

Larvotto Resources Limited

Key Hillgrove DA Approval Clears Path to FID

LRV announced it lodged a key modification, seeking to change a condition that allows for the continuation of mining and processing activities at the Hillgrove Mine until 31 December 2026 at a rate of 250ktpa. Given that such approval was in place prior to LRV's acquisition (lapsed during the Administration process, prior to LRV's completion of the acquisition in December 2023), the now re-instated approval clears the path for the debt process to be completed and LRV to reach a Final Investment Decision to re-start mining and processing operations at Hillgrove.

A separate modification to support the expansion to 500ktpa is also with the regulators and we see this approval as non-controversial given the status of the site as an operating mine and the strong support for critical minerals production, particularly antimony.

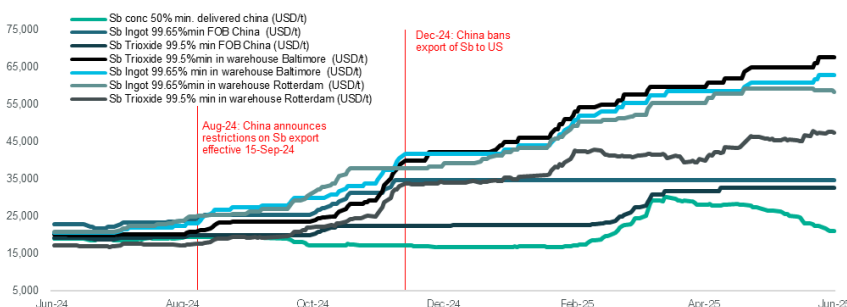
Key catalysts from here

1. Project finance solution – expected over the next 4 weeks. We believe the market is waiting to see a robust debt funding solution, which on the back of (i) strong project economics, (ii) low development risk and (iii) support for critical minerals should address key questions on development funding.
2. FID shortly after.
3. < 1 year plant expansion (long lead items secured April 2025) and mine restart. Production expected mid CY26.
4. Further high-grade exploration results from 4 rigs drilling at multiple locations.
5. MRE, Reserve and Exploration Target updates 2H CY25.

Ex-China Antimony benchmarks remain strong

We note positive macro remains as LRV reaches FID with gold trading at +US\$3,300/oz and antimony benchmarks, particularly into the USA, strengthening further and moving closer to US\$70k/t!

Figure 1. Updated Sb Benchmarks



Source: Company

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EQUITY RESEARCH COMPANY UPDATE

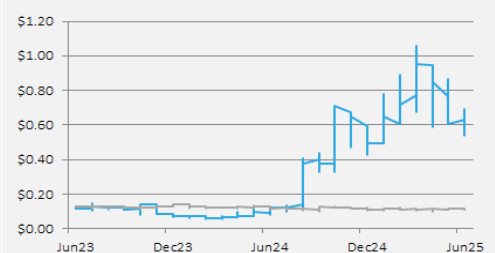
Date	26 June 2025
Stock rating	BUY
Price target	\$1.45
Ticker	ASX:LRV
Closing price	\$0.56
Implied return (%)	159%
Diluted Market cap (\$m)	242
Enterprise value (m)	214
FD Shares (m)	432.4
Avg daily vol (m)	3.47
52 week high	1.07
52 week low	0.10
GICS Sector	Materials

Y/E 31 Dec	FY24E	FY25E	FY26E	FY27E
Gold Production (koz)	-	-	23.2	36.2
Antimony Production (kt)	-	-	3.0	4.7
Au Eq Prod. (koz AuEq)	-	-	73.6	90.6
Revenue (A\$m)	-	-	275.9	432.2
Payable Gold %	-	-	52%	51%
Payable Antimony %	-	-	48%	49%
AISC (A\$/oz AuEq)	-	-	1,673	1,646
EBITDA (A\$m)	-	-	209.5	332.1
NPAT (A\$m)	-	-	133.6	218.4
FCF (A\$m)	-	-	124.7	170.1

Valuation				
P/E (x)	n.m.	n.m.	2.0	1.2
P/FCF (x)	n.m.	n.m.	1.9	1.4
EV/EBITDA (x)	n.m.	n.m.	0.8	0.0
Dividend yield (%)	-	-	-	-

Top Shareholders	%
Gage Capital LP	15.8%
1832 Asset Management	8.9%
Board & Management	3.3%

Share price



— LRV ASX — ASX 300 Metals & Mining (relative)

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Larvotto Resources

Code: LRV

Stock Details

Recommendation:	BUY			
Target	\$1.45	Share Price	\$0.56	
NAV	\$1.54	52 Week High	\$1.07	
Implied Return	159%	52 Week Low	\$0.10	

Enterprise Value	\$214m
Diluted MCap	\$242m
Diluted Shares	432m
Free Float	95%
Avg Daily Value	\$3.47m

Y/E 31 Dec					
Macro Assumptions	FY23A	FY24E	FY25E	FY26E	FY27E
Exchange Rate (A\$/US\$)	0.67	0.67	0.67	0.69	0.69
Gold Price (US\$/oz)	1,923	2,438	3,225	3,300	3,300
Antimony Price (US\$/t)	10,000	19,875	57,000	60,000	60,000

Profit & Loss (A\$m)	FY23A	FY24E	FY25E	FY26E	FY27E
Revenue	-	-	-	276	432
Operating Costs	-	-	-	(62)	(96)
Operating Profit	-	-	-	213	336
Corporate & Other	(2)	(3)	(4)	(4)	(4)
Exploration Expense / Impt	-	-	-	-	-
EBITDA	(2)	(3)	(4)	209	332
D&A	(0)	(0)	(0)	(6)	(10)
EBIT	(2)	(3)	(4)	203	322
Net Interest Expense	-	(0)	(12)	(12)	(10)
Pre-Tax Profit	(2)	(4)	(16)	191	312
Tax Expense	-	-	-	(57)	(94)
Underlying Profit	(2)	(4)	(16)	134	218
Significant Items (post tax)	-	-	-	-	-
NPAT	(2)	(4)	(16)	134	218

Cash Flow (A\$m)	FY23A	FY24E	FY25E	FY26E	FY27E
Operating Cashflow	(6)	(3)	(4)	209	332
Tax	-	-	-	(39)	(94)
Net Interest	0	(0)	(12)	(12)	(10)
Net Operating Cash Flow	(6)	(4)	(16)	158	228
Exploration	-	(5)	(18)	(7)	(6)
Capex	-	-	(75)	(33)	(51)
Acquisitions / Disposals	(5)	-	-	-	-
Other	0	-	-	-	-
Net Investing Cash Flow	(5)	(5)	(93)	(39)	(57)
Equity Issue	8	48	48	-	-
Borrowing / Repayments	-	6	105	-	(6)
Dividends	-	-	-	-	-
Other	(1)	-	-	-	-
Net Financing Cash Flow	7	54	153	-	(6)
Change in Cash Position	(4)	46	44	119	166
FX Adjustments	-	-	-	-	-
Cash Balance	2	48	92	211	376

Balance Sheet (A\$m)	FY23A	FY24E	FY25E	FY26E	FY27E
Cash	2	48	92	211	376
Other Current Assets	0	0	0	0	0
PP&E	6	6	80	107	148
Exploration & Development	4	9	27	33	39
Other Non Current Assets	5	5	5	5	5
Total Assets	17	68	204	356	569
Debt	-	6	112	112	105
Other Liabilities	6	6	6	6	6
Net Assets	11	56	87	239	457

Y/E 31 Dec						
Ratio Analysis		FY23A	FY24E	FY25E	FY26E	FY27E
Diluted Shares	m	225	396	477	477	477
EPS - Diluted	Ac	(0.01)	(0.01)	(0.04)	0.28	0.46
P/E	x	n.m.	n.m.	n.m.	2.0	1.2
CFPS - Diluted	Ac	(0.0)	(0.0)	(0.0)	0.3	0.5
P/CF	x	n.m.	n.m.	n.m.	1.7	1.2
FCF - Diluted	Ac	(2.6)	(0.9)	(16.5)	28.8	39.4
P/FCF	x	n.m.	n.m.	n.m.	1.9	1.4

Dividends	Ac	-	-	-	-	-
Dividend yield	%	-	-	-	-	-
Payout Ratio	%	-	-	-	-	-
Franking	%	-	-	-	-	-

Enterprise Value	A\$m	13	200	287	168	(4)
EV/EBITDA	x	n.m.	n.m.	n.m.	0.80	- 0.01
ROE	%	(14%)	(7%)	(19%)	56%	48%
ROA	%	(9%)	(6%)	(8%)	38%	38%
Net Debt / (Cash)		(2)	(42)	20	(99)	(271)
Gearing (ND/(ND+E))	%	n.m.	n.m.	n.m.	(71%)	(145%)
Gearing (ND/E)	%	n.m.	n.m.	n.m.	(42%)	(59%)

Resource (incl. Reserve)						
	Mt	g/t Au	koz Au	% Sb	kt Sb	koz AuEq
Measured	0.4	3.6	51	3.8	17	179.4
Indicated	4.0	4.8	617	1.3	50	1001.9
Inferred	2.8	4.0	367	0.9	26	555.8
Total Resource	7.3	4.4	1036	1.3	93	1737.1
Ore Reserve						
Proved	0.4	2.6	33	1.9	7	88.1
Probable	2.8	3.3	287	1.1	32	517.8
Total Ore Reserve	3.2	3.2	320	1.2	39	605.9

Earnings Sensitivity			FY26E	FY27E	FY26E	FY27E
			A\$m	A\$m	%	%
Gold Price	US\$/oz	+10%	8	10	6%	6%
Antimony Price	US\$/t	+10%	11	14	9%	9%
Exchange Rate	A\$/US\$	-10%	19	23	15%	14%

Valuation	Discount	Stake	A\$m	A\$/sh	P/NAV
Hillgrove - unrisked	-	100%	771	1.78	
Hillgrove - risked	20%	100%	617	1.43	
Exploration			50	0.12	
Corporate & Other			(29)	(0.07)	
Debt			(6)	(0.01)	
Cash			34	0.08	
Option Strikes			1	0.00	
Risk adjusted NAV			666	1.54	0.36

Source: Company, Blue Ocean Equities

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One of the authors of this report owns shares in Larvotto Resources.