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Copper pushes higher amid ongoing mine disruptions and strong demand

MiFID II exempt information – see disclaimer below

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Copper ($10,820/t) pushes higher amid ongoing mine disruptions and strong demand

- Copper prices continue to rise as Chinese buyers accept the prospects of a looming shortages from restricted mine output and resilient, diversified demand.
- The impact of Grasberg's force majeure following the mud rush disaster has added to production downgrades from Kamoa Kakula, El Teniente and Teck's QB operations.
- WoodMac has warned that annual mine disruptions may continue to hit c.300ktpa from global copper supply going forward.
- China's infrastructure roll-out is supporting copper prices, with focus on power distribution networks.
- Whilst China's copper demand is expected to fall 57% (31mt) in 2030 from 59% (28mt) today, US and India demand is expected to increase on data centre and urbanisation. (CRU)
- India is also aiming to expand transmission infrastructure as it targets 500GW of non-fossil fuel capacity by2030.
- Asia ex-China demand is expected to grow 25% over the next five years, Benchmark forecasts.

Trump – is Trump going to TACO with China or is Will Trump and China continue to fight over tariffs and market access

- China is restricting Rare Earths and is more subtly taking control and potentially limiting exports of other critical minerals
- Trump is now considering curbs to software exports to China
- China is also seen supporting Russia, disregarding western sanctions and supplying critical components for missiles and drones.

Zinc - Zinc backwardation extends out to >$323/t as Chinese traders caught short of nearby metal

Technical squeeze continues despite relatively weak consumer demand

- Zinc prices are heading towards $3,100/t despite lacklustre demand.
- Only 24,425t remains on warrant at the LME with just 35,300t in open stock vs 144,575t at end March with the SHFE import arbitrage window is still closed.
- The cost of rolling positions forward touched $30/t a day as short sellers scramble to find physical metal to deliver.
- While zinc production has risen 6.3% this year according to the ILZC refined zinc output has been cut by >2% due to the closure of the Toho Zinc Annaka refinery and other constraints.
- The situation may be exacerbated by a major trader allegedly cancelling warrants and holding back metal from the LME.
- Sometimes its not what you hold but where you hold it – in relation to metals.

IG TV Commodity Corner: https://www.youtube.com/watch?v=u7en9LCuurE

ii TV - Macro trends, indicators, small caps.

- **Precious metals, gold and copper : https://vimeo.com/fiveminutepitchtv/review/1125894076/5ccc1f796b**
- **FTSE 100 stocks, small-cap and lithium: https://vimeo.com/fiveminutepitchtv/review/1125892775/a44f96f5a1**

Dow Jones Industrials	**-0.71%**	**at**	**46,590**
Nikkei 225	**-1.35%**	**at**	**48,642**
HK Hang Seng	**+0.50%**	**at**	**25,912**
Shanghai Composite	**+0.22%**	**at**	**3,922**
US 10 Year Yield (bp change)	**+2.7**	**at**	**3.98**

Economics

US – The current shutdown running for more than three weeks now has become the second longest in the nation's history.

China/US – Vice Premier He Lifeng plans to meet US officials in Malaysia over October 24-27 for the next round of trade talks.

- The meeting is carried ahead of planned November 1 deadline when higher tariffs are set to kick in.

Japan – The largest labour union is seeking a 5% or more increase in next year's pay, including a 3% rise in base salary.

- The union targets at least a 6% hike for small and medium sized businesses.
- Lat year, annual talks delivered an average increase of 5.25% for 2025.

Russia – Oil prices jumped to a two week high as President Trump announced sanctions of Russia's largest producers.

- US blacklisted Rosneft and Lukoil on lack of commitment from Russian administration to agree to a ceasefire in Ukraine.
- Sanctions would bar two companies from transacting in the US$ and its counterparts are given until November 21 to wind down their operations.
- Biden administration previously held off from imposing sanctions on Rosneft and Lukoil amid concerns it could drive up global energy prices.

The summit between Trump and Putin has also been cancelled.

In retaliation, Moscow released a video of military drills including nuclear forces.

- Russia said it fired missiles from ground launchers, submarines and aircraft, including intercontinental ballistic missiles.

South Africa – JMPD arrests seven police officers for alleged extortion and kidnapping after discovery of unrefined gold in police vehicle

- The 'JMPD' Johannesburg Metropolitan Police Department Tactical Reaction Unit have arrested seven police offices carrying unrefined gold
- The officers are accused of demanding money from an illegal miner found in possession of gold-refining material (SABC News).
- The informal miners, known as zamazamas are currently providing statements to the authorities.
- The arrests follow the arrest of two offices of the JMPD Tactical Response Unit by SAPS officers in relation to a stolen Toyota Hylux.
- The Johannesburg Premier is trying to defuse what is described as escalating tensions between metro and national police agencies.
- Over 1,000 miners exited two abandoned mine shafts in Stilfontein, following a blockade of workings by police. Many starved underground during the blockade.
- The rise in gold prices has made unrefined gold concentrates from informal mining even more valuable with >30,000 informal miners estimated to work underground in the gold mines around Johannesburg.

Currencies

US$1.1595/eur vs 1.1603/eur previous. Yen 152.46/$ vs 151.80/$. SAr 17.386/$ vs 17.391/$. $1.335/gbp vs $1.333/gbp. 0.651/aud vs 0.650/aud. CNY 7.123/$ vs 7.124/$.

Dollar Index 99.03 vs 98.99 previous.

Precious metals:

Gold US$4,106/oz vs US$4,138/oz previous

Gold ETFs 98.6moz vs 98.9moz previous

Platinum US$1,645/oz vs US$1,538/oz previous

Palladium US$1,443/oz vs US$1,417/oz previous

Silver US$49.1/oz vs US$49.0/oz previous

Rhodium US$7,700/oz vs US$7,800/oz previous

Base metals:

Copper US$10,789/t vs US$10,653/t previous

Aluminium US$2,813/t vs US$2,804/t previous

Nickel US$15,240/t vs US$15,175/t previous

Zinc US$3,045/t vs US$3,007/t previous

Lead US$2,006/t vs US$1,994/t previous

Tin US$35,640/t vs US$35,640/t previous

Energy:

Oil US$64.8/bbl vs US$62.2/bbl previous

- Crude oil prices jumped higher after US President Trump hit Russia's two biggest oil companies, Rosneft and Lukoil, with sanctions over the war in Ukraine, with India also reportedly looking to reduce future oil imports from Russia.
- The EIA estimated w/w US inventory draws of 1mb to crude, 2.1mb to gasoline and 1.5mb to distillate stocks, as the close of refinery maintenance season caused utilisation to rise 2.9% to 88.6% on domestic output of 13.6mb/d.
- European energy prices edged higher as EU natural gas storage levels fell 0.2% w/w to 82.8% full (vs 91.7% 5-Yr average), with aggregate inventory at 945TWh and German and Austrian weekly storage levels both falling by ~1TWh.

Natural Gas €32.4/MWh vs €32.1/MWh previous

Uranium Futures $76.4/lb vs $76.3/lb previous

Bulk:

Iron Ore 62% Fe Spot (Singapore) US$105.4/t vs US$105.2/t

Chinese steel rebar 25mm US$443.6/t vs US$444.0/t

HCC FOB Australia US$191.5/t vs US$191.8/t

Thermal coal swap Australia FOB US$107.0/t vs US$106.5/t

Other:

Cobalt LME 3m US$48,570/t vs US$47,110/t

NdPr Rare Earth Oxide (China) US$71,110/t vs US$71,099/t

Lithium carbonate 99% (China) US$10,544/t vs US$10,331/t

China Spodumene Li2O 6%min CIF US$870/t vs US$860/t

Ferro-Manganese European Mn78% min US$1,015/t vs US$1,015/t

China Tungsten APT 88.5% FOB US$638/mtu vs US$633/mtu

China Tantalum Concentrate 30% CIF US$93/lb vs US$93/mtu

China Graphite Flake -194 FOB US$395/t vs US$395/t

Europe Vanadium Pentoxide 98% US$5.4/lb vs US$5.4/lb

Europe Ferro-Vanadium 80% US$23.6/kg vs US$23.6/kg

China Ilmenite Concentrate TiO2 US$273/t vs US$273/t

US Titanium Dioxide TiO2 >98% US$2,961/t vs US$2,961/t

China Rutile Concentrate 95% TiO2 US$1,102/t vs US$1,102/t

Spot CO2 Emissions EUA Price US$65.1/t vs US$65.1/t

Brazil Potash CFR Granular Spot US$350.0/t vs US$350.0/t

Germanium China 99.99% US$3,075.0/kg vs US$3,075.0/kg

China Gallium 99.99% US$400.0/kg vs US$400.0/kg

EV & battery news

Tesla sees profit plunge despite record Q3 sales

- Tesla’s Q3 operating profit fell 40% yoy despite record vehicle sales in the period.
- Despite record sales, driven by US EV tax credits ending, operating expenses surged 50% to $3.4bn, including over $400m in tariff-related costs.
- The quarter marked Tesla’s fourth consecutive earnings miss, as rising costs and U.S. policy shifts hit margins.
- Tesla expects further challenges from tariffs, slower US EV demand, and rising competition, with analysts forecasting a second straight yearly decline in deliveries.
- During the Q3 earnings call, CEO Elon Musk focused on AI, robotics, and the Optimus humanoid project rather than core EV operations.
- We suspect Tesla is still suffering from Elon Musk’s antics with Trump in the Wite House and with DOGE which hit the brand.
- BYD is also pushing hard into export markets while slashing prices and forcing Tesla to work harder to win sales.

CATL subsidiary Brunp achieves 96% recovery rate for recycled battery materials

- CATL subsidiary Brunp Recycling achieved recovery rates of 99.6% for nickel, cobalt and manganese, and 96.5% for lithium from recycled batteries.
- The results were achieved using Brunp’s proprietary DRT (Directional Recycling Technology), which combines intelligent disassembly, hydrometallurgy and material restoration.
- In 2024, Brunp processed over 120,000 tons of waste batteries, the equivalent of material from 200,000–300,000 EVs.
- Recovered output included 17,100 tons of lithium salts.

	Overnight Change	Weekly Change		Overnight Change	Weekly Change
BHP	-1.1%	-1.7%	**Freeport-McMoRan**	-1.3%	-2.2%
Rio Tinto	-0.4%	0.5%	**Vale**	2.2%	3.1%
Glencore	0.8%	-2.4%	**Newmont Mining**	0.8%	-7.0%
Anglo American	0.9%	-3.3%	**Fortescue**	2.4%	5.2%
Antofagasta	-1.8%	-7.0%	**Teck Resources**	-1.6%	-4.0%

Company news

Antofagasta (ANTO LN) 2,619p, Mkt Cap £26bn – Strong by-product credits trigger reduction in 2025 net cash cost guidance

- Antofagasta reports a rise of ~3% rise in YTD copper production to 476,600t (Q3 2024 YTD -463,700t).
- YTD gold output increased by ~22% to 145,000oz (Q3 2024 YTD – 118,700oz) with molybdenum production rising by ~44% to 11,400t (Q3 2024 YTD – 7,900t).
- On a year-to-date basis, cash costs, prior to credits were US$2.35/lb (Q3 2024 – US$2.53/lb). After crediting by-products, net cash costs fell to US$1.24/lb (Q3 2024 YTD– US$1.81/lb).
- The company expects its full year production to be at the lower end of the 660-700,000t of copper guidance with its net cash cost guidance for 2025 reduced to the range US$1.20-1.30/lb (from US$1.45-1.65/lb) reflecting *"strong by-product pricing"*.
- Los Pelambres contributed 216,200t of copper production (Q3 2024 YTD – 224,400t) at a net cost of US$0.88/lb from the processing of an average 169,600tpd of ore at an average grade of 0.54% copper (Q3 2024 YTD– 185,400tpd also at 0.54%) and also produced 39,700oz of gold and 8,800t of molybdenum (Q3 2024 YTD– 31,900oz and 6,300t of molybdenum).
- The Centinela mine delivered a total of 125,500t of copper in concentrate and a further 51,800t of copper cathodes at a net cost of US$0.88/lb (Q3 2024 YTD – 75,200t of copper in concentrates and 75,700t of cathodes at an average net cash cost of US$2.07/lb).
- Today's announcement attributes the ~67% rise in copper in concentrate production at Centinela to *"to higher copper grades, in addition to higher ore throughput rates and recoveries"*.
- Antucoya delivered 58,100t of copper during the nine months at a cash cost of US$2.73/lb (Q3 2024 YTD - 59,600t at US$2.63/lb) with the lower production resulting from *'lower copper grades and an increase of copper held in the processing circuit, offset by an increase in copper recoveries"*.
- Output from Zaldivar was 25,100t of copper over the nine months at a cash cost of US$3.41/lb (Q3 2024 YTD – 28,900t at a cash cost of US$3.00/lb). Zaldivar's YTD performance reflected *"lower copper grades, ore throughput rates and recoveries"*.
- Commenting on the results, which he described as reflecting "*a strong quarter"* CEO, Ivan Arriagada, said that Los Pelambres and Centinela "*maintained strong margins, supported by a record by-product credit of $1.35/lb, which was driven by higher gold production and favourable pricing".*
- He confirmed that Antofagasta's "*major construction projects remain on track and on budget, with work advancing at both Centinela and Los Pelambres that will help deliver production growth of 30% in the medium term, and margin growth through additional output of by-products at Centinela"*
- Commenting on the wider copper market, Mr. Arriagada said that it has "*strong market fundamentals, with rising global demand driven by themes that include energy security, electrification and the development of new technologies, such as AI".*
- He described supply side disruption *"as well as structural factors such as grade decline and rising ore hardness"* affecting the global copper supply.

Conclusion: Antofagasta is expecting 2025 copper output to achieve the lower of its current 660-700,000t guidance while strong by-product prices prompt a reduction in cash cost guidance to US*$1.20-1.30/lb from the former* US$1.45-1.65/lb range

Ariana Resources (AAU LN) 1.65p, Mkt Cap £37m – Additional potential exploration targets at Dokwe

- Ahead of the start of further drilling at Dokwe North and Dokwe Central in Zimbabwe, Ariana Resources has provided a progress report on its exploration plans both around the existing 1.4 moz gold resource at Dokwe and in the wider licence area.
- The company explains that *'Recent work on the Dokwe Project has resulted in significant developments in our understanding of the geological controls on the Dokwe North and Central deposits, implying that both zones of mineralisation extend beyond their currently defined limits"*.
- An initial ten holes are planned to test the resource expansion potential shown by an arsenic soil geochemical anomaly northeast of the Dokwe North deposit, which *"represents the majority of the current resources within the project area"*.
- Ariana Resources describes an undrilled area at the 'Dokwe Central Western Extension Target' where *"reinterpretation of historical drilling indicates that the Central Shear Zone and the mineralisation appear to have been faulted southwards at the western end of the resource"*.
- Drill testing of this area is a priority to assess the *"opportunity to extend mineralisation westwards along the Central Shear Zone"*.

  Regional soil geochemical work has *"led to several new target areas being defined or known target areas further refined. A*

Reverse Circulation ("RC") drilling programme has been planned to test some of the highest priority targets" including:

- The Sinkwe prospect, located along the Central Shear Zone around 750m eats of Dokwe Central, where *"historical drill hole, DPD4, intercepted 7.3m @ 6.63g/t Au from 32.2m depth'*. Reverse-circulation drilling is planned *"to test the strike and depth extents of the target"*; and
- The Siduli Pan prospect around 2.5km southeast of Dokwe Central where historic drilling along the Siduli Shear Zone intersected 0.5m at a grade of 81g/t gold from a depth of 243m in hole DSD-02; and
- The Wabayi prospect where a *"single drill hole, DPD20, was drilled approximately 1.5km ESE of Dokwe Central … to a depth of 562 metres … with several samples returning indications of subtle mineralisation, including 0.46g/t Au from 26.3m, and 0.37g/t Au from 36.3m"*; and
- Dokwe South where rock chip sampling at the Maboe prospect has *'returned several anomalous silver assays"*.
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- Managing Director, Dr. Kerim Sener, described how the detailed geochemical exploration over "*the entire project area, covering 44km^2" … has resulted in a much-improved understanding of why the gold deposits at Dokwe North and Central are located where they are".*
- He explained that "*Major shear zones, which separate broadly ENE-WSW trending litho-structural domains comprising an alternating sequence of volcanic and sedimentary units, host the known mineralisation at Dokwe North and Central. Our mission is to commence drill testing at certain locations along over 12km of strike of these shear zones in the broader project area".*
- He also pointed out that "*there is over 1Moz of gold contained within only about 10% of this strike length, with the rest remaining essentially untested by drilling… [suggesting that] … there may be considerable upside and discovery potential elsewhere in the project area".*

Conclusion: Since acquiring the Dokwe project in mid-2024, Ariana Resources has gained detailed insights into the geological context and controls of the mineralisation which are now yielding near-term exploration targets for potential resource extensions.

Cobra Resources (COBR LN) 4.2p, Mkt Cap £37m – Permits received for permeability testing at Boland, South Australia

- Yesterday, Cobra Resources reported the receipt of final approvals from South Australia's Department for Environment and Water to start permeability testing of its Boland ionic clay hosted rare earths project.
- The approval allows Cobra Resources to *"test the permeability of Boland's confined aquifer mineralisation by injecting a tracer dye in to the mineralisation and monitoring the time taken for the dye to migrate between the discharge well and an extraction well"* which will be a key factor in determining the operating characteristics of a potential future in situ leaching project.
- Tests at laboratory bench scale have previously verified that the mineralisation is *"amenable to ISR* … [in-situ] … *recovery techniques* … [and today's announcement explains that Cobra Resources'] … *ongoing mineral recovery test work indicate that, with minor optimisation, ISR techniques will enable non-invasive and low-cost production of critical REEs from its discovery at Boland".*
- Managing Director, Rupert Verco, explained that demonstrating the ability "*to replicate similar permeabilities to those achieved in scaled laboratory tests in a field environment will provide robust, high confidence mining parameters for use with future economic studies".*
- Today's announcement confirms that preparatory work for the permeability testing is advanced and that it will start *"as soon as practicable".*

Guardian Metal Resources (GMET LN) 105p, Mkt Cap £164m – Drilling progress at the Tempiute tungsten project, Nevada

- Guardian Metal Resources reports that it has now completed 2,185m of diamond drilling in fifteen holes at its Tempiute tungsten project in Nevada.
- *"To date, drilling has focused along circa 800m of strike length across the Dead-Eye Zone … targeting down-dip extensions of north-south trending surface-exposed skarn. This area is outside the area of historic underground mining and offers the potential for at and near surface mineralisation".*
- The drilling has *"intersected* … [the tungsten mineral] … *scheelite-bearing skarn intervals of varying thicknesses"* in every hole drilled so far and the *"drill core is being logged, processed, cut and sampled on site … before being transported to Reno, Nevada, for laboratory analysis".*
- The mineralisation includes *'multiple different scheelite-rich skarn types* … [and] … *zones of endoskarn … have been observed within the intrusive host rock near its contact with carbonaceous units* … [which the company describes as a] …. *type of mineralisation … not present at* … [its other Nevada tungsten property at] … *Pilot Mountain".*
- CEO, Oliver Friesen, said that "*Tempiute continues to deliver strong technical progress across all fronts …* [and that] …

Historical extensive datasets, production records and metallurgical reports have been digitally compiled, and they are rapidly being developed to improve our understanding of the broader Project opportunities".

Conclusion: Drilling at the Tempiute tungsten project in Nevada has intersected mineralisation in the 15 holes completed so far - assays are awaited.

Kavango Resources* (KAV LN) 0.95p, Mkt Cap £31m – Peter Wynter Bee takes over as interim CEO

- Kavango Resources report the appointment of Peter Wynter Bee as interim ceo following the exit of Ben Turney.
- The group is now looking for a new CEO to take over the running of the company.
- Donald McAlister, takes over as finance director. McAlister was formerly involved with Reunion Mining, Moxico and also served on the boards of Mwana Africa and the Freda Rebecca Gold Mine in Zimbabwe.
- The team have very substantial and extensive experience developing mines in Zimbabwe and are well appointed to lead Kavango as it grows gold production at its Hillside gold operations.
- Management recently reported a new resource at the Nightshift gold prospect at Hillside in Zimbabwe. .
- Nightshift MRE:
    - **Total MRE: 694kt at 0.86g/t Au for 20koz Au total**
        - 421kt at 0.78g/t Au for 11koz Au Indicated
        - 273kt at 0.98g/t Au for 9koz Au inferred
- Management see the Nightshift open-pit as '*expected to deliver high ore tonnes per vertical metre.' with* selective open-pit mining due in 1H 26.
- Close-spaced grade control drilling will better define the resource which remains open at depth along the majority of its strike.
- Additional exploration along strike and at depth will test the underground potential of the deposit.
- The team are also looking at expanding the processing plant at Bill's Luck to upgraded 300tpd just 800m to the east of the Nightshift project.

**An SP Angel Analyst holds shares in Kavango*

Metals One (MET1 LN) 3.62p, Mkt Cap £30m – First Production from Chilalo Project now due in October 2027

(Metals One holds a 16.9% stake in Evolution Energy Minerals (EV1 AU) Evolution holds a 84% stake in the Chilalo graphite project in Tanzania*)*

- Metals One report news from its 16.9% investment in Evolution Energy Minerals.
- Evolution reports it is accelerating first production of graphite at its 84% owned Chilalo project in Tanzania to October 2027.
- Evolution also plans to drill and further upgrade the graphite resource at Chilalo graphite resource.
- The Evolution team are also planning soil sampling, ground geophysics and follow-up drilling on the Chikundo Copper Project
- Chikundo is a VMS-style prospect with initial surface samples showing high copper values within the Chilalo graphite project tenement area.
- Metals One acquired its 16.9% stake in Evolution in September 2025 through a combination of market purchases and Rights Issue participation.
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- Metals One reports an investment of C$0.5m in TSXV-listed Fidelity Minerals *"as part of Fidelity's C$1,500,000 private placement"* of shares priced at C$0.10/share.
- Its investment leaves Metals One *"owning an initial 9.93% of Fidelity with the second tranche for an additional 1,500,000 Units remaining subject to TSX-V approval"*.
- *"Attaching to each Unit is one-half transferable common share purchase warrant, with each full warrant exercisable at a price of CA$0.20 per share until 7 October 2027".*
- Today's announcement also explains that *"Metals One investee company Lions Bay Capital (Metals One: 19.1%[1]) also participated in the Placement and will own 36.66% of Fidelity on completion of the second tranche"*.
- Fidelity Minerals' principal project is the Las Huaquillas Project, which is described as *"an advanced-stage gold-copper-silver project located in northern Peru, approximately 14 km south of the Ecuador border"*.
- The Las Huaquillas Project hosts an historic, non NI43-101 compliant, resource of ~0.45moz of gold and 5.3m oz of silver within ~6.6mt at an average grade of 2.12g/t gold and 25.2g/t silver.
- A 2021 *"NI 43-101 Technical Report … concludes that Las Huaquillas hosts a large-scale hydrothermal system with the potential to contain both epithermal gold-silver and porphyry copper-gold mineralisation"* including:
    - An epithermal gold/silver system at Los Socavones which *"remains open both down-dip and along strike, with additional*

untested porphyry and epithermal targets identified nearby"; as well as

- Porphyries at Cementerio and San Antonio

- The project benefits from *"Extensive historical work, including soil geochemistry, geophysics, and more than 5.7 km of diamond drilling across 26 holes, as well as 1.2 km of underground development on three levels"*.
- Commenting on Metals One's investment, Managing Director, Dan Maling, said that "*The opportunity for Fidelity - and therefore Metals One - lies in rapidly advancing the Las Huaquillas Project through a formal resource definition of gold, silver and copper in northern Peru, and progressing it towards production".*

Conclusion: Investment in Fidelity Minerals exposes Metals One to a Peruvian precious metals project with an historic exploration history including a non-compliant MRE. Future exploration aims to formalise the resource and investigate the wider geological opportunity.

Northern Minerals (NTU AU) SUSPENDED – Equity raise

- The Company is in trading halt pending a suggested A$60m equity raise.
- The Company develops a 100% owned FS stage Browns Range Heavy Rare Earth, WA.
- September 2025 FS highlights:
  - Reserves 5.2mt at 0.88% TREO (~10% Dy/Tb)
  - MRE (incl Reserves) 7.3mt at 0.96% TREO (~10% Dy/Tb)
  - 11y LOM
  - 17.5ktpa xenotime concentrate production (25% TREO)
  - Heavy REE Dy and Tb account for 70% of revenues
  - A$592m capex
  - Post tax NPV8 and IRR at A$74m and 10% (using LOM average US$636/kg and $2,761/kg Dy and Tb prices).
- The Company has an agreement with Iluka Resources for a binding contract to supply 30.5kt TREO contained in a 20-30% xenotime concentrate to a fully integrated refinery at Eneabba (WA), currently under construction.
- Export-Import Bank of the US said it would consider providing funding up to US$230m, in cooperation with Export Finance Australia.
- The letter of interest followed a meeting between US and Australian leaders earlier this week.
- Two nations agreed to provide at least US$1bn each in investments into critical minerals space on course for a US$8.5bn pipeline of priority projects over the next six months.

Conclusion: The fundraise is set to show high demand for the Browns Range Heary Rate Earth Project, one of the most advanced HREE projects globally and one of the highest known Dy/Tb grade deposits outside of China. Investors are betting on scarcity of HREE supply ex China and premiums for ex Asia product. China/Myanmar are reported to account for >90% of global HREE mine production and few separation facilities outside China. Current Dy and Tb oxide prices are quoted at ~$240/kg and ~$1,090/kg in China, although, outside of China (Rotterdam, Netherlands) indicative prices are nearly 4x that ie >$900/kg and ~$3,900/kg (AsianMetal). The result of Dy/Tb export restrictions enacted by China earlier in April this year.

Northern Star Resources (NST AU) A$24, Mkt cap A$34.5bn – Results show impact of hedge-book amid expansion programme

- Australian gold major Northern Star released its September quarter report last night.
- The Company produced 383koz over the quarter, selling 381koz at an average price of A$4,452/oz.
- NST reported revenue of A$1.7bn.
- Cash operating costs reported at A$2,017/oz, with AISC reported at A$2,522/oz.
- Development CAPEX reported at A$513m.
- FCF reported at A$14m and net mine cash flow at A$183m.
- Cash and bullion reported at A$1.5bnm with A$0.4bn in dividends paid, with US$600m in senior notes due April 2033 at 6.125%pa, A$1.5bn in undrawn facilities.
- Hedge commitments standing at 1.3moz at average price of A$3,309/oz.
- Operationally, Northern Star notes disruptions at Jundee and South Kalgoorlie, hitting production by 20koz.
- On Hemi, Northern Star is securing final permitting and approvals and guides to a 2-2.5-year construction period.
- FY26 guidance at:
  - 1.7-1.85moz Au at AISC of A$2,300-2,700/oz.
  - Growth CAPEX guided at A$2,125-2,270m.

Power Metal Resources* (POW LN) 13.5p, Mkt cap £15.6m – Strategic investment into Apex Royalty provides exposure to tungsten, tin, bauxite and gold royalties

- Power Metal Resources has acquired a stake in Apex Royalties.
- POW will pay £4m as part of a c.$10m financing into Apex Royalties for a pre-money valuation of £24m.
- Apex holds a portfolio of five royalty assets with exposure to gold, tin, bauxite and tungsten.
- The financing will enable Apex to support the acquisition of a royalty over the Pilot Mountain tungsten project, held by Guardian Metal Resources.

Apex will also complete an option payment over the Wuudagu Bauxite project.

- Apex is led by former Trident Royalties management, who sold the 22-royalty portfolio to Detera for £144m.
- **Apex Portfolio**:
- Tempiute Tungsten Project
    - 1.5% NSR over Tempiute Tungsten mine, previously operational with under exploration
    - Held by Guardian Metal Resources, with drilled ongoing showing consistent tungsten mineralisation
    - Guardian is targeting delineating sufficient tonnage for a mine restart using existing infrastructure
- Pilot Mountain Project
    - 2% GRR over Pilot Mountain in the US, being progressed by Guardian Metals
    - MRE of 12.5mt at 0.27% WO3
    - Wider exploration portfolio with potential silver, copper and zinc prospectivity
    - $6.2m grant from US DoE
- Whale Cove Gold Project:
    - 1% GRR over the project, held by BG Gold
    - 841km2 land package focused on the Vickers deposit
    - Vickers holds 2.4moz Au MRE (1.53moz at 2g/t Au M&I, 0.91moz at 1.77g/t Au inferred
- Achmmach Tin Project:
    - 1.2% GRR over the Moroccan tin project operated by Xingye Silver & Tin
    - Potential 3.7ktpa Sn operation over 17 year LOM
    - JORC MRE of 39.1mt at 0.55% Sn
    - Exploration potential over wider portfolio
- Wuudagu Bauxite, WA:
    - 1% GRR over VBX's Bauxite project
    - 2024 PFS sees 3.5mtpa bauxite over 10 year LOM
    - Reserves of 59mt, expansion potential with 48% of tenements drilled to date

Conclusion: This is a good acquisition for Power Metals on first look, providing exposure to one of the largest and most advanced and undeveloped tungsten assets in the United States in Pilot Mountain. Apex is led by a strong royalty management team from Trident Resources, and offers a diversified portfolio of assets across bulk, base and precious metal assets in Tier One jurisdictions. Apex will use the funds to exercise options over the Wuudagu bauxite project in WA and acquire the royalty over Pilot Mountain. Power Metals continues to use their healthy cash position from the sale of Guardian Metals stock to build out their long-term growth profile.

**SP Angel acts as Nomad and Broker for Power Metal Resources*

Savannah Resources* (SAV LN) 4.15p, Mkt Cap £96m – Management partakes in Japanese trade delegation

BUY – 20.4p

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- Savannah, who are developing the Barroso lithium project in Portugal, recently participated in trade delegations to Japan.
- The delegations were organised by the European Commission and Portuguese State Entities.
- Management met with the Japanese Prime Minister alongside various Japanese officials and relevant businesses.
- The Company highlights Japan's significant role in the global lithium battery supply chain, and considers them '*potential customers, investors and partners'* for European players such as Savannah.
- Two MoUs were signed between European and Japanese private sectors for battery and other strategic technologies.

Conclusion: Savannah's role in the recent trade delegation to Japan highlights its central role in Europe's battery supply chain future. Savannah's CEO, Emanuel Proença was invited by Portugal's trade and investment agency. Barroso is the largest spodumene resource in Europe and is expected to take a pivotal role in the future of European EV manufacturing.

**SP Angel acts as Nomad and Broker to Savannah Resources*

Teck Resources (TECK US) $42, Mkt cap $21bn – Tailings management hits QB ramp up, focus on executing Anglo American merger

- Teck reported revenue of C$3.4bn over the quarter, up from C$2.9bn same period last year.
- EBITDA reported at C$1.2bn, up from $1bn on higher zinc and copper prices.
- Cash flow from operations at C$647m.
- Cash fell C$107m to C$4.8bn, debt at C$3.8bn.
- 104kt Cu, 150kt Zn in concentrate, 53kt refined Zn produced.
- Management notes higher operating costs and logistics costs at QB over the period, and higher depreciation from capitalised stripping at Highland Valley.
- QB produced 39.6kt over the period, vs 52.5kt same period last year and 52.7kt prior quarter.
- QB development of tailings management facility impacting production, with mechanical construction of rock benches required.
- Focus at QB on improving sand drainage times, with modification of cyclone facility to remove ultra-fine material, and refinement of sand placement techniques.
- Guidance unchanged from October 7th at:

- Copper: 415-465kt
- Zinc: 525-575kt
- Refined Zinc: 190-230kt
- Copper net unit costs: $2.05-2.30/lb
- Zinc net unit costs: $0.45-0.55/lb

- Annual 2025, 2026, 2027 and 2028 total copper production is expected to be 415- 465kt , 455-530kt, 505-580kt, 435-510kt respectively

LSE Group Starmine awards for 2025 / 2024 commodity forecasting:

No.1 in Precious Metals: SP Angel mining team awarded No 1. ranking for Precious Metals forecasting in LSEG Annual Starmine Award for Reuters Polls for Q1 2025

No.1 in Precious Metals: SP Angel mining team awarded No 1. ranking for Precious Metals forecasting in LSEG Annual Starmine Award for Reuters Polls 2024

No.2 in Base Metals: SP Angel mining team awarded No 2. ranking for Base Metals forecasting in LSEG Annual Starmine Award for Reuters Polls 2024

Analysts

John Meyer –John.Meyer@spangel.co.uk – 0203 470 0490

Simon Beardsmore – Simon.Beardsmore@spangel.co.uk – 0203 470 0484

Sergey Raevskiy –Sergey.Raevskiy@spangel.co.uk - 0203 470 0474

Arthur Parish – Arthur.Parish@spangel.co.uk – 0203 470 0476

Sales

Richard Parlons –Richard.Parlons@spangel.co.uk - 0203 470 0472

Abigail Wayne –Abigail.Wayne@spangel.co.uk - 0203 470 0534

Rob Rees –Rob.Rees@spangel.co.uk - 0203 470 0535

Grant Barker – Grant.Barker@spangel.co.uk – 0203 470 0471

George Krokos - george.krokos@spangel.co.uk – 0203 470 0486

SP ANGEL.

Prince Frederick House

35-39 Maddox Street

London, W1S 2PP

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Sources of commodity prices	
Gold, Platinum, Palladium, Silver	BGNL (Bloomberg Generic Composite rate, London)
Gold ETFs, Steel	Bloomberg
Copper, Aluminium, Nickel, Zinc, Lead, Tin, Cobalt	LME
Oil Brent	ICE
Natural Gas, Uranium, Iron Ore	NYMEX
Thermal Coal	Bloomberg OTC Composite
Coking Coal	SSY
RRE	Steelhome
Lithium Carbonate, Ferro Vanadium, Tungsten, Spodumene, Ferro-Manganese, Graphite, Rutile	Asian Metal

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