

Hot Chili Limited

HCH : ASX : A\$0.25

SPECULATIVE BUY

Target: A\$0.80 ↑

Luke Smith +61 3 8688 9136
luke.smith@canaccord.com.au

William Morley +61 3 8688 9114
william.morley@canaccord.com.au

COMPANY STATISTICS:

Share Price (A\$)	A\$0.25
1 Yr Hi-Lo (A\$)	0.54-0.17
Market Cap	A\$87m
Issued Shares	348m
Options (various)	55.3m
Cash (30/6/14) est.	A\$13m
Debt (30/6/14) est.	US\$10m

Major Shareholders

Kalgoorlie Auto Services	17.5%
CAP S.A (Port Finance)	11.8%
Taurus Funds Management	11.7%

EARNINGS SUMMARY:

Jun Yr End	2014e	2015e	2016e
Cu in Concentrate (t)	0	0	0
C1 Costs (US\$/lb)	n/a	n/a	n/a
Copper Price (US\$/lb)	\$3.14	\$3.25	\$3.03
EBITDA (A\$m)	-5.0	-12.2	-22.2
EV/EBITDA	nm	nm	nm
NPAT (A\$m)	-5.1	-12.2	-23.2
EPS (A\$)	-\$0.01	-\$0.04	-\$0.06
PER	-16.9x	-7.1x	-4.4x

Source: Canaccord Genuity estimates

SHARE PRICE PERFORMANCE:



Source: Interactive Data Corporation

COMPANY DESCRIPTION:

Hot Chili is an Australian company that has assembled a portfolio of copper projects in the iron-oxide-copper-gold belt of the Chilean coastal range. Its flagship project is the Productora project at an advanced stage with exploration and resource drilling ongoing. A PFS is due in early 2015.

All amounts are in AUD unless otherwise noted.

Metals and Mining – Base Metals and Minerals

A PATHWAY TO DEVELOPMENT

Investment Perspective

Hot Chili (HCH) has executed a Memorandum of Understanding (MoU) with Chilean resource major Compania Minera del Pacifico S.A (CMP). We consider this to be a significant de-risking event for the company, allowing secure access to surface rights and easements providing a clear path for the build out of the necessary infrastructure for the development of Productora. The key terms of the MoU forms a Joint Venture (“JV”) agreement with initial project equity of 17.5% to CMP and the option to acquire a further 32.6% of Productora for a minimum of US\$80m. We expect the focus now to be drawn towards the completion of the Pre-feasibility Study (PFS) which is due in the 1H 2015. We maintain our SPEC BUY rating.

Investment Highlights

- CMP will take a 17.5% stake in Productora and in-turn provide HCH with access to surface rights and easements which will allow for the necessary build out of infrastructure. HCH will also acquire the remaining 35% interest in certain Productora leases held by CMP. The terms of the MoU grant CMP the option to acquire a further 32.6% for a minimum US\$80m which would take its total project equity to 50.1%. The final price of the acquisition option will be determined via an independent valuation report and will be valid for a 90 day period after the release of the PFS. CMP will pay HCH US\$1.5m for the grant of the additional purchase option. This highlights the considerable future value seen in Productora.
- CMP will be free-carried until the completion of the PFS. CMP will then be required to fund their share of the capex based on their project ownership in Productora at that point in time (**scenario analysis, page 3**). The MoU remains subject to CMP board ratification (SepQ14) and HCH shareholder approval. The study of the Las Losas port facility is to be finalised and we expect this will form positive news-flow in the development of Productora.
- We expect HCH will now be able to drawdown the further US\$15m available under the Sprott facility. This is likely to be used for the completion of further drilling and act as a buffer for working capital and the completion of a PFS. We have revised our equity raised (A\$90m) and debt (A\$250m) downwards over the LOM and revised our pre-production capex to US\$650m which assumes a 50/50 split between CMP and HCH.

Maintain SPEC. BUY rating: Target Price increased to A\$0.80/share

We have increased our target price to A\$0.80/share (previously A\$0.69/share). The change in valuation is a reflection of adjusting our assumptions in line with the terms of the MoU and adjusting our pre-production capital.

FINANCIAL SUMMARY

Hot Chili Limited

HCH: ASX

Date: 7/08/2014

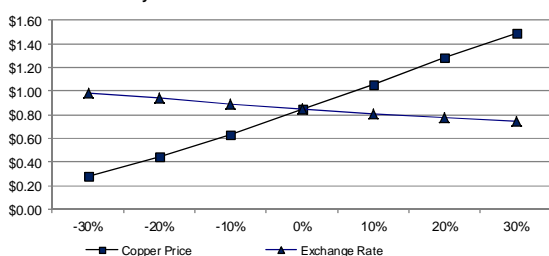
Year End: June

Market Information	Unit	Amount
Share Price	A\$	0.250
Market Capitalisation	A\$m	86.9
Enterprise Value	A\$m	74.3
12 Month Hi-Lo	A\$	0.54 - 0.17
Issued Capital	m	347.7
Options	m	55.3
Fully Diluted	m	403.0

Valuation	Method	A\$m	A\$/share
Productora	NPV @ 8%	345.5	0.60
Exploration/Oxide Resource	Estimate	40.0	0.07
Los Mantos	Estimate	10.0	0.02
Chile Norte	Estimate	5.0	0.01
Options	-	-	-
Cash	Estimate	12.6	0.02
Future Equity Raised		81.7	0.14
Less: Corporate & Overheads		(34.9)	(0.06)
Total NAV/Price Target		459.9	0.80
Price to NAV			0.31x

Assumptions	2014e	2015e	2016e	2017e
Copper Price (US\$/lb)	3.23	3.14	3.25	3.03
Copper Price (US\$/t)	7,127	6,931	7,165	6,669
A\$:US\$ FX rate	0.91	0.93	0.92	0.88

Valuation Sensitivity



Production Metrics	2014e	2015e	2016e	2017e
Productora				
Throughput (Mt)	0.0	0.0	0.0	0.0
Head Grade (% Cu)	0.00%	0.00%	0.00%	0.00%
Cu in Concentrate (t)	0	0	0	0
C1 Costs (US\$/lb)	n/a	n/a	n/a	n/a

Resources & Reserves		Mt	Grade	Cu Metal
Central Area Resource	Indicated	158.6	0.5%	799,000
(15% of deposit footprint)	Inferred	55.6	0.4%	229,000
	Total	214.2	0.5%	1,028,000
Reserve (March 2014)		91.0	0.5%	433,000
Reserve target		210.0	0.6%	1,260,000

Directors & Management

Murray Black	Chairman
Christian Easterday	Managing Director
Allan Trench	Non-Executive Director
Michael Anderson	Non-Executive Director
Roberto de Andraca Adriasola	Non-Executive Director

Substantial Shareholders	Shares (m)	%
Kalgoorlie Auto Services	61.0	17.5%
CAP S.A. (Port Finance)	40.9	11.8%
Taurus Fund Management	40.7	11.7%
Lundin Mining	22.1	6.4%

Company Description

Hot Chili is an Australian company that has assembled a portfolio of copper projects in the iron-oxide-copper-gold belt of the Chilean coastal range. Its flagship project is the Productora project at an advanced stage with exploration and resource drilling ongoing. A PFS is due in early 2015.

Profit & Loss (A\$m)	2013a	2014e	2015e	2016e	2017e
Revenue	0.0	0.0	0.0	0.0	0.0
Operating Costs	0.0	0.0	0.0	0.0	0.0
Royalties	0.0	0.0	0.0	0.0	0.0
Corporate & Overheads	6.3	5.0	4.1	5.7	6.3
Exploration (Expensed)	0.0	0.0	8.1	16.5	16.9
EBITDA	-6.3	-5.0	-12.2	-22.2	-23.2
Depreciation	0.0	0.0	0.0	0.0	0.0
EBIT	-6.3	-5.0	-12.2	-22.2	-23.2
Net Interest	0.3	-0.0	-0.1	-0.9	-6.8
Tax	0.0	0.0	0.0	0.0	6.3
NPAT	-6.0	-5.1	-12.2	-23.2	-23.6
Abnormals	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	-6.0	-5.1	-12.2	-23.2	-23.6

Cash Flow (A\$m)	2013a	2014e	2015e	2016e	2017e
Cash Receipts	0.0	0.0	0.0	0.0	0.0
Cash paid to suppliers & employee	-3.4	-3.8	-4.0	-5.5	-6.0
Tax Paid	0.0	0.0	9.3	0.0	6.3
Operating Cash Flow	-3.4	-3.8	5.3	-5.5	0.3
Exploration and Evaluation	-43.9	-17.0	-16.0	-16.0	-16.0
Capex	-0.3	-3.7	0.0	-28.9	-329.8
Other	0.0	-0.4	1.6	86.0	0.0
Investing Cash Flow	-44.1	-21.1	-14.4	41.2	-345.8
Debt Drawdown (repayment)	0.0	10.6	16.1	-26.7	250.0
Share Capital	44.5	16.6	0.0	90.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
Financing Expenses	-2.3	-1.3	-0.1	3.5	-6.8
Other	0.0	0.0	0.0	0.0	0.0
Financing Cash Flow	42.2	25.9	16.1	66.8	243.2
Opening Cash	16.9	11.1	12.6	19.5	122.0
Increase / (Decrease)	-5.3	1.1	6.9	102.5	-102.2
FX Impact	-0.4	0.4	0.0	0.0	0.0
Closing Cash	11.1	12.5	19.5	122.0	19.8

Balance Sheet (A\$m)	2013a	2014e	2015e	2016e	2017e
Cash	11.1	12.6	19.5	122.0	19.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Current Assets	11.2	12.6	19.5	122.0	19.8
Property, Plant & Equip.	0.5	4.6	3.0	-54.2	275.5
Exploration & Develop.	63.1	80.1	88.1	88.1	88.1
Other Non-current Assets	0.0	3.5	17.6	0.0	0.0
Payables	4.0	0.0	0.0	0.0	0.0
Short Term Debt	0.0	0.0	26.7	0.0	150.0
Long Term Debt	0.0	10.6	0.0	0.0	100.0
Other Liabilities	0.0	7.9	31.3	18.9	20.1
Net Assets	70.7	82.3	70.0	136.9	113.2
Shareholders Funds	90.8	107.4	107.4	197.4	197.4
Reserves	1.1	1.1	1.1	1.1	1.1
Retained Earnings	-21.1	-26.1	-38.4	-61.5	-85.2
Total Equity	70.7	82.3	70.0	136.9	113.2

Ratios & Multiples	2013a	2014e	2015e	2016e	2017e
EBITDA Margin	nm	nm	nm	nm	nm
EV/EBITDA	nm	nm	nm	nm	nm
Op. Cashflow/Share	-\$0.01	-\$0.01	\$0.02	-\$0.01	\$0.00
P/CF	-22.2x	-23.0x	16.5x	-26.0x	499.5x
EPS	-\$0.02	-\$0.01	-\$0.04	-\$0.06	-\$0.04
EPS Growth	nm	nm	nm	nm	nm
PER	-11.1x	-16.9x	-7.1x	-4.4x	-6.1x

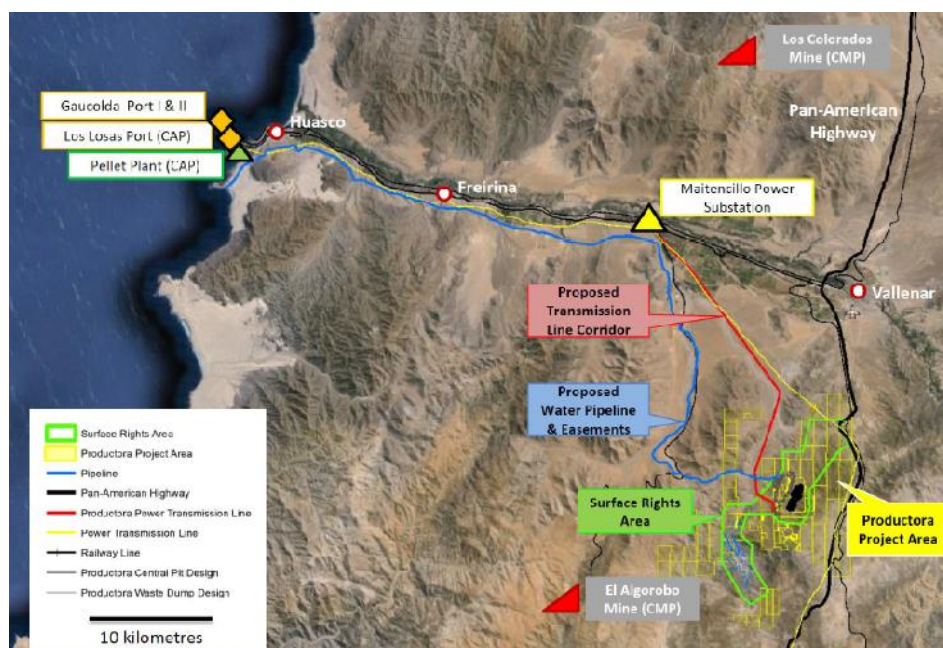
Dividend Per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividend Yield	0%	0%	0%	0%	0%
ROE	-8%	-6%	-17%	-17%	-21%
ROIC	-7%	-4%	-11%	-11%	-6%
Debt/Equity	0%	13%	0%	0%	88%
Net Interest Cover	nm	-27.1x	nm	nm	nm
Book Value/share	\$0.24	\$0.24	\$0.20	\$0.24	\$0.20
Price/Book Value	1.1x	1.1x	1.2x	1.0x	1.3x

Source: HCH & Canaccord Genuity estimates

INFRASTRUCTURE ACCESS

There are a number of synergies at an operational and project level that HCH will benefit from via a partnership with CMP which will rapidly assist Productora towards production. The MoU grants HCH access to the several areas of easement currently controlled by CMP which require access to facilitate the proposed water pipeline route to the coast near Huasco (Figure 1).

Figure 1: Infrastructure Map



Source: Hot Chilli Company Report

The additional purchase option granted to CMP as part of the MoU is for a minimum exercise price of US\$80m. We have provided a scenario analysis on the potential price received following the independent expert valuation report if CMP is to exercise its option. We have also considered the capex requirements based on CMP electing not to exercise its option to acquire the additional 32.6% and how this would affect our NPV. However our base case assumption for our existing valuation is that CMP pay only the minimum US\$80m required to obtain the additional 32.6%.

If CMP elects not to take up its option then we assume project ownership by HCH of 83% and a forecast equity raise of A\$340m resulting in an NAV of A\$0.64.

Table 1: Scenario Analysis

CMP exercises additional 50.1% for:	Forecast Raise A\$m	A\$ NAV
US\$80m	\$90m	\$0.80
US\$100m	\$70m	\$0.89
US\$125m	\$45m	\$1.02
CMP does not exercise 50.1% for:	Forecast Raise A\$m	A\$ NAV
	\$340m	\$0.64

Source: Canaccord Genuity estimates

INVESTMENT RISKS

Hot Chili Limited is exposed to a number of risks including:

- **Geological risk:** the actual characteristic of an ore deposit may differ significantly from initial interpretations.
 - **Resource risk:** All resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.
 - **Capital cost and operational cost risk:** an increase in capital costs and operating costs will reduce the profitability and free cash generation of the project.
 - **Commodity price and exchange rate risk:** As with all mining and mineral exploration companies, commodity price and exchange rate risk should also be considered.
 - **Management and labour risk:** an experienced and skilled management team is essential to the successful development and operation of the project.
-

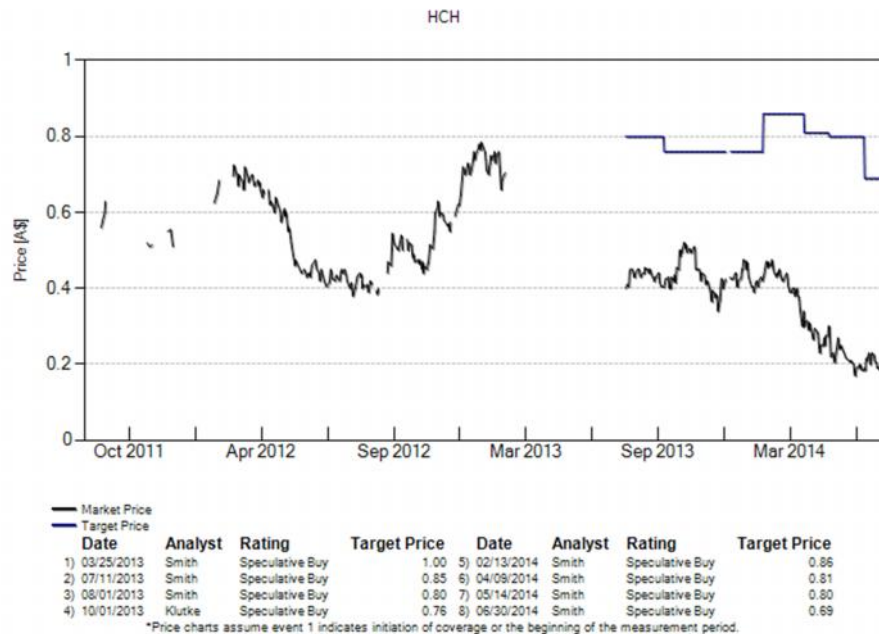
APPENDIX: IMPORTANT DISCLOSURES

Analyst Certification: Each authoring analyst of Canaccord Genuity whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research.

Analysts employed outside the US are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity Inc. and therefore may not be subject to the NASD Rule 2711 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Site Visit: An analyst has visited Hot Chili's material operations in Chile. No payment or reimbursement was received from the issuer for the related travel costs.

Price Chart:*



**Distribution of Ratings:
Global Stock Ratings
(as of 3 July 2014)**

Rating	Coverage Universe		IB Clients	
	#	%	#	%
Buy	602	61.2%	38	38.2%
Speculative Buy	49	5.0%	30	55.1%
Hold	290	29.5%	17	13.1%
Sell	41	4.2%	3	7.3%
	984	100.0%		

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System:

BUY: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.
HOLD: The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.
SELL: The stock is expected to generate negative risk-adjusted returns during the next 12 months.
NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.
 "Risk-adjusted return" refers to the expected return in relation to the amount of risk associated with the designated investment or the relevant issuer.

Risk Qualifier:

SPECULATIVE: Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.

Canaccord Genuity Research Disclosures as of 7 August 2014

Company	Disclosure
Hot Chili Limited	7, 8
1	The relevant issuer currently is, or in the past 12 months was, a client of Canaccord Genuity or its affiliated companies. During this period, Canaccord Genuity or its affiliated companies provided the following services to the relevant issuer: A. investment banking services. B. non-investment banking securities-related services. C. non-securities related services.
2	In the past 12 months, Canaccord Genuity or its affiliated companies have received compensation for Corporate Finance/Investment Banking services from the relevant issuer.
3	In the past 12 months, Canaccord Genuity or any of its affiliated companies have been lead manager, co-lead manager or co-manager of a public offering of securities of the relevant issuer or any publicly disclosed offer of securities of the relevant issuer or in any related derivatives.

4	Canaccord Genuity acts as corporate broker for the relevant issuer and/or Canaccord Genuity or any of its affiliated companies may have an agreement with the relevant issuer relating to the provision of Corporate Finance/Investment Banking services.
5	Canaccord Genuity or one or more of its affiliated companies is a market maker or liquidity provider in the securities of the relevant issuer or in any related derivatives.
6	In the past 12 months, Canaccord Genuity, its partners, affiliated companies, officers or directors, or any authoring analyst involved in the preparation of this research has provided services to the relevant issuer for remuneration, other than normal course investment advisory or trade execution services.
7	Canaccord Genuity or one or more of its affiliated companies intend to seek or expect to receive compensation for Corporate Finance/Investment Banking services from the relevant issuer in the next six months.
8	The authoring analyst, a member of the authoring analyst's household, or any individual directly involved in the preparation of this research, has a long position in the shares or derivatives, or has any other financial interest in the relevant issuer, the value of which increases as the value of the underlying equity increases.
9	The authoring analyst, a member of the authoring analyst's household, or any individual directly involved in the preparation of this research, has a short position in the shares or derivatives, or has any other financial interest in the relevant issuer, the value of which increases as the value of the underlying equity decreases.
10	Those persons identified as the author(s) of this research, or any individual involved in the preparation of this research, have purchased/received shares in the relevant issuer prior to a public offering of those shares, and such person's name and details are disclosed above.
11	A partner, director, officer, employee or agent of Canaccord Genuity or its affiliated companies, or a member of his/her household, is an officer, or director, or serves as an advisor or board member of the relevant issuer and/or one of its subsidiaries, and such person's name is disclosed above.
12	As of the month end immediately preceding the date of publication of this research, or the prior month end if publication is within 10 days following a month end, Canaccord Genuity or its affiliated companies, in the aggregate, beneficially owned 1% or more of any class of the total issued share capital or other common equity securities of the relevant issuer or held any other financial interests in the relevant issuer which are significant in relation to the research (as disclosed above).
13	As of the month end immediately preceding the date of publication of this research, or the prior month end if publication is within 10 days following a month end, the relevant issuer owned 1% or more of any class of the total issued share capital in Canaccord Genuity or any of its affiliated companies.
14	Other specific disclosures as described above.

"Canaccord Genuity" is the business name used by certain wholly owned subsidiaries of Canaccord Genuity Group Inc., including Canaccord Genuity Inc., Canaccord Genuity Limited, Canaccord Genuity Corp., and Canaccord Genuity (Australia) Limited, an affiliated company that is 50%-owned by Canaccord Genuity Group Inc.

The authoring analysts who are responsible for the preparation of this research are employed by Canaccord Genuity Corp. a Canadian broker-dealer with principal offices located in Vancouver, Calgary, Toronto, Montreal, or Canaccord Genuity Inc., a US broker-dealer with principal offices located in Boston, New York, San Francisco and Houston a US broker-dealer with principal offices located in New York or Canaccord Genuity Limited., a UK broker-dealer with principal offices located in London and Edinburgh (UK), or Canaccord Genuity (Australia) Limited, an Australian broker-dealer with principal offices located in Sydney and Melbourne.

The authoring analysts who are responsible for the preparation of this research are employed by Canaccord Genuity Corp. a Canadian broker-dealer with principal offices located in Vancouver, Calgary, Toronto, Montreal, or Canaccord Genuity Inc., a US broker-dealer with principal offices located in New York, Boston, San Francisco and Houston, or Canaccord Genuity Limited., a UK broker-dealer with principal offices located in London (UK) and Dublin (Ireland), or Canaccord Genuity (Australia) Limited, an Australian broker-dealer with principal offices located in Sydney and Melbourne.

Canaccord Genuity and its affiliated companies may have a Corporate Finance/Investment Banking or other relationship with the issuer that is the subject of this research and may trade in any of the designated investments mentioned herein either for their own account or the accounts of their customers, in good faith or in the normal course of market making. Accordingly, Canaccord Genuity or their affiliated companies, principals or employees (other than the authoring analyst(s) who prepared this research) may at any time have a long or short position in any such designated investments, related designated investments or in options, futures or other derivative instruments based thereon.

Some regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of research. This research has been prepared in accordance with Canaccord Genuity's policy on managing conflicts of interest, and information barriers or firewalls have been used where appropriate. Canaccord Genuity's policy is available upon request.

The information contained in this research has been compiled by Canaccord Genuity from sources believed to be reliable, but (with the exception of the information about Canaccord Genuity) no representation or warranty, express or implied, is made by Canaccord Genuity, its affiliated companies or any other person as to its fairness, accuracy, completeness or correctness. Canaccord Genuity has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Canaccord Genuity's judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

Canaccord Genuity's salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desk that reflect opinions that are contrary to the opinions expressed in this research. Canaccord Genuity's affiliates, principal trading desk, and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

This research is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any designated investments discussed herein in any jurisdiction where such offer or solicitation would be prohibited. As a result, the designated investments discussed in this research may not be eligible for sale in some jurisdictions. This research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of Canaccord Genuity, its affiliated companies or any other person accepts any liability whatsoever for any direct or consequential loss arising from or relating to any use of the information contained in this research.

For Canadian Residents:

This research has been approved by Canaccord Genuity Corp., which accepts sole responsibility for this research and its dissemination in Canada. Canadian clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity Corp. in their particular province or territory.

For United States Residents:

Canaccord Genuity Inc., a US registered broker-dealer, accepts responsibility for this research and its dissemination in the United States. This research is intended for distribution in the United States only to certain US institutional investors. US clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity Inc. Analysts employed outside the US, as

specifically indicated elsewhere in this report, are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity Inc. and therefore may not be subject to the NASD Rule 2711 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

For United Kingdom and European Residents:

This research is distributed in the United Kingdom and elsewhere Europe, as third party research by Canaccord Genuity Limited, which is authorized and regulated by the Financial Conduct Authority. This research is for distribution only to persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restrictions in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) (High Net Worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This material is not for distribution in the United Kingdom or elsewhere in Europe to retail clients, as defined under the rules of the Financial Conduct Authority.

For Jersey, Guernsey and Isle of Man Residents:

This research is sent to you by Canaccord Genuity Wealth (International) Limited (CGWI) for information purposes and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This research has been produced by an affiliate of CGWI for circulation to its institutional clients and also CGWI. Its contents have been approved by CGWI and we are providing it to you on the basis that we believe it to be of interest to you. This statement should be read in conjunction with your client agreement, CGWI's current terms of business and the other disclosures and disclaimers contained within this research. If you are in any doubt, you should consult your financial adviser.

CGWI is licensed and regulated by the Guernsey Financial Services Commission, the Jersey Financial Services Commission and the Isle of Man Financial Supervision Commission. CGWI is registered in Guernsey and is a wholly owned subsidiary of Canaccord Genuity Group Inc.

For Australian Residents:

This research is distributed in Australia by Canaccord Genuity (Australia) Limited ABN 19 075 071 466 holder of AFS Licence No 234666. To the extent that this research contains any advice, this is limited to general advice only. Recipients should take into account their own personal circumstances before making an investment decision. Clients wishing to effect any transactions in any financial products discussed in the research should do so through a qualified representative of Canaccord Genuity (Australia) Limited. Canaccord Genuity Wealth Management is a division of Canaccord Genuity (Australia) Limited.

For Singapore Residents:

This research is distributed pursuant to 32C of the Financial Advisers under an arrangement between each of the Canaccord Genuity entities that publish research and Canaccord Genuity Singapore Pte. Ltd who are an exempt financial adviser under section 23(1)(d) of the Financial Advisers Act. This research is only intended for persons who fall within the definition of accredited investor, expert investor or institutional investor as defined under section 4A of the Securities and Futures Act. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Recipients of this report can contact Canaccord Genuity Singapore Pte. Ltd. (Contact Person: Tom Gunnensen's tel # is +852 3919 2561) in respect of any matters arising from, or in connection with, the [analyses or report].

For Hong Kong Residents:

This research is distributed in Hong Kong by Canaccord Genuity (Hong Kong) Limited who is licensed by the Securities and Futures Commission. This research is only intended for persons who fall within the definition of professional investor as defined in the Securities and Futures Ordinance. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Recipients of this report can contact Canaccord Genuity (Hong Kong). Ltd. (Contact Person: Tom Gunnensen's tel # is +852 3919 2561) in respect of any matters arising from, or in connection with, the research.

Additional information is available on request.

Copyright © Canaccord Genuity Corp. 2014. – Member IIROC/Canadian Investor Protection Fund

Copyright © Canaccord Genuity Limited 2014. – Member LSE, authorized and regulated by the Financial Conduct Authority.

Copyright © Canaccord Genuity Inc. 2014. – Member FINRA/SIPC

Copyright © Canaccord Genuity (Australia) Limited 2014. – Participant of ASX Group, Chi-x Australia and of the NSX. Authorized and regulated by ASIC.

All rights reserved. All material presented in this document, unless specifically indicated otherwise, is under copyright to Canaccord Genuity Corp., Canaccord Genuity Limited, Canaccord Genuity Inc. or Canaccord Genuity Group Inc. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of the entities listed above.