

## Equity Research

**Bardoc Gold Ltd (BDC)*****Transition from developer to mid-tier producer***

Bardoc Gold (BDC) has delivered a Definitive Feasibility Study (DFS) for the Bardoc Gold Project, extending the life-of-mine (LOM) to nine years and reducing AISC to A\$1,188/oz. The company now has a binding LOM offtake for the gold concentrate with MRI Trading AG. Additionally, extensive exploration drilling has expanded the resources and reserves for the cornerstone and satellite projects. The production target has increased from 951koz to 1,097koz of recovered ounces.

**Changes from PFS (March 2020) to DFS (March 2021)**

Material changes to the project in the DFS include:

- Mining tonnes increased 44% to 17,658t;
- LOM extended from 7.8 to 9 years;
- Processing recovery increased from 93% to 95.5%;
- Average mined grade reduced from 2.6g/t to 2.0g/t;
- LT gold price increased from US\$1,449/oz to US\$1,688/oz;
- Assumed exchange rate increased from 0.69 to 0.75;
- Pre-production capex increased from A\$142M to A\$177M;
- Recovered ounces increased from 951koz to 1097koz.

**In the final stages of development**

The company is now well advanced on debt financing work. Key milestones over the coming months include independent due diligence, appointment of EPC contractors, FID and approval of the road and rail realignment. FID is anticipated in SepQ 2021.

**Curran & Co forecasts**

Production in our financial model commences DecQ 2021 (previously SepQ 2021). Construction of the processing plant is anticipated to be 12 months, with the first gold pour in DecQ 2022. We have used a long-term average gold price of US\$1700/oz and AUD:US exchange rate of 0.74. Our forecasted LOM EBITDA and FCF has increased 30% and 34% to A\$1,184M and A\$570M. Unit AISC have remained steady at A\$1,214/oz.

**Valuation and Recommendation (BUY, TP \$0.13ps)**

An increase in the assumed LT exchange rate has had the biggest influence on our valuation. Significant upside is possible with increases in the gold price. We maintain a BUY recommendation on BDC with a price target of \$0.13ps.

If you would like to access and discuss the full report, please contact us directly using the details below.

**Mining**

12-month rating	<b>BUY</b>
Target Price (A\$ps)	0.13
Share Price (A\$ps)	0.07
Upside	90%

BBG: BDC AU

**Trading data & key metrics**

52-week range	0.068 - 0.105
Market Cap:	121
Shares on issue (m):	1,735
Avg daily volume (k):	3,854
Avg. daily volume -\$m	0.32

**Directors:**

Tony Leibowitz	CHAIR
Robert Ryan	CEO / MD
John Young	NED
Rowan Johnston	NED
Neil Biddle	NED
Peter Buttegieg	NED

**Substantials:**

Peter Buttegieg	4.50%
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