

Q1 CY2024 Update

Black Cat Syndicate Limited (ASX:BC8)

During the quarter, gold prices went to new highs, breaking psychological resistance of US\$2000/oz and now trading ~US\$2,350/oz, with strong demand from China and Central Banks. Black Cat Syndicate ('Black Cat') are the 100% owner of several advanced gold assets in Western Australia, including Paulsen's, Coyote and Kal East. These projects have demonstrated strong potential for development given their very high internal rates of return (ranging between 40% to 70%), using relatively low amounts of development CAPEX and using assumed gold prices of A\$2,950/oz (currently ~A\$3,650/oz).



Image: Gold price, \$AUD/oz.

Black Cat have also demonstrated a strong ability to attract development capital, including a funding package of \$60m that was announced in late 2023. Although variations to this funding package were made during the quarter due to requirements pertaining to Overseas Direct Investment ('ODI') and Foreign Investment Review Board ('FIRB') approvals, Black Cat has continued to show strong progress on finalising funding for the development. Given the highly advanced nature of the assets, relatively low CAPEX requirements, increasing gold prices, continued progress with funding and the tier-1 jurisdiction of their assets, we see an increasing likelihood of a successful development outcome being reached.



Image: 3D scan of Paulsen's processing facility as of February 2024, one of several assets owned by BlackCat Syndicate. March 2024 Paulsen's refurbishment update – ASX release.

Centrex Limited (ASX:CXM)

During the quarter, the Centrex Ltd ('Centrex') secured ~A\$20m of funding to advance the Ardmore Rock Phosphate Mine through to its Stage 1.5 Expansion. This expansion is projected to increase production from a run rate of approximately 240ktpa up to 625ktpa by the end of the year. \$10m of this funding package was secured from National Australia Bank in the form of asset & equipment finance, which is unusually positive as the majority of junior mining companies are usually unable to attract lending from a top 4 bank.

Reportedly, realised rock phosphate price sales in Asia have strengthened following a decision from China's Development and Reform Commission in November 2023 to halt exports of DAP and MAP fertiliser products. The rationale for China's decision on this matter is not only to protect its own agricultural industry but also to utilise its phosphate resources for higher-value uses, such as the production of phosphoric acid (which can be used within LFP batteries). Consequently, realised rock phosphate prices for Centrex will likely benefit from China's temporary (and potentially permanent) exit from exporting into the Asia-Pacific market.

Factoring in industry forecasts, assuming average life of mine realised phosphate sale prices of US\$180/t would translate to ~A\$257/t at a 0.70 AUDUSD. Centrex presently expect operating costs to be at a range of A\$160/t to A\$180/t FOB Townsville upon conclusion of the Stage 1.5 Expansion. Consequently, conservatively factoring in a A\$50/t margin would translate to a run-rate EBITDA level of A\$31.25m per annum over a 14-year mine life. This remains attractive relative to the current market cap of A\$54m.



Figure 1: Brine dam nearing completion.



Figure 2: Brine dam commencing operation.

Image: Centrex Limited March 2024 Stage 1.5 Expansion Update



Figure 3: Accommodation donga in storage.



Figure 4: Solar Cells on accommodation dongas.

Image: Centrex Limited March 2024 Stage 1.5 Expansion Update



Figure 5: Crushing plant overview.

Image: Overview of newly owned crushing plant, operational since late 2023. Centrex Limited March 2024 Stage 1.5 Expansion Update.

Kingsrose Mining Limited (ASX:KRM)

Kingsrose Mining Ltd ('Kingsrose') benefits from its ~A\$27m cash backing, (with the potential for further cash through a 2% net smelter royalty on the Way Lingo gold mine in Indonesia, capped at US\$7.5m). The market cap of the company remains ~A\$26m, which is below its current net cash backing and potential NSR value.

The Company is utilising its cash to advance a portfolio of nickel copper and PGE assets in Scandinavia, which include Penikat (high-grade PGE deposit which shows evidence of significant scale) and Rana (an earlier stage exploration project). Further, the Company is part of the BHP Xplore program, which is targeting large scale nickel sulphide discoveries. Investor sentiment in Kingsrose has suffered due to falls in the nickel and PGE price, of approximately 50% over the course of the past 12 months. However, this nickel and PGE weakness has provided Kingsrose with an opportunity to utilise its strong balance sheet to acquire additional high-quality nickel and PGE exploration assets at lower prices.

The Company's flagship project, Penikat, which is considered one of the most richly mineralised intrusions on Earth, remains on track with respect to its approvals and has not yet received any appeals. It has submitted Natura assessments for the entirety of the project and has already received a positive ruling from the environmental regulatory authority with respect to Area 1 of Penikat. This approval process will ultimately allow Kingsrose to twin drill historic holes at the Penikat project for the purposes of developing a JORC resource that can underpin a scoping study for its development. However there is no certainty as to whether appeals will occur during this approval process, which may delay or prevent the potential drilling and ultimate development of Penikat. The Company's cash balance and diversified asset base is a mitigative factor against a potentially negative outcome at Penikat.

Grade-Tonnage Plot of Global PGE Deposits

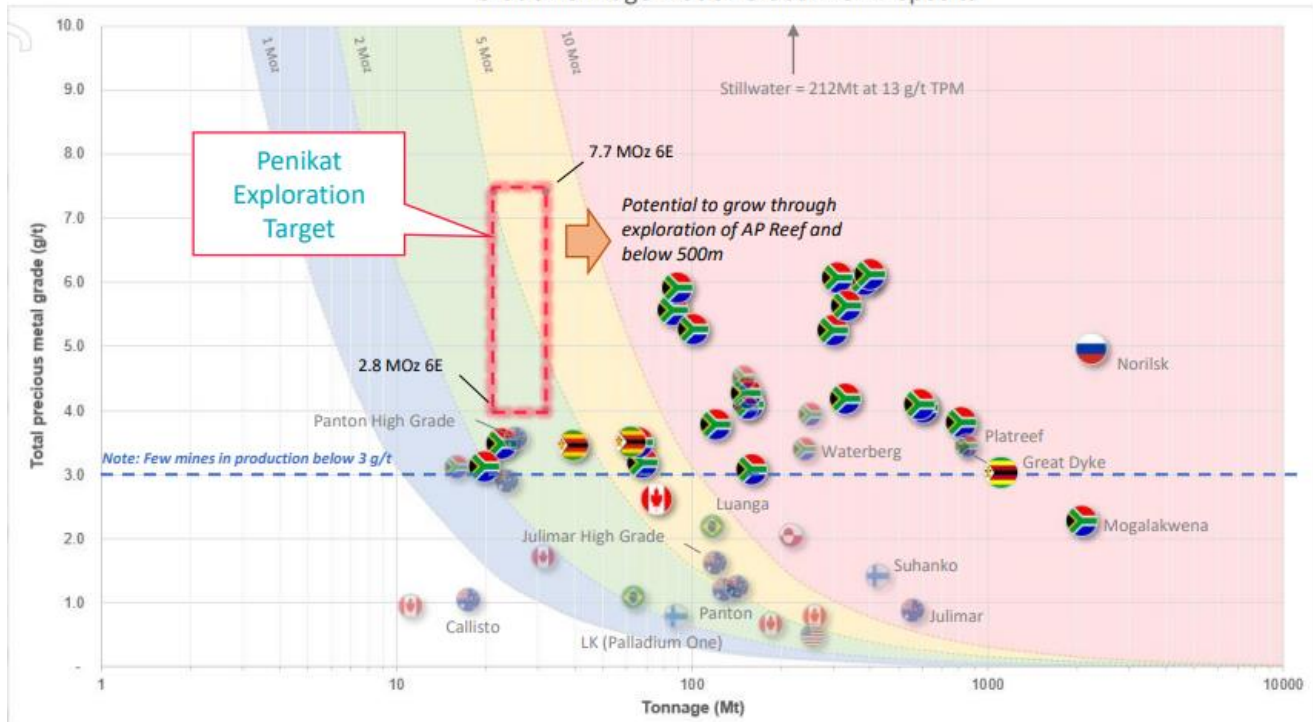
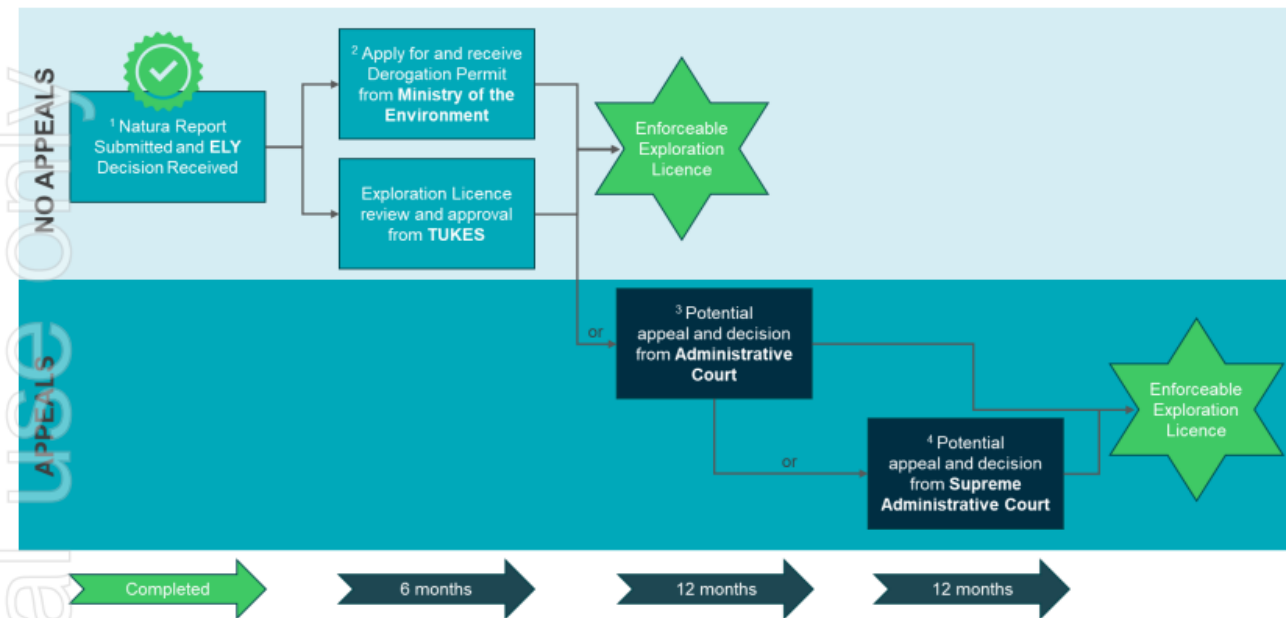


Image: JORC Exploration Target for Penikat relative to other PGE deposits globally and their locations. Kingsrose March 2024 Presentation.

Penikat Permitting Roadmap



Explanatory Notes:

- ¹ Kingsrose received a positive Statement from ELY in January 2024.
- ² There is not a prescribed timeframe for a decision by the Ministry of Environment, however a positive statement by ELY and proactive engagement by TUKES is believed to support a six month timeframe.
- ³ An appeal to the Administrative Court is likely, but not certain.
- ⁴ An appeal to the Supreme Administrative Court is unlikely due to the quality of the Natura report and the positive statement from ELY and endorsement by TUKES.

Image: Penikat Approval Pathway, including potential appeal process, Kingsrose Mining Presentation March 2024

Rex Minerals Limited (ASX:RXM)

During the quarter, copper prices experienced a resurgence in strength, moving from lows of ~US\$3.68/lb to a current price of ~US\$4.25/lb, following developments regarding tightening supply. Rex Minerals ('Rex') are the 100% owner of the Hillside Copper-Gold Project in South Australia. It remains one of the few deposits globally that are situated in a tier-1 jurisdiction that are also fully permitted, shovel ready and of significant scale, containing 2mt of copper inventory. Consequently, the project and its projected IRR are heavily leveraged to the copper price. It is worth noting that the current gold and copper prices are higher than the DFS assumptions (which were US\$3.92/lb Copper and US\$1610/oz gold respectively). The DFS itself also only assumes a portion of the total resource is mined.



In January, Rex recently attracted a cornerstone strategic investor in the project, Mach Investment Enterprise, which has a track record of mining industry success across all aspects including construction and mining operations. We see this as a development which increases the probability of reaching a successful development outcome for the Hillside project. Continued copper price strength will also assist Rex in its endeavours of attracting strategic partners to advance the asset through to a production scenario.

Rex also holds the Hog Ranch gold asset in Nevada, which is a large-scale, low-grade oxide gold project which has also benefited from the recent strengthening in gold prices. However, the key value driver for Rex is the Hillside Copper project.

Image: Copper price, \$USD/lb.

South Harz Potash Limited

South Harz Potash ('South Harz') have a 100% stake in multiple potash projects within Germany. The projects are surrounded by relevant infrastructure and 3 of the 5 license areas are on perpetual mining leases with no royalties. One of these projects include Ohmgebirge which is a relatively shallow potash deposit. Ohmgebirge is the subject of a Pre-feasibility study ('PFS') and is the first asset South Harz are advancing given the potential for access to existing shaft infrastructure which will minimise upfront capital expenditure.

During the quarter, South Harz have focused on advancing the PFS, reaching a commercial agreement with their neighbour with respect to utilising existing shaft infrastructure, and receiving spatial planning approval with the authorities. All these developments are expected to potentially be finalised in April & May. Investor sentiment in South Harz has been damaged due to ongoing short-term softening of MOP prices, but Ohmgebirge remains an attractive bulk commodity development prospect given a medium-term outlook in the European MOP market. Europe also continues to tighten its ban and restrictions on Russian/Belarusian MOP as seen [here](#), which gives South Harz's asset base greater strategic value.

Figure 1: Photo of Bernterode shaft #2 in foreground with shaft #1 in the background.



Image: Potential for existing shaft utilisation, South Harz Potash Ltd ASX Release February 2024

Figure 2: Aerial view of Bernterode shafts and infrastructure. Current proposed site for crushing and leaching.



Image: Overview of surrounding infrastructure, South Harz Potash Ltd ASX Release February 2024

Significantly, the potential for M&A activity has been highlighted, following the resignation of non-executive Seamus Cornelius from South Harz, who is also the Executive Chairman of Danakali Limited (ASX:DNK). According to a South Harz ASX release, the reason for the resignation of Seamus from South Harz was to avoid a conflict of interest with respect to the negotiation of a potential transaction with South Harz. Although Danakali was not explicitly named as the counter-party, it is implied given Seamus' involvement with Danakali. Danakali recently sold a potash asset for ~US\$190m, and after paying a large distribution to shareholders they have retained ~\$A38m of cash. However, Danakali remains unlisted by the ASX due to not having a relevant asset to justify their reinstatement. Acquiring another potash project may give Danakali the 'continuation of existing business' tick required by the ASX in order to get re-listed. A transaction between SHP and Danakali may not culminate, but there is valid reason to suspect a merger may occur and we can see the potential benefit for both parties in the event it did occur.