

Agua is Selling Gold: Now for the Ramp-Up

The markets have reverted to reacting sensibly to economic news e.g fluctuations in interest rates. That is good to see, whichever way it moves. At the moment markets are more predictable. Last night's announcement that Trump was threatening a 50% tariff on imports from the EU and 25% on iPhones seems to have been absorbed without too much drama, but let's see if it means a turning point in the recovery.

Sentiment is still strong with the stocks under chart coverage. There is good reactivity to positive exploration results. Money is being raised, though too often at ridiculous discounts to the market prices. Takeover activity is accelerating with a number of deals being announced e.g. the New World Resources takeover.

Share consolidations seem to be in favour as companies tidy up registers with excessive numbers of shares on issue. Brightstar (BTR) and Pantoro (PNR) are examples of gold producers that recently consolidated aggressively with a positive effect on the price. These companies are different to those ratbag companies that just want to reset in preparation for subsequently blowing out the capital again.

This week we cover recent announcements by Agua and a few more companies from the RIU Conference. We ran out of space to include our thoughts on Zeotech (ZEO), but any commentary on that company must first include a recollection of what a disaster Andromeda - also a kaolin company - turned out to be. Is Zeotech going down the same path? We hope not, for shareholders' sake. More next week on kaolin stocks.

Agua is Selling Gold, now it has to ramp up

For those of you who are regular readers you will be aware that Agua Resources (AGR) is one of my favourite stocks. Being Chairman and a large shareholder certainly focuses my mind, but I also have a mission to make this a company of which shareholders can be proud.

Drilling has started, to assess resource potential

With this little introduction I am pleased that last week the Company made two very significant releases. The first one documented the commencement of exploration/extensional drilling at the Santa Barbara Gold Project, in Colombia.

Agua has been an unusual case in that it has started mining and processing ore but the ASX has refused to recognise that there is a gold mine there because there is not yet a JORC Resource. That means the Company has been precluded from giving any guidance. AGR isn't yet allowed to call it a mine. Hopefully that will change soon.

First gold sales achieved

The second announcement detailed the sale of the gold that was produced from the "no mine". There isn't a mine,

but gold is being produced. Where does the ASX think that gold came from? I think it could be from a mine!

So, the processing plant is operating well now after a drought that affected production for two months, limiting what the plant could handle and impeding the operation of the thickener. That has changed with the breaking of the drought and the installation of additional water supplies. The capacity will be at the 50 tpd level any day now with the installation of an additional four agitator tanks, taking the total to 10. The "mine" now has to ramp up production with accelerated underground development, to enable the plant to operate at full capacity.

Plant & mining improvements are continuing

Another plant improvement is likely to happen with the installation of a flotation cell, after the material passes through the thickener. A simple flotation cell will remove approximately 50% of the material from the circuit before it goes to the agitator tanks. Think of it as beneficiation. This could mean that there will be a doubling of the treatment capacity i.e. a fast track to 100 tpd because the grade to the agitation tanks is boosted. However, we shouldn't get ahead of ourselves with predictions yet. There will be a week or two of test work to do before committing to this modification.

The plant capacity causes us to focus on the deliverability of vein material (ore) from the mine. That is now the final bottleneck to be overcome. Ore production is a function of how much development has been conducted, so development needs to be increased. This will happen with the installation of more labour efficient equipment and as the ASX release says, with the increasing of the drilling rounds from 1.8m to 2.4m and eventually to 3.0m. More development means more ore extraction, and increasing gold production. That is normal for underground mines.

Some arm waving on what the drilling could mean

Getting back to the drilling announcement, it is important because it could lead to a JORC ore resource in a relatively short period of time. This would allow the Company to call it a mine and enable official guidance projections without upsetting the ASX.

The program of 25 holes is more like extensional drilling. We know where the "orebody" sits in terms of direction, dip and plunge. It is really just a matter of proving that it goes to where we already believe it to be.

Think about the economics for a minute. If the drilling demonstrates 100,000 oz - entirely possible, but not guaranteed - it could have a dramatic effect on the value of the Company. Consider the gold price at US\$3,200/oz and consider that 30 gpt orebodies can produce gold at circa US\$400-500/oz. It is a simple step to say 100,000 oz times a margin of US\$2,800/oz implies a US\$280m value uplift. Adjust this for mine and metallurgical recovery, and for time value of money, and you still get an impressive figure. If

you then adjust for royalties and taxation, and unknown events, and you still get a multiple of the current market capitalisation. If the vein system extends by 50-100m vertical, you could extrapolate the numbers over 500-1,000m depth and get a stunning number. Talk about leverage! I'll stop there because some people don't like me talking my own book. If you want further insight, click on the following links to a couple of videos made recently.

https://oceania.mjoll.no/shares/KToPpQNqTKayjPmmLW2q_w



Disclosure: Interests associated with the author own shares and options in Aguia Resources. The author is Chairman of the Company.

RIU Conference - More Quick Notes

Delta Lithium - the gold spin-out is on track

We mentioned Delta (DLI) after the RIU Conference in Fremantle back in February, thinking that the gold assets were quite interesting - certainly more so than the lithium projects in WA. The impending spin-out of the gold project as Ballard Mining will provide us with another gold vehicle to play with.

Delta announced terms on 15th of May. Shareholders will receive one Ballard share for every 11.25 shares in Delta as an in-specie distribution. Simultaneously, Ballard will undertake a \$25-30m raising and apply for ASX listing. The whole process is expected to be completed by early July 2025, but this may be a little optimistic. Things usually take longer.

The Mt Ida Project resource has been upgraded to 10.3 Mt at 3.33 gpt, containing 1.1 Moz. We look forward to receiving more technical information in the disclosure documents.

New World - Takeover by Central Asia Metals

The ink has only just dried on my commentary last week in which I suggested New World Resources could be worth buying as a genuine copper play. Last Wednesday Central Asia Metals entered into a Scheme Implementation Deed to do just that, whereby it will acquire 100% of the capital of New World. The share price has immediately jumped from 3¢ to 4.9¢ - a useful rise.

Pursuit Minerals - looking for greener (gold) ground

Pursuit Minerals (PUR) is another company that has fallen out of favour due to its commitment to lithium. Its market capitalisation has fallen to less than \$4m. Back in early 2021, the share price was \$4.40. Last week it was 4¢.

The brine lithium project in Argentina is actually progressing nicely with a 250 tpa pilot commissioned recently and a PFS due in June, but who really cares right now?

The reason for mentioning Pursuit is that it is not wedded to lithium alone. The Company wants to stay with the Argentinian focus because the country is looking increasing better with the change in "management" i.e. the new

President, Javier Milei. So, it is looking around for gold projects.

The CEO, Arron Revelle, is not a technical man. He comes from a background of corporate finance and he confidently backs his ability to find a worthwhile gold project in Argentina. If he selects the right one, and is able to back it up with a capital raising initiative, it could be game-on again. The 50:1 share consolidation last December has probably made the capital quite tight, and therefore responsive to any good news.

Nagambie Resources (NAG) - where is the money?

Although it didn't present at RIU, I'll quickly mention NAG. The last quarterly showed a cash balance at 31/3/25, of a measly \$34,000. There was a figure of \$662,000 listed under cash equivalents at the same date, with a statement that items 4.6 and 5.5 in the Appendix 5B should be the same. They are not. A footnote says that tenement bonds have been reclassified as restricted cash. That is just not accurate. They should never be classified as any type of cash, unless the licences are surrendered. To the contrary, the Victorian Government is reviewing all licence bonds and is progressively increasing them by a significant margin. That could be a problem for NAG.

The Company is living on borrowings but how long will it curry favour with the lenders (even if they are a 19.9% shareholder). There has to be a share issue of some sort, soon, as it is unwise for junior exploration companies to rely on debt finance alone. NAG has been getting great drilling results with its gold/antimony project but it is not going to get very far on \$34,000. Further, we have seen many more antimony plays in the market over the last year. Any early mover advantage that NAG did have is now lost. There are plenty of other ways to play antimony.

Disclosure: The author has been a director of NAG in the past, but resigned in 2024. Interests associated with the author have a residual interest in convertible notes in the Company, that are not traded

WIN Metals - switch from nickel to gold

WIN is yet another company that has decided that gold is a better place to be, especially since its original focus, nickel, is looking so RS now.

WIN completed the acquisition of the Butchers Creek Gold Project in November 2024, whereby it obtained a 100% interest from the previous owner, Meteoric Resources. The consideration was \$1m in cash and shares to the value of \$1.75m (using a WIN share price of 2.5¢). Another \$1m cash is payable after 18 months, and a further \$1.25m is payable after 20,000 oz of production. Meteoric obviously thinks better of its rare earths project in Brazil.

Butchers Creek is in an isolated part of the Kimberley, 30 km SE of Halls Creek, with an historical production profile of 52,000 oz at 2.09 gpt from 1995-97. The current mineral resource is 5.6 Mt at 2.0 gpt for 359,000 oz (Indicated and Inferred). Since 2020, Meteoric has done a fair bit of drilling that has extended the mineralisation beyond the open pits with intercepts such as 69m at 4.38 gpt, 56m at 2.69 gpt 45m at 2.25 gpt and 53m at 2.14 gpt, mostly below 200m depths. Due diligence drilling by WIN has achieved intercepts of 66m at 1.89 gpt from 280m, including 17m at

3.1 gpt, and 10m at 2.54 gpt from 368m, including 3m at 5.7 gpt.

Elsewhere, 6km north of Butchers, the Golden Crown Prospect offers higher grade mineralisation in the top 100m of depth over a 600m strike length. Intercepts announced last November include 6m at 10 gpt from 253m and 2m at 8.08 gpt from below 100m depth. There is already a resource of 38,000 oz.

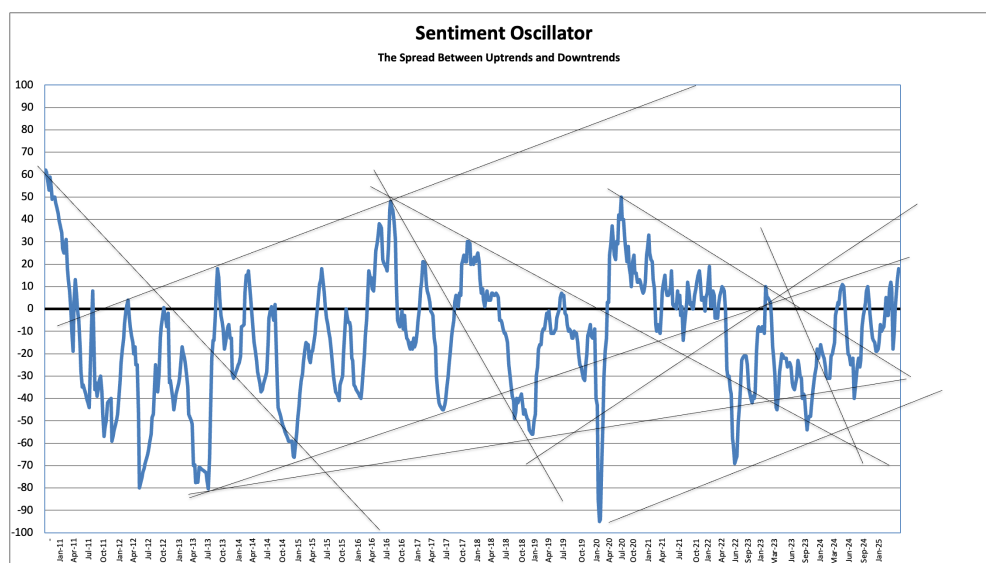
WIN has an interesting gold project here. Three years ago I wasn't very interested in the larger, lower grade resource, but economics have changed with the gold price. What was previously considered uneconomic can now been very profitable. Lower grade positions always offer the best leverage to the rising gold price. The high grade from Golden Crown could be a useful sweetener.

The market capitalisation is currently \$10.5m with a 1.9¢ share price. At 31/3/25, it had cash of \$1.9m. It would seem

as if the market is yet to fall in love with the Company. Yet, it only needs \$10m to do a trial mining operation. A small, 250,000 tpa operation could produce 20,000 oz p.a. and \$40m cash flow. A subsequent, larger 750,000 tpa operation for 50,000 oz p.a. would cost more - maybe \$80m. There is still lots of work to do, but people who like to move early could get a good entry price now. It is priced at option value.

Something also worth mentioning is that the management of Steve Norregaard as CEO. He adds something of value and credibility with his experience in operating mines over many decades.

We have deleted Sandfire from chart coverage and added WIN.



Sentiment Oscillator: Sentiment was steady. There were 45% (47%) in uptrend and 28% (29%) in downtrend at the close of the week.

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	strongly higher	
Metals and Mining	XMM	breached downtrend	
Energy	XEJ	rallying	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR	strong recovery	phosphate, gold
Alkane Resources	ALK	rising	gold
Alicanto Minerals	AQI	down	base metals, silver, gold
Alligator Energy	AGE	testing ST uptrend	uranium

Almonty Industries	All		surge to new high	tungsten
Alpha HPA	A4N		strong breach of downtrend	HPA
American Rare Earths	ARR		testing downtrend	rare earths
Anax Metals	ANX		new low after placement	copper
Andean Silver	ASL		back to downtrend	silver
Arafura Resources	ARU		rising	rare earths
Ardea Resources	ARL		breached uptrend	nickel
Arizona Lithium	AZL		new low	lithium
Astral Resources	AAR		sideways above resistance line	gold
Aureka	AKA		drifting lower	gold exploration
Auric Mining	AWJ		down	gold
Aurora Energy Metals	1AE		breached resistance line	uranium
Aurelia Metals	AMI		rising	copper + base metals
Aurum Resources	AUE		rising	gold
Australian Gold and Copper	AGC		sideways below resistance line	base metals, silver, gold
Australian Rare Earths	AR3		testing downtrend	rare earths
Australian Strategic Materials	ASM		heavy correction	rare earths
BHP	BHP		rising again	diversified, iron ore
Ballymore Resources	BMR		breached downtrend	gold exploration
Barton Gold	BGD		rising	gold exploration
Beach Energy	BPT		down	oil and gas
Bellevue Gold	BGL		further slump on placement	gold
Besra Gold	BEZ		still down	gold
Black Cat Syndicate	BC8		new high	gold
Boab Metals	BML		spike higher	silver/lead
Brazil Critical Minerals	BCM		new low - two tranche plus 1 for 3	rare earths
Brazilian Rare Earths	BRE		breached downtrend, but pullback	rare earths
Brightstar Resources	BTR		strong rise after consolidation	gold
Caravel Minerals	CVV		down	copper
Carnaby Resources	CNB		breaching downtrend	copper
Castile Resources	CST		testing downtrend	gold/copper/cobalt
Catalyst Metals	CYL		surge higher	gold
Cazaly Resources	CAZ		new low	rare earths
Celsius Resources	CLA		at lows	copper
Centaurus Metals	CTM		testing downtrend	nickel/cobalt/HPA
Challenger Gold	CEL		surge higher	gold
Cobalt Blue	COB		back to lows	cobalt
Cyprium Metals	CYM		rising	copper
Delta Lithium	DLI		breached downtrend	gold/lithium
Emerald Resources	EMR		back to highs	gold
Empire Energy	EEG		down	gas
Emmerson Resources	ERM		breached uptrend	gold
EQ Resources	EQR		lower on placement	tungsten
Estrella Resources	ESR		rising	manganese

This commentary is provided at no charge and in good faith from sources believed to be reliable and accurate. Far East Capital Ltd directors and employees do not accept liability for the results of any action taken on the basis of information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting on information contained therein. Please see **Disclosure of Conflicts of Interest** at the end of this commentary.

Evolution Mining	EVN		rising	gold
Felix Gold	FXG		pullback	gold exploration, antimony
First Graphene	FGR		sideways	graphene
Fortescue Metals	FMG		testing uptrend	iron ore
Genesis Minerals	GMD		rising	gold
Globe Metals and Mining	GBE		down	niobium
Gold 50	G50		breached uptrend	gold exploration + gallium
Golden Horse	GHM		rallying after a correction	gold exploration
Great Boulder Resources	GBR		steeply higher	gold exploration
Green360 Tech (was Suvo)	GT3		steeply higher	kaolin
Hamelin Gold	HMG		rising	gold exploration
Heavy Minerals	HVY		new high	garnet
Hillgrove Resources	HGO		new uptrend	copper
Iltani Resources	ILT		rising again	antimony
Iluka Resources	ILU		strong bounce	mineral sands
Jupiter Mines	JSM		improving	manganese
Kaiser Reef	KAU		improving	gold
Kalina Power	KPO		sideways	carbon sequestration
Koba Resources	KOB		down	uranium
Larvotto Resources	LRV		testing uptrend	gold, antimony
Lindian Resources	LIN		testing downtrend	rare earths + bauxite
Lotus Resources	LOT		continuing down	uranium
Lynas Corp.	LYC		rising again	rare earths
Many Peaks	MPK		rising	gold exploration
Marmota	MEU		spiked higher on titanium discovery	gold/uranium exploration
Matsa Resources	MAT		strongly higher	gold
Mayur Resources	MRL		down	renewables, cement
Meeka Gold	MEK		uptrend	gold
MetalsX	MLX		back to support line	tin, nickel
Meteoric Resources	MEI		breached downtrend	rare earths
Metro Mining	MMI		on its support line	bauxite
Midas Minerals	MM1		new high	lithium
Native Mineral Resources	NMR		steeply higher	gold
New Murchison	NMG		sideways	gold
new World Resources	NWC		rising	copper
Nexgen Energy	NXG		rising	uranium
Northern Star Res.	NST		rallying	gold
Nova Minerals	NVA		breached downtrend	gold exploration
Novo Resources	NVO		rising gently	gold exploration
Pacific Gold	PGO		breached downtrend	gold exploration
Paladin Energy	PDN		strong recovery	uranium
Pantoro	PNR		reconstruction 17 into 1	gold
Patriot Battery Metals	PMT		pullback after strong rally	lithium
Peninsula Energy	PEN		suspended	uranium

This commentary is provided at no charge and in good faith from sources believed to be reliable and accurate. Far East Capital Ltd directors and employees do not accept liability for the results of any action taken on the basis of information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting on information contained therein. Please see **Disclosure of Conflicts of Interest** at the end of this commentary.

Perseus Mining	PRU		correcting lower	gold
QMiners	QML		still down	copper
Queensland Pacific Metals	QPM		turning down again	nickel/cobalt/HPA
Regis Resources	RRL		new high	gold
Renegen	RLT		surged higher	gas, helium
Richmond Vanadium	RVT		down	vanadium
RIO	RIO		down	diversified, iron ore
RTG Mining	RTG		rising	copper
Rumble Resources	RTR		testing uptrend	zinc exploration
S2 Resources	S2R		down	gold exploration
Santana Minerals	SMI		heavy fall	gold
Santos	STO		breaching downtrend	oil/gas
Sarytogan Graphite	SGA		still down	graphite
Scorpion Minerals	SCN		testing downtrend	gold exploration
Siren Gold	SNG		rising	gold exploration
Southern Palladium	SPD		breaching downtrend	PGMs
Stanmore Coal	SMR		rising	coal
St George Mining	SGQ		rising again	rare earths, niobium
Stellar Resources	SRZ		testing downtrend	tin
Sun Silver	SS1		pullback	silver
Talga Resources	TLG		down	graphite
Tamboran Resources	TBN		breached uptrend	gas
Terra Uranium	T92		rallying	uranium
Theta Gold Mines	TGM		down	gold
Toro Energy	TOE		breaching downtrend	uranium
Torque Metals	TOR		breached downtrend	gold exploration + lithium
Trigg Minerals	TMG		surged higher	antimony
Verity Resources	VRL		testing steep uptrend	gold
Vintage Energy	VEN		sideways	gas
Vertex Minerals	VTX		breached uptrend	gold
Warriedar Resources	WA8		stronger	gold exploration
Westgold Resources	WGX		spiked higher	gold
West Wits Mining	WWI		rising	gold
Whitehaven Coal	WHC		down	coal
White Cliff Minerals	WCN		rising	copper exploration
WIN Metals	WIN		breached uptrend	gold
Yandal Resources	YRL		back to lows	
Totals	45%	58	Uptrend	
	28%	36	Downtrend	
		129	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	32	24.8%	
Gold Exploration	18	14.0%	
Copper	13	10.1%	
Rare Earths	10	7.8%	
Uranium	10	7.8%	
Oil/Gas/Hydrogen	6	4.7%	
Iron Ore/Manganese	5	3.9%	
Lithium	3	2.3%	
Graphite/graphene	3	2.3%	
Nickel	3	2.3%	
Silver	3	2.3%	
HPA/Kaolin	2	1.6%	
Tungsten	2	1.6%	
Tin	2	1.6%	
Antimony	3	2.3%	
Coal	2	1.6%	
Niobium	2	1.6%	
Potash/Phosphate	1	0.8%	
Vanadium	1	0.8%	
Zinc/Lead	1	0.8%	
PGMs	1	0.8%	
Mineral Sands	1	0.8%	
Bauxite	1	0.8%	
Cobalt	1	0.8%	
Other	3	2.3%	
Total	129		

FEC Disclosure of Interests: It is a requirement of ASIC that holders of AFS licences prominently disclose any conflicts of interest. At all times readers should be aware that Far East Capital Ltd is an active investor. It shares its research and opinions free of charge to other investors and it aims to do so on an ethical basis. Accordingly, when it is writing about stocks in which it holds interests, these will be disclosed. The author is chairman of First Graphene and one of the largest shareholders, through a number of entities. Over the last three years FEC has received capital raising fees from a number of companies but it does not receive payment for research. See individual disclosure notes in the body of the Weekly where they are relevant. Its primary business is investing and managing its own money, but it does occasionally raise money for resource companies.

Disclaimer: This Research Report has been prepared exclusively for Far East Capital clients and is not to be relied upon by anyone else. In compiling this Commentary, we are of necessity unable to take account of the particular investment objectives, financial situation and needs of any of our individual clients. Accordingly, each client should evaluate the recommendations obtained in this Commentary in the light of their own particular investment objectives, financial situation and needs. If you wish to obtain further advice regarding any recommendation made in this Commentary to take account of your particular investment objectives, financial situation and needs, you should contact us. We believe that the advice and information herein are accurate and reliable, but no warranty of accuracy, reliability or completeness is given and (except insofar as liability under any statute cannot be excluded) no responsibility arising in any other way for errors or omissions or in negligence is accepted by Far East Capital Limited or any employee or agent. For private circulation only. This document is not intended to be an offer, or a solicitation of an offer, to buy or sell any relevant securities (i.e. securities mentioned herein or of the same issuer and options, warrant, or rights with respect to or interests in any such securities). We do not guarantee the accuracy or completeness of the information herein, or upon which opinions herein have been based. At any time we or any of our connected or affiliated companies (or our or their employees) may have a position, subject to change, and we or any such companies may make a market or act as principal in transactions, in any relevant securities or provide advisory or other services to an issuer of relevant securities or any company therewith. Unless otherwise stated all views expressed herein (including estimates or forecasts) are solely those of our research department and subject to change without notice. This document may not be reproduced or copies circulated without authority. Copyright © Far East Capital Ltd 2023.