



Friday, 16 November 2007

DCF Valuation

AVEBURY (Ni)		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2021	2022	2023	2024	2025	2026	2027	2028
MINING SCHEDULE																					
Ore Mined / Milled	Mt	0.25	0.80	1.00	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10								
Recovery	%	79%	79%	79%	79%	79%	79%	79%	79%	79%	79%	79%	79%								
Grade	%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%								
Recovered Nickel	t	2,178	6,971	8,714	9,585	9,585	9,585	9,585	9,585	9,585	9,585	9,585	9,585								
Nickel Price	US\$ / t	32,814	34,487	32,740	27,372	22,792	18,978	17,416	17,600	17,787	17,975	18,165	18,357								
Exchange Rate	USD/AUD	0.873	0.867	0.852	0.837	0.822	0.808	0.793	0.779	0.766	0.752	0.739	0.726								
Revenue (per t Ni)	\$A m	37,572	39,774	38,435	32,709	27,725	23,500	21,952	22,582	23,230	23,897	24,583	25,288								
Revenue	\$A m	81.8	277.3	334.9	313.5	265.7	225.2	210.4	216.4	222.7	229.0	235.6	242.4								
Mining Costs / t	\$A m	40.0	41.2	42.4	43.7	45.0	46.4	47.8	49.2	50.7	52.2	53.8	55.4								
Process Costs / t	\$A m	23.0	23.7	24.4	25.1	25.9	26.7	27.5	28.3	29.1	30.0	30.9	31.8								
Operating Costs	\$A / t Ni	-7,230	-7,447	-7,670	-7,901	-8,138	-8,382	-8,633	-8,892	-9,159	-9,434	-9,717	-10,008								
Operating Costs	\$A m	-15.8	-51.9	-66.8	-75.7	-78.0	-80.3	-82.7	-85.2	-87.8	-90.4	-93.1	-95.9								
Other/Overheads	\$A m	-12.0	-12.5	-13.0	-13.5	-14.0	-14.6	-15.2	-15.8	-16.4	-17.1	-17.8	-18.5								
Cash Surplus		54.1	212.9	255.1	224.3	173.7	130.3	112.5	115.4	118.4	121.5	124.7	128.0								
Depreciation	\$A / t	-14.39	-3.6	-11.5	-14.4	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8								
Profit Royalty	\$A m	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0								
EBIT	\$A m	50.5	201.4	240.7	208.5	157.9	114.5	96.6	99.6	102.6	105.7	108.9	113.2								
Tax	\$A m	-15.1	-60.4	-72.2	-62.5	-47.4	-34.3	-29.0	-29.9	-30.8	-31.7	-32.7	-33.9								
Franking Credits	\$A m	9.5	38.1	45.5	39.4	29.8	21.6	18.3	18.8	19.4	20.0	20.6	21.4								
Growth Capex	\$A m			-30.0																	
Maintenance Capex	\$A m	-10.0	-10.3	-10.6	-10.9	-11.3	-11.6	-11.9	-12.3	-12.7	-13.0	-13.4	-13.8								
Total Cashflow	\$A m	38.5	180.2	187.8	190.2	144.9	106.0	89.8	92.1	94.4	96.8	99.2	102.6								
RESOURCE DEPLETION																					
Opening	Mt	12.0	11.8	11.0	10.0	8.9	7.8	6.7	5.6	4.5	3.4	2.3	1.2								
Additions	Mt																				
Subtractions	Mt	0.3	0.8	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1								
Closing	Mt	11.8	11.0	10.0	8.9	7.8	6.7	5.6	4.5	3.4	2.3	1.2	0.1								

VALUATION

Avebury	\$ 709.2	Discount Rate	12.0%	Forecast Start	30/06/2008
Other	\$ -			Today	16/11/2007
	\$ -			Temporal Adj.	92.54%
	\$ -	Ordinary Shares	774.9		
Cash	\$ 41.0	Options	30.2		
Debt	-\$ 5.1	Notes			
Total Value	\$ 745.1	Total Issued Capital	805.1	Value Per Share	\$ 0.93