

31 August 2020

ASX CODE: TBR

Buy

Capital Structure

Sector	Materials
Share Price (\$)	7.92
Price Target (\$)	17.00
Ordinary Shares (m)	52.4
Market Capitalisation (\$m)	415.0
Share Price Year H-L (\$)	8.90-4.07
Cash/Bullion/Stock. (\$m)	346
Average Daily Vol (12m)	87,330

Directors & Management

Otakar Demis	Chairman
Anton Billis	Managing Director
Gordon Sklenka	Non-Exec Director
Stephen Buckley	Co Sec

Major Shareholders

Evolution Mining Ltd	21.1%
Trans Global Capital Ltd	16.1%
Sierra Gold Pty Ltd	15.3%
HSBC Cust Noms (Aust) Ltd	12.3%
JP Morgan Noms Aust	4.4%

Analyst

GT Le Page +61 8 6380 9200

Share Price Performance



Source: CMC Markets

Tribune Resources Ltd

Adiembra delivers 1.8m oz high-grade maiden resource

Ghana delivers with more to come

- The Company reported (10/8/2020) a maiden JORC Resource of 21Mt @ 2.7g/t for 1.81Moz of gold (Inferred: 16.35Mt @ 2.7 g/t Au for 1.42Moz; Indicated: 4.6Mt @ 2.6 g/t Au for 390Koz) at the Adiembra Prospect (Japa Project, **TBR**: 90%), an outstanding result and well above our initial grade expectations of 1-2g/t Au.
- The next phase of drilling will look to convert more Inferred Resources to the Indicated category, convert unclassified resources to JORC in addition to following up NE-SW extensions which remain open. The northern lode appears to be block faulted with a faulted sub-horizontal cut-off with the southern lode being more extensive at depth and higher-grade (3.1g/t Au).
- Adiembra is one of the higher-grade potentially open-pittable resources outlined by any ASX listed company in recent years and remains a low cost, low capex, near term production option only 15km from the Edikan gold plant (**Perseus Mining**: 90%).
- Japa remains a prospective exploration target given initial promising results showing higher grade, more constrained mineralisation within a felsic porphyry.

Diwalwal underground drilling to commence

- Refurbishment of the Victory Tunnel at Diwalwal (**TBR**: 80%) is now complete (after a number of operational and COVID-19 delays) with the underground diamond drilling about to commence on the Balite vein (Non-JORC Resource 2Moz gold). **RMR** is anticipating a maiden JORC Resource by the June Quarter next year.

EKJV ore production in line with expectations...gold production down

- RMR** is projecting FY 2020 EBITDA of approximately \$47 million (\$116m: FY 2019) from the EKJV (**NST**: 51%, operator: **TBR** 36.75%, **RND** 12.25%) on the back of 415,291 tonnes mined (491,460: FY 2019) and 297,367 tonnes processed (547,189 tonnes: FY 2019) through the Kanowna, Lakewood and Greenfields mills. A total of 40,359 ounces of gold were produced (89,875 ounces: FY 2019), representing a 55% YoY fall with the majority of ore reporting to stockpiles. Net liquid assets and ore stockpiles at the end of the FY 2020 are estimated to have a net value of \$346m (\$6.60/Sh) with an NPV₅ of \$462 million (\$8.81/share) for the EKJV. Our NAV is currently \$17.18/Share up from \$11.30/Share (April 2020) on the back of rising gold prices (increased EKJV value) and the 1.81Moz maiden gold resource at Adiembra.

Near-Term Price Catalysts

- Further infill and extensional drilling at Japa (2Q 2021) and results from the first round of drilling at Diwalwal (3Q-4Q 2021) should continue to drive the share price over the remainder of CY 2020, spurred along by buoyant gold prices.

Action and Recommendation

- RMR** maintains a buy on the back of a 53% discount to NAV with further drilling results from Adiembra/Diwalwal anticipated in late CY 2020. We consider Japa and Diwalwal have the potential to propel **TBR** into the mid-tier of gold producers in coming years which should see a close in the current valuation gap, an anomaly in a bull market for gold.

EARNINGS RATIOS	2019A	2020F	2021F	2022F	2023F
CFPS c)	56.3	(67.7)	102.2	93.0	83.6
CFM (x)	0.14	(0.12)	0.08	0.09	0.09
EPS c)	97.3	65.4	141.0	132.3	129.6
PER (x)	8.14	12.11	5.62	5.99	6.11
DPS c)	20.0	23	19	20	20
Div Yield (%)	2.5%	2.9%	2.4%	2.5%	2.5%

TBR is trading at a 53% discount to our NAV of \$17.18...

...Net liquid assets and stockpiles are estimated at \$346m (\$6.60/Share)

Ore production was in line with expectations however gold production was down with a net increase in stockpiles of 67,000 tonnes for 2H 2020

Diwalwal + Japa represent the future resource and production growth for TBR...

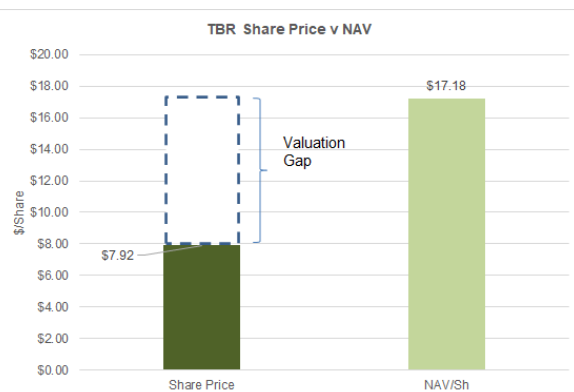
...Japa is on a granted mining lease and 15km from an operating gold plant

The Company recently spent \$18 million on the share buyback at an average price of \$6.24/Share

Exploration focus has shifted to Ghana and the Philippines

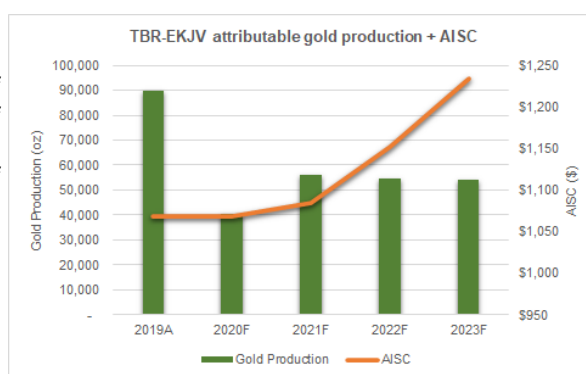
INVESTMENT CASE

UNDERVALUED GOLD PLAY: Our comparative valuation of ASX listed gold producers shows **TBR** trading at a 53% discount to NAV compared to the sector average premium of 1.4x's (excluding **TBR**). While there is a discount for the relatively small production profile (sub 100Koz), Japa and Diwalwal are likely to change that production profile in the coming years. **TBR** represents as a stand-out buy with Net liquid assets and stockpiles are \$346m or \$6.60/share.



STRONG OPERATING MARGINS:

RMR are projecting FY 2021e AISC of \$1,068 on the back of attributable gold production of 40,359 ounces of gold from the EKJV generating EBITDA of approximately \$47 million. This was below our expectations of 59,000 ounces and EBITDA of \$78 million as much of the ore reported to stockpiles which had a net increase of 67,000 tonnes over the 2H 2020.



RESOURCE GROWTH: JAPA is a potentially world class project and poised for significant resource growth from the maiden 1.81Moz reported in July of this year. We consider that a further 1-2Moz of additional JORC Resources are achievable over CY 2021. With drilling underway at Diwalwal we are also optimistic of a maiden resource (**TBR** earning 80% economic interest) following on from the 2.0 Moz ounce Non-JORC gold resource outlined by the Philippine Government (PMDC) over 13 years ago.

TIGHT CAPITAL STRUCTURE: The share buyback in the June Q saw share capital reduce from 55.4 million to 52.4 million Shares at a cost of \$18 million or \$6.24/Share. The top 20 hold in excess of 80% of the issued capital and the share price continues to respond to market-sensitive news. Trading volumes have also increased to 87K from 35K per day YoY.

DIRECTORS + MANAGEMENT: Anton Billis has run a tight, low cost structure at **TBR** over many years and we anticipate, subject to the results from Diwalwal and Japa, an expansion of the development management team is likely as these projects mature.

COMPANY BACKGROUND

Tribune Resources Ltd (ASX: **TBR**) was listed on ASX in 1987 and has been primarily focussed on the East Kundana Joint Venture (EKJV) held by **TBR** (36.75%), **Rand Mining Ltd** (ASX: **RND**) (12.25%) and **Northern Star Resources Ltd** (ASX: **NST**) (51% and operator). The EKJV is situated 25km west north west of Kalgoorlie (WA) (Figure 1) with attributable FY 2021 production from Hornet, Rubicon, Pegasus and Pode estimated of approximately 56,000 ounces of gold. Since 2013, EKJV ore is being treated at the Greenfields (**FMR Investments**), Kanowna Belle (**NST: 100%**) and Lakefields (**Golden Mile Milling**) gold plants situated 3km east of Coolgardie, 19 km north-east and 5km east of Kalgoorlie respectively. In addition to in-mine and brownfields exploration at EKJV, **TBR** has recently ramped up exploration at Japa (90% interest: Ghana) returning a stellar maiden JORC Resource of 21Mt @ 2.7 g/t Au for 1.81Moz and Diwalwal (80% econ. interest: Philippines), as part of the Company's diversification strategy.

OPERATIONS

East Kundana JV (TBR: 36.75%, RND: 12.25%: NST: 51%)

Open pit mining commenced in 2006 with three deposits currently being worked underground including Raleigh, Rubicon, and Pegasus. Following a number of operator and ownership changes **Northern Star Mining Ltd** (ASX: **NST**) is currently the operator at the EKJV.

Mining commenced in 2006 via open pit with ore now sourced from underground deposits namely Raleigh, Hornet, Rubicon and Pegasus

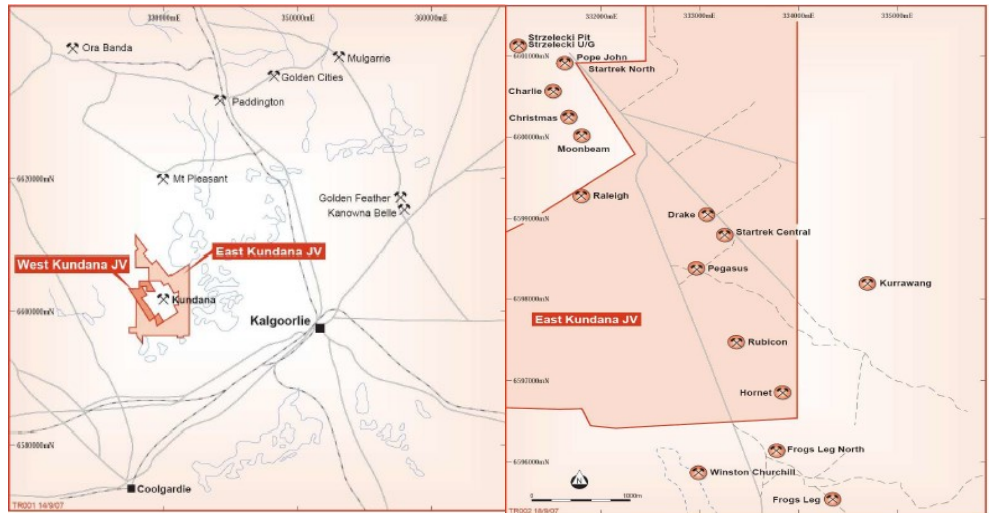


FIGURE 1: West Kundana and East Kundana JV location.

(Source: **TBR**, Annual Report, 30/6/2019).

FIGURE 2: EKJV deposit locations.

(Source: **TBR**, Annual Report, 30/6/2019).

Raleigh, Rubicon, Hornet and Pegasus

Production

Attributable ore production over FY 2020 at Raleigh, Rubicon, Hornet and Pegasus (Figure 3) was 415,291 tonnes, down 15% YoY (491,460: FY2019) which was more or less in line with **RMR's** expectations. The major change was the cessation of operations in the March Q at Raleigh due to ground stability issues. Having said that, Raleigh was only projected to contribute around 8,000 ounces of annualised production, and the development was quite deep. The Rubicon decline is now at 585m below surface, Hornet at 632m and the Hornet exploration decline is at 682m below surface.

Processing

A total of 297,367 tonnes of ore (547,189 tonnes: FY 2019) was processed predominantly through the Lakewood and Kanowna Plants after processing at Greenfields ceased in the March Q 2020. The establishment of more reliable processing facilities by **TBR** is essential to avoid the build up of stockpiles that has characterised FY 2020.

Gold production for FY 2020 came in at 40,359 ounces at an AISC of \$1,068/ounce (89,875 ounces: FY 2019) which was below our expectations of around 59,000 ounces with much of the ore production reporting to stockpiles which increased by 67,000 tonnes over 2H 2020. At 30 June 2020 **TBR** had attributable stockpiles of 276,000 tonnes containing around 38,000 recoverable ounces of gold which has a net value to **TBR** of approximately \$93 million after assuming processing costs in the order of \$47/tonne.

Bullion and Stockpiles

We estimate that **TBR** is sitting on around 85,000 ounces of gold with a further 38,000 due after processing which would give a total of around, 123,000 ounces (approaching \$332 million based on current spot prices) of gold sometime in FY 2021. These figures do not take into account ongoing gold production from the EKJV.

TBR's attributable production from EKJV for 1H2020 was 40,418 ounces of gold

AISC of \$1,068...

...places TBR in lowest cost quartile of Australian gold producers

The majority of production from the EKJV in 2H 2020 reported to stockpiles with around 11,600 of fine gold produced...

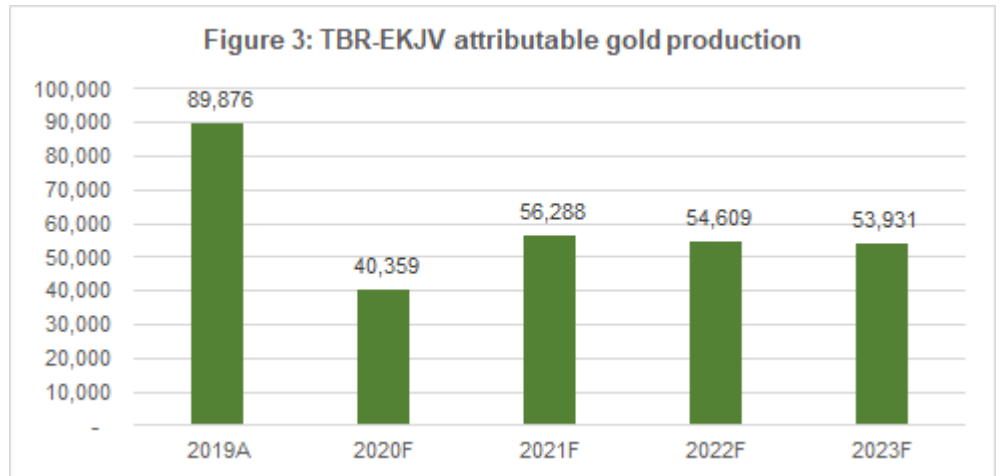
...TBR are likely to accelerate milling activities in the 2020..2021 financial year

Free cash flow was significantly below expectations primarily due to the \$18m share buyback and limited ore processing during 2H 2020

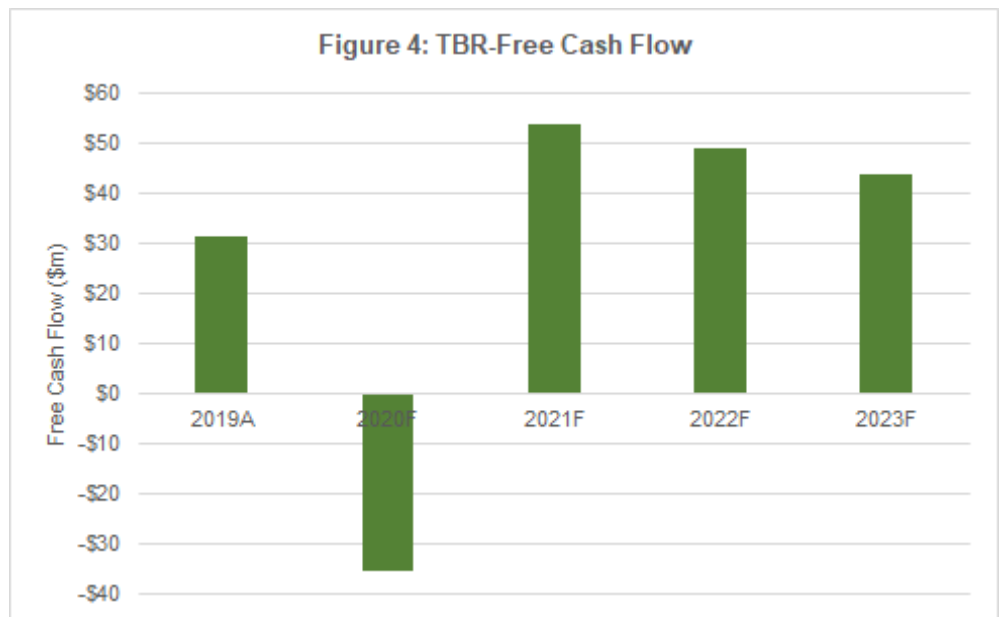
Share buyback was completed at \$6.24/share compared to our NAV of \$17.18...

...an outstanding result for the Company

FY 2020 Gold production (40Koz) was 19Koz below expectation due to ore stockpiling



\$18 million share buyback and increase in exploration expenditure at Japa and Diwalwal saw reduced free cash flow...



Falcon Prospect Exploration

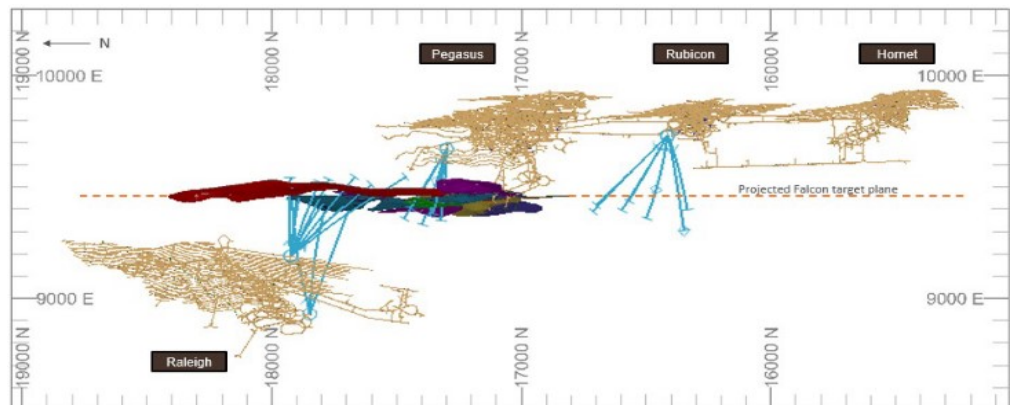


FIGURE 5: Long section of Hornet-Rubicon, Pegasus and Raleigh Rubicon showing in mine drilling targeting the Falcon Prospect. (Source: TBR ASX Announcement, 23/7/2020).

Startrek Prospect Exploration

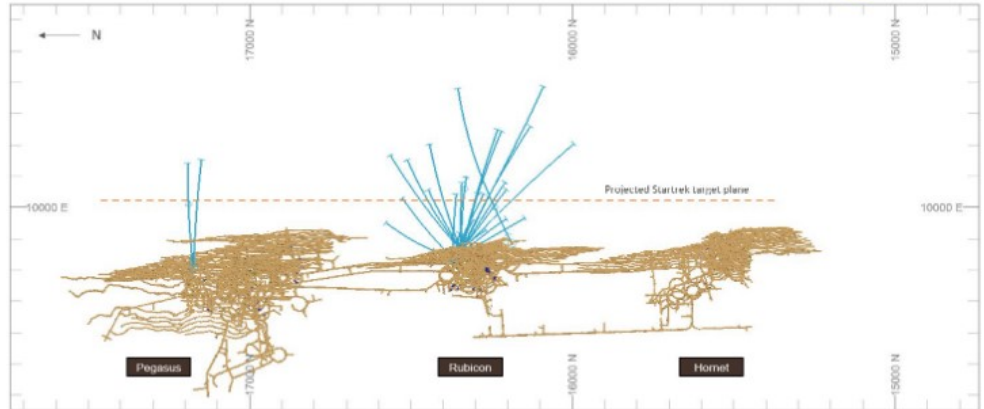


FIGURE 6: Long section of Hornet-Rubicon-Pegasus showing in mine drilling targeting the Startrek Prospect. (Source: TBR ASX Announcement, 23/6/2020).

EKJV Resources & Reserves

EAST KUNDANA JV MINERAL RESOURCES														
As at 30 June 2020														
Rand Mining & Tribune Resources Attributable Equity		MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			
		Tonnes (000s)	Grade (gpt)	Ounces (000s)	Tonnes (000s)	Grade (gpt)	Ounces (000s)	Tonnes (000s)	Grade (gpt)	Ounces (000s)	Tonnes (000s)	Grade (gpt)	Ounces (000s)	
EAST KUNDANA JOINT VENTURE														
Surface														
	Hornet	49%	-	-	-	56	5.7	10	8	3.8	1	64	5.5	11
	Golden Hind	49%	-	-	-	-	-	-	58	6.0	11	58	6.0	11
	Pegasus	49%	-	-	-	19	5.1	3	2	3.1	0	21	4.9	3
	Subtotal - Surface		-	-	-	75	5.6	13	68	5.7	12	143	5.6	26
Underground														
	Drake	49%	-	-	-	24	3.5	3	80	2.6	7	104	2.8	9
	Falcon	49%	-	-	-	-	-	-	915	4.5	132	915	4.5	132
	Golden Hind	49%	-	-	-	-	-	-	217	4.5	32	217	4.5	32
	Hornet	49%	110	4.3	15	687	4.3	94	147	5.6	26	944	4.5	136
	Pegasus	49%	202	6.8	44	673	6.3	137	82	4.1	11	957	6.2	191
	Pode	49%	307	6.2	61	631	4.7	95	245	3.8	30	1,183	4.9	187
	Rubicon	49%	216	4.7	32	450	4.2	61	124	3.3	13	790	4.2	107
	Raleigh	50%	161	9.1	47	356	7.5	86	214	4.8	33	730	7.1	166
	Falcon North	50%	-	-	-	-	-	-	59	4.3	8	59	4.3	8
	Subtotal - Underground		99%	6.2	200	2,820	5.2	476	2,082	4.4	292	5,898	5.1	968
	Stockpiles RHP	49%	6	4.8	1	-	-	-	-	-	-	6	4.8	1
	Stockpiles Raleigh	50%	0	1.7	0	-	-	-	-	-	-	0	1.7	0
	Stockpiles GEM (100% NST) (KB & Greenfields)	0%	-	-	-	-	-	-	-	-	-	-	-	-
	Stockpiles R&T (100% Rand & Tribune)	100%	225	4.4	32	-	-	-	-	-	-	225	4.4	32
	Gold in Circuit	49%	-	-	0	-	-	-	-	-	-	-	-	0
	Sub-Total East Kundana JV		1,227	6.9	233	2,895	5.3	489	2,150	4.4	305	6,272	5.1	1,027

TABLE 1: EKJV Resources at 30/6/2020. 75% attributable to TBR. (Source: TBR ASX Announcement 12/8/2020).

EAST KUNDANA JV ORE RESERVES														
As at 30 June 2020														
Rand Mining & Tribune Resources Attributable Equity		PROVED			PROBABLE			TOTAL RESERVES						
		Tonnes (000s)	Grade (gpt)	Ounces (000s)	Tonnes (000s)	Grade (gpt)	Ounces (000s)	Tonnes (000s)	Grade (gpt)	Ounces (000s)				
EAST KUNDANA JOINT VENTURE														
Surface														
	Hornet	49%	-	-	-	72	4.4	10	72	4.4	10	72	4.4	10
	Golden Hind	49%	-	-	-	-	-	-	-	-	-	-	-	-
	Pegasus	49%	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal - Surface		-	-	-	72	4.4	10	72	4.4	10	72	4.4	10
Underground														
	Drake	49%	-	-	-	-	-	-	-	-	-	-	-	-
	Falcon	49%	-	-	-	-	-	-	-	-	-	-	-	-
	Golden Hind	49%	-	-	-	-	-	-	-	-	-	-	-	-
	Hornet	49%	36	4.6	5	175	3.6	20	211	3.8	26	666	5.8	124
	Pegasus	49%	199	5.8	37	467	5.8	87	666	5.8	124	666	5.8	124
	Pode	49%	305	4.8	47	361	4.1	47	666	4.4	94	666	4.4	94
	Rubicon	49%	69	5.7	13	311	3.7	37	381	4.1	50	381	4.1	50
	Raleigh	50%	30	6.2	6	274	5.5	48	304	5.5	54	304	5.5	54
	Falcon North	50%	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal - Underground		640	5.2	108	1,580	4.7	240	2,228	4.9	348	2,228	4.9	348
	Stockpiles RHP	49%	6	4.8	1	-	-	-	6	5.1	1	6	5.1	1
	Stockpiles Raleigh	50%	0	1.7	0	-	-	-	0	1.7	0	0	1.7	0
	Stockpiles GEM (100% NST) (KB & Greenfields)	0%	-	-	-	-	-	-	-	-	-	-	-	-
	Stockpiles R&T (100% Rand & Tribune)	100%	225	4.4	33	-	-	-	225	4.5	33	225	4.5	33
	Gold in Circuit	49%	-	-	0	-	-	-	-	-	-	-	-	0
	Sub-Total East Kundana JV		871	5.1	142	1,661	4.7	250	2,532	4.8	392	2,532	4.8	392

TABLE 2: EKJV Reserves at 30/6/2020. 75% attributable to TBR. (Source: TBR ASX Announcement 12/8/2020).

61 infill and extension diamond drill holes (23,672m) were completed during the June Q from underground at Rubicon, Pegasus and Raleigh targeting the Falcon trend (Figure 6) and from Rubicon and Pegasus targeting the Startrek Prospect. 14 surface RC drill holes (516m) also targeted the Golden Hind deposit with a view to assessing its potential as an open cut target. Results (TBR ASX Announcement, 23/7/2020) have continued to return high-grade, narrow vein intersections hosted within sheared mafics.

Resources calculated using a A\$2,250 gold price...

Attributable resources for TBR at the EKJV fell 49.2Koz of gold ounces YoY (806Koz to 757Koz)

...while Reserves calculated using a A\$1,750 gold price...

...prevailing gold spot prices are around A\$2,700/ounce

Attributable reserves for TBR fell 121Koz of gold ounces YoY (367Koz to 280Koz)

EXPLORATION

Japa Project (TBR: 80%)

Location and Access

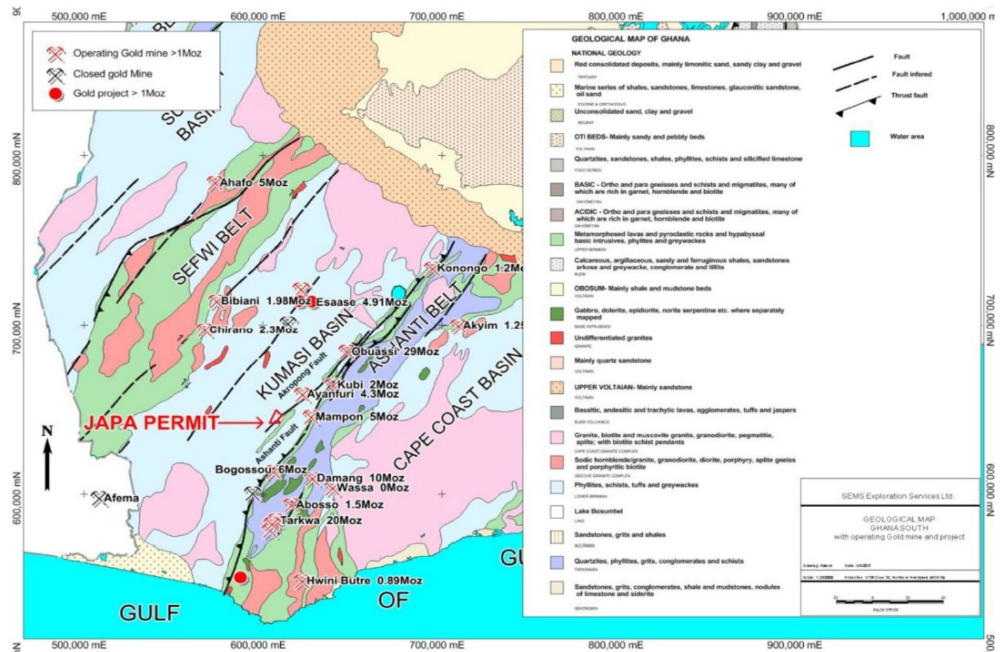


FIGURE 7: JAPA Mining Lease, Ghana. (Source: TBR ASX Announcement, 16/11/2016).

The Japa Project (“Japa”) is situated within the eastern portion of the Kumasi Basin in south-eastern Ghana, West Africa (figure 7).

Tenements

The mining lease for Japa was granted in July 2019 and covers 26.20km² within the Akropong Belt (figure 7), an offshoot of the prolific Ashanti belt. TBR have an 80% interest with the Ghanaian Government and Edelman Ltd holding a 10% net profit interest respectively.

Geology and Mineralisation

The project is situated within the eastern portion of the Kumasi Basin of the Proterozoic Birimian Supergroup (figure 7). Steeply dipping and localised folded rocks consist of sandstones and siltstones with pyritic and graphitic alteration with gold mineralisation predominantly structurally controlled. Gold mineralization is associated with quartz-carbonate ± pyrite sub-vertical to steeply dipping veins and a secondary more gently dipping vein set.

Maiden Resource

The mineral resource statement (Table 3) was completed by Mining Plus Pty Ltd based on around 76,000 metres of drilling since 2005. The maiden JORC (2012) resource of 21Mt @ 2.7 g/t gold compares with our earlier estimation of 20-30Mt @ 1-2g/t gold (April 2020) an outstanding result that confirms our view that Japa could represent a low cost, open pittable source of ore for the nearby Edikan plant (Perseus Mining). Mineralisation was outlined in two lodes (Adiembra West and Adiembra Central) over an area covering 1400m by 700m.

Mineralisation remains open along strike and at depth at Adiembra (figure 8, 9, 10 and 11). Additional drilling is planned aiming to upgrade the Resource classification to Measured and Indicated, bring unclassified resources into JORC and test for extensions to the mineralised system along strike.

We are optimistic of TBR adding 1-2 Moz of gold to the existing resource inventory at Japa over the next 12-18 months. The wild card is the Japa trend which covers 3km of strike with very little drill coverage but early encouragement from the last phase of diamond drilling.

Japa Mining Lease granted in July 2019...

...situated in the prolific Proterozoic Birimian Formation in Ghana

The maiden JORC Resource at Adiembra has surprised on the upside...

We remain confident 1-2 Moz of gold will be added to the resource inventory over the next 12-18 months...

gold grades linked to quartz vein density...

The two lodes remain open along strike and at depth...

...next phase of drilling will likely consist of infill drilling and testing extensions to known mineralisation

Unclassified mineralisation at Adiembra is likely to be converted to JORC Resources following the next round of drilling...

Japa Project (Cont)

Mineral Resource Estimate for the Adiembra Deposit					
Type	Resource Classification	Cut-off Grade	Tonnes	Grade Au (g/t)	Ounces Au
Open Pit	Indicated	0.5	4,640,000	2.6	390,000
	Inferred	0.5	16,350,000	2.7	1,420,000
TOTALS			20,990,000	2.7	1,810,000

NOTES: Dry Metric tonnes with ounces rounded to nearest 10,000.

TABLE 3: Adiembra JORC Resources (Source: TBR ASX Announcement, 10/08/2020).

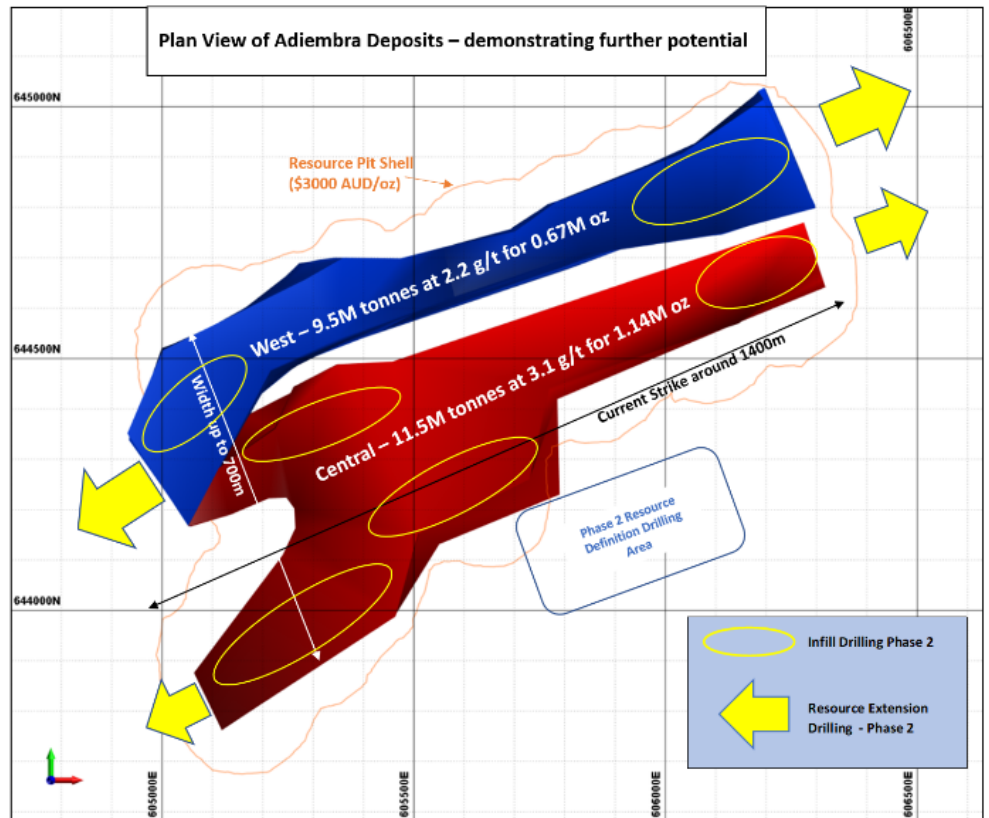


FIGURE 8: Adiembra mineralised system showing areas of proposed infill and extensional drilling (Source: TBR ASX Announcement, 10/08/2020).

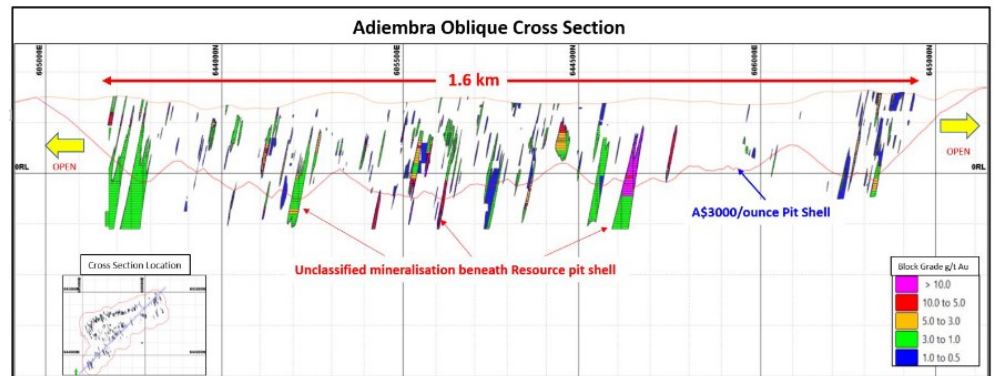


FIGURE 9: Adiembra Cross Section showing plus 0.50 g/t blocks and Resource pit shell (Source: TBR ASX Announcement, 10/08/2020).

Japa Project (Cont)

The Japa-Dadiesco Trend is dotted with artisanal miners with little to no modern exploration...

...and represents a near term exploration target for TBR

Japa mineralisation consists of quartz veins hosted in a felsic porphyry..

...gold mineralisation is more discrete but higher—grade and may represent a potential underground mining opportunity

Adiembra mineralisation remains open along strike to the SW and ENE

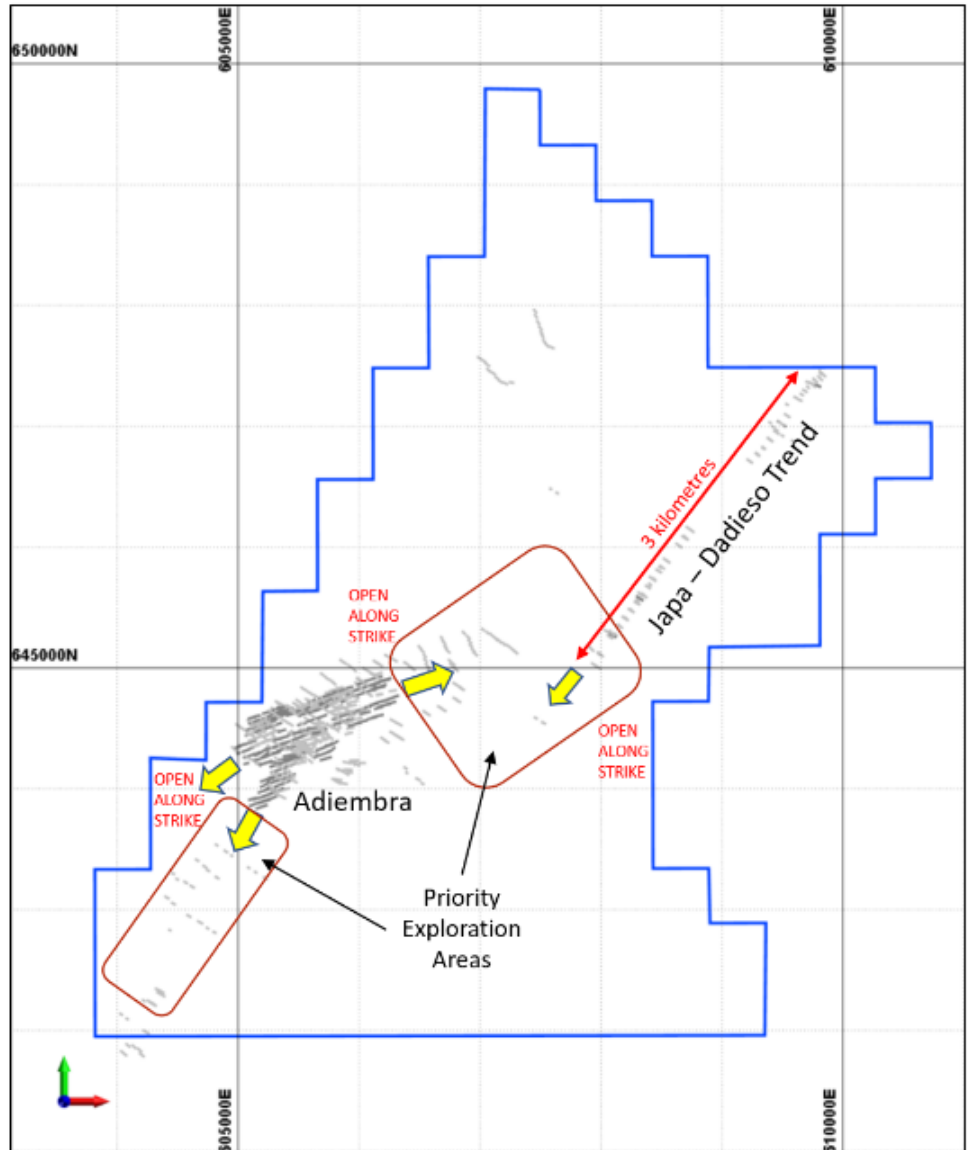


FIGURE 10: Plan of Japa Mining Lease showing major gold deposits Adiembra and Japa-Dadiesco Trend and priority exploration areas (Source: TBR ASX Announcement, 10/08/2020).

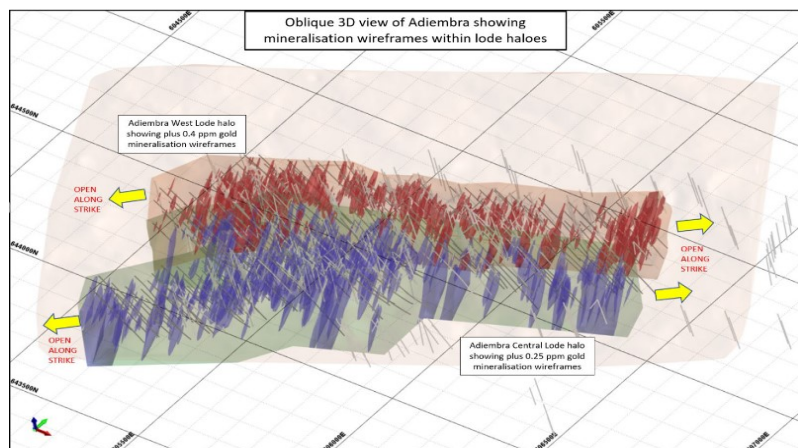


FIGURE 11: Adiembra oblique 3D view showing Adiembra modelled mineralisation and lode haloes (Source: TBR ASX Announcement, 10/08/2020).

Diwalwal Project (80% Economic Int, 40% Legal Int)

Location and Access

The Diwalwal Gold Project Gold Project (“Diwalwal” or “the Project”) lies within the northern portion of the Davao Mineral District of South-East Mindanao Island (Figure 12). The island of Mindanao lies close to the southern extremity of the Philippine Archipelago and is serviced by domestic and international airlines.

The Project is situated on a mineral reservation within the Municipality of Monkayo (Province of Compostella Valley), province of Davao Oriental some 150km north of Davao City.

Tenements

The tenement is located at the northern most block of the Diwalwal Mineral Reservation Area (Figure 12) and covers an area of 1,620 ha and includes the Upper Ulip and Upper Paraiso areas.

The tenement was issued by government owned **Philippine Mining and Development Corporation (“PMDC”)** in 2008 with the Pacominco Contract Area tenement providing the right to explore, develop, utilise, and process the mineral resources on the Reservation for a period of 25 years (renewable up to 50 years).

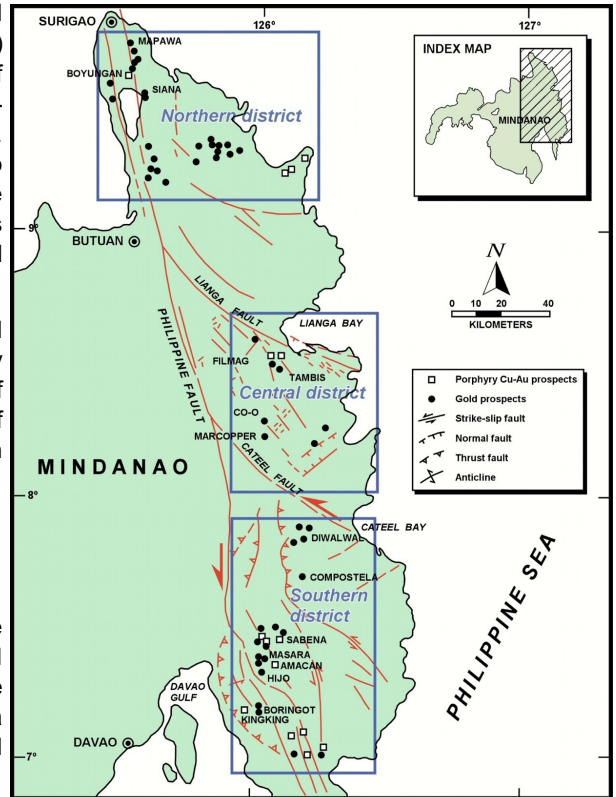


FIGURE 12: Au + Cur occurrences in eastern Mindanao, Philippines. (Source: TBR ASX Announcement, 6/12/2018).

The tenement was issued by government owned **Philippine Mining and Development Corporation (“PMDC”)** in 2008 with the Pacominco Contract Area tenement providing the right to explore, develop, utilise, and process the mineral resources on the Reservation for a period of 25 years (renewable up to 50 years).

Pacominc Contract area is situated within a Mineral Reservation covering of 1620ha...

...the project is already permitted for mining subject to the satisfaction of the lodgement of statutory environmental and mining studies

Right to explore, develop, utilise and process minerals for 25 years..

...renewable up to 50 years.

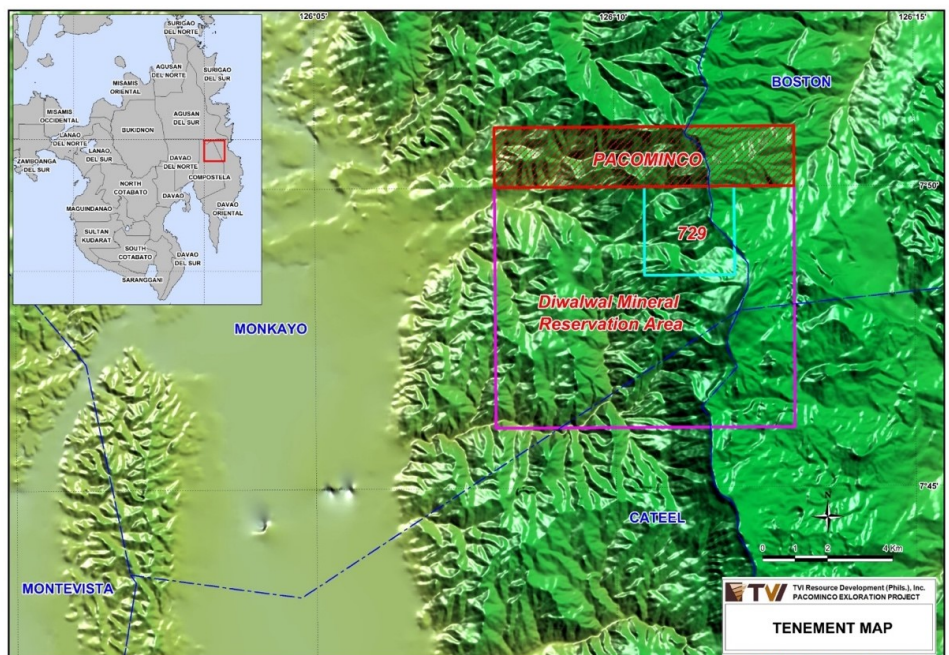


FIGURE 13: Diwalwal Mineral reservation. (Source: TBR ASX Announcement, 6/12/2018).

Diwalwal Project (cont)

Geology and Mineralisation

The Project is underlain by a sequence of intercalated volcanoclastics with minor interbeds of sandstone, shale and mudstone, andesitic to basaltic volcanic flows and pyroclastics. In the north, this volcanic sequence is intruded by andesite porphyry and to the south by hornblende andesite porphyry.

Northeast-northwest lineaments, which are loci of gold/silver vein-type mineralization, dissect the tenements. The sub-parallel northeast-trending faults (Figure 14) dissecting the Eastern block of Naboc River served as major pathways for the eastward lateral migration of ascending hot neutral-chloride water, enriched with silica, gold and silver. Its silica and metal contents are dumped along open fractures as it penetrated the cooler margin of the hydrothermal system. This system gave rise to stock work, vein filling and hydrobreccia gold-silver mineralization in the Eastern bloc. This is exemplified by the Balite and Buenas-Tinago vein system with a traceable strike length of 2-6 kms. from the Naboc River in the west and extends up to the contact of the limestone and clastic sediments in the East.

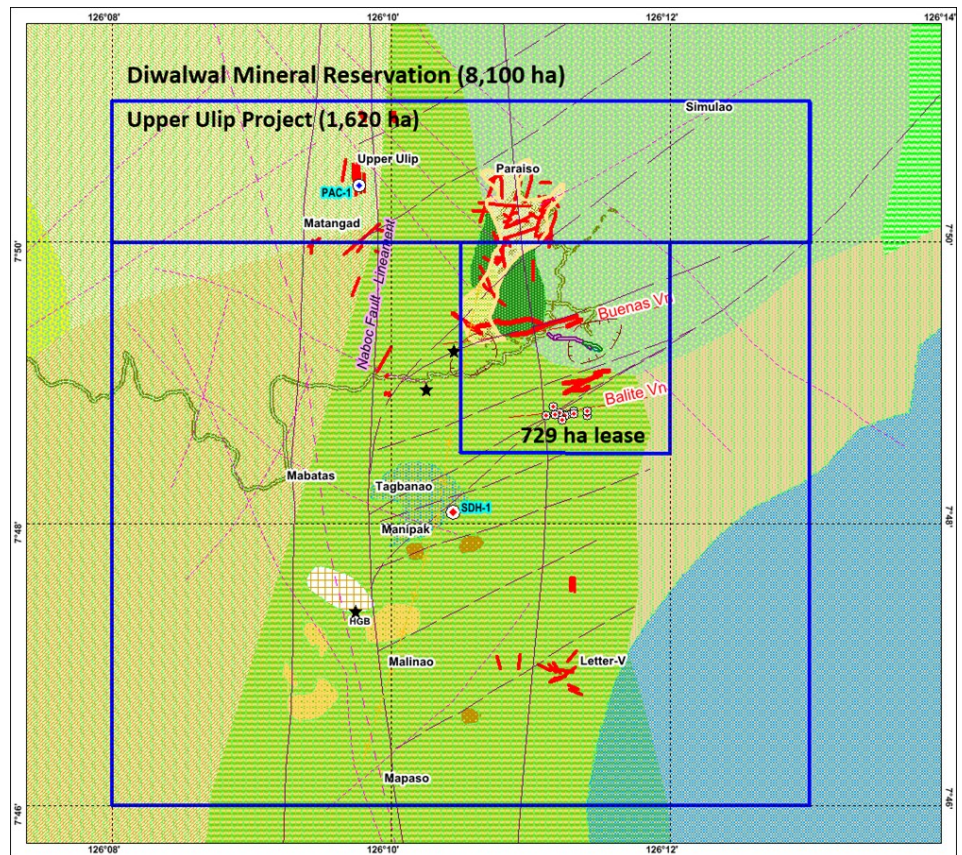


FIGURE 14: Geology and Prospect Locations within Diwalwal Mineral Reservation. (Source: TBR ASX Announcement, 6/12/2018).

Principle Diwalwal Vein Systems

The Balite and Buenas-Tinago vein systems are the two most productive gold-bearing fissure veins/breccia veins that host the gold deposits in Diwalwal. They are parallel to sub-parallel and trend in an ENE-SWS orientation. The Buenas-Tinago vein is approximately 900m to the north of the Balite vein and are best developed in the volcanoclastics, andesite volcanic flows and pyroclastics. With an average width of 2.5m to 3m, the veins pinch and swell from 0.3m to 15m in dilatant zones. Both veins laterally and vertically manifest sigmoidally curving orientations, offsets and slickensides indicating sinistral and dextral movements.

Gold mineralisation is associated with east north east trending structures

...mineralisation can be traced for between 2 and 6 kilometres

...average width of 2.5-3.0 metres

Gold mineralisation is associated with east north east trending structures

TBR is focusing on drilling around the Victory Tunnel vicinity on the Balite Vein where PMDC outlined 2Moz of gold in 2006 (Non-Jorc)...

...Steep topography and access to high-grade mineralisation from existing portals is ideally configured for underground mining

Diwalwal Project (cont)

Geology and Mineralisation

The Diwalwal Gold Project is underlain by a sequence of intercalated volcanoclastics with minor interbeds of sandstone, shale and mudstone, andesitic to basaltic volcanic flows and pyroclastics. In the north, this volcanic sequence is intruded by andesite porphyry and to the south by hornblende andesite porphyry.

Previous Exploration

Previous diamond drilling by **PMDC** at the Victory Tunnel (part of the Pacominco Contract area-Figure 15) was successful in outlining Non JORC Resources of approximately 8Mt @ 7 g/t Au for a total of 2 Moz.

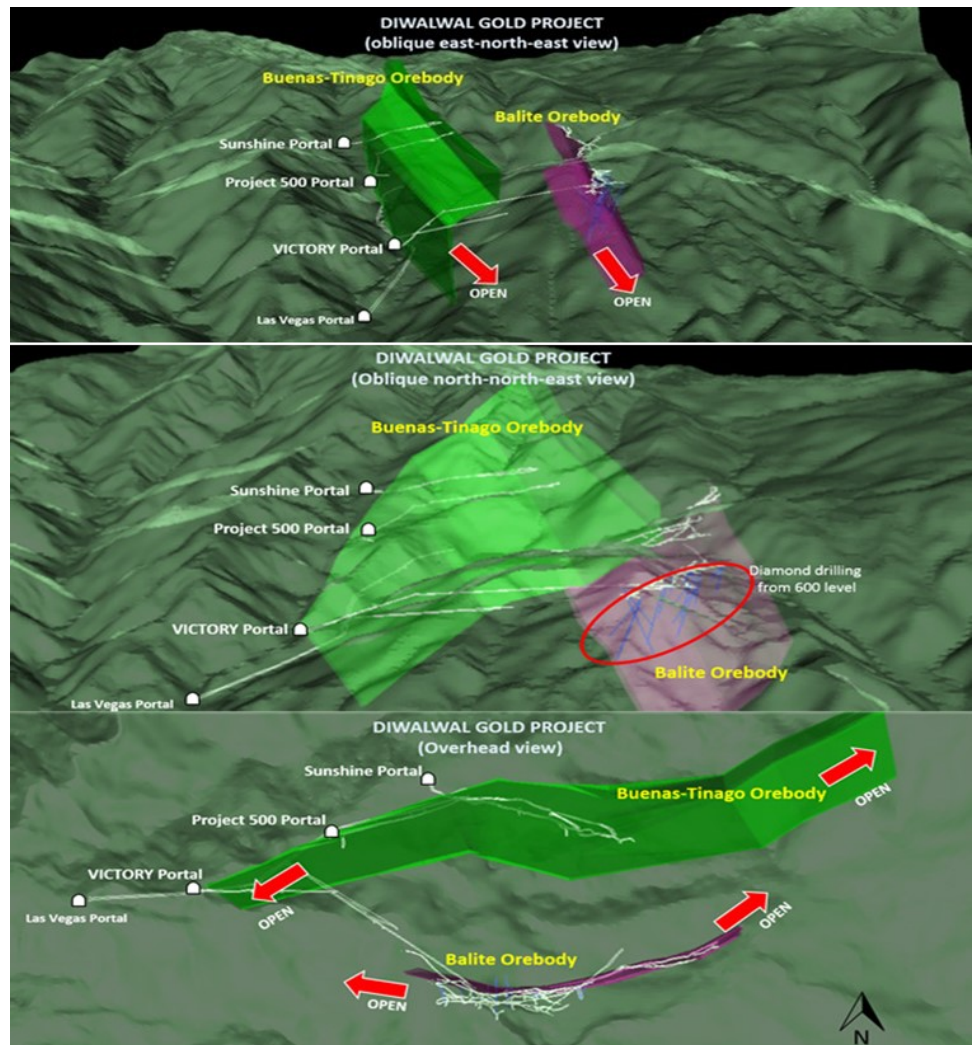


FIGURE 15: Geology and Prospect Locations within Diwalwal Mineral Reservation. (Source: TBR ASX Announcement, 6/12/2018).

Diwalwal Project (cont)

Current Exploration

Underground Refurbishment of the Victory Tunnel was somewhat more protracted than expected with a number of significant rock falls, installation of services and ground support being more complicated and time consuming than originally foreseen. After approximately 18 months of site works, underground diamond drilling targeting the Balite vein has commenced (¹Exploration Target (2012 JORC) of 1.5 Mt to 2.0 Mt @ 7.5 to 9.0 g/t Au) (Figure 15). This estimate covers a strike of 550m and 200m of vertical extent in the mid levels of the Balite vein system below the existing workings from the 600m Level down dip to 400 mRL (Figure 16).

Underground diamond drilling has commenced on the Balite Vein ...

TBR remain confident of delivering on their exploration target of 1.5 - 2.0Mt @ 7.5-9.5g/t Au

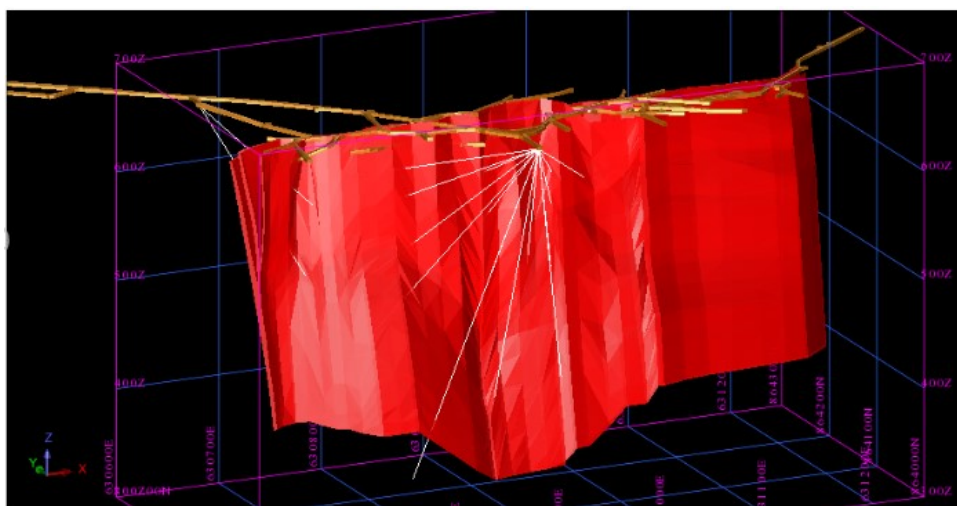


FIGURE 16: Balite drilling plan at the Victory Tunnel targeting the Balite vein (red) and diamond drill hole traces (white). (Source: TBR, Quarterly Report, 30/7/2020).

RMR notes that the target is not closed off and further exploration potential exists down dip and along strike to the east. Given the limited exploration on the tenement, **RMR** is optimistic of success and are hopeful of a maiden JORC 2012 Resource over the next 12-18 months.

¹In the JORC Code 2012 an Exploration Target is defined as a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. **The potential quantity and grade are conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.**

Fiscal stimulus is reaching unprecedented levels...

...strong ETF buying continues

...Strong bounce from US\$1,880 after gold reached a new high of \$2,063/ounce

A\$ gold prices above \$2,700/oz are contributing to strong margins for TBR

NCM and SLR are trading at significant premiums to NAV...

...while TBR is trading at a 53% discount to NAV...

...making TBR one of the most undervalued ASX listed gold producers

GOLD OUTLOOK

After gold recently touched a record high of US\$2,063/ounce, followed by a sharp pullback to US\$1,882/ounce, the price has bounced back and is again trading over US\$2,000/ounce driven by strong ETF buying and continuing positive sentiment towards gold. Fears of a global recession together with unprecedented fiscal stimulus are underpinning gold prices (Figure 17).

Gold also continues to benefit from USD weakness and the ongoing slide in US real rates through -1%. In addition to the lift in 10-yr break-evens above 1.5%, 10-yr Treasury yields have slipped to new lows of 0.5%.

We remain confident of seeing gold break through US\$2,500 in the medium term as the full extent of the money printing becomes apparent. All bullish for TBR and the gold sector in general with Australian gold producers extending margins in excess of A\$1,600/ounce above their AISC.

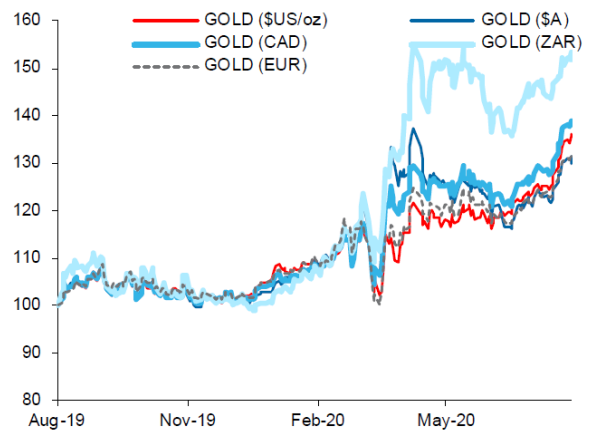


FIGURE 17: 1 year spot gold price (USD, CAD, EUR, ZAR). (Source: Macquarie Research, 5 August 2020).

COMPARATIVE VALUATION

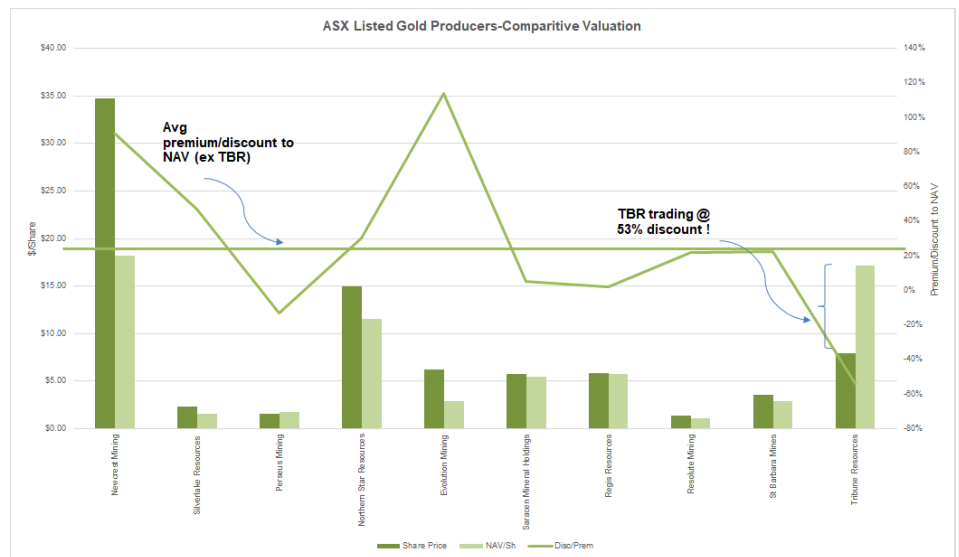


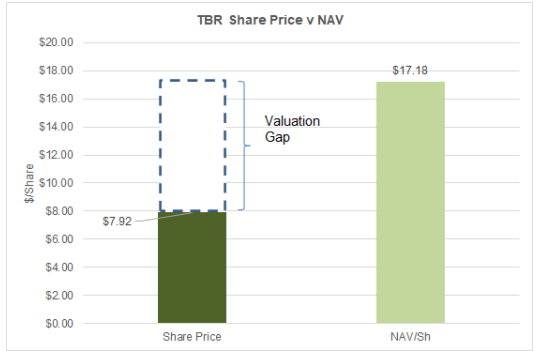
FIGURE 18: ASX listed gold producers—comparative valuation.

RMR's comparative valuation (Figure 18) of ASX listed gold producers shows a sector continuing to generate (EBITDA >\$1,600/ounce) substantial margins with our basket of comparable gold producers trading at 1.4 x's NAV driven clearly by expectations of rising gold prices. EVN (114% premium) and NCM (91% premium) trading at the highest premiums while TBR is trading at a 53% discount to our NAV.

FIGURE 19: TBR Share price v NAV.

COMPARATIVE VALUATION (cont)

While the relatively small scale production has contributed to **TBR** trading at a significant NAV, and an even bigger discount to its peers, the maiden 1.81Moz JORC Resource at Adiembra has the potential to catapult the Company into the ranks of mid-tier producers, and more likely better market recognition. Our Gold Production v AISC shows our comparable basket of producers with healthy operating margins at current gold prices (>\$2,700/oz) with **TBR** in the lowest cost quartile at an AISC of \$1,068.

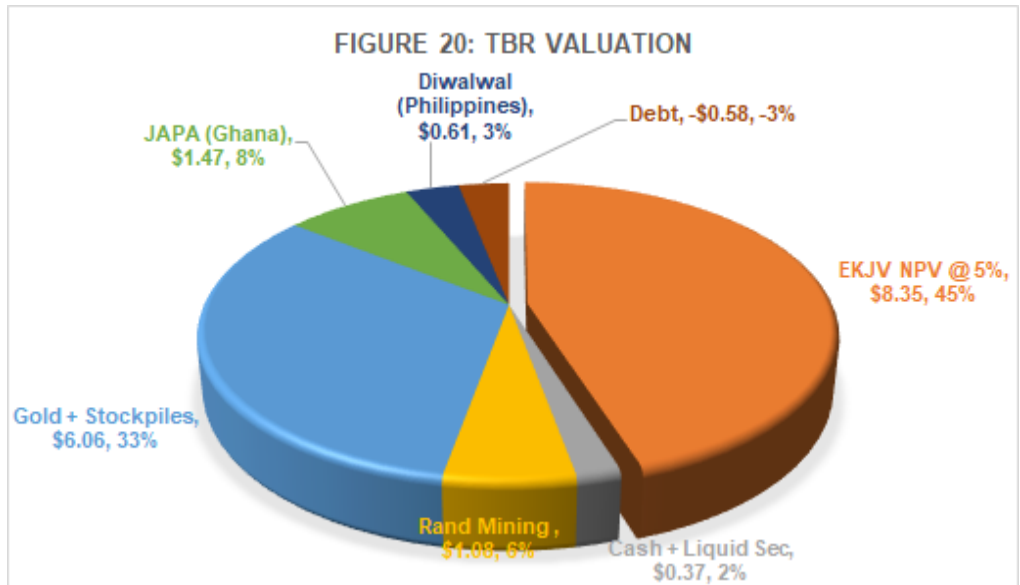


The market is failing to recognise \$6/share of cash, gold bullion and stockpiles

Our NAV has increased to \$17.18 (\$12.56 6/4/2020)

...on the back of the 1.81Moz Adiembra JORC Resource, increase in ore stockpiles and a lift in the EKJV value

FIGURE 20: TBR VALUATION



TBR Performance has been strong but continues to lag behind most peers...

With gold at >A\$2700, our basket of ASX gold producers continue to generate strong margins averaging A\$1,600/ounce...

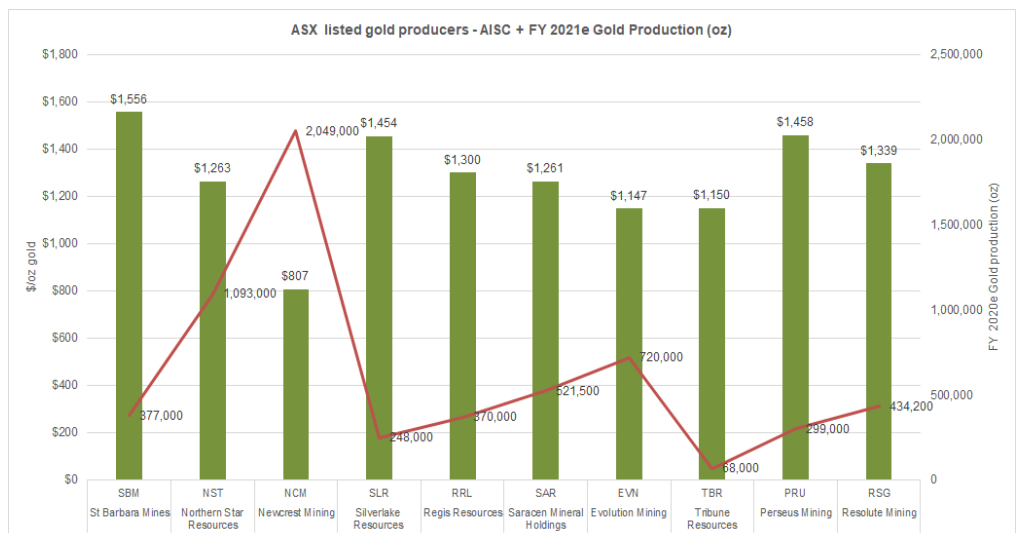


FIGURE 21: ASX listed gold producers ASIC v FY2021e gold production (oz).

Strong performance across the basket of gold producers...

...with **SLR** the standout over the last 12 months

Recently completed buy-back has further tightened the capital structure...

...while Japa and Diwalwal remain in the exploration phase, there have been no significant incidents reported by **TBR** over recent years...

COMPARATIVE VALUATION (cont)

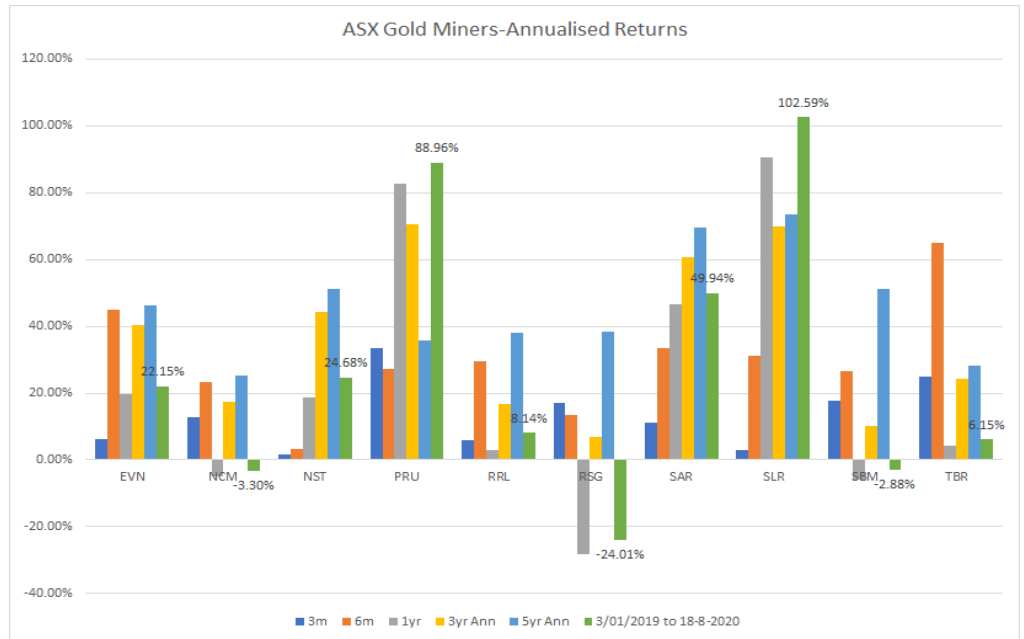


FIGURE 22: ASX listed gold producers cumulative 5 yr performance. (Source: Arro Funds Management, Aug. 2020)

CORPORATE

TBR announced (24/6/2020) that it had bought back a total of 2.88 million Shares for a total cost of \$17.98 million giving an average price of \$6.24 per Share. This reduced the issued capital of the Company from 55.34 million to 52.46 million Shares. This is a positive result given **RMR's** earlier NAV valuation of \$11.24/Share for **TBR** (6/4/2020).

KEY RISKS

POLITICAL RISK: The Philippines has presented some operational and political risk issues to a number of international mining companies in recent years however we believe the tide is turning with a more mining friendly government and supportive administrators.

PERMITTING: As JAPA and Diwalwal are on existing mining leases we consider this a low risk for **TBR**.

GOLD PRICE/EXCHANGE RATE OUTLOOK: **TBR** is entirely exposed to the gold price/exchange rate whose volatility has helped push gold producer valuations up over the last 12 months. Our near term projections are likely to see further upside risk to the gold price which has added almost US\$300/oz since our April research report.

MANAGEMENT RISK: **TBR** will need to strengthen their management and technical team to progress Diwalwal and Japa as these projects eventually move into the development phase. The current resources at the Company are limited and this remains a risk moving forward.

FINANCE RISK: With a strong balance sheet (\$257 million in cash/bullion) we consider this to be a very low risk in the current operating environment.

CAPITAL STRUCTURE	2019A	2020F	2021F	2022F	2023F
Total Shares on issue (m)	55.4	52.4	52.4	52.4	52.4
Share Price (A\$)	7.92	7.92	7.92	7.92	7.92
Market Capitalisation (A\$m)	438.8	415.0	415.0	415.0	415.0

PRODUCTION FORECASTS	2019A	2020F	2021F	2022F	2023F
Gold Production (oz) (attrib)	89,876	40,359	56,288	54,609	53,931
TOTAL (oz)	89,876	40,359	56,288	54,609	53,931
Gold Price (A\$/oz)	\$1,872	\$2,817	\$2,941	\$2,941	\$2,941
AISC Costs (A\$/oz)	\$1,068.82	\$1,068.82	\$1,084.38	\$1,152.18	\$1,233.94
Cash Margin (A\$/oz)	\$803.33	\$1,748.08	\$1,856.79	\$1,788.99	\$1,707.23

PROFIT & LOSS	2019A	2020F	2021F	2022F	2023F
Gold Sales	273.5	134.9	165.6	160.6	158.6
Other Income	(0.5)	6.8	6.9	7.0	7.2
TOTAL REVENUE	273.0	141.7	172.5	167.7	165.8
Operating Costs (A\$m)	(149.4)	(74.4)	(48.6)	(50.1)	(50.2)
Dep/Amort (A\$m)	(15.4)	(13.1)	(13.4)	(13.5)	(13.5)
Financing Costs (A\$m)	(0.2)	(0.19)	(0.20)	(0.20)	(0.21)
Administration (A\$m)	(5.2)	(4.81)	(4.90)	(5.00)	(5.10)
Changes In Inv (A\$m)	(1.7)	9.3	-	-	-
EBIT (A\$m)	101.1	51.3	105.4	98.8	96.8
Interest Expense (A\$m)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)
EBT (A\$m)	100.9	51.4	105.6	99.0	97.0
Abnormal Gain (A\$m)	-	-	-	-	-
Operating Profit (A\$m)	100.9	51.4	105.6	99.0	97.0
Tax (A\$m)	(47.0)	(17.1)	(31.7)	(29.7)	(29.1)
NPAT	53.9	34.3	73.9	69.3	67.9

FINANCIAL POSITION	2019A	2020F	2021F	2022F	2023F
ASSETS					
Current Assets					
- Cash + Debtors (A\$m)	44.4	10.5	64.1	112.8	156.6
- Inventories + Receiv (A\$m)	105.2	118.0	118.0	118.0	118.0
Total current assets	149.6	128.5	182.1	230.8	274.6
Non-Current Assets					
- Financial Assets (A\$m)	0.30	0.33	0.30	0.33	0.31
- Property, Plant & Equip (A\$m)	42.0	43.23	43.66	44.10	44.54
- Exploration & Evaluation (A\$m)	3.6	12.9	15.64	18.34	21.04
- Mine Development (A\$m)	33.1	45.49	56.14	67.11	81.11
- Deferred Tax (A\$m)	5.5	5.76	5.87	5.99	6.11
- Other		3.15	3.21	3.27	3.34
Total non-current assets	84.5	107.7	121.6	135.9	153.1
TOTAL ASSETS	234.1	236.3	303.7	366.7	427.7
LIABILITIES					
Current Liabilities					
Trade + oth Payables (A\$m)	14.3	16.69	17.02	17.36	17.71
Borrowings (A\$m)	2.7	-	-	-	-
Lease Liabilities (A\$m)	0.0	3.48	3.55	3.63	3.70
Income Tax (A\$m)	27.6	2.83	2.89	2.94	3.00
Provisions (A\$m)	0.08	0.09	0.09	0.09	0.09
Total non-current liabilities	44.8	23.1	23.5	24.0	24.5
Borrowings (A\$m)	1.5	-	-	-	-
Lease Liabilities (A\$m)	0.0	-	-	-	-
Deferred Tax (A\$m)	8.1	8.29	8.46	8.62	8.80
Provisions (A\$m)	0.8	0.84	0.85	0.87	0.89
Total non-current liabilities	10.5	9.1	9.3	9.5	9.7
TOTAL LIABILITIES	55.2	32.2	32.9	33.5	34.2
NET ASSETS	178.9	204.0	270.8	333.2	393.6

SURPLUS FUNDS	2019A	2020F	2021F	2022F	2023F
Net Profit	53.9	34.3	73.9	69.3	67.9
+ Dep/Amort	15.4	13.1	13.4	13.5	13.5
- Exploration Expenditure	15.0	10.7	10.8	10.8	10.8
- Capex	12.0	11.1	12.4	12.8	16.3
- Buyback	-	18.2			
- Debt Repay		4.9			
- Div	11.1	12.8	10.5	10.5	10.5
- Def Tax		25.2			
CASH FLOW	31.2	(35.5)	53.6	48.8	43.8
+Equity (Rts,plc,opts)	-	-	-	-	-
+Loan Drawdown	-	-	-	-	-
PERIOD SURPLUS (A\$m)	31.2	(35.5)	53.6	48.8	43.8

EARNINGS RATIOS	2019A	2020F	2021F	2022F	2023F
CFPS @	56.3	(67.7)	102.2	93.0	83.6
CFM (x)	0.14	(0.12)	0.08	0.09	0.09
EPS @	97.3	65.4	141.0	132.3	129.6
PER (x)	8.1	12.1	5.6	6.0	6.1
DPS @	20.0	23.2	18.9	20.0	20.0
Div Yield (%)	2.5%	2.9%	2.4%	2.5%	2.5%

ASSET VALUATION	A\$m	A\$/sh
EKJV NPV @ 5%	462.5	8.35
Cash + Liquid Sec	10.5	0.19
Rand Mining	60.1	1.08
Gold Bullion	335.6	6.06
JAPA (Ghana)	81.5	1.47
Diwalwal (Philippines)	34.0	0.61
Debt	-32.2	-0.58
TOTAL	951.89	17.18

RESOURCES	mt	g/t	Au (koz)
EKJV (TBR interest 37.5%)	13	5.1	2.05
Adiembra (TBR interest 90%)	21	2.7	1.82
TOTALS	34	3.6	3.88
Equity Share Gold	24	3.6	2.40

RESERVES	mt	g/t	Au (koz)
EKJV (TBR interest 37.5%)	4.92	4.8	0.76
TOTALS	4.9	6.1	0.76
Equity Share Gold	1.8	6.1	0.36

Resources are inclusive of reserves and are not equity accounted
Reserves and resources are depleted by production

EARNINGS FORECASTS	2019A	2020F	2021F	2022F	2023F
Production (oz)	89,876	40,359	56,288	54,609	53,931
AISC (\$/oz)	1,069	1,069	1,084	1,152	1,234
Net Profit (A\$m)	53.9	34.3	73.9	69.3	67.9
Cash Flow (A\$m)	31.2	(35.5)	53.6	48.8	43.8

Registered Offices

Perth

Level 1, 1205 Hay St
West Perth WA 6005

PO Box 154
West Perth WA 6872

Email / Website

info@rmresearch.com.au
www.rmresearch.com.au

Phone: +61 8 6380 9200

Fax: +61 8 6380 9299

RM Research Recommendation Categories

Care has been taken to define the level of risk to return associated with a particular company. Our recommendation ranking system is as follows:

Buy	Companies with 'Buy' recommendations have been cash flow positive for some time and have a moderate to low risk profile. We expect these to outperform the broader market.
Speculative Buy	We forecast strong earnings growth or value creation that may achieve a return well above that of the broader market. These companies also carry a higher than normal level of risk.
Hold	A sound well managed company that may achieve market performance or less, perhaps due to an overvalued share price, broader sector issues, or internal challenges.
Sell	Risk is high and upside low or very difficult to determine. We expect a strong underperformance relative to the market and see better opportunities elsewhere.

Disclaimer / Disclosure

This report was produced by RM Research Pty Ltd, which is a Corporate Authorised Representative (343456) of RM Capital Pty Ltd (Licence no. 221938). RM Research Pty Ltd has made every effort to ensure that the information and material contained in this report is accurate and correct and has been obtained from reliable sources. However, no representation is made about the accuracy or completeness of the information and material and it should not be relied upon as a substitute for the exercise of independent judgment. Except to the extent required by law, RM Research Pty Ltd does not accept any liability, including negligence, for any loss or damage arising from the use of, or reliance on, the material contained in this report. This report is for information purposes only and is not intended as an offer or solicitation with respect to the sale or purchase of any securities. The securities recommended by RM Research carry no guarantee with respect to return of capital or the market value of those securities. There are general risks associated with any investment in securities. Investors should be aware that these risks might result in loss of income and capital invested. Neither RM Research nor any of its associates guarantees the repayment of capital.

WARNING: This report is intended to provide general financial product advice only. It has been prepared without having regard to or taking into account any particular investor's objectives, financial situation and/or needs. Accordingly, no recipients should rely on any recommendation (whether express or implied) contained in this document without obtaining specific advice from their advisers. All investors should therefore consider the appropriateness of the advice, in light of their own objectives, financial situation and/or needs, before acting on the advice. Where applicable, investors should obtain a copy of and consider the product disclosure statement for that product (if any) before making any decision.

DISCLOSURE: RM Research Pty Ltd and/or its directors, associates, employees or representatives may not effect a transaction upon its or their own account in the investments referred to in this report or any related investment until the expiry of 24 hours after the report has been published. Additionally, RM Research Pty Ltd may have, within the previous twelve months, provided advice or financial services to the companies mentioned in this report. As at the date of this report, the directors, associates, employees, representatives or Authorised Representatives of RM Research Pty Ltd and RM Capital Pty Ltd may hold shares in this Company.