

AnteoTech has its mojo back and Rumble Resources looks like it is a real winner on fundamentals

It has been more of the same this week, with the war that never ends! Trump is making the same mistake that Putin made with his Special Operation in Ukraine. Easy to start. Difficult to end. Let's hope that the Iranian War doesn't last as long as the Ukraine War.

In the meantime, unlike the ever rising US markets, our own ASX is struggling to put on a positive face. Gold continues to be uninspiring, notwithstanding that profit margins for gold stocks continue to be very strong. It is the momentum that has been lost, both in the bullion price and listed gold companies, that is holding the market back; that, and the large number of gold companies to choose from. We are looking for a new, inspirational thematic.

My diagnosis last week, that bear market psychology was taking hold, seems to be correct. That does not mean that selected share prices can't rise though. It does mean you have more time to consider stories before pressing the buy button.

This week we are playing catchup with recent news flow from companies on our radar. Unfortunately for some critics who snipe at how I sometimes cover stocks that I own, and unrealistically expect the I should be 100% charitable and only cover stocks NOT in my portfolio, I do own a number of these being covered today. It is notable that these companies; AnteoTech, CuFe and Rumble broke to new highs last week while the overall market is generally on the back foot. I must be doing something right. Read on.

AnteoTech Coming Back to Life on Battery News

We have covered AnteoTech (ADO) a few times previously, inspired by its progress in improving battery anodes that outshine the performance of its competitors. With silicon, there is the potential for 10x better anode specific capacity than for graphite - theoretically - bringing to bear a significant improvement on graphite capacity; 370 mAh/g versus 3,600 mAh/g. Ultranode is more than halfway there at 2,000-2,500 mAh/g).

As promising as the company looked back in late 2024, the rug was pulled out from under its feet when it undertook an ill-advised capital raising. With the share price at 4¢, it launched a \$6.4m placement at 2.5¢ with 1 for 2 options. The share price immediately collapsed to 2.1¢ and it has spent the last two years in the doldrums, falling as low as 0.7¢. That makes the share price movement in recent days most notable, jumping from 1.2¢ to a high of 4.9¢. Turnover has been huge. Why the new-found fuss?

Ultranode™ 95 Validated by Third Party

All new batteries start in the laboratories with coin cell size prototypes. Typically they scale up to single layered pouch size. Continued success will eventually see them advance to commercial cell formats which for many applications are multi-layered or the cylindrical cells we find at the

supermarket. That is where AnteoTech's battery has arrived and importantly, it has been validated by the Battery Innovation Centre (BIC) in Indiana, USA. The buzz words that really got the market going were "drones" and "defence".

The Ultranode 95 capacity of 5 Ah MLP is similar to that of the Apple iPhone 17 ProMax, which is 5.088 Ah. Key points from the ASX release were that Ultranode 95;

- capacity exceeds current Li ion batteries by 600%,
- outperforms other anodes by 40%, using same cathodes,
- is not reliant on highly refined silica,
- 70% capacity retention after 300 cycles,
- commercially scaleable,
- 75% thinner and lighter than competition and
- production costs only 10-20% of competitors costs.

The next steps - the cylindrical cell format

Now that the potential has been confirmed, AnteoTech will proceed with cylindrical cell format production and performance validation tests. At the same time there will be ongoing discussions with potential production joint venture partners, including drone and battery pack manufacturers.

But wait, there is more! Separators in batteries

Last Tuesday ADO brought out another ASX release, this time focusing on battery separator technology, that which separates cathodes from anodes and prevents electrical short circuits. It has signed a strategic sales and collaboration agreement with South Korean separator technology company, Xerabrid Corporation, that will be finalised over the next 120 days.

Xerabrid intends to use Anteo's proprietary cross-linking separating product, Anteo S™, in the next generation of battery separators that will reduce the risk of thermal runaway than can lead to battery fire. The market for separators is expected to grow from US\$8bn in 2025, to US\$19bn in 2032.

In a third announcement, from its life sciences business side, ADO announced the appointment of Cosmo Bio Co Ltd, a Japanese life sciences distributor that works with more than 600 suppliers throughout Japan.

The Bottom Line

At last, AnteoTech is getting its mojo back as the market is starting to recognise its merit. The introduction of Merrill Gray as CEO has been refreshing and productive. With these recent announcements she has steered the Company back into the fast lane of the market.

The movement in the share price in recent days is very timely given that there are 286 million 31/5/26 options expiring this weekend. If all convert at 3.5¢, they could

bring \$10m to the company coffers. Anything approaching this number will be a real coincidence booster. Maybe the explosive share price gains over the last week have done their job, but there is still strong upside potential from here in due course. The journey is not over yet.

Stop Press: Yesterday MST Financial Services has announced that it is underwriting the exercise of the options.

Disclosure: Interests associated with the author own shares in AnteoTech.

Rumble's toll deal enables fast tracking

The fastest way for junior gold companies to get into cash flow and profits is to toll treat the ore rather than develop a new, standalone treatment facility. Rumble Resources (RTR) has done just that with the announcement of a toll treating agreement using the Kirkalocka treatment plant. This plant is owned by Glyden Resources/Kirkalocka Gold, two subsidiaries of Värde Partners, a sizeable global investment firm specialising in credit and credit related assets. Värde came into possession of the Kirkalocka treatment plant as the creditor to Andaman Resources when that company ran into financial difficulty some years ago.

The Kirkalocka plant last operated in 2021, and has been on care-and-maintenance since. It is currently being refurbished and expanded in capacity from 1.9 Mtpa to 2.1 Mtpa, and is expected to be operational from January 2027. It is 180 km by road from the Western Queen Mine.

Deal Terms and Timing Schedule

Western Queen ore will be processed in campaigns of 75,000 tpa if blended 50:50 with Glyden ore, or 150,000 tpa if treated as 100% Western Queen ore over a 4-5 year period from the date of the first shipment. There is no gold sharing term with Glyden, so RTR keeps 100% of the recovered gold.

RTR has to dewater the Western Queen pit over a 2-3 month period to enable it to cut the portal and start the underground development, and deliver the first ore to surface in April next year.

Mineral Resources and Exploration Upside

The proposed production schedule only calls on a small proportion of the Western Queen's Mineral Resource Estimate of 3.7 Mt at 3.1 gpt (less than 20%). How much of this can be mined is a relevant question just now. The answer will depend upon the results of the updated mineral resources estimate (due in June) and stope optimisation and modelling work being carried out by AMC Consultants, following the completion of a 17,500m diamond drilling campaign.

The exploration upside is considered to be very good. The orebodies are open at depth and could go down for hundreds of metres. Their location within a major orogenic shear zone leaves open the possibility of extensions along strike. In a bold but enticing proposition, RTR has speculated with ideas of geological similarities with the rich Never Never discovery of Spartan Resources, hosting 2.32 Moz at 9.32 gpt, 40 km to the east.

Potential economics

A Scoping Study was released in November 2025, focusing only on 617,000 t at 2.95 gpt, with an estimated cash cost of \$2,970/oz. Using a gold price A\$5,540/oz (currently A\$6,300/oz), the free cash flow over the first 30 months is estimated at \$133m, on starting capital of \$10m. This is good, but it is only the beginning. A much larger mining inventory could come with the feasibility study expected in July 2026.

Tungsten opportunity not recognised yet

The tungsten is somewhat of a wild card. So far Rumble has announced a maiden resource of 4.3 Mt at 0.31% WO₃ with a high grade zone of 1.44 Mt at 0.5% WO₃ conveniently located within and adjacent to the WQ South gold orebodies. As far as I am aware, no-one has calculated what it is really worth. So, I have given it a go.

Tungsten production & financial parameters

Drawing upon what we know, and filling in any gaps, my crystal ball gave me the following numbers.

• Resource grade - 0.5% WO ₃ (from ASX release)		
• Head grade - 0.4% WO ₃ (assuming 20% mining dilution)		
• Recovery to concentrate - 45% WO ₃ (industry standard)		
• Payment terms - 78% (expected range is 78-82%)		
• MTU per tonne of ore - 0.18 mtu (by calculation)		
• Total MTU - 54,000 (on 300,000 tpa of ore)		
• MTU Prices	<u>Shanghai</u>	<u>Rotterdam</u>
	US\$1,700	US\$3,000
Revenue	A\$129m p.a.	A\$228m p.a.
Royalties (5%)	<u>\$6.45m</u>	<u>\$11.4m</u>
Opex A\$200 pt	<u>\$ 60m</u>	<u>\$60m</u>
Operating Margin	\$62.5m p.a.	\$156.6m p.a.
Per Share	4.7¢	11.8¢

NB: These are my back-of-the envelope numbers. They will always be "wrong" but they are considered to be reasonable guesstimates. Rumble will bring out more studies in due course and we can realign our numbers at that time.

If Rumble proceeds to mine the tungsten, it will need a concentrator that could cost \$20-30m. This could be built at the Kirkalocka site but would unlikely be operational before 2028. Maybe the concentrator will be built and owned by Glyden Resources, and Rumble will just pay a tolling fee.

Adding in the potential gold earnings

The numbers on gold earnings are more verifiable give the release of the Scoping Study. Parameters are;

• Head grade	3 gpt
• Met. Recovery	94%
• Throughput	300,000 tpa.
• Gold Prod'n	27,000 oz p.a.
• Gold Price	A\$6,000/oz (US\$4,260/oz)
• Net Revenue	\$154m p.a. (after 5% royalties)
• AISC	\$89m (assuming +10% on Scoping Study)
• EBITDA	\$65m p.a.
• Per Share	4.9¢

Adding the tungsten to the gold earnings when they are both operating, we can see a line to **EBITDA of \$120m to \$220m p.a. for an initial period of five years**, depending

on commodity prices. That compares favourably with the market capitalisation of less than \$80m.

The Bottom Line

The numbers speak for themselves. My brief fundamental assessment is that the shares in Rumble are incredibly good value at present, being only a year away from first production.

Perhaps the best features of RTR, apart from the earnings projections and good management, are the low capital costs and low financial risk that come with toll treating rather than building a stand-alone plant. The strong cash flow over a five year period, beginning in April 2027, will likely extend well beyond that time frame.

And of course, the globally significant Earraheedy Zn-Pb-Ag Project is a sleeping giant; 94 Mt at 3.1% Zn+Pb, 4.1 gpt Ag. The shares went gangbusters when it was first discovered, but the reality is that projects of this size take time and money beyond the resources of junior companies. It will be developed one day, but not without the introduction of a major company. Until then, it is a valuable sleeper.

Footnote: MST Access released a note last Thursday, placing a valuation of 40¢ a share. I don't disagree with the sentiment.

Disclosure: Interests associated with the author own shares in Rumble.

CuFe Moving Higher

When we last covered CuFe (CUF) we identified it as a potential market performer based on a number of factors;

- militarily strategic bismuth mineralisation and US-based shareholders with DoD connections,
- location at Tennant Creek in the NT with an historical copper/gold mine that could make for an economic restart,
- a dynamic shareholder in Tony Sage, who was buying more shares and
- corporate activity in the region.

Orlando Copper/Gold Scoping Study (55%)

After being in a broad sideways pattern for a number of months the CUF share price has broken to new highs last week, making it one of the better performers since the Iran War started.

CUF announced an expanded scoping study early in May, showing an NPV of \$705m (100% basis) and a capex

\$141m payback of 10 months. Compare this with the current market capitalisation of \$149m and good old fashioned fundamentals suggest that the shares are good value today.

Pre-production capex is estimated at \$141m. Open pit ore feed of 4.6 Mt at grades of 1.1% Cu and 2.11 gpt Au (88% Indicated) were used, out of the total Tennant Creek resource of 24.1 Mt at 1.8% cu and 0.6 gpt Au. The open pit resources are located on a granted mining lease. Being a scoping study, the findings are preliminary and yet to be optimised e.g. by sourcing a second hand plant, or toll treating. Underground ore resources are yet to be factored into the study.

Tennant Consolidated Mining takes a 15% stake

CUF welcomed a new 15% shareholder last week with a placement of 307 mill. shares at 5¢ a share, a premium of 10% on the market price, raising \$15m. Pan African owns 100% of Tennant Consolidated.

Pan African is a South African-based gold miner capitalised at > \$5bn, listed on the London and Johannesburg stock exchanges. In 2024, it acquired the private gold miner TCMG and is now involved in a scheme of arrangement to acquire Emmerson Resources. Thus it is on the prowl and it seems that CuFe is well within its sights.

The Bottom Line

The numbers look good for Orlando so far. The capex payback is impressively short, though we must remember that it is only a scoping study. But, maybe this study is just a stepping stone to corporate activity.

The emergence of Pan African on the share register should be seen as putting the company in play (corporately). Pan African is unlikely to just remain on the register without offering strong technical support. A full takeover is something that is on the cards later, once confidence levels in the technical factors improve. Right now the other shareholders would be seeing the writing on the wall, but at what price, and when? It is a confidence booster for now, but what is the risk that the major shareholders will roll over and be happy to sell? Maybe they will use the new shareholder to lift the overall value, but look for a competing overbidder when the time comes. It would make sense. The downside risk in the share price seems minimal.

Disclosure: Interests associated with the author own shares in CuFe.

We have reinstated AnteoTech to the chat coverage now that the share price chart is no longer flat-lining.