

1 November 2025

Chart comments at Friday's Close

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Two copper stocks; Caravel and Somerset

As I said a couple of weeks ago, the market would be unable to sustain the enthusiasm for much more than a week or two. Everything was going up on hot air, with rare earth stocks being the worst offenders. History has repeated itself and we have entered a period of better sanity and correction. Coincidentally, gold has decided to take a breather and gold company share prices have come off, through at these levels the gold mines should still be enormously profitable.

This week are taking a look at some copper stocks while we wait for the dust to settle on other resource sectors. We have revisited Caravel, a large, low grade project in WA that is undergoing feasibility studies. At the other end of the scale we introduce a new explorer, Somerset Minerals, operating in northern Canada.

Copper - maybe "critical" but always essential

Copper companies will love to tell you how important they are in the increasing electrification of the world - and they are - but the commodity price never gets wild. It responds to industry supply shocks that create short term price strength, but it has been range bound between US\$3.50/lb and US\$5.00/lb for the last five years. The sector is dominated by very large scale projects that take years to find, finance and develop, and then continue mining for many decades. Nevertheless, there is always a smattering of more exciting exploration companies that may tickle you fancy and offer speculative upside irrespective of the copper price in any one month. A good example of this is Somerset Minerals.

Caravel has Been Progressing Towards DFS

We last covered Caravel Minerals (CVV) in 2020, when it was an early stage, prospective large tonnage copper project in WA. Interestingly, the shares were strongly supported at the time notwithstanding the low grade tenor of the deposit. The share price increased from 9¢ in November 2020, to peak at 60¢ in June 2021. It was what the market wanted at the time. More recently though, the shares have been trading in the range of 15-20¢, carrying a market capitalisation of around \$90m.

Location is a big advantage

The Caravel Copper Project is in a very favourable location only 150 km or two hours drive from Perth, in the wheatbelt of WA, with easy access to all infrastructure. A point of historical interest is that it was originally found by Dominion Mining when doing some roadside sampling.

Substantial Mineral Resources

Caravel comprises 1.276 Bn tonnes of M/I/I (12%/43%/45%) ore grading 0.24% Cu and 47 ppm of molybdenum, in two deposits, Bindi and Dasher, applying a 0.1% cut-off. Minor gold and silver are also contained. Proved and

Probable Resources total 583 Mt at 0.24% Cu. Drilling has been mostly on a 50m x 50m grid and it has been drilled to a depth of 600m. The orebodies have been extensively drilled with 154,000m, comprising 80,000m of RC, 20,00m of diamond core and 53,000m of aircore.

Basic project and production parameters

There is nothing unconventional about this project. It will start with be a 25 year life open pit mine to a depth of 400m at the Bindi pit, with a waste to ore ratio of 1.04:1 in the early years. There is almost no internal waste with bulk mining minimising the dilution risk for an orebody that will average 100-150m in width.

Processing will be through a well-established concentrator design that will produce concentrates containing 65,000 tpa of copper grading 23%, 15,000 oz p.a. of gold and 660,000 oz of silver. Sixty percent of the concentrate will be recovered in the first pass and the remaining 40% will be recovered once reground to 45 μ m. About 1,100 t of molybdenum will report to a separate concentrate. The 300,000 tpa of copper concentrates will be shipped to the ports in either Bunbury or Geraldton.

Project scalability and operating costs

When you have a low grade copper project it is all about scale. Here, the plan is to process 25 Mtpa with a head grade of 0.26% Cu for the first five years of a 20-25 year mine life. An 88% recovery rate would enable production of 126 Mlb Cu p.a.

With a copper price of US\$4.85/lb the revenue could be US\$36 per tonne. Credits from gold, silver and molybdenum would increase this figure to US\$43 pt. The AISC looks as if it could be in the order of US\$21-26 per tonne, meaning an operating profit margin of about 50%. So, the project looks good at recent copper prices, even with the low grade.

Project finance and funds in the meantime

A big project requires big money. Here, we are looking at a \$1.9bn capital cost. This may be intimidating for investors in the smaller end of the market, but it is less so for institutions and banks that are motivated by the opportunity to make serious investments and charge fees. It takes time to arrange this sort of finance but provided the correct procedures are followed, and the project passes due diligence, finance becomes more procedural. Being located in the safest jurisdiction in the world, well serviced by infrastructure and close to Perth, actually means that many risk factors are minimised.

The \$1.9bn could comprise \$1.1bn of debt and equity contributions of \$0.8bn. This will probably come from the sell-down of equity in the project to companies with a strong balance sheet. Export Credit Agencies and smelter will probably feature as well. Fleet financing could come up

with \$250m in a specific transaction. Caravel would be happy if it could retain 50% of a fully financed project.

In the interim, CVV has secured a \$15m secured loan from Regal Resources Royalties Fund to get it to the completed DFS point, at which time the accumulated expenditure will be around \$40m. The Regal loan matures in January 2027. It has a 10% interest rate and security is general over company assets. It can be converted to a 0.75% NSR.

The Bottom Line

There is a world of difference between smaller, higher grade copper deposits and large tonnage low grade projects like Caravel. The smaller projects are more anxious to get up and running earlier, whereas it is all about getting the numbers right for the larger ones. It takes time and there is no rushing the banks. The level of due diligence is very intense. Theoretically, this means there is less chance of technical errors bringing the project unstuck once it gets into production. The larger projects are more suitable for long term, institutional investors.

Caravel ticks most of the boxes at this juncture. The copper price is always a consideration that can offer near term trading opportunities, but this company stands out as a legitimate, long term copper play.

Ardea has Scandium as Well

Although it hasn't featured in any of the narrative, I have been reminded that Ardea Resources (ARL) also has scandium. This should not be surprising as its Kalgoorlie Nickel Project (KNP) is based on laterite nickel which is known to have associated scandium. In fact, in the release of 22 September, 2025, ARL refers to Ni-Co-Sc mineralisation. Back in 2017, ARL tabled a list of scandium assays with grades from 62.5 gpt to 147.7 gpt. Firm numbers on the scandium component may be released when the Company gets around to updating the Mineral Resource for the DFS.

Coincidentally, Ardea's JV partner, Sumitomo Metal Mining, is already one of the world's largest scandium producers with around 15% of the market. This comes from the nickel laterite operation at Taganito, in the Philippines where they recover Sc with an average grade of ~ 25ppm from the Ni-Co bearing ore solution. However, due to the currently low prevailing Sc price, Sumitomo currently has the Sc refinery turned off.

Ardea is keeping its options open with respect to scandium production, leaving space within the process design. It will be dependent upon positive economic expectations. It could pursue the Taganito route to produce a scandium oxalate that could be refined to achieve a metal product. Again, more information will be available when the DFS is completed.

Somerset is very bullish on Nunavut in Canada

About six months ago we introduced you to White Cliff Minerals (WCN), an ASX-listed company exploring for copper in the Nunavut region of Northern Canada. At the time the shares ran from 1.6¢ to peak at 3.7¢ on the back of positive drilling results, including an intercept of 175m at 2.5% Cu. It then raised \$14.4m in a placement at 4¢, being a 38% premium to the market at the time, but the shares have since drifted back to 1.8¢. I was wondering whether it was time to go into the market at these levels when I came

across another Australian explorer active in the same region; Somerset Minerals (SMM).

Somerset arose from the ashes of Tempus, when Chris Hansen and his team moved from being a non-executive director to assume the role of MD in July 2024. This ushered in a period of changes including the consolidation of shares on the ratio of 5 into 1, and some funding rounds. The future direction of the Company became clear with the acquisition of copper exploration ground adjacent to White Cliff, in Nunavut.

Some background on the geology

Somerset's land package covers 1,665 km² that hosts 112 historical copper occurrences. Some very high grade rock chip samples were released, but I won't mention the grades as you should know from my past Commentaries that I believe they can be very misleading in the context of average mineralisation grades. They are too selective. If you really want them, go to the ASX releases.

Simplifying the geology, we are looking at large basalt flows that generally have high copper background grades of 200-400 ppm Cu. Extensive faulting has allowed the migration of copper mineralisation into and along these faults into classic trap sites, including structural jogs, where pressure changes encourage the deposition of the copper. A number of styles of mineralisation have been identified including vein hosted and brecciated basalt. The dominant copper mineral is chalcocite. Most of the ground is covered by glacial till but there is little or no oxidised layer to consider.

Back in the 1960s, when the potential was first realised, there was a copper exploration ground rush, but for some reason the prospectivity has remained under-explored since then.

Excellent early drill results

Somerset's maiden drilling program commenced in July 2025, following on from the mandatory geophysical surveys. Previous historical drilling had defined non-JORC resources in the east of the licences, about 25 km south of Kugluktuk, within a 5.5 km high-grade copper trend.

The first hole into **Jura** (I love that the prospects are named after Islay whiskys) returned 42.7m at 2.69% Cu, from a depth of 15.2m (including 16.8m at 3.96% Cu). Subsequent drilling has confirmed down-dip continuity to at least 160m and geophysics suggest that mineralisation could go down to a depth of 600m. As of last week there had been 10 holes drilled and assays were pending upon six of them.

Jura looks like it could have a strike length of 250-300m and an average width of 40m. If you apply an S.G. of 3, it could easily host a 25-35 Mt, fault-hosted target.

Management is attuned to what is required

Somerset is run tightly with two geologists running the show. The CEO, Chris Hansen has had a career involving appointments with global mining houses, as well a five-year stint with Appian Capital, a large UK based investor in mining projects. Alex Vilela, the company geologist, spent time with Sandfire on its De Grussa copper project, as well as numerous other positions with ASX and TSX listed companies across base and precious metals

The Bottom Line

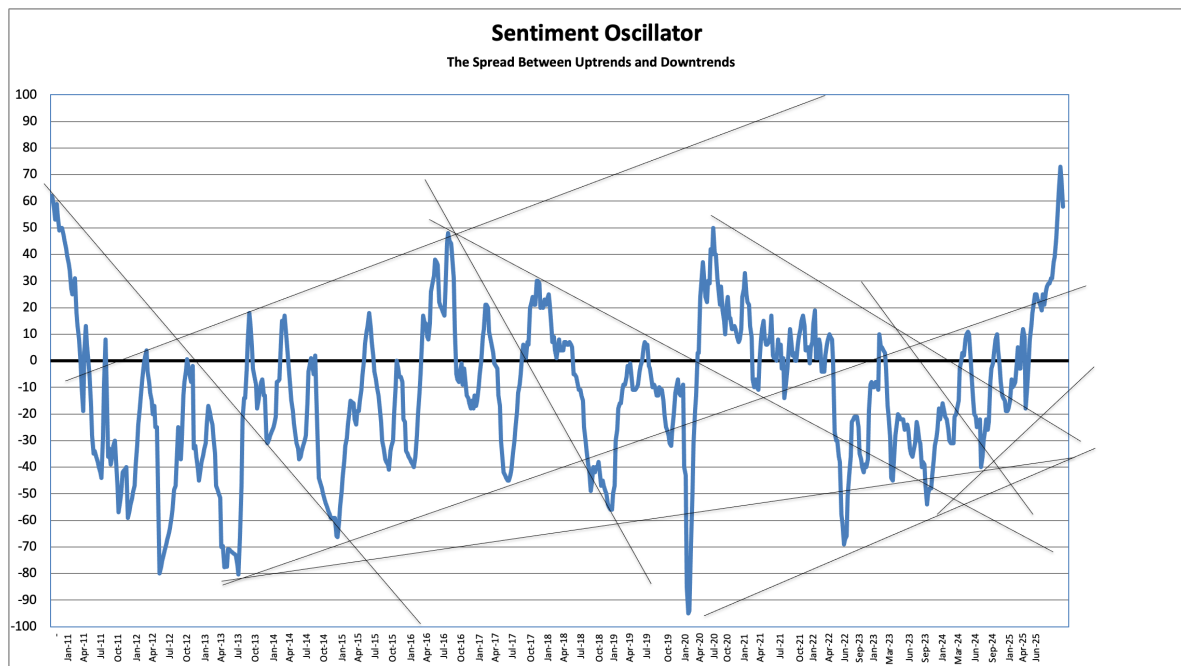
It is interesting to see Australian companies getting involved in copper exploration near Nunavut. White Cliff Minerals was the first one and now we have Somerset.

Both companies have been coming up with good grades. Somerset has a larger land package that actually surrounds White Cliff. Market capitalisations are \$15m and \$44m respectfully, so Somerset looks cheaper. White Cliff is well funded whereas Somerset has about \$1.5m in the bank. When questioned on when it would raise money, Somerset said it had no immediate plans and not until it had brought

more drill results to the market. Both companies are actively drilling, so news flow is anticipated from this copper exploration hot spot.

Somerset would seem to be at ground floor price levels right now. It offers good copper exploration exposure - good grades and active drilling. The odds are that its share price can perform strongly from these levels. It is worth being on your radar.

We have added Somerset to the chart coverage.



Sentiment Oscillator: Sentiment continued to fall during the week as markets were moving back towards a more reasoned view. There were 72% (78%) of shares under coverage in uptrend, and only 14% (10%) in downtrend.

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		come back to support line	
Metals and Mining	XMM		new high, then a pullback	
Energy	XEJ		breached downtrend	
Stocks	Code		Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR		at lows	phosphate, gold
Alkane Resources	ALK		off its highs	gold
Alicanto Minerals	AQI		spiked higher	base metals, silver, gold
Alligator Energy	AGE		down	uranium

Almonty Industries	All		surge to new high	tungsten
Alpha HPA	A4N		down	HPA
American Rare Earths	ARR		spiked higher then heavy slump	rare earths
Anax Metals	ANX		rising again	copper
Andean Silver	ASL		heavy correction	silver
Arafura Resources	ARU		heavy slump on \$475m placement	rare earths
Ardea Resources	ARL		rising	nickel
Ark Mines	AHK		new high	rare earths
Astral Resources	AAR		new high	gold
Aureka	AKA		spiked higher	gold exploration
Auric Mining	AWJ		rising	gold
Aurora Energy Metals	1AE		spiked higher	uranium
Aurelia Metals	AMI		recovering	copper + base metals
Aurum Resources	AUE		testing uptrend	gold
Australian Gold and Copper	AGC		rising	base metals, silver, gold
Australian Rare Earths	AR3		heavy slump	rare earths
Australian Strategic Materials	ASM		heavy correction	rare earths
BHP	BHP		rising	diversified, iron ore
Ballard Mining	BM1		rising	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		higher	gold
Besra Gold	BEZ		spiked higher	gold
Black Cat Syndicate	BC8		spiked higher	gold
Boab Metals	BML		spike then a placement	silver/lead
Brazilian Rare Earths	BRE		new high	rare earths
Brightstar Resources	BTR		consolidating	gold
Caravel Minerals	CVV		breached downtrend	copper
Carnaby Resources	CNB		rising	copper
Castile Resources	CST		pullback to support	gold/copper/cobalt
Catalyst Metals	CYL		pullback	gold
Cazaly Resources	CAZ		spiked higher	rare earths
Centaurus Metals	CTM		rising	nickel/cobalt/HPA
Challenger Gold	CEL		surge higher	gold
Cobalt Blue	COB		down heavily	cobalt
Cyprium Metals	CYM		higher	copper
Emerald Resources	EMR		back to highs	gold
Emmerson Resources	ERM		new high	gold
EQ Resources	EQR		spiked higher	tungsten
Estrella Resources	ESR		down	manganese
Evolution Mining	EVN		new high	gold
Felix Gold	FXG		heavy slump	gold exploration, antimony

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Finder Energy	FDR		spiked to new high	oil/gas
First Graphene	FGR		new high	graphene
Flagship Minerals	FLG		spiked higher	gold
Genesis Minerals	GMD		surge to new high	gold
Globe Metals and Mining	GBE		off its highs	niobium
Gold 50	G50		surge higher	gold exploration + gallium
Golden Horse	GHM		rising	gold exploration
Great Boulder Resources	GBR		steeply higher	gold exploration
Green360 Tech	GT3		rallying	kaolin
Hamelin Gold	HMG		down	gold exploration
Hawk Resources	HWK		rising	scandium
Heavy Minerals	HVY		new high	garnet
Hillgrove Resources	HGO		weaker	copper
Iltani Resources	ILT		off its highs	antimony
Iluka Resources	ILU		strongly higher	mineral sands
Investigator Resources	IVR		back to support line	silver
Jupiter Mines	JSM		improving	manganese
Kairos Minerals	KAI		rising	gold
Kaiser Reef	KAU		new high	gold
Kalamazoo Resources	KRZ		rising	gold
Kalina Power	KPO		good rise	carbon sequestration
Koba Resources	KOB		steep rise	uranium
Larvotto Resources	LRV		return to highs	gold, antimony
Lindian Resources	LIN		slump	rare earths + bauxite
Lotus Resources	LOT		rising again	uranium
Lynas Corp.	LYC		heavy slump	rare earths
Many Peaks	MPK		down	gold exploration
Marmota	MEU		higher	gold/uranium exploration
Matsa Resources	MAT		strongly higher	gold
Mayur Resources	MRL		sideways	renewables, cement
Meeka Gold	MEK		at highs	gold
MetalsX	MLX		new high	tin, nickel
Meteoric Resources	MEI		new high	rare earths
Metro Mining	MMI		rising again	bauxite
Midas Minerals	MM1		new high	lithium
Native Mineral Resources	NMR		down	gold
New Murchison	NMG		rising	gold
New World Resources	NWC		rising	copper
Nexgen Energy	NXG		rising again	uranium
Northern Star Res.	NST		rising again	gold
Nova Minerals	NVA		heavy fall	gold exploration
Novo Resources	NVO		spike higher	gold exploration
Omega Oil	OMA		rising	oil
Pacific Gold	PGO		spiked higher on gold acquisition	gold exploration

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Paladin Energy	PDN		breached downtrend	uranium
Pantoro Gold	PNR		heavy correction	gold
Patriot Battery Metals	PMT		pullback	lithium
Peninsula Energy	PEN		steep rise	uranium
Perseus Mining	PRU		new high	gold
Prairie Lithium	PL9		new low	lithium
QMiners	QML		rising	copper
Queensland Pacific Metals	QPM		rising	nickel/cobalt/HPA
Regis Resources	RRL		rising	gold
Renegen	RLT		pullback	gas, helium
Revolver Resources	RRR		rising	copper
Richmond Vanadium	RVT		down	vanadium
RIO	RIO		rising	diversified, iron ore
RTG Mining	RTG		improving	copper
Rumble Resources	RTR		rising	zinc exploration
S2 Resources	S2R		sideways	gold exploration
Santana Minerals	SMI		rising	gold
Santos	STO		slump	oil/gas
Sarytogan Graphite	SGA		sideways	graphite
Scorpion Minerals	SCN		spiked higher	gold exploration
Siren Gold	SNG		spiked higher	gold exploration
Southern Palladium	SPD		spiked higher	PGMs
Stanmore Coal	SMR		improving	coal
St George Mining	SGQ		rising again	rare earths, niobium
Stellar Resources	SRZ		strongly higher	tin
Sun Silver	SS1		higher	silver
Sunrise Metals	SRL		rising	scandium
Talga Resources	TLG		down	graphite
Tamboran Resources	TBN		rising	gas
Terra Uranium	T92		higher	uranium
Theta Gold Mines	TGM		rising again	gold
Toro Energy	TOE		spiked higher	uranium
Torque Metals	TOR		down	gold exploration + lithium
Toubani Resources	TRE		new high	gold
Trigg Minerals	TMG		spiked higher	antimony
Verity Resources	VRL		down	gold
Vertex Minerals	VTX		down	gold
Waratah Minerals	WTM		off its highs	gold exploration + gallium
Westgold Resources	WGX		new high	gold
West Wits Mining	WWI		rising	gold
Whitehaven Coal	WHC		breached uptrend	coal
White Cliff Minerals	WCN		down	copper exploration
WIN Metals	WIN		spiked higher	gold
Yandal Resources	YRL		new high	

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Totals	72%	98	Uptrend	
	14%	19	Downtrend	
		136	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	26.5%	
Gold Exploration	18	13.2%	
Copper	14	10.3%	
Rare Earths	12	8.8%	
Uranium	10	7.4%	
Oil/Gas/Hydrogen	7	5.1%	
Iron Ore/Manganese	4	2.9%	
Lithium	2	1.5%	
Graphite/graphene	3	2.2%	
Nickel	3	2.2%	
Silver	4	2.9%	
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	136		

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