

Bardoc Gold Ltd (BDC)

The making of a new WA gold producer

Bardoc Gold (BDC) is an emerging gold company with projects within 40km of Kalgoorlie, WA. The company's Pre-Feasibility Study (PFS) released in March 2020 outlined an eight-year mine life producing 135koz per annum at an AISC of A\$1,220/oz. The delivery of this economic study positions BDC to be the most advanced gold junior relative to its Australian listed peers.

Eight-year LOM, multiple projects

Bardoc has estimated 3.022Moz of resources within 17 exploration projects. Of these, four main projects comprise the mine plan; Aphrodite, Excelsior, Zoroastrian and Bulletin South. A total of 790koz of Ore Reserves have been estimated. Production over LOM consists of a base load of open pit ore and supplemented by higher grade underground ore. Processing is to be completed in a proposed 1.8Mtpa capacity CIL processing plant. Refractory mineralisation at Aphrodite will require the construction of a floatation circuit in year two.

Low AISC (A\$1,221/oz) and staged CAPEX

Pre-production capital for the CIL plant and mining in stage one is \$142M. Stage two capital of \$22.6M is required for the floatation circuit in year two. We expect Bardoc to fund the initial capital using 60:40 debt to equity. Unit costs set out in the Bardoc PFS have been adopted in our financial model. Average AISC over the first six years is A\$1,378/oz, however minimal costs in the last two years brings the LOM AISC down to A\$1,221/oz providing an AISC margin of \$985/oz.

Our forecasts

We forecast mining to commence in SepQ 2021 and initial gold production in DecQ 2021. Our base case uses a long-term gold price of US\$1500/oz and an AUD:US exchange rate of 0.68. Positive free cashflow is to be achieved as of FY23. Averages for FCF and EBITDA over LOM are A\$47M and A\$102M respectively. Total free cash flow over LOM is A\$427M.

We initiate research on BDC with a BUY recommendation and a target price of \$0.16ps. Western Australia will continue to be seen as the most reliable jurisdiction for gold mining investment and Bardoc's assets are situated at the heart of its gold mining centre.

Mining	
12-month rating	BUY
Target Price (A\$ps)	0.16
Share Price (A\$ps)	0.08
Upside	101%

BBG: BDC AU

Trading data & key metrics

52-week range	0.044 - 0.13
Market Cap:	110
Shares on issue (m):	1,396
Avg daily volume (k):	3,704
Avg. daily volume -\$m	0.30

Directors:

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

Substantials:

Peter Buttegieg	5.59%
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