

# Royalco Resources Limited

## A growing royalty company

- RCO is an Australian royalty company targeting high margin royalty income streams. The company has a primary focus in the Australasia region for their early growth opportunities with all current royalties located in Australia and New Zealand
- The Company currently has a suite of 2 producing royalties, the Reefton Au Royalty and the Mt Garnet Zn-Pb-Ag Royalty and 9 non producing project royalties in various stages of advancement from exploration to feasibility and/or final investment decisions
- RCO has additional royalty interests in New Zealand which provide upside via existing resources of 1.2Moz Au where near term production may occur in the future through existing operations
- The company's long term growth strategy is focused on revenue generation from existing royalties as well as converting exploration success to free carried project equity interests and/or royalties

## Exploration interests

- The company has an extensive exploration package in the Philippines acquired from Oxiana Limited (now OZ Minerals Limited) which provides potential high grade epithermal Au and large Cu-Au porphyry style discovery success
- The company aims to generate royalties and free carried interests from their exploration tenure and are not seeking to be a developer or operator

## Earnings and growth

- The two producing royalties provide approximately \$20m in cashflow to December 2012
- Our eps estimate in 10FY is 7.2c and in 11FY is 8.4c. On this basis RCO is currently trading at 5.2 times our 10FY and 4.5 times our 11FY earnings estimates
- We forecast a maiden 3.0cps fully franked dividend to be paid in December half 2010 which at current prices provides for a 7.9% dividend yield or a 11.3% grossed up yield

## Valuation and Recommendation

- We value RCO at A\$0.50 per share based on our dcf valuation which assumes the maximum gold royalty payable at Reefton (5kozpa) to December 2012 and growing cash and bullion of \$10.0m (20cps)
- We anticipate a re-rating in the RCO share price in the short term and initiate coverage with a BUY

RCO.ASX

BUY

Thursday 8 October 2009

Price	\$0.38
Price target	\$0.50
Valuation	\$0.50
Valuation Method	DCF

GICS sector	Metals & Mining	
Market capitalisation*	\$m	20
Shares on Issue*	m	52.7
Enterprise value	\$m	10
Previous rating	Initial	
* partly diluted for optns		

Year Ended June 30		09a	10e	11e	12e
Sales revenue	\$m	8.0	6.6	6.2	6.3
EBITDA	\$m	4.5	4.3	4.9	5.0
EBITDA margin	%	57	66	80	80
Reported NPAT	\$m	2.7	3.8	4.4	4.6
Adjusted NPAT	\$m	4.8	3.8	4.4	4.6

EPS adj	c	9.1	7.2	8.4	8.7
EPS adj growth	%		-20.2	16.4	3.3
DPS	c	0.0	0.0	3.0	3.0
Franking	%	0	0	100	100
PER	x	4.2	5.2	4.5	4.4
Dividend yield	%	na	na	7.9	7.9

EV/EBITDA	x	2.1	2.2	1.9	1.9
ROA	%	56	45	45	40
ROE	%	30	19	20	18
Debt / Debt + equity	%	na	na	na	na

### RCO Vs ASX Small Ordinaries (XSO)



Source: IRESS

Piers Reynolds  
 +61 3 8601 1196  
 preynolds@veritassecurities.com.au

## Royalco Resources Limited

### Profit and Loss

Year ending June		2009a	2010e	2011e	2012e
Sales	A\$m	7.4	6.6	6.2	6.3
Other Revenue	A\$m	0.6	0.0	0.0	0.0
Op. costs	A\$m	0.0	0.0	0.0	0.0
Royalty	A\$m	0.0	0.0	0.0	0.0
Exploration Writeoff	A\$m	1.6	1.0	0.0	0.0
Corporate & Other	A\$m	1.8	1.3	1.3	1.3
<b>EBITDA</b>	<b>A\$m</b>	<b>4.5</b>	<b>4.3</b>	<b>4.9</b>	<b>5.0</b>
Dep/Amzt	A\$m	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>A\$m</b>	<b>4.5</b>	<b>4.3</b>	<b>4.9</b>	<b>5.0</b>
Net Interest	A\$m	0.3	0.3	0.5	0.6
<b>Pre-Tax Profit</b>	<b>A\$m</b>	<b>4.8</b>	<b>4.7</b>	<b>5.4</b>	<b>5.6</b>
Tax Provision	A\$m	0.0	0.8	1.0	1.0
<b>Net Profit</b>	<b>A\$m</b>	<b>4.8</b>	<b>3.8</b>	<b>4.4</b>	<b>4.6</b>
Abnormals	A\$m	-2.1	0.0	0.0	0.0
Reported Net Profit	A\$m	2.7	3.8	4.4	4.6

### Balance Sheet

Year ending June		2009a	2010e	2011e	2012e
Cash	A\$m	7.3	11.1	12.5	14.1
Receivables	A\$m	1.9	1.9	1.9	1.9
Fixed assets	A\$m	4.6	5.1	6.6	8.1
Other assets	A\$m	2.2	2.2	2.2	2.2
<b>Total Assets</b>	<b>A\$m</b>	<b>16.1</b>	<b>20.3</b>	<b>23.2</b>	<b>26.3</b>
Creditors	A\$m	0.1	0.1	0.1	0.1
Borrowings	A\$m	0.0	0.0	0.0	0.0
Other liabilities	A\$m	0.2	0.6	0.7	0.7
<b>Total Liabilities</b>	<b>A\$m</b>	<b>0.3</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>
<b>Net Assets</b>	<b>A\$m</b>	<b>15.8</b>	<b>19.6</b>	<b>22.5</b>	<b>25.5</b>
Share capital	A\$m	17.6	17.6	17.6	17.6
Retained earnings	A\$m	-1.8	2.0	4.9	7.9
<b>Shareholders Funds</b>	<b>A\$m</b>	<b>15.8</b>	<b>19.6</b>	<b>22.5</b>	<b>25.5</b>

### Cashflow

Year ending June		2009a	2010e	2011e	2012e
Sales Revenue	A\$m	4.6	6.6	6.2	6.3
Less Outflows	A\$m	-1.2	0.0	0.0	0.0
Prod. costs in exc. sales	A\$m	0.0	-1.3	-1.3	-1.3
Net interest	A\$m	0.3	0.3	0.5	0.6
Income tax paid/Other	A\$m	0.0	0.0	-0.8	-1.0
<b>Operational Cash Flow</b>	<b>A\$m</b>	<b>3.7</b>	<b>5.7</b>	<b>4.6</b>	<b>4.6</b>
Exploration & Development	A\$m	-2.2	-1.5	-1.5	-1.5
Capex	A\$m	0.0	0.0	0.0	0.0
Asset (Purchases)/Sales	A\$m	0.0	0.0	0.0	0.0
<b>C/Flow from Investing</b>	<b>A\$m</b>	<b>-2.2</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-1.5</b>
Dividends paid	A\$m	0.0	0.0	-1.6	-1.6
Debt (Repay)/Borrowings	A\$m	0.0	0.0	0.0	0.0
Equity Raised	A\$m	-0.1	0.0	0.0	0.0
Other	A\$m	0.0	-0.4	-0.1	0.0
<b>C/Flow from Financing</b>	<b>A\$m</b>	<b>-0.1</b>	<b>-0.4</b>	<b>-1.7</b>	<b>-1.6</b>
Cash at Beginning	A\$m	5.9	7.3	11.1	12.5
Net Increase/(Decrease)	A\$m	1.4	3.8	1.5	1.6
<b>Cash at end</b>	<b>A\$m</b>	<b>7.3</b>	<b>11.1</b>	<b>12.5</b>	<b>14.1</b>

### Directors

Directors		Major Shareholders	
Chairman	Peter Topham	Anglo Pacific Group	31.1%
Exec. Director	David Ogg	OZ Minerals	19.0%
Non-Ex. Director	Tom Eadie	Peter Topham	9.8%
Non-Ex. Director	Bruce Pertzell	David Ogg	7.3%
Non-Ex. Director	Chris Orchard		

### Market Measures

Year ending June	2009a	2010e	2011e	2012e
EPS adj. (A¢)	9.1	7.2	8.4	8.7
EPS Growth (%)		-20.2	16.4	3.3
<b>PER (x)</b>	<b>4.2</b>	<b>5.2</b>	<b>4.5</b>	<b>4.4</b>
CFPS (A¢)	8.0	7.9	5.9	6.0
CF Multiple (x)	4.8	4.8	6.4	6.4
DPS (A¢)	0.0	0.0	3.0	3.0
Div. Yield (%)	na	na	7.9	7.9
EV (A\$m)	12.7	9.0	7.5	5.9

### Profitability Ratios

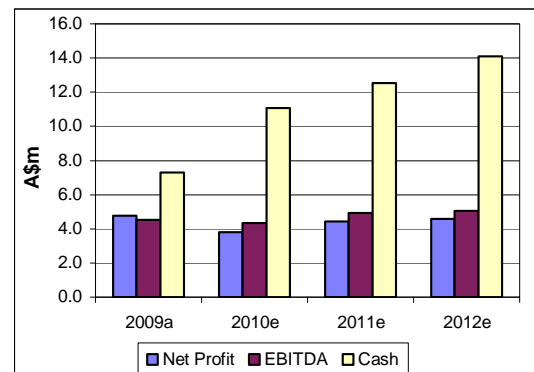
Year ending June	2009a	2010e	2011e	2012e
Return on Equity (%)	30.3	19.5	19.8	18.0
Return on Assets (%)	56.4	44.7	44.7	40.2
NPAT / Sales (%)	64.6	57.9	71.9	72.9
Total Debt / (Debt + Equity) (%)	na	na	na	na
EBITDA / Sales (%)	60.9	65.9	79.8	80.1

### Valuation

Valuation	dr @ 10%		dr @ 5%	
	A\$m	A\$ps	A\$m	A\$ps
Mt Garnet royalty	1.6	0.03	2.2	0.04
Reefton Royalty	13.2	0.25	13.2	0.25
Exploration (Philippines)	3.5	0.07	3.5	0.07
Investments	0.3	0.01	0.0	0.00
Option Value and Misc.	0.0	0.00	0.0	0.00
Cash & receivables	10.5	0.20	9.3	0.18
Borrowings & creditors	0.0	0.00	0.0	0.00
Corporate/Other	-2.8	-0.05	-4.8	-0.09
<b>TOTAL</b>	<b>26</b>	<b>0.50</b>	<b>23</b>	<b>0.44</b>

### Price Assumptions

Year ending June	2009a	2010e	2011e	2012e
Exchange Rate (A\$/US\$)	0.75	0.78	0.78	0.78
Nickel (\$US/lb)	5.99	7.13	6.64	7.15
Gold (\$US/oz)	874	944	885	830



Source: Company reports & Veritas Securities estimates

## Royalco Overview

Figure 1: RCO Royalty locations



Source: Royalco Resources 2009 Annual Report

RCO is a royalty company which listed on the ASX in June 2006. The Company currently has a growing portfolio of 11 separate royalty interests with two currently in production. RCO is the only Australian domiciled royalty company listed on the ASX.

The company's main objectives are to generate positive and growing cashflows from royalty interests and to create growth through their Philippine exploration interests. The Company's focus is primarily in the Australasia region with royalties currently in Australia and New Zealand and exploration interests in the Philippines which are likely to lead to a royalty in the future.

Recently the company was the subject of an aggressive takeover offer from Anglo Pacific Group PLC who are a listed royalty company in London with a secondary listing on the ASX (AGP.ASX). Prior to the bid Anglo held a 20.1% interest and secured an additional 11% to take its shareholding to 31.1%. The final cash bid was at 34cps which valued RCO at \$17m.

RCO has been active in identifying new royalties in the precious metal, base metal and energy sectors. We anticipate additional producing royalties and royalties near to production will be acquired in the medium term.

Figure 2: Summary of existing royalty interests

Project	Operator	Royalty	Commodity	Status
Reefton Gold Project (Globe Progress MP41 164)	Oceana Gold Limited	Variable, currently 5000 ounces per annum (\$NZ gold >\$900/oz) to 0.4Moz produced	Au	Production
Mt Garnet	Kagara Limited	3.0% nsr	Zn, Pb, Ag, Cu	Production
Mt Kelly	Cape Lambert Limited	1.0% nsr	Cu, Au	Awaiting restart of Lady Annie operation
Reefton Gold Project (6 other contiguous tenements to Globe Progress MP)	Oceana Gold Limited	1.0% - 3.0% variable to Au price	Au	0.4Moz resource in two deposits, combines with Globe Progress MP for a 1.5% nsr if total production exceeds 1.0Moz
Sams Creek Gold Project	Oceana Gold Limited	1.0% nsr	Au	0.8Moz resource
Bowden's	Silver Standard Resources Ltd	1.0% - 2.0% nsr	Ag, Zn, Pb	Feasibility - on hold due to metal prices
Stanton	Hydromet Corporation Limited	1.0% nsr	Ni, Co	Scoping Study
Dagworth/Huonfels	Plentex Limited	1.5% orr	Au, Ag	Scoping Study
Xanadu	Pelican Resources Limited	4.0% orr	Au	Pre-resource
LFB	Alkane Exploration Limited	3.0% nsr	Au, Cu	Pre-resource
Mt Lyndhurst	Syrah Resources Limited	1.5% nsr	Cu, U	Exploration
Levuka	Syrah Resources Limited	1.5% nsr	Cu	Exploration

Notes: nsr = net smelter royalty, orr = overriding royalty

Source: Royalco Resources 2009 Annual Report

## Investment Highlights

- Low risk royalty revenue providing a high margin income stream
- Focus on revenue growth by expanding the royalty base from internal growth or via acquisition
- Enterprise value of \$10m with 2 existing royalties to provide approximately \$20m in revenue to December 2012
- Intention to pay fully franked dividends from DH10 providing a high yielding dividend income stream to investors

## Production royalties

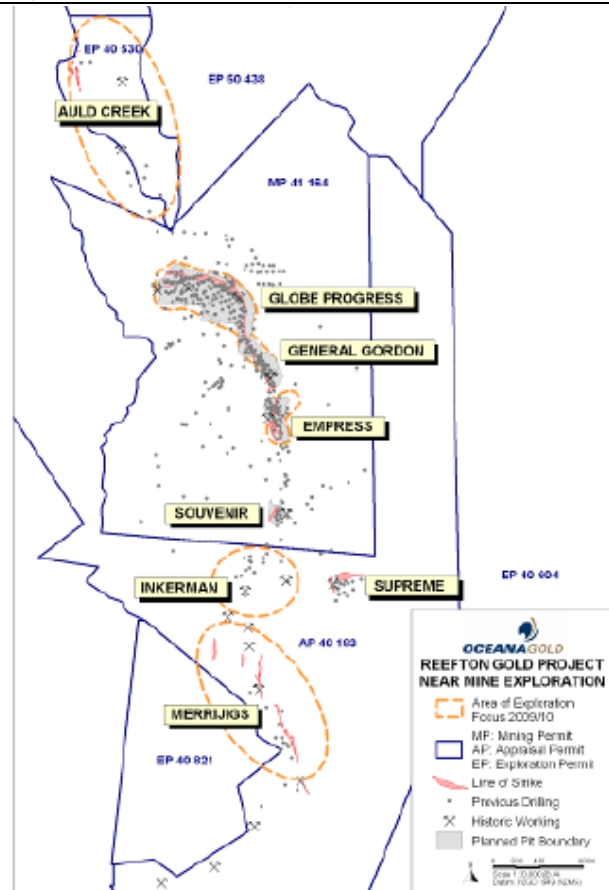
### Reefton Gold Project Royalty – Globe Progress Mine

The Reefton Gold Project is located on the west coast of the South Island of New Zealand. Ore is currently sourced from the Globe Progress mine and processed through a 1.2mtpa concentrate floatation plant with the concentrate containing approximately 1 ounce per tonne of gold transported to the Macraes Gold mine on the east coast of the South Island for final treatment. The operation is owned and operated by OceanaGold Limited.

The Reefton gold royalty is a variable ounce royalty based on the prevailing New Zealand dollar gold price. The royalty is payable as long as the Globe Progress mine produces enough gold to pay the royalty. The royalty is payable at a minimum of 250oz and then 50oz for each NZ\$10/oz increase in the gold price to a cap of NZ\$900/oz.

The Globe Progress mine commenced production in 2007 with a + 7 year reserve life. The remaining reserves as at 31 December 2008 are 5.18mt at 2.08g/t Au for 0.35Moz. The mine owner, Oceana Gold Limited, anticipates average annual production of 70kozpa over the remaining life of the mine. The Reefton project global resources (including all tenure in the project) as at 31 December 2008 was 15.72mt at 2.47g/t Au for 1.25Moz.

**Figure 3: OceanaGold Reefton Gold Project near mine exploration targets**



The OceanaGold brownfields exploration programme is to target near mine historic workings and extensions of deposits.

Exploration success outside MP41 164 which leads to production will incur an additional royalty to RCO

Source: OceanaGold Corporation August 2009 presentation

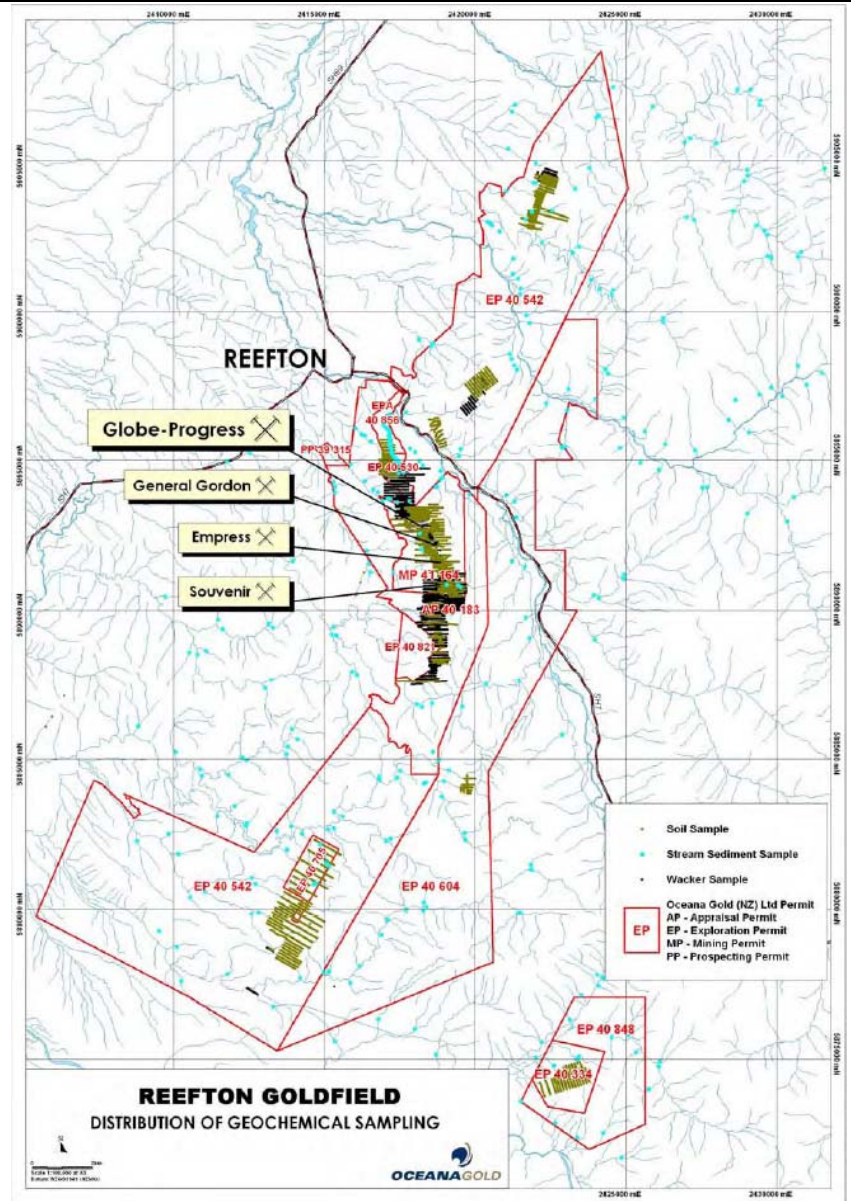
With the positive outlook for gold we anticipate that the maximum royalty will be payable of 5,000ozpa until the royalty ceases once the total combined production from the Globe Progress mining lease reaches 400koz. Based on the current production of 155koz to 30 June 2009 and Oceana's estimated annual production of 70kozpa we estimate the royalty will end in December quarter 2012 from the remaining 245koz's to reach 400koz. A royalty holiday is then triggered at 400koz.

**Contiguous royalty production upside:** The royalty will only be reinstated as a 1.5% nsr once the total production from the Globe Progress mining lease (MP41 164) and other surrounding tenements (see below), which are also under separate RCO royalties, exceeds 1.0Moz's.

**Figure 4: Reefton Gold Project tenement locations, soil sampling over historical mine workings**

RCO royalties are for tenements:

- MP41 164
- EP40 183
- EP40 334
- EP40 530
- EP40 542
- EP40 604
- EP40 705



Source: Royalgo Resources

A sliding royalty of 1.0% to 3.0% will apply to any production from the 6 other tenements in the Reefton gold project that RCO have royalties on (other than the Globe Progress mining lease). Other existing resources in the Reefton royalty asset portfolio are the historic underground Blackwater mine (340koz at 21.9g/t, EP40 542) and the shallow Supreme deposit (40koz at 1.5g/t Au, EP40 183).

At the Sam's Creek gold project located to the north-east of Reefton a separate 1.0% flat royalty applies (31 Dec 08 resource of 0.8Moz).

### Mt Garnet Project royalty – Mt Garnet mine

The Mt Garnet deposit and treatment plant is located in north Queensland and is owned and operated by Kagara Zinc Limited. The treatment plant receives ore from various Zinc rich deposits up to 200km from the Mt Garnet plant.

The Mt Garnet royalty is a 3% nsr for all base and precious metals production from the Mt Garnet mining lease which hosts the Mt Garnet Zn-Cu-Ag deposit. The Mt Garnet deposit is being campaign mined, and blended through the Mt Garnet mill at an estimated rate of 100,000tpa.

The quoted proven and probable reserve of 1.26mt at 7.9% Zn, 0.5% Cu and 19 g/t Ag we estimate is sufficient for at least +8 years at the estimated mining rate which is in line with current global reserves for the Mt Garnet mill.

### Mt Kelly Cu Deposit royalty – Lady Annie mine

The Lady Annie Cu project is located 120km north of Mt Isa in Queensland. The mine was commissioned in 2007 and includes the Mt Kelly Cu deposit. The Mt Kelly royalty is a 1.0% nsr on two separate royalty areas once production thresholds are reached. The two royalty areas are capped at \$1.0m in total. Production was undertaken until the cessation of mining in February 2009 due to adverse weather conditions which caused significant flooding. The 11kt Cu metal production holiday has been reached and royalty payments totaling \$0.25m have been paid to date.

The sale of Lady Annie to Cape Lambert Limited we anticipate will lead to a restart of the Lady Annie mine in the medium term.

## Philippines Exploration Projects

In 2004 RCO acquired Oxiana's (now OZ Minerals Limited) Philippine interests. The Filipino tenement package, hosts highly attractive porphyry copper and high grade epithermal gold targets. These areas were accumulated by Oxiana over a substantial period of time and represent underexplored to advanced exploration plays.

RCO's exploration interests are focused on generating royalties and free carried project equity interests in a portfolio of projects. The company does not intend to operate any mining project discovered with third parties introduced to develop and mine any discoveries made.

The projects where exploration is currently being concentrated are:

### Pao

Exploration at Pao is targeting a high sulphidation epithermal vein system which has returned grab samples up to 49g/t Au, 348g/t Ag and 3.94% Cu. Drilling is scheduled for the DQ09.

### Yabbe

The Yabbe tenement is contiguous with Pao to the north. Exploration in the 1980's returned stream sediment samples up to 30g/t Au.

### Gambang

Gambang includes seven highly prospective porphyry Cu prospects. Drilling of three prospects so far have all returned porphyry Cu mineralisation which due to alteration styles present is interpreted as peripheral to the central zone of these porphyry targets. Best results to date from 7 drill holes is 216m at 0.45% Cu, 0.03g/t Au including 33.4m at 0.96% Cu, 0.03g/t Au and 46.7m at 0.80% Cu, 0.09g/t Au.

RCO have received expressions of interest from third parties to farm into Gambang. We anticipate a potential farm out by December 2009. If RCO proceed with a JV which we assume would include a cash payment to reimburse previous exploration costs.

The Philippine exploration assets provide a low cost potentially high impacting upside

## Financials and valuation

**Exploration expenditure:** We assume ongoing exploration expenditure to be \$1.0m to \$2.0m per annum.

**Cash and bullion:** As at 30 June 2009 RCO had \$10.0m in cash and bullion. The Reefton royalty is paid in physical gold which the Company accrues until sold at times of high prices. The current level of bullion held is 2,234 ounces as at 30 June 2009.

**Debt:** RCO have no debt and are therefore well placed to fund any potential producing royalty acquisition.

**Withholding tax:** As part of the tax treaty between Australia and New Zealand RCO are only liable to pay a 15% withholding tax on the physical gold revenue. The withholding tax can be accrued by RCO for franking credits. We understand the Company plans to fully utilize the franking credits for dividends.

**Dividends:** RCO have announced an intention to pay dividends with a pay out ratio of up to 60%. We forecast dividends to be paid commencing in December half 2010 at a fully franked rate of 3cps (~35% pay out) which provides a dividend yield at current prices of 8.8% or grossed up at 12.6%. We estimate the company will be able to announce its maiden fully franked dividend in September quarter 2010 with the 2009FY accounts after franking credits have accumulated to a sufficient level to sustain an ongoing franked dividend.

We estimate dividends to be paid commencing in 2011FY

**Earnings:** Our eps estimate in 10FY is 7.2c and in 11FY is 8.4c. On this basis RCO is currently trading at 5.2 times our 10FY and 4.5 times our 11FY earnings estimates.

**Valuation:** We value RCO at A\$0.50 per share based on our dcf valuation which assumes the maximum gold royalty payable at Reefton (5kozpa) to December 2012 and growing cash and bullion of \$10.0m. We anticipate over the medium term the successful acquisition of

We value RCO at \$0.50/sh

additional income producing royalties which are value accretive

**Sensitivities:** A significant proportion of our valuation is based on the earnings from the Reefton royalty. If the gold price falls below NZ\$900/oz (currently NZ\$1450/oz) the maximum royalty payment would not be sustained reducing our assessed valuation. We see this risk as being mitigated by the positive outlook on gold, especially with the current global uncertainties.

## Directors and Management

**Peter Topham, Executive Chairman:** From 1989 to 2000, Peter was Executive Chairman and Managing Director of Mineral Commodities Limited, for which he was responsible for rejuvenating and which, under his effective control, undertook extensive exploration in Queensland and Western Australia. Prior to becoming involved with Mineral Commodities, Peter worked in stockbroking and corporate finance with various companies including D&D Tolhurst, ANZ Capital Markets and HSBC. Peter is a Barrister and Solicitor of the Supreme Court of Victoria but does not carry on practice as such.

**David Ogg, Executive Director:** David Ogg is the principal of David Ogg & Associates Pty Ltd, which was the holder of a Financial Services Licence and provided corporate financial services. Prior to forming David Ogg & Associates Pty Ltd in 1989, David was involved in a variety of roles in the stockbroking, merchant banking and the financial services area generally. David was an executive Director of Mineral Commodities Ltd from 1994 to 2000, and is a founding Director and Company Secretary of Royalco Resources Ltd. He is also Company Secretary of Copper Strike Ltd and Syrah Resources Ltd.

**Tom Eadie, Non - Executive Director:** Tom has in excess of 25 years of experience within the junior resources sector, including one year running Austminex NL, and at technical to senior executive levels with major mining companies including Pasminco, Aberfoyle Resources and Cominco. At Pasminco, he was Executive General Manager – Exploration & Technology for 11 years. At Aberfoyle, he began as Chief Geophysicist before being put in charge of all mineral sands and base metal exploration. Tom is the Executive Chairman of Copper Strike Ltd and he is Chairman of Syrah Resources Ltd, an exploration company 30% owned by Copper Strike Ltd.

**Bruce Pertzel, Non - Executive Director:** Bruce is the Principal of the long established geological consulting firm Pertzel Tahan & Associates Pty Ltd. He established this firm in 1982 following a ten-year engagement with Endeavour Resources Limited during which time he progressed from Project Geologist to Exploration Manager. Bruce has had widespread experience in exploration activities in the Asia/Pacific region, and is currently the principal geologist for Vital Metals Ltd.

**Chris Orchard, Non – Executive Director:** Chris has over 20 years experience in resource specialist stockbroking as well as being an investment director in a private wealth management company for 9 years. Chris is currently a Director and Chief Investment Officer of Anglo Pacific Group, the company's largest shareholder.

Sales

Tony Bonello +61 2 8252 3230  
 Andrew McCauley +61 2 82523260  
 Bryce Reynolds +61 2 8252 3215  
 Robert Scappatura +61 2 8252 3240  
 Clay Melbourn +61 2 8252 3220  
 Stephen Murphy +61 8 9380 8351

Research

Resources  
 Piers Reynolds +61 3 8601 1196

Industrials  
 Brent Mitchell +61 3 8605 4830

RATING

BUY – anticipated stock return is greater than 10%  
 SELL – anticipated stock return is less than -10%  
 HOLD – anticipated stock return is between -10% and +10%  
 SPECULATIVE – High risk with stock price likely to fluctuate by 50% or more

This report has been issued by Veritas Securities Limited A.B.N. 94 117 124 535, Australian Financial Services Licence Number 297043.

Disclaimer. The information contained in this document is general information only and is not financial or investment advice, and does not take into account your specific financial situation, particular needs and investment objectives. This document has been prepared from sources which Veritas Securities Limited (“Veritas”) believes to be reliable, but none of Veritas, its directors, employees and associates (“Veritas Parties”) give or make any representation or warranty that any such information is accurate, complete, reliable or up-to-date, and Veritas disclaims all liability for loss or damage, direct or indirect, suffered by any person arising from any use of or reliance on such information. Veritas recommends that you consult your financial adviser before making any financial or investment decision. Veritas does not accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect any of the information contained in this document.

Disclosure of interest. Veritas Parties may receive or may have received fees, commissions and brokerage by acting as corporate adviser or broker for companies described in this document, and may hold directorships or other offices with such companies. Veritas Parties may hold an interest in securities or financial products described in this document, may benefit from an increase in the price or value of them, and may effect or participate in transactions which are inconsistent with any statement made in this document.

Veritas Securities Limited  
 A.B.N. 94 117 124 535  
 AFSL No. 297 043  
 GPO Box 4877, Sydney, NSW, 2001  
 www.veritassecurities.com.au

Sydney  
 Level 4, 175 Macquarie Street  
 Sydney, NSW, 2000  
 Tel: (02) 8252 3200  
 Fax: (02) 8252 3299

Melbourne  
 Level 8, 350 Collins Street  
 Melbourne, VIC, 3000  
 Tel: (03) 8601 1196  
 Fax: (03) 8601 1180

Perth  
 Suite 5, 531 Hay Street  
 Subiaco, WA, 6008  
 Tel: (08) 9380 8351  
 Fax: (08) 9380 8300