



MARIANA RESOURCES

BUY*

Introduction of forecasts and price target of 4.8p

1.75p[#]

| Year-end Dec | 2013A | 2014A | 2015E | 2016E† |
|--------------------------|-------|-------|-------|--------|
| Revenue (£m) | 0.0 | 0.1 | 0.1 | - |
| EBITDA (£m) | (1.2) | (1.4) | (2.1) | (2.3) |
| Adj. Pre-tax Profit (£m) | (1.1) | (1.5) | (2.2) | (2.3) |
| Adj. EPS (p) | (0.4) | (0.4) | (0.3) | (0.2) |
| DPS (p) | - | - | - | - |
| Net Cash/(Debt) (£m) | 2.7 | (0.6) | 0.9 | 0.0 |
| P/E (x) | (4.3) | (4.9) | (5.8) | (8.3) |
| Dividend yield (%) | - | - | - | - |
| EV/EBITDA (x) | (1.8) | (5.9) | (4.9) | (7.7) |

Key data

| | |
|---------------------|--------------|
| Rating (12 month) | BUY* |
| Price Target | 4.8p |
| Risk | High |
| Sentiment | Positive |
| Ticker | MAR.L |
| Shares in issue | 858.1m |
| Market cap | £15m |
| 12-mth price range | 1.1p-3.4p |
| Net debt (H115A) | £0.6m |
| Next event – May 16 | FY15 results |

SOURCE: Northland Capital Partners Limited estimates

[#]Priced at market close, 30/10/2015

*Northland Capital Partners Limited provides commissioned research coverage to Mariana Resources and therefore this information should be viewed as a Marketing Communication. † assumes a £4.5m equity financing at current market price

Mariana Resources has had a transformational year with the discovery of ultra-high grade gold and copper mineralisation over large intercepts at the Hot Maden Project, located in Turkey. In just six months since its discovery, Mariana and its joint venture partner Lidya have advanced Hot Maden to a maiden mineral resource estimate of an impressive 2.9moz of gold equivalent at an exceptional gold equivalent grade of 10.9g/t Au (NCP calculation based on current prices, reported estimate is 3moz Au eq. at 11.2g/t Au eq.). The definition of the maiden mineral resource estimate at Hot Maden is an important milestone for the Company and one that allows us to introduce forecasts and a valuation of the Company, as a result, we have upgraded our SPECULATIVE BUY rating to BUY. The potential upside to Mariana's share price is reflected by a comparison with a basket of other companies that have interests in other ultra-high grade deposits that vary in development stage from resource to production. The ultra-high grade peer group's valuation per ounce of gold equivalent on average is £61/oz Au eq. with some as high as £146/oz Au eq. Mariana currently trades on a multiple of £17/oz Au eq.. Considering the very fast progress made to date and our continued expectations regarding the pace of progress at Hot Maden, with a resource upgrade and a preliminary economic assessment (PEA) likely before the end of 2016, there is much for investors in Mariana to look forward to in the coming year.

Company description

Mariana Resources has a 30% interest in the ultra-high grade Hot Maden Gold-Copper deposit. Hot Maden has an initial JORC compliant mineral resource estimate of 2.9moz Au eq. at a grade of 10.9g/t Au eq. Mariana's interest in the project is equivalent to 0.9moz Au eq. at a grade of 10.9g/t Au.

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■ **Upside already demonstrated:** Our valuation is based on the defined mineral resource estimate that comes from the first 17 holes. An additional four resource extension holes and four exploratory holes have already been drilled demonstrating the continued growth in the size of defined mineralisation and providing low risk upside to our valuation.

■ **Introduction of forecasts and price target:** We have introduced forecasts for FY15 and FY16 and a price target of 4.8p for Mariana Resources based on its peer group multiples. Our price target is fully diluted taking into account the increase in share capital that would occur from an equity financing in 2016 at the current market price.

INVESTMENT APPRAISAL

Mariana Resources and its joint venture partner Lidya Madencilik Sanayi ve Ticarte S.A. (Lidya) have made what is likely to be one of the, if not the, most exciting mineral deposit discoveries of the year. The ultra-high grade nature and large intercepts of the gold and copper mineralisation at Hot Maden ensure it stands out as an exceptional deposit.

Ultra-high grade gold and copper

Following the announcement of the discovery hole that returned 103m at 9g/t Au and 2.2% Cu (HTD-04) (02/02/15), Mariana's share price increased from 1.1p per share on the 30/01/15 to a high of 3.3p per share (+200%) on the 30/04/15, with further announcements of exceptional grades over large intercepts.

Shares rose to 3.3p before falling to 2p

Since then, the price has fallen to its current level of 1.75pp per share despite the production of a substantial maiden mineral resource estimate for the project of 2.9moz Au eq. at a grade of 10.9g/t Au eq. (NCP calculation based on current prices) and additional high and ultra-high grade assay results over large intercepts demonstrating upside to the initial resource estimate.

2.9moz Au eq. at 10.9g/t Au eq.

Mariana currently trades on a market capitalisation per attributable resource gold ounce equivalent of £17 this compares with an average of £61 for a peer group of other juniors with ultra-high grade deposits at a variety of development stages from resource to production (Table 1). This demonstrates there is a clear precedent of similar projects being advanced up the value curve achieving higher multiples even at the current low metal prices.

£17/Au eq. compared to peers £61/Au eq.

Table 1: Comparable companies with ultra-high grade deposits

| Company | Deposit | Location | Ownership | Stage | Market cap (£) | Total resource in gold ounce equivalents (oz) | Total resource grade in gold ounce equivalents (g/t) | Attributable total resource in gold ounce equivalents (oz) | Market cap per resource ounce (£) |
|---------------------|-------------------------|------------------|-----------|-------------|----------------|---|--|--|-----------------------------------|
| Kingroze Mining | Talang Santo | Indonesia | 85% | Production | 37,273,397 | 300,749 | 5.6 | 255,637 | 145.8 |
| Rox Gold | Yaramoko | Burkina Faso | 90% | Development | 112,003,530 | 1,088,000 | 14.4 | 979,200 | 114.4 |
| Kirkland Lake Gold | Kirkland Lake Gold Camp | Canada | 100% | Production | 223,646,168 | 3,231,844 | 17.6 | 3,231,844 | 69.2 |
| Doray Minerals | Andy Well/Deflector | Australia | 100% | Production | 80,256,267 | 1,163,000 | 7.8 | 1,163,000 | 69.0 |
| Reservoir Minerals | Timok | Serbia | 25% | Resource | 105,851,207 | 11,020,784 | 5.2 | 2,755,196 | 38.4 |
| Rubicon Minerals | Phoenix | Canada | 100% | Production | 121,330,757 | 3,348,000 | 8.8 | 3,348,000 | 36.2 |
| Pretivm Resources | Brucejack | Canada | 100% | Development | 518,715,166 | 16,129,999 | 16.7 | 16,129,999 | 32.2 |
| Dalradian Resources | Curraghinalt | Northern Ireland | 100% | PEA | 80,058,261 | 3,548,893 | 10.0 | 3,548,893 | 22.6 |
| Continental Gold | Buritica | Colombia | 100% | PEA | 103,398,921 | 5,192,701 | 12.4 | 5,192,701 | 19.9 |
| | | | | | | | | Average | 60.9 |
| Mariana Resources | Hot Maden | Turkey | 30% | Resource | 15,016,893 | 2,926,842 | 10.9 | 878,052 | 17.1 |

SOURCE: Fidessa/Company reports

Another important point for consideration is that Mariana has already delivered additional high and ultra-high grade assay results since the completion of the initial mineral resource estimate demonstrating upside that will increase the size resource estimate.

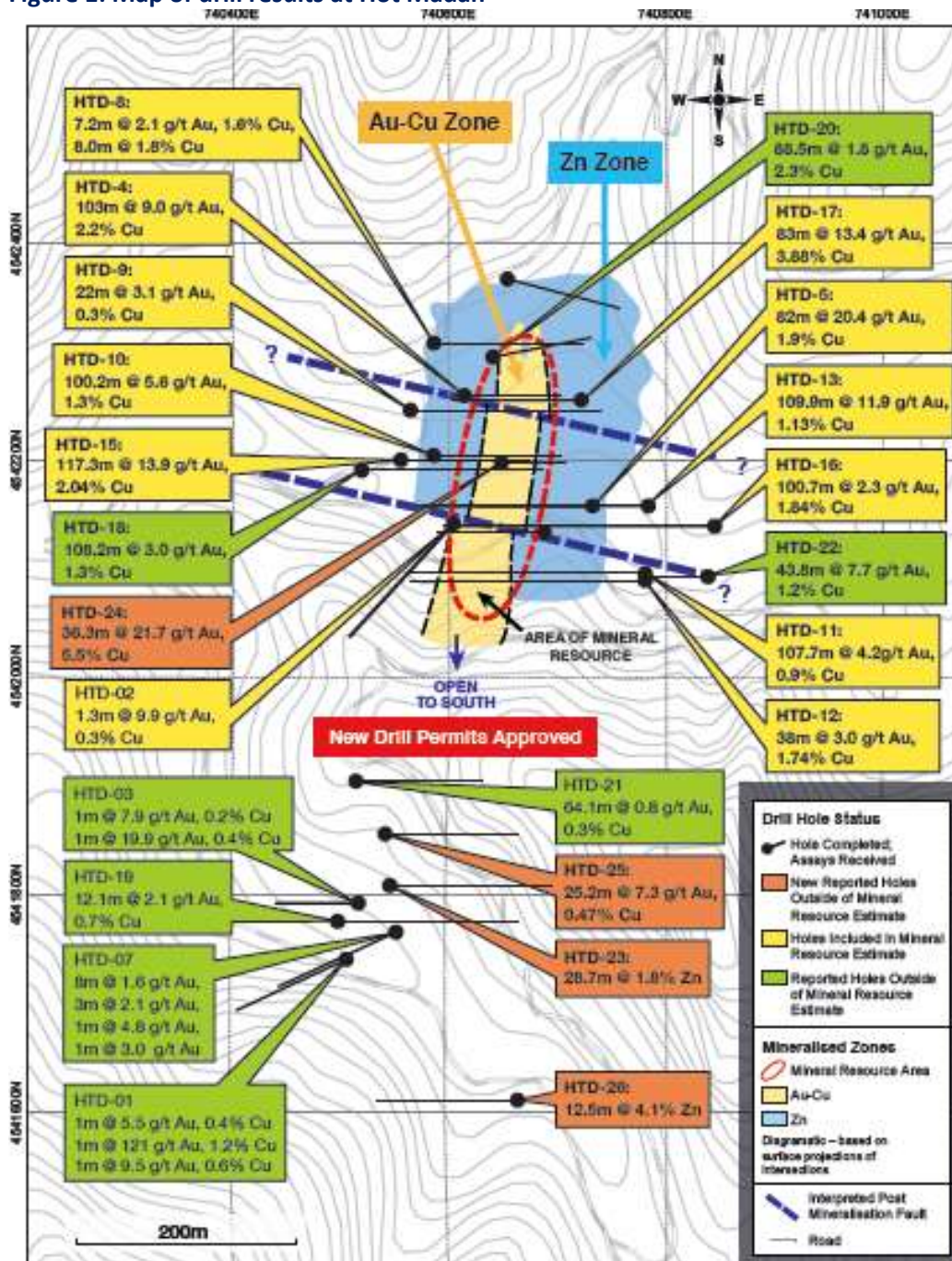
Upside demonstrated



The four resource expansion holes defined the following intercepts that lie above or below the initial resource estimate (Figure 1);

- 108.2m at 3g/t Au and 1.3% Cu from 292m and 9m and 12.4g/t Au and 0.8% Cu from 384m (HTD-18),
- 88.5 and 1.8g/t and 2.3% Cu and 1.9% Zn from 1.5m (HTD-20),
- 43.8m at 7.7g/t Au and 1.2% Cu from 342.2m (HTD-22),
- 36.3m at 21.7g/t Au and 5.51% Cu from 22.3m (HTD-24).

Figure 1: Map of drill results at Hot Madan



SOURCE: Company. Holes included in the initial resource estimate shown in yellow. Holes that have yet to be taken in to account in the initial mineral resource estimate are shown in green and orange



Increasing the size of the resource increases the attributable gold equivalent ounces net to Mariana. This in turn reduced the market capitalisation per attributable resource gold ounce equivalent unless there is a corresponding rise in the share price.

If, for example, the joint venture partners were to increase the resource base by 25% and the share price was to stay the same (highly unlikely) the multiple would decline to £14/oz Au eq., by 50% the multiple would decline to £11/oz Au eq., and should the resource base double the multiple would decline to £9/oz Au eq. leaving the Company looking significantly undervalued.

We believe it is highly unlikely that investors would let the multiple reduce to such levels without buying interest and we instead expect the share price to increase with the multiple staying at a similar level, assuming there is not a major drop in the gold or copper price.

Share price will increase as resource expands

The current mineral resource estimate of 2.9moz Au eq. is based on only seventeen drill holes (Figure 1), with four additional resource expansion holes and five exploration holes already completed (Figure 1) adding to the defined area of mineralisation and de-risking the upside for investors. That is to say it is now known that the resource will increase but the share price has not increased, in fact it has decreased, providing an opportunity to take advantage of positive share price movement following the resource upgrade.

Expanding on the potential scale of the upside, the four resource expansion holes are located above and below the existing resource and, as a result, will increase the resource estimate but in a relatively small way <20%.

Resource expansion holes demonstrate upside

The really exciting expansion potential (>20%) that could lead to a much larger resource estimate comes from the south with HTD-25 (Figure 1), located 250m from the initial resource estimate, demonstrating high grade gold over 25m. Now while this hole did not return the ultra-high grade gold and copper over c. 100m as with a significant number of holes in the initial resource estimate, it does demonstrate that the high grade mineralisation is still occurring 250m away from the initial mineral resource estimate.

Upside potential to the south has been demonstrated

It is possible that this hole may have just clipped the edge of the ultra-high grade pod that could potentially be located below it, or to the west, or possibly even the east. However, there is a risk that HTD-25 hit the extension and that the mineralisation simply pinches out and the grades decrease this far from the initial resource estimate.

The majority of holes drilled post the discovery hole were gradual step out and step down holes, allowing the partners to track the mineralisation both along strike and down dip, giving them such a high success rate for the holes included into the initial mineral resource estimate.

High success rate in step out drilling

The recent exploration holes could not follow this pattern, simply because the partners did not have the drill permits required to continue to step out drilling along strike, so these holes had to be drilled in locations that were permitted further to the south. As a result, these holes had a lower chance of success as the distance between the defined mineralisation in the initial mineral resource estimate and the new holes was much greater, allowing for geological variation to have a much more significant impact.

Lack of permits restricted continued step out drilling

Now that the partners have the permits in place they can revert to step out drilling and have more confidence in tracking the orebody to the south. That said, Hot Maden is a structurally complex area with a number of faults that have dextrally displaced the orebody. To date, the displacement has been minor but there is the potential that if step out drilling to south fails to find mineralisation along strike that the extension to the orebody is still present but has been displaced down-dip or to the east or west, and further drilling would be required. The presence

Permits now in place and step out drilling to continue

of high grade gold over a significant intercept in HTD-25 would appear to suggest that the partners are not far off the potential extension.

Another point to consider is what effect the ultra-high grade nature of the deposit is likely to have the project's economics. Ultra high grade deposits tend to have low all-in sustaining cost (AISC) per ounce (Table 2), relatively low capex per ounces produced (Table 2) requirements and are therefore high margins and high return generating projects (Table 2).

Ultra-high grade project are high margin and high return

Table 2: Metrics of ultra-high grade pre-production projects

| Company | Stage | Grade (g/t Au) | AISC (\$/oz Au) | Capex per ounces produced (\$/oz Au) | Au price economics accessed at (\$/oz Au) | Project post-tax IRR (%) | Project post-tax NPV (US\$m) |
|---------------------|-------------|----------------|-----------------|--------------------------------------|---|--------------------------|------------------------------|
| Rox Gold | Development | 14.4 | 590 | 151 | 1,100 | 35 | 168 (5%) |
| Pretivm Resources | Development | 16.7 | 448 | 103 | 1,100 | 29 | 1,450 (5%) |
| Dalradian Resources | PEA | 10.0 | 541 | 86 | 1,054 | 30 | 366 (8%) |
| Continental Gold | PEA | 12.4 | 500 | 82 | 1,000 | 24 | 700 (5%) |

SOURCE: Company reports

The upside to Hot Maden has already been demonstrated and we expect this to continue. As an exploration company, Mariana will need to raise additional capital in 2016 and we have reflected this in our valuation and forecasts and we estimate that it will need to raise £4.5m.

Will need additional funding in 2016

These funds will be used for the completion of the resource upgrade and the PEA at the Hot Madan Gold-Copper Project, as well as the earn-in commitment and payments for the Nassau Gold Project, located in Suriname. There is a relative minor commitment for the Dona Ines and Exploradora East Projects where Asset Chile is funding the majority of the work programme as part of its earn-in agreement. We have assumed that these funds are raised at the current share price and factor in the shares that would be issued into our valuation. We also assume that all options currently in-the-money are exercised.

Taking this into account and using the average market cap per attributable gold equivalent ounce from a peer group of other ultra-high grade deposits at a variety of development stages, we arrive at price target of 4.8p per share (176% upside) for Mariana Resources as it advances its project up the value curve. This valuation assumes no major movement in metal prices.

Price target of 4.8p

Table 3: Valuation per share of Mariana Resources

| Company | Attributable total resource in gold ounce equivalents (oz) | Average market cap per attributable gold equivalent resource ounce of ultra-high grade peer group (£) | Valuation of Mariana based on attributable resource gold ounce equivalent and market cap per (£m) | Estimated shares in issue 2016 | Valuation per share fully diluted based on assumptions for 2016 (p) | Upside (%) |
|-------------------|--|---|---|--------------------------------|---|------------|
| Mariana Resources | 878,052 | 60.8 | 53,428,965 | 1,105,717,561 | 4.8 | 176 |

SOURCE: Northland Capital Partners estimates



Hot Maden Gold-Copper Project, Turkey

The Hot Maden Project is located in the Artvin Province in the northeast of Turkey (Figure 2).

Figure 2: Map showing the location of the Hot Maden Project in northeast Turkey



SOURCE: Runge Pincock Minarco Report ADV-PE-60359

JORC 2012 Mineral Resource Estimate

Hot Maden has a total JORC 2012 compliant mineral resource estimate of 2.9moz Au eq. at a grade of 10.9g/t Au eq (Table 4). This is made up of 2.2moz Au at a grade of 8g/t Au and 0.2mt of copper at a grade of 2g/t Au. Zinc and lead mineralisation has yet to be factored into the resources model but remains value upside for the project.

Within the total mineral resource estimate is a ultra-high grade core of 1.6moz Au eq. at a grade of 36.3g/t Au (Table 5). This is comprised of 1.3moz Au at a grade of 30.9g/t Au and 52kt of Cu at a grade of 3.8% Cu. Net to Mariana based on its 30% interest in the Project is 0.9moz Au eq. at a grade of 10.9g/t Au (Table 6).

Table 4: Total JORC 2012 compliant mineral resource estimate for Hot Maden

| Classification | Tonnes (Mt) | Grade (g/t) | Gold (oz) | Copper grade (%) | Copper (t) | Gold eq. grade (g/t) | Gold eq. (oz) |
|---------------------|-------------|-------------|-----------|------------------|------------|----------------------|---------------|
| Measured Resources | - | - | - | - | - | - | - |
| Indicated Resources | 4.7 | 10.0 | 1,514,300 | 2.2 | 103,620 | 13.2 | 1,994,720 |
| Inferred Resources | 3.7 | 5.5 | 646,134 | 1.8 | 65,772 | 8.1 | 951,076 |
| Total | 8.4 | 8.0 | 2,160,434 | 2.0 | 169,392 | 10.9 | 2,945,797 |

SOURCE: Runge Pincock Minarco Report ADV-PE-60359 with gold equivalent grades calculated by Northland Capital Partners Limited using current metal prices of US\$1,100-Au and US\$5,100/t-Cu

Table 5: Ultra-high grade core JORC 2012 compliant mineral resource estimate for Hot Maden

| Classification | Tonnes (Mt) | Grade (g/t) | Gold (oz) | Copper grade (%) | Copper (t) | Gold eq. grade (g/t) | Gold eq. (oz) |
|---------------------|-------------|-------------|-----------|------------------|------------|----------------------|---------------|
| Measured Resources | - | - | - | - | - | - | - |
| Indicated Resources | 1.0 | 29.2 | 967,905 | 4.0 | 41,240 | 35.0 | 1,159,108 |
| Inferred Resources | 0.3 | 36.2 | 379,417 | 3.3 | 10,758 | 41.0 | 429,295 |
| Total | 1.4 | 30.9 | 1,347,322 | 3.8 | 51,998 | 36.4 | 1,588,404 |

SOURCE: Runge Pincock Minarco Report ADV-PE-60359 with gold equivalent grades calculated by Northland Capital Partners Limited using current metal prices of US\$1,100-Au and US\$5,100/t-Cu



Table 6: Attributable to Mariana Resources JORC 2012 compliant mineral resource estimate for Hot Maden

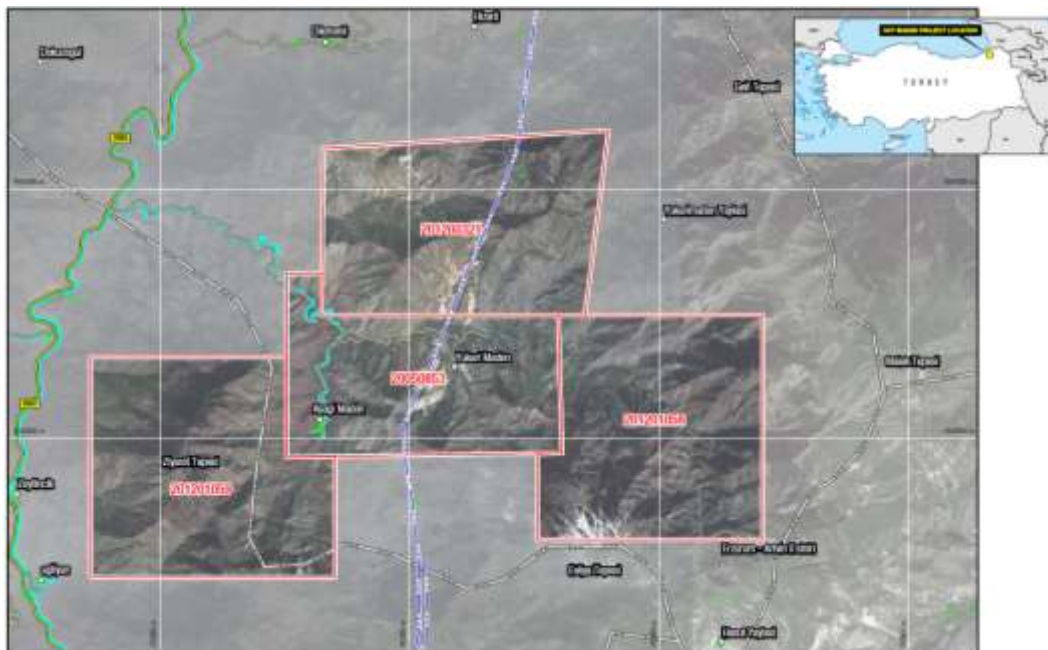
| Classification | Tonnes (Mt) | Grade (g/t) | Gold (oz) | Copper grade (%) | Copper (t) | Gold eq. grade (g/t) | Gold eq. (oz) |
|---------------------|-------------|-------------|-----------|------------------|------------|----------------------|---------------|
| Measured Resources | - | - | - | - | - | - | - |
| Indicated Resources | 1.4 | 10.0 | 454,290 | 2.2 | 31,086 | 13.2 | 598,416 |
| Inferred Resources | 1.1 | 5.5 | 193,840 | 1.8 | 19,732 | 8.1 | 285,323 |
| Total | 2.5 | 8.0 | 648,130 | 2.0 | 50,818 | 10.9 | 883,739 |

SOURCE: Runge Pincock Minarco Report ADV-PE-60359 with gold equivalent grades calculated by Northland Capital Partners Limited using current metal prices of US\$1,100-Au and US\$5,100/t-Cu

Tenure

The Hot Maden Project consists of one operating licence (20050853) and three exploration licences (201200321, 201201059 & 201201058) covering an area of 73 square kilometres (Figure 3). All the licences are 100%-owned and operated by AMG Mineral Madencilik AS, that in-turn is a 30%-held subsidiary of Mariana Resources and 70%-held by joint venture partner Lidya.

Figure 3: Location of the Hot Maden licences



SOURCE: Runge Pincock Minarco Report ADV-PE-60364

Geology

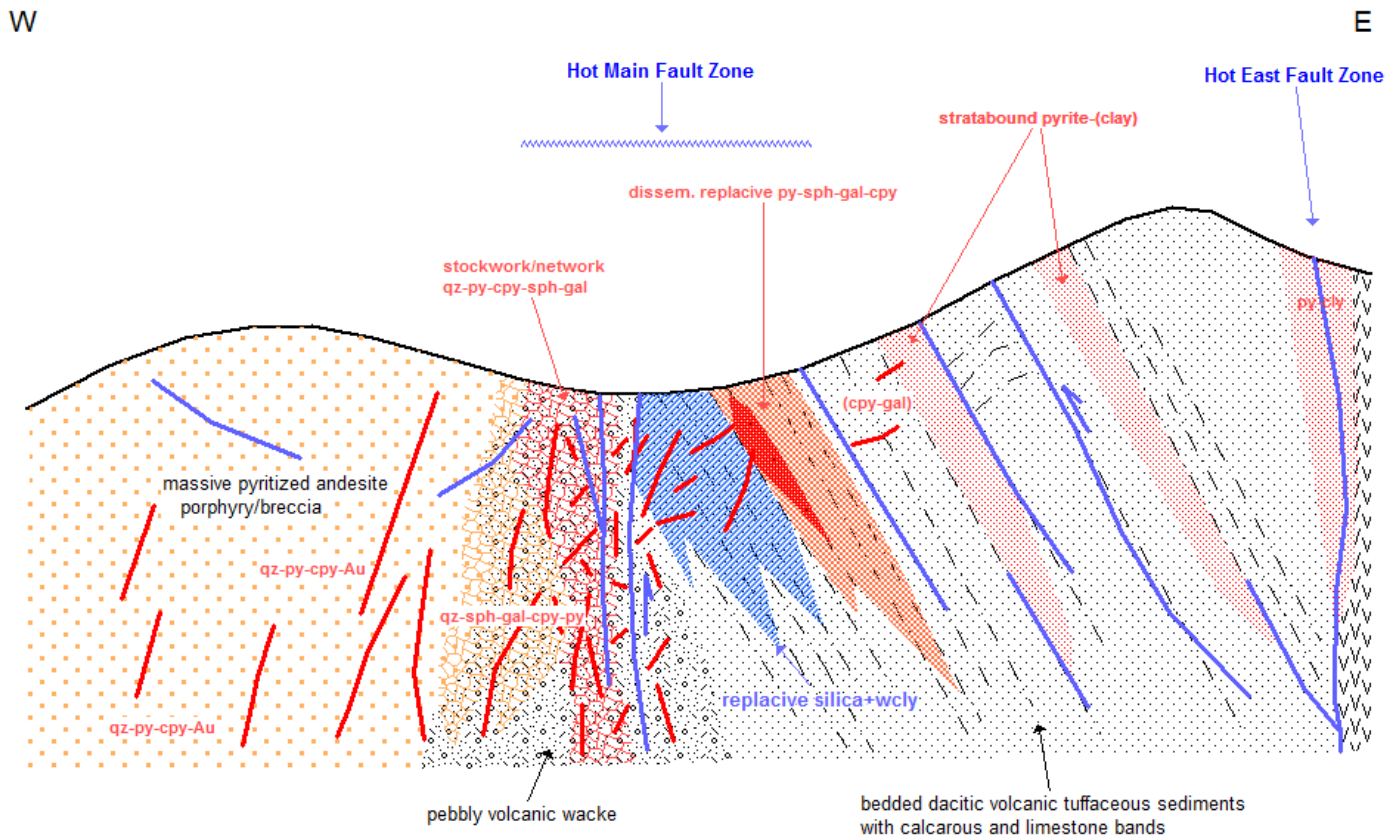
The Hot Maden project is located in a north-south strike volcanic-sedimentary sequence of mafic to locally dacitic rocks that are believed to be early to middle Cretaceous in age. The gold-copper-zinc mineralisation is hosted within a north northeast striking sub-vertical fault zone known as the Hot Maden Fault Zone (HMFZ) (Figure 4).

To the west of the HMFZ is a massively pyritised andesite porphyry that is brecciated in proximity to the HMFZ. Adjacent to the andesite is a pebbly dacitic volcanic wacke that transitions into bedded dacitic volcanic tuffaceous sediments that have calcareous and limestone bands. The bulk of the mineralisation at Hot Maden is contained within the volcanic wacke and bedded dacites. Located 300-400m to the east of the HMFZ is the northeast striking subvertical Hot East Fault Zone (HEFZ).



The gold-copper mineralisation at Hot Maden occurs as quartz-sulphide (pyrite & chalcopyrite) breccias and locally massive sulphides (pyrite & chalcopyrite). The copper mineralisation is brecciated and over printed by what appears to be later epithermal gold mineralisation. The ultra-high grade core of the high grade mineralisation lies along the eastern edge of the mineralised zone. The zinc-lead mineralisation (sphalerite-galena) is stratabound and occurs to the east and locally to the east of the gold-copper mineralisation. The alteration within the HMFZ is dominantly argillic and phyllic and occurs over a strike of over 7km and at a width of c. 300m.

Figure 4: Composite section through Hot Maden showing the geology and mineralisation styles



SOURCE: Runge Pincock Minarco Report ADV-PE-60359

Metallurgy

Some initial metallurgical work has been completed on the deposit, but it is very preliminary in nature. There appears to be no deleterious elements such as arsenic or mercury and the gold is mostly free or associated with pyrite, though the apparent fine grained nature of the gold (20 to 75 microns) may mean that gravity separation is not suitable.

Basic leach testing on a small 30g sample from the Phase I drilling returned positive gold recoveries, however as copper is not recovered a flotation process appears preferential to recovering both copper and gold with a rougher concentrate returning 93% recovery on the copper, though at this stage much more detailed testing is required. A comprehensive, systematic metallurgical test-work program is expected to commence shortly and will form a key component of the PEA.



Work programme

The next phase of work at Hot Maden is expected to include 25,000m of infill and extension as well as exploration drilling that will take up the bulk of the US\$10m budget for the project (US\$5.5m). The joint venture partners will also commence mining and metallurgical studies, alongside geophysics and other technical studies (US\$1.7m). This work programme should take the partners through to the end of September 2016 and is expected to culminate in a preliminary economic assessment of the project (US\$0.1m).

History

Copper is first believed to have been mined in the area during the Ottoman Empire (C14th). A second period of activity was then seen between 1880's and 1910's by a Russian group mined from underground (Figure 5a and b) a high grade (>3%) copper vein located along the western margin of the Hot Main Fault around 3km to the south of where Mariana is currently focused.

Figure 5 a and 5b: Russian slag and Russian adit



SOURCE: Northland Capital Partners

More recently, Turkish bank ETI drilled five shallow holes in the area in the 1970's identifying VMS and stinger mineralisation and this work was followed up by Anglo American that drilled three holes in the 1990's targeting a buried porphyry but was unsuccessful.

While this work demonstrates that other important players in the region saw the potential of the area the joint venture partners have been unable to locate the data from either drill programme so cannot benefit from analysing the results.

More recent work was completed by Teck including rock and silt chip samples in the 2000's, before Aegean acquired the property in 2012, farming out to Lidya in 2014 in difficult market conditions for junior exploration companies. Mariana acquired Aegean in late 2014 and Lidya and Mariana completed a nine hole (1,647m) drill programme to the north of the Russian workings in January 2015. Since then the joint venture partners have completed a 3,557.6m follow up drill programme (10 holes) and produced a maiden mineral resource estimate.



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FORECASTS

| Income statement | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Year to 31st December (£m) | 2012A | 2013A | 2014A | 2015E | 2016E |
| Revenue | 0.0 | 0.0 | 0.1 | 0.1 | - |
| Corporate overheads | (1.9) | (1.1) | (1.4) | (2.1) | (2.2) |
| Depreciation | (0.1) | (0.1) | (0.0) | (0.1) | (0.0) |
| EBIT/(LBIT) | (2.0) | (1.1) | (1.3) | (2.1) | (2.3) |
| Impairment | (0.2) | (1.9) | (2.8) | (0.8) | - |
| Exchange losses (gains) | (2.0) | (3.9) | (2.4) | (1.0) | - |
| Share of joint venture profit (loss) | (0.1) | - | - | - | - |
| Profit (loss) on disposal | (0.9) | - | - | 0.0 | - |
| Net Interest | - | - | (0.2) | (0.1) | - |
| PBT/(LBT) | (5.1) | (6.9) | (6.8) | (4.0) | (2.3) |
| Income tax credit/(expense) | - | - | - | - | - |
| Profit/(loss) for the year attributable to shareholders | (5.1) | (6.9) | (6.8) | (4.0) | (2.3) |
| Non-controlling interest | - | - | - | - | - |
| Adj. profit/(loss) for the year | (2.0) | (1.1) | (1.5) | (2.2) | (2.3) |
| Basic adj. EPS/(LPS) (p) | (0.9) | (0.4) | (0.4) | (0.3) | (0.2) |
| Diluted adj. EPS/(LPS) (p) | (0.9) | (0.4) | (0.4) | (0.3) | (0.2) |
| Taxation Rate % | - | - | - | - | - |
| Group Pre-tax Margin (%) | n.a. | n.a. | n.a. | n.a. | n.a. |
| Operating Profit (EBIT) Margin (%) | n.a. | n.a. | n.a. | n.a. | n.a. |
| Dividends per share (p) | - | - | - | - | - |
| Dividend Cover (x) | - | - | - | - | - |
| Number of shares (m) (Ave weighted) | 230.5 | 277.8 | 431.7 | 649.1 | 999.4 |
| Number of shares (m) (Ave weighted fully dil.) | 230.5 | 277.8 | 431.7 | 718.7 | 1,064.6 |
| EBITDA (US\$m) | (2.1) | (1.2) | (1.4) | (2.1) | (2.3) |
| Enterprise Value (£m) | 3.3 | 2.2 | 8.1 | 10.5 | 17.5 |
| EBITDA Interest Cover (x) | - | - | 6.9 | 24.9 | - |
| Cash Earnings Per Share (p) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| Price (p) | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| Price Earnings Ratio | (2.0) | (4.3) | (4.9) | (5.8) | (8.3) |
| Net yield % | - | - | - | - | - |
| Net NAV per share (p) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gross NAV per share (p) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EV/EBITDA | (1.6) | (1.8) | (5.9) | (4.9) | (7.7) |

SOURCE: Northland Capital Partners Limited estimates



| | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Cash flow | | | | | |
| Year to 31st December (£m) | 2012A | 2013A | 2014A | 2015E | 2016E |
| PBT/(LBT) | (5.1) | (6.9) | (6.8) | (4.0) | (2.3) |
| Depreciation | 0.1 | 0.1 | 0.0 | 0.1 | 0.0 |
| Share based payments | 0.3 | 0.1 | 0.2 | 0.2 | 0.2 |
| Impairments | 0.2 | 1.9 | 2.8 | 0.8 | - |
| Loss (profit) on disposal | 0.9 | (0.0) | - | (0.0) | - |
| Net interest | - | - | 0.2 | 0.1 | - |
| Share of joint venture loss (profit) | 0.1 | - | - | - | - |
| Foreign exchange losses (gains) | 2.0 | 3.9 | 2.4 | 1.0 | - |
| Increase (decrease) in receivables | (0.5) | (0.4) | (0.1) | (0.1) | (0.1) |
| Increase (decrease) in trade and payables | 0.0 | 0.2 | 0.1 | 0.1 | 0.1 |
| Net cash generated from (used in) operating activities | (2.1) | (1.1) | (1.1) | (1.8) | (2.0) |
| Cash balance acquired on acquisition of subsidiary | - | - | - | 0.0 | - |
| Property, plant and equipment costs | (0.0) | (0.1) | (0.0) | (0.1) | (0.1) |
| Purchase of financial instrument | - | - | (0.0) | - | - |
| Proceeds from sale of joint venture interest | - | 0.2 | - | - | - |
| Proceeds from sale of property, plant and equipment | - | 0.1 | - | - | - |
| Proceeds from VAT refund | - | - | 0.4 | - | - |
| Exploration and evaluation costs | (2.6) | (1.7) | (2.7) | (1.7) | (4.0) |
| Net cash generated from (used in) investing activities | (2.6) | (1.5) | (2.4) | (1.8) | (4.1) |
| Proceeds from option agreement with Lidya | - | - | - | 0.2 | - |
| Proceeds from Asset Chile earn in | - | - | - | 0.3 | 0.8 |
| Proceeds from exercise of options | - | - | - | 0.1 | - |
| Proceeds from exercise of warrants | - | - | - | - | 0.1 |
| Proceeds from issue of shares (net) | 0.0 | 4.2 | 0.0 | 3.4 | 4.5 |
| Proceeds from convertible note | - | - | 1.2 | - | - |
| Net cash generated from (used in) financing activities | 0.0 | 4.2 | 1.2 | 4.1 | 5.4 |
| Forex | (0.2) | 0.2 | 0.1 | - | - |
| Net increase/(decrease) in cash held | (4.8) | 1.8 | (2.1) | 0.5 | (0.8) |
| Cash and cash equivalents | 1.2 | 2.9 | 0.8 | 1.3 | 0.5 |

SOURCE: Northland Capital Partners Limited estimates



Balance sheet

| Year to 31st December (£m) | 2012A | 2013A | 2014A | 2015E | 2016E |
|--|--------------|--------------|--------------|--------------|--------------|
| Issued capital | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Share premium | 31.1 | 35.2 | 35.5 | 41.3 | 46.1 |
| Treasury shares | - | - | - | (0.0) | (0.0) |
| Retained earnings | (19.0) | (25.9) | (32.7) | (36.7) | (39.0) |
| Reserves | 2.7 | 3.8 | 4.9 | 5.5 | 6.1 |
| Non-current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities: | | | | | |
| Provisions | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade and other payables | 0.3 | 0.2 | 0.3 | 0.4 | 0.5 |
| Finance lease liability | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Convertible note facility | - | - | 1.1 | - | - |
| Capital employed | 15.2 | 13.4 | 9.2 | 10.5 | 13.8 |
| Exploration and evaluation expense | 11.1 | 7.2 | 7.0 | 7.9 | 11.9 |
| Property, plant and equipment | 0.6 | 0.4 | 0.3 | 0.1 | 0.0 |
| Goodwill | - | - | - | 0.1 | 0.1 |
| Other | 1.9 | 1.5 | 0.9 | 0.9 | 0.9 |
| Assets classified for sale | - | 1.3 | - | - | - |
| Financial assets | - | - | 0.0 | - | - |
| Investment in joint venture | - | - | - | - | - |
| Trade and other receivables | 0.4 | 0.1 | 0.1 | 0.2 | 0.3 |
| Cash and cash equivalents | 1.2 | 2.9 | 0.8 | 1.3 | 0.5 |
| Capital employed | 15.2 | 13.4 | 9.2 | 10.5 | 13.8 |
| Net assets per share net of goodwill & intangibles (p) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net assets per share inc. goodwill & intangibles (p) | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash (debt) (£m) | 0.8 | 2.7 | (0.6) | 0.9 | 0.0 |
| Free cash flow per share (p) | 0.5 | 0.7 | 0.2 | 0.1 | 0.0 |
| Gearing (%) | 6.2 | 28.7 | (20.1) | 19.5 | 0.3 |
| Shares in issue (m) | 230.8 | 423.8 | 456.0 | 869.5 | |
| Post tax RoCE (%) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| RoE (%) | (0.4) | (0.7) | (2.4) | (0.9) | (0.3) |
| Shareholders' funds (£m) | 12.1 | 9.3 | 2.9 | 4.7 | 7.2 |
| Shareholders' funds net of intangibles (£m) | 1.0 | 2.1 | (4.1) | (3.2) | (4.8) |

SOURCE: Northland Capital Partners Limited estimates

DISCLOSURES

| Company | Ticker | Applicable disclosures |
|-------------------|--------|------------------------|
| Mariana Resources | MARL.L | 5 |

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