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Comet Ridge Limited

Oil and Gas, Exploration and Production

20 March 2018

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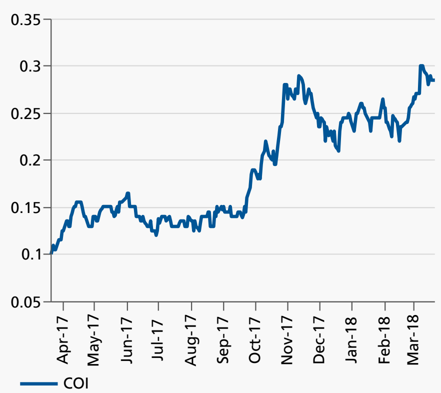
BUY
unchanged

PRICE TARGET A$0.48↑
from A$0.40
Price (20-Mar) A$0.28
Ticker COI-ASX

52-Week Range (A$):	0.10 - 0.33
Market Cap (A$M):	193
Shares Out. (M) :	676.4
Dividend /Shr (AUc):	0.0
Dividend Yield (%) :	0.0
Net Debt (Cash) (A$M):	3
Enterprise Value (A$M):	196
NAV /Shr (A$):	0.48

FYE Jun	2016A	2017A	2018E	2019E
Total Production	0.0	0.0	0.0	0.1
EPS (AUc)	(0.64)	(0.63)	(0.09)	0.3
PBT (A$M)	(3.4)	(3.6)	(2.1)	0.0
Sales (A$M)	0.0	0.0	0.0	4.6↑
Previous	-	-	-	*2.8*
EBITDA (A$M)	(3.4)	(3.6)	(2.4)	2.3↑
Previous	-	-	-	*0.8*
EV/EBITDA (x)	(56.8)	(51.6)	(81.4)	96.6
Net Debt (Cash) (A$M)	(2)	(6)	3	26↓
Previous	-	-	-	*27*



Source: FactSet

Priced as of close of business 20 March 2018

Comet Ridge Ltd. operates as a coal seam gas exploration and development company, which engages in the exploration and development of oil and gas properties. It operates through the following geographical segments: Queensland, Bowen, New Zealand South Island, and New South Wales Gunnedah. The company was founded on August 23, 2003 and is headquartered in Brisbane, Australia.
Canaccord Genuity (Australia) Limited has received a fee as the Lead Manager and Bookrunner to the Comet Ridge Limited capital raising announced on 9 November 2017.

Raising Target Price

Geologically advantaged

Mahalo's reserves now stand at 430PJ of 2P and 935PJ of 3P. It is, to our knowledge, the largest uncontracted and undeveloped gas reserve on the East Coast.

It is also geologically blessed: (1) coal depth is a low 225m; (2) natural fractures are present thanks to the Comet Ridge anticline; (3) gas contents at ~7m^3 per tonne are relatively high; (4) water to gas ratios are low; and (5) CO_2 and H_2S are not present in the gas. These factors, along with proximity to infrastructure, make for a highly economic development which is very low on the cost curve.

We upgrade our price target to A$0.48ps to reflect the better-than-expected productivity at Mira 6 Hz and retain our BUY rating.

Upgrading our type curve assumptions

Mira 6 Hz is on trend to achieve a flow rate of ~1.1mnscf/d or 1.2kscf/d gas per meter of coal horizontally intersected. While this is in line with the results of Mahalo 7 Hz, it was a marked improvement versus our 1.0kscf/d per meter assumption.

With offset operators now drilling more capital efficient ~2,000m laterals and dual laterals being considered for Mahalo, we believe there continues to be economic upside to our base case assumptions of 1,250m single laterals.

An Ironbark see-through

Origin has 129PJ of booked 2P and 192PJ of 3P reserves for Ironbark; it retains a carrying value of $279mn. This equates to $2.2/GJ of 2P and $1.5/GJ of 3P.

Applying these multiples to COI's net share of Mahalo yields $372mn ($0.55ps) using the 2P metric and $543mn ($0.81ps) using the 3P metric. Origin currently trades at ~1.4x book while Santos trades at ~1.5x book.

This is the beginning not the end of Mahalo reserve upgrades, in our view

At 911km^2 Mahalo is very large and appraisal activities have really only focused on the northern portion of the block. With gross 3P reserves of 935PJ and a further gross 2C of 963PJ, we expect a number of future 2P reserve upgrades.

Adding reserves at $0.014/GJ

COI's 2017 work program was completed under its $5mn (gross) budget but delivered a ~6-fold increase in 2P reserves.

This equates to a sector leading $0.014/GJ; if that doesn't have corporate appeal, we are not sure what does.

Galilee catalyst approaches

COI expects to commence drilling in the Galilee in May. The target of this drilling is the Albany structure (153PJ 2C) which is proximal to the Carmichael 1 well that flowed gas in 1995. The drilling will be funded via a carry from Vintage, which successfully raised capital earlier in January.

COI has a very large acreage position of 9,685km^2 in the eastern part of the Galilee Basin. In short, it has a huge amount of running room if it experiences exploration success with either conventional or CSG targets.

For important information, please see the Important Disclosures beginning on page 9 of this document.

Figure 1: Financial summary

FY Jun 30	2016	2017	2018E	2019E	2020E
PROFIT & LOSS (A$mn)					
Oil & Gas Revenue	0	0	0	5	24
Other Revenue	0	0	0	0	0
Total Revenue	**0**	**0**	**0**	**5**	**24**
Production Costs	0	0	0	-1	-3
Royalties & Excise	0	0	0	0	-2
Other Operating Costs	0	0	0	0	0
Other Income	0	0	0	0	0
Corporate & Other Costs	-3	-4	-1	-1	-1
EBITDAX	**-3**	**-4**	**-1**	**3**	**19**
Exploration Expensed	0	0	-2	-1	-1
EBITDA	**-3**	**-4**	**-2**	**2**	**18**
DD&A	0	0	0	-2	-8
EBIT	**-3**	**-4**	**-2**	**1**	**10**
Financing Income	0	0	0	0	0
Financing Costs	0	0	0	-1	-2
NPBT	**-3**	**-4**	**-2**	**0**	**8**
Royalty Related Taxes	0	0	1	2	1
Tax	0	0	1	0	-2
Normalised NPAT	**-3**	**-4**	**-1**	**2**	**7**
Sig Items, Discon Ops & Mins	0	0	-1	-1	-1
Reported Profit	**-4**	**-4**	**-2**	**1**	**5**
Effective income tax rate	0	0%	30%	30%	30%
CASHFLOW (A$mn)					
Customer Receipts	0	0	0	5	24
Payments to Suppliers	-2	-1	-1	-1	-3
Rehabilitation	0	0	0	0	0
Net Financing	0	0	0	0	0
Taxes	0	0	1	1	0
Other	0	0	0	0	0
Operating Cashflow	**-2**	**-1**	**0**	**4**	**19**
Development	0	0	-4	-20	-8
Exploration	-3	-2	-15	-6	-6
Divestments / Acquisitions	0	0	0	0	0
Other	0	0	0	0	0
Investing Cashflow	**-3**	**-2**	**-19**	**-26**	**-14**
Share Issuance / Buyback	0	8	10	0	0
Drawdown / Repayment of Debt	0	0	3	22	2
Dividends (Net of DRP)	0	0	0	0	0
Other	0	0	-1	-1	-1
Financing Cashflow	**0**	**7**	**13**	**22**	**1**
Surplus / Defecit	-4	4	-6	0	6
BALANCE SHEET (A$mn)					
Current Assets	2	7	1	1	7
Non-Current Assets	41	44	61	85	91
Total Assets	**44**	**51**	**62**	**86**	**97**
Current Liabilities	1	2	2	2	2
Non-Current Liabilities	14	16	29	52	59
Total Liabilities	**15**	**18**	**31**	**54**	**61**
Net Assets	**29**	**33**	**31**	**31**	**37**
Total Cash	2	6	0	0	6
Total Debt	0	0	3	26	28
Net Debt	**-2**	**-6**	**3**	**26**	**22**

	2016	2017	2018E	2019E	2020E
PER SHARE DATA					
Average Shares (Diluted, M)	526.2	573.7	649.7	660.3	660.3
EOP Shares (Diluted, mn)	526.3	617.7	660.3	660.3	660.3
Normalised EPS (A¢/sh)	-0.6	-0.6	-0.1	0.3	1.0
CF PS (A¢/sh)	-0.3	-0.2	0.1	0.0	0.0
FCF PS (A¢/sh)	-0.8	-0.5	-2.9	-3.3	0.7
Dividend (A¢/sh)	0.0	0.0	0.0	0.0	0.0
RATIOS					
Dividend Yield	0%	0%	0%	0%	0%
PE	-43.7	-44.6	-309.7	89.3	27.9
PCF (Debt Adj)	-87.3	-124.6	545.6	44.4	9.7
EV / DACF	-86.4	-129.5	564.8	50.6	10.9
Gearing (ND / ND + E)	-6%	-23%	10%	45%	37%
Interest Cover	0.0x	-169.4x	0.0x	0.0x	0.0x
ROE (Reported Profit / Av Equity)	-12%	-12%	-6%	2%	15%
ROACE	-5%	-6%	-3%	1%	8%
EBITDAX Margin	0%	0%	0%	62%	78%
PRODUCTION					
Crude (MMbbl)	0.0	0.0	0.0	0.0	0.0
Condensate (MMbbl)	0.0	0.0	0.0	0.0	0.0
LPG (kt)	0.0	0.0	0.0	0.0	0.0
Natural Gas (PJ)	0.0	0.0	0.0	0.7	4.7
LNG (Mt)	0.0	0.0	0.0	0.0	0.0
Total (MMboe)	**0.0**	**0.0**	**0.0**	**0.1**	**0.8**
Total Sales	0.0	0.0	0.0	0.1	0.8
CURRENT RESERVES					
Proved & Probable (MMboe)	5.0	5.0	5.0	5.0	5.0
% Liqiuds (2P)	0%	0%	0%	0%	0%
PRODUCTION & RESERVE RATIOS					
Average Realisation (A$/boe)	0.0	0.0	0.0	42.2	31.0
Opex (A$/boe)	0.0	0.0	0.0	4.9	3.6
DD&A (A$/boe)	0.0	0.0	0.0	14.3	10.1
Operating CF (debt adj, A$/boe)	0.0	0.0	0.0	38.0	24.7
EV / 2P (A$/boe)	29.1	33.4	37.7	42.2	41.4
RP Ratio (2P)	0.0	0.0	0.0	45.6	6.5
Organic RRR (2P, 3yr av)	N/A	N/A	N/A	N/A	N/A
ASSUMPTIONS					
Brent (US$/bbl)	41.5	50.3	62.5	65.0	67.9
WTI (US$/bbl)	40.0	47.6	59.0	61.1	64.2
A$/US$	0.73	0.75	0.75	0.75	0.70
NET ASSET VALUATION		**Risked**			
CORE		0.02			
DEVELOPMENT		0.12			
RESOURCES		0.34			
EXPLORATION		0.00			
TOTAL MARKET VALUE		**0.48**			
PREMIUM/(DISCOUNT)		0.00			
PRICE OBJECTIVE		**0.48**			

Source: Company Reports, Canaccord Genuity estimates

Top tier, material and undervalued

The Mira 6 HZ is on track to achieve production of 1.2kscf/d per horizontal meter. This is in line with the shorter Mahalo HZ but above our prior expectations. We upgrade our type curve assumptions and lift our valuation of COI to A$0.48ps.

A breakdown of our valuation is presented in Figure 4. Importantly, this risked valuation only ascribes value to Mahalo's reserves (no value is placed on resources) and uses drilling and completion costs which are 25% above COI's estimates.

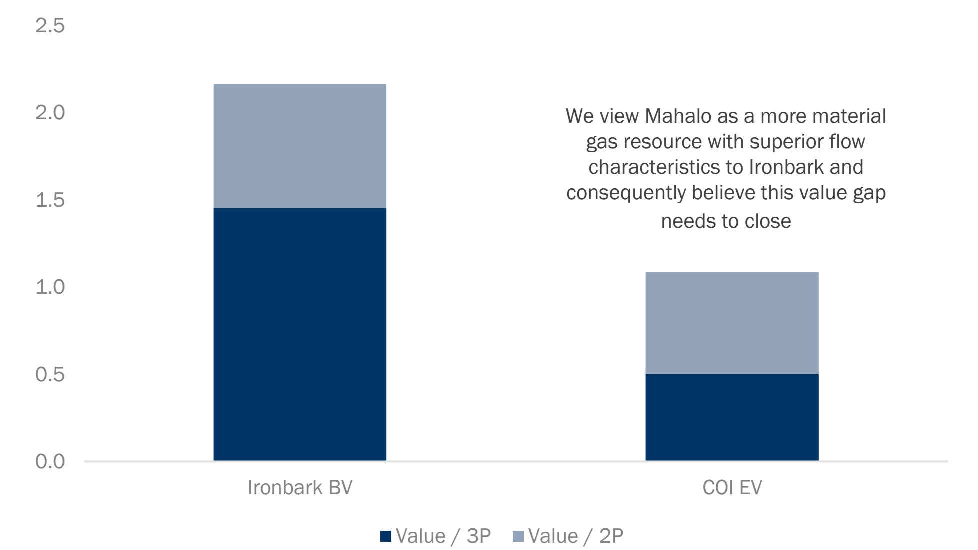
Ironbark's carrying value provides a window to value…

The book value for Origin's undeveloped Ironbark CSG field stands at $279mn. As a reminder, Origin and Santos trade at 1.4x and 1.5x book value, respectively.

Applying Ironbark's book value per unit to Mahalo yields $372mn ($0.55ps) for 2P or $543mn ($0.81ps) for 3P net to COI.

Additionally, given flow rates from the Ironbark pilot program were never released (to our knowledge), which could be considered a red flag, and reserves (129PJ 2P and 192PJ 3P) are substantially smaller than Mahalo, we believe there is an argument that, ceteris paribus, the unit valuation could be even higher.

Figure 2: COI is trading at a significant discount to Origin's carrying value for the smaller Ironbark field ($/GJ)



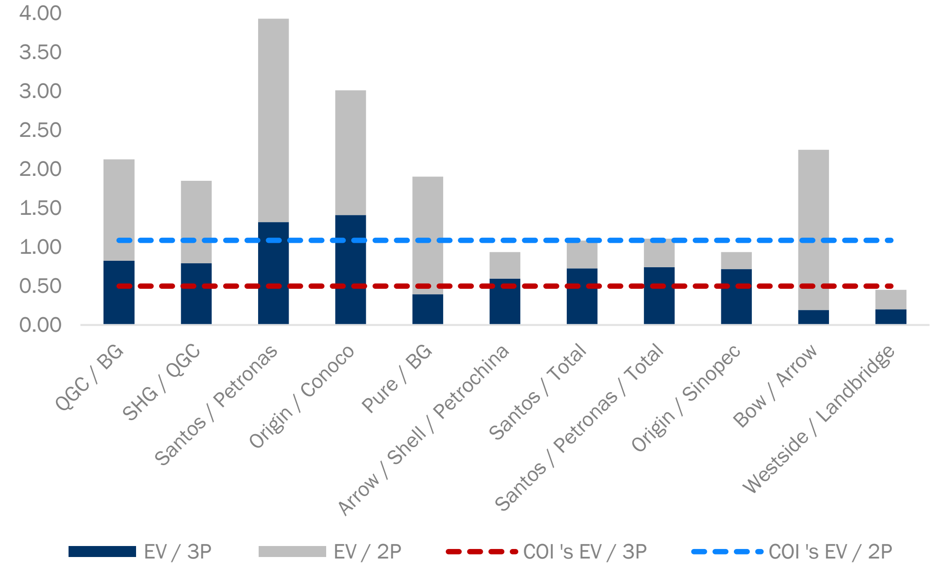
Source: Company Reports, Canaccord Genuity estimates

…as do historic transaction multiples

We have been reticent to look at COI, or any other CSG asset for that matter, through a historic transaction multiple lens… but with (1) increasing confidence on Mahalo's reserve quality based on actual flow rates; (2) domestic gas prices above A$7.5/GJ; (3) LNG spot prices above US$10/GJ; (4) Chinese LNG demand rising; and (5) larger players having improved their balance sheets, we believe they are informative in the case of COI.

Applying the median 2P and 3P transaction multiples to COI, which has no reserves outside of Mahalo, yields $319mn ($0.47ps) and $272mn ($0.41ps). See Figure 3.

Figure 3: CSG transaction comps ($/GJ)



Source: Company Reports, Canaccord Genuity estimates

Consequently, while our risked and primarily DCF-based sum-of-the-parts valuation remains our preferred valuation method, it is notable that it yields a substantially lower output for Mahalo than the previously described methodologies. See Figure 4.

Figure 4: Valuation buildup

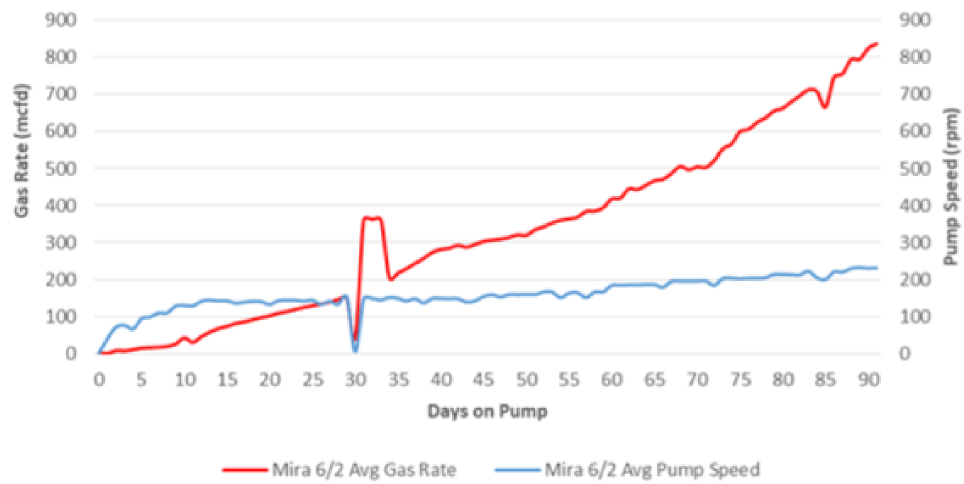
Country *discounted to 1.1.2018*	Asset	Equity %	Unrisked mnboe	Risk %	Risked mnboe	Risked NPV_{10} A$mn	A$/boe	A$ps
Australia			**0.0**	**0%**	**0.0**	**0.0**	**0.0**	**0.00**
Subtotal - Producing Assets			**0.0**		**0.0**	**0.0**	**0.0**	**0.00**
Net Debt, Balance sheet adj. & corp. overhead						**12.5**		**0.02**
CORE PRODUCTION VALUE			**0.0**	**0%**	**0.0**	**12.5**	**0.0**	**0.02**
Australia			**13.1**	**100%**	**13.1**	**80.1**	**6.1**	**0.12**
	Mahalo Stage 1	40%	13.1	100%	13.1	80.1	6.1	0.12
DEVELOPMENT ASSETS			**13.1**	**100%**	**13.1**	**80.1**	**6.1**	**0.12**
Australia			**178.4**	**24%**	**42.7**	**222.8**	**5.2**	**0.34**
	Mahalo Stage 2	40%	48.1	60%	28.8	181.3	6.3	0.27
	Galilee	100%	36.7	25%	9.2	27.5	3.0	0.04
	Gunnedah	22.5% - 60%	93.7	5%	4.7	14.1	3.0	0.02
RESOURCES			**178.4**	**24%**	**42.7**	**222.8**	**5.2**	**0.34**
2017	**0 wells**		**0.0**	**0%**	**0.0**	**0.0**	**0.0**	**0.00**
2018	**0 wells**		**0.0**	**0%**	**0.0**	**0.0**	**0.0**	**0.00**
EXPLORATION			**0.0**	**0%**	**0.0**	**0.0**	**0.0**	**0.00**
CORE			0	0%	0	12	0.0	0.02
DEVELOPMENT			13	100%	13	80	6.1	0.12
RESOURCES			178	24%	43	223	5.2	0.34
EXPLORATION			0	0%	0	0	0.0	0.00
TOTAL RISKED MARKET VALUE			**191.5**	**29%**	**55.8**	**315.4**	**5.7**	**0.48**
Premium / (Discount)								0.00
PRICE OBJECTIVE								**0.48**

Source: Company Reports, Canaccord Genuity estimates

What a difference a horizontal makes

Mira 6 Hz is on trend to achieve a flow rate of ~1.1mcf/d or 1.2kcf/d gas per meter of coal horizontally intersected. While this is in line with the results of Mahalo 7 Hz, it was a marked improvement versus our 1.0kcf/d per meter assumption. We consequently upgrade our type curve and valuation for COI to reflect this reality.

Figure 5: Mira 6 Hz performance has exceeded our expectations and is supportive of even longer laterals during development



Source: Company Reports

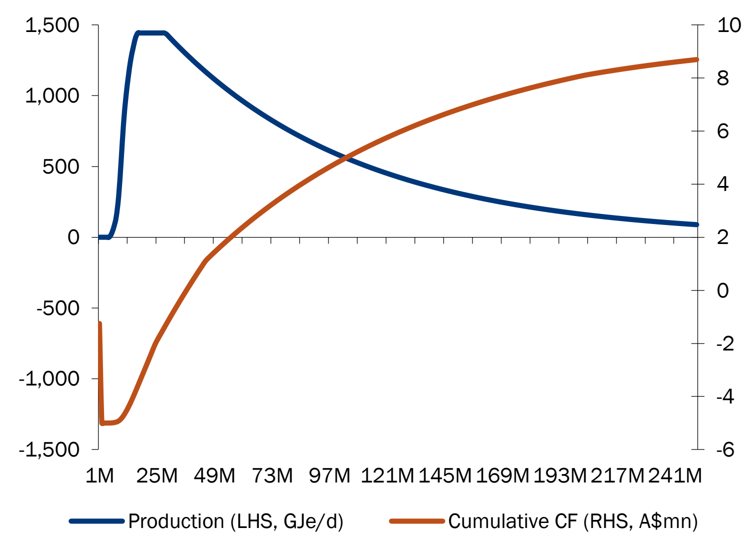
In Figures 6 and 7 we present our revised single well assumptions. Our gas price reflects the inclusion of lower priced gas being sold to Stanwell which may or may not occur. See our initiation of coverage report.

Figure 6: Revised single well economics (incl processing cost allocation)

	Scenario	
Drilling Cost	1.3	A$mn
Frac & Tie-in Cost	0.5	A$mn
Compression & processing allocation	3.3	A$mn
Days to first production	120	days
Abandonment cost	0.15	A$mn
Opex - Gas	0.75	A$/GJ
Realised Gas Price	6.00	A$/GJ real
Corporate tax rate	30%	
State royalty rate	7%	of final sale price
PRRT rate	40%	
NPV @10%	3.37	**A$mn/well**
NPV/boe	0.8	**A$/boe**
P/I	1.9	**x**
Payback	37	**months**
IRR - life of project	27.2%	

Source: Company Reports, Canaccord Genuity estimates

Figure 7: Revised type curve assumptions

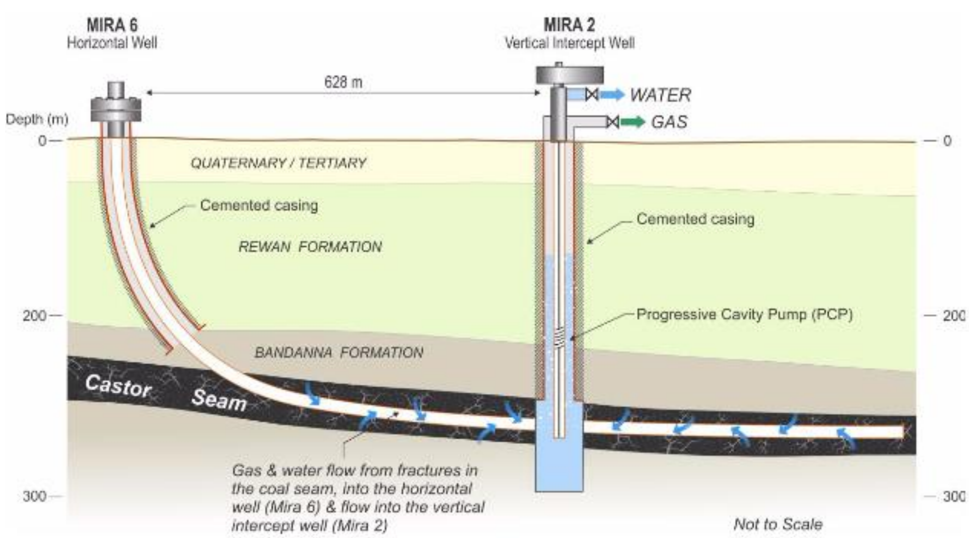


Source: Company Reports, Canaccord Genuity estimates

Why has this block flown under the radar for so long? When we initiated on COI in September 2017, our major concern was coal productivity in light of the failure at Mahalo 2 back in 2006 (see Figure 12 for well history). While this was only one well, and even world class fields like Spring Gully and Fairview have poor wells, it did present a risk to our investment thesis. In our view, the results from other operators along with Mira 6 Hz and Mahalo 7 Hz indicate that this risk of poor performers can be substantially reduced through the use of laterals.

Put simply, laterals at Mahalo ensure that the wells intersect the natural fracture system whereas a simple vertical well cannot. This ensures that the wells fully exploit the geological benefits of the structure afforded by the Comet Ridge anticline as evident by the superior flow rates at Mira 6 Hz and Mahalo 7 Hz.

Figure 8: Cross section schematic of Mira 6 HZ, in a development case the lateral would not intersect a vertical

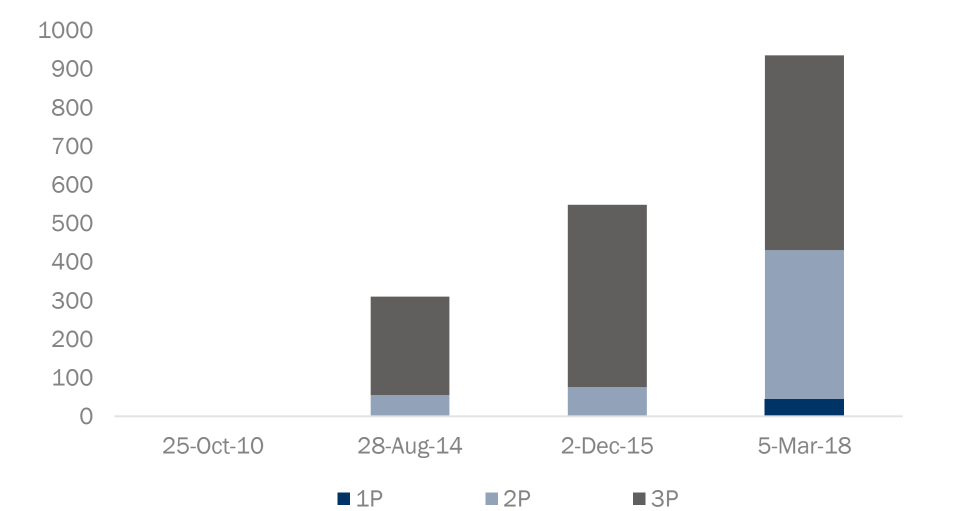


Source: Company Reports

Adding reserves at <$0.015/GJ

Even in the go-go years of 2007-2009, companies like Arrow Energy were spending ~0.10/GJ to add reserves. While we acknowledge that COI's program did benefit from the data gathered by a number of historic government-drilled wells, it is still a major feather in the JV's cap to add 310PJ of 2P reserves for a miserly ~$5mn (gross).

Figure 9: Mahalo reserve growth (PJ, gross)

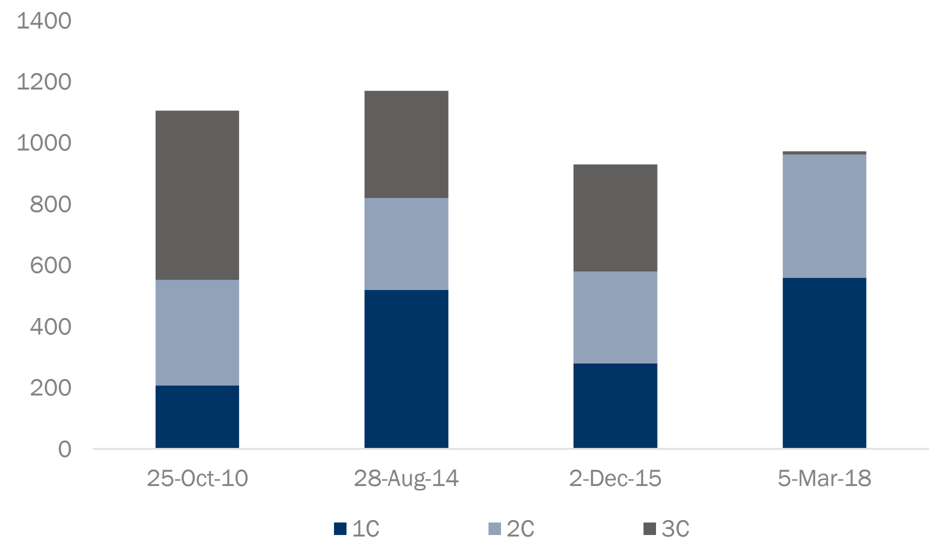


Source: Company Reports, Canaccord Genuity

Converting resources provides another leg to the Mahalo story

COI is yet to add reserves in the southern portion of the block where the coal seam is slightly deeper than the 225m found in the north. Given (1) the results at Humboldt Creek 2, which intersected 8.4m of net coal, in the very south of the permit; (2) the high level of 1C and 2C recognized by independent expert MHA; and (3) the March reserve upgrade results, we continue to believe it is only a matter of time before these resources are largely migrated to reserves.

Figure 10: Mahalo resources are now heavily weighted to 1C and 2C (PJ, gross)



Source: Company Reports, Canaccord Genuity

Figure 11: Appraisal activities to date have focused primarily on the northern portion of the 911km² block, but Humboldt Creek 2 suggests the south also has material potential

Source: Company Reports

Figure 12: Well history

Well name	Drill date	Well type	Results
Somerby 1	2004	Core hole	Well encountered 7.1m of gassy coal in the Bandanna Formation. Gas contents were ~5m^3/t on a dry ash free basis (DAF). Permeability of 2-10md. DST was abandoned due to drilling fluid damage to the formation. The deeper Mantuan formation was poorly developed and thus not tested.
Mahalo 1	2004	Core hole	7m of net coal intersected between 198 to 205m in the Bandanna Formation. Measured gas contents were relatively low at around 4m^3/t (DAF). Following the coring operation, strong gas shows were observed in the drilling mud requiring the mud density to be increased. This indicates the coals are saturated with gas and that free gas is also present. DST was unable to be conducted safely due to presenece of free gas. The deeper Mantuan formation was poorly developed and thus not tested.
Mira 1	2006	Core hole	9m of coal was intersected in the Bandanna Formation. Two drill stem tests were undertaken, one over the Castor seam and one over the Pollux seam. Inferred permeability of 13md in the Castor and 6md in the Pollux. Gas content between 5 - 7.6m^3/t
Humboldt 1	2006	Core hole	6m of coal was intersected in the Bandanna Formation. Two drill stem tests were undertaken, one over the Castor seam and one over the Pollux seam. Inferred permeability of 20md in the Castor and 56md in the Pollux. Gas content between 5 - 7.6m^3/t
Mahalo 2	2006	Core hole	Well was drilled to 234m, coals came in low to prognosis. 7" casing was set above the target coals seams at 185m and the coals drilled with air. No measurable gas or water flows were observed on penetration of the coals. This result suggests that either the coals have low permeability or that they were damaged during drilling. Subsequent analysis suggests that Mahalo 2 is fault seperated from Mahalo 1.
Scrubber Gully 1	2009	Core hole	4.5m of coal was intersected in the Bandanna Formation. Pressure data during DST indicated fair permeability.
Mahalo 3 - 6	2012	Pilot wells	Each well intersected between 6.8-7.5m of net coal in the Bandanna Formation . Two wells described as having "good to excellent" permaeability based on pressure data from DST (later the company said permeability at these wells was in the "100s of millidarcies"). Drilling program concluded in Aug-12, wells were completed in Dec-12 and brought online Apr-13. The pilot's flow test results were lower than expected and remedial work was recommended.
Mira 2-6	2013	Pilot wells	Each well intersected between 8.7-9.1m of net coal in the Bandanna Formation. Coal productivity described as good based on DST data. Drilling program concluded in Jan-13 and brought online Jun-13. First "measurable" gas was detected in Jan-14 and gas rates reportedly continued to increase through to Jun-14 but actual rates were never released.
Turkey's Nest 1	2013	Core hole	9.6m of coal was intersected in the Bandanna Formation.
Humboldt 2	2013	Core hole	9.4m of coal was intersected in the Bandanna Formation.
Scrubber Gully 2	2013	Core hole	7.2m of coal was intersected in the Bandanna Formation.
Mahalo 7 Hz	2014	Pilot well	360m horizontal section which intersected Mahalo 6. Intersected ~8m of vertical coal in the Bandana formation. Well was drilled in Nov-14 and dewatering commenced soon after. After the replacement of a pump gas production reachd 426kscf/d by Mar-16.
Humboldt Sth 1	2017	Core hole	8.4m of net coal intersected in the Bandanna formation which is consistent with the net coal thickness intersected further to the west -southwest at Mira. Coal recovered from the well showed gas bubbling from the core.
Mira 6 HZ	2017	Pilot well	920m horizontal section (99.6% in coal) which intersected Mira 2. Intersected ~8m of vertical coal in the Bandana formation but only the upper 4m of coal was drilled through by lateral. Well was drilled in Nov-17 and dewatering commenced soon after. Well achieved 0.84mnscf/d after only 90days of de-watering and is still increasing.

Source: Company Reports, Canaccord Genuity estimates

Appendix: Important Disclosures

Analyst Certification

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Investment Recommendation

Date and time of first dissemination: March 20, 2018, 15:29 ET

Date and time of production: March 20, 2018, 02:02 ET

Target Price / Valuation Methodology:

Comet Ridge Limited - COI

Our price target is based primarily on discounted cash flow analysis using a 10% WACC. The Mahalo CSG project makes up 84% of our valuation.

Risks to achieving Target Price / Valuation:

Comet Ridge Limited - COI

Like any oil and gas company COE is subject to a number of company-specific and macro risks. These include, but are not limited to:

- **Price risks** – Oil and gas prices can be quite volatile, with no certainty of future trends. Events in the Middle East regularly cause oil price fluctuations, and new technologies such as fracking can change the supply fundamentals, as evidenced in US natural gas and oil price trends in the last few years. Long-term Australian gas prices could (dependent on contract structure) also be difficult to forecast, as the relative strengths of the LNG export market and the domestic market will change over time.
- **Currency risks** – Exchange rate trends are inherently volatile, which implies that revenues and costs could differ from the assumptions made.
- **Operational and environmental risks** - Dealing with explosive and highly flammable products create operational and environmental risks. Having said that, safety is of paramount importance and the record of the industry is generally good.
- **Geological risk** – Geological risks exist for all oil and gas companies, which can impact on reserves and productivity.
- **Engineering/technical risk** – The key risks in oil and gas wells relate to the correct placement of wells and the right technical completion techniques. Above-ground infrastructure needs to be appropriately sized and configured for optimal extraction.
- **Weather risks** – delays in project development or production deferment due to weather events are not uncommon in industry.
- **Political / regulatory / fiscal risks** – Australia is considered a relatively stable nation from both a regulatory and fiscal regime standpoint but the recent moves to 1) lock up gas resources; 2) ban fracking in certain states; and 3) revise tax policy suggest risks cannot be discounted.
- **JV alignment risks** – Beyond geological risks, we view this as the most material risk for COI. Given the financial capacity and asset breadth of its JV partners in Mahalo, there is potential that if JV misalignment occurs, the value of COI will be impacted negatively.

Distribution of Ratings:

Global Stock Ratings (as of 03/20/18)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	567	61.10%	40.21%
Hold	242	26.08%	26.03%
Sell	19	2.05%	10.53%
Speculative Buy	100	10.78%	61.00%
	928*	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.

12-Month Recommendation History (as of date same as the **Global Stock Ratings** table)

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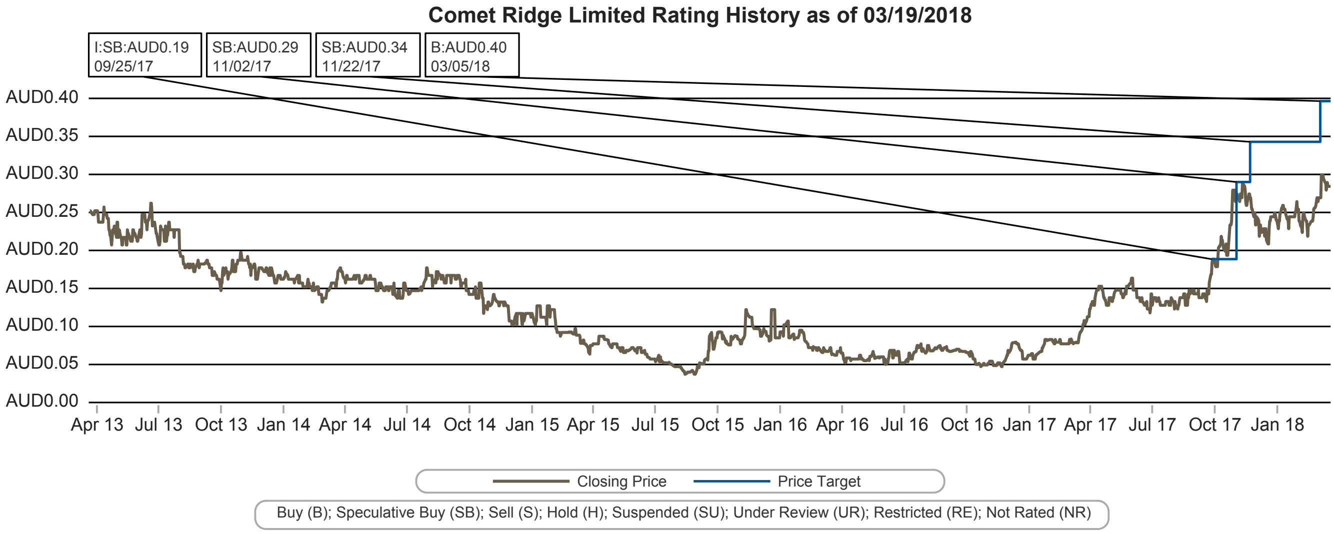

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