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# Tulla Resources Plc (TUL)

## Reserve upgrade adds to mine life

### Recommendation

**Buy** (unchanged)

### Price

**\$0.595**

### Valuation

**\$1.15/sh** (previously \$1.06)

### Risk

**Speculative**

### GICS Sector

Materials

### Expected Return

Capital growth	<b>93%</b>
Dividend yield	<b>0%</b>
Total expected return	<b>93%</b>

### Company Data & Ratios

Enterprise value	<b>\$134m</b>
Market cap	<b>\$161m</b>
Issued capital	<b>270.9m</b>
Free float	<b>35%</b>
Avg. daily val. (52wk)	<b>\$132,000</b>
12 month price range	<b>\$0.385-\$0.685</b>

### Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	0.59	0.56	0.50
Absolute (%)	0.8	6.2	20.2
Rel market (%)	-3.9	6.6	10.3

### Absolute Price



SOURCE: IRESS

### Scotia Mining Centre Reserve lifts to 457koz @ 2.7g/t Au

TUL and 50:50 JV partner and manager of the Norseman Gold Project (NGP), Pantoro (PNR, Buy, TP\$0.34/sh) have released an updated Mineral Resource and Ore Reserve for the Scotia deposit, part of the Scotia Mining Centre at the NGP. The updated Mineral Resource for the Scotia Mining Centre is now 12.4Mt @ 2.3g/t Au for 906koz and the updated Ore Reserve is 5.3Mt @ 2.7g/t Au for 457koz (both 100% basis). The updated Scotia deposit Resource and Reserve makes it the largest and highest grade contributor to the Scotia Mining Centre. It is a key ore source for the Phase 1 Mine Plan and the extensions identified will result in mine life extension at the NGP. Drilling remains ongoing and the known mineralisation remains open both along strike and at depth. Another Resource update is planned for mid CY22, with the objective of defining an Ore Reserve of +1Moz.

### 50% Reserve growth for the NGP since 2020 DFS

This latest update feeds into increased Mineral Resources and Ore Reserves for the NGP, which now stand at 43.4Mt @ 3.4g/t Au for 4.7Moz contained and 12.9Mt @ 2.2g/t Au for 898koz contained, respectively. It delivers a 50% increase in contained gold compared with the October 2020 Reserve of 9.1Mt @ 2.1g/t Au for 602koz, which was the basis of the current life-of-mine (lom) plan. Excluding stockpile tonnages of 4.2Mt, the Reserve of 8.6Mt and indicates a potential mine life of ~9 years based on the current 1.0Mtpa mill throughput. This justifies a further lom extension and we increase our modelled lom to 9.5 years.

### Investment thesis – Buy (Speculative), Valuation \$1.15/sh

TUL offers exposure to the near-term development catalysts of its 50% owned NGP, which is advancing through construction, towards first gold production in Q3CY22. It is also benefitting from successful drill programs which have resulted in a 2 year extension to our modelled lom, lifting our NPV-based valuation by 8%, to \$1.15/sh. Our FY22 earnings forecast is unchanged, but our FY23 and FY24 earnings forecasts are up 23% and 10% on lower annual D&A charges. Retain Speculative Buy.

### Earnings Forecast

Year end 30 June	2021a	2022e	2023e	2024e
Sales (A\$m)	0	-	88	149
EBITDA (A\$m)	5	(5)	37	74
NPAT (reported) (A\$m)	(0)	(6)	20	52
NPAT (adjusted) (A\$m)	1	(6)	20	52
EPS (adjusted) (cps)	0.1	(2.0)	6.3	16.6
EPS growth (%)	-100%	nm	nm	163%
PER (x)	nm	nm	9.4	3.6
FCF Yield (%)	0%	-32%	12%	26%
EV/EBITDA (x)	29.4	(24.7)	3.6	1.8
Dividend (cps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	0%	0%	0%	0%
ROE (%)	0%	-9%	23%	43%

SOURCE: BELL POTTER SECURITIES ESTIMATES

# Reserve upgrade adds to mine life

## Scotia Mining Centre Reserve lifts to 457koz @ 2.7g/t Au

TUL and 50:50 JV partner and manager of the Norseman Gold Project (NGP), PNR have released an updated Mineral Resource and Ore Reserve for the Scotia deposit, part of the Scotia Mining Centre at the NGP. The Scotia Mining Centre includes the Scotia open-pit and underground deposits, plus the Green Lantern, Free Gift and Panda open-pit deposits. The latest update incorporates an additional 55,657m of RC and diamond drilling into the Scotia deposit, supporting the latest Resource and Reserve update, summarised below.

### Resources:

**Table 1 – Scotia Mining Centre Mineral Resource (April 2022, 100% basis)**

Category	Tonnage (Mt)	Gold grade (g/t Au)	Gold contained (koz)
Measured	-	-	-
Indicated	7.390	2.7	636
Inferred	5.022	1.7	269
<b>Total</b>	<b>12.411</b>	<b>2.3</b>	<b>906</b>

SOURCE: COMPANY DATA

The above update comprises:

- **Underground Resources** of 1.8Mt @ 5.0g/t Au for 285koz contained; and
- **Open-pit Resources** of 10.7Mt @ 1.8g/t Au for 621koz contained.

### Reserves:

**Table 2 - Scotia Mining Centre Ore Reserve (April 2022, 100% basis)**

Category	Tonnage (Mt)	Gold grade (g/t Au)	Gold contained (koz)
Proven	-	-	-
Probable	5.347	2.7	457
<b>Total</b>	<b>5.347</b>	<b>2.7</b>	<b>457</b>

SOURCE: COMPANY DATA

The above update comprises:

- **Underground Reserves** of 1.3Mt @ 4.5g/t Au for 180koz contained; and
- **Open-pit Reserves** of 4.1Mt @ 2.1g/t Au for 277koz contained.

The updated Scotia deposit Resource and Reserve makes it the largest and highest grade contributor to the Scotia Mining Centre. It is a key ore source for the Phase 1 Mine Plan and the extensions identified will result in mine life extension at the NGP. In our view, there is also the potential for this (and ongoing) exploration success to support elevated annualised production rates due to higher Reserve grades and a possible expansion of mill throughput to 1.5Mtpa.

Drilling remains ongoing and the known mineralisation remains open both along strike and at depth. Known zones of mineralisation that have not yet been classified as Resources remain the subject of Resource definition drilling programs and further growth is expected. Another Resource update is planned for mid CY22, with the objective of defining an Ore Reserve of +1Moz.

## Norseman Gold Project Resources and Reserves

This latest update feeds into updated Mineral Resources and Ore Reserves for the Norseman Gold Project (100% basis), as shown in the tables below:

**Table 3 – Norseman Gold Project Mineral Resource (April 2022, 100% basis)**

Category	Tonnage (Mt)	Gold grade (g/t Au)	Gold contained (koz)
Measured	4.572	1.6	234
Indicated	19.185	3.4	2,121
Inferred	19.611	3.7	2,332
<b>Total</b>	<b>43.354</b>	<b>3.37</b>	<b>4,694</b>

SOURCE: COMPANY DATA

The previous Mineral Resource (September 2021), stood at **41.5Mt @ 3.39g/t Au for 4.534Moz** contained. This update adds a net ~160koz (3%), all in the higher confidence Indicated category. Gold grade is effectively unchanged.

**Table 4 - Norseman Gold Project Ore Reserve (April 2022, 100% basis)**

Category	Tonnage (Mt)	Gold grade (g/t Au)	Gold contained (koz)
Proven	4.165	0.8	100
Probable	8.718	2.9	798
<b>Total</b>	<b>12.883</b>	<b>2.17</b>	<b>898</b>

SOURCE: COMPANY DATA

The previous Ore Reserve (September 2021), stood at **11.6Mt @ 1.91g/t Au for 713koz** contained. This update adds a net ~185koz (21%), all in the Probable category. Gold grade is up 12%, to 2.17g/t Au in the latest Reserve, reflecting relatively higher grades being added at both the Scotia open-pit (3.6g/t Au Reserve grade) and underground (4.5g/t Au Reserve grade).

## 50% Reserve growth for the NGP since 2020 DFS

The NGP Definitive Feasibility Study (DFS) of October 2020 outlined a production plan for open-pit and underground ore to be processed through a 1Mtpa processing plant over an initial 7 year life-of-mine (lom), achieving average annual production of 108kozpa at average All-In-Sustaining-Costs (AISC) of \$1,292/oz. This was based on a maiden Ore Reserve of 9.1Mt @ 2.1g/t Au for 602koz Au contained (inclusive of stockpiles of 4.2Mt @ 0.8g/t Au for 100koz contained). The DFS Life of Mine Plan comprised a combined open-pit and underground Mining Inventory of 5.6Mt @ 3.4g/t Au for 609koz, noting that this included just 150kt of stockpile material.

The latest Reserve update demonstrates significant growth of ~50% compared to both these in terms of contained gold. Excluding the stockpile tonnages (4.2Mt), the Reserve stands at 8.6Mt and indicates a potential mine life of ~9 years based on the current 1.0Mtpa mill throughput.

We had already assumed a degree of mine life extension, with our modelled 7.5 year lom for the NGP. This however, justifies a further lom extension and we increase our modelled lom to 9.5 years, which we still view as relatively conservative in the context of the exploration success to date, the demonstrated prospectivity of the NGP tenement package and the ongoing commitment to Resource definition and extension drilling.

## Changes to our forecasts and valuation

Following the release of the updated Resource and Reserve statement, we have made the following changes to our modelled assumptions:

- Extended our mine life assumption for the NGP from ~7.5 years to 9.5 years, reflecting the increased Reserve base at the NGP;
- Extend our sustaining capital expenditure assumptions, commensurately with the extended lom; and
- Updated for TUL's current capital structure, cash position and marked-to-market its 6% shareholding in PNR.

The net impacts of these changes are summarised in the table below:

Table 5 - Changes to earnings estimates									
Year ending 30 June	Previous			New			Change		
	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e
<b>Prices &amp; currency</b>									
Gold (US\$/oz)	1,822	1,850	1,900	1,822	1,850	1,900	0%	0%	0%
US\$/A\$	0.73	0.73	0.73	0.73	0.73	0.73	0%	0%	0%
Gold (A\$/oz)	2,493	2,534	2,603	2,493	2,534	2,603	0%	0%	0%
<b>Production &amp; costs</b>									
Gold produced (koz)	-	34.7	57.2	-	34.7	57.2	na	0%	0%
AISC (A\$/oz)	-	1,448	1,289	-	1,448	1,289	na	0%	0%
<b>Earnings</b>									
Revenue (A\$m)	-	88	149	-	88	149	na	0%	0%
EBITDA (A\$m)	(5)	37	74	(5)	37	74	na	0%	0%
EBIT (A\$m)	(5)	17	48	(5)	21	53	na	21%	10%
NPAT (underlying) (A\$m)	(6)	16	48	(5.8)	20	52	na	23%	10%
NPAT (reported) (A\$m)	(5.8)	16	48	(5.8)	20	52	na	23%	10%
EPS (reported) (cps)	(2.0)	5.1	14.9	(2.0)	6.3	16.6	na	24%	11%
PER (x)	(30.3)	11.7	4.0	(30.1)	9.4	3.6	0.1	(2.2)	(0.4)
EPS growth (%)	nm	nm	192%	nm	nm	163%	nm	nm	-29%
DPS (reported) (cps)	-	-	-	-	-	-	na	na	na
Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>NPV (\$/sh)</b>	<b>0.84</b>	<b>1.06</b>	<b>1.05</b>	<b>0.92</b>	<b>1.15</b>	<b>1.14</b>	<b>10%</b>	<b>8%</b>	<b>9%</b>
<b>Price Target (\$/sh)</b>		<b>1.06</b>			<b>1.15</b>			<b>8%</b>	

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The 2 year extension to our modelled lom increases our NPV-based valuation by 8%, to \$1.15/sh. Our FY22 earnings forecast is unchanged, however, our FY23 and FY24 earnings forecasts are up 23% and 10% as mine capital expenditure is amortised over a longer mine life, resulting in lower annual D&A charges.

## Upcoming catalysts

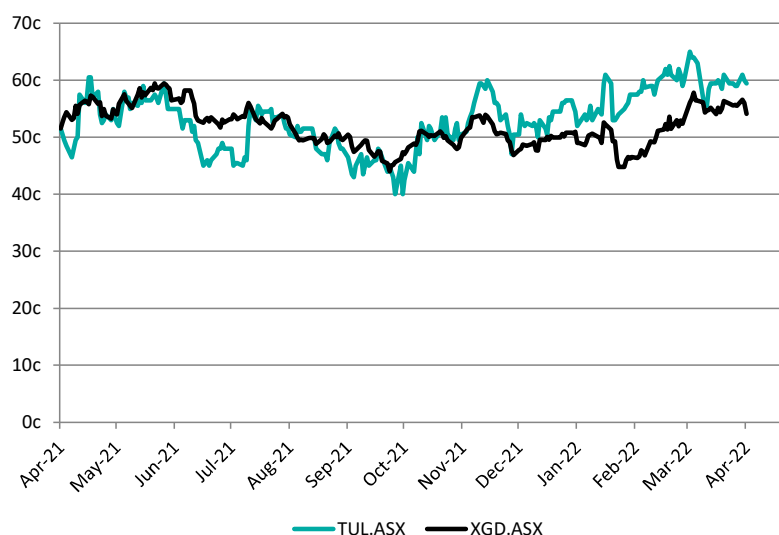
Upcoming catalysts for TUL include:

- Ongoing exploration and development updates from the Norseman Gold Project, including the mobilisation to site and commencement of mining activities in 2QCY22 and the commencement of production in 3QCY22;
- Ongoing infill and extension drilling results from the NGP, where a 150,000m drill program over FY21-FY22 has the objective of defining a +1Moz Ore Reserve (100% basis) at the NGP. A further Ore Reserve and Mineral Resource update is expected around mid-CY22;
- The March 2022 quarterly report, expected in late April 2022;
- Progress reports from the farm-in agreement with MIN in respect to its lithium potential at the NGP, where MIN is to spend \$3.0m within 24 months and complete a Feasibility Study in order to earn 25% of the lithium rights within the NGP;
- Developments relating to the non-binding, conditional, Heads of Agreement (HoA) with Koch Metals Australia, a private Australian iron ore company. Under the terms of the HoA Koch may purchase up to 400Mt of iron ore from the NGP in exchange for funding \$42m in exploration and development costs; and
- Potential consolidation of 100% ownership of the Norseman Gold Project.

## Share price performance vs ASX Gold Index

Relative performance chart below:

**Figure 1 - TUL relative share price performance vs XGD**



SOURCE: BLOOMBERG AND BELL POTTER SECURITIES ESTIMATES

Since an initial drop on listing, TUL's relative performance has more closely tracked the ASX Gold Index. Now, on a 12 month trailing basis, TUL is beginning to show some nascent outperformance as operational catalysts are achieved. As cash flows from the NGP are realised these discounts should narrow further and we view the potential re-rate as an opportunity. The 50% ownership of the NGP continues to provide positive exploration and development catalysts for TUL's share price.

# Tulla Resources Plc (TUL)

## Company description

Tulla Resources (TUL) is a gold development and mineral exploration company whose primary asset is its 50% interest in the Norseman Gold Project (NGP), a gold mine located adjacent to the town of Norseman, approximately 200km south of Kalgoorlie in WA. TUL's interest in the NGP is currently held in an Unincorporated Joint Venture (UJV) with ASX-listed gold producer, Pantoro Ltd (PNR, Buy, TP\$0.34/sh) which holds the other 50% and management of the NGP. The NGP has a large, high grade gold Resource base totalling 4.7Moz grading 3.4g/t Au and Reserves of 12.9Mt @ 2.2g/t Au for 898koz. A Definitive Feasibility Study (DFS) on the re-start of operations was completed in October 2020, outlining steady state production of 108kozpa over a 7 year mine life. First production is expected in 3QCY22. The NGP provides an excellent platform for exploration and future production growth.

## Investment thesis – Buy (Speculative), Valuation \$1.15/sh

TUL offers exposure to the near-term development catalysts of its 50% owned NGP, which is advancing through construction, towards first gold production in Q3CY22. It is also benefitting from successful drill programs which have resulted in a 2 year extension to our modelled lom, lifting our NPV-based valuation by 8%, to \$1.15/sh. Our FY22 earnings forecast is unchanged, but our FY23 and FY24 earnings forecasts are up 23% and 10% on lower annual D&A charges. Retain Speculative Buy.

## Valuation methodology

Our valuation for TUL is based upon the risk-adjusted NPV of our forecast free cash flows from the NGP. This is included in a sum-of-the-parts valuation for the company which also includes a notional estimate for the value of the exploration potential of the NGP, which we currently value at ~A\$105m.

In keeping with our assumptions for pre-cash flow exploration and development companies, we make a notional allowance for additional equity being raised (at a minor discount to the current share price) in the coming 12-month period.

We also include a discounted cash flow estimate of corporate costs, the value of any listed equity investments, adjust for TUL's net cash position and dilute our valuation for in-the-money options and our assumed equity raise.

**Table 6 – TUL sum-of-the-parts valuation**

Sum-of-the-parts	\$m	\$/sh
Norseman (TUL attr. NPV10)	220.9	0.82
Other exploration	105.0	0.39
Corporate overheads	(30.4)	(0.11)
Subtotal	295.5	1.09
Listed investments	26.9	0.10
Net cash (debt)	18.3	0.07
<b>Total (undiluted)</b>	<b>340.7</b>	<b>1.26</b>
Add options in the money (m)	-	-
Add cash	-	-
Assumed equity raise	25.0	0.08
<b>Total (diluted)</b>	<b>365.7</b>	<b>1.15</b>

SOURCE: BELL POTTER ESTIMATES

With upside of 93% from the current share price to our valuation, we retain our Speculative Buy recommendation, in conformity with our rating structure.

# Resource sector risks

Risks to Tulla Resources Plc include, but are not limited to:

- **UJV Management risks:** The NGP is managed under an Unincorporated Joint Venture structure. As such, TUL cannot unilaterally control the strategic direction of the NGP and the value of the NGP, and by extension TUL's financial performance results, relies significantly on the operator (PNR) successfully managing the NGP.
- **Operating and development risks:** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single mine company. Development of mining assets may be subject to receiving permits, approvals timelines or weather events, causing delays to commissioning and commercial production.
- **COVID-19 risks:** Mining companies' rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures being put in place to combat the COVID-19 pandemic are posing risks to these conditions.
- **Operating and capital cost fluctuations:** The cost and availability of exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour costs as well as access to, and availability of, technical skills, operating equipment and consumables.
- **Commodity price and exchange rate fluctuations:** The future earnings and valuations of exploration, development and producing Resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Funding and capital management risks:** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments. Exploration and development companies with no sales revenues are reliant on access to equity markets and debt financing to fund the advancement and development of their projects.
- **Resource growth and mine life extensions:** The viability of future operations and the earnings forecasts and valuations reliant upon them may depend upon resource and reserve growth to extend mine lives, which is in turn dependent upon exploration success, of which there are no guarantees.
- **Regulatory changes risks:** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies. TUL's assets are located in Western Australia, which has track record as an attractive mining jurisdiction with a stable fiscal regime.
- **Sovereign risks:** Mining companies' assets are subject to the sovereign risks of the jurisdiction within which they are operating.
- **Corporate/M&A risks:** Risks associated with M&A activity including differences between the entity's and the market's perception of value associated with completed transactions.



### Table 7 - Financial summary

PROFIT AND LOSS							FINANCIAL RATIOS						
Year ending June	Unit	2020a	2021a	2022e	2023e	2024e	Year ending June	Unit	2020a	2021a	2022e	2023e	2024e
Revenue	\$m	-	0.2	-	87.8	148.8	<b>VALUATION</b>						
Expense	\$m	43.1	4.3	(5.4)	(50.7)	(74.3)	NPAT	\$m	111.1	(0.0)	(5.8)	19.9	52.4
<b>EBITDA</b>	<b>\$m</b>	<b>43.1</b>	<b>4.5</b>	<b>(5.4)</b>	<b>37.1</b>	<b>74.4</b>	Reported EPS	c/sh	9.5	(0.0)	(2.0)	6.3	16.6
Depreciation	\$m	-	(0.0)	-	(16.0)	(21.4)	Adjusted EPS	c/sh	9.5	0.1	(2.0)	6.3	16.6
EBIT	\$m	43.1	4.5	(5.4)	21.1	53.1	EPS growth	%	nm	-100%	nm	nm	163%
Net interest expense	\$m	(10.3)	(4.5)	(0.4)	(1.2)	(0.6)	PER	x	6.3x	nm	nm	9.4x	3.6x
Unrealised gains (Impairments)	\$m	-	(1.0)	-	-	-	DPS	c/sh	-	-	-	-	-
Other	\$m	78.3	1.0	-	-	-	Franking	%	0%	0%	0%	0%	0%
<b>PBT</b>	<b>\$m</b>	<b>111.1</b>	<b>(0.0)</b>	<b>(5.8)</b>	<b>19.9</b>	<b>52.4</b>	Yield	%	0%	0%	0%	0%	0%
Tax expense	\$m	-	-	-	-	-	FCF/share	c/sh	0.4	(0.3)	(18.9)	7.1	15.3
<b>NPAT (reported)</b>	<b>\$m</b>	<b>111.1</b>	<b>(0.0)</b>	<b>(5.8)</b>	<b>19.9</b>	<b>52.4</b>	P/FCFPS	x	165.3x	-222.7x	-3.1x	8.4x	3.9x
NPAT (underlying)	\$m	111.1	1.0	(5.8)	19.9	52.4	EV/EBITDA	x	3.1x	29.4x	-24.7x	3.6x	1.8x
							EBITDA margin	%	nm	2092%	nm	42%	50%
							EBIT margin	%	nm	2089%	nm	24%	36%
							Return on assets	%	663%	0%	-6%	16%	32%
							Return on equity	%	-82%	0%	-9%	23%	43%
							<b>LIQUIDITY &amp; LEVERAGE</b>						
							Net debt (cash)	\$m	-	-	(18)	(41)	(89)
							ND / E	%	0%	0%	-24%	-42%	-60%
							ND / (ND + E)	%	0%	0%	-32%	-73%	-149%
							EBITDA / Interest	x	nm	nm	nm	nm	nm
							<b>ORE RESERVE AND MINERAL RESOURCE</b>						
							<b>Norseman Gold Project (100% basis)</b>						
							<b>Mineral Resources</b>						
							Measured			4.6	1.6	234	
							Indicated			19.2	3.4	2,121	
							Inferred			19.6	3.7	2,332	
							<b>Total</b>			<b>43.4</b>	<b>3.4</b>	<b>4,694</b>	
							<b>Ore Reserves</b>						
							Proven			4.2	0.8	100	
							Probable			8.7	2.9	798	
							<b>Total</b>			<b>12.9</b>	<b>2.2</b>	<b>898</b>	
							<b>ASSUMPTIONS - Prices</b>						
							<b>Year ending June (avg)</b>	<b>Unit</b>	<b>2020a</b>	<b>2021a</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
							Gold	US\$/oz	\$1,570	\$1,852	\$1,822	\$1,850	\$1,900
							Gold	A\$/oz	\$2,342	\$2,483	\$2,493	\$2,534	\$2,603
							AUD:USD	A\$/US\$	0.67	0.75	0.73	0.73	0.73
							<b>ASSUMPTIONS - Production &amp; costs</b>						
							<b>Year ending June</b>	<b>Unit</b>	<b>2020a</b>	<b>2021a</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
							<b>Norseman (TUL attr.)</b>						
							Production	koz	-	-	-	34.7	57.2
							All-in-Sustaining-Costs (AISC)	A\$/oz	-	-	-	\$1,448	\$1,289
							<b>VALUATION</b>						
							<b>Ordinary shares (m)</b>						<b>270.9</b>
							Options in the money (m)						-
							Assumed equity raise (m)						47.2
							<b>Diluted m</b>						<b>318.0</b>
								<b>current</b>	<b>+12 months</b>	<b>+24 months</b>			
							<b>Sum-of-the-parts</b>	<b>\$m</b>	<b>\$/sh</b>	<b>\$m</b>	<b>\$/sh</b>	<b>\$m</b>	<b>\$/sh</b>
							Norseman (TUL attr. NPV10)	160.7	0.59	220.9	0.82	221.8	0.82
							Other exploration	105.0	0.39	105.0	0.39	105.0	0.39
							Corporate overheads	(27.6)	(0.10)	(30.4)	(0.11)	(30.2)	(0.11)
							Subtotal	238.1	0.88	295.5	1.09	296.6	1.09
							Listed investments	26.9	0.10	26.9	0.10	26.9	0.10
							Net cash (debt)	27.7	0.10	18.3	0.07	40.6	0.15
							<b>Total (undiluted)</b>	<b>292.7</b>	<b>1.08</b>	<b>340.7</b>	<b>1.26</b>	<b>364.1</b>	<b>1.34</b>
							Add options in the money (m)	-	-	-	-	-	-
							Add cash	-	-	-	-	-	-
							Assumed equity raise	-	-	25.0	0.08	-	-
							<b>Total (diluted)</b>	<b>292.7</b>	<b>0.92</b>	<b>365.7</b>	<b>1.15</b>	<b>364.1</b>	<b>1.14</b>
							<b>CAPITAL STRUCTURE</b>						
							Shares on issue	m					160.2
							Escrowed shares / other (m)	m					110.7
							<b>Total shares on issue</b>	<b>m</b>					<b>270.9</b>
							<b>Share price</b>	<b>\$/sh</b>					<b>0.595</b>
							Market capitalisation	\$m					161.2
							Net cash	\$m					27.7
							<b>Enterprise value (undiluted)</b>	<b>\$m</b>					<b>133.5</b>
							Options outstanding (m)	m	(wtd avg ex. price \$0.00 per share)				0.0
							Options (in the money)	m					0.0
							Issued shares (diluted for options)	m					270.9
							Market capitalisation (diluted)	m					161.2
							Net cash + options	\$m					27.7
							<b>Enterprise value (diluted)</b>	<b>\$m</b>					<b>133.5</b>
							<b>MAJOR SHAREHOLDERS</b>						
							<b>Shareholder</b>						<b>%</b>
							Kevin and Mark Maloney						65.2%
													176.5

SOURCE: BELL POTTER SECURITIES ESTIMATES



**Recommendation structure**

**Buy:** Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

**Hold:** Expect total return between -5% and 15% on a 12 month view

**Sell:** Expect <-5% total return on a 12 month view

*Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.*

*Such investments may carry an exceptionally high level of capital risk and volatility of returns.*

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**Disclosure: Bell Potter Securities acted as Joint Lead Manager to the \$78m IPO of March 2021 and received fees for that service.**

**Bell Potter holds shares in TUL.**

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