

West Wits - completing its fund raising for the Qala Shallows

I sat next to a veteran analyst/broker at a company presentation last week. As usual, the discussion progressed to predictions of where the market is headed. However, while that person laboured to impress upon others his intelligence concerning economic observation and analysis and implications for market, I thought ... I have heard all this before and it has never helped me to make money. Markets never do what the "experts" predict.

I said recently that if you want to make money, then follow the money. I could have just as easily said "*the trend is your friend*". That works fine until the trend makes a break. The challenge is to recognise that break sooner rather than later, and to change your strategy.

The reality is that the insight into what moves markets is all tied up in animal behaviour analysis. If a company's share price performance can be compressed to a 24 hour time frame its share price is at fair value equilibrium level for a matter of only 5-10 minutes. The rest of the time it is beholden to human behaviour and expectations rather than fundamental analysis.

Many factors impact upon expectations, and therefore the share price from time to time, but that impact is not fixed or constant. It is as flippant as the expectations of thousands of humans that deal in markets. Think of the simultaneous group think of flocks of birds or schools of fish that swerve in unison for unexplained reasons. Economic debate can make you sound intelligent, but can it increase your chances of success in the market or should you just study the dynamics of the market itself? The ability to read the market is more important than making predictions.

Final Funding Tick for West Wits

It has taken a long time to arrange finance for the Qala Shallows Gold Project on the Witwatersrand in South Africa, but the good news keeps coming. Last Monday, West Wits announced the penultimate funding step with a US\$12.5m facility from Nebari Natural Resources Credit Fund II LP. Additional funding of up to US\$22.5m may be called upon, taking the total to US\$35m, if required. (see Stop Press note at the end of this column).

Nebari's deal is technically a debt facility at an interest rate of 14.5% but Nebari gets an equity kicker with warrants convertible at a nominal value of 35% of the loan amount with a strike price at a 30% premium to the base price, issued on drawdown. This Loan Facility was the penultimate step. The placement being undertaken at the end of last week is the final step. WWI will now be able to proceed knowing it is fully funded.

The share price has been very strong as a number of key selling points for West Wits are finally being acknowledged by the market;

- project equity increased from 66% to 74% recently through partial buy-back BEE stake
- first ore production in October 2025

- first gold pour in March 2026
- Stage 1 is 70,000 oz p.a. over a 12 year life (up from 9)
- Stage 2 could increase production to 200,000 oz p.a.
- approximately 5 Moz in reserves and resources to a vertical depth of 400m
- 10 Moz in total, taking into account depth extensions
- WWI's leases have previously produced 33 Moz from its share of the most prolific gold field in the world

WWI, and Qala Shallows, is one of the most conservatively funded gold projects you will ever see. There is approval for US\$50m of debt finance available from the IDC and the ABSA Bank. However, the banks have insisted that there is US\$25m of equity/other funding to be used first. That is where the Nebari facility steps in. At these gold prices the maximum drawdown over the next three years of project ramp-up is expected to be less than US\$50m. We may well find that the bank debt won't even be required, but that will be influenced by the gold price.

The Bottom Line

WWI is quickly becoming a sought-after institutional grade gold company. While it hasn't happened in a hurry for various reasons, all that gold has been money in the ground. The numbers have continually improved with the gold price and there has been plenty of time to de-risk the technical aspects. West Wits is not reinventing the wheel here. It will be using mining techniques that have been used for many years in the Witwatersrand gold field. The intimacy of understanding of the geology is incredibly detailed.

Rather than be concerned about the location in South Africa, investors should acknowledge that it is in the most economically advanced democracy in the continent with the longest history of political stability. Geologically, it is a fantastic address. What more needs to be said?

Stop Press: As reported in the AFR, WWI went into a Trading Halt last Thursday to raise the final amount of equity capital to get the Company into sustainable gold production.

Disclosure: Interests associated with the author is a director and own shares in West Wits.

Revolver Resources Aiming to Produce Copper

I was introduced to Revolver (RRR) for the first time last week. It is a junior copper company that was formed in 2015, but didn't IPO until late 2021, when Bell Potter led a \$12.7m raising. Its aspiration is to become a copper producer in the near future.

The Dianne Copper Mine, Qld (100%)

Located 325 km NW of Cairns, Dianne produced copper from 1973 to 1983, supplying 63,785 tonnes of DSO ore at the impressive grade of 22.7% Cu that was sold to Mitsui. At the time it was owned by White Industries Ltd and Mareeba Mining and Exploration. Revolver was floated with a 49% interest but it has since increased this to 100%.

Dianne has been characterised as a VMS-style orebody. The ground is oxidised to 25-30m, with a supergene zone beneath, and below that a hypogene zone of copper mineralisation. Mineralisation has been drilled, to some extent, to a depth of 200m below surface. There could be repeats of the high grade mineralisation but for the moment RRR is focusing on near surface mineralisation adjacent to the historical workings.

In 2024, RRR commenced process engineering work for a heap leach/SE-EW operation based on a Mineral Resource Estimate of 1.62 Mt at 1.1% Cu in the Indicated and Inferred categories (that was released in March 2023). Copper recoveries are expected to be as high as 90.4% from oxide ore. The supergene massive sulphide ore can supply a concentrate grade of 25.2% at an 82.5% recovery rate. The primary massive sulphides figures are grades of 21.6% Cu based on 82% recovery and 48% zinc on 72.8% recovery.

Proposed Four Year Mine Life

Exact details are somewhat patchy, but the plan is to develop an operation with a four year mine life that will produce copper cathode for less than A\$5,000 per tonne. The waste to ore ratio will be negligible. Capex is estimated to be \$20m, with half of that being earthworks and \$10m for the SX-EW plant. On 2 September, Revolver announced that pre-production activities were underway.

Osprey has some bold copper exploration targets

This grass roots exploration project is located in the Carpentaria Basin, 220 km north of Mt Isa. It has attracted a number of large company exploration teams over the years, including WMC. Revolver has been collecting data for the last 10 years in preparation for a drill program that will test a number of prospects down to vertical depths of

200-400m. A \$2.5m drill program might unlock huge copper riches but that is speculation at this point.

The Bottom Line

After a long period in the doldrums, the share price has risen from 3.1¢ in July, to hit 8.7¢ last week. With a resultant market capitalisation of around \$23m, that suggests people are starting to take notice. However, market liquidity is still very thin.

The headline economics look reasonable with talk of a \$120m free cash generation level over four years i.e. \$30m p.a. but the \$20m capital required to get the project going is yet to be raised. The Company believes it will be able to supply the market with information, most likely regarding debt, in the coming months.

The copper mine is aspirational at this point. So far the usual PFS and DFS studies have not been released to the market (if they have been done). That is not necessarily a problem but it increases the level of uncertainty the market may have.

The success of the company will be dependent on the competency of the board (that speaks for 25% of the share register) and its ability to implement the production plans. The more speculative side of the Company is the Osprey copper exploration ground.

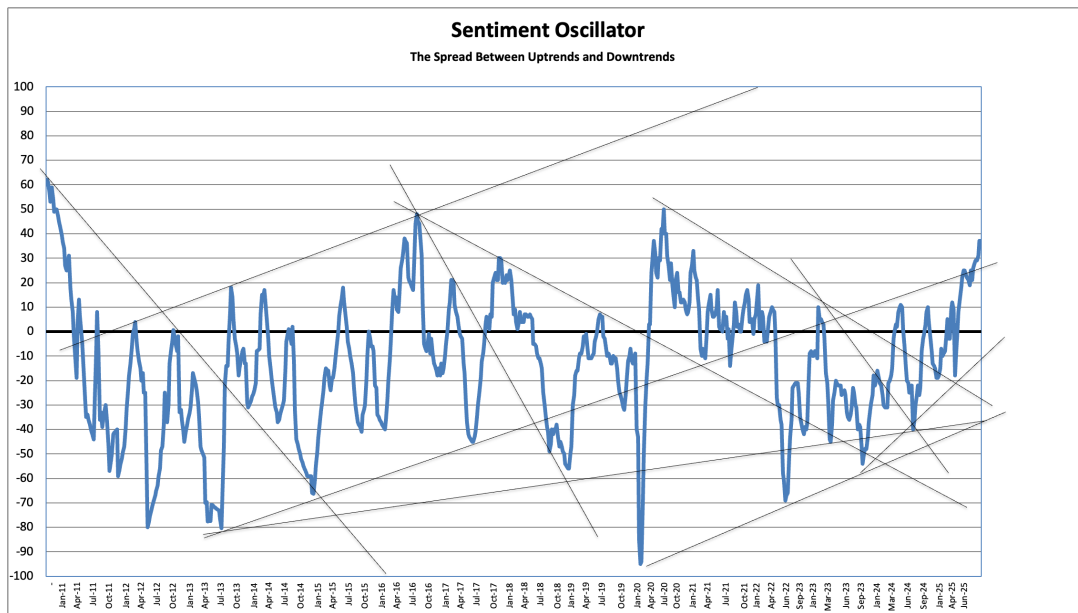
STOP PRESS: The share went into a Trading Halt on Friday for a small capital raising.

Fake Rally in Lithium

We recently saw the lithium price rise 8% and some lithium companies share prices rose by up to 35%, but alas, that was a flash in the pan. As usual the market was influenced by China. First, it looked like there were licence renewal concerns in China that observers interpreted as constraints on future supply. That concern has proved very short lived. Lithium stocks took another hit last week as CATL said it was preparing to resume operations at Jianxiawo.

We have added Revolver to the chart coverage.

Sentiment Oscillator: Sentiment was steady last week. There were 57% (57%) in uptrend and 20% (20%) in downtrend at the close of the week. The market is not yet silly, but it is strong.



Detailed Chart Comments

NB. Only the bold comments have been updated. Comments in grey type are from previous weeks and will be less relevant. Please note that this list is a cross section of the market. It IS NOT a list of recommendations.

| Indices | Code | Trend Comment | |
|----------------------------|------|------------------------------------------|---------------------------|
| All Ordinaries | XAO | pullback lower | |
| Metals and Mining | XMM | new high | |
| Energy | XEJ | breached uptrend | |
| Stocks | Code | Trend Comment (updated comments in bold) | Main Interest |
| Aguia Resources | AGR | rallying | phosphate, gold |
| Alkane Resources | ALK | new high | gold |
| Alicanto Minerals | AQI | spiked higher | base metals, silver, gold |
| Alligator Energy | AGE | down after placement | uranium |
| Almonty Industries | AII | surge to new high | tungsten |
| Alpha HPA | A4N | breached uptrend | HPA |
| American Rare Earths | ARR | correcting lower | rare earths |
| Anax Metals | ANX | new low after placement | copper |
| Andean Silver | ASL | rising again | silver |
| Arafura Resources | ARU | rising | rare earths |
| Ardea Resources | ARL | ticked higher | nickel |
| Arizona Lithium | AZL | new low | lithium |
| Ark Mines | AHK | spiked higher | rare earths |
| Astral Resources | AAR | back to support line | gold |
| Aureka | AKA | still in downtrend | gold exploration |
| Auric Mining | AWJ | down | gold |
| Aurora Energy Metals | 1AE | spike out of downtrend | uranium |
| Aurelia Metals | AMI | collapse on guidance announcement | copper + base metals |
| Aurum Resources | AUE | rising | gold |
| Australian Gold and Copper | AGC | breached downtrend | base metals, silver, gold |



























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| | | | | |
|--------------------------------|-----|-------------------------------------------------------------------------------------|------------------------------------|----------------------------|
| Australian Rare Earths | AR3 |  | spiked through downtrend | rare earths |
| Australian Strategic Materials | ASM |  | weaker | rare earths |
| BHP | BHP |  | breached uptrend | diversified, iron ore |
| Ballard Mining | BM1 |  | new IPO | gold |
| Ballymore Resources | BMR |  | rising | gold exploration |
| Barton Gold | BGD |  | rising again | gold exploration |
| Beach Energy | BPT |  | at resistance line | oil and gas |
| Beetaloo Energy | BTL |  | strongly higher | breached down trend |
| Bellevue Gold | BGL |  | sideways | gold |
| Besra Gold | BEZ |  | still down | gold |
| Black Cat Syndicate | BC8 |  | spiked higher | gold |
| Boab Metals | BML |  | spike then a placement | silver/lead |
| Brazil Critical Minerals | BCM |  | new low - two tranche plus 1 for 3 | rare earths |
| Brazilian Rare Earths | BRE |  | surge back into uptrend | rare earths |
| Brightstar Resources | BTR |  | breached downtrend | gold |
| Caravel Minerals | CVV |  | down | copper |
| Carnaby Resources | CNB |  | breaching uptrend | copper |
| Castile Resources | CST |  | testing downtrend | gold/copper/cobalt |
| Catalyst Metals | CYL |  | surge higher | gold |
| Cazaly Resources | CAZ |  | gentle uptrend | rare earths |
| Centaurus Metals | CTM |  | sideways | nickel/cobalt/HPA |
| Challenger Gold | CEL |  | surge higher | gold |
| Cobalt Blue | COB |  | down | cobalt |
| Cyprium Metals | CYM |  | testing uptrend | copper |
| Emerald Resources | EMR |  | back to highs | gold |
| Emmerson Resources | ERM |  | new high | gold |
| EQ Resources | EQR |  | new low | tungsten |
| Estrella Resources | ESR |  | down | manganese |
| Evolution Mining | EVN |  | testing uptrend | gold |
| Felix Gold | FXG |  | pullback | gold exploration, antimony |
| Finder Energy | FDR |  | uptrend | oil/gas |
| First Graphene | FGR |  | new uptrend | graphene |
| Flagship Minerals | FLG |  | spiked higher | gold |
| Genesis Minerals | GMD |  | breached uptrend | gold |
| Globe Metals and Mining | GBE |  | surge higher | niobium |
| Gold 50 | G50 |  | spike higher on discovery | gold exploration + gallium |
| Golden Horse | GHM |  | breached downtrend | gold exploration |
| Great Boulder Resources | GBR |  | steeply higher | gold exploration |
| Green360 Tech (was Suvo) | GT3 |  | down | kaolin |
| Hamelin Gold | HMG |  | down | gold exploration |
| Heavy Minerals | HVY |  | new high | garnet |
| Hillgrove Resources | HGO |  | still in downtrend | copper |
| Ittani Resources | ILT |  | spike out of downtrend | antimony |
| Iluka Resources | ILU |  | strongly higher | mineral sands |

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| | | | | |
|---------------------------|-----|-------------------------------------------------------------------------------------|-------------------------------------|--------------------------|
| Jupiter Mines | JSM |  | improving | manganese |
| Kairos Minerals | KAI |  | testing uptrend | gold |
| Kaiser Reef | KAU |  | sideways | gold |
| Kalamazoo Resources | KRZ |  | rising | gold |
| Kalina Power | KPO |  | new uptrend | carbon sequestration |
| Koba Resources | KOB |  | back to lows | uranium |
| Larvotto Resources | LRV |  | sideways through downtrend line | gold, antimony |
| Lindian Resources | LIN |  | bouncing | rare earths + bauxite |
| Lotus Resources | LOT |  | rising again | uranium |
| Lynas Corp. | LYC |  | rising again | rare earths |
| Many Peaks | MPK |  | breached uptrend | gold exploration |
| Marmota | MEU |  | spiked higher on titanium discovery | gold/uranium exploration |
| Matsa Resources | MAT |  | strongly higher | gold |
| Mayur Resources | MRL |  | sideways | renewables, cement |
| Meeka Gold | MEK |  | at highs | gold |
| MetalsX | MLX |  | back to support line | tin, nickel |
| Meteoric Resources | MEI |  | testing uptrend | rare earths |
| Metro Mining | MMI |  | rising again | bauxite |
| Midas Minerals | MM1 |  | new high | lithium |
| Native Mineral Resources | NMR |  | testing uptrend | gold |
| New Murchison | NMG |  | rising | gold |
| New World Resources | NWC |  | rising | copper |
| Nexgen Energy | NXG |  | sideways through uptrend | uranium |
| Northern Star Res. | NST |  | rising again | gold |
| Nova Minerals | NVA |  | breaching downtrend | gold exploration |
| Novo Resources | NVO |  | sideways | gold exploration |
| Omega Oil | OMA |  | rising | oil |
| Pacific Gold | PGO |  | back to lows | gold exploration |
| Paladin Energy | PDN |  | breached downtrend | uranium |
| Pantoro Gold | PNR |  | reconstruction 17 into 1 | gold |
| Patriot Battery Metals | PMT |  | strongly higher | lithium |
| Peninsula Energy | PEN |  | trading again after large placement | uranium |
| Perseus Mining | PRU |  | correcting lower | gold |
| QMiners | QML |  | rising | copper |
| Queensland Pacific Metals | QPM |  | turning down again | nickel/cobalt/HPA |
| Regis Resources | RRL |  | rising | gold |
| Regergen | RLT |  | surged higher | gas, helium |
| Revolver Resources | RRR |  | rising | copper |
| Richmond Vanadium | RVT |  | down | vanadium |
| RIO | RIO |  | at resistance line | diversified, iron ore |
| RTG Mining | RTG |  | down | copper |
| Rumble Resources | RTR |  | rising | zinc exploration |
| S2 Resources | S2R |  | spike then pullback | gold exploration |
| Santana Minerals | SMI |  | rising | gold |

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| | | | | |
|----------------------|-----|-------------------------------------------------------------------------------------|-----------------------------------|----------------------------|
| Santos | STO |  | spike higher on takeover approach | oil/gas |
| Sarytogan Graphite | SGA |  | rising | graphite |
| Scorpion Minerals | SCN |  | testing downtrend | gold exploration |
| Siren Gold | SNG |  | improving | gold exploration |
| Southern Palladium | SPD |  | spike then a placement | PGMs |
| Stanmore Coal | SMR |  | improving | coal |
| St George Mining | SGQ |  | rising again | rare earths, niobium |
| Stellar Resources | SRZ |  | gently improving | tin |
| Sun Silver | SS1 |  | higher | silver |
| Talga Resources | TLG |  | down | graphite |
| Tamboran Resources | TBN |  | testing downtrend | gas |
| Terra Uranium | T92 |  | spike on rare earths deal | uranium |
| Theta Gold Mines | TGM |  | rising again | gold |
| Toro Energy | TOE |  | breaching downtrend | uranium |
| Torque Metals | TOR |  | breached downtrend | gold exploration + lithium |
| Toubani Resources | TRE |  | new high | gold |
| Trigg Minerals | TMG |  | consolidating | antimony |
| Verity Resources | VRL |  | falling again | gold |
| Vertex Minerals | VTX |  | breached downtrend | gold |
| Waratah Minerals | WTM |  | spiked higher | gold exploration + gallium |
| Westgold Resources | WGX |  | back to highs | gold |
| West Wits Mining | WWI |  | rising | gold |
| Whitehaven Coal | WHC |  | breached uptrend | coal |
| White Cliff Minerals | WCN |  | rising gently | copper exploration |
| WIN Metals | WIN |  | gentle uptrend | gold |
| Yandal Resources | YRL |  | recovering | |
| Totals | 57% | 77 | Uptrend | |
| | 20% | 27 | Downtrend | |
| | | 134 | Total | |

Guides to Chart Interpretations

- Charts usually go pass from one trend (up or down) into the other via a period of indecision and uncertainty during which the trend can either recover or change. This period is signified by the orange colour. The orange represent both the greatest risk and greatest reward possibilities.
- Once a chart is in confirmed up or downtrends it is not uncommon for 10-20% of that trend to have already transpired.
- There are trends within trends. The focus of this chart review is the immediate trend that affects the sentiment i.e. it can be a downtrend within a long-term uptrend.
- Not every chart warrants a new comment every week. The new comments are in bold type. Grey type comments may be dated.
- Individual charts provide a single view. It is valuable to look at charts of other companies in similar commodities, and the overall sentiment is also very valuable. Not many stocks can swim against the tide.
- We periodically add or delete charts, some times for obscure reasons. If a chart consistent gives poor signals or is very erratic, we may delete it. Sometimes we add a chart because we want to see what all the fuss is about. We do have a preference for charting stocks that we cover in our research as well.
- Errors and omissions may occur from time to time, especially in fast moving markets.

Amber Lights in Tables: Just a reminder if when the amber light is used in the table – it is when the charts are ambiguous or when there is a change of trend taking place. If a chart is breaching a downtrend it can either be a positive sign or a trap. Only once it has done more work can it be confirmed as a new uptrend. Maybe it is a new uptrend (or conversely a new downtrend); the risk takers can decide to jump on board early (or sell). They will maximise their profits (or minimise their losses if indeed it is the start of the new uptrend (downtrend). More risk-averse investors should wait a little longer, being prepared to give up some of the gains in return for greater certainty.

| Weightings of Sectors Represented in the Company Charts | | | |
|---------------------------------------------------------|------------------|-----------|--|
| Sector | No. of Companies | Weighting | |
| Gold | 36 | 26.9% | |
| Gold Exploration | 18 | 13.4% | |
| Copper | 14 | 10.4% | |
| Rare Earths | 11 | 8.2% | |
| Uranium | 10 | 7.5% | |
| Oil/Gas/Hydrogen | 7 | 5.2% | |
| Iron Ore/Manganese | 4 | 3.0% | |
| Lithium | 2 | 1.5% | |
| Graphite/graphene | 3 | 2.2% | |
| Nickel | 3 | 2.2% | |
| Silver | 3 | 2.2% | |
| HPA/Kaolin | 2 | 1.5% | |
| Tungsten | 2 | 1.5% | |
| Tin | 2 | 1.5% | |
| Antimony | 3 | 2.2% | |
| Coal | 2 | 1.5% | |
| Niobium | 2 | 1.5% | |
| Potash/Phosphate | 1 | 0.7% | |
| Vanadium | 1 | 0.7% | |
| Zinc/Lead | 1 | 0.7% | |
| PGMs | 1 | 0.7% | |
| Mineral Sands | 1 | 0.7% | |
| Bauxite | 1 | 0.7% | |
| Cobalt | 1 | 0.7% | |
| Other | 3 | 2.2% | |
| Total | 134 | | |

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