

## Larvotto Resources Limited

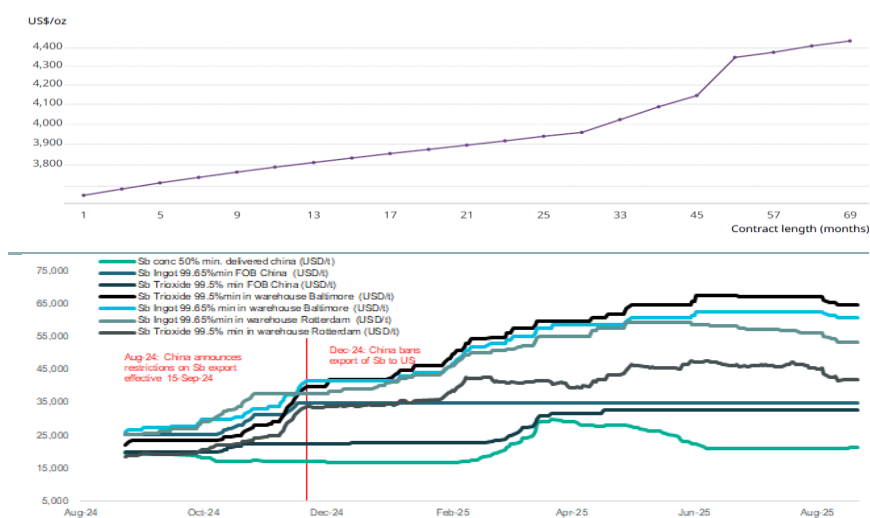
### Sprinting to Production

LRV had a dynamic start to the Sept25 quarter with key milestones: (i) Nordic Bond issue of US\$105m (A\$160m) to cover Hillgrove plant expansion and mine re-start capex, (ii) Equity raising of A\$70m (A\$60m placement and A\$10m SPP) to cover working capital and corporate costs to first production, (iii) FID to undertake A\$140m plant expansion and mine re-start, and (iv) commencing construction and building up the team to re-start production. With long lead time items ordered 1H CY25, expansion activities underway and underground mining operations expected in the near term to build stockpiles ahead of commissioning (mid CY26), there is clear line of sight to production, earnings and FCFs in a strong Au and Sb price environment. We have updated our financial model to reflect a lower risk factor (10%, prev. 25%) driven by a short build timeline as well as relatively low commissioning and ramp up risks, the updated capital structure and commodity prices (we move from a flat gold price of US\$3,300/oz to the gold futures curve). We maintain our Buy recommendation and have increased our Price Target to \$1.60 (prev. \$1.45). We see strong re-rating potential as LRV moves into production and becomes an established gold and antimony producer with expected EBITDA of A\$320m in FY27 (first full year of production) vs its current FD Market cap of A\$350m (EV of A\$420m).

### Resource Upside: Connecting the Dots for Regional Scale

Beyond the strong producer re-rating expected in under 12 months, we see the resource upside at Hillgrove as a major value driver with 4 rigs in operation now moving from near mine drilling into regional scale targets, including: (i) Freehold located 1.2km from the plant and historically Sb rich, and (ii) linking mineralised lodes over 6km from the Chandler Fault (near Brackins Spur) to the Hillgrove Fault (at Clarks Gully).

**Figure 1. Gold Futures Curve and Antimony Price Benchmarks**



Source: World Gold Council, Bloomberg

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## EQUITY RESEARCH COMPANY UPDATE

Date 18 Sept 2025

Stock rating **BUY**

Price target **\$1.60**

Ticker ASX:LRV

Closing price \$0.66

Implied return (%) 142%

Diluted Market cap (\$m) 354

Enterprise value (m) 420

FD Shares (m) 536.3

Avg daily vol (m) 3.84

52 week high 1.07

52 week low 0.33

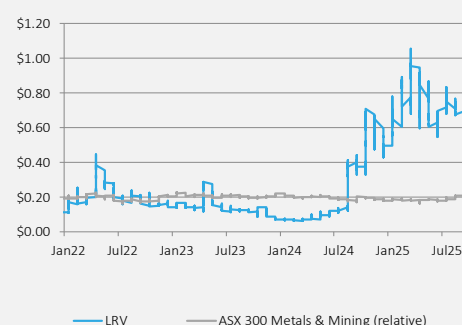
GICS Sector Materials

Y/E 31 Dec	FY24A	FY25E	FY26E	FY27E
Gold Production (koz)	-	-	11.5	34.2
Antimony Production (kt)	-	-	1.5	4.5
Au Eq Prod. (koz AuEq)	-	-	39.7	88.7
Revenue (A\$m)	-	-	136.3	412.9
Payable Gold %	-	-	71%	55%
Payable Antimony %	-	-	29%	45%
AISC (A\$/oz AuEq)	-	-	1,755	1,688
EBITDA (A\$m)	-	-	108.1	320.5
NPAT (A\$m)	-	-	57.2	207.3
FCF (A\$m)	-	-	177.9	130.5

Valuation				
P/E (x)	n.m.	n.m.	6.5	1.8
P/FCF (x)	n.m.	n.m.	5.6	2.0
EV/EBITDA (x)	n.m.	n.m.	3.5	0.7
Dividend yield (%)	-	-	-	-

Top Shareholders	%
Gage Capital LP	10.9%
1832 Asset Management	7.9%
Board & Management	2.9%

### Share price



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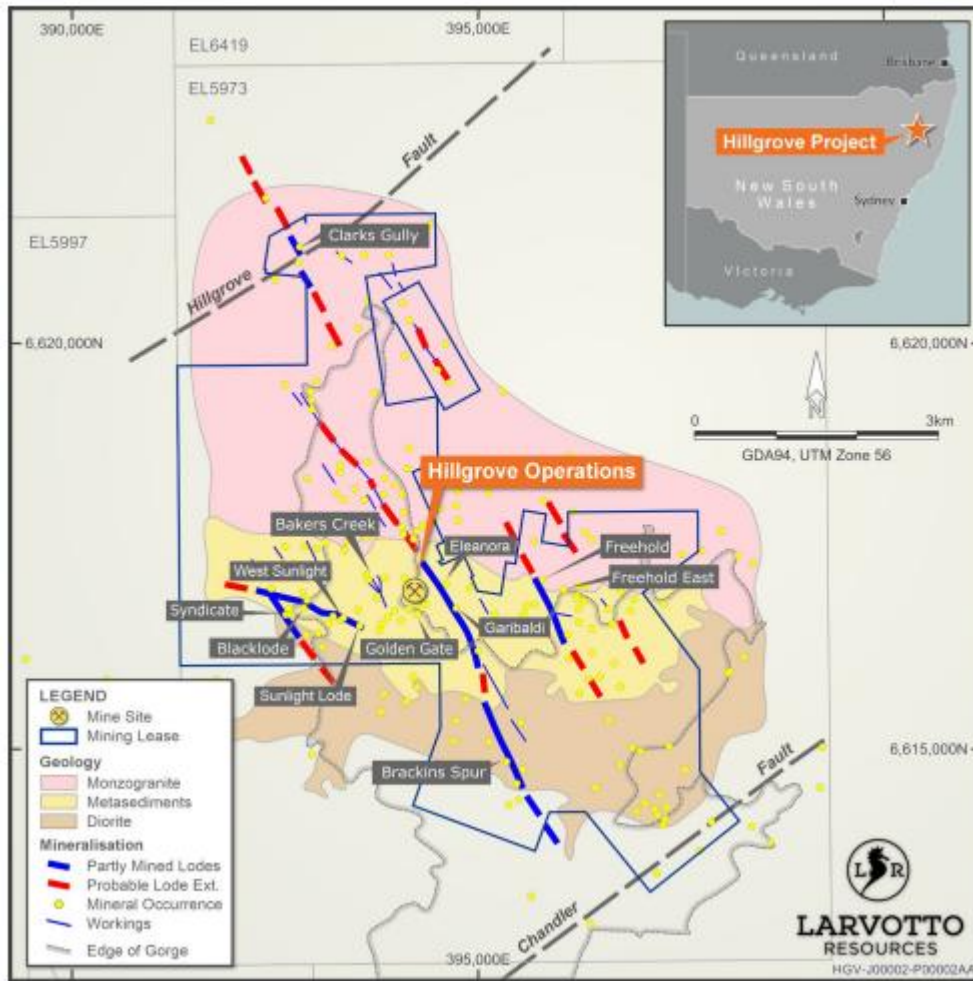
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**Figure 2. Hillgrove Project Map Illustrating Lodes and Likely Extensions**



Source: Company

## Larvotto Resources

**Code: LRV**
**Stock Details**

Recommendation:

**BUY**

Target

\$1.60

Share Price

0.660

NAV

\$1.66

52 Week High

1.07

Implied Return

142%

52 Week Low

0.325

Enterprise Value

\$420m

Diluted MCap

\$354m

Diluted Shares

536m

Free Float

97%

Avg Daily Value

\$3.84m

**Y/E 31 Dec**

Macro Assumptions	FY24A	FY25E	FY26E	FY27E	FY28E
Exchange Rate (A\$/US\$)	0.67	0.67	0.69	0.69	0.69
Gold Price (US\$/oz)	2,438	3,400	3,800	3,900	4,000
Antimony Price (US\$/t)	19,875	53,250	55,000	55,000	25,000

Profit & Loss (A\$m)	FY24A	FY25E	FY26E	FY27E	FY28E
Revenue	-	-	136	413	396
Operating Costs	-	-	(24)	(88)	(124)
<b>Operating Profit</b>	-	-	<b>112</b>	<b>324</b>	<b>272</b>
Corporate & Other	(4)	(6)	(4)	(4)	(4)
Exploration Expense / Impt	-	-	-	-	-
<b>EBITDA</b>	<b>(4)</b>	<b>(6)</b>	<b>108</b>	<b>320</b>	<b>268</b>
D&A	(0)	(0)	(2)	(9)	(12)
<b>EBIT</b>	<b>(4)</b>	<b>(6)</b>	<b>106</b>	<b>311</b>	<b>256</b>
Net Interest Expense	0	(10)	(19)	(15)	(9)
<b>Pre-Tax Profit</b>	<b>(4)</b>	<b>(16)</b>	<b>87</b>	<b>296</b>	<b>247</b>
Tax Expense	-	-	(29)	(89)	(74)
Underlying Profit	(4)	(16)	57	207	173
Significant Items (post tax)	-	-	-	-	-
<b>NPAT</b>	<b>(4)</b>	<b>(16)</b>	<b>57</b>	<b>207</b>	<b>173</b>

Cash Flow (A\$m)	FY24A	FY25E	FY26E	FY27E	FY28E
Operating Cashflow	(11)	(12)	108	320	268
Tax	-	-	(29)	(89)	(74)
Net Interest	0	(9)	(19)	(15)	(9)
<b>Net Operating Cash Flow</b>	<b>(11)</b>	<b>(21)</b>	<b>60</b>	<b>216</b>	<b>184</b>
Exploration	(0)	(12)	(9)	(6)	(6)
Capex	-	(135)	(13)	(45)	(57)
Acquisitions / Disposals	0	-	-	-	-
Other	-	-	-	-	-
<b>Net Investing Cash Flow</b>	<b>(0)</b>	<b>(154)</b>	<b>(22)</b>	<b>(51)</b>	<b>(63)</b>
Equity Issue	32	87	-	-	-
Borrowing / Repayments	6	162	-	(47)	(40)
Dividends	-	-	-	-	-
Other	(2)	(1)	-	-	-
<b>Net Financing Cash Flow</b>	<b>37</b>	<b>248</b>	<b>-</b>	<b>(47)</b>	<b>(40)</b>
Change in Cash Position	26	73	38	119	81
FX Adjustments	(0)	-	-	-	-
<b>Cash Balance</b>	<b>28</b>	<b>101</b>	<b>139</b>	<b>258</b>	<b>339</b>

Balance Sheet (A\$m)	FY24A	FY25E	FY26E	FY27E	FY28E
Cash	28	101	139	258	339
Other Current Assets	1	1	1	1	1
PP&E	9	149	159	196	241
Exploration & Development	1	13	22	28	34
Other Non Current Assets	5	9	9	9	9
<b>Total Assets</b>	<b>44</b>	<b>274</b>	<b>331</b>	<b>492</b>	<b>624</b>
<b>Debt</b>	<b>6</b>	<b>167</b>	<b>167</b>	<b>121</b>	<b>80</b>
Other Liabilities	7	10	10	10	10
<b>Net Assets</b>	<b>31</b>	<b>97</b>	<b>154</b>	<b>362</b>	<b>534</b>

**Y/E 31 Dec**

Ratio Analysis		FY24A	FY25E	FY26E	FY27E	FY28E
Diluted Shares	m	423	562	562	562	562
EPS - Diluted	Ac	(0.01)	(0.03)	0.10	0.37	0.31
<b>P/E</b>	<b>x</b>	<b>n.m.</b>	<b>n.m.</b>	<b>6.5</b>	<b>1.8</b>	<b>2.1</b>
CFPS - Diluted	Ac	(0.0)	(0.0)	0.1	0.4	0.3
<b>P/CF</b>	<b>x</b>	<b>n.m.</b>	<b>n.m.</b>	<b>6.2</b>	<b>1.7</b>	<b>2.0</b>
FCF - Diluted	Ac	(2.6)	(26.2)	11.7	33.2	24.3
<b>P/FCF</b>	<b>x</b>	<b>n.m.</b>	<b>n.m.</b>	<b>5.6</b>	<b>2.0</b>	<b>2.7</b>

Dividends	Ac	-	-	-	-	-
Dividend yield	%	-	-	-	-	-
Payout Ratio	%	-	-	-	-	-
Franking	%	-	-	-	-	-
Enterprise Value	A\$m	332	420	382	217	95
<b>EV/EBITDA</b>	<b>x</b>	<b>n.m.</b>	<b>n.m.</b>	<b>3.53</b>	<b>0.68</b>	<b>0.36</b>
ROE	%	(11%)	(16%)	37%	57%	32%
ROA	%	(8%)	(6%)	17%	42%	28%
Net Debt / (Cash)		(22)	66	28	(137)	(259)
Gearing (ND/(ND+E))	%	n.m.	40%	15%	(61%)	(94%)
Gearing (ND/E)	%	n.m.	68%	18%	(38%)	(48%)

**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
<b>Total Resource</b>	<b>7.3</b>	<b>4.4</b>	<b>1036</b>	<b>1.3</b>	<b>93</b>	<b>1737.1</b>
<b>Ore Reserve</b>						
Proved	0.4	2.6	33	1.9	7	88.1
Probable	2.8	3.3	287	1.1	32	517.8
<b>Total Ore Reserve</b>	<b>3.2</b>	<b>3.2</b>	<b>320</b>	<b>1.2</b>	<b>39</b>	<b>605.9</b>

Earnings Sensitivity			FY26E	FY27E	FY26E	FY27E
			A\$m	A\$m	%	%
Gold Price	US\$/oz	+10%	7	11	6%	5%
Antimony Price	US\$/t	+10%	12	18	9%	8%
Exchange Rate	A\$/US\$	-10%	19	30	15%	14%

Valuation	Discount	Stake	A\$m	A\$/sh	P/NAV
Hillgrove - unrisked	-	100%	1,039	1.94	
Hillgrove - risked	10%	100%	935	1.74	
Exploration			50	0.09	
Corporate & Other			(27)	(0.05)	
Debt			(167)	(0.31)	
Cash			101	0.19	
Option Strikes			1	0.00	
<b>Risk adjusted NAV</b>			<b>892</b>	<b>1.66</b>	<b>0.40</b>

Source: Company, Blue Ocean Equities

## Operating Summary

### Larvotto Resources

Code: LRV

Y/E 31 Dec							Y/E 31 Dec						
							Macro Assumptions						
								FY25E	FY26E	FY27E	FY28E	FY29E	
							Exchange Rate	A\$/US\$	0.67	0.69	0.69	0.69	0.69
							Gold Price	US\$/oz	3,400	3,800	3,900	4,000	4,400
							Antimony Price	US\$/t	53,250	55,000	55,000	25,000	25,000
Operational Summary							FCF Contribution						
								A\$m	FY25E	FY26E	FY27E	FY28E	FY29E
<b>Hillgrove (100% basis)</b>							<b>Hillgrove (100% basis)</b>						
Ore Milled	mt	-	0.15	0.47	0.56	0.54							
Gold head grade	g/t	-	2.78	2.71	2.84	2.92							
Recovery	%	-	84%	84%	84%	84%							
<b>Gold Produced</b>	<b>koz</b>	-	<b>11.5</b>	<b>34.2</b>	<b>43.0</b>	<b>42.4</b>							
Payability	%	-	95%	95%	95%	95%							
<b>Payable Gold Sold</b>	<b>koz</b>	-	<b>10.9</b>	<b>32.5</b>	<b>40.8</b>	<b>40.3</b>							
							<b>Revenue - Gold Sold</b>	<b>% Au</b>	-	<b>71%</b>	<b>55%</b>	<b>53%</b>	<b>54%</b>
Antimony head grade	%	-	1.1%	1.1%	1.1%	1.1%							
Recovery	%	-	87%	87%	87%	87%							
<b>Antimony Produced</b>	<b>kt</b>	-	<b>1.5</b>	<b>4.5</b>	<b>5.4</b>	<b>5.1</b>							
Payability	%	-	65%	65%	65%	65%							
<b>Payable Sb Production</b>	<b>kt</b>	-	<b>1.0</b>	<b>2.9</b>	<b>3.5</b>	<b>3.3</b>	<b>Revenue - Antimony Sold</b>	<b>% Sb</b>	-	<b>29%</b>	<b>45%</b>	<b>47%</b>	<b>46%</b>
<b>Payable AuEq Prod.</b>	<b>koz AuEq</b>	-	<b>15.5</b>	<b>59.5</b>	<b>76.5</b>	<b>74.4</b>	<b>Revenue - Total</b>	<b>A\$m</b>	-	<b>136</b>	<b>413</b>	<b>396</b>	<b>366</b>
Mining Costs	A\$/oz AuEq	-	598	522	685	742							
Processing Costs	A\$/oz AuEq	-	401	407	393	389							
G&A	A\$/oz AuEq	-	78	79	76	76							
<b>C1 Cash Costs</b>	<b>A\$/oz AuEq</b>	-	<b>1,076</b>	<b>1,008</b>	<b>1,155</b>	<b>1,206</b>							
Royalties	A\$/oz AuEq	-	138	140	148	164							
<b>Operating Cost</b>	<b>A\$/oz AuEq</b>	-	<b>1,215</b>	<b>1,148</b>	<b>1,303</b>	<b>1,370</b>	<b>Operating Costs</b>	<b>A\$m</b>	-	<b>24</b>	<b>88</b>	<b>124</b>	<b>128</b>
Sustaining Capex	A\$/oz AuEq	-	540	540	540	540	Sustaining Capex	A\$m	-	<b>11</b>	<b>41</b>	<b>53</b>	<b>51</b>
<b>All-in Sustaining Cost</b>	<b>A\$/oz AuEq</b>	-	<b>1,755</b>	<b>1,688</b>	<b>1,843</b>	<b>1,910</b>	<b>All-in Sustaining Cost</b>	<b>A\$m</b>	-	<b>35</b>	<b>130</b>	<b>177</b>	<b>180</b>
<b>% AISC Margin</b>	<b>%</b>	-	<b>74%</b>	<b>69%</b>	<b>55%</b>	<b>51%</b>	<b>AISC Margin</b>		-	<b>101</b>	<b>283</b>	<b>219</b>	<b>187</b>
							Initial Capex	A\$m	142	2	4	4	4
							Exploration	A\$m	21	9	6	6	6
							Corporate	A\$m	6	4	4	4	4
							<b>Corporate</b>	<b>A\$m</b>	<b>FY25E</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>	<b>FY29E</b>
							Cash Tax	A\$m	-	29	89	74	66
							Other Items	A\$m	(3)	-	-	-	-
							<b>FCF pre Debt Service</b>	<b>A\$m</b>	<b>(166)</b>	<b>57</b>	<b>180</b>	<b>131</b>	<b>106</b>
							Net Interest	A\$m	9	19	15	9	1
							Debt Drawdown / (Rpmt)	A\$m	162	-	(47)	(40)	(81)
							<b>FCF post Debt Service</b>	<b>A\$m</b>	<b>(14)</b>	<b>38</b>	<b>119</b>	<b>81</b>	<b>24</b>
							<b>New Equity/Dividends</b>	<b>A\$m</b>	<b>FY25E</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>	<b>FY29E</b>
							Proceeds f Shares/Options	A\$m	87	-	-	-	-
							Dividends Paid	A\$m	-	-	-	-	-
							<b>Change in Cash</b>	<b>A\$m</b>	<b>73</b>	<b>38</b>	<b>119</b>	<b>81</b>	<b>24</b>
							<b>Cash Balance</b>	<b>A\$m</b>	<b>101</b>	<b>139</b>	<b>258</b>	<b>339</b>	<b>363</b>

Source: Company, Blue Ocean Equities

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Blue Ocean Equities Pty Limited acted as Joint Lead Manager to the \$5m placement in July 2024, as Joint Lead Manager to the \$30m placement in December 2024 and as Joint Lead Manager to the \$60m placement in July 2025.

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