its past approach to similar rights issues. However, its principal, Gary Johnson, is understood to intend to take up his rights. In addition, Lepidico's financial adviser, Bacchus Capital, has informed management of its intention to take up its rights under the entitlement offer.

Following completion of the offer and the proposed merger/acquisition of Desert Lion, Lepidico will have the following number of shares in issue:

Exhibit 5: LPD share in issue following rights offer and Desert Lion merger/acquisition

	Number of shares
Shares currently in issue	**3,356,175,188**
Shares offered pursuant to entitlement offer	372,908,354
Shares to be issued pursuant to Desert Lion merger/acquisition	633,841,875
Total after completion of entitlement offer and Desert Lion merger/acquisition	**4,362,925,417**

Source: Lepidico

Valuation

It is our intention to update our forecasts and valuation shortly to account for all of these new initiatives. In our last report, Alvarrões resource increases 290%, published on 12 April 2019, we estimated that execution of a 7t/hour (5,000tpa) Phase 1 plant would result in free cash flow to Lepidico of A$71.2m per year once steady-state production had been achieved, which we valued at A$0.0684/share, after assuming US$30m (A$41.8m) of equity funding at the then prevailing share price of 3.1c/share. Note that this valuation did not ascribe any value to the Phase 2 plant or other development options.

Exhibit 6: Financial summary

Accounts: IFRS; year end June; A$000s		2015	2016	2017	2018	2019e	2020e
PROFIT & LOSS							
Total revenues		9	116	127	171	16	19,948
Cost of sales		0	0	0	0	(2,090)	(11,170)
Gross profit		9	116	127	171	(2,074)	8,778
SG&A (expenses)		(455)	(617)	(912)	(5,284)	(3,868)	(3,146)
Other income/(expense)		0	0	0	0	0	0
Exceptionals and adjustments	Exceptionals	(16)	(415)	(878)	(2,171)	0	0
Depreciation and amortisation		(5)	(6)	(6)	(6)	(9)	(3,277)
Reported EBIT		(467)	(923)	(1,670)	(7,290)	(5,951)	2,354
Finance income/(expense)		(18)	(5)	128	70	24	121
Other income/(expense)		(559)	(448)	(3,815)	0	0	0
Exceptionals and adjustments	Exceptionals	0	(888)	0	0	0	0
Reported PBT		(1,044)	(2,263)	(5,357)	(7,220)	(5,927)	2,476
Income tax expense (includes exceptionals)		0	0	0	0	0	(619)
Reported net income		(1,044)	(2,263)	(5,357)	(7,220)	(5,927)	1,857
Basic average number of shares, m		178	465	1,802	2,624	3,803	4,705
Basic EPS (A$)		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
BALANCE SHEET							
Property, plant and equipment		9	4	8	27	21,390	50,794
Goodwill		0	0	0	0	0	0
Intangible assets		0	16,204	16,698	19,027	19,027	19,027
Other non-current assets		1,485	715	1,620	730	730	730
Total non-current assets		1,494	16,922	18,326	19,783	41,147	70,551
Cash and equivalents		53	650	3,307	4,860	24,288	24,288
Inventories		0	0	0	0	1	1,662
Trade and other receivables		4	3,886	706	712	1,176	1,640
Other current assets		0	0	0	0	0	0
Total current assets		57	4,537	4,013	5,572	25,465	27,590
Non-current loans and borrowings		0	0	0	0	0	29,486
Other non-current liabilities		0	0	0	0	0	0
Total non-current liabilities		0	0	0	0	0	29,486
Trade and other payables		105	614	1,663	804	991	1,177
Current loans and borrowings		115	0	0	0	0	0
Other current liabilities		40	33	46	51	51	51
Total current liabilities		260	647	1,709	856	1,042	1,228
Equity attributable to company		1,292	20,812	20,630	24,500	65,570	67,427
Non-controlling interest		0	0	0	0	0	0
CASH FLOW STATEMENT							
Profit for the year		(1,044)	(2,263)	(5,357)	(7,220)	(5,927)	1,857
Taxation expenses		0	0	0	0	0	619
Depreciation and amortisation		5	6	6	6	9	3,277
Share based payments		450	40	1,736	2,138	0	0
Other adjustments		(451)	1,036	(162)	2,066	0	0
Movements in working capital		(10)	132	133	(28)	(279)	(1,939)
Interest paid / received		0	0	0	0	0	0
Income taxes paid		0	0	0	0	0	(619)
Cash from operations (CFO)		(1,050)	(1,049)	(3,644)	(3,038)	(6,197)	3,195
Capex		(9)	(63)	(861)	(3,057)	(21,373)	(32,681)
Acquisitions & disposals net		0	32	122	110	0	0
Other investing activities		(563)	(80)	0	0	0	0
Cash used in investing activities (CFIA)		(572)	(111)	(739)	(2,947)	(21,373)	(32,681)
Net proceeds from issue of shares		1,505	1,872	7,040	7,555	46,998	0
Movements in debt		100	(115)	0	0	0	29,486
Other financing activities		0	0	0	0	0	0
Cash from financing activities (CFF)		1,605	1,757	7,040	7,555	46,998	29,486
Increase/(decrease) in cash and equivalents		(18)	597	2,657	1,570	19,428	0
Currency translation differences and other		0	0	0	(17)	0	0
Cash and equivalents at end of period		53	650	3,307	4,860	24,288	24,288
Net (debt) cash		(61)	650	3,307	4,860	24,288	(5,198)
Movement in net (debt) cash over period		(61)	711	2,657	1,553	19,428	(29,486)

Source: Lepidico sources, Edison Investment Research

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