

Bezant Resources (BZT.L)

Project developer

N/A

Initiation note

September 25th 2015

Bezant Resources is a well funded mine development company. Its management has an excellent track record identifying, acquiring and adding value to mining projects, with a focus on base and precious metals. It will look to exit large scale projects via a trade sale, but is capable of developing mid-sized and scaleable projects itself. Bezant's two main assets are Mankayan, a large copper-gold deposit in the Phillipines, and the smaller Eureka copper oxide project in Argentina. We initiate with a 5.0p target price and BUY recommendation.

- ⊙ **Project origination:** Bezant's management team is very well connected within the mining industry. It has extensive experience in South America, South East Asia, Africa and Australia, at grass roots level and as managers of mining operations. Chairman Ed Nealon built Aquarius Platinum and Sylvania Resources.
- ⊙ **Mankayan profit:** Bezant invested \$4.0m into Mankayan and received \$9.5m in option payments from Gold Fields Ltd (GFI.JSE). Although the acquisition did not complete, the Mankayan venture has been a profitable one for BZT shareholders. It remains a valuable asset and Bezant is negotiating with potential acquirers.
- ⊙ **Eureka's attractive size:** Although early stage, Eureka looks to be a mid-sized (c.2mtpa) project with a simple heap-leach processing route. This suits both the market's appetite for low capex projects and Bezant's operational capabilities.
- ⊙ **Strong balance sheet:** Despite returning £5.2m to shareholders in FY13, we estimate Bezant has circa £1.5m in cash and no significant liabilities. It is well positioned to acquire or earn-in to new mine development projects.
- ⊙ **Valuation and recommendation:** We have used a sum of the parts valuation which includes Mankayan, Eureka, plus \$1m of its cash. This produces a 5.0p target price and BUY recommendation.

June Year end	FY12	FY13	FY14	FY15E	FY16E
Revenues (£m)	-	-	-	-	-
Operating costs (£m)	-	-	-	-	-
G&A (£m)	(1.65)	(1.29)	(1.17)	(0.47)	(0.50)
PBT (£m)	(1.84)	(1.40)	3.88	(0.57)	(0.51)
PAT (£m)	(1.84)	(1.40)	3.88	(0.57)	(0.51)
EPS (p)	(2.8)	(1.9)	4.7	(6.9)	(6.1)
Net debt (cash) (£m)	4.29	3.83	2.44	1.69	0.99
Operating cashflow (£m)	(1.65)	(1.53)	(1.01)	(0.66)	(0.50)
Investing cashflow (£m)	1.38	1.49	0.05	(0.27)	(0.20)
Financing cash flow (£m)	-	(0.54)	-	0.00	0.00

Closing price	2.5p
Target price	5.0p
Market cap	£2.1m
Enterprise value	£0.5m
Share price as at	close, 24 Sept 2014

Mine project developer

Securities UK Contact

Resources Analyst
Charles Long +44 (0)20 7375 9024
charles.long@sanlamsecuritiesuk.com

Source: Sanlam Securities UK



Investment case

Management team

Bezant is a project development company that invests in post-discovery mine development opportunities. Our investment case is predicated on the track record of its management team and its ability to identify good quality projects.

In September 2014 Mr Edward Nealon was appointed Non-Executive Chairman. Amongst other companies, he built Aquarius Platinum and Sylvania Resources. The former went from 115p at the start of 2005 to a peak of 986p in 2007. His mining network includes mining professionals as well as supportive investors. We regard his involvement as a very positive development for Bezant.

Management has a very commercial approach to investing and will only consider projects with a clear route to low cost development or that have strategic value.

Mankayan - Phillipines

Bezant's Mankayan project in the Phillipines is an excellent example of an investment in a strategic asset. Bezant acquired Mankayan in 2007 and invested approximately \$4m in drilling and technical studies over 4 years.

Mankayan was almost sold to Gold Fields which paid Bezant \$9.5m in option payments in 2011 and 2012. Although the transaction did not complete (due to a change in Gold Fields global strategy) these option payments make Mankayan a profitable venture for Bezant.

Mankayan is a strategically important asset with both scale and grade advantages (400Mt at 0.5% copper and 0.5g/t gold, or 1% copper equivalent). Management continues to negotiate with potential acquirers and the Phillipine election in May 2016 is expected to result in a mining-friendly government. As a result, a positive election result has the potential to be a catalyst for a Mankayan transaction.

Note that in 2013 Bezant distributed \$7.5m (£5.2m) of the Gold Fields option payments to shareholders, making it one of a small handful of AIM resources companies that have given something back to investors.

Eureka - Argentina

Bezant's other main project, Eureka, fits into the low cost development category. It is an ex-Codelco property with shallow lying copper oxide mineralisation; previously mined for its gold content and extensively trenched by Codelco. Although it requires drill testing, we believe Eureka is an exciting project with the potential to host 30-60 million tonnes grading 1%+ copper.

Bezant has scaled back its investments in Eureka because of Argentina's investor unfriendly fiscal policies. Argentina's next Presidential election is on October 22nd 2015.



Strong cash position - £1.5m

At March 2015 Bezant had £1.9m cash and no significant liabilities. We estimate this is now approximately £1.5m. Bezant's cash burn is approximately £0.4m per annum and we forecast a cash position of £1.0m at the end of FY16 (to June).

Current strategy

The current shortage of capital for mining projects (at all stages of development) means that relatively well funded juniors such as Bezant have a distinct advantage. When combined with management's ability to source high quality development projects, we believe Bezant is well positioned.



Valuation

To generate our valuation, we use a sum of the parts approach; it is dominated by Mankayan.

Valuation

	Asset value (\$m)
Mankayan Project	5.4
Eureka Project	0.5
Cash at June 2016	1.0
NAV (\$m)	6.9
NAV (£m)	4.4
Share price target	5.0

Source: Company Data, USD:GBP 1.55

Mankayan valuation

Our Mankayan valuation considered three values.

1. The first is the \$9.5m Gold Fields paid Bezant to secure an option over Mankayan. In our view the \$9.5m option payment is the most relevant number and it dominates our valuation.

2. The second is the \$60m “revised consideration” which Bezant negotiated with Gold Fields for Mankayan’s disposal in 2012. Although the disposal did not complete, the \$60m figure is an important benchmark which followed many months of due diligence by Gold Fields.

3. The third number is the estimated replacement cost of the data – drilling and technical studies. 55 holes (9 by Bezant) have been drilled and assayed. We estimate this would cost circa \$10m+ using today’s drilling and assaying costs.

The table below shows our Mankayan valuation calculation. The unrisks NAV has been risked by 50% to reflect the risk that a transaction does not complete.

Valuation

	Value (\$m)	Weighting	Net (\$m)
Gold Fields option value	9.5	95%	9.0
Gold Fields consideration	60.0	2.5%	1.5
Data cost	10.0	2.5%	0.3
Total			10.8
Acquisition risk	10.8	50%	5.4

Source: Sanlam Securities



Mankayan Project

Mankayan is a large copper gold porphyry located on Luzon island, approximately 250km from the capital Manila. It is also known as the Guinanong Porphyry.

In 2012 Bezant announced the potential sale of Mankayan to Gold Fields. At the time Gold Fields was earning-in to the neighbouring Far Southeast porphyry project approximately 3km to the west and Mankayan was regarded as synergistic. Due to a change in global strategy, Gold Fields stopped investing in the Philippines and the transaction was not completed.

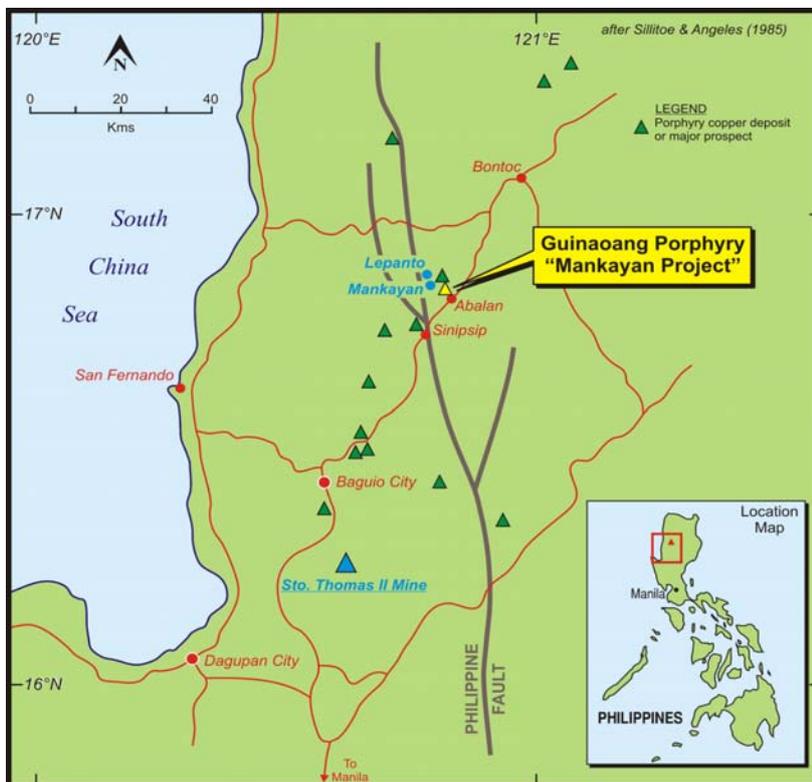
Bezant has continued to negotiate with other potential acquirers. And as recently as May 2015 Bezant announced that it was “progressing negotiations with a series of interested parties over the potential sale or partnership of Mankayan”. As discussed in the Valuation section, we believe approximately \$10m is fair consideration for Mankayan. We have risked this value by 50% to reflect the risk that a transaction does not complete.

Mankayan key features

Location and geology

Mankayan is a large copper gold porphyry located in north west Luzon, an area characterised by copper porphyry deposits. It is 100km north of the Sto. Thomas II Mine owned and operated by Philex Mining and profitable despite having lower grades. The map below shows the location of known porphyry deposits including Mankayan and the proximal Far Southeast project owned by Lepanto.

Mankayan Project



Source: Company Data



JORC Resource and Mining Inventory

Based on 55 drill holes and 53,026m of core, Mankayan has a >250Mt resource containing 1.3Mt of copper and 4.3Moz of gold.

Given the homogenous nature of the deposit, independent mining consultants also estimate a JORC compliant mineable inventory of 400Mt containing 1.4Mt of copper.

Resource estimates

	Million tonnes	Copper grade	Gold grade (g/t)	Copper (Mt)	Gold (Moz)
Indicated	221.6	0.49%	0.52	1.10	3.70
Inferred	36.2	0.44%	0.48	0.20	0.60
Mining inventory	400	0.38%	0.42	1.40	3.90

Source: Company Data

Project economics

Bezant undertook a scoping study in 2010 before commissioning a revised scoping study in 2014. The latter was designed to explore the economic benefits of both a larger tonnage operation and a decline/conveyor configuration (as opposed to the shaft envisaged in the original study).

The table below shows the results of both the original and revised scoping study. By moving from a 12Mtpa shaft haulage system to a 20Mtpa decline and conveyor system, project economics are vastly improved.

Scoping study highlights

	Revised study 20Mtpa	Base case study 12Mtpa
Capital mining costs (\$m)	221	200
Capital infrastructure costs (\$m)	1008	1189
Equipment (\$m)	211	269
Total upfront (\$m)	1440	1658
Copper production (kt)	1423	1433
Gold production (koz)	3964	4015
Copper price (\$/t)	6614	6614
Gold price (\$/oz)	1250	1250
NPV (8%)	739	300
IRR	21%	12%

Source: Company Data

In an environment of very strong copper and gold prices, Mankayan has the potential to be developed as a standalone project. However, as demonstrated by the revised scoping study, the substantial upfront capital required to build the mine make this an



unlikely scenario. For example, at current copper and gold prices and using an 8% discount rate, the NPV is less than \$50m.

It is our opinion that when Mankayan is developed it will be as part of the larger Far Southeast project. This was Goldfields' vision, whose management team regarded Mankayan as a starter mine while the deeper but higher grade Far Southeast porphyry was developed. The two deposits would share processing facilities, tailings facilities and other surface infrastructure.

Far Southeast project

The Far Southeast Project is a large copper porphyry three kilometres away. The cost savings of a joint development (encompassing both deposits) means that it makes sense to develop them together. These savings would include sharing surface infrastructure (including processing facilities and tailings) and potentially underground infrastructure.

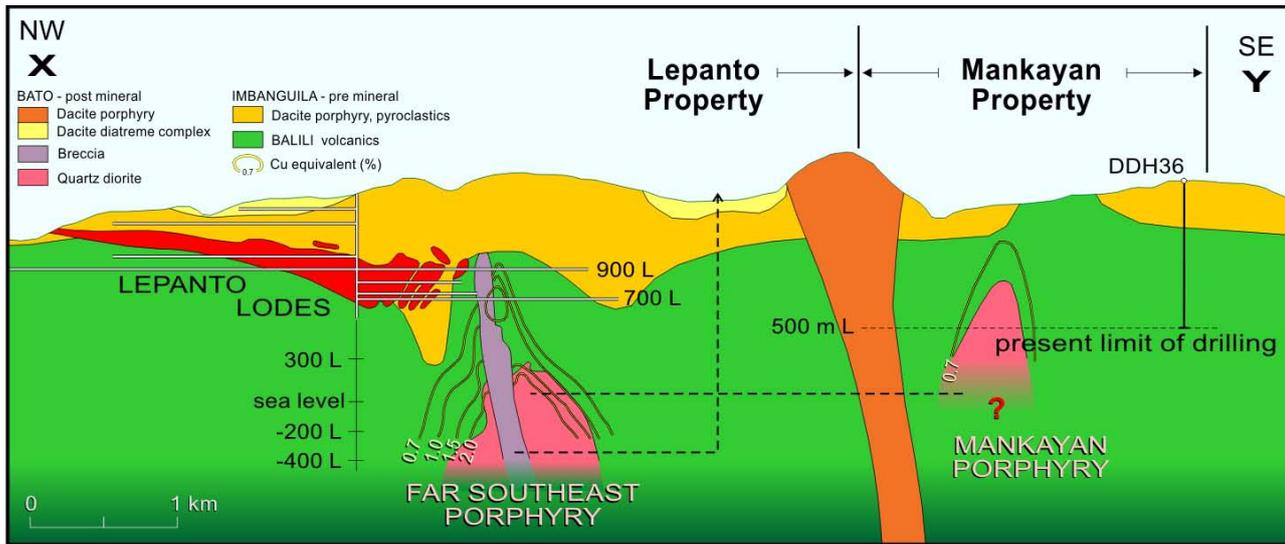
Far Southeast is currently owned by Lepanto Consolidated Mining (60%) and Gold Fields (40%). Given Gold Fields' change of strategic focus (communicated in 2013) we think it is unlikely that Gold Fields will continue to earn-in to the project. As a result we expect a new entrant to partner with Lepanto at some point.

Gold Fields strategic shift included a pledge to "focus on quality, not size". It adopted the following criteria which is not aligned with either Far Southeast or Mankayan:

- ⤵ Cash-flow generation potential
- ⤵ In-production mines
- ⤵ Easy-to-access surface or near-surface ore bodies and/or ore bodies that offer significant near-mine growth opportunities
- ⤵ Location in our existing countries of operation or in stable, lower-risk mining jurisdictions that offer competitive regulatory environments
- ⤵ Potential operational synergies alongside our existing capabilities and portfolio



Mankayan and Far Southeast - conceptual model



Source: Company Data

Phillipine country risk

As with many developing countries, Phillipine mining laws are liable to change. Bezant’s current sale process “continues to be overshadowed by uncertainty relating to a mining tax proposal made to the Phillipines Government in 2014, by a civil service body, recommending an increase to a 50 per cent”. We believe that the next elections will see a mining friendly government come to power.

Mankyan - Gold Fields transaction

In 2012 Goldfields acquired an option to acquire Mankyan for \$70m, with an initial non-refundable down payment of \$7m. In 2013 Goldfields extended the option for a further non-refundable \$2.5m. The option was ultimately not exercised.

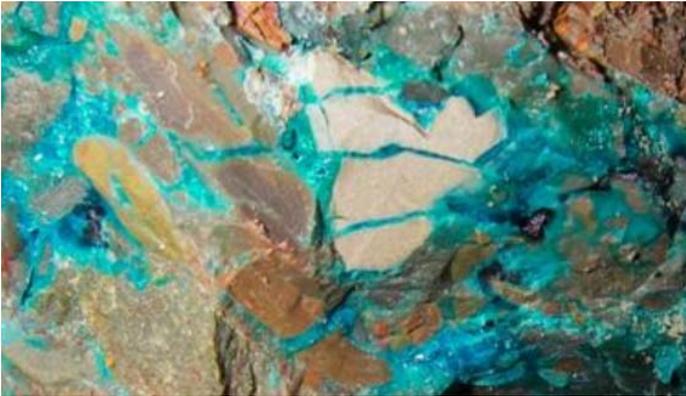


Eureka Project

Eureka is a copper oxide and gold project in Jujuy state, northern Argentina. The copper mineralisation is clearly visible in outcrop and from the underground historic workings.

Eureka was historically mined for its gold (grades circa 3.0g/t) and explored/evaluated by several different groups. Notably Penoles surveyed the property in the 1990's and estimated 52Mt of material grading 1% copper or circa 500Kt of metal.

Eureka copper mineralisation (red-bed style)



Source: Company Data

Bezant's investment rationale

Eureka was acquired in 2012 as a project with the potential to be relatively low capex and manageable – i.e something Bezant could build itself. The conceptual mining scenario would be shallow open pit with a one to two million tonne heap leach operation. It is also a known deposit with an historic resource estimate. Finally, copper fitted the focus on base and precious metals.

Since the acquisition, Bezant has slowed down its investments due to the political situation in Argentina. Note that the Eureka licences are in good standing and Bezant maintains its minimum annual spending obligations – circa \$100k.

Argentina risk

Argentina is currently not regarded as an attractive foreign investment destination – not only for mining companies. Perhaps the most destructive policy, or set of policies, relate to capital controls.

In recent years Argentina has introduced a range of laws to prevent both companies and citizens sending Argentinean pesos offshore. One law, specifically targeting the resources sector, is the “export revenue repatriation” law which forces mining companies and oil producers to convert dollar revenues back to pesos. Obviously this is unattractive for foreign investors.



Eureka key features

Mineralisation

Copper mining is not widespread in Jujuy, although over the borders in Bolivia and Chile there is an abundance of copper in sedimentary rocks of a similar age. The company describes Eureka mineralisation as Red-bed style – i.e. mineralised red coloured conglomerate. The key attraction is the sedimentary hosted nature of the deposit.

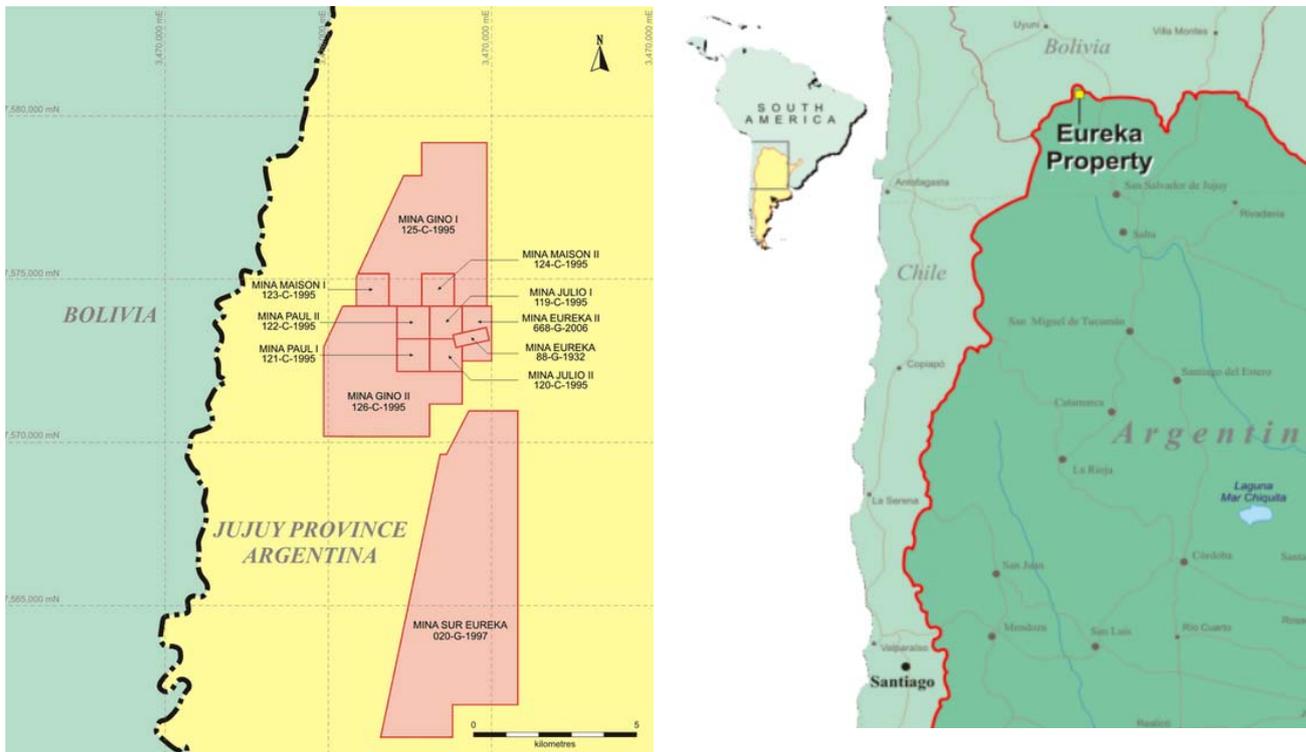
Location and infrastructure

The Eureka property is located in North West Argentina c.4000m above sea level near the Bolivian border. It is 4hrs north of the provincial capital of San Salvador on sealed roads. The nearest electricity terminal is less than 10km and water is readily available from a local river which flows all year round.

Non compliant resources

Copper resource estimates are non-JORC compliant and were produced by Penoles and Codelco surveys of the property. The Penoles survey produced an estimate of 52mt grading 1% for 520,000t of contained copper and an exploration target of 62mt grading 1% for 616,000t of contained copper.

Eureka location



Source: Company Data



Management team

Edward Nealon - Non-Executive Chairman

Mr Nealon is a geologist with over 40 years' experience in the mining and exploration industry. After graduating in 1974, Mr Nealon began his career in South Africa with Anglo American Corporation before moving to the Rio Tinto Group in Australia in 1980. Since 1983, Mr Nealon has operated his own mining consultancy practice which has seen him involved in numerous projects worldwide; during this period he has founded Aquarius Platinum Limited and Sylvania Resources Limited.

Dr. Bernard Olivier - Chief Executive Officer

Geologist holding a PhD in Economic Geology and BSc (Hons) in Geology. Bernard is a Member of the Australasian Institute of Mining and Metallurgy and has over 10 years experience working on various exploration and mining projects throughout African and SE Asia. Bernard is also currently the CEO of Richland Resources Limited (formerly Tanzanite One Limited) (AIM) and a Director of LP Hill Plc (AIM).

Dr. Evan Kirby - Non-Executive Director

Metallurgist with over 30 years' of international experience throughout the metals and mining sector. Evan has held senior management positions with Impala Platinum, Rand Mines and Rustenburg Platinum Mines in South Africa. Founder of his own consulting business (Metallurgical Management Services) and has since worked as a Director for a number of mining companies. Evan is also currently a director of Nyota Minerals Limited (ASX & AIM) and Luiji Gold (ASX & TSXV).

Ronnie Siapno - Non-Executive Director

Mining Engineer holding a Bachelor of Science Degree in Mining Engineering and he is a lifetime member of the Philippine Society of Mining Engineers. Ronnie is the President of Crescent Mining and Development Corporation and also a Director of Bezant Holdings Incorporation in the Philippines.

Laurence Read - Non-Executive Director

Laurence has spent the last 12 years advising natural resources companies, funds and advisers on strategic development and global investor relations. He has experience working with off-take groups, producers, resource developers, service providers and explorers across a diverse range of minerals.

Laurence was previously a founding director of the natural resources team at Threadneedle Communications Ltd (currently Newgate Threadneedle) and a founding director of Conduit PR.



Income statement

June Year end	FY12	FY13	FY14	FY15E	FY16E
£,000					
Revenue	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit/(loss)	-	-	-	-	-
Other	-	-	5,169.0	-	-
Depreciation	-	-	(16.0)	(11.0)	(10.0)
Administrative expenses	(1,652.0)	(1,287.0)	(1,170.0)	(472.0)	(500.0)
Operating profit	(1,652.0)	(1,287.0)	(246.0)	(483.0)	(510.0)
Finance income	9.0	7.0	2.0	2.0	1.0
Finance costs	-	-	-	-	-
Other	(193.0)	(118.0)	(108.0)	(92.0)	-
Profit before tax	(1,836.0)	(1,398.0)	3,877.0	(573.0)	(509.0)
Income tax expense	-	-	-	-	-
Profit after tax	(1,836.0)	(1,398.0)	3,877.0	(573.0)	(509.0)
Other income/ (loss)	-	-	(261.0)	227.0	-
Total income	(1,836.0)	(1,398.0)	3,616.0	(346.0)	(509.0)
Equity holders of parent	(1,836.0)	(1,398.0)	3,616.0	(346.0)	(509.0)
Non controlling interest	-	-	-	-	-
Earnings per share (p)	(2.8)	(1.9)	4.7	(6.9)	(6.1)

Source: Company data, Sanlam Securities UK



Cashflow statement

June Year end	FY12	FY13	FY14	FY15E	FY16E
£,000					
Operating cashflow					
Operating loss	(1,652.0)	(1,287.0)	3,983.0	(483.0)	(510.0)
Depreciation	8.0	13.0	16.0	11.0	10.0
Tax	-	-	-	-	-
Option income	-	-	(5,169.0)	-	-
Other	(2.0)	-	-	-	-
Share based payments	-	-	-	-	-
FX	(56.0)	(121.0)	303.0	(176.0)	-
Working capital movements	-	109.0	(97.0)	3.0	-
Operating cashflow	(1,653.0)	(1,528.0)	(1,007.0)	(657.0)	(500.0)
Investing cashflow					
Investment in intangibles	(598.0)	(20.0)	-	(280.0)	(200.0)
Purchase of PPE	(1,344.0)	(55.0)	-	-	-
Other	3,320.0	1,565.0	45.0	13.0	-
Investing cashflow	1,378.0	1,490.0	45.0	(267.0)	(200.0)
Financing cash flows					
Share issue	-	4,661.0	-	-	-
Other	-	(5,200.0)	-	1.0	1.0
Financing cashflow	-	(539.0)	-	1.0	1.0
Net change in cash	(275.0)	(577.0)	(962.0)	(923.0)	(699.0)
Cash start period	4,418.0	4,287.0	3,826.0	2,435.0	1,690.0
FX effect	144.0	116.0	(429.0)	178.0	-
Cash end period	4,287.0	3,826.0	2,435.0	1,690.0	991.0

Source: Company data, Sanlam Securities UK



Balance sheet

June Year end	FY12	FY13	FY14	FY15E	FY16E
£,000					
Current assets					
Cash & equivalents	4,287.0	3,826.0	2,435.0	1,690.0	991.0
Trade and other receivables	25.0	77.0	66.0	73.0	73.0
Other	-	-	-	-	-
Total current assets	4,312.0	3,903.0	2,501.0	1,763.0	1,064.0
Non-current assets					
Investment in associates	7,679.0	7,696.0	7,457.0	7,870.0	8,070.0
Property, plant	43.0	87.0	71.0	60.0	50.0
Intangible assets	4,784.0	4,796.0	4,791.0	4,791.0	4,791.0
Other non-current assets	12,506.0	12,579.0	12,319.0	12,721.0	12,911.0
TOTAL ASSETS	16,818.0	16,482.0	14,820.0	14,484.0	13,975.0
Current liabilities					
Trade and payables	3,793.0	5,309.0	31.0	41.0	41.0
Other	-	-	-	-	-
Total current liabilities	3,793.0	5,309.0	31.0	41.0	41.0
Non-current liabilities					
Deferred tax liability	-	-	-	-	-
Other	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-
TOTAL LIABILITIES	3,793.0	5,309.0	31.0	41.0	41.0
TOTAL NET ASSETS	13,025.0	11,173.0	14,789.0	14,443.0	13,934.0
Equity					
Share capital	784.0	166.0	166.0	166.0	166.0
Share premium	30,974.0	31,053.0	31,053.0	31,053.0	31,053.0
Other reserve	533.0	618.0	357.0	584.0	584.0
Retained profit	(19,266.0)	(20,664.0)	(16,787.0)	(17,360.0)	(17,869.0)
Total equity	13,025.0	11,173.0	14,789.0	14,443.0	13,934.0
Total liabilities and equity	16,818.0	16,482.0	14,820.0	14,484.0	13,975.0

Source: Company data, Sanlam Securities UK

Company name

25 September 2015



Disclosures and disclaimers

This document, which for regulatory purposes, in the UK, is a marketing communication as contemplated in s.21 Financial Services and Markets Act (FSMA) 2000, is issued by Sanlam Securities UK Limited ('SSUK')

Disclosure Checklist

Bezant resources (BZT.L)	1
--------------------------	---

1. SSUK acts as a broker to the company.
2. SSUK acts as a nominated or financial adviser to the company.
3. SSUK has in the last twelve months acted as adviser to the company or provided investment banking services for which it has received compensation.
4. SSUK has a shareholding (including any positions held as warrants or options (if exercised) of between 5-10% of the share capital of the company.
5. SSUK is party to an agreement whereby the production of research on the company is one of the services SSUK has agreed to provide to the company.
6. The author of this report owns shares in the company.

Recommendation definitions

BUY	Share price appreciation of 10% or more in absolute terms over 12-24 months
HOLD	Share price appreciation or depreciation of less than 10% in absolute terms over 12-24 months
SELL	Share price depreciation of 10% or more in absolute terms over 12-24 months
SPEC BUY	Share price appreciation of 10% or more in absolute terms over 12-24 months, but with an unusual level of risk relative to return

General risks

This document makes a number of assumptions regarding the outlook for trading and market conditions affecting the company(s) discussed herein, relating to many factors including but not limited to demand for their products and services, specific drivers for future growth and assumptions regarding the economic climate in the UK and overseas. In the event of an adverse change in some or all of these factors, there is a risk that trading and market conditions deteriorate adversely affecting their prospects and share prices.

Investing involves risk and the value of investments and the income from them may fall as well as rise and are not guaranteed. Investors may not get back the original amount invested. Past performance is not a reliable indicator of future results.

Nothing in this document constitutes a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances or otherwise constitutes a personal recommendation. Investors should exercise prudence and their own judgement in making their investment decisions. You must therefore consider the investment risks carefully. You should consider whether or not investment in shares is suitable for you based upon your attitude to risk, your financial resources and your investment objectives.

Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Levels and basis for taxation may change.

Important disclosures

The information contained herein is subject to updating, completion, revision, further verification and amendment and in any way, without liability or notice to any person. In addition, no duty of care or otherwise is owed to recipients of this report or any other person in relation thereto. Recipients of this report should conduct their own investigation, evaluation



xx Month 2015

and analysis of the business, data and property described in this report. The contents are not directed at, may not be suitable for and should not be relied on by anyone who is not an investment professional including retail clients. SSUK does not provide investment advisory services to retail clients.

This research report is not directed at you if SSUK is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. This research report is not an offer or a solicitation to buy or sell any security. It has not been prepared in accordance with legal requirements designed to promote the independence of research. Non independent research is not subject under the Markets in Financial Instruments Directive ("MiFID") to any prohibition on dealing ahead of the dissemination of research.

SSUK may undertake business and seek to do business with companies covered in its research reports. As a result, investors should be aware that SSUK may have a conflict of interest that could affect the objectivity of this report. However, SSUK is required by the FCA to have policies in place to manage conflicts of interest which may arise in its production.

This report has been published and distributed in accordance with our **Research and Conflicts Management Policy** which sets out the organisational and administrative arrangements for managing research conflicts of interest within SSUK. Additional disclosures regarding previous and current research recommendations made by SSUK, a copy of the Research and Conflicts Management Policy and further information regarding the distribution of ratings are available on our website: <http://www.sanlamsecuritiesuk.com>

Disclaimers

When distributing this document, SSUK is not acting for any recipient of this document and will not be responsible for providing advice to any recipient in relation to this document.

This article is for information purposes and should not be treated as advice to buy or sell any security or to adopt any trading strategy. Any views expressed above are based on information received from a variety of sources which we believe to be reliable, but are not guaranteed as to accuracy or completeness by SSUK. Any expressions of opinion are subject to change without notice. This document may include references to certain publicly available reports and industry sources. We may not have verified all of this information with third parties and cannot guarantee the accuracy, reasonableness or completeness of the information received from sources consulted for this publication and SSUK accepts no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document (except in respect of wilful default and to the extent that any such liability cannot be excluded by the applicable law). This document is not to be relied upon and should not be used in substitution for the exercise of independent judgment.

This document may include certain statements, estimates and projections with respect to anticipated future performance. Such statements, estimates and projections are based on information considered reliable and may reflect various assumptions made concerning anticipated results, which may or may not prove correct. No representation or warranty is made as to the accuracy of such statements, estimates and projections or as to their fitness for the purpose intended and should not be relied upon as such. Opinions expressed are current opinions as of the date appearing on this material only. SSUK or other third parties may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the person(s) who prepared them.

The information contained in this document is confidential and is solely for use of those persons to whom it is addressed and may not be reproduced, further distributed to any other person or published, in whole or in part, for any purpose. Other persons who receive this document should not rely on it

SSUK or one or more of its associates or a director or an employee of SSUK or of an associate may from time to time have a position, or may have undertaken or may undertake an own-account transaction, in a security referred to in this document, or a related security.

A company covered in this research may have paid for an analyst's reasonable expenses to visit their premises or offered modest hospitality or entertainment; further details are available on request.

Company name

xx Month 2015



South African Disclaimer

This document is an analysis of a financial product without any express or implied recommendation, guidance or proposal that any particular transaction in respect of the financial product is appropriate to the particular investment objectives, financial situation or particular needs of any client. SSUK is not a financial services provider in South Africa and nothing in this document should be construed as constituting the offering of, canvassing for, or marketing or advertising of financial services by SSUK in South Africa. This document is not intended to be a recommendation, offer or invitation to take up securities or other financial products. The information contained in this document is general information and research material only, provided with a view to assisting the recipient in deciding whether it wishes to proceed with further investigation.

It is not intended to constitute a securities recommendation and should not be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature in respect of any investment or transaction. This document is not an advertisement and does not constitute or form part of, and should not be construed as, an offer or invitation to sell or any solicitation of any offer to purchase or subscribe for any ordinary shares in any jurisdiction. This document does not constitute an "offer to the public or any section of the public" as contemplated by the South African Companies Act, 2008 and it is not directed at prospective recipients in the Republic of South Africa who would fall within such a meaning. This document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act, 2008). Neither this document, nor any part of it, nor anything contained or referred to in it, nor the fact of its distribution, should form the basis of or be relied on in connection with or act as an inducement in relation to a decision to purchase or subscribe for or enter into any contract or make any other commitment whatsoever in relation to any financial product. No representation or warranty, express or implied, is given by or on behalf of SSUK, its respective directors and affiliates or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability whatsoever is accepted by SSUK, its respective directors and affiliates or any other person for any loss how so ever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith. If you are in any doubt as to the action you should take, please consult your stockbroker, attorney, accountant, banker or other professional advisor.

Copyright 2015 Sanlam Securities UK Limited.

Company name

25 September 2015



Contact Information: Research

Amisha Chohan	Consumer	amisha.chohan@sanlamsecuritiesuk.com +44 (0)20 7375 9031
Andy Brown	Support Services	andy.brown@sanlamsecuritiesuk.com +44 (0) 20 7280 8746
Charlie Long	Resources	charles.long@sanlamsecuritiesuk.com +44 (0)20 7375 9024
Mark Cartlich	Property & Infrastructure	mark.cartlich@sanlamsecuritiesuk.com +44 (0)20 7375 9016
Fraser Brannan	Institutional Sales and Research	fraser.brannan@sanlamsecuritiesuk.com +44 (0)20 7280 8708

Distribution

Michael Bell	Head of Sales and Research	michael.bell@sanlamsecuritiesuk.com +44 (0)20 7375 0540
Jamie Vickers	Institutional and Corporate Sales Director	jamie.vickers@sanlamsecuritiesuk.com +44 (0)20 7280 8742
Max Bascombe	Institutional and Corporate Sales Director	max.bascombe@sanlamsecuritiesuk.com +44 (0)20 7375 9068
Sharneen Gadd-Claxton	Institutional and Corporate Sales	sharneen.gadd-claxton@sanlamsecuritiesuk.com +44 (0)20 7375 9019

Trading

Brent Smith	Head of Stockbroking	brent.smith@sanlamsecuritiesuk.com +44 (0)20 7375 0540
Mark Ward	Head of Execution Trading	mark.ward@sanlamsecuritiesuk.com +44 (0)20 7375 9018
Andrew Bass	Sales Trader	andrew.bass@sanlamsecuritiesuk.com +44 (0)20 7375 9020
Ken Williams	Head of South African Institutional Stockbroking	ken.williams@sanlamsecuritiesuk.com +44 (0)20 7280 8724

Corporate Finance

Simon Clements	Head of Corporate Division	simon.clements@sanlamsecuritiesuk.com +44 (0)20 7382 0922
David Worlidge	Director	david.worlidge@sanlamsecuritiesuk.com +44 (0)20 7382 0921
Gavin Burnell	Director	gavin.burnell@sanlamsecuritiesuk.com +44 (0)20 7382 0932
Lindsay Mair	Director	lindsay.mair@sanlamsecuritiesuk.com +44 (0)20 7382 0924
Virginia Bull	Director	virginia.bull@sanlamsecuritiesuk.com +44 (0)20 7382 0927

Securities UK

10 King William Street, London EC4N 7TW

Sanlam Securities UK Limited is a member of the London Stock Exchange. Authorised and regulated by the Financial Conduct Authority. Registered in England and Wales No 1825671. Registered office: 16 South Park, Sevenoaks, Kent, TN13 1AN.

T +44 (0) 20 7628 2200
E enquiries@sanlamsecuritiesuk.com

www.sanlamsecuritiesuk.com

