

Companies mentioned:

CTGO

Rating:	Buy
Target Price:	\$36.00
Closing Price:	\$15.79
Market Cap (M):	\$148.4
Avg. Daily Volume:	44.3

FEAM

Rating:	Hold
Target Price:	NA
Closing Price:	\$1.29
Market Cap (M):	\$57.1
Avg. Daily Volume:	176.4

GRFX

Rating:	Buy
Target Price:	\$2.50
Closing Price:	\$0.93
Market Cap (M):	\$41.8
Avg. Daily Volume:	75.3

VOXR

Rating:	Buy
Target Price:	\$6.00
Closing Price:	\$2.01
Market Cap (M):	\$98.1
Avg. Daily Volume:	50.3

January 18, 2024

Mining

Demand from North America for New Mining Supply Supports Our Buy Ratings on CTGO & GRFX; Higher Gold & Iron Ore Prices Help VOXR

Summary

- We maintain our Buy ratings on gold mining company Contango ORE (CTGO - Buy) and graphite processing company Graphex (GRFX - Buy) based on our view for increasing demand from customers in North America for new mining and battery material supply.
- We also maintain our Buy rating on Vox Royalty (VOXR - Buy) as we believe higher gold and iron ore prices offset the risk to near-term cash flows from lower production.
- We update our price forecasts for assorted metals and minerals (see page 5) as battery metal prices dropped year-to-date compared to increases for most other metals and minerals.
- We believe positive 2024 mining sector developments can include more battery and car company investments in mining companies (Samsung and Zenjin Mining announced investments last week), disclosures on capital expenditure growth (in contrast to recent announcements about lower spending in 2024), and indications of faster permit approval processes.

Details

Mining companies can get higher prices in the Western Hemisphere compared to the Eastern Hemisphere. We believe demand from North American mining and battery material customers can increase while China's demand declines for foreign mining output. This dynamic in the long-term can create meaningfully different prices in the Western Hemisphere, compared to the Eastern Hemisphere, in our view. Based on this thesis of more mining demand in North America, we recommend buying shares of CTGO and GRFX.

Increase forecasts for non-battery metals. We increase our price forecasts for copper, gold, and iron ore (among others), but decrease our lithium and nickel forecasts. We also introduce our graphite flake forecast. We believe slow progress growing battery production in North America has caused some of the weakness in lithium and nickel prices. For instance, private battery company Our Next Energy, commonly called ONE, reduced its workforce at the end of 2023 by 25%.

Reduce forecasts for FEAM and maintain estimates for CTGO, GRFX and VOXR. We reduce our FEAM estimates as a result of our lower lithium price forecasts. For CTGO and VOXR, we offset higher precious metals forecasts with lower production to keep our estimates unchanged. We maintain our GRFX forecasts as we believe higher production of spherical graphite will offset lower prices for battery materials in China. GRFX previously announced plans to grow processing capacity.

Maintain Buy ratings on CTGO, GRFX and VOXR and Hold rating on FEAM. With CTGO trading at an EV/EBITDA multiple of 5.5x our 2025 EBITDA estimate (we forecast negative EBITDA in 2024), we maintain our Buy rating and \$36 price target, representing 7.3x our 2026 EBITDA estimate. With GRFX trading at an EV/EBITDA multiple of 11.6x our 2024 EBITDA forecast, we maintain our Buy rating and \$2.50 price target, representing 30.1x our 2025 EBITDA forecast. With VOXR trading at an EV/EBITDA multiple of 10.5x our 2024 EBITDA forecast, we maintain our Buy rating and \$6 price target. We derive our \$6 price target by employing a DCF analysis with an average discount rate of 11.5% to calculate a net asset value on 32 of VOXR's 70 royalties. Our VOXR price target equates to 17.7x our 2025 EBITDA forecast. With FEAM trading at 1.3x book value per share, we maintain our Hold rating based on uncertain timing for potential boron and lithium customers to place large orders.

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INDUSTRY DEVELOPMENTS

- **Faster mining permit approval processes can help the mining sector rebound**
 - While mining capital expenditures for some companies will decline in 2024, we believe faster mining permit approval processes can help mining stocks rebound in 2024. Lithium company Albemarle (ALB - Not Rated) announced on 1/17/24 plans to decrease capital expenditures in 2024 by at least 14.3% after increasing capital expenditures by 79.6% y/y in the first nine months of 2023.
 - 5E Advanced Materials (FEAM - Hold) had to wait longer than we expected in 2023 for a water injection approval permit from the U.S. Environmental Protection Agency (EPA).
 - Besides faster permit approval processes, other positive developments can be more M&A activity and new car company investments in mining and processing companies.
- **Mining suspension news in Australia**
 - Core Lithium (CXO.AX - Not Rated) announced on 1/4/24 the suspension of mining at the company's lithium spodumene concentrate open-pit mine in Australia. Since then, Core Lithium's share price declined 15.6% after a 75.6% decline in 2023.
 - Panoramic Resources announced on 1/8/24 the suspension of mining at a nickel mine in Australia. The Australian Stock Exchange suspended Panoramic shares from quotation in November 2023 after Panoramic announced a strategic review.
- **Investments in mining companies**
 - Canada Nickel (CNC.V - NR) announced on 1/12/24 an \$18.5M investment from battery company Samsung SDI (006400.KS - NR) to advance the Crawford Nickel Sulphide Project in Ontario, Canada.
 - FPX Nickel Corp (FPX.V - NR) announced on 1/17/24 a \$10.7M equity investment from Sumitomo Metal Mining (5713.T - NR) and an associated nickel production offtake agreement for up to 60,000 metric tonnes.
 - Rio Tinto (RIO - NR) disclosed in a 1/15/24 filing that it owned 6.1% of the shares of Charger Metals (CHR.AX - NR).
 - Solaris Resources (SLS.TO - NR) announced on 1/11/24 a CAD\$130M (or ~USD \$97.5M) investment from Chinese mining company Zijin Mining Group (601899.SS - NR) to help develop a copper project in Ecuador.
- **Production offtake announcements**
 - Pilbara Minerals (PLS.AX - NR) will supply more spodumene concentrate to Ganfeng Lithium (002460.SZ - NR) to make lithium hydroxide and other lithium products, according to a 1/15/24 press release. For instance, in 2024 Pilbara will supply Ganfeng with 310,000 tonnes of spodumene concentrate, up from 160,000. In 2025, Pilbara will supply between 260,000 to 310,000 tonnes.
- **Iron ore production guidance**
 - BHP (BHP - NR) expects iron ore production to be in a range of -1.0% to +3.0%, according to a July 2023 release about results in the June 2023 fiscal year and guidance for the next year.
 - Rio Tinto (RIO - NR) announced on 1/16/24 2023 iron ore shipments (specifically iron ore shipments from the Pilbara region of Australia) of 331.8M tonnes, up 3.2% y/y. The company's current 2024 iron ore shipment guidance is 323M–338M tonnes.
- **Capital expenditure update**
 - Lithium company Albemarle (ALB - NR) announced on 1/17/24 a new plan to reduce 2024 capital expenditures to a range of \$1.6B–\$1.8B, -14.3% to -23.8% from approximately \$2.1B in 2023. Based on our review, ALB's capital expenditures last declined in 2020.
 - Copper, gold, and nickel mining company First Quantum Minerals (FM.TO - NR) on 1/15/24 announced new 2024 capital expenditure guidance of \$1,250M–\$1,400M, down from previous 2024 capital expenditure guidance of \$1,800M and below planned 2023 capital expenditures of \$1,550M.

COMPANY REVIEWS

• 5E Advanced Materials (FEAM - Hold)

- We reduce our FEAM estimates as a result of our lower lithium price forecasts. Specifically, we reduce our FY25 (ending in June) lithium price forecast to \$24,122, from \$35,750.
- On 1/2/24, FEAM started mining operations at its boric acid and lithium project in California. FEAM built its small-scale boron facility (SSBF) to be able to produce 9,000 short tons per annum (stpa) of boric acid and 110 stpa of lithium carbonate. In FY25, we forecast FEAM produces 3,300 short tons of boric acid at \$1,500 per short ton and 32 short tons of lithium carbonate at \$24,122 per ton.
- FEAM shareholders on 1/15/24 approved out-of-court restructuring proposals. Our previously printed forecasted incorporated the completion of FEAM's capital restructuring plan.
- FEAM is currently a pre-revenue company. We believe FEAM can start selling boric acid and lithium into the spot market once it provides a certain amount of test samples to potential offtake customers. We forecast no revenue in FY24, compared to a \$3.5M average for two other analysts. In FY25 we forecast revenue of \$5.8M, down from \$6.2M, below the \$7.1M average for two other analysts.
- We maintain our estimate for FEAM's GAAP expenses increase to \$38.9M in FY24, from \$38.0M, and to \$46.0M in FY25.
- **Balance sheet and cash burn update.** FEAM ended F1Q24 (Sep) with \$11.8M in cash, down from \$20.3M in F4Q23, and \$41.0M in debt. In this current quarter (F2Q24 - Dec), we forecast a cash burn of \$8.0M, which brings our cash balance estimate to \$3.8M on 12/31/23. We maintain our forecast for FEAM to raise \$25.0M of equity in the first half of FY24, with a subsequent equity raise in FY25.
- **Maintain Hold rating.** Trading at 1.3x F1Q24 (Sep) book value per share, we maintain our Hold rating. Boron and lithium are essential materials used in EVs, solar panels, and wind turbines. However, our view for limited upside now includes incremental risk associated with restructuring the balance sheet and continues to be predicated on uncertain timing for potential customers to place large boric acid and lithium orders. These customers may have a lengthy period of testing FEAM's production samples. Also, increasing production at the small-scale boron facility can be subject to traditional operating inefficiencies associated with opening any new industrial facility.
- **Company description:** *With a U.S. field office in California and executive offices in Texas, FEAM plans to produce boric acid and lithium from a resource called Fort Cady in California. Boric acid is a compound that comes from the element boron and can be used in a variety of applications, including electric vehicle motors, glass, solar panels, and wind turbines.*

• Contango ORE (CTGO - Buy)

- We forecast CTGO to generate meaningful revenue starting in FY25 and FY26. We incorporate our higher gold and silver price forecasts into our CTGO model, but offset the positive impact to revenue with lower production. We maintain our estimate for initial revenue of \$8.9M in F1Q25, \$61.7M in FY25 (Jun), and \$132.6M, up 115.1% y/y, in FY26 (there are no other published estimates, according to LSEG). We maintain our FY24 EBITDA loss estimate of (\$15.5M) and FY25 forecast for EBITDA of +\$16.3M.
- **Balance sheet and cash burn update:** As of 9/30/23, CTGO had \$18.7M of cash and \$34.9M in debt, including \$19.5M of convertible debt. Since the end of F1Q24, CTGO drew a additional \$10.0M on the term loan facility with ING and Macquarie, leaving \$35M of borrowing capacity on the \$65M committed term loan facility. We forecast CTGO uses cash and its remaining credit facility to fund Manh Choh capital expenditures, operations and growth.
- **Maintain Buy rating and \$36 price target.** Besides Manh Choh, CTGO also plans to develop the Lucky Shot gold mine in Alaska, but we currently do not expect revenue from this mine for at least three years (so it is not included on our valuation analysis). Currently, trading at 5.5x our CY25 EBITDA forecast of \$43.3M, we base our \$36 price target on 7.3x our CY26 EBITDA estimate of \$72.2M.
- **Company description:** *CTGO is a gold and mineral exploration and development company that plans to start producing gold and silver from the Manh Choh mine in Alaska in the second half of 2024. CTGO owns 30% of the economics of this project, while Kinross Gold (KGC - Not Rated) owns 70%. In addition to the Manh Choh project, CTGO plans to continue to develop its Lucky Shot gold project in Alaska.*

- **Graphex Group (GRFX - Buy)**

- On 12/19/23, Graphex reiterated previously disclosed plans to grow annual production capacity of graphene products in China to 30,000 tonnes by the end of 3Q24 and 60,000 tonnes by the end of 2025.
- We forecast 2024 revenue of \$45.5M, up 10.7% y/y, a rebound from a 5.9% decline in 2023, and 2025 revenue of \$56.7M, up 24.6% y/y driven by a full year of production in North America. We are the only sell-side firm covering the stock, according to LSEG. Our 2024 forecast is based on a price per tonne of graphene products of \$3,403 in China and \$4,254 in North America. Note we forecast low production compared to total production capacity. For instance, in 2024 we forecast production as a percent of capacity of 57.3% in China and 4.1% in North America.
- **Balance sheet review.** At the end of 1H23 (Jun) – Graphex reports semiannual financial results – Graphex had \$2.2M in cash and \$23.6M in debt. Also, there were \$58.0M of intangible assets and \$13.1M of goodwill on the balance sheet related to a 2019 acquisition of a graphene products business and other historical acquisitions. The company's cash burn was \$1.7M in 1H23. Due to Graphex's cash burn rate, we forecast the company raises equity in 2H24.
- **Maintain Buy and \$2.50 price target.** Trading at an EV/EBITDA multiple of 11.6x our 2024 EBITDA forecast, we maintain our Buy rating and 12-month price target of \$2.50. Our price target represents 30.1x our 2025 EBITDA estimate.
- **Company description:** *Graphex Group shapes, purifies, and coats graphite to form material for the anode side of batteries used in electric vehicles and energy storage systems. The company is currently expanding processing capacity in China and planning to open a new processing facility in Michigan in the U.S.*

- **Vox Royalty (VOXR - Buy)**

- In December 2023, VOXR released an updated asset handbook for the company's 70 royalties. This updated handbook indicated that VOXR expects 14 more royalties to start to produce cash flow in the "near term", up from eight in the prior asset handbook. Part of this increase is due to VOXR royalty acquisitions since the prior asset handbook.
- VOXR's updated handbook also reiterated 2023 revenue guidance of \$11.0M–\$13.0M, up 29.4% to 52.9% y/y, which implies 4Q23 revenue of \$1.7M–\$3.7M, down 19.1% to up 76.2% y/y.
- To generate our VOXR estimates we forecast prices for copper, gold, iron ore, nickel, platinum, and silver. We increase our forecasts for all of these metals except for nickel. We offset these price increases with lower iron ore production at the Wonmunna iron ore mine in Australia. We have not identified public information about higher production at this project. We continue to believe that VOXR's royalty underlying the Wonmunna mine will represent most of VOXR's revenue in 4Q23, 2024, and 2025.
- We maintain our 4Q23 revenue estimate of \$3.3M (up 57.1% y/y). We anticipate that 4Q23 revenue declines 5.6% q/q as in 3Q23 VOXR had a royalty generate one-time revenue from an initial resource estimate. Our 4Q23 revenue forecast of \$3.3M is within VOXR's implied 4Q23 guidance range of \$1.7M–\$3.7M. Our 2023 revenue forecast of \$12.6M (up 48.2% y/y) is within VOXR's 2023 revenue guidance of \$11.0M to \$13.0M. We maintain our 2024 revenue estimate of \$13.8M (up 9.5% y/y), and our 2025 revenue estimate of \$21.6M, up 56.5% y/y. We also maintain our 4Q23 per share loss estimate of (\$0.01), our 2024 EPS estimate of \$0.01, and our 2025 EPS estimate of \$0.05.
- **VOXR balance sheet review:** VOXR ended 3Q23 with \$8.5M in cash and no debt. We forecast VOXR funds operations and dividend growth in 2024 and 2025 with free cash flow.
- **Maintain Buy rating and \$6.00 price target.** With VOXR trading at an EV/EBITDA multiple of 10.5x our 2024 EBITDA forecast, we maintain our Buy rating and \$6 price target. We derive our \$6 price target by employing a DCF analysis with an average discount rate of 11.5% to calculate a net asset value on 32 of VOXR's 70 royalties. We assign value to less than half of VOXR's royalties based on the potential for some mines in early development phases to take more than 10 years to bring to production. Our VOXR price target equates to 17.7x our 2025 EBITDA forecast.
- **Company description:** *VOXR is a mining royalty company with a portfolio of 70 royalties located in seven countries in Africa, Australia, North America, and South America.*

Price Forecasts For Metals & Minerals

Average prices	2023	2024	2025		4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Copper price	3.85	3.76	3.79		3.72	3.74	3.70	3.77	3.81	3.77	3.85	3.81	3.73
sequential % change	-4%	-2%	1%		-1%	1%	-1%	2%	1%	-1%	2%	-1%	-2%
Gold price	1,943	1,976	2,075		1,976	2,025	2,066	1,936	1,878	1,916	1,897	2,124	2,362
sequential % change	8%	2%	5%		3%	3%	2%	-6%	-3%	2%	-1%	12%	11%
Graphite flake price	725	622	675		623	592	580	627	689	669	682	668	682
sequential % change	-12%	-14%	9%		-7%	-5%	-2%	8%	10%	-3%	2%	-2%	2%
Iron ore price	129	135	133		136	147	133	124	135	169	127	114	123
sequential % change	6%	5%	-1%		9%	8%	-9%	-7%	9%	25%	-25%	-10%	8%
Lithium carbonate	37,340	23,176	24,122		22,847	23,075	22,614	22,388	24,627	23,888	24,365	23,878	24,356
sequential % change	-48%	-38%	4%		-32%	1%	-2%	-1%	10%	-3%	2%	-2%	2%
Nickel price	24,167	16,777	17,485		19,083	17,175	16,316	16,643	16,976	17,315	17,661	17,308	17,654
sequential % change	-17%	-31%	4%		-17%	-10%	-5%	2%	2%	2%	2%	-2%	2%
Platinum price	967	946	948		913	940	959	967	918	909	882	953	1,049
sequential % change	0%	-2%	0%		-2%	3%	2%	1%	-5%	-1%	-3%	8%	10%
Silver price	23.39	23.14	23.19		23.23	22.99	23.45	23.64	22.46	22.23	21.57	23.31	25.65
sequential % change	7%	-1%	0%		-2%	-1%	2%	1%	-5%	-1%	-3%	8%	10%

Note: Prices in table above are the average of the closing prices in each period

Source: London Stock Exchange Group & Maxim Group estimates

FEAM INCOME STATEMENT

(\$s and shares in millions)

	2022	Sep.	Dec.	Mar.	Jun.	2023	Sep. A	Dec. E	Mar.A	Jun. E	2024E	Sep. E	Dec. E	Mar.A	Jun. E	2025E
Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$1.2	\$1.9	\$2.5	\$5.8
Project expenses	12.9	3.6	3.4	1.3	1.7	10.0	1.6	1.5	1.6	1.7	6.3	3.5	3.0	1.8	1.7	9.9
SG&A	54.7	4.9	7.7	6.0	6.8	25.4	6.0	5.9	5.8	6.1	23.8	6.2	6.3	6.5	6.6	25.6
Other	0.2	0.1	0.1	1.0	0.2	1.4	0.1	0.6	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0
Operating income	(67.8)	(8.6)	(11.2)	(8.3)	(8.7)	(36.7)	(7.7)	(8.0)	(7.4)	(7.8)	(30.9)	(9.5)	(8.2)	(6.4)	(5.7)	(29.8)
Interest expense	0.0	0.8	2.0	2.2	1.8	6.9	1.8	1.9	2.1	2.3	8.0	2.2	2.3	2.9	3.0	10.4
Other income	(0.1)	(14.0)	1.7	(0.4)	(0.2)	(13.0)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Currency translation	(1.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	(66.7)	4.6	(14.9)	(10.1)	(10.3)	(30.6)	(9.4)	(9.9)	(9.5)	(10.0)	(38.7)	(11.8)	(10.5)	(9.2)	(8.7)	(40.2)
Diluted shares outstanding	40.8	48.5	43.8	44.1	44.2	43.8	44.2	44.4	56.8	69.2	53.7	69.5	72.4	75.4	75.5	73.2
Total expenses*	67.8	9.4	13.2	10.5	10.5	43.6	9.5	9.9	9.5	10.0	38.9	11.9	11.6	11.1	11.2	46.0
GAAP EPS	(\$1.63)	\$0.09	(\$0.34)	(\$0.23)	(\$0.23)	(\$0.70)	(\$0.21)	(\$0.22)	(\$0.17)	(\$0.14)	(\$0.72)	(\$0.17)	(\$0.14)	(\$0.12)	(\$0.12)	(\$0.55)
EBITDA	(30.0)	(7.2)	(8.9)	(7.5)	(7.9)	(31.6)	(7.1)	(7.4)	(6.8)	(7.2)	(28.6)	(9.0)	(7.6)	(5.8)	(5.2)	(27.6)
<u>Prices & Production</u>																
Boric acid production**	0	0	0	0	0	0	0	0	0	0	0	100	700	1,100	1,400	3,300
Boric acid price per short ton												\$1,500	\$1,450	\$1,500	\$1,550	\$1,500
Boric acid revenue in millions												0.2	1.0	1.7	2.2	5.0
% of revenue												86.3%	85.6%	87.4%	86.4%	86.6%
Lithium carbonate production**	0	0	0	0	0	0	0	0	0	0	0	1	7	10	14	32
Lithium price per short ton												\$23,888	\$24,365	\$23,878	\$24,356	\$24,122
Lithium revenue												0.0	0.2	0.2	0.3	0.8
% of revenue												13.7%	14.4%	12.6%	13.6%	13.4%

Sources: Company reports and Maxim Group estimates

*Total expenses include operating expenses and interest expense.

**Boric acid and lithium carbonate production in short tons (a common measurement of weight in the U.S.) versus metric tons, or tonnes

FEAM CASH FLOW STATEMENT

(\$s in millions)	2022	Sep.	Dec.	Mar.	Jun.	2023	Sep. A	Dec. E	Mar.A	Jun. E	2024E	Sep. E	Dec. E	Mar.A	Jun. E	2025E
Net income	(\$66.7)	\$4.6	(\$14.9)	(\$10.1)	(\$10.3)	(\$30.6)	(\$9.4)	(\$9.9)	(\$9.5)	(\$10.0)	(\$38.7)	(\$11.8)	(\$10.5)	(\$9.2)	(\$8.7)	(\$40.2)
Depreciation	0.1	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2
Change in working capital	1.2	(0.4)	0.6	(1.0)	1.4	0.5	0.3	1.0	(0.6)	0.4	1.1	(0.1)	2.6	2.0	0.2	4.7
Stock based compensation	37.7	1.3	2.2	0.7	0.7	5.0	0.6	0.5	0.5	0.5	2.1	0.5	0.5	0.5	0.5	2.0
Other changes	(0.8)	(13.3)	3.7	2.4	1.5	(5.7)	1.5	1.4	1.5	1.7	6.2	1.7	1.7	2.2	2.2	7.8
Cash from operations	(28.6)	(7.8)	(8.4)	(7.9)	(6.6)	(30.7)	(6.9)	(7.0)	(8.0)	(7.3)	(29.1)	(9.6)	(5.6)	(4.5)	(5.7)	(25.4)
Capital expenditures*	(11.2)	(5.1)	(11.0)	(13.9)	(10.0)	(40.1)	(1.6)	(1.1)	(0.8)	(0.6)	(4.0)	(0.9)	(1.1)	(1.1)	(1.1)	(4.1)
Other changes	(0.2)	0.0	0.0	0.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash from investing	(11.4)	(5.1)	(11.0)	(13.9)	(9.3)	(39.3)	(1.6)	(1.1)	(0.8)	(0.6)	(4.0)	(0.9)	(1.1)	(1.1)	(1.1)	(4.1)
Change in debt	0.1	42.5	(9.5)	3.2	1.4	37.5	3.3	0.0	0.0	0.0	3.3	0.0	10.0	0.0	0.0	10.0
Change in equity	26.3	0.3	1.9	1.3	0.0	3.5	0.0	0.0	25.0	0.0	25.0	0.0	15.0	0.0	0.0	15.0
Other changes	4.4	0.0	0.0	(3.2)	(1.5)	(4.6)	(3.3)	0.0	0.0	0.0	(3.3)	0.0	0.0	0.0	0.0	0.0
Cash from financing	30.8	56.1	1.9	1.3	(0.0)	59.3	(0.0)	0.0	25.0	0.0	25.0	0.0	25.0	0.0	0.0	25.0
Foreign exchange changes	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash	(9.6)	43.1	(17.5)	(20.6)	(15.8)	(10.7)	(8.5)	(8.0)	16.3	(7.9)	(8.1)	(10.5)	18.3	(5.6)	(6.8)	(4.5)
Ending cash	31.1	74.2	56.8	36.2	20.3	20.3	11.8	3.8	20.1	12.2	12.2	1.7	20.1	14.5	7.7	7.7

Sources: Company reports and Maxim Group estimates

*Includes FEAM's "construction in progress" and "properties, plant and equipment additions"

FEAM BALANCE SHEET

(\$s in millions)	2022	Sep.	Dec.	Mar.	Jun.	2023	Sep. A	Dec. E	Mar.A	Jun. E	2024E	Sep. E	Dec. E	Mar.A	Jun. E	2025E
Cash and equivalents	\$31.1	\$74.2	\$56.8	\$36.2	\$20.3	\$20.3	\$11.8	\$3.8	\$20.1	\$12.2	\$12.2	\$1.7	\$20.1	\$14.5	\$7.7	\$7.7
Other current assets	1.5	1.5	1.0	1.9	1.8	1.8	1.3	1.0	0.8	0.8	0.8	0.8	1.1	1.2	1.3	1.3
Current Assets	32.6	75.7	57.8	38.1	22.1	22.1	13.1	4.8	20.8	13.0	13.0	2.5	21.1	15.7	8.9	8.9
Property, plant, & equipment	2.9	2.8	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Minerals rights	8.4	8.4	8.5	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Construction in Progress	25.6	33.3	46.9	61.5	67.6	67.6	71.5	72.5	73.2	73.7	73.7	74.5	75.5	76.5	77.6	77.6
Other assets	1.5	1.4	1.4	1.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
ASSETS	70.9	121.7	117.6	111.6	100.9	100.9	95.7	88.5	105.2	97.9	97.9	88.2	107.8	103.4	97.7	97.7
Accounts payable	7.2	9.4	12.3	11.3	8.7	8.7	9.1	9.8	9.0	9.5	9.5	9.3	12.2	14.4	14.6	14.6
Other liabilities	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Current Liabilities	7.4	9.6	12.5	11.5	8.9	8.9	9.2	9.9	9.1	9.6	9.6	9.5	12.3	14.5	14.8	14.8
Long term debt	0.1	31.6	33.1	36.2	37.7	37.7	41.0	42.4	43.9	45.6	45.6	47.3	59.0	61.2	63.4	63.4
Other debt	0.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
LIABILITIES	8.2	52.8	46.3	48.5	47.3	47.3	51.0	53.1	53.8	56.0	56.0	57.6	72.1	76.5	79.0	79.0
EQUITY	62.7	68.8	71.3	63.2	53.6	53.6	44.8	35.4	51.4	41.9	41.9	30.6	35.7	26.9	18.7	18.7

Sources: Company reports and Maxim Group estimates

CTGO INCOME STATEMENT

<i>(\$s and shares in millions)</i>	2022	Sep.	Dec.	Mar.	Jun.	2023	Sep. A	Dec. E	Mar. E	Jun. E	2024E	2025E	2026E
Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$61.7	\$132.6
Production cost of sales	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and administrative	10.3	2.4	2.2	2.0	2.5	9.1	2.8	2.8	2.9	2.9	11.4	9.9	10.5
Exploration expense	8.5	4.4	2.2	0.3	1.0	7.9	1.1	1.3	0.4	0.8	3.6	2.2	5.1
Depreciation expense	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.2	0.4	0.6
Other	0.6	0.1	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.5	31.0	69.2
Operating income	(19.6)	(7.0)	(4.6)	(2.4)	(3.7)	(17.7)	(4.0)	(4.3)	(3.5)	(3.9)	(15.7)	18.2	47.3
Interest expense	0.3	0.4	0.4	0.4	0.6	2.0	0.8	0.7	1.3	1.6	4.5	5.6	5.7
Loss (gain) from KGC JV	3.7	0.0	9.3	5.1	6.7	21.1	5.6	2.0	2.1	1.7	11.3	2.6	2.9
Other	(0.0)	(0.4)	(0.0)	(0.0)	(0.6)	(1.0)	2.7	0.0	0.0	0.0	2.7	0.0	0.0
EBT	(23.6)	(7.1)	(14.3)	(7.9)	(10.4)	(39.7)	(13.1)	(7.0)	(6.9)	(7.2)	(34.2)	9.9	38.7
Taxes (benefit)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	10.8
Net income	(23.7)	(7.1)	(14.3)	(7.9)	(10.4)	(39.7)	(13.1)	(7.0)	(6.9)	(7.2)	(34.2)	7.0	27.8
Avg. shares out. (diluted)	6.7	6.8	6.8	7.2	7.5	7.1	8.9	9.5	9.7	10.2	9.6	11.6	12.2
EPS	(\$3.53)	(\$1.05)	(\$2.10)	(\$1.09)	(\$1.38)	(\$5.61)	(\$1.47)	(\$0.74)	(\$0.71)	(\$0.70)	(\$3.56)	\$0.60	\$2.29
EBITDA	(20.8)	(7.0)	(4.5)	(2.4)	(3.7)	(17.5)	(4.0)	(4.3)	(3.4)	(3.9)	(15.5)	16.3	53.4

Sources: Company reports and Maxim Group estimates

CTGO CASH FLOW STATEMENT

(\$ in millions)	2022	Sep.	Dec.	Mar.	Jun.	2023	Sep. A	Dec. E	Mar. E	Jun. E	2024E	2025E	2026E
Net income	(\$23.7)	(\$7.1)	(\$14.3)	(\$7.9)	(\$10.4)	(\$39.7)	(\$13.1)	(\$7.0)	(\$6.9)	(\$7.2)	(\$34.2)	\$7.0	\$27.8
Depreciation	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.2	0.4	0.6
Stock based compensation	4.0	1.0	0.6	0.6	0.7	2.9	0.7	0.7	0.8	0.8	3.0	3.1	3.3
Change in A/P	0.6	0.6	(1.1)	(0.1)	0.1	(0.4)	1.9	0.0	0.0	0.0	1.9	0.0	0.0
Other changes	4.9	0.2	9.5	4.3	8.4	22.4	6.9	0.0	0.0	0.0	6.9	0.0	0.0
Cash flows from operations	(13.9)	(5.3)	(5.3)	(3.0)	(1.1)	(14.7)	(3.6)	(6.2)	(6.1)	(6.3)	(22.2)	10.6	31.6
Manh Choh capital expenditures	(0.0)	0.0	0.0	(5.1)	(6.7)	(11.8)	(27.0)	(9.6)	(10.0)	(8.0)	(54.6)	(12.6)	(14.1)
Lucky Shot capital expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.0)	(0.5)	(0.8)	(2.3)	(8.4)	(9.4)
Other changes	(15.4)	0.0	(9.3)	0.0	0.0	(9.3)	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0
Cash flows from investing	(15.4)	0.0	(9.3)	(5.1)	(6.7)	(21.1)	(27.0)	(10.6)	(10.5)	(8.8)	(56.9)	(20.9)	(23.5)
Change in debt	19.2	0.0	0.1	0.0	6.1	6.2	9.4	10.1	9.6	11.1	40.1	10.4	(8.1)
Change in equity	(0.0)	0.0	5.6	2.3	10.5	18.5	28.2	0.0	0.0	0.0	28.2	0.0	0.0
Other changes	(1.8)	(0.1)	(0.1)	(0.1)	(0.0)	(0.3)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0
Cash flows from financing	17.4	(0.0)	5.6	2.3	16.6	24.4	37.5	10.1	9.6	11.1	68.2	10.4	(8.1)
Change in cash	(11.9)	(5.3)	(9.0)	(5.8)	8.7	(11.4)	6.9	(6.7)	(7.0)	(4.0)	(10.9)	0.0	0.0
Ending cash	23.3	18.0	9.0	3.2	11.9	11.9	18.7	12.0	5.0	1.0	1.0	1.0	1.0
Free cash flow*	(14.0)	(5.3)	(5.3)	(8.1)	(7.8)	(26.5)	(30.6)	(15.8)	(16.1)	(14.3)	(76.8)	(2.0)	17.5

Sources: Company reports and Maxim Group estimates

*Cash flows from operations less cash flows from investing

CTGO BALANCE SHEET

(\$s in millions)	2022	Sep.	Dec.	Mar.	Jun.	2023	Sep. A	Dec. E	Mar. E	Jun. E	2024E	2025E	2026E
Cash	\$23.1	\$17.8	\$8.8	\$2.9	\$11.6	\$11.6	\$18.5	\$11.8	\$4.8	\$0.8	\$0.8	\$0.8	\$0.8
Restricted cash	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Prepaid expenses and other	0.5	0.4	0.8	1.0	0.4	0.4	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Current Assets	23.8	18.5	9.8	4.1	12.3	12.3	19.5	12.8	5.8	1.8	1.8	1.8	1.8
Property and equipment	13.5	13.5	13.4	13.4	13.4	13.4	13.4	23.9	34.4	43.1	43.1	63.6	86.6
ASSETS	37.3	32.0	23.3	17.5	25.7	25.7	32.9	36.7	40.1	44.9	44.9	65.4	88.4
Accounts payable	0.6	1.2	0.2	0.1	0.2	0.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Accrued liabilities	0.9	1.1	1.3	0.5	2.1	0.2	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Current Debt	0.0	0.0	0.0	0.0	0.0	2.1	2.0	2.0	2.0	2.0	2.0	0.0	0.0
Current Liabilities	1.5	2.3	1.4	0.6	2.3	2.3	5.0	5.0	5.0	5.0	5.0	3.0	3.0
Advance royalty reimbursement	1.2	1.2	1.2	1.2	1.2	2.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Asset retirement obligations	0.2	0.2	0.2	0.2	0.2	1.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Contingent consideration liability	1.8	1.8	1.8	1.8	1.2	0.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Convertible debt	19.2	19.3	19.4	19.4	19.4	1.2	19.5	19.5	19.5	0.0	0.0	0.0	0.0
Term loan facility	0.0	0.0	0.0	0.0	6.0	19.4	13.4	23.5	33.0	44.1	44.1	54.5	46.4
LIABILITIES	24.0	24.9	24.0	23.3	30.4	26.7	40.5	50.6	60.2	51.8	51.8	60.2	52.1
EQUITY	13.3	7.1	(0.8)	(5.7)	(4.8)	(1.0)	(7.7)	(13.9)	(20.0)	(6.9)	(6.9)	5.2	36.3
Shares outstanding (EoP)**	6.8	6.8	7.1	7.3	7.8	7.8	9.4	9.6	9.8	10.7	10.7	12.0	12.4
Total debt	19.2	19.3	19.4	19.4	25.5	22.7	34.9	44.9	54.5	46.1	46.1	54.5	46.4

Sources: Company reports and Maxim Group estimates

**EoP=end-of-period

GRFX INCOME STATEMENT

(\$s in millions of USD)

	2021	1H22	2H22	2022A	1H23A	2H23E	2023E	1H24E	2H24E	2024E	1H25E	2H25E	2025E
Revenue	\$50.1	\$20.9	\$22.8	\$43.7	\$19.4	\$21.7	\$41.1	\$20.8	\$24.7	\$45.5	\$27.2	\$29.6	\$56.7
Cost of revenues	31.1	13.5	14.8	28.4	13.0	14.1	27.1	12.9	15.6	28.5	17.7	18.9	36.6
Gross profit	19.0	7.4	8.0	15.4	6.4	7.6	14.0	7.9	9.1	17.1	9.5	10.6	20.2
Selling and marketing	1.3	0.3	0.4	0.7	0.4	0.4	0.8	0.4	0.4	0.8	0.4	0.4	0.8
General and administrative	21.9	9.9	8.7	18.6	8.8	9.0	17.8	9.2	9.4	18.6	9.6	9.7	19.3
Research and development	2.9	1.4	0.7	2.1	1.4	1.4	2.8	1.4	1.5	2.9	1.5	1.5	3.0
Provision for credit loss	2.6	1.1	0.4	1.5	1.4	1.4	2.8	1.4	1.5	2.9	1.5	1.5	3.0
Operating income	(9.7)	(5.3)	(2.2)	(7.5)	(5.6)	(4.6)	(10.2)	(4.5)	(3.6)	(8.1)	(3.4)	(2.6)	(6.0)
Interest expense	9.6	5.1	4.1	9.2	4.9	3.2	8.1	3.2	4.3	7.5	3.6	6.1	9.6
Other	(3.3)	(1.1)	(2.6)	(3.7)	(0.8)	0.0	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0
EBT	(16.0)	(9.4)	(3.7)	(13.0)	(9.7)	(7.8)	(17.5)	(7.7)	(7.9)	(15.6)	(7.0)	(8.6)	(15.7)
Tax expense	0.0	(0.7)	0.2	(0.4)	(0.7)	0.0	(0.7)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	(16.4)	(8.7)	(4.0)	(12.6)	(9.2)	(8.1)	(17.3)	(8.0)	(8.2)	(16.2)	(7.3)	(8.9)	(16.2)
EPS	(\$0.66)	(\$0.36)	(\$0.13)	(\$0.46)	(\$0.27)	(\$0.19)	(\$0.45)	(\$0.17)	(\$0.15)	(\$0.32)	(\$0.12)	(\$0.15)	(\$0.27)
Avg. diluted shares out.*	24.4	25.8	28.6	28.6	36.3	41.9	39.1	44.9	51.6	48.2	58.2	58.2	58.2
EBITDA	5.6	3.2	3.2	6.3	1.9	2.8	4.7	2.7	2.8	5.6	3.5	3.6	7.0
<u>Year-over-year growth</u>													
Revenue	0.5%	-10.7%	-14.5%	-12.8%	-7.2%	-4.8%	-5.9%	7.2%	13.8%	10.7%	30.8%	19.8%	24.6%
EBITDA	-33.3%	293.8%	-34.4%	12.5%	-40.6%	-12.5%	-25.4%	42.1%	0.0%	19.1%	29.6%	28.6%	25.0%
Gross profit margin	37.9%	35.3%	35.0%	35.2%	33.1%	35.0%	34.1%	38.0%	37.0%	37.5%	35.0%	36.0%	35.5%

Sources: Company reports and Maxim Group estimates

*One American Depositary Share (ADS) represents 20 ordinary shares of 6128.HK on The Stock Exchange of Hong Kong

GRFX REVENUE BREAKOUT
(in millions of USD)

	2021	1H22	2H22	2022A	1H23A	2H23E	2023E	1H24E	2H24E	2024E	1H25E	2H25E	2025E
Graphex Group graphene product sales in China	\$31.1	\$13.3	\$14.3	\$27.5	\$12.4	\$13.4	\$25.9	\$13.9	\$15.4	\$29.3	\$18.1	\$18.3	\$36.5
Graphex Technologies graphene product sales in North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9	2.1	2.7	4.8
Landscape architecture design services	16.7	7.4	8.3	15.8	6.9	8.3	15.2	6.9	8.4	15.4	6.9	8.5	15.5
Catering	2.3	0.3	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total revenue	50.1	20.9	22.8	43.7	19.4	21.7	41.1	20.8	24.7	45.5	27.2	29.6	56.7
Production capacity in China (tonnes)	10,000	5,000	5,000	10,000	5,000	5,000	10,000	5,000	10,000	15,000	15,000	15,000	30,000
Production capacity in North America	0	0	0	0	0	0	0	1,000	4,000	5,000	5,000	7,500	12,500
Production in China						4,000	n/a	4,100	4,500	8,600	5,250	5,250	10,500
Production in North America						0	0	0	205	205	484	628	1,112
Production as % of capacity in China						80.0%	n/a	82.0%	45.0%	57.3%	35.0%	35.0%	35.0%
Production as % of capacity in North America						0.0%	n/a	0.0%	5.1%	4.1%	9.7%	8.4%	8.9%
Price per tonne in China						\$3,353	n/a	\$3,386	\$3,420	\$3,403	\$3,455	\$3,489	\$3,472
Price per tonne in North America						\$4,191	n/a	\$4,233	\$4,275	\$4,254	\$4,318	\$4,361	\$4,340
<u>% of revenue</u>													
Graphex Group graphene product sales in China	62.1%	63.4%	62.4%	62.9%	64.2%	61.9%	63.0%	66.7%	62.3%	64.3%	66.8%	61.9%	64.2%
Graphex Technologies graphene product sales in North America	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%	1.9%	7.7%	9.3%	8.5%
Landscape architecture design services	33.3%	35.4%	36.6%	36.0%	35.8%	38.1%	37.0%	33.3%	34.1%	33.8%	25.6%	28.8%	27.2%
Catering	4.6%	1.2%	1.0%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>y/y % growth</u>													
Graphex Group graphene product sales in China	12.4%	-3.6%	-18.0%	-11.6%	-6.8%	-6.3%	-5.8%	12.1%	14.9%	13.1%	30.2%	18.8%	24.6%
Graphex Technologies graphene product sales in North America	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	200.0%	433.3%
Landscape architecture design services	-12.6%	-17.4%	8.1%	-5.4%	-6.8%	0.0%	-3.8%	0.0%	1.2%	1.3%	0.0%	1.2%	0.6%
Catering	-25.7%	-63.8%	-85.6%	-78.3%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Total revenue growth	0.5%	-10.7%	-14.5%	-12.8%	-7.2%	-4.8%	-5.9%	7.2%	13.8%	10.7%	30.8%	19.8%	24.6%

Sources: Company reports and Maxim Group estimates

GRFX CASH FLOW STATEMENT
(in millions of USD)

	2021	1H22	2H22	2022A	1H23A	2H23E	2023E	1H24E	2H24E	2024E	1H25E	2H25E	2025E
Net income	(\$16.4)	(\$8.7)	(\$4.0)	(\$12.6)	(\$9.2)	(\$8.1)	(\$17.3)	(\$8.0)	(\$8.2)	(\$16.2)	(\$7.3)	(\$8.9)	(\$16.2)
Depreciation & amortization	9.4	4.2	4.2	8.5	3.8	3.5	7.3	3.3	3.4	6.7	3.7	4.3	8.0
Change in inventories	(1.1)	4.3	(1.6)	2.4	1.0	0.1	1.0	0.1	0.0	0.1	(0.0)	(0.1)	(0.1)
Change in other payables	(0.9)	1.9	(1.3)	0.6	7.9	(0.2)	7.8	(0.3)	(0.0)	(0.3)	0.5	1.6	2.1
Other	12.2	3.6	0.1	4.1	5.4	0.0	5.4	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	(3.7)	(1.6)	7.0	5.5	(1.2)	(3.9)	(5.1)	(4.2)	(5.6)	(9.8)	(4.7)	(6.5)	(11.2)
Capital expenditures	(0.1)	(0.5)	0.5	(0.1)	(0.5)	(0.5)	(1.0)	(4.0)	(9.0)	(13.0)	(14.0)	(18.0)	(32.0)
Other	(0.3)	0.0	(11.5)	(11.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash from investing	(0.4)	(0.5)	(11.0)	(11.5)	(0.5)	(0.5)	(1.0)	(4.0)	(9.0)	(13.0)	(14.0)	(18.0)	(32.0)
Change in debt	(8.9)	40.3	(44.1)	(3.8)	(14.3)	5.2	(9.1)	8.2	(5.4)	2.8	18.7	24.5	43.2
Change in equity	0.0	11.8	0.0	11.8	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0	0.0
Other	11.2	(50.2)	48.9	(1.4)	14.2	0.0	14.2	0.0	0.0	0.0	0.0	0.0	0.0
Cash from financing	2.4	1.9	4.8	6.7	(0.1)	5.2	5.1	8.2	14.6	22.8	18.7	24.5	43.2
Effect of exchange rate changes	0.2	(0.2)	(0.5)	(0.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash	(1.6)	(0.4)	0.4	0.0	(1.8)	0.8	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	(3.8)	(2.1)	7.5	5.4	(1.7)	(4.4)	(6.1)	(8.2)	(14.6)	(22.8)	(18.7)	(24.5)	(43.2)

Sources: Company reports and Maxim Group estimates

GRFX BALANCE SHEET

<i>(in millions of USD)</i>	2021	1H22	2H22	2022A	1H23A	2H23E	2023E	1H24E	2H24E	2024E	1H25E	2H25E	2025E
Cash and restricted cash	\$4.7	\$3.6	\$4.0	\$4.0	\$2.2	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0
Inventory	\$4.8	0.6	2.2	\$2.2	1.2	1.1	\$1.1	1.1	1.1	\$1.1	1.1	1.2	\$1.2
Other	\$28.8	34.4	23.9	\$23.9	33.0	32.1	\$32.1	31.5	32.3	\$32.3	33.9	37.3	\$37.3
<i>Current assets</i>	<i>\$38.3</i>	<i>\$38.6</i>	<i>30.1</i>	<i>\$30.1</i>	<i>\$36.4</i>	<i>36.3</i>	<i>\$36.3</i>	<i>35.6</i>	<i>36.4</i>	<i>\$36.4</i>	<i>38.0</i>	<i>41.5</i>	<i>\$41.5</i>
Property and equipment	\$9.6	8.7	4.5	\$4.5	3.9	2.7	\$2.7	5.0	12.3	\$12.3	24.5	40.3	\$40.3
Goodwil	\$13.1	13.1	13.1	\$13.1	13.1	13.1	\$13.1	13.1	13.1	\$13.1	13.1	13.1	\$13.1
Intangible assets	\$76.1	69.3	63.1	\$63.1	58.0	56.2	\$56.2	54.6	52.9	\$52.9	51.0	48.9	\$48.9
Other	\$0.7	0.8	1.3	\$1.3	1.6	1.6	\$1.6	1.6	1.6	\$1.6	1.6	1.6	\$1.6
ASSETS	\$137.7	\$130.5	112.2	\$112.2	\$113.0	109.8	\$109.8	109.8	116.2	\$116.2	128.1	145.3	\$145.3
Bank borrowing	0.8	0.7	1.4	1.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible note	0.0	1.6	2.2	2.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term borrowings	1.7	2.8	0.6	0.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other current liabilities	45.5	41.3	32.5	32.5	29.4	25.8	25.8	25.6	25.5	25.5	26.0	27.7	27.7
<i>Current liabilities</i>	<i>48.0</i>	<i>46.4</i>	<i>36.7</i>	<i>36.7</i>	<i>32.3</i>	<i>26.8</i>	<i>26.8</i>	<i>26.6</i>	<i>26.6</i>	<i>26.6</i>	<i>27.1</i>	<i>28.7</i>	<i>28.7</i>
Promissory notes	39.5	15.8	15.8	15.8	15.8	21.0	21.0	29.3	23.8	23.8	42.6	67.1	67.1
Convertible notes	1.8	2.0	1.9	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term borrowings	0.5	0.0	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Other	30.5	28.2	12.3	12.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3
LIABILITIES	120.3	92.4	68.2	68.2	71.9	71.5	71.5	79.5	74.1	74.1	93.3	119.4	119.4
SHAREHOLDERS' EQUITY	17.4	38.1	43.9	43.9	41.1	38.3	38.3	30.3	42.1	42.1	34.8	25.9	25.9

Sources: Company reports and Maxim Group estimates

VOXR INCOME STATEMENT
(\$s and shares in millions)

	2021	Mar.	Jun.	Sep.	Dec.	2022A	Mar.	Jun.	Sep. A	Dec. E	2023E	Mar. E	Jun. E	Sep. E	Dec. E	2024E	2025E
Revenue	\$3.7	\$1.5	\$1.8	\$3.2	\$2.1	\$8.5	\$3.6	\$2.2	\$3.5	\$3.3	\$12.6	\$2.9	\$3.3	\$3.4	\$4.2	\$13.8	\$21.6
Depletion	1.0	0.3	0.3	0.7	0.5	1.8	0.6	0.4	0.4	0.5	1.9	0.5	0.5	0.5	0.4	1.8	1.7
Gross profit	2.7	1.2	1.4	2.5	1.6	6.7	3.0	1.8	3.1	2.9	10.8	2.4	2.9	3.0	3.7	12.0	19.9
Operating expenses	4.6	1.2	1.3	1.3	1.0	4.9	1.3	1.6	1.1	1.2	5.1	1.4	1.4	1.4	1.4	5.6	5.9
Other	1.4	0.2	0.2	0.4	0.6	1.4	0.7	0.8	0.1	0.4	2.1	0.4	0.4	0.4	0.4	1.7	1.8
Operating income	(3.3)	(0.3)	(0.0)	0.8	(0.0)	0.4	0.9	(0.5)	1.8	1.3	3.6	0.6	1.0	1.1	1.9	4.6	12.2
Other income	1.4	0.2	0.9	0.2	0.0	1.2	(0.8)	1.0	0.2	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	(2.0)	(0.1)	0.9	0.9	0.1	1.7	0.1	0.5	2.1	1.3	3.9	0.6	1.0	1.1	1.9	4.6	12.2
Taxes	2.2	0.1	0.5	0.8	0.0	1.5	0.8	0.5	1.0	2.0	4.3	0.6	1.0	1.0	1.5	4.1	9.9
Net income	(4.1)	(0.2)	0.4	0.1	0.1	0.2	(0.7)	(0.0)	1.0	(0.7)	(0.4)	0.1	0.0	0.1	0.4	0.6	2.3
Diluted shares outstanding	37.9	39.5	41.6	44.4	44.9	42.6	45.0	45.6	48.2	48.8	46.9	48.8	48.8	48.8	48.8	48.8	48.8
EPS	(\$0.11)	(\$0.01)	\$0.01	\$0.00	\$0.00	\$0.01	(\$0.02)	\$0.00	\$0.02	(\$0.01)	(\$0.01)	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.05
EBITDA	(0.7)	0.3	0.5	1.9	0.8	3.5	2.3	0.1	2.7	2.2	7.2	1.5	1.9	2.1	2.8	8.3	15.9
Dividend per share	\$0.000	\$0.000	\$0.000	\$0.010	\$0.010	\$0.020	\$0.011	\$0.011	\$0.011	\$0.011	\$0.044	\$0.012	\$0.012	\$0.012	\$0.012	\$0.048	\$0.052
Year-over-year growth (rounded)																	
Revenue	2793.0%	172.4%	33.2%	160.0%	266.5%	129.7%	140.0%	22.2%	9.4%	57.1%	48.2%	-19.4%	50.0%	-2.9%	27.3%	9.5%	56.5%
EBITDA margin	-20.4%	20.7%	27.0%	61.2%	38.3%	41.5%	63.8%	2.4%	78.1%	66.5%	57.2%	53.5%	58.8%	59.8%	66.6%	60.3%	73.5%
Net income margin	-113.2%	-16.3%	24.7%	2.6%	2.5%	2.7%	-19.0%	-2.2%	29.8%	-20.9%	-3.5%	1.7%	1.0%	2.9%	9.5%	4.2%	10.4%

Sources: Company reports and Maxim Group estimates

VOXR CASH FLOW STATEMENT

<i>(\$s in millions)</i>	2021	Mar.	Jun.	Sep.	Dec.	2022A	Mar.	Jun.	Sep. A	Dec. E	2023E	Mar. E	Jun. E	Sep. E	Dec. E	2024E	2025E
Net income	(\$4.1)	(\$0.2)	\$0.4	\$0.1	\$0.1	\$0.2	(\$0.7)	(\$0.0)	\$1.0	(\$0.7)	(\$0.4)	\$0.1	\$0.0	\$0.1	\$0.4	\$0.6	\$2.3
Depletion	1.0	0.3	0.3	0.7	0.5	1.8	0.6	0.4	0.4	0.5	1.9	0.5	0.5	0.4	0.4	1.8	1.7
Amortization	0.2	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2	0.1
Stock based compensation	1.4	0.2	0.2	0.4	0.3	1.1	0.7	0.1	0.4	0.4	1.6	0.4	0.4	0.4	0.4	1.7	1.8
Change in accounts receivable	(0.5)	(0.6)	(2.1)	0.4	0.8	(1.5)	(1.6)	1.0	(1.5)	(0.1)	(2.1)	0.2	(0.4)	0.0	(0.3)	(0.6)	(1.5)
Change in accounts payable	(1.1)	0.3	(0.3)	(0.5)	0.1	(0.4)	0.4	(0.5)	0.1	(0.2)	(0.3)	(0.1)	0.1	0.0	(0.0)	(0.1)	(0.1)
Other changes	4.0	(0.5)	1.3	(0.2)	(0.1)	0.5	1.1	0.0	0.8	(0.1)	1.8	(0.0)	0.0	0.0	(0.0)	(0.0)	(0.1)
Cash from operations	0.8	(0.4)	(0.2)	1.0	1.7	2.0	0.5	1.1	1.4	(0.2)	2.6	1.1	0.6	1.1	1.0	3.6	4.3
Acquisitions	(9.4)	0.0	(4.1)	(0.0)	(0.5)	(4.6)	(0.1)	0.0	(4.5)	(0.8)	(5.3)	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.8	(0.0)	1.4	(0.2)	2.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Cash from investing	(9.4)	0.8	(4.1)	1.4	(0.7)	(2.6)	(0.1)	0.0	(4.4)	(0.8)	(5.2)	0.0	0.0	0.0	0.0	0.0	0.0
Change in equity	10.6	0.2	0.1	(0.3)	0.5	0.5	0.0	6.6	0.7	1.9	9.2	0.0	0.0	0.0	0.0	0.0	0.0
Change in debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payments	0.0	0.0	0.0	0.0	(0.9)	(0.9)	(0.4)	(0.5)	(0.5)	(0.5)	(2.0)	(0.6)	(0.6)	(0.6)	(0.6)	(2.3)	(2.5)
Cash from financing	10.6	0.2	0.1	(0.3)	(0.4)	(0.4)	(0.4)	6.1	0.2	1.4	7.2	(0.6)	(0.6)	(0.6)	(0.6)	(2.3)	(2.5)
Change in cash	2.2	0.6	(4.1)	2.1	0.3	(1.1)	(0.0)	7.1	(2.8)	0.3	4.5	0.5	0.1	0.8	1.0	1.3	1.8
Ending cash	5.1	1.5	3.7	4.2	4.2	4.2	4.2	11.3	8.5	8.8	8.8	8.7	9.2	9.3	10.1	10.1	11.9
Free cash flow*	(8.6)	(0.4)	(4.3)	0.9	1.2	(2.7)	0.4	1.1	(3.1)	(1.0)	(2.7)	1.1	0.6	1.1	1.0	3.6	4.3

Sources: Company reports and Maxim Group estimates

*Cash flow from operations less acquisitions of royalties

VOXR BALANCE SHEET

<i>(\$s in millions)</i>	2021	Mar.	Jun.	Sep.	Dec.	2022A	Mar.	Jun.	Sep. A	Dec. E	2023E	Mar. E	Jun. E	Sep. E	Dec. E	2024E	2025E
Cash and equivalents	\$5.1	\$1.5	\$3.7	\$4.2	\$4.2	\$4.2	\$4.2	\$11.3	\$8.5	\$8.8	\$8.8	\$8.7	\$9.2	\$9.3	\$10.1	\$10.1	\$11.9
Accounts receivable	0.5	3.2	2.8	2.0	3.6	2.0	3.6	2.5	4.0	4.1	4.1	4.6	4.3	4.7	4.7	4.7	6.2
Investments	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	0.4	0.3	0.2	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Current Assets	8.1	5.0	6.7	6.8	8.4	6.8	8.4	14.1	12.6	13.1	13.1	13.5	13.7	14.2	15.0	15.0	18.4
Royalties	17.6	32.6	32.7	32.9	32.7	32.9	32.7	31.9	36.3	36.6	36.6	36.2	35.7	35.2	34.8	34.8	33.1
Other assets	1.5	2.1	2.1	2.2	2.1	2.2	2.1	2.0	1.8	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.4
ASSETS	27.3	39.8	41.4	41.8	43.2	41.8	43.2	47.9	50.7	51.5	51.5	51.3	51.1	51.1	51.4	51.4	52.9
Accounts payable	1.1	1.2	1.6	1.8	2.1	1.8	2.1	1.6	1.7	1.5	1.5	1.5	1.3	1.4	1.4	1.4	1.4
Other current liabilities	0.8	1.0	1.4	1.2	2.6	1.2	2.6	1.0	1.1	1.1	1.1	1.1	1.0	1.0	1.1	1.1	1.0
Current Liabilities	1.9	2.1	3.0	3.0	4.7	3.0	4.7	2.6	2.9	2.6	2.6	2.5	2.4	2.4	2.5	2.5	2.4
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	4.7	2.8	3.3	3.4	3.6	3.4	3.6	4.1	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7
LIABILITIES	6.6	4.9	6.3	6.4	8.3	6.4	8.3	6.7	7.6	7.3	7.3	7.2	7.1	7.1	7.2	7.2	7.1
EQUITY	20.7	34.9	35.1	35.4	35.0	35.4	35.0	41.2	43.1	44.2	44.2	44.1	44.0	43.9	44.2	44.2	45.8
Total debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt-to-equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Shares outstanding (end of period)	39.4	39.5	44.4	44.6	44.8	44.8	45.1	48.2	48.8	48.8	48.8	48.8	48.8	48.8	48.8	48.8	48.8

Sources: Company reports and Maxim Group estimates

DISCLOSURES

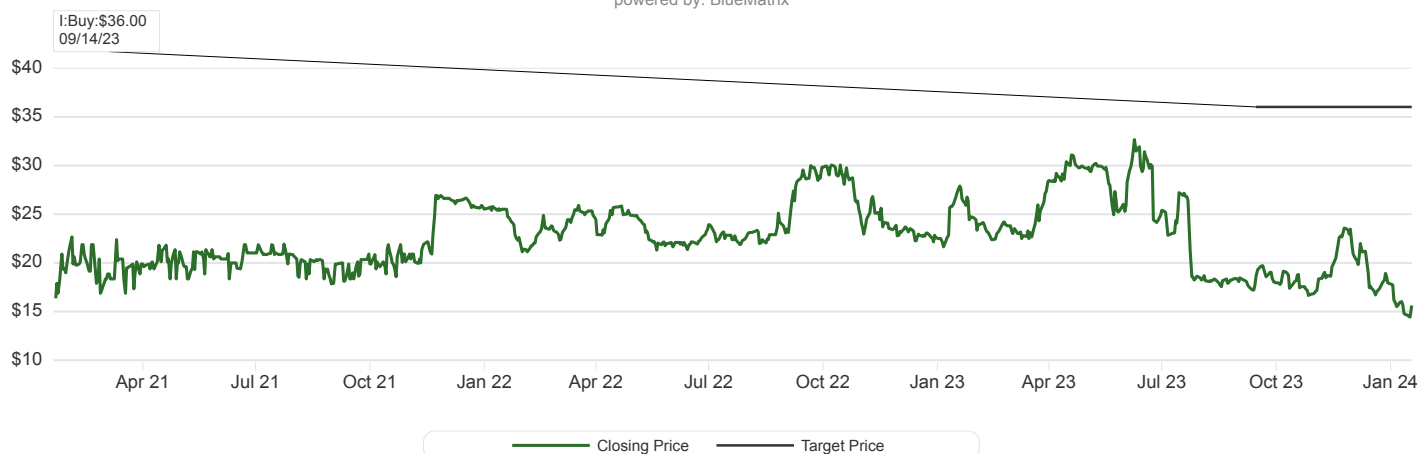
5E Advanced Materials, Inc. Rating History as of 01/17/2024

powered by: BlueMatrix



Contango ORE, Inc. Rating History as of 01/17/2024

powered by: BlueMatrix



Graphex Group Limited Rating History as of 01/17/2024

powered by: BlueMatrix



Vox Royalty Corp. Rating History as of 01/17/2024

powered by: BlueMatrix


Maxim Group LLC Ratings Distribution
As of: 01/17/24

		% of Coverage Universe with Rating	% of Rating for which Firm Provided Banking Services in the Last 12 months
Buy	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to outperform its relevant index over the next 12 months.	81%	50%
Hold	Fundamental metrics are currently at, or approaching, industry averages. Therefore, we expect this stock to neither outperform nor underperform its relevant index over the next 12 months.	19%	56%
Sell	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to underperform its relevant index over the next 12 months.	0%	0%

**See valuation section for company specific relevant indices*

I, **Tate Sullivan, CFA**, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

The research analyst(s) primarily responsible for the preparation of this research report have received compensation based upon various factors, including the firm's total revenues, a portion of which is generated by investment banking activities.

Maxim Group makes a market in 5E Advanced Materials, Inc., Contango ORE, Inc., Graphex Group Limited and Vox Royalty Corp.

Maxim Group managed/co-managed/acted as placement agent for an offering of the securities for Contango ORE, Inc. and Vox Royalty Corp. in the past 12 months.

Maxim Group received compensation for investment banking services from Contango ORE, Inc. and Vox Royalty Corp. in the past 12 months.

Maxim Group expects to receive or intends to seek compensation for investment banking services from 5E Advanced Materials, Inc., Contango ORE, Inc., Graphex Group Limited and Vox Royalty Corp. in the next 3 months.

FEAM: We use the Russell Microcap Index (RUMIC) as the relevant index.

CTGO: We use the Russell 2000 Index (Bloomberg: RTY) as the relevant index.

GRFX: We use the Russell Microcap Index (RUMIC) as the relevant index.

VOXR: We use the Russell 2000 Index (Bloomberg: RTY) as the relevant index.

Valuation Methods

FEAM: We use a DCF and net present value analysis to derive a 12-month price target.

CTGO: We use a forward enterprise value-to-EBITDA multiple to derive a 12-month price target.

GRFX: We use a forward enterprise value-to-EBITDA multiple to derive a 12-month price target.

VOXR: We use a DCF and net asset value analysis to derive a 12-month price target.

Price Target and Investment Risks

FEAM: Aside from general market and other economic risks, risks particular to our 5E Advanced Materials price target and rating include; inability to restructure debt can lead to a cease in operations; inability to raise additional capital can lead to a cease in operations; more dilution than we currently forecast; concentrated ownership after convertible debt restructuring; meaningful amount of funding required to develop boron project in California; risk that production does not achieve targeted levels; higher development costs; history of net losses; history of operating losses; the company is pre-revenue and there are no assurance the company will generate revenue; going concern opinion – the auditors indicated substantial doubt about the company's ability to continue as a going concern.

CTGO: Aside from general market and other economic risks, risks particular to our Contango ORE price target and rating include: production delays; gold processing delays; lower gold and silver prices; cost inflation operating mines; delay developing Lucky Shot project; ability to access capital; share dilution from potential additional equity raises.

GRFX: Aside from general market and other economic risks, risks particular to our Graphex Group Limited price target and rating include: inability to raise capital can lead to a cease in operations; China may prohibit the export of graphite processing technology; future equity raises can cause conversion prices of convertible debt to decrease; higher costs delivering anode active material; higher costs expanding anode active material production; competition from larger companies; customer concentration; longer timeline to generate revenue; delivery delays; supply chain disruptions; history of net losses; the inability to raise capital; lower growth in EV sales; lower growth in U.S. energy storage system (ESS) market.

VOXR: Aside from general market and other economic risks, risks particular to our Vox Royalty price target and rating include: revenue concentration from the Wonmunna mine and from Mineral Resources (MIN.AX - Not Rated); development and production delays at mines underlying Vox's royalties; lower production from mines underlying Vox's royalties; lower capital expenditures by the operators of mines underlying Vox's royalties; lower metals & minerals prices; the ability to access capital; share dilution from potential additional equity raises or warrant exercises; operators abandoning mines previously under development; lower demand for metals & minerals; cost inflation for mine operators exceeding breakeven prices to develop mines.

RISK RATINGS

Risk ratings take into account both fundamental criteria and price volatility.

Speculative – Fundamental Criteria: This is a risk rating assigned to early-stage companies with minimal to no revenues, lack of earnings, balance sheet concerns, and/or a short operating history. Accordingly, fundamental risk is expected to be significantly above the industry. **Price Volatility:** Because of the inherent fundamental criteria of the companies falling within this risk category, the price volatility is expected to be significant with the possibility that the investment could eventually be worthless. Speculative stocks may not be suitable for a significant class of individual investors.

High – Fundamental Criteria: This is a risk rating assigned to companies having below-average revenue and earnings visibility, negative cash flow, and low market cap or public float. Accordingly, fundamental risk is expected to be above the industry. **Price Volatility:** The price volatility of companies falling within this category is expected to be above the industry. High-risk stocks may not be suitable for a significant class of individual investors.

Medium – Fundamental Criteria: This is a risk rating assigned to companies that may have average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to approximate the industry average.

Low – Fundamental Criteria: This is a risk rating assigned to companies that may have above-average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to be below the industry.

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