

## Renaissance Minerals Limited

RNS : ASX

SPECULATIVE BUY

Target: n/a

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## COMPANY STATISTICS:

Share Price (A\$)	0.082
12 Mth Hi-Lo (A\$)	0.155-0.05
Market Cap (A\$m)	25
Enterprise Value est. (A\$m)	21
Issued Shares	306.6m
Options (various)	25.4m
Cash (31/12/13)	A\$3.8m
Debt (31/12/13)	nil

## Major Shareholders

OZ Minerals Ltd	16.3%
Ingalls & Snyder	8.2%

## SHARE PRICE PERFORMANCE:



Source: Interactive Data Corporation

## COMPANY DESCRIPTION:

Renaissance Minerals Limited (RNS) is an Australian-based gold exploration company. The company's primary asset is the Okvau Project located in Cambodia, where drilling is ongoing with a view to expanding the current 1.2 Moz resource. Other assets include a large prospective ground holding in the Eastern Goldfields of Western Australia and early stage exploration targets in Alaska.

All amounts are in AUD unless otherwise noted.

## Metals and Mining – Precious Metals and Minerals

## FINE GRIND IS FINE

## Investment Perspective

Renaissance Minerals (RNS) has released metallurgical results from its Okvau deposit in Cambodia. The overall gold recoveries produced were in the range of 88 – 90% which is a positive result, however the float concentrate sulphide material requires an ultra-fine grinding of 10 - 15µm. We believe the downside of the fine grinding could be offset since; only ~10% of the feed material is reporting as sulphide concentrate, requiring fine grinding, the high open pit grades and attractive potential strip ratios of the ore body. We maintain our SPECULATIVE BUY rating.

## Investment Highlights

- RNS has received metallurgical results for its 1.2Moz Okvau deposit showing gold recoveries of 88 – 90%
- These recoveries were obtained by using the following processing methods:
  - Feed ore grind to 75µm
  - Flotation of sulphide concentrate
  - Fine grinding (to 10 - 15µm) of the sulphide concentrate (the concentrate is estimated to be ~10% of the ore feed)
  - Cyanide leaching
- We estimate the energy requirements for the concentrate to be ~25 – 30% of total plant grind energy consumption due to the small portion of concentrate (~10%) for fine grinding
- The metallurgical results indicate the primary Okvau mineralisation may be extracted through a conventional cyanide leach process after flotation of the sulphides, which is a positive result
- A Scoping Study on Okvau will now commence on the back of these positive results

## Maintain SPECULATIVE BUY rating for RNS

Significant exploration upside remains around Okvau and with the metallurgical results showing some recoveries of 88 – 90%, we believe any additional costs relating to the fine grinding required could be offset with the high open pit gold grades and potential for low stripping ratios. We maintain our SPECULATIVE BUY rating.

## INVESTMENT RISKS

The key investment risks for RNS include:

- **Geological risk** – Renaissance Minerals is a mineral exploration company, and there is no guarantee that exploration activities will result in the identification of an economic ore deposit. Furthermore, the actual characteristics of an ore deposit may differ significantly from initial interpretations and expectations.
  - **Financing risk** – the ability of RNS to fund the on-going exploration of its Cambodian, Australian and Alaskan projects should also be considered a key investment risk. Equity markets may not be conducive to raising the required funds to continue exploration activities at the Company's projects.
  - **Commodity price & exchange rate risk** – as with all mining and mineral exploration companies, commodity price and exchange rate risks should also be considered.
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**Site Visit:** An Analyst has visited Renaissance Mineral's material operations in Cambodia. No payment or reimbursement was received from the issuer for the related travel costs.

**Price Chart:\***



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Rating	Coverage Universe		IB Clients	
	#	%	#	%
Buy	580	58.7%	37	37.1%
Speculative Buy	43	4.4%	23	55.8%
Hold	317	32.1%	13	13.2%
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	988*	100.0%		

\*Total includes stocks that are Under Review

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