



Jupiter Mines Ltd (JMS.ASX)

Mn price weakness a headwind - and an opportunity

- 1st Half FY20 result; PT and earnings changes.

Investment Highlights:

- Jupiter Mines Ltd (JMS) reported an interim FY20a NPAT adj. attributable of \$70M which was 3% below our estimate of \$72M.** The result was largely in line with our expectations and offered no surprises, given the company reported Tshipi's profits in previously quarterlies. The interim dividend was 4.0c in-line with our 4.3c forecast, representing payout ratio of 106% on attrib. adj. NPAT, and 93% on the distribution the company received from Tshipi.
- The company reiterated its sales guidance for FY20e, affirming it is on target to achieve 3Mt shipped.** The 1H achieved a rate above this with 1.7Mt shipped, despite disruptions to mining which resulted in production behind budget. The company also benefited from low grade stockpile shipments in the 1H.
- JMS had attributable cash of \$133M end 1HFY20a, comprising \$77M consolidated and \$56M being its 49.9% share of Tshipi's cash.** During September JMS received \$28M from Tshipi. Post payment of interim dividend, we estimate JMS attributable cash will be \$55M (\$27M consolidated and \$28M share of Tshipi).
- The company recently appointed Mr Hans Mende to the Board, following AMCI increasing its interest in JMS to 7.4%.** Mr Mende has extensive experience across the steel and coal industries.
- Recently the 37% Mn price has suffered a marked decline to \$2.55/dmtu, with sources citing aggressive liquidation by traders focused on destocking.** We have revised down our long-term Mn price: 37% FOB RSA -15% to US\$3.55/dmtu and 37% CIF China by -2% to US\$4.51/dmtu. We estimate based on CRU's 2018 cost curve that 35% of supply is unprofitable at spot, especially from China. Industry sources have already reported exiting of supply from Brazil and Zambia.
- Cost reductions should become a greater focus for JMS.** The company has already flagged and undertaken some initiatives. We expect access to cheaper energy via Eskom grid to occur in FY21e, while in September 2019 JMS began railing product to Luderitz port in Namibia, an alternative to more expensive trucking of above MECA tonnes through RSA ports.

Earnings and Valuation:

- Earnings downgrade.** We have reduced our forecast FY20e and FY21e JMS attributable NPAT by -18% to \$102M and FY21e by -15% to \$88M.
- Our share valuation has reduced slightly to \$0.56 from \$0.61 based on lower Mn price forecasts, offset partially by lower A\$ and roll forward of our DCF.** At current share price we believe market is factoring in US\$2.75/dmtu 37% fob Mn price. We believe risks to both the Mn price and JMS share price lie to upside.

Recommendation:

- We maintain our Buy recommendation with a revised 12-month price target of \$0.56 (prior \$0.61) based on our 1.0x Price/NPV.** We believe the current pull back in the share price provides a buying opportunity, predicated on our view that the current Mn price is unsustainably low.
- Catalysts for the share price include:** Recovery in Mn prices; Cost reductions; Results of expansion feasibility study; and corporate activity.

Disclosures

The analyst owns 302,000 JMS shares.
Foster Stockbroking and associated entities (excluding Cranport Pty Ltd) own 8,841,354 JMS shares.
Cranport Pty Ltd owns 8,00,000 JMS shares.
Refer details end of report.

Recommendation	Buy
Previous	Buy
Risk	High
Price Target	\$ 0.56
Previous	\$0.61
Share price (A\$)	\$ 0.325
ASX code	JMS
52 week low-high	0.23-0.43
JMS Valuation (A\$/share)	\$ 0.56
Methodology	DCF
JMS Capital structure	
Shares on Issue (M)	1,959
Market cap (A\$M)	637
Net cash (debt) attributable (A\$M)	131
EV (A\$M)	506
Ave daily volume ('000)	4,777

Earnings Y/e Feb A\$M	FY19a	FY20e	FY21e	FY22e
Sales adj*#	524	416	387	366
EBITDA adj.*	282	159	138	116
NPAT reported	142	102	88	72
NPAT adj*	188	103	88	72
EPS adj. \$*	0.10	0.05	0.04	0.04
PE x	3.4	6.2	7.3	8.9
EV/EBITDA x	3.7	2.0	3.1	3.8
DPS \$	0.075	0.056	0.037	0.030
Yield %	23%	17%	11%	9%

* Adj =underlying including attributable share of Tshipi

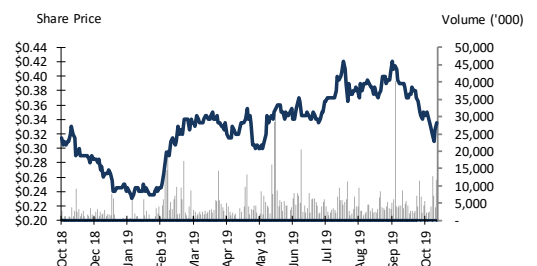
#CIF basis

^ Incl. share buyback in FY18.

JMS Board

Brian Gilbertson	Non-Executive Chairman
Priyank Thapliyal	CEO and Executive Director
Hans Mende	Non-Executive Director
Paul Murray	Non-Executive Director
Andrew Bell	Non-Executive Director
Yeongjin Heo	Non-Executive Director

Share price graph



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Jupiter Mines Ltd

Full Year Ended 28/29 February

Profit and Loss A\$M	2019a	2020e	2021e	2022e
Sales adj.*	524	416	387	366
Other revenue	1	1	1	1
Operating Costs adj.*	243	257	250	251
EBITDA adj.	282	159	138	116
D&A adj.	13	14	14	16
EBIT adj.	268	145	124	101
Net Interest exp / (income) adj.	-2	-2	-2	-2
Profit before tax adj	269	147	125	103
Tax exp / (benefit) adj	81	44	38	31
NPAT adj.	188	103	88	72
Non-recurring gain/(loss)	-46	-1	0	0
NPAT reported	142	102	88	72

EPS diluted adj. (\$)	0.10	0.05	0.04	0.04
DPS (\$)	0.075	0.056	0.037	0.030

All figures shown include JMS attributable share of Tshipi.

*CIF basis

Cashflow A\$M	2019a	2020e	2021e	2022e
EBITDA adj.	282	159	138	116
Equity accounting	-275	-155	-134	-113
Change in WC	-7	-19	1	2
Tax paid	-5	-2	-2	-1
Net interest	0	1	0	0
Other	8	0	0	0
Operating Cashflow	3	-16	3	4

PPE	0	0	0	0
Exploration	-1	-1	-1	-1
Investments	0	0	0	0
Investing Cashflow	-1	-1	-1	-1

Equity issue	0	0	0	0
Loan repayment	0	0	0	0
Debt repayments/proceeds	0	0	0	0
Distributions received	151	83	63	66
Share buyback	-51	0	0	0
Dividends paid	-98	-127	-91	-66
Financing Cashflow	2	-44	-28	0
Net Cashflow	4	-61	-26	3

Balance Sheet A\$M	2019a	2020e	2021e	2022e
Cash	73	13	-13	-10
Receivables	85	42	41	39
PPE	0	0	0	0
Capitalised exploration	11	11	11	11
Investments	423	447	471	478
Other	1	1	1	1
Total Assets	594	513	511	519

Accounts payable	133	133	35	35
Provisions	0	0	20	21
Debt	0	0	0	0
Other	51	51	25	27
Total Liabilities	184	184	80	82

Reserves and capital	407	411	411	411
Retained earnings	3	23	19	25
Total Equity	409	433	430	436

Capital structure	
Ordinary shares	1,959
Fully diluted equity	1,959

Half year splits	1H	2H	1H	2H
	FY19a	FY19a	FY20a	FY20e
Mn 37% RSA, FOB, US\$/dmu	6.32	5.70	4.94	3.73
Total Mn ore shipments Mt	1.9	1.6	1.7	1.5
Sales adj.*	273	238	231	173
EBITDA adj.	161	121	106	53
NPAT adj.	108	80	70	33

All figures shown include JMS attributable share of Tshipi.

*CIF basis

Financial Metrics	2019a	2020e	2021e	2022e
EPS growth %	116%	-46%	-15%	-18%
Gearing (ND/ND+E)	-22%	-3%	3%	2%
Interest Cover (EBIT/net int)	nm	nm	nm	m
Average ROE %	43%	24%	20%	17%
Average ROA %	48%	26%	24%	20%

Earnings multiples	2019a	2020e	2021e	2022e
P/E x	3.4	6.2	7.3	8.9
EV/EBITDA x	1.8	3.2	3.7	4.4
Dividend Yield %	23%	17%	11%	9%

Company Valuation	A\$M	A\$/share
Segment		
Tshipi (49.9%)	880	\$ 0.45
Marketing	49	\$ 0.03
Iron Ore	47	\$ 0.02
Corporate	-17	-\$ 0.01
Net cash - Tshipi attributable	26	\$ 0.01
Net cash - JMS consolidated	105	\$ 0.05
Equity	1,090	\$ 0.56

Tshipi - Assumptions	2019a	2020e	2021e	2022e
Mn 44% China, CIF, US\$/dmu	7.16	5.89	5.25	4.97
Mn 37% RSA, FOB, US\$/dmu	6.01	4.33	3.76	3.57
JMS Mn realised, FOB, US\$/dmu	5.14	4.58	4.53	4.35
A\$:US\$	0.74	0.70	0.70	0.71
Rand:US\$	13.62	14.33	14.44	14.36
Mn ore production	3.45	3.42	3.30	3.30
Mn ore shipments Mt	3.51	3.23	3.30	3.30
Cash costs US\$/dmu HG, FOB	2.21	2.04	2.02	2.05

JORC Resources and Reserves Mn	Ore Mt	Mn grade %
Tshipi		
Total Reserves	94	36.5%
Measured	92	34.2%
Indicated	112	33.7%
Inferred	227	32.5%
Total Resource	432	33.2%

Mt Ida & Mt Mason	Ore Mt	Fe grade %
Total Resource	1,852	36.8%

Major shareholders	%
Stichting Pensioenfonds ABP	14.8%
Hans J Mende	12.9%
Fritz R Kundrun	12.3%
AMCI Euro Holdings BV	7.4%
POSCO Australia GP Pty Ltd	6.9%

Source: Foster Stockbroking estimates.



JMS INTERIM RESULT IN-LINE

- JMS' interim FY20a adjusted NPAT attributable was \$70M, which was 3% below our estimate of \$72M. The result was largely in-line with our expectations and offered no surprises, given the company had reported Tshipi's profit, from which most of its earnings derive, in its previously released quarterlies.
- A dividend of 4.0cps was declared, in-line with our forecast of 4.3c, which represented a payout ratio of 104% of attributable adjusted NPAT, and 93% of the distribution it received from Tshipi e Ntle (Tshipi). As it had previously flagged to the market, the dividend exceeded the company payout policy of 70% of income and cash received from Tshipi.
- The Tshipi Board paid a total of ZAR1.750b for the interim, comprising ZAR1.15b in June 2019, and ZAR600M in September 2019. JMS' share of the distribution was ZAR873M, or A\$86M.
- The company reaffirmed that it was on track to achieve its target of 3Mt sales for FY20e.

Figure 1: JMS Profit & Loss (A\$M) attributable

Parameter	2H FY19a	1H FY20a	FSBe 1HFY20e	Diff actual vs FSBe
Tshipi attrib.	238	231	243	-5%
Marketing	7	6	6	0%
Sales adj.	245	238	249	-5%
Other	0	0	0	0%
Total revenue adj.	245	238	249	-4%
Tshipi attrib.	120	128	136	-6%
Marketing	1	2	2	0%
Corporate	3	2	2	-24%
Cash costs adj.	124	132	140	-6%
Tshipi attrib.	118	104	107	-3%
Marketing	6	4	4	0%
Corporate	-3	-1	-2	-36%
EBITDA adj.	121	106	109	-3%
D&A	7	7	7	8%
EBIT adj.	115	99	102	-3%
Net interest	1	-1	-1	-27%
PBT adj.	114	100	103	-4%
Tax adj.	34	30	31	-4%
Tshipi attrib.	80	70	73	-4%
Marketing	4	3	3	19%
Corporate	-4	-3	-4	-14%
NPAT adj	80	70	72	-3%
Non-recurring items	-46	-1	0	nm
NPAT reported	34	69	72	-4%
Dividend cps	2.5	4.0	4.3	-4%

.Adj. = adjusted for normalised.

Tshipi attrib revenues and costs include realisation charges.

Source: Company; Foster Stockbroking estimates



2Q profitability declines as Mn price falls

- JMS 2Q report showed Tshipi production up 1% on the 1Q to 0.89Mt and shipments up 5% to 0.89Mt, resulting in a 1H total of 1.7Mt. Further low grade product was sold in the 2Q as JMS took advantage of its stockpiles and favourable prices.
- While sales volumes were marginally behind due to planned vessels sailing in first week of September (3QFY20e), the 3Mt shipment target remained on track for FY20e, given that 1Q high grade sales were above company forecast.
- We estimate JMS attributable NPAT in the 2Q was \$26M, down 39% on our estimate of the \$43M it earned in 1Q. The key reason was a lower manganese price, the Mn 37% fob price Port Elizabeth declining 15% in the 2Q vs 1Q to US\$4.54/dmtu from \$5.33 in the 1Q.

Figure 2: JMS 2Q Performance

Parameter	1Qa	2Qa	Chng
Production Mt	0.88	0.89	1%
Mn shipments Mt	0.84	0.89	6%
Mn RSA 37% FOB, US\$/dmtu	5.33	4.54	-15%
Mn China 37% CIF, US\$/dmtu	6.01	5.52	-8%
Cash costs FOB, US\$/dmtu	2.13	2.21	4%
JMS Earnings Attrib. A\$M			
Tshipi attrib.	130	102	-22%
Marketing	3	3	0%
Sales adj.	133	105	-21%
Tshipi attrib.	66	62	-7%
Marketing	1	2	88%
Corporate	1	1	-%
Cash costs adj.	68	64	-6%
Tshipi attrib.	64	40	-37%
Marketing	2	2	0%
Corporate	-1	-1	0%
EBITDA adj.	65	41	-37%
Tshipi attrib.	43	27	-39%
Marketing	2	1	-29%
Corporate & other	-2	-1	-24%
NPAT adj	43	26	-39%
Non-recurring items	-3	1	Nm
NPAT reported	41	28	-31%
Cash consolidated	37	77	109%
Cash Tshipi attrib.	72	56	-21%
Total attrib. cash	108	133	23%
Operating cash flow attrib.	46	43	-6%

Source: company; Foster Stockbroking estimates.

- Mining during the 2Q was behind forecast as it was in 1QFY20e, with equipment and pit issues factors persistent again. However management is confident of increasing volumes once an overhaul of excavators (including commissioning of an additional new one) has been completed, drilling efficiencies resolved, and a difficult mining cut is completed.



- In terms of logistics rail and road volumes realised were higher than anticipated, with the latter ahead of plan due to additional low grade product moved following similar achievement in the 1Q.
- JMS stated that Environmental Authorisation (EA) for additional waste rock dump capacity – which Tshipi obtained in July 2019 from the DMR – was suspended as a result of an appeal concerning no consultation. Tshipi has responded and decision on the appeal is pending. At this stage we do not expect any disruption to our forecast production going forward.

Barrier pillar mining underway

- In June 2019 JMS signed an agreement with S32 to mine the barrier pillar between Tshipi Borwa and the adjoining S32's Mamatwan mine. Mining commenced in August and will expire when ore mining by both parties has been completed in accordance with environmental legislation and agreements.
- We had already factored mining of the barrier pillar as this was in the original feasibility study for Tshipi. Ore extraction is expected to take 24 months.

CORPORATE

Shareholder and Board changes

- In June 2019 Pallinghurst agreed to sell 7.44% of its interest in JMS (145.9M shares) to AMCI Euro Holdings in two tranches. AMCI is represented on the JMS register by Hans J Mende (HJM Jupiter) and Fritz r Kundrun (FRK Jupiter). The tranches were sold on 3 June 2019 and 1 November 2019.
- The movement in shareholder interests culminated in Mr Hans Mende being appointed to the JMS Board, who possesses extensive experience in steel and coal, especially in South Africa and Australia.

Cash attributable of \$133M

- JMS had attributable cash of \$133M at end 1HFY20a, comprising \$77M consolidated and \$56M being its 49.9% share of Tshipi's cash balance. During September \$28M of its share of Tshipi cash would have been paid to the company a part of the outstanding Tshipi distribution.
- Post payment of the dividend we expect JMS attributable cash to be \$55M comprising \$27M consolidated and \$28M share of Tshipi.

EARNINGS FORECASTS REVISIONS & OUTLOOK

Weaker Mn outlook in short term on destocking

- Recently the 37% Mn price has suffered an acceleration in decline reaching US\$2.55/dmtu FOB Port Elizabeth week ending 1st November according to *Metal Bulletin*. Industry sources have cited some aggressive liquidation by traders and the need for destocking.

We estimate 35% of supply would be unprofitable at spot

- We do not believe levels near the current price are sustainable long term. We estimate at spot that 35% of supply would be unprofitable based on CRU's 2018 cost curve, most from China but



also from other suppliers. Some industry sources have cited marginal supply to China from Brazilian and Zambian mines is already exiting the market.

- We expect price recovery in early CY2020, once the destocking process has run its course. We have made downgrades to our forecast 37% FOB RSA Mn prices by -10% and -14% to FY20e and FY21e to US\$4.33/dmtu and US\$3.76/dmtu, and forecast a price of US\$3.73/dmtu in the 2HFY20e. Our forecast 37% Mn China CIF price has declined to a lesser extent, due to increase in our realisation costs.
- We have also made changes to our ZAR and A\$ forecasts, now forecasting a weaker A\$ and stronger ZAR than previously.

Figure 3: Commodity forecast price changes, nominal

		FY19a	FY20e	FY21e	FY22e	FY23e	LT
Mn 44% CIF, China US\$/dmtu	new	7.16	5.89	5.25	4.97	4.85	4.93
	<i>old</i>	6.83	5.73	5.28	4.90	4.91	5.01
	<i>chn</i>	5%	3%	-1%	1%	-1%	-2%
Mn 37% CIF, China US\$/dmtu	new	6.43	5.28	4.74	4.55	4.43	4.51
	<i>old</i>	6.47	5.35	4.90	4.52	4.53	4.62
	<i>chn</i>	-1%	-1%	-3%	1%	-2%	-2%
Mn 37% FOB, RSA US\$/dmtu	new	6.01	4.33	3.76	3.57	3.45	3.53
	<i>old</i>	6.10	4.83	4.37	3.99	4.00	4.08
	<i>chn</i>	-2%	-10%	-14%	-11%	-14%	-13%
ZAR:US\$	new	13.62	14.33	14.44	14.36	14.22	14.22
	<i>old</i>	13.62	14.47	14.88	15.00	15.00	15.00
	<i>chn</i>	0%	-1%	-3%	-4%	-5%	-5%
A\$:US\$	new	0.74	0.70	0.70	0.71	0.73	0.73
	<i>old</i>	0.74	0.74	0.74	0.74	0.75	0.75
	<i>chn</i>	0%	-5%	-5%	-4%	-2%	-3%

Source: Company; Foster Stockbroking estimates.

Earnings forecast downgrade

- We have downgraded our attributable NPAT for JMS, mostly based on lower manganese prices. Our NPAT forecasts for FY20e, FY21e, and FY22e have reduced -18%, -15%, and -3% to \$102M, \$88M, and \$72M.
- We expect 2H FY20 NPAT to decline to \$33M vs \$70M for the interim, mostly based on the Mn 37% FOB RSA price declining from an average of US\$4.94/dmtu to US\$3.73/dmtu.
- We expect 2H sales tonnages to slightly moderate from the levels achieved during the 1H, especially as there is less low grade stockpile is available to ship. However JMS should still at least meet its 3.0Mt sales target for FY20e given shipments were above the target rate in the 1HFY20a. We have cut our shipments forecast for FY20e to 3.2Mt vs 3.3Mt previously, as now we do not factor any low grade shipments in the 2HFY20e, especially given a less favourable market environment for this product.

Cost reduction initiatives

- Given the weak Mn price, we expect greater focus on cost reduction initiatives which the company has already flagged and undertaken. One of these is the access to Eskom grid power as cheap alternative to diesel. We expect this to be commissioned in FY21e.



- The company also undertook its first Mn ore shipment via a port outside of South Africa by railing it to Luderitz in Namibia in September 2019. We understand product railed via this route lies outside JMS' MECA allocation, offering a lower cost alternative to trucking tonnage above the MECA allocation to RSA ports. We estimate approximately 25kt-30kt per month of ore is railed to Luderitz.

Figure 4: JMS Earnings Forecasts

	FY20e			FY21e			FY22e		
	new	old	chn	new	old	chn	new	old	chn
Mn 37% RSA, FOB	4.33	4.82	-9%	3.76	4.37	-14%	3.57	3.99	-11%
Mn 37% China, CIF	5.28	5.35	-1%	4.74	4.90	-3%	4.55	4.52	1%
A\$:US\$	0.70	0.74	-5%	0.70	0.74	-5%	0.71	0.74	-4%
ZAR:US\$	14.33	14.47	-1%	14.44	14.88	-3%	14.36	15.00	-4%
Shipments, Mt	3.2	3.3	-2%	3.3	3.3	0%	3.3	3.3	0%
CIF costs, US\$/dmu total	3.14	2.87	9%	2.92	2.84	3%	2.97	2.85	4%
FOB costs, US\$/dmu HG	2.04	2.15	-5%	2.02	2.13	-5%	2.05	2.13	-4%
Profit & Loss:									
Tshipi attrib.	405	401	1%	376	367	2%	356	338	5%
Marketing	11	12	-4%	11	11	3%	11	10	5%
Sales adj.	416	413	1%	387	378	2%	366	349	5%
Other	1	1	-36%	1	1	-36%	1	1	-36%
Total revenue adj.	417	414	1%	388	379	2%	367	349	5%
Tshipi attrib.	250	225	11%	243	223	6%	243	224	9%
Marketing	5	1	229%	5	1	229%	5	1	229%
Corporate	3	7	-59%	3	7	-59%	3	7	-59%
Cash costs adj.	257	233	10%	250	231	8%	251	232	8%
Tshipi attrib.	155	176	-12%	134	144	-7%	113	115	-2%
Marketing	7	11	-35%	7	10	-30%	6	9	-30%
Corporate	-2	-6	-63%	-3	-6	-53%	-3	-6	-53%
EBITDA adj.	159	180	-12%	138	147	-6%	116	118	-1%
D&A adj.	14	4	0%	14	4	277%	16	15	6%
EBIT adj.	145	177	-18%	124	144	-14%	101	103	-2%
Net interest	-2	-2	-14%	-2	-3	-31%	-2	-3	-33%
PBT adj.	147	179	-18%	125	147	-15%	103	106	-3%
Tax adj.	44	54	-18%	38	44	-14%	31	32	-3%
Tshipi attrib	103	124	-18%	88	103	-15%	72	74	-3%
Marketing	5	8	0%	4	7	0%	4	6	0%
Corporate	-4	-7	-36%	-4	-7	-43%	-4	-6	-37%
NPAT adj	103	125	-18%	88	103	-14%	72	74	-3%
Non-recurring items	-1	0	Nm	0	0	0%	0	0	0%
NPAT reported	102	125	-18%	88	103	-15%	72	74	-3%

Tshipi attrib. sales and costs includes realisation charges.

Adj = underlying estimate.

Source: Foster Stockbroking estimates



VALUATION

Share valuation decreases to \$0.56 from \$0.61

- Our share valuation of JMS has reduced to \$0.56 from \$0.61, post our earnings revisions. We employ a DCF model using WACC of 10%. Our decline in valuation is due to cut in Mn prices, offset partially by our reduction in A\$ forecasts and roll forward of our DCF.

Figure 5: JMS Valuation

	A\$M	A\$/share
Tshipi (49.9%)	880	\$0.45
Marketing	49	\$0.03
Iron Ore	47	\$0.02
Corporate	-17	-\$0.01
Net cash - Tshipi attributable	26	\$0.01
Net cash - JMS consolidated	105	\$0.05
Equity	1,090	\$0.56
Shares M	1,959	

Source: Foster Stockbroking estimates.

SPOT SENSITIVITY ANALYSIS

Current share price implies US\$2.75/dmtu price long-term

- We believe market is factoring in US\$2.75/dmtu for 37% fob Mn long-term as implied from current JMS share price, while the current spot price (\$2.55) would yield \$0.27 valuation. We believe that upside to both the Mn price – and JMS share price – lies to the upside.

Figure 6: JMS valuation sensitivity to Mn prices

37% fob Mn price US\$/dmtu	JMS share valuation	Note
\$4.00	\$0.68	
\$3.53	\$0.56	FSBe base case price
\$3.50	\$0.54	
\$3.00	\$0.40	
\$2.75	\$0.33	Implied Mn price at current JMS share price
\$2.55	\$0.27	Spot Mn price (1st Nov)
\$2.50	\$0.26	
\$2.00	\$0.11	

Source: Foster Stockbroking estimates.

RECOMMENDATION – BUY, 12-MONTH PT \$0.56 (PRIOR \$0.61)

- We maintain our Buy recommendation on JMS, reducing our 12-month share price target to \$0.56 from \$0.61, based on 1.0x P/NPV revised DCF valuation. We believe the pull back in the share price presents a buying opportunity, as expect gradual recovery in Mn prices over the next 12 months.
- We expect catalysts for the share price to be improving Mn prices; costs reductions; and results of expansion feasibility study.



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Foster Stockbroking recommendation ratings: Buy = return >10%; Hold = return between -10% and 10%; Sell = return <-10%. Speculative Buy = return > 50% for stock with very high risk. All other ratings are for stocks with low-to-high risk. Returns quoted are annual.

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Specific disclosure: The analyst owns 302,000 JMS shares at the time of this report. Diligent care has been taken care by the analyst to maintain honesty and fairness in writing the report and making the recommendation.

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Review disclosure: The report was authored by the analyst named on the front page of the report and was reviewed and checked by Matthew Chen, Research Analyst.

Disclosure review. All the disclosures in the report have been reviewed and checked by Keith Quinn, Compliance Committee Member.