

Landmark Deal for Metal Tiger

The Sandfire (SFR) acquisition of MOD Resources is a transformational transaction for Metal Tiger (MTR.L). It gives MTR an immediate equity asset windfall uplift and provides market evidence of its successful value creation, through an effective project/asset selection, due diligence process and investment execution via a high calibre and accomplished team of resource and finance professionals.

In this First Equity Limited (FEL) initiation research note, we analyse and value each MTR private and listed investment and direct projects to derive a valuation and resultant share price target.

- Proof of investment and development execution shown by near **3-fold return** on investment achieved on MOD sale, with MTR’s ASX-listed SFR equity worth £22m (+£0.55m dividend to be paid 29 Nov) versus an initial investment of £7.7m.
- MTR has a capped US\$2m **net smelter royalty interest** over the T3 copper deposit and uncapped 2% royalty over the Tshukudu exploration acreage.
- Near-term exploration newsflow expected via majority-owned **Kalahari Metals Limited** (KML), which has strategically held ground in Botswana’s exploration target rich Kalahari Copper Belt near to T3 and could be rapidly moved up the project advancement curve. Results from an inaugural drilling campaign over 2,008 metres on two project areas are awaited.
- By holding equity in a **liquid mid-tier stock** such as SFR, MTR has the flexibility to choose a number of options, e.g. (1) leverage, borrow funds against SFR at a competitive rate to invest in other projects; (2) buy-back MTR shares at lower levels to enhance net asset value or (3) use SFR proceeds to accelerate development of other projects.
- With ownership of a stable **dividend paying** stock, if MTR retains all its SFR stake, an est. cash inflow of circa A\$2.4m p.a. could be expected, which can be utilised to finance other MTR projects and investments. A dividend of A\$1m is due to be shortly added to MTR’s bank balance (SFR ex. div 14 Nov) on 29 Nov.

FEL Comment & Valuation

A prudent valuation methodology is adopted on each project and investment to derive a baseline valuation and price target. KML is valued on an implied risk value of £4m, which probably understates its full upside potential, given its ‘company maker’ potential considering that management achieved a near 3-fold return on the similar MOD investment. Thailand assets are valued at £7m, a figure computed at a 2% in-the-ground value for just the ‘Indicated’ resource at its brownfield JV site. Upside from the Thai JV in terms of resource upgrade and other exploration properties are not factored into our numbers.

MTR’s equity holding in SFR (£22m, 6.3m shares @ A\$6.34) comprises over half of MTR’s total estimated asset value of £38.7m, or 2.5p per share, compared to a 1.71p value per share reported in recent interims (30/06/19), and represents a potential upside of 85% from the current market price of 1.35p. If SFR’s growth expectations are fulfilled at T3 and other projects advanced, and against the background of a potential improving copper price environment, we could see a SFR capital appreciation of at least +27%. Due to these compelling factors, we recommend the shares in **Metal Tiger plc** as a ‘Buy’.



MARKET DATA:

Price:	1.35p
SII:	1,559m
Market Cap:	£21m
Sector:	Resources
Listing:	AIM - London
Ticker:	MTR.L

ACTIVITIES:

Exploration & development of mineral projects via direct project interests and investments in Botswana, Australia, Thailand and other jurisdictions, mainly for copper and gold.

KEY PROJECTS / ASSETS:

- Sandfire Resources
- Kalahari Metals
- Cobre
- Boh Yai JV

DIRECTORS:

- Charles Hall (Non-exec Chairman)
- Michael McNeilly (CEO)
- Mark Potter (CIO)
- Terry Grammer (Non -Exec)
- Neville Bergin (Non-Exec).

SHAREHOLDINGS:

Exploration Capital Partners	13.2%
Michael Joseph	6.2%
Terry Grammer (Dir)	5.2%
Rick Rule (RIBO Trust)	3.8%

(Total Director holdings – 132.5m shares - 8.5%)

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SANDFIRE DEAL TRANSFORMATIONAL FOR MTR

The recent acquisition by Sandfire Resources for the outstanding shares in MOD Resources, in which MTR held a significant stake, is a landmark event for the Group and proves its strategy to invest in early stage projects and realise value is paying off.

From the acquisition deal, MTR now has an equity stake in Sandfire Resources worth around A\$39.9m (£21.9m). This represents a near 3-fold increase on its investment in MOD Resources of £7.7m. In addition, the Group can look forward to the payment of a A\$1m dividend next month.

At the same time MTR has retained a capped US\$2m royalty over the T3 copper development project, along with an uncapped 2% net smelter royalty over the Tshukudu exploration tenements, covering 8,000 sq.km. The value of this net smelter royalty could increase rapidly as Sandfire potentially adds significant resource tonnes nearby to the planned T3 project to provide higher grade feed for the plant. MOD's disposal to a mid-tier company such as Sandfire, with production expertise and financial clout, could also help enhance the value of nearby exploration assets in Botswana, such as MTR's majority held stake in Kalahari Metals.

By holding equity in a liquid asset with a market cap of A\$1.0bn and average traded monetary volume per day of A\$7.9m (over last 3-months), MTR has an opportunity to borrow against its Sandfire holding to finance other investments and acquisitions, without the need to dilute existing shareholders. Alternatively, if MTR's shares move lower, the management could initiate a share buy-back programme (subject to obtaining shareholder approval) to support the share price and enhance the Group's price/NAV by borrowing against its Sandfire position or liquidating some of its Sandfire equity. Indeed, the CEO, Michael McNeilly, hinted at this possibility on 1 Oct '19, that a share buy-back "could be the best use of capital for the Company" in order to "eliminate discount to the net asset value".

MTR STRATEGY

Key to MTR's successful project selection and investment execution is the comprehensive amount of due diligence undertaken by its high calibre in-house team of geologists and corporate financiers.

Heading up the team is **Chief Executive Officer** (CEO) **Michael McNeilly**, who has nearly 3 years at the helm of Metal Tiger plc and experience on Boards such as Greatland Gold and MOD Resources, amongst others and whose influence was instrumental in the successful Sandfire acquisition of MOD. He also draws upon his corporate finance experience gained from working in the City of London for Arden Partners and Allenby Capital. **Mark Potter** the **Chief Investment Officer** (CIO), is a founder and partner at investment management and advisory firm Sita Capital Partners LLP and previously a Director and CIO of Anglo Pacific Group, a listed resources and royalty company. In addition, Mark was a founder member and Principal for Audley Capital Advisors LLP, an activist hedge fund, where he had the remit for managing natural resource investments.

The most senior geologist is the highly accomplished **Terry Grammar**, who is a **non-executive director** at MTR, with over 40 years' experience. He discovered the Cosmos Nickel deposit as geologist for ASX-listed Jubilee Mines NL, which went onto become an ASX-200 company. From a shareholders' perspective, the stand-out achievement is his involvement with ASX listed Sirius Resources NL between '10 and '15, where in the post of director he helped move the company through the project development cycle on its Western Australian Nova nickel and copper deposit. Sirius Resources rose an astonishing 100-fold, from A\$0.05 in July '12 to A\$5.00 in early '13.

Other directors include non-executive Chairman **Charles Hall**, an international Banker with over 30 years of experience at HSBC and mining engineer **Neville Bergin**, who is a non-executive director.

MTR's interests fall into three main categories;

Strategic Investments, these are large value investments, where the management aim to provide some form of influence over investee companies in order to add value to the holding via improved corporate governance, financial and technical expertise. The largest strategic stake and one of the most successful investments is the equity interest held in Sandfire Resources, gained from the recent MOD Resources acquisition. Another noted success is Greatland Gold, which has generated a £2.4m return, with a 7x return on investment.

Direct Projects, consists of projects such as Kalahari Metals in Botswana and early to late stage licences in Thailand that are mostly majority owned by MTR or subject to Joint Venture Agreements or investments near to an IPO or another exit event such as a merger and acquisition transaction. The management seek to play an active role in terms of providing financial, technical or corporate expertise to develop and enhance project value.

On-Market Investments, direct purchases made of listed mining and exploration companies, where the Group seeks to make a large capital gain in the short to long term, and capitalise on the mis-pricing of commodities or underlying mining and exploration properties from equities listed on a range of markets from London's AIM to Australian ASX or Canadian TSX markets. MTR has also built up a portfolio of warrant instruments, issued as part of secondary placing equity issues.

PROJECT/INVESTMENT SUMMARY

Investment/Project	Stake	Listing	Operations	Commodities	Stage
Strategic Investments					
Sandfire Resources	3.5%	ASX	Australia Botswana	Copper/Gold Copper/Silver	Mining Late Stage Exp
T3 Net Smelter Royalty	100%	n/a	Botswana	Copper/Silver	Late Stage Exp
Tshukudu Exp Royalty	100%	n/a	Botswana	Mixed	Early to Mid-Stage Exp
Thor Mining	9.3%	AIM	Australia USA	Molybdenum Tungsten	Early to Mid-Stage Exp Early to Mid-Stage Exp
Direct Projects					
Kalahari Metals	59.8%	pre-ipo	Botswana	Copper	Early Stage Exp
Cobre	15%	pre-ipo	Australia	Copper	Early Stage Exp
Logrosan Minerals	50%	private	Spain	Gold	Early to Mid-Stage Exp
Thailand Interests	50% to 100%	private	Thailand	Mixed	Early to Late Stage Exp
On-Market Investments					
Arkle Resources	7.3%	AIM	Ireland	Base Metals / Gold	Early to Mid-Stage Exp
Aurelius Minerals	1.6%	TSXV	Canada	Gold	Early to Mid-Stage Exp
Greatland Gold	0.4%	AIM	Australia	Gold	Early to Mid-Stage Exp
iMetals Resources	0.6%	TSXV	Canada	Gold / Copper	Early Stage Exp
Sable Resources	0.4%	VSE	Americas	Gold / Silver	Early Stage Exp
Other Investments					
Pan Asia Metals Limited	13.4%	pre-ipo	SE Asia	Base Metals	Early Stage Exp
Veta Resources	9.7%	pre-ipo	Chile	Gold/Silver	Early Stage Exp
Tally Limited	0.6%	pre-ipo	UK	Gold (Tech)	Revenue Producing

Fig 1:

Notes-1 'Exp' = Exploration.

Notes-2 Early Stage Exploration = pre-resource definition.

Mid Stage Exploration = resource definition stage.

Late Stage Exploration = a project believed to be less than 24 months from mine production.

STRATEGIC INVESTMENTS

SANDFIRE RESOURCES INTEREST AND ROYALTIES

Following approval by MOD Resources' shareholders on 1 October '19 for the acquisition and court approval formalities, MTR will be issued with 6.3m shares on 23 October '19, representing a 3.5% stake in the dividend paying ASX listed mid-tier company (MCap: £565m: ASX-SFR).

SFR's principal and revenue producing asset is the **DeGrussa** copper mine, located 900km north of Perth in Western Australia. Production has been steady and consistent at around 65,000 to 69,000 tonnes of contained copper and 34,000 to 44,000 ounces of gold p.a. since '13.

Contained Metal Production	'15	'16	'17	'18	'19
	FY	FY	FY	FY	FY
Copper (tonnes ,000)	67	68	67	65	69
Gold (ounces, 000)	37	38	38	39	44

Fig 2: DeGrussa 5-Year Production. Guidance provided by Sandfire Resources. Y/E Dec.

With such a predictable production profile and around 87% of revenues derived from copper, SFR's shares price has tracked the copper price, which is currently near a two-year low.

An investment into Botswana via MOD is one of several global development initiatives SFR is pursuing to increase revenues. Another advanced development opportunity is a 78.1% owned high-grade copper project at **Black Butte** in Montana, US, with a Measured and Indicated resource of 15.7mt, at 3.4% copper, along with cobalt and silver credits.

The addition of the new Botswana copper assets to SFR's portfolio, adds an advanced stage copper development project **T3**, which could provide significant value to SFR shareholders.

T3 has an open pit JORC reserve of **34m tonnes at 1% copper, equalling 342,700 tonnes of contained copper, along with 14.6m oz of contained silver**, with a 0.22% copper cut-off grade. The results of a feasibility study in March '19 by MOD Resources outlined the following project economics;

Life of Mine (LOM)	- 11.5 years
Development Capital	- US\$182m + Sustaining Capital US\$84m
Capital Payback	- 3.7 years
LOM Revenues	- US\$2.3bn
Pre-Tax net cash-flow	- US\$777m
EBITDA	- US\$1.1bn
Pre-Tax NPV	- US\$368m (8% discount rate)
Base Copper Price	- US\$3.08 per lb (equivalent to US\$6,790 per tonne), long term average consensus Bloomberg March '19

The enlarged SFR portfolio also includes 8,000 sq. km of exploration acreage in Botswana, offering significant exploration upside potential.

A dividend of 23 cents per share was paid in the last 12-month financial period, a figure we anticipate should increase to around 35 to 40 cents per share in FY'20, representing around 33% of earnings per share.

MTR is due to receive an interim dividend payment of A\$1m on 29 November '19 of 16c per share (ex div 14 Nov '19). We estimate a payment of around A\$2.4m to MTR for the next financial year, assuming 6.3m SFR shares are retained.

SFR Equity Valuation:

SFR has traded on a historic p/e in the range of 10x to 12x. Consensus estimates show this dropping to around 6.9x in '20 on earnings of 0.92c per share, a figure which is below the historic average and does not currently reflect upside potential of T3 and other SFR development projects.

MTR's 6.29m equity holding is worth A\$39.9m at the current SFR share price. If SFR traded in line with its historic rating and assuming growth expectations are met, we believe SFR should trade on a rating of least 9x, equating to an equity price of 828c on an estimated 0.92c eps for '20. This would give MTR an SFR asset value of A\$52.1m, an uplift of 31% from the current holding's value.

Botswana Royalties

MTR retain a net smelter royalty over T3, capped at US\$2m, along with an uncapped 2% net smelter royalty over the Tshukudu exploration properties that covers an area of 8,000 sq. km in the Kalahari Copper Belt.

SFR Royalty Valuation - Assuming production from '21 we estimate a value for the **T3 royalty of US\$1.29m**, based on royalties being received in the first year of production, when the \$2m cap is reached. Revenues are discounted back by 8% for two years, with a 15% project development risk applied.

For the royalty over the **Tshukudu properties**, we have assumed a valuation at 33% of T3's Royalty, amounting to **US\$0.43m**. If any mineral deposit discovery is made and advanced to production, the 'uncapped' attribute of this royalty could be very valuable providing a possible long-term revenue stream.

THOR MINING

MTR holds a strategic investment stake of 9.2% in AIM and ASX listed **Thor Mining** (80.1m shares). Main assets include:

- **Molyhil**, a high-grade tungsten and molybdenum project (100%) in the Northern Territory state of Australia, with a post-tax and royalty NPV of A\$101m, based upon a 7-year mine life. An adjacent project to Molyhil (40%) holds potential for tungsten, copper and vanadium development.
- **Pilot Mountain** - An advanced stage tungsten project in Nevada, USA, which Thor's management claim to be the "largest reported tungsten resource in the USA" with 34,290 tonnes of contained tungsten, along with silver, copper and zinc credits. A scoping study in Sept '18 highlighted a base case LOM EBITDA of US\$125m, on a modest Capex of US\$30m to US\$35m.

Thor Equity Valuation: £0.38m at current mid-price of 0.5p.

DIRECT PROJECTS

KALAHARI METALS LIMITED (KML) - (59.81% to 53.17%)

KML holds an extensive early stage exploration package of 12 licences in strategically held locations in Botswana, over an area of 8,595 sq. km in the target rich Kalahari Copper Belt.

Two licences are 100% owned, whilst the others are subject of earn in agreements. Exploration is being pursued over four main project areas prospective for copper and silver, namely Okavango, Ngami, Kitlanya East and Kitlanya West.

From a 'closeology' viewpoint, Kitlanya East could be the most promising acreage, given its proximity to SFR's T3 project (Fig:3). Okavango could also be highly prospective, as it is located in the central area of the Kalahari Copper Belt, and is along strike to the east of the mineralised resource published for Cupric Canyon Capital's Zone 5 Deposit and T3.

On 7 October we learnt that nine holes had been drilled in an inaugural drilling campaign on the properties, with seven holes at Ngami (for 1,381 metres) and two at Okavango (627m), with visible copper mineralisation identified in the core, and copper mineralisation being intersected over a broad 25m zone. Further details on this drilling campaign will be known once the results from the core are returned from the lab.

MTR has a 59.81% interest in Kalahari Metals, which was acquired for a total investment of US\$2.7m. The stake will be diluted to 53.17% when KML completes its 100% purchase of Kitlanya, subject to the Botswana authorities approving a change of control for the acquisition. Two MTR directors represent the Group's interests on KML's four director Board, namely Terry Grammar and Mark Potter.

KML Valuation - MTR has acquired a very important and strategically located licence package via KML, which holds tremendous upside potential, given its proximity to T3 and Zone 5. KML holds potential to become a company maker for MTR, if the success of T3 can be replicated.

To value KML, we have used as a benchmark the A\$33m implied value of the Tshukudu exploration properties from MOD's option exercise over MTR's 30% interest. A risked percentage value for each KML project (Okavango 35%, Ngami 35%, Kitlanya-East 50%, Kitlanya-West 15%) is then computed on a per sq. km basis to arrive at a A\$7.35m risked valuation for MTR's interest.

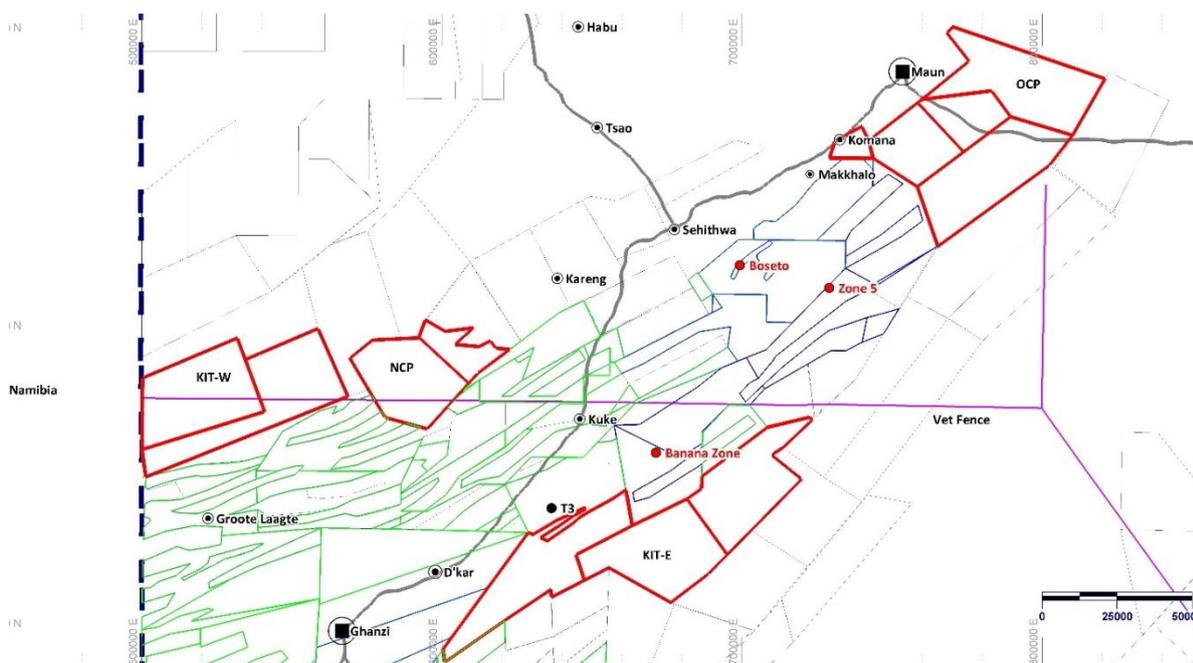


Fig 3: KML licences and proximity to T3 and Zone-5 deposits. Source MTR.

OCP – Okavango Copper Project;
NCP – Ngami Copper Project;
KIT-W – Kitlanya West;
KIT-E – Kitlanya East.

COBRE PTY LTD (15% to 19.99%)

MTR paid an initial A\$0.50m for 6.6m shares, representing a 15% stake in Cobre Pty Limited, and has additionally agreed to invest a further A\$2m. MTR has the option of nominating a director to Cobre's Board. Cobre intends to IPO within the next three to six months.

Cobre holds a 80% interest in the Perrinvale copper project, in central Western Australia, covering 382 sq. km. The project was previously owned by Fortescue Metals Group Limited, who retain a 2% net smelter royalty on any future copper production. Previous exploration by Fortescue focused on gold exploration.

The investee company is exploring for base metals, in particular - Volcanogenic Massive Sulfide(VMS) style deposits with copper, zinc and gold potential. Recent work encompasses an airborne electromagnetic survey over an area of 114 sq. km, including the Schwabe target, where drilling in June '19 confirmed a high grade VMS type mineralisation, with a bonanza 9.8% copper grade over 5 metres, along with silver, gold and zinc mineralisation from a 50 metre length hole (19PVRC002).

Cobre Valuation For the moment this is simply valued at cost price A\$0.5m. In the near term, following MTR's additional investment in the project and anticipated attainment of listed status within the next 6 months, MTR's investment will receive an immediate uplift as it moves out of the private arena. Moreover, with new funds from an IPO listing, the company will be able to accelerate exploration of its acreage. It is interesting to note how appreciative ASX investors are to exploration success from junior miners in Australia for VMS style mineralisation discoveries. For example, when Stavely Minerals Ltd (SVY.ASX) announced a high-grade copper-gold discovery on its 'Thursday's Gossan' copper prospect in Victoria, the shares almost quadrupled from 24c to 110c. (MCap: A\$60m to A\$274m) MTR management and shareholders will be hoping for a similar response to its Cobre investment, if exploration results prove as positive.

THAILAND PROJECTS

MTR has an extensive portfolio of early to late stage/brownfield exploration and mining projects in Thailand, an area historically under-developed and poorly managed from a mining and mineral exploration perspective.

Progress in the country has been limited over the last few years due to the delay in implementing certain provisions of the new Minerals Act, which came into force from August '17 to replace the Minerals Act B.E 2510 (1967). Other bureaucratic delays, such as the determination of Mineral Deposit Areas for granting mining leases have also been an issue.

The core and most advanced asset is an 80% earn in JV with Thai owned **Boh Yai Mining Company**, in Kanchanaburi Province, Western Thailand. The terms of the JV agreement are currently being renegotiated.

The JV covers two former producing underground silver-lead-zinc mines, which were closed in '02 when metals prices were much lower than today. The mine includes a mothballed processing mill and flotation plant. A resource estimate and preliminary economic assessment in '13 for the mines reported on a NI-43-101 compliant resource -

Indicated Resource: 2.896Mt @ 3.57% lead, 2.82% zinc & 72.63 g/t silver;
Inferred Resources: 1.955Mt @ 2.95% lead, 3.08% zinc & 48.89 g/t silver (at cut-off grade of 3% lead equivalent).

Eight Special Prospecting Licence Applications (SPLA's) covering 50 sq. km surrounding both mines are held, along with two mining lease applications overlaying the former mines. Drilling work and other exploration could commence within the next 6 months to test for, amongst other objectives, extensions to the current mineral resource, which could lead to a significant increase in the resource estimate.

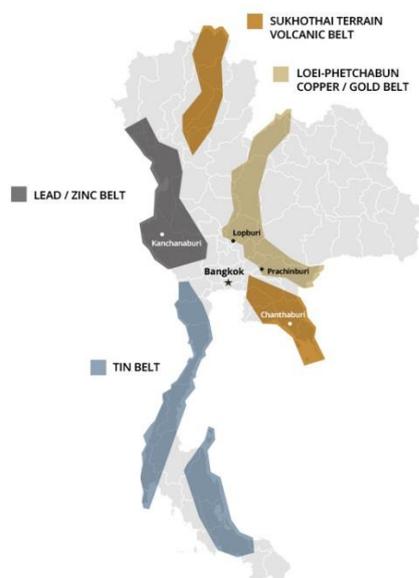


Fig 4: MTR Thailand Project Interests. Source: MTR.

MTR also holds a large exploration portfolio of 14 special prospecting licence applications within 5 Thai provinces: Kanchanaburi, Nakhon, Sawan, Lopburi, Prachinburi, and Chanthaburi which are targeting a variety of metals such as lead-zinc, gold, copper and antimony (Fig 4).

Thailand Valuation – We have applied a modest, albeit rudimentary 2% in-the-ground value to the Boh Yai Mining JV, based only on 'Indicated' resource, which amounts to US\$8.6m using current metal prices. The Inferred resource on the mining leases, acreage surrounding the mine, exploration licences elsewhere in the country are not included in our valuation.

LOGROSAN MINERALS (50%)

Consists of tungsten and gold prospective projects in West Central Spain in the province of Cáceres in the Extremadura autonomous region, covering an area of 310 sq. km. This is being pursued as part of JV with Mineral Exploration Network (Finland) Limited. Work to date has identified at least five specific targets requiring further drilling investigation.

Logrosan Valuation – As this is no longer a core interest, with no MTR funds earmarked in recent years, we have modestly valued it at only 50% of the accounts value, equalling £242K.

ON-MARKET PORTFOLIO

The following outlines the disclosed on-market equity positions held by MTR, according to the recent Interim Results announced on 25 Sep.

Arkle Resources plc (7.3% -ARK: AIM) – Formerly known as Connemara Mining, the AIM listed company holds lead, zinc and gold prospective projects in Ireland, including a 23.44% stake in the Stonepark zinc project in Limerick, which is being advanced with JV partner Group Eleven Resources Corp. MTR director Michael McNeilly is a non-executive director on Arkle's Board. **Valuation:** £47K at 1.0p.

Aurelius Minerals plc (1.6% - AUL: TSX-V) - Gold exploration on the Northern Abitibi gold belt in Ontario, Canada, an area that has reportedly produced over 170m oz gold to date. **Valuation:** £28K at 2.25c.

Greatland Gold (0.3% - GGP: AIM) – A sizeable, in terms of market cap (£62m), exploration development company, with a portfolio of gold and copper prospective projects in Western Australia and Tasmania. Successfully secured a notable US\$65m farm-in deal with mining major Newcrest at its Havieron project in the Paterson province of Western Australia. **Valuation:** £157K at 1.7p.

iMetals Resources Inc. (0.6% – IMR: TSX-V) – Exploration of gold and copper prospective projects in Ontario and Quebec, Canada. Drilling targets on IMR's Gowganda West Gold project are currently being identified following some highly encouraging results from a recent geophysical survey. **Valuation:** £43K at 8.0c.

Sable Resources Limited (0.4% SAE: VSE) – Has vast exploration portfolio of projects in Canada (British Columbia), Argentina and Mexico. **Valuation:** £65K at 12c.

PRIVATE & PRE-IPO MARKET PORTFOLIO

The following privately held investments are valued at cost or accounts value, although a value uplift could be achieved if an IPO or a similar exit event occurs.

Pan Asia Metals Limited (13.4%) - Exploration and development projects in South East Asia, currently Thailand, Malaysia and Myanmar, with a focus on lithium prospective interests. An IPO is planned in the near-term. **Valuation:** Y/E accounts value of £0.46m.

Veta Resources (9.7%) - Holds several copper, gold and silver prospective projects in Chile. **Valuation** Y/E accounts value of £144K.

Tally Ltd (0.6%) – Has developed a full reserve banking system and standalone monetary system using physical asset money (1 Tally is 1 mg of gold). Tally is utilised through a customer's individual banking account via their Apple or Android smartphone App and contactless Mastercard debit card. The first B2C product was released to UK residents initially, in mid-June '19. The shares were traded on AIM until May '18 under its former name of Lionsgold Limited. Re-listing is anticipated on the London Stock Exchange in May '20. **Valuation:** £57K at last private funding round of 1.5p.

OTHER INVESTMENTS

We have valued each warrant holding using the Black-Scholes model to arrive at a total of £53K to MTR. Most of this is derived from an 8.1m Greatland Gold warrant holding, which has the benefit of a near two-year life, with an exercise price close to the current share price. MTR warrants with less than 6 months to expiry, with-out-of-the-money exercise prices, are ignored in our calculations.

NAV SUMMARY (est. 10 October 2019)

Investment/Project	Value (Local Curr)	Value (GBP)	Valuation Method
Strategic Investments			
Sandfire Resources (3.5%)	A\$39.9m	£21.9m	Market Value
T3 Net Smelter Royalty (100%)	US\$1.6m	£1.29m	est. Risked DCF
Tshukudu Exp Royalty (100%)	US\$0.5m	£0.43m	est. Risked of T3
Thor Mining (9.2%)	£0.4m	£0.38m	Market Value
Direct Projects			
Kalahari Metals (53.2% to 59.8%)	A\$7.4m	£4.04m	Risked Saleable Value
Cobre (15%)	A\$0.5m	£0.27m	Cost
Logrosan Minerals (50%)	£0.2m	£0.24m	50% of Cost
Thailand Interests (50% to 100%)	US\$4.3m	£7.07m	est. 2% per Indicated mine res Value
On-Market Investments			
Arkle Resources (7.3%)	£0.05m	£0.05m	Market Value
Aurelius Minerals (1.6%)	C\$0.05m	£0.03m	Market Value
Greatland Gold (0.3%)	£0.17m	£0.16m	Market Value
iMetals Resources (0.6%)	C\$0.05m	£0.04m	Market Value
Sable Resources (0.4%)	C\$0.08m	£0.06m	Market Value
Other Investments			
Pan Asia Metals Limited (13.4%)	£0.46m	£0.46m	Accts Value
Veta Resources (9.7%)	£0.14m	£0.14m	Accts Value
Tally Limited (0.6%)	£0.06m	£0.06m	Val at last round
Other Group Assets			
Warrants		£0.05m	Black-Scholes
Cash less Curr. Liabilities + Other Assets	£2.00m	£2.00m	est. at 10 Oct '19
TOTAL		£38.7m	
Shares in issue – 1,559m			
Base Value Per Share		2.5p	

FIG 5 –

Exchange Rates £1.00 = A\$1.82 / C\$1.63 / US\$1.22

Closing Prices for listed equities as at 4.30pm 9 Oct 2019.

NAV PROJECTIONS (2019 to 2022)

To compute the following net asset value projections, we have estimated plc admin and overhead costs of £1.3m to £1.7m p.a. and new investments in direct/project investments of £2m to £3m p.a. On the assumption of an increasing Sandfire (SFR) equity price and continuation of a dividend payment from the ASX listed company (yield 5.5% p.a.), MTR's annual direct investments and admin cash outflows could be financed entirely from cash received from SFR dividend payments and sale of occasional SFR share blocks. Our analysis assumes, on the back of an improved copper price and resource project developments, such as those in Botswana acquired from MOD, that SFR's share price could rise to around 822c by October '22. Using our model, for MTR to meet its cash outflows, it would need to reduce its SFR holding from 6.3m to 4.3m shares by Oct '22. For comparison purposes, we assume no other asset disposals of direct or off-market investments/projects, or any significant new project/investment.

NAV Projections	Actual 30-Jun '19	est.	est.	est.	est.
		10-Oct '19	10 Oct '20	10 Oct '21	10 Oct '22
MOD	£16.8m				
Other Botswana	£1.9m				
Sandfire (SFR)		£21.9m	£21.3m	£21.0m	£19.0m
<i>est. SFR Holding</i>		<i>(6.3m @ A\$6.3)</i>	<i>(5.6m @ A\$6.9)</i>	<i>(4.9m @ A\$7.8)</i>	<i>(4.3m @ A\$8.2)</i>
T3 Royalty	£1.3m	£1.3m	£1.3m	£0.3m	£0.0m
Tshukudu Royalty		£0.4m	£0.4m	£0.7m	£1.4m
KML	£2.0m	£4.0m	£5.2m	£8.4m	£13.4m
Cobre		£0.3m	£2.3m	£2.7m	£3.4m
Logrosan Minerals	£0.5m	£0.2m	£0.3m	£0.3m	£0.3m
Thailand Interests	£0.8m	£7.1m	£7.4m	£8.8m	£11.9m
On-Market-Inv.	£1.2m	£0.7m	£0.9m	£1.0m	£1.2m
Private Inv.	£0.7m	£0.7m	£0.8m	£1.0m	£1.1m
Warrants		£0.1m	£0.0m	£0.0m	£0.0m
Other Assets	£0.1m	£0.1m	£0.1m	£0.1m	£0.1m
Cash	£2.6m	£2.0m	£2.6m	£2.4m	£2.6m
Receivables	£0.3m	£0.6m	£0.8m	£0.7m	£0.8m
Curr Liabilities	- £1.4m	- £0.8m	- £0.5m	- £0.5m	- £0.5m
Non Curr Liabilities	- £0.1m	- £0.1m	- £0.1m	- £0.1m	- £0.1m
Total (£m)	£26.7m	£38.7m	£42.5m	£46.8m	£54.6m
Per Share NAV (p)	1.7p	2.5p	2.7p	3.0p	3.5p

FIG 6: Net Asset Value Projections.

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