

Barton Gold

Firing on all cylinders

As promised, on 5 May, Barton announced the results of its optimised scoping study on its Tunkillia project in South Australia. Relative to its initial scoping study (July 2024), capex was down 8.0%, while unit oxide and sulphide processing costs were 24.4% and 18.0% lower, respectively, as more realistic ore hardnesses were considered for grinding purposes. The life of the operation has been extended from 7.7 to 10 years, with the result that the amount of payable gold produced has increased by 13.1%. In conjunction with a 42.9% increase in the gold price to A\$5,000/oz (c US \$3,333/oz), these changes (among others) resulted in an increase in pre-tax project NPV_{7.5} of 176.6% to A\$1,416m and an 33.2 percentage point increase in the internal rate of return to 73.2% (A\$781m and 48.3% at A\$4,000/oz Au, respectively). Using the same inputs, our financial model generates an NPV_{7.5} within 6% of Barton's, from which we estimate a post-tax project NPV_{7.5} of A\$895.9m, or A\$4.09/share.

Year end	Revenue (AUDm)	PBT (AUDm)	EPS (AUD)	DPS (AUD)	P/E (x)	Yield (%)
6/23	2.8	(5.7)	(0.03)	0.00	N/A	N/A
6/24	0.8	(9.4)	(0.05)	0.00	N/A	N/A
6/25e	8.3	(1.3)	(0.01)	0.00	N/A	N/A
6/26e	0.0	(9.1)	(0.02)	0.00	N/A	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items.

Production from as early as mid-2026

Barton will now commence a pre-feasibility study (PFS) and mining licence application at Tunkillia, while simultaneously developing its nearby Tarcoola project for 'Stage 1' production by leveraging its fully licensed Central Gawler mill to 20–30koz pa from as early as mid-2026.

Valuation: A\$1.61–2.53/share risked; A\$4.00 possible

As per previous reports, we value Barton's Central Gawler mill at A\$0.46/share on an 'as new' replacement cost basis and at A\$0.23/share on an 'as is' indemnity value basis. Hence, this asset alone covers at least 40% of Barton's share price. On top of this, as stated previously, at updated forex rates (A\$1.5616/US\$ cf A \$1.6019/US\$ previously), we estimate that Tunkillia's (published) pre-tax NPV_{7.5} of A\$1,416m translates into a post-tax NPV_{7.5} of c A\$895.9m, or A\$4.09/share, as a project on an unrisks basis (compared with A\$417.5m, or A\$1.91/share previously). Adjusting for stage of development (ie scoping study or preliminary economic assessment), sovereign risk and the overall risk of commerciality of the project (in the form of its internal rate of return), we calculate a value for Tunkillia in the range A\$1.38–2.07 (cf A\$0.54–0.65/share previously) based on EV/NPV multiples. At the current (real) price of gold of US\$3,200/oz (A\$4,997/oz), we estimate that the project could support an equity fund-raising at the current share price such that net debt:equity peaks at 2:1 and still return dividends to shareholders with an NPV₁₀ of A\$1.45/share (NPV_{7.5} of A\$1.75/share). The optimised scoping study has flattened our estimates of Barton's dividend profile somewhat. Nevertheless, if it is able to extend the lives of its operations indefinitely via exploration success, we calculate that a valuation of c A\$4.00/share is possible.

Optimised scoping study results

Metals and mining

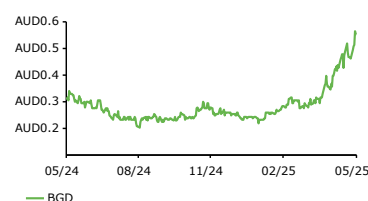
12 May 2025

Price AUD0.670
Market cap AUD122m

A\$1.5616/US\$

Net cash at 31 December 2024 AUD6.8m
Shares in issue 218.9m
Free float 62.3%
Code BGD
Primary exchange ASX
Secondary exchange N/A

Share price performance



% 1m 3m 12m
Abs 54.2 94.7 79.0
52-week high/low AUD0.6 AUD0.2

Business description

Barton Gold is an Australian gold developer with 100% ownership of the only regional gold mill in the renowned central Gawler Craton of South Australia. Currently, it has JORC mineral resources of c 1.7Moz Au and is targeting future gold production of c 125,000–150,000oz annually.

Next events

Quarterly cash flow July 2025
report
FY25 results September 2025

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Barton Gold is a research client of Edison Investment Research Limited

Exhibit 1: Financial summary

	A\$'000s	2022	2023	2024	2025e	2026e	2027e	2028e	2029e
Year end 30 June	UK GAAP	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS									
Revenue		2,430	2,809	794	8,304	0	0	0	0
Cost of Sales		(6,250)	(8,039)	(9,389)	(9,389)	(9,389)	(9,389)	(9,389)	(11,051)
Gross Profit		(3,820)	(5,230)	(8,595)	(1,085)	(9,389)	(9,389)	(9,389)	(11,051)
EBITDA		(3,820)	(5,230)	(8,595)	(1,085)	(9,389)	(9,389)	(9,389)	(11,051)
Operating Profit (before amort. and except.)		(3,912)	(5,358)	(8,835)	(1,340)	(9,644)	(9,644)	(9,644)	(11,051)
Intangible Amortisation		0	0	0	0	0	0	0	0
Exceptionals		0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0
Operating Profit		(3,912)	(5,358)	(8,835)	(1,340)	(9,644)	(9,644)	(9,644)	(11,051)
Net Interest		(193)	(320)	(568)	34	512	147	322	(24,140)
Profit Before Tax (norm)		(4,105)	(5,678)	(9,403)	(1,306)	(9,131)	(9,497)	(9,322)	(35,191)
Profit Before Tax (FRS 3)		(4,105)	(5,678)	(9,403)	(1,306)	(9,131)	(9,497)	(9,322)	(35,191)
Tax		0	0	0	0	0	0	0	0
Profit After Tax (norm)		(4,105)	(5,678)	(9,403)	(1,306)	(9,131)	(9,497)	(9,322)	(35,191)
Profit After Tax (FRS 3)		(4,105)	(5,678)	(9,403)	(1,306)	(9,131)	(9,497)	(9,322)	(35,191)
BALANCE SHEET									
Fixed Assets		14,151	14,374	14,366	14,273	14,018	164,764	391,009	466,509
Intangible Assets		13,757	13,782	13,814	13,827	13,827	13,827	13,827	13,827
Tangible Assets		394	592	552	446	191	150,937	377,182	452,682
Investments		0	0	0	0	0	0	0	0
Current Assets		11,782	10,719	10,949	5,367	177,084	16,842	733	346
Stocks		0	0	0	5	0	0	0	0
Debtors		427	68	387	387	387	387	387	0
Cash		11,200	10,451	10,216	4,629	176,351	16,109	0	0
Other		155	200	346	346	346	346	346	346
Current Liabilities		(573)	(842)	(5,271)	(939)	(939)	(939)	(939)	(418)
Creditors		(573)	(789)	(5,213)	(941)	(941)	(941)	(941)	(420)
Short-term borrowings		0	(53)	(58)	2	2	2	2	2
Long-Term Liabilities		(15,091)	(15,548)	(13,715)	(13,715)	(13,715)	(13,715)	(233,172)	(343,997)
Long-term borrowings		0	(60)	(2)	(2)	(2)	(2)	(219,459)	(330,284)
Other long-term liabilities		(15,091)	(15,488)	(13,713)	(13,713)	(13,713)	(13,713)	(13,713)	(13,713)
Net Assets		10,269	8,703	6,329	4,986	176,449	166,952	157,630	122,439
CASH FLOW									
Operating Cash Flow		(4,174)	(4,540)	(5,950)	(5,362)	(9,384)	(9,389)	(9,389)	(11,184)
Net Interest		(193)	(320)	(568)	34	512	147	322	(24,140)
Tax		0	0	0	0	0	0	0	0
Capex		676	550	(23)	(162)	0	(151,000)	(226,500)	(75,500)
Acquisitions/disposals		0	0	0	0	0	0	0	0
Financing		0	3,609	6,358	(37)	180,594	0	0	0
Dividends		0	0	0	0	0	0	0	0
Net Cash Flow		(3,691)	(701)	(183)	(5,527)	171,722	(160,242)	(235,567)	(110,825)
Opening net debt/(cash)		(14,891)	(11,200)	(10,338)	(10,156)	(4,629)	(176,351)	(16,109)	219,457
HP finance leases initiated		0	0	0	0	0	0	0	0
Other		0	(161)	1	0	0	0	0	(0)
Closing net debt/(cash)		(11,200)	(10,338)	(10,156)	(4,629)	(176,351)	(16,109)	219,457	330,282

Source: Company sources, Edison Investment Research.

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