

Highlights:

- A new copper-gold holding suggestion was added (Havilah Resources Ltd, ASX:HAV), due to the potential for M&A, strategic equity and/or joint venture within the next 18 months. Entry coincides with copper prices rebound and continued gold price increases.
- Black Cat continues to execute with refurbishment of Paulsen's processing facility complete, first gold pour complete, and open pit mining at Myhree ahead of schedule. Gold breaking to new highs on AUD and USD basis has provided a further tailwind.
- Centrex enters suspension following deed of forbearance with Aurizon and launch of an entitlement issue to support expansion activities at Ardmore.
- Kingsrose Mining continued to advance BHP-Alliance projects, and maintains 1:1 cash backing vs market capitalisation, with A\$27m in cash on hand (\$0m enterprise value), receiving \$3m+ cash infusion from BHP over the December quarter.
- Continued assessment of opportunities, particularly in opportunities that are positioned in out-of-favour sectors (with no current holding), and long-term tail winds, including rare earths and uranium.

Activities and cash balance: It was suggested that half of available cash reserves be deployed towards Havilah Resources Ltd (ASX:HAV). The suggestion was made on the basis of the potential value arbitrage which may be captured from potential M&A, particularly on Kalkaroo Cu-Au project and Mutooroo. New opportunities for cash continue to be monitored, with a preference given for companies which have large scale assets for metals which are at cyclical lows, companies which have significant near term cashflow generation potential relative to their market caps, and/or exploration companies with strong balance sheets and asymmetric risk/reward. Rare earths and now Uranium (given recent pull back) are commodities in focus.

New holding: Havilah Resources Limited (ASX:HAV)

HAV was added as a suggested holding due to the view that it provides low-cost exposure¹ to advanced copper-gold projects in a favourable jurisdiction (South Australia). This was primarily considered attractive given the strength in copper-gold prices² and ongoing M&A activity in the sector.³ HAV was selected specifically because its projects compare favourably to other copper-gold projects when benchmarking against recent M&A transactions on a insitu metal value basis.¹

A holding period of up to 18 months has been considered in order to allow sufficient time for a potential strategic equity deal at the project level for Kalkaroo (sale process being managed by Duetsche Bank⁴) and/or Mutooroo (exclusivity with JX Advanced Metals (JXAM), which runs until September 2025, where JXAM is spending \$3m on resource expansion and other studies to inform a basis on its decision to acquire an interest in the project⁵). A potential transaction at one or both

¹ Kalkaroo Resource: Open-pit JORC resource of 245mt at 0.46% Copper & ~0.37gpt Gold. (1.1Mt of copper and 3.1Moz of gold). This resource is comparable to Rex Minerals Hillside Project (337mt at 0.56% copper and 0.14gpt gold, for 1.89mt copper and 1.5moz gold, which was acquired for ~A\$400M). HAV market cap ~A\$70m and does not account for other projects held including Mutooroo (which has the potential for a transaction with JXAM).

² <https://tradingeconomics.com/commodity/copper>

³ <https://stockhead.com.au/resources/mad-rush-for-copper-ma-just-a-sign-of-more-to-come/>

⁴ <https://www.havilah-resources.com.au/company>

⁵ Mutooroo Agreement with JX Advanced Metals: <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02839794-2A1541451>

of these assets could imply a see-through valuation for Havilah that significantly exceeds the current market cap, thereby serving as a share price catalyst.⁶ Although there is no certainty as to whether a deal will emerge at neither, one or both of its key copper-gold assets, continued strengthening in copper-gold prices could enhance the likelihood and degree of favourable outcomes (copper futures chart below).



Recent strength in spot copper prices could lead to strengthened interest in copper-gold projects such as Kalkaroo or Mutooroo, owned by Havilah Resources Ltd (ASX:HAV).

It is understood that Japanese firms (such as JXAM) are assessing and pursuing potential copper project opportunities (such as Mutooroo) due to concerns over securing a stable supply of copper to support its downstream businesses, amid rising competition for offtake for concentrate⁷⁸. Kalkaroo is a much larger scale project than Mutooroo, with significant leverage to continued copper-gold prices, and was previously sought after by Oz Minerals⁹ (the deal subsequently falling through following takeover by BHP of OZ minerals¹⁰).

⁶ Similar scenario occurred with Rex Minerals (ASX:RXM), which was previously held.

⁷ Japan is the world's 2nd largest copper concentrate purchaser: <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/metals/020525-japanese-smelters-settle-2025-term-contract-copper-concs-tc-at-25mt>

⁸ Japan's Strategy Energy Plan approved by Cabinet, seeks to achieve 80% self-sufficiency in base metals (including copper) by 2030. https://www.jbic.go.jp/en/information/press/press-2023/press_00197.html

⁹ <https://www.listcorp.com/asx/hav/havilah-resources-limited/news/ozl-havilah-shareholders-approve-kalkaroo-option-2757115.html>

¹⁰ <https://www.bhp.com/news/media-centre/releases/2023/05/completion-of-oz-minerals-acquisition>

Black Cat Syndicate Limited (ASX:BC8):



Black Cat's share price continues to re-rate following execution and strengthened AUD/USD gold prices.



Gold prices continued to make gains, enhancing the potential profitability of near-term developers and producers such as Black Cat

Black Cat Syndicate Limited (ASX: BC8) has continued to achieve significant milestones following the completion of its equity funding round, notably completing the refurbishment of the Paulsens processing facility on time and within budget, which ultimately led to the commencement of

commissioning and the first gravity gold pour in mid-December 2024.¹¹ At Kal East, open pit mining at the Myhree deposit progressed ahead of schedule, with around 134kt of ore mined, containing approximately ~10kt of ounces of gold.¹⁰

Based on the information provided, Black Cat's gold assets could potentially generate significant cashflow (refer to image below¹⁰) given spot AUD gold prices of A\$4,500/oz (refer to chart above). For example, aspirational targets of 70kozpa (Paulsens's), 80kozpa (Kal East) and 60kozpa (Coyote) = ~210koz p.a., multiplied by margin (assuming A\$2000/AISC, higher than studies suggest), implies potential for ~ A\$525m p.a. pre-tax cashflows at A\$4,500/oz (or A\$315m p.a. at A\$3,500/oz gold prices, which is ~A\$1000/oz lower than spot¹¹). The aggregated cashflow potential of its assets (above) therefore compares favourably against the current \$440m market capitalisation¹² of the company, given the EV/EBITDA of the average gold producer is currently 3.6¹³. The realisation of operating cashflow for Black Cat remains contingent upon successful execution, production ramp-up, commissioning and other associated risks, as is customary for resources mining developments in Australia.

Operation	Paulsens	Kal East	Coyote	Strategy
Land Size	~3,190 km ²	~650 km ²	~1050 km ²	>4,890 km ² – discovery potential
Resources	0.55Moz @ 4.0g/t Au	1.3Moz @ 2.1g/t Au	0.65Moz @ 5.5g/t Au	2.5Moz @ 2.9g/t Au (growing)
Initial Production Targets	177koz @ 4.1g/t Au	381koz @ 2.1g/t Au	200koz @ 3.7g/t Au	Conservative targets with upside
Maximum Cash Drawdown	\$34M	\$92M	\$56M	Low capital / reduced risk
Operating Cashflow \$3,500/oz (after all capital)	\$201M ↑	\$401M ↑	\$295M ↑	Strong cashflow >\$897M
Operating Cashflow change per \$100/oz	\$16M ↑	\$34M ↑	\$20M ↑	Leveraged to gold price ~ \$70M per \$100/oz
AISC	\$1,882/oz ↓	\$1,724/oz ↓	\$1,613/oz ↓	Low cost / high margin
Gold Acceleration Strategy	Optimise throughput Grow Resources Commence Antimony studies	Accelerate & expand processing facility and mining to +1.2Mtpa Grow Resources	Grow Resources and complete Feasibility Study Accelerate processing facility with potential upgrade to 0.8Mtpa	Operate Paulsens Develop and expand Kal East Grow and develop Coyote
Reduce Timeframes	N/A	1 year ↓	2 years ↓	Expedite multiple operations
Aspirational Targets	70kozpa ↑	80kozpa ↑	60kozpa ↑	Grow to >200kozpa

Black Cat Syndicate's assets, targets and strategy. Operating cashflow projections = A\$3,500/oz.

Significantly, Black Cat also possesses the 4th largest antimony deposit in Australia¹⁰, (providing further additional revenue potential alongside gold sales) and also has regional gold exploration potential at its assets,¹⁴ (providing mine-life extension potential).

Centrex Limited (ASX:CXM)

Centrex achieved a record shipment¹⁵ of 30,550 tonnes of phosphate in December 2024. However, the Company entered suspension¹⁶ in relation to a deed of forbearance and restructure of its trade payables. In response, Centrex has since launched a \$10.4m entitlement offer¹⁷,

¹¹ <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02906986-6A1248763>

¹² Market cap as of 17th February 2025.

¹³ <https://www.equidam.com/ebitda-multiples-trbc-industries/>

¹⁴ <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02886822-6A1240057>

¹⁵ <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02891948-2A1567288>

¹⁶ <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02896939-2A1569546>

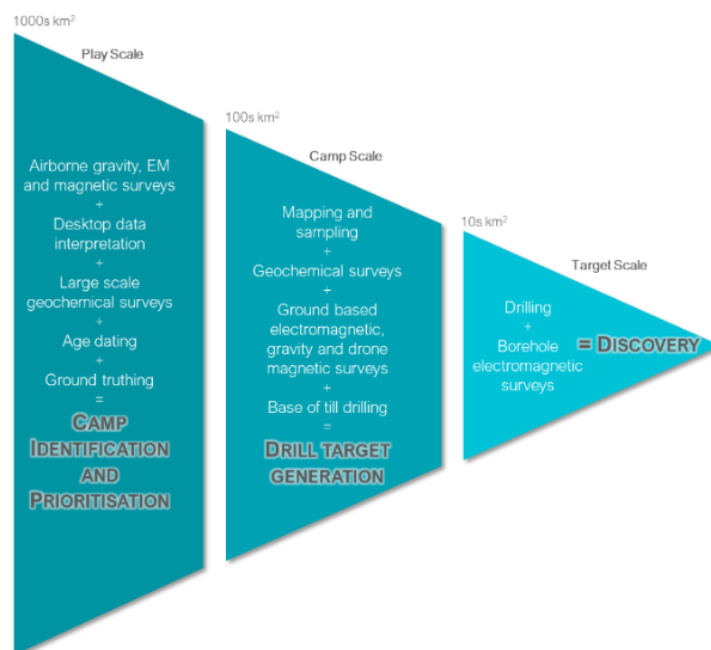
¹⁷ <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02904753-2A1574312>

which the Company expects will provide additional funding for capital expenditure and working capital to complete expansion works at its Ardmore mine.¹⁸

Based on the information provided, if Centrex is able to continue with its growth plans, it has the potential to generate cashflow by scaling production further at Ardmore, given the stated projected operating costs of A\$170-A\$180/t¹⁹ (excludes royalties and corporate overheads) relative to a selling price that ‘typically commands a premium to World Bank benchmark’²⁰, (with last reported benchmark phosphate prices trading at US\$152.50/t²¹). Participation in the entitlement offer was not suggested, due to the intention to utilise cash reserves for opportunities with a different commodity exposure profile, (including but not limited to the rare earths or uranium sector), and to also allow increased exposure to positions which meet milestones (as demonstrated with the most recent addition to the BlackCat position prior to breakout).

Kingsrose Mining Limited (ASX:KRM)

Kingsrose Mining continued to advance its Scandinavian resources assets while growing its cash balance to ~\$27m (up from \$26m), due to \$3.3m of funding from BHP alliance associated work.²² Kingsrose Mining’s net cash balance, combined with a low enterprise value (~A\$27m cash vs. ~A\$27m market capitalisation²³ as of December 2024), is one attribute commonly associated with an asymmetric risk-reward profile. While other factors play a role in determining an asymmetric risk-reward profile, a strong cash position relative to market value can provide downside protection while allowing for potential upside. Kingsrose Mining continues to work collaboratively with BHP under the Kingsrose-BHP Exploration Alliances across Finnmark, Norway and Finland, in the systematic manner set out in the image below.



¹⁸ <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02904753-2A1574312>

¹⁹ <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02904753-2A1574312>

²⁰ <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02904753-2A1574312>

²¹ <https://thedocs.worldbank.org/en/doc/18675f1d1639c7a34d463f59263ba0a2-0050012025/related/CMO-Pink-Sheet-February-2025.pdf>

²² <https://www.listcorp.com/asx/krm/kingsrose-mining/news/quarterly-activities-appendix-5b-cash-flow-report-3145690.html>

²³ 753m shares on issue x \$0.035/share, doesn't include options (~34m) or performance shares (~1.9m).

Given the involvement of a mining major such as BHP, it provides a degree of validation of Kingrose Mining's exploration strategy. Given BHP's involvement, the Alliance projects are targeting the identification and exploration of 'tier-1' mineral deposits. Exploration is a high-risk and high-reward activity. However, in the event the BHP-Alliance is successful in its endeavour to identify a 'tier-1' discovery, it would bode favourably for Kingrose Mining's valuation, particularly due to its current implied ~\$0m enterprise value.

In Finnmark, high-grade polymetallic copper-gold-PGE veins were discovered following a geophysics and rock-chip sampling program, including copper grades of up to 29% at Porsanger.²⁴ In Finland, newly discovered zones of outcropping mineralisation were identified at Rehula.²⁵



Image above: From the Porsanger area: Chalcocite-bornite-quartz vein hosted in amphibolite, with 29.7% Cu, 0.01% Ni, 1.1 g/t Au, 53 g/t Ag, 0.54 g/t Pd, 0.02 g/t Pt.



Image above: Outcropping mineralisation at Rehula, up to 4.4% copper, 1.8g/t Au, with further Pd and Pt.

²⁴ <https://www.listcorp.com/asx/krm/kingsrose-mining/news/kingsrose-bhp-alliances-announce-high-grade-rockchips-3145008.html>

²⁵ <https://www.listcorp.com/asx/krm/kingsrose-mining/news/kingsrose-bhp-alliances-announce-high-grade-rockchips-3145008.html>

The Penikat intrusion is one of the most richly mineralised intrusions on Earth²⁶, with horizons over 25km of strike length with 6 precious group elements (PGE's). However, Kingsrose will be focusing its near-exploration efforts towards the other projects in its portfolio due to the fact approvals have slowed due to Penikat being under appeal in the Administrative Court²⁷, as discussed in the previous update.

Significantly, Kingsrose Mining has also stated that *"The Company has been highly active assessing business development opportunities, the acquisition of new assets remains a key focus for Kingsrose."*²⁸ Given the strong cash position of Kingsrose Mining and the general downturn of junior resources projects, it may be able to secure favourable terms when acquiring new projects that show exploration merit.

New opportunities

Further suggestions to the portfolio are being assessed on an ongoing basis. Currently the focus is on 1) the rare earths sector which has experienced significant declines as a result of a prolonged downturn in benchmark REE prices²⁹ and 2) the uranium sector is also now under greater consideration due to retreat in uranium spot prices³⁰ and softening of equity valuations.



Sprott Uranium Miners ETF (URNM). Uranium valuations are under pressure.

Opportunities under consideration include deposits which show globally significant high-grades, scale, and simple metallurgical processing are strongly favoured, due to a greater likelihood of attracting liquidity and development funding given a potential return to stronger pricing. Other companies and metals are continuously being monitored for entry. Preference is given to companies which have large scale assets for metals which are at cyclical lows, companies which have significant near term cashflow generation potential relative to their market caps, and/or exploration companies with strong balance sheets and asymmetric risk/reward.

²⁶ <https://academic.oup.com/petrology/article-abstract/59/5/967/5004663?redirectedFrom=fulltext&login=false>

²⁷ <https://www.listcorp.com/asx/krm/kingsrose-mining/news/kingsrose-provides-permitting-update-penikat-project-3144416.html>

²⁸ <https://www.listcorp.com/asx/krm/kingsrose-mining/news/quarterly-activities-appendix-5b-cash-flow-report-3145690.html>

²⁹ <https://www.afr.com/companies/mining/lynas-rare-earth-cuts-production-as-prices-languish-20241030-p5kmjj>

³⁰ <https://sprott.com/insights/uranium-outlook-for-2025>