



ARGONAUT
The Natural Choice in Resources

EQUITY RESEARCH

Financial Advisers | Stockbroking & Research | Special Situations Financing

www.argonaut.com +61 8 9224 6888

SPEC BUY

Current Price	\$0.11
Price Target	\$0.20
TSR (%)	90%

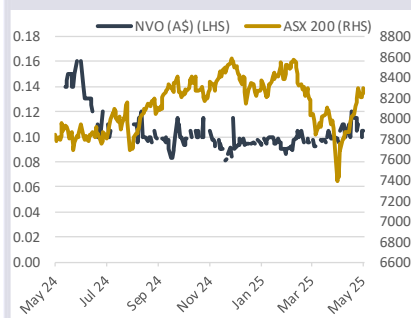
Ticker NVO ASX
Sector: Metals & Mining

Shares on issue (m)	354
Market Cap (A\$m)	37
Net cash (debt) (A\$m)	(1)
Enterprise Value (A\$m)	39
Marketable Securities (A\$m)	36
52 Week High	0.17
52 Week Low	0.08
ADTO (A\$m)	0.13

Key Metrics	FY25E	FY26E	FY27E
P/E (x)	nm	nm	nm
EV/Ebit (x)	nm	nm	nm
EV/Ebitda (x)	nm	nm	nm
FCF yield (%)	(1.2%)	(26.0%)	(14.8%)
Dividend yield (%)	0.0%	0.0%	0.0%

Financial Summary	FY25E	FY26E	FY27E
Revenue (A\$m)	0	0	0
Ebitda (A\$m)	(23)	(8)	(4)
Ebit (A\$m)	(25)	(8)	(4)
Earnings (A\$m)	(19)	(9)	(5)
Op cash flow (A\$m)	(18)	(6)	(3)
Capex (A\$m)	0	0	0
Free CF (A\$m)	(0)	(10)	(5)

Share price performance vs ASX 200



Source: Factset, Argonaut May 2025

Please refer to important disclosures at the end of the report

Friday, 9 May 2025

Novo Resources (NVO)

Project Update

Analyst | Patrick Streater

Quick Read

NVO advanced several of its exploration stage projects during the quarter, with drilling programs completed at Balla Balla, and drilling planned over the next few months at Tibooburra, John Bull and Karratha. NVO ended 3QFY25 with A\$10m in cash and A\$35m in marketable securities. NVO's continued exploration strategy for large-scale company making gold deposits offers significant upside exposure through exploration success. Our \$0.20 Price Target is unchanged, with a Speculative Buy maintained.

Key points

Balla Balla drilling complete: During the quarter, NVO completed a maiden ~6,000m AC program at its Balla Balla gold project, 50km north of Hemi. This first pass air core program at Balla Balla targeted several prospects along the Shroll Shear Zone on +640m wide spaced air core drill lines. The Balla Balla Gold project is an early-stage greenfields target, but we note similarities to the Hemi discovery story, which was found by wide-spaced air core lines over a shallowly concealed regional-scale structure. Results for the air core drill program are pending.

John Bull Project: NVO completed its first field program at John Bull during the quarter, with a three-week mapping and rock chip sampling program completed. NVO have scheduled an RC program at John Bull for June. Drilling will follow up previous intercepts at the project (68m at 1.0g/t & 94m at 0.95g/t) along with testing recently identified targets by the NVO team.

Tibooburra: At the recently acquired Tibooburra Project in western NSW, NVO commenced a ~2,000m RC program this month, testing a number of high-grade targets over a ~700m strike length. The Tibooburra project is an extensive landholding with multiple mineralised trends. Many of the mineralised trends are concealed by shallow cover, giving potential for large-scale 'blind' discoveries via systematic AC drill testing.

Valuation & recommendation

NVO remains an early-stage explorer with a number of high-potential gold projects across Australia, where extensive remaining search space offers potential for a significant discovery.

Figure 1 - Earnings and valuation summary

Novo Resources Limited

ASX: NVO	Share price (A\$)	A\$0.11
	Market Cap (A\$m)	37
Analyst: Patrick Streater	Shares (m)	354
www.argonaut.com		

Key metrics	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
EPS (Ac)	(7.63)	(5.51)	(2.31)	(1.11)	(0.06)	0.02
DPS (Ac)	0.00	0.00	0.00	0.00	0.00	0.00

P/E (x)	nm	nm	nm	nm	nm	nm
EV/Ebit (x)	nm	nm	nm	nm	nm	nm
EV/Ebitda (x)	nm	nm	nm	nm	nm	nm
EV/Production (x)	nm	nm	nm	nm	nm	nm

Free cash flow yield (%)	(70.7%)	(1.2%)	(26.0%)	(14.8%)	(0.7%)	0.6%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net debt (cash) (A\$m)	(10.5)	3.9	6.1	1.6	(5.7)	(15.9)
Gearing (%)	(15.1%)	5.8%	9.0%	2.3%	(8%)	(23%)

Profit & Loss	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
Sales revenue (A\$m)	0.1	0.0	0.0	0.0	0.0	0.0
Operating costs (A\$m)	0.0	1.5	(0.0)	0.0	0.0	0.0
Exploration expense (A\$m)	(12.3)	(13.0)	(3.6)	(2.3)	0.0	0.0
Corporate overhead (A\$m)	(15.1)	(11.9)	(4.5)	(2.0)	0.0	0.0
Ebitda (A\$m)	(27.3)	(23.5)	(8.2)	(4.4)	0.0	0.0
Depreciation (A\$m)	(0.0)	(1.9)	(0.0)	(0.0)	0.0	0.0
Ebit (A\$m)	(27.3)	(25.3)	(8.2)	(4.4)	0.0	0.0
Net interest (A\$m)	0.3	(1.4)	(1.2)	(0.9)	(0.4)	0.1
Pre-tax profit (A\$m)	(27.0)	(26.8)	(9.4)	(5.3)	(0.4)	0.1
Tax (A\$m)	0.0	0.6	0.0	0.0	0.0	0.0
Underlying earnings (A\$m)	(27.0)	(26.2)	(9.4)	(5.3)	(0.4)	0.1
Exceptional items (A\$m)	0.0	7.5	0.0	0.0	0.0	0.0
Reported Earnings (A\$m)	(27.0)	(18.7)	(9.4)	(5.3)	(0.4)	0.1

Cash flow statement	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
Net profit (A\$m)	(27.0)	(26.2)	(9.4)	(5.3)	(0.4)	0.1
Depreciation (A\$m)	0.0	1.9	0.0	0.0	0.0	0.0
Exploration, interest and tax (A\$m)	12.4	13.6	3.7	2.3	0.1	0.1
Working Capital (A\$m)	2.0	(0.5)	0.0	0.0	0.0	0.0
Other (A\$m)	0.0	(6.3)	0.0	0.0	0.0	0.0
Operating cash flow (A\$m)	(12.6)	(17.5)	(5.6)	(2.9)	(0.3)	0.2
Capital expenditure (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Exploration (A\$m)	(13.6)	(2.6)	(4.0)	(2.6)	0.0	0.0
Other (A\$m)	0.0	19.7	0.0	0.0	0.0	0.0
Free cash flow (A\$m)	(26.3)	(0.4)	(9.7)	(5.5)	(0.3)	0.2
Dividends (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Equity (A\$m)	0.0	0.0	7.5	10.0	7.5	10.0
Debt draw / (repay) (A\$m)	0.0	(3.8)	(1.0)	(4.0)	(7.6)	0.0
Net cash flow (A\$m)	(26.3)	(4.2)	(3.2)	0.5	(0.4)	10.2

Balance sheet	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
Current assets						
Cash at bank (A\$m)	10.5	8.7	5.5	6.0	5.7	15.9
Short-term investments(A\$m)	0.1	1.3	1.3	1.3	1.3	1.3
Receivables (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and deposits (A\$m)	0.4	0.3	0.3	0.3	0.3	0.0
Other (A\$m)	0.8	0.0	0.0	0.0	0.0	0.0
Current assets (A\$m)	13.1	10.9	7.7	8.2	7.9	17.7
Non-Current assets						
PP& E and Development (A\$m)	0.5	1.0	1.0	1.0	1.0	1.0
Exploration & evaluation (A\$m)	44.8	41.2	41.6	41.8	41.8	41.8
Other (A\$m)	42.3	31.9	31.9	31.9	31.9	31.9
Non-Current assets (A\$m)	87.6	74.0	74.4	74.7	74.7	74.7
Total assets (A\$m)	100.7	84.9	82.1	82.9	82.5	92.4
Current liabilities						
Payables (A\$m)	2.1	2.1	2.1	2.1	2.1	2.1
Short-term debt (A\$m)	0.1	2.5	2.3	1.5	0.0	0.0
Other (A\$m)	4.6	2.9	2.9	2.9	0.0	0.0
Current Liabilities (A\$m)	6.8	7.5	7.3	6.5	2.1	2.1
Non-current liabilities						
Long-term debt (A\$m)	0.0	10.1	9.3	6.1	0.0	0.0
Lease liabilities (A\$m)	0.4	0.0	0.0	0.0	0.0	0.0
Provisions (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax (A\$m)	4.6	4.1	4.1	4.1	4.1	4.1
Other (A\$m)	9.0	0.0	0.0	0.0	0.0	0.0
Non-Current liabilities (A\$m)	14.1	14.2	13.4	10.2	4.1	4.1
Total liabilities (A\$m)	20.8	21.7	20.7	16.7	6.2	6.2
Net assets (A\$m)	79.8	63.2	61.4	66.2	76.3	86.2
Equity						
Contributed equity (A\$m)	476.8	484.2	491.7	501.7	509.2	519.2
Accumulated earnings (losses)	(403.4)	(421.0)	(430.3)	(435.5)	(432.8)	(432.9)
Total attributable equity	80.1	63.2	61.4	66.2	76.3	86.2
Minorities (A\$m)	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity (A\$m)	80.1	63.2	61.4	66.2	76.3	86.2

Source: NVO, Argonaut Research, May 2025

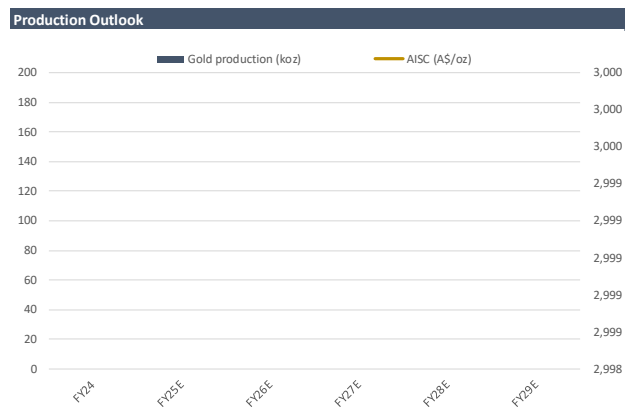
Recommendation	SPEC BUY
Price Target (A\$)	A\$0.20
TSR (%)	90%



Commodity price assumption	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
Gold price (US\$/oz)	2,080	2,774	3,350	3,750	3,850	3,450
A\$/US\$ exchange rate (x)	0.656	0.644	0.638	0.650	0.650	0.650
Gold price (A\$/oz)	3,171	4,322	5,254	5,769	5,923	5,308

Mine production details	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
Gold production						
Project A (koz)	0.0	0.0	0.0	0.0	0.0	0.0
Total (koz)	0.0	0.0	0.0	0.0	0.0	0.0

AISC						
Project A (A\$/oz)	nm	nm	nm	nm	nm	nm
Group (A\$/oz)	nm	nm	nm	nm	nm	nm



Project	Location	Commodity
Becher Project	Pilbara, WA	Au
Egina JV (50% DEG)	Pilbara, WA	Au
Nunyerry North (30% Creasy Group)	Pilbara, WA	Au
Balla Balla	Pilbara, WA	Au
West Pilbara	Pilbara, WA	Ni-Cu, Li, Au
Quartz Hill Li JV (80% Liatam - Li)	Pilbara, WA	Li, Au
Belltopper	Victoria	Au
John Bull	NSW	Au
Tiboburra	NSW	Au

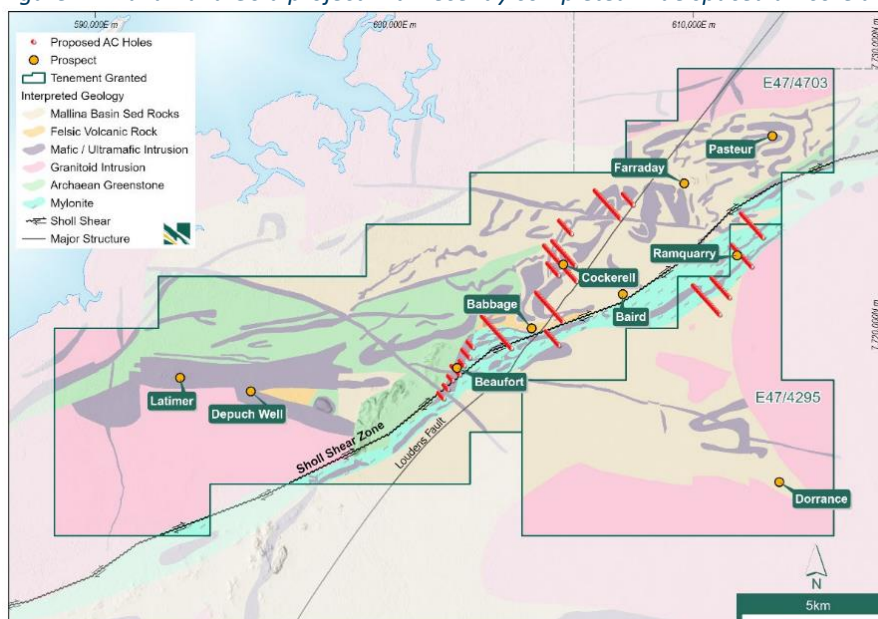
Mineral Resources			
Project	Ore (mt)	(g/t)	(koz)
Project A	0.00		0
Total	0.0		0
EV/Resource (A\$/oz)			

Board and Management	
Quinton Hennigh	Non-Executive Co-Chairman
Michael Spreadborough	Executive Co-Chairman
Karen O'Neill	Independent Director
Greg Jones	Independent Director
Kas De Luca	GM Exploration

Substantial shareholders	Shares (m)	Stake (%)
Northern Star Ltd	36	10.2%

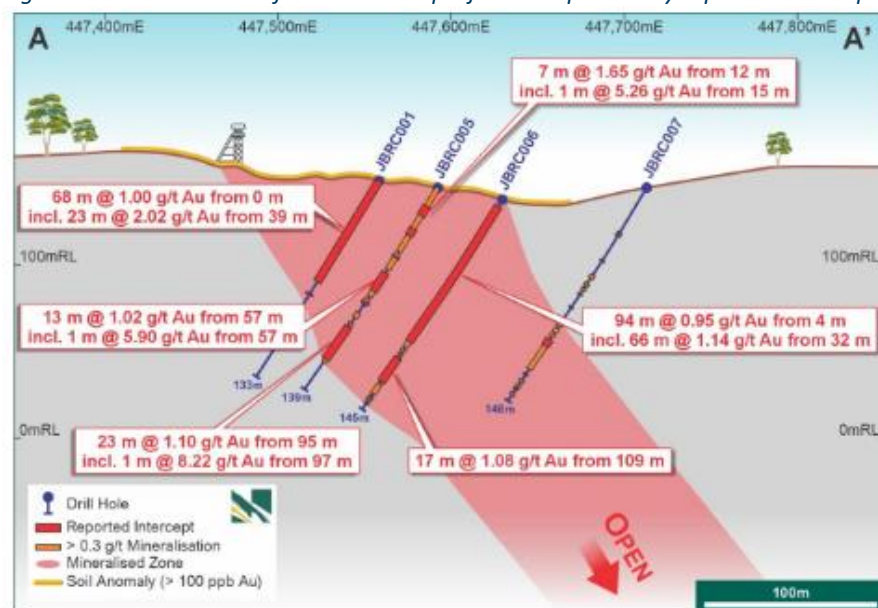
Valuation	Spot Prices		Argonaut forecasts	
Asset	A\$m	A\$/sh	A\$m	A\$sh
Exploration Portfolio	53.0	0.12	53.0	0.12
Resources	0.0	0.00	0.0	0.00
Marketable Securities	35.6	0.08	35.6	0.08
Corporate overhead	(3.5)	(0.01)	(3.5)	(0.01)
Cash	11.1	0.03	11.1	0.03
Debt	(12.6)	(0.03)	(12.6)	(0.03)
Total	83.7	0.20	83.7	0.20
Price Target (50/50 spot/base case)				0.20

Figure 2 – Balla Balla Gold project with recently completed wide spaced air core drill lines.



Source: NVO

Figure 3 – Cross section of the John Bull project with previously reported intercepts.



Source: NVO

Figure 4- NVO planned drilling programs over the next few months.

Novo is Dedicated to Continued Exploration Across its High-Grade Gold Portfolio

	April 2025	May 2025	June 2025	July 2025
Balla Balla AC Drill Program	Drilling, Assaying, Interpretation			
Tibooburra RC Drill Program		Drilling, Assaying, Interpretation		
John Bull RC Drill Program			Drilling, Assaying, Interpretation	
Karratha District AC & RC Drill Program				Drilling, Assaying, Interpretation

Source: NVO

NVO's exploration approach at Balla Balla is testing geophysical targets along a large scale, concealed regional shear zone

NVO are scheduling RC drilling at John Bull in June

Four separate drilling programs to be completed in the next few months

Valuation

Argonauts' valuation encompasses a sum-of-the parts valuation of incorporating debt, cash, marketable securities and a nominal valuation assigned to its exploration portfolio. We note that the valuation of exploration stage assets is subject to significant volatility should NVO move towards a significant discovery and definition of a mineral resource.

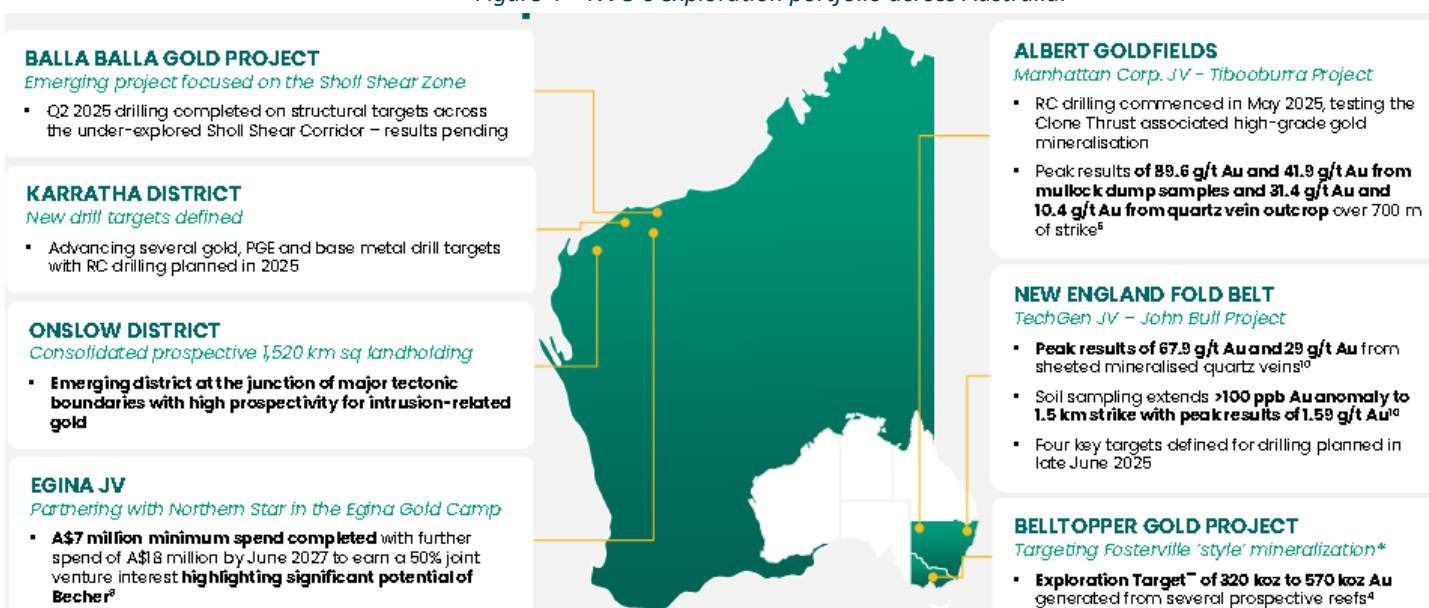
Figure 3 – Valuation summary, May 2025

Valuation	Spot Prices		Argonaut forecasts	
Asset	A\$m	A\$/sh	A\$m	A\$/sh
Exploration Portfolio	53.0	0.12	53.0	0.12
Resources	0.0	0.00	0.0	0.00
Marketable Securities	35.6	0.08	35.6	0.08
Corporate overhead	(3.5)	(0.01)	(3.5)	(0.01)
Cash	11.1	0.03	11.1	0.03
Debt	(12.6)	(0.03)	(12.6)	(0.03)
Total	83.7	0.20	83.7	0.20
Price Target (50/50 spot/base case)				0.20

Source: Argonaut Research

Our \$0.20 Price Target is unchanged. Speculative Buy recommendation.

Figure 4 – NVO's exploration portfolio across Australia.



Source: NVO

RESEARCH:

Hayden Bairstow | Executive Director, Head of Research
+61 8 9224 6835

Jon Scholtz | Director Research – Metals & Mining
+61 8 9224 6873

George Ross | Senior Analyst, Metals & Mining Research
+61 8 9224 6840

Pat Streater | Analyst, Metals & Mining Research
+61 8 9224 6818

Pia Donovan | Associate Analyst, Metals & Mining Research
+61 8 9224 6818

INSTITUTIONAL SALES:

Chris Wippl | Executive Director, Co-Head of Institutional Sales
+61 8 9224 6875

Digby Gilmour | Executive Director, Co-Head of Institutional Sales
+61 8 9224 6826

Damian Rooney | Director, Institutional Sales Trader
+61 8 9224 6862

Josh Welch | Institutional Research Sales
+61 8 9224 6868

George Ogilvie | Institutional Research Sales
+61 8 9224 6871

Jonathan Bank | Institutional Research Sales
+61 2 4086 9413

Matt Middlemas | Associate, Institutional Sales
+61 8 9224 6803

John Santul | Consultant, Institutional Sales & Research
+61 8 9224 6859

CORPORATE AND PRIVATE CLIENT SALES:

Glen Colgan | Executive Director, Desk Manager
+61 8 9224 6874

Kevin Johnson | Executive Director, Corporate Stockbroking
+61 8 9224 6880

Ben Willoughby | Senior Dealer, Corporate Stockbroking
+61 8 9224 6876

David Keogh | Senior Dealer, Corporate Stockbroking
+61 8 9224 6852

Geoff Barnesby-Johnson | Senior Dealer, Corporate Stockbroking
+61 8 9224 6854

James Massey | Dealer, Corporate Stockbroking
+61 8 9224 6849

Cameron Prunster | Dealer, Private Clients
+61 8 9224 6853

Harry Massey | Dealer, Private Clients
+61 8 9224 6829

Jake Solomon | Dealer, Private Clients
+61 8 9224 6855

Matej Mandic | Dealer, Private Clients
+61 8 9224 6887

Amanda Fu | Dealer, Private Clients
+61 8 9224 6805

Important Disclosure

Novo Resources (NVO): Argonaut acted as Financial Adviser and Lead Manager in respect of the offer to raise up to \$7.5M through the issue of CHESS Depository Interests (CDIs) in August 2023 as part of a secondary listing on the ASX by way of a Prospectus and received fees commensurate with these services. Argonaut holds or controls 641,025 warrants exercisable at \$0.6593 expiring 21 May 2026.

The publishing analyst owns shares in NVO

Information Disclosure

Each research analyst of this material certifies that the views expressed in this research material accurately reflect the analyst's personal views about the subject securities and listed corporations. None of the listed corporations reviewed or any third party has provided or agreed to provide any compensation or other benefits in connection with this material to any of the analyst(s).

For U.S. persons only

This research report is a product of Argonaut Securities Pty Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Argonaut Securities Pty Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Argonaut Securities Pty Limited has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

General Disclosure and Disclaimer

This research has been prepared by Argonaut Securities Pty Limited (ABN 72 108 330 650) ("ASPL") for the use of the clients of ASPL and other related bodies corporate (the "Argonaut Group") and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient you must not use or disclose the information in this report in any way. ASPL is a holder of an Australian Financial Services License No. 274099 and is a Market Participant of the Australian Stock Exchange Limited.

Nothing in this report should be construed as personal financial product advice for the purposes of Section 766B of the Corporations Act 2001 (Cth). This report does not consider any of your objectives, financial situation or needs. The report may contain general financial product advice and you should therefore consider the appropriateness of the advice having regard to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision.

This research is based on information obtained from sources believed to be reliable and ASPL has made every effort to ensure the information in this report is accurate, but we do not make any representation or warranty that it is accurate, reliable, complete or up to date. The Argonaut Group accepts no obligation to correct or update the information or the opinions in it. Opinions expressed are subject to change without notice and accurately reflect the analyst(s)' personal views at the time of writing. No member of the Argonaut Group or its respective employees, agents or consultants accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Nothing in this research shall be construed as a solicitation to buy or sell any financial product, or to engage in or refrain from engaging in any transaction. The Argonaut Group and/or its associates, including ASPL, officers or employees may have interests in the financial products or a relationship with the issuer of the financial products referred to in this report by acting in various roles including as investment banker, underwriter or dealer, holder of principal positions, broker, director or adviser. Further, they may buy or sell those securities as principal or agent, and as such may effect transactions which are not consistent with the recommendations (if any) in this research. The Argonaut Group and/or its associates, including ASPL, may receive fees, brokerage or commissions for acting in those capacities and the reader should assume that this is the case. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment.

The analyst(s) principally responsible for the preparation of this research may receive compensation based on ASPL's overall revenues.

Copyright

© 2025. All rights reserved. No part of this document may be reproduced or distributed in any manner without the written permission of Argonaut Securities Pty Limited. Argonaut Securities Pty Limited specifically prohibits the re-distribution of this document, via the internet or otherwise, and accepts no liability whatsoever for the actions of third parties in this respect.