EDISON

Lepidico

DFC mandate signed

Enter the US government

Metals & mining

On 28 October, Lepidico (LPD) announced that it had signed a formal mandate with the US International Development Finance Corporation (DFC) to undertake an in-depth analysis and evaluation of the Karibib Phase 1 (L-Max/LOH-Max) project for the purpose of determining whether it qualifies for DFC debt-based financing. This entry of a US federal government institution into the development of Lepidico's Phase 1 project is consistent with the former's attempt to secure the future supply of up to 35 metals and minerals deemed 'critical' for the ongoing health of the US economy – four of which can be produced by Lepidico. In addition to the credibility that the DFC lends Karibib, for the company, its involvement holds out the possibility of a higher (and more efficient) proportion of debt funding and a lower average interest rate.

Year end	Total revenues (A$m)	PBT (A$m)	Cash from operations (A$m)	Net cash/(debt)* (A$m)	Capex (A$m)
06/19	0.0	(5.1)	(3.5)	10.4	(6.3)
06/20	0.0	(10.8)	(4.7)	(0.4)	(7.5)
06/21e	0.0	(4.4)	(2.8)	35.9	(1.3)
06/22e	0.0	(28.0)	(30.7)	(43.0)	(48.1)

Note: *Includes Desert Lion Energy convertible.

Bright Minz acquisition

In addition to its DFC announcement, on 29 October, Lepidico announced that it had also entered into an agreement to acquire Bright Minz, which holds the LOH-Max process technology, designed to produce high-purity lithium hydroxide monohydrate from a lithium sulphate intermediate. In the first instance, this will allow Lepidico to market a technology to conventional spodumene converters to produce lithium hydroxide instead of lithium carbonate, at potentially lower capex and opex costs and without the production of an unwanted sodium sulphate by-product. In the second, it will bring all the process technologies employed by the Phase 1 project under one roof, thereby streamlining the process for any future third-party licences and potentially forming the core of a licensing and royalty business for Lepidico.

Valuation: 5.03cps plus expansion/extension options

The Karibib project is already fully permitted under a granted mining licence and its development has been materially de-risked by Lepidico's running of an earlier pilot plant campaign. LPD is currently investigating funding and offtake options prior to making a final investment decision targeted for May 2021. Before the entry of the DFC into the project, we estimated a valuation for Lepidico of 4.82 Australian cents per share. All other things being equal, this would have increased by 7.4%, to 5.18c/share on the involvement of the DFC if it had not been for the strengthening of the Australian dollar vs the US dollar, which restrained the increase to 5.03c/share (assuming that LPD can raise equity at a price of 2.9c/share; see pages 5–-6 for more details). However, it leaves Lepidico needing to raise only A$40.4m in equity in order to fund the project (Edison figure) compared with a prior forecast of A$60.5m. Note that this valuation does not attribute any value to Lepidico from either a 20,000tpa Phase 2 plant or the supply of concentrate from any third- party sources or any other development options (eg technology licensing).

5 November 2020

Price	**A$0.007**
Market cap	**A$36m**
	A$1.4043/US$
Net debt* (A$m) at end-June 2020	0.4
*Includes Desert Lion Energy convertible	
Shares in issue (post rights issue)**	5,185.7m
**Includes 230m shares (effectively) in Treasury	
Free float	78%
Code	LPD
Primary exchange	ASX
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	(12.5)	(6.7)	(60.6)
Rel (local)	(16.4)	(8.1)	(57.3)
52-week high/low		A$0.02	A$0.01

Business description

Via its Karibib project in Namibia and unique IP, Lepidico is a vertically integrated lithium development business that has produced both lithium carbonate and lithium hydroxide from non-traditional hard rock lithium-bearing minerals using its registered L-Max® and LOH-Max™ processes.

Next events

Final investment decision	May 2021
Karibib site works commence	September 2021
Chemical plant commissioning	February 2023
Project fully operational	June 2023

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Edison profile page

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US DFC formal mandate to evaluate Karibib project

On 28 October, Lepidico announced that it had signed a formal mandate with the US DFC to undertake an in-depth analysis and evaluation of the Karibib Phase 1 (L-Max/LOH-Max) project for the purpose of determining whether it qualifies for DFC financing.

Background

The US is heavily reliant on imports of certain mineral commodities that are perceived as being vital to its security and economic prosperity. Among other things, this dependency creates a strategic vulnerability for the US to adverse foreign government action, natural disasters and other events that could disrupt the supply chains of these minerals. Pursuant to Executive Order 13817 of 20 December 2017, 'A Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals', on 16 February 2018 the secretary of the interior presented a draft list of 35 mineral commodities deemed critical under the definition provided in the Executive Order. After due consideration, the Department of the Interior finalised (albeit not permanently) the draft list of the 35 critical minerals as follows: aluminium (bauxite), antimony, arsenic, barite, beryllium, bismuth, caesium, chromium, cobalt, fluorspar, gallium, germanium, natural graphite, hafnium, helium, indium, lithium, magnesium, manganese, niobium, platinum group metals, potash, the rare earth elements group, rhenium, rubidium, scandium, strontium, tantalum, tellurium, tin, titanium, tungsten, uranium, vanadium and zirconium. While 'final', the list is not a permanent list, but is subject to periodic updates reflecting, among other things, prevailing supply and demand conditions, the concentration of production and prevailing policy priorities.

The Executive Order effectively recognises – and seeks to reverse – the dominance that China, in particular, has achieved over the course of the past 20 years in the supply of the above metals and minerals and the fact that the US, in many cases, is now almost entirely absent from their supply chain logistics. As such, the list will be the initial focus of a multi-agency strategy to implement the US president's Executive Order to break America's dependence on foreign minerals. Among other things, the initiative includes:

- a strategy to reduce the nation's reliance on critical minerals;
- the status of recycling technologies;
- alternatives to critical minerals;
- options for accessing critical minerals through trade with allies and partners;
- a plan for improvements to mapping the US and its mineral resources;
- recommendations to streamline lease permitting and review processes; and
- ways to increase discovery, production and domestic refining of critical minerals.

Of the 35 critical minerals cited by the US government, Lepidico's Karibib project is intended to produce four (lithium, potash, caesium and rubidium). Two of these – caesium and rubidium – are on a short list of 14 metals and minerals, for which the US is 100% import dependent. Given therefore that Lepidico has delineated the world's only caesium and rubidium resources and reserves at Karibib, it is perhaps unsurprising that the project is of material interest to the federal government and the DFC in their quest to secure future supply for the benefit of the US economy.

Conditions and process

Within the context of the formal mandate signed with the DFC, Lepidico has received an indicative, non-binding term sheet in respect of its requested debt funding for the Phase 1 project in Namibia. In order to qualify fully for debt funding, the project will be required to have a US nexus and, since it

does not have a US footprint, this condition may be satisfied instead by an offtake agreement with a US-based consumer of the metals and minerals in question.

In the meantime, the DFC has completed preliminary due diligence on the project, including validating its definitive feasibility study (DFS), its Environmental & Social Impact Assessment (ESIA) statement and its Environment & Social Management Plan (ESMP). However, while the due diligence will be performed over the integrated project (including the Abu Dhabi chemical plant), the DFC's remit is only to lend to developing countries and therefore we expect it would only provide financing to the Karibib mining and concentration operation in Namibia. The DFC's due diligence to date has led to the project being listed as a Category B project with limited ESIA impacts and excellent environmental and social principles. The categorisation of projects by the DFC is on a scale from A to D, where A is worst (eg significant adverse environmental and/or social impacts) and C is best (eg minimal adverse environmental or social impacts), and D is reserved for financial intermediaries. Category B projects are likely to have limited adverse environmental and/or social impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Category B projects are considered medium risk. For these reasons, the scope of environmental and social assessment for Category B projects is narrower than that required for Category A projects. Examples of Category B projects typically include small- to medium-scale housing developments in urban areas, restaurants and light manufacturing. As such, any involvement of the DFC has the potential to be extremely beneficial to Lepidico's environmental, social and governance (ESG) credentials.

Political backdrop

Lepidico's discussions with the various departments in the US federal government, regarding both project funding and securing appropriate offtake agreements for critical minerals, are expected to be with non-political appointees and the tone of their negotiations is seen as bipartisan within the context of the US election. In addition, the Democrat stance towards the issue of critical metals and minerals is believed to be similar to that of the Republicans, albeit differently articulated, but with the same recognition of the overwhelming strategic imperative to secure safe sources of supply for critical raw materials. As such, we perceive little risk from the (as yet undeclared) outcome of the US presidential election.

Consequences

Whereas we had originally assumed a 60:40 debt:equity ratio over the whole, integrated Phase 1 L-Max/LOH-Max project, the involvement of the DFC could increase this level to 80% debt (albeit over the Namibian, Karibib portion of the project only). A summary of the potential differences in overall leverage for the integrated project relative to our prior assumption is provided in the table below:

Exhibit 1: L-Max/LOH-Max Phase 1 project debt:equity assumption (updated with DFC vs prior)

		Prior assumption				Updated assumption with DFC			
Project area	**US$m**	**Debt (%)**	**Equity (%)**	**Debt (US$m)**	**Equity (US$m)**	**Debt (%)**	**Equity (%)**	**Debt (US$m)**	**Equity (US$m)**
Karibib									
Initial capex	42.8	60	40	25.7	17.1	80	20	34.2	8.6
Working capital	4.9	60	40	2.9	2.0	80	20	3.9	1.0
Subtotal	**47.7**	**60**	**40**	**28.6**	**19.1**	**80**	**20**	**38.1**	**9.6**
Abu Dhabi									
Initial capex	96.2	60	40	57.7	38.5	60	40	57.7	38.5
Working capital	11.1	60	40	6.7	4.4	60	40	6.7	4.4
Subtotal	**107.3**	**60**	**40**	**64.4**	**42.9**	**60**	**40**	**64.4**	**42.9**
Total									
Initial capex	139.0	60	40	83.4	55.6	66	34	91.9	47.1
Working capital	16.0	60	40	9.6	6.4	66	34	10.6	5.4
Grand total	**155.0**	**60**	**40**	**93.0**	**62.0**	**66**	**34**	**102.5**	**52.5**

Source: Edison Investment Research, Lepidico

Readers should note that the capex assumptions shown in Exhibit 1 are exactly those made in our note Valuation update post-feasibility study, published on 20 July 2020. Insofar as they may appear different, the difference may be explained by the explicit application of a US$4.9m (13%) contingency to initial mining capex of US$37.9m, in particular, to give a total of US$42.8m for the Karibib portion. Elsewhere, the split in working capital of US$16.0m in total is assumed to occur pro rata to the split in initial capex between the Karibib mine and concentrator and the Abu Dhabi chemical plant.

In addition to a 6pp increase in the potential level of financial leverage applicable to the project (Exhibit 1), the involvement of the DFC in the financing arrangements of the project may also have other benefits. In the first instance, DFC funding represents, in our view, some of the most competitive in the world in terms of interest rates – eg 5–6% in some recent transactions compared to typical debt financing rates from the high-yield market during the last phase in the financing cycle for lithium projects in the order of 11–14% (eg Nemaska 11.25% in US dollar terms). For alternative providers of debt finance, the involvement of the DFC may also act as a guarantor of credibility of the project. This may allow them the option of riding on the coat tails of the DFC as far as due diligence in concerned. In addition, the increase of confidence in the project engendered by the involvement of the DFC could increase competition among commercial lending banks seeking to be involved in the project and thereby improve their lending terms.

LOH-Max technology acquisition

On 29 October, the company announced that it had entered into an agreement to acquire Bright Minz. Controlled by one of Lepidico's shareholders, Gary Johnson, and owned by the principals of Strategic Metallurgy, Bright Minz holds the LOH-Max process technology, designed for the production of high-purity lithium hydroxide monohydrate from a lithium sulphate intermediate.

Consideration for the acquisition will be a royalty in relation to any third-party LOH-Max licences that Lepidico may enter into and a minor cash payment of A$10,000 as reimbursement to the Bright Minz shareholders for establishment costs incurred by them. As usual, the acquisition is subject to certain conditions precedent, including the completion of due diligence, receipt of required regulatory and/or shareholder approvals and finalising a royalty agreement with the original shareholders of Bright Minz for the royalty stream on any third-party LOH-Max licences.

In the first instance, acquiring LOH-Max will bring all the process technologies employed by the Phase 1 project under one roof, thereby streamlining the process for any future third-party licences. In the second, Bright Minz owns the body of work conducted by Strategic Metallurgy (Lepidico's

largest shareholder) that details the costs and processes required at the back end of the spodumene conversion process to produce lithium hydroxide monohydrate from a lithium sulphate intermediate product. Compared to conventional processes, this technology is reported to result in a c US$50m capex reduction (as the sodium sulphate circuit is obviated), a quantifiable opex saving and an improvement in metallurgical recoveries for a typical 20,000tpa spodumene converter. The absence of a sodium sulphate circuit, in particular, is important, since the global sodium sulphate market is very mature, in which there is a degree of oversupply. As such, the world has a growing requirement for lithium hydroxide without the need for a simultaneously increased supply of sodium sulphate as an (effectively unwanted) by-product. In addition, LOH-Max is reported to be less power intensive and to have a smaller carbon dioxide footprint relative to conventional spodumene conversion. As a result, the LOH-Max technology purchased by Lepidico is expected to be of interest to conventional spodumene converters and could form the core of a licensing and royalty business for the company (see pages 7–8 of our note Piloting its way through, published 9 October 2018). Note however that one of the specific terms of the agreement with Bright Minz is that the Lepidico group will retain the right to use LOH-Max on a royalty-free basis.

Valuation

Project

With the caveat that costs were estimated to an accuracy of ±15%, Lepidico's DFS calculated a project NPV_8 for the integrated Karibib mining and chemical plant operation of US$221m, or A$310m (6.3c/share) at the current foreign exchange rate of A$1.4043/US$ (cf an implied A$1.5385/US$ used in the DFS). Note that this per-share valuation excludes 230m shares issued as collateral under Lepidico's Controlled Placement Agreement (CPA) with Acuity Capital, which are deemed by Edison to be held in Treasury, until such time as they are actually issued (which may be never).

In our report Gold stars and black holes, we calculated a mean enterprise value (EV) for companies with projects at the DFS stage of development of 30.9% of project net present value (NPV) (ranging up to 133.5%). This alone would imply an immediate valuation for Lepidico of 1.9c/share (ranging up to 8.4c/share), excluding trivial FY20 year-end net debt of 0.009c/share.

Company

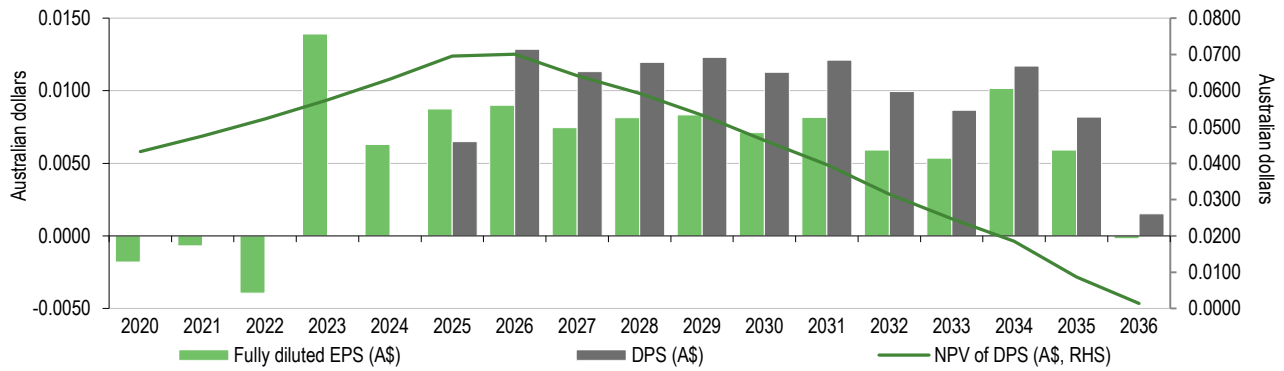
Our valuation of Lepidico varies from our value of the integrated Karibib mining and chemical plant project in that it takes into account Lepidico's 80% interest in the Namibian mine (but not the Abu Dhabi chemical plant), which will give rise to both a tax paying position in Namibia and a minority interest in the profits generated from mining operations. It also assumes ongoing corporate costs in the order of A$3.1m pa. Hitherto, our company model has assumed that Lepidico will raise this equity at a price of 2.9c/share (as set out in our report Valuation update pending feasibility study, published on 6 April 2020). While this price is significantly higher than the current share price of 0.7c, we note that companies with projects at the DFS stage of development are typically valued at 30.9% of project NPV (up to 133% of NPV), which would imply an immediate valuation for Lepidico of 1.9–8.4c/share; we therefore still believe that a near-term share price of 2.9c is achievable, as per the paragraph above, especially in the event of the successful conclusion of US offtake negotiations. In addition, management has indicated that it would be unlikely to commit to raising equity at much below this price. Hence, we continue to show the results of our analysis on this basis. However, we also note that Lepidico's share price has been below this level since early June 2019 and hence we also show the results of the analysis with equity raisings conducted at a series of different prices (the current share price, in particular) in the 'Future equity funding price' section of the note, below.

In our last note on the company (Valuation update post-feasibility study, published 20 July 2020), we calculated a value for LPD's shares of 4.55c plus 0.27c for the value of the envisaged loan to the minority shareholders in the Namibian mining and concentrating operation. For the purposes of our updated valuation – and in the light of the involvement of the DFC in the project – we have made the following changes relative to our previous financial model:

- We have updated the model to reflect Lepidico's full-year results to the end of June 2020.
- We have assumed a 6pp increase in the maximum leverage ratio of the company, from 60% to 66%, as per Exhibit 1. Note that, as a consequence of this assumption, we calculate that Lepidico will be required to raise A$40.4m in equity in FY21, rather than A$60.5m previously (see Exhibit 5).
- We have assumed that the average interest rate payable on net debt by the company will reduce from 11.0% to 9.1% (being 62.8% of the debt attracting an interest rate of 11.0% and 37.2% of the debt assumed to be DFC financed at an interest rate of 6.0% for the Karibib portion of the project; see Exhibit 1).
- We have updated our future FX rate expectation from A$1.4545/US$ to A$1.4043/US$.

In the wake of these changes, our (discounted) valuation of Lepidico's future (maximum potential) dividend stream to shareholders increases by almost 5%, from 4.55c/share to 4.75c/share, as shown in the graph below (or by more than 20%, from 2.48c to 2.98c if the equity raising is conducted at the current share price of 0.7c).

Exhibit 2: Edison estimate of future Lepidico EPS and (maximum potential) DPS



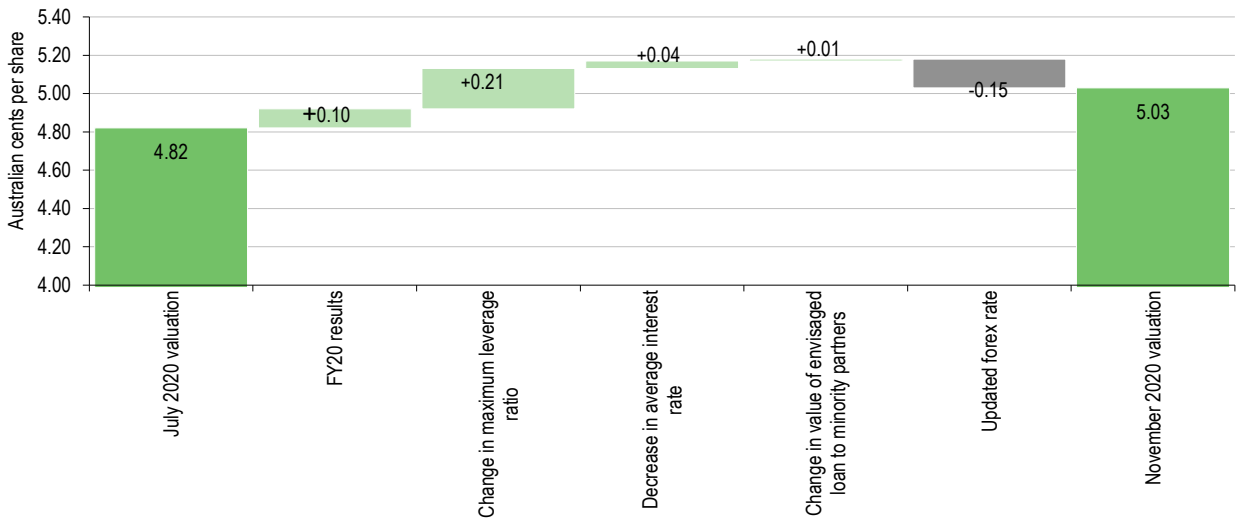
Source: Edison Investment Research

To this valuation of 4.75c/share should then be added the value of Lepidico's envisaged future loan to the minority shareholders in the Namibian mining and concentrating operation, which we estimate to be 0.28c/share (cf 0.27c/share previously), to result in a total value for Lepidico's shares of 5.03c/share (cf 4.82c/share previously), based solely on its Phase 1 project.

Note that this valuation treats all of the convertible bond that Lepidico acquired with its purchase of Desert Lion as conventional debt. However, under the terms of the note, C$1m must be repaid at maturity and the remaining C$4m may be converted, at the noteholder's discretion, into Lepidico equity at a price of 3.70 Canadian cents (3.95 Australian cents at the time of writing) at any time prior to maturity, which is 7 December 2020. Interest on the convertible note was prepaid to the maturity date. If the C$4m convertible component were instead fully converted into 108m Lepidico shares, our valuation of the maximum potential dividends payable to shareholders reduces by less than 1%, from 4.75c/share to 4.73c/share.

A graph of the contribution of each of the individual assumptions' effects on the valuation of Lepidico is as follows:

Exhibit 3: Lepidico valuation change, November 2020 vs July 2020 (Australian cents per share)



Source: Edison Investment Research

Future equity funding price

Our financial model assumes that Lepidico will raise A$40.4m in mid-calendar 2021 (cf A$60.5m previously) in order to achieve a future, maximum net debt:equity ratio of 66:34 (cf 60:40 previously) and that it will raise this equity at a share price of 2.9c, as previously noted. Exhibit 4 demonstrates the sensitivity of our valuation to variations in this price:

Exhibit 4: Lepidico valuation sensitivity to future equity funding price

Equity funding price (cents/share)	0.5	0.6	0.7	0.8	0.9	1.0	1.8	2.0	2.9	4.0	5.0	5.52
Previous valuation*												
LPD valuation (cents/share)	2.12	2.39	2.63	2.84	3.03	3.21	4.15	4.31	4.82	5.20	5.43	5.52
Change vs base case (%)	-56.0	-50.4	-45.4	-41.1	-37.1	-33.4	-13.9	-10.6	u/c	+7.9	+12.7	+14.5
Updated valuation												
LPD valuation (cents/share)	2.64	2.91	3.15	3.36	3.54	3.70	4.51	4.63	5.03	5.30	5.46	5.52
Change vs base case (%)	-47.5	-42.1	-37.4	-33.2	-29.6	-26.4	-10.3	-8.0	u/c	+5.4	+8.5	+9.7
Uplift cf 'previous' (%)	+24.5	+21.8	+19.8	+18.3	+16.8	+15.3	+8.7	+7.4	+4.4	+1.9	+0.6	u/c

Source: Edison Investment Research. Note: *See Exhibit 18 in our note, Valuation update post-feasibility study, published on 20 July 2020.

Exhibit 5: Financial summary

Accounts: IFRS; year-end 30 June; A$000s	2015	2016	2017	2018	2019	2020	2021e	2022e
INCOME STATEMENT								
Total revenues	9	116	127	171	2	47	0	0
Cost of sales	0	0	0	0	0	0	0	(23,778)
Gross profit	9	116	127	171	2	47	0	(23,778)
SG&A (expenses)	(455)	(617)	(912)	(5,284)	(4,006)	(4,904)	(3,146)	(3,146)
Other income/(expense)	0	0	0	0	0	0	0	0
Exceptionals and adjustments	(16)	(415)	(878)	(2,171)	(1,150)	(2,740)	0	0
Depreciation and amortisation	(5)	(6)	(6)	(6)	(8)	(1,208)	(1,208)	(1,208)
Reported EBIT	(467)	(923)	(1,670)	(7,290)	(5,162)	(8,805)	(4,354)	(28,132)
Finance income/(expense)	(18)	(5)	128	70	57	17	(39)	179
Other income/(expense)	(559)	(448)	(3,815)	0	0	0	0	0
Exceptionals and adjustments	0	(888)	0	0	0	(2,026)	0	0
Reported PBT	(1,044)	(2,263)	(5,357)	(7,220)	(5,105)	(10,814)	(4,393)	(27,953)
Income tax expense (includes exceptionals)	0	0	0	0	0	696	0	0
Reported net income	(1,044)	(2,263)	(5,357)	(7,220)	(5,105)	(10,118)	(4,393)	(27,953)
Basic average number of shares, m	178	465	1,802	2,624	3,272	4,568	5,625	6,294
Basic EPS (A$)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
BALANCE SHEET								
Property, plant and equipment	9	4	8	27	20	1,904	2,012	48,953
Goodwill	0	0	0	0	0	0	0	0
Intangible assets	0	16,204	16,698	19,027	22,925	23,870	23,870	23,870
Other non-current assets	1,485	715	1,620	730	27,469	42,798	42,798	42,798
Total non-current assets	1,494	16,922	18,326	19,783	50,414	68,573	68,681	115,622
Cash and equivalents	53	650	3,307	4,860	13,660	4,793	41,100	41,100
Inventories	0	0	0	0	0	0	0	0
Trade and other receivables	4	3,886	706	712	1,869	1,767	1,767	7,695
Other current assets	0	0	0	0	0	0	0	0
Total current assets	57	4,537	4,013	5,572	15,529	6,560	42,867	48,795
Non-current loans and borrowings	0	0	0	0	3,276	5,215	5,215	84,114
Other non-current liabilities	0	0	0	0	0	10,055	10,055	10,055
Total non-current liabilities	0	0	0	0	3,276	15,271	15,271	94,169
Trade and other payables	105	614	1,663	804	10,940	565	957	2,880
Current loans and borrowings	115	0	0	0	0	0	0	0
Other current liabilities	40	33	46	51	86	108	108	108
Total current liabilities	260	647	1,709	856	11,026	672	1,064	2,988
Equity attributable to company	1,292	20,812	20,630	24,500	53,252	52,404	88,427	60,475
Non-controlling interest	0	0	0	0	(1,610)	6,785	6,785	6,785
CASH FLOW STATEMENT								
Profit for the year	(1,044)	(2,263)	(5,357)	(7,220)	(5,105)	(10,118)	(4,393)	(27,953)
Taxation expenses	0	0	0	0	0	(696)	0	0
Depreciation and amortisation	5	6	6	6	8	1,208	1,208	1,208
Share based payments	450	40	1,736	2,138	520	1,027	0	0
Other adjustments	(451)	1,036	(162)	2,066	664	4,716	0	0
Movements in working capital	(10)	132	133	(28)	410	(1,509)	392	(4,005)
Interest paid/received	0	0	0	0	0	0	0	0
Income taxes paid	0	0	0	0	0	696	0	0
Cash from operations (CFO)	(1,050)	(1,049)	(3,644)	(3,038)	(3,504)	(4,676)	(2,793)	(30,750)
Capex	(9)	(63)	(861)	(3,057)	(6,251)	(7,452)	(1,316)	(48,149)
Acquisitions & disposals net	0	32	122	110	0	416	0	0
Other investing activities	(563)	(80)	0	0	0	0	0	0
Cash used in investing activities (CFIA)	(572)	(111)	(739)	(2,947)	(6,251)	(7,036)	(1,316)	(48,149)
Net proceeds from issue of shares	1,505	1,872	7,040	7,555	18,462	3,523	40,416	0
Movements in debt	100	(115)	0	0	0	0	0	78,899
Other financing activities	0	0	0	0	0	0	0	0
Cash from financing activities (CFF)	1,605	1,757	7,040	7,555	18,462	3,523	40,416	78,899
Increase/(decrease) in cash and equivalents	(18)	597	2,657	1,570	8,707	(8,190)	36,307	0
Currency translation differences and other	0	0	0	(17)	93	(678)	0	0
Cash and equivalents at end of period	53	650	3,307	4,860	13,660	4,793	41,100	41,100
Net (debt)/cash	(61)	650	3,307	4,860	10,385	(422)	35,885	(43,014)
Movement in net (debt)/cash over period	(61)	711	2,657	1,553	5,525	(10,807)	36,307	(78,899)

Source: Company reports and accounts, Edison Investment Research. Note: FY19 balance sheet is Lepidico's stated balance sheet consolidated with Edison's estimate of Desert Lion's balance sheet as at 30 June 2019, converted into Australian dollars.

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