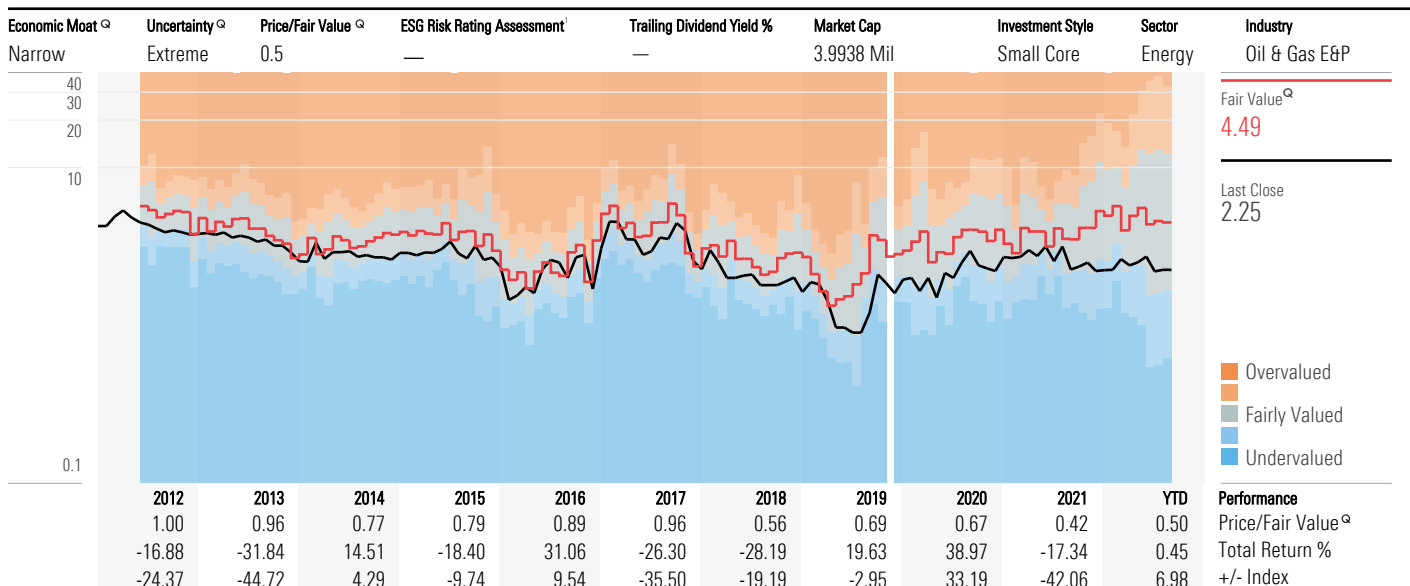


Metalore Resources Ltd MET ★★★ Q 3 Aug 2022, 22:45 UTC



The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

Valuation as of 3 Aug 2022

Fair Value^Q

4.49

Uncertainty^Q :

Extreme

Last Close

2.25

MET is Under Valued at a 50% discount.

Economic Moat^Q

Narrow

Financial Health^Q

Strong

1-Star Price^Q

> 32.73

5-Star Price^Q

< 0.62

Financials as of 3 Aug 2022 (Fiscal Year End 31 Mar 2022)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD	Fiscal
—	677	1,007	1,057	656	706	774	780	616	657	265	Revenue (K)
—	-309	-56	41	-127	-247	-173	-45	-168	-302	86	Operating Income (K)
—	-45.63	-5.54	3.87	-19.33	-35.04	-22.34	-5.76	-27.22	-45.94	32.58	Operating Margin (%)
—	-319	252	-131	-16	-2,657	232	396	-619	657	82	Net Income (K)
—	-0.18	0.14	-0.07	-0.01	-1.50	0.13	0.22	-0.35	0.37	0.05	Diluted Earnings/Share
—	78	315	414	245	149	44	240	108	3,108	163	Operating Cash Flow (K)
—	-319	-495	-394	-384	-266	-125	-70	-64	-101	-7	Capital Spending (K)
—	-241	-180	20	-139	-118	-81	170	45	3,007	156	Free Cash Flow (K)
—	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	Avg Shares Outstand(K)
0.04	0.04	0.04	—	—	—	—	—	—	—	—	Dividend Per Share

Valuation as of 3 Aug 2022

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Current	Calendar
1.00	0.96	0.77	0.79	0.89	0.96	0.56	0.69	0.67	0.42	0.50	Price/Fair Value ^Q
9.17	5.11	5.44	4.22	9.44	5.31	3.78	4.97	7.20	5.80	4.30	Price/Sales
—	—	10.29	—	—	—	9.06	10.26	—	5.89	2.06	Price/Earnings
—	24.53	19.26	9.30	48.22	51.50	16.79	15.76	45.98	1.30	13.12	Price/Cash Flow
0.49	0.34	0.38	0.33	0.43	0.40	0.28	0.47	0.72	0.55	0.44	Price/Book

Operating Performance as of — (Fiscal Year End 31 Mar 2022)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q3	Fiscal (%)
—	-1.98	1.57	-0.82	-0.1	-19.24	2.17	3.77	-7.73	7.84	0.71	Return on Assets
—	-2.35	1.87	-0.99	-0.12	-23.41	2.6	4.42	-8.77	9.4	0.91	Return on Equity
—	-2.32	1.9	-0.96	-0.09	-23.39	2.63	4.46	-8.73	9.47	0.92	Rtn on Invested Capital

Business Description

Metalore Resources Ltd is a Canada-based resource company focused on natural gas production and gold exploration. It owns and controls petroleum, natural gas, and mineral leases in Charlotteville, Walsingham, and Houghton townships in Norfolk County, Ontario. The company's properties for gold exploration include Paint Lake Property and

Brookbank Jv Properties. It generates the majority of revenue from the sale of natural gas.

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The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities.

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- ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.
 - Narrow** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.
 - Wide** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.
 - None** – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

- iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

One-Star – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty*

Two-Star - the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)*

Three-Star – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)*

Four-Star – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative*

Uncertainty)

*Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)*

Five-Star – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) > 1.5*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

Low – the interquartile range for possible fair values is less than 10%

Medium – the interquartile range for possible fair values is less than 15% but greater than 10%

High – the interquartile range for possible fair values is less than 35% but greater than 15%

Very High – the interquartile range for possible fair values is less than 80% but greater than 35%

Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

Weak – assigned when Quantitative Financial Health < 0.2

Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

Strong – assigned when Quantitative Financial Health > 0.7

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i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.

ii. **Quantitative Valuation** – Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

This Report **has not been made available** to the issuer of the security prior to publication.

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