

Company Fundamental Analysis

- PC Gold Ltd (ASX: PC2)
- Elevra Lithium Ltd (ASX: ELV)
- Galan Lithium Ltd (ASX: GLN)
- Solstice Minerals Ltd (ASX: SLS)
- Minerals 260 Ltd (ASX: MI6)
- Bison Resources Ltd (ASX: BSR)
- Torque Metals Ltd (ASX: TOR)
- Greatland Resources Limited (ASX:GGP / AIM:GGP)

PC Gold Ltd (ASX: PC2)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

TL;DR — What actually happened to this stock

PC Gold did **not** do a mine restart and it did **not** get acquired.

The re-rate is a textbook **Stage 3 discovery peak of the Lassonde Curve (Module 1)** superimposed on a historic gold bull market. Specifically:

- 1. **Already had a real project** at IPO (821koz JORC gold resource on a granted, permitted mining lease) — not a typical grassroots punt
- 2. **Drilled a genuinely exceptional hole** (25m @ 36.83 g/t Au) in early 2026 that defined a new high-grade zone
- 3. **Secured Macquarie Mining Finance as a cornerstone** in a \$24m February 2026 placement at a premium to the 15-day VWAP — a tier-1 validator
- 4. **All happening in a raging gold bull market** with gold around USD \$4,700+/oz

IPO price: \$0.25 (21 Oct 2025). ATH: \$1.19 (10 Apr 2026). That's roughly **4.7x in under 6 months** . A small portion of that is fundamental re-rating; most of it is discovery narrative + gold macro + tight register.

Whether it's still a buy at current prices is a separate question — one this report deliberately doesn't answer for you.

1. Company snapshot (Module 1, 6)

Field	Value
Ticker	ASX: PC2

Field	Value
Listed	21 October 2025
IPO price	\$0.25 (\$13.5m raised)
Current price (~23 Apr 2026)	~\$1.15
ATH	\$1.19 (10 Apr 2026)
52-week low	\$0.21 (30 Oct 2025)
Market cap (approx)	~\$385m
Project	Spring Hill Gold Project, Pine Creek, NT
Ownership	100% (via TM Gold Pty Ltd)
Commodity	Gold
Jurisdiction	Northern Territory, Australia (Tier-1)
Lassonde stage	Stage 3-4: Discovery confirmed, resource expansion, PFS targeted late 2026

Note: exact SOI / fully diluted figures need to be pulled from their latest Appendix 3B and quarterly — I'd verify before any sizing decision. Based on the \$385m MC at ~\$1.15, implied SOI is around 335m shares.

2. Asset summary (Modules 2 and 3)

The existing JORC resource (at IPO)

Category	Tonnes	Grade	Contained Au
Indicated	—	—	424 koz
Inferred	—	—	397 koz
Total	25.6 Mt	1.0 g/t Au	821 koz

Cut-off: 0.5 g/t Au.

Reading this through the Module 2 lens:

- **48% of contained ounces are Inferred** — meaningful but not alarming. A big chunk of the valuation case rests on converting that Inferred to Indicated.

- **1.0 g/t Au at 0.5 g/t cut-off** — this is a **bulk-tonnage, low-grade open pit** deposit by Module 3's grade framework. Typical for Pine Creek historical production. Not tier-1 grade in isolation.
- **Exploration Target** of 1-2 Moz on top of the 821koz resource — this is conceptual per JORC rules, not a resource.

What makes the project more interesting than the headline grade suggests:

- ~97% metallurgical recovery from bulk sampling, confirmed free-milling gold (Module 3 green flag — simple flowsheet, low processing risk)
- ~45% grade uplift from photon assay vs fire assay on historical samples — indicates coarse gold that traditional fire assay was missing (i.e., the true grade is likely higher than the reported 1.0 g/t once re-assayed)
- Located in Pine Creek province which historically hosts 20Moz+ of gold, so the geological setting is proven
- Near-surface oxide gold — easier mining, lower capex processing

What makes it less interesting:

- 1.0 g/t average grade is marginal for an open pit in a normal gold price environment. It's only comfortably economic at the current elevated gold price.
 - The Exploration Target range (1-2 Moz) is wide and conceptual.
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3. The drilling catalyst chain (Module 4, 7)

This is where the re-rate came from. Here's the timeline of material drilling announcements since IPO:

Oct 2025 — IPO

Listed at \$0.25. First announcements confirm visible gold at Lasagne zone and extension drilling underway.

Nov 2025

- First material drill results from ongoing resource-definition program

- \$1m drill-for-equity agreement with DDH1 (non-cash financing — Module 6 note: that's a mild dilution signal but avoids cash burn and signals contractor confidence)
- Promising drill results from Lasagne target, with 300m strike length defined on Macau Extension

Jan 2026 — resource-definition campaign update

- 16,000m+ of drilling completed
- Visible gold in 5 holes, 30m-wide mineralised zones reported
- Intercepts included 2.8m @ 15.21 g/t (inc. 0.3m @ 124.12 g/t), 31m @ 1.92 g/t, 14m @ 3.55 g/t

Apply the Module 4 lens: the 31m @ 1.92 g/t intercept = **59.5 gram-metres** — a solid hit but not exceptional. The short 124 g/t spike over 0.3m is a classic "nugget" concern in coarse-gold systems (needs top-cut consideration for any resource estimate).

Early Feb 2026 — **THE MACAU LINK ZONE DISCOVERY** (the big one)

Headline: **25m @ 36.83 g/t Au from 283m, including 2m @ 444.3 g/t Au from 304m.**

Apply Module 4 framework:

- **Gram-metres: 920 g·m** — this is in the "exceptional / company-making" bracket per your Module 4 benchmarks (500+ g·m)
- **But top-cut honesty:** that 444 g/t over 2m is extreme. If you capped it mentally at, say, 30 g/t (a conventional top-cut for coarse-gold deposits), the headline would look more like ~25m @ 15–20 g/t — still an outstanding hit, but less eye-popping
- **True width:** I didn't see explicit true-width disclosure in the announcement commentary, which is a watch-item (Module 4 red flag — always check the JORC Table 1)
- **Reliability check:** the company reported that **five diamond holes across 225m of strike all intersected visible gold in a continuous hematite-magnetite unit**. That's the important bit — it's not one lucky hole, it's a coherent structure.

The stock jumped 18.1% on the day of this announcement (from ~\$0.58 to \$0.685). The subsequent move to \$1.19 was driven by **this discovery + the Macquarie placement news + follow-up drilling in March.**

March 2026 — follow-up extension drilling

- Main Zone strike extended 120m south beyond the original 400m strike
- 15m @ 5.09 g/t (inc. 1m @ 64.65 g/t), 10m @ 2.77 g/t, 17m @ 0.93 g/t
- "High-grade core extends well beyond the current resource footprint"

These follow-up holes matter because they show the discovery isn't confined to one zone — the system is bigger than the existing resource envelope.

Net assessment of the drilling story: this is a genuine discovery, not just a marketing ramp. The geological coherence (hematite-magnetite unit across 225m strike, multiple holes intersecting visible gold, strike extensions validating) is the difference between a real re-rate and a pump.

4. Capital structure and register (Module 6)

Shares on issue and dilution (approximate, needs verification from latest Appendix)

- IPO raised \$13.5m at \$0.25
- Feb 2026 placement raised \$24m at \$0.65 (36.8m new shares)
- Drill-for-equity with DDH1: ~2m shares issued at market price
- **Implied SOI based on ~\$385m MC at \$1.15 = ~335m shares**

The Feb 2026 placement — important details (Module 6 green flags)

- **Issue price \$0.65 = 9.7% discount to last close, but a 19.4% PREMIUM to 15-day VWAP**
- Cornerstone investor: **Macquarie Bank's Mining Finance division (\$5m)**. This is a material green flag — Macquarie Mining Finance is a tier-1 institutional validator that does its own DD and prefers disciplined management teams.
- Existing institutional shareholders supported (demand-led, not dilution-led)
- No free options attached (another green flag per Module 8)

Premium-to-VWAP pricing with a tier-1 cornerstone is the best possible capital raise signal you can get at this stage. This is the opposite of the Module 8 red flag "placement immediately after positive news to capture elevated SP" pattern — here the raise was done at prices that were **below** where the stock would trade after the big drill hit. Paradoxically, the Macquarie cornerstone may have been the bigger signal than the drill result itself, because it tells you a tier-1 lender has already done the project-finance maths on Spring Hill.

Top holders and director alignment (Module 6, 8 green flags)

- Board / leadership team held approximately **50% at IPO** — according to company disclosures. Diluted somewhat by subsequent raises, but still a very tight register.
- **RIVI Capital** (international resources investor) was a pre-IPO major shareholder. Sold 7m shares at IPO (partial exit at \$0.25) to bring down their stake to ~17%. They also converted US\$3m of debt into equity at IPO — a positive signal (fewer creditors with claims ahead of equity).
- **40%+ still held by management/team** post-IPO

This is **tight-register territory** — a big reason moves have been as violent as they have been. Low free float + positive news = outsized moves. Module 6 framework flag: when tight registers are combined with momentum, the stock can detach from fundamentals on the way up just as it can collapse faster than fundamentals justify on the way down.

Cash position

After the \$24m Feb 2026 raise, PC2 should have been well-funded for the planned drilling, PFS work, and met testwork through at least mid-late 2026. The Yahoo Finance data referenced in research showed "Total Cash (mrq) 8.35M" but that's most likely pre-placement — the post-raise cash position should be materially higher. **Verify against their latest Appendix 5B quarterly.**

5. Economics — not yet available (Module 5)

There is no PFS or DFS yet. The feasibility study is targeted for late 2026. A resource update is targeted for June 2026.

This means:

- NPV, IRR, capex, AISC, payback — all unknown
- Everyone is valuing this based on resource scale × grade × optionality × gold price
- You cannot apply the Module 5 framework yet because the economic study doesn't exist

This is **Stage 3 / early Stage 4 Lassonde Curve**. The valuation is narrative-driven, not cash-flow driven.

What this means for valuation: at \$385m MC with ~821koz resource + 1–2 Moz Exploration Target, the implied market cap per ounce is highly variable depending on which number you use:

- $\$385\text{m} \div 821\text{koz} = \sim\$469/\text{oz of resource}$ — on the high side for an undeveloped junior with no PFS
- $\$385\text{m} \div (821\text{koz} + 1.5\text{Moz midpoint ET}) = \sim\$165/\text{oz of total geological endowment}$ — within normal range for permitted projects in tier-1 jurisdictions during bull markets

At gold around USD \$4,700/oz, the leverage to gold price alone justifies higher multiples than historical norms. But a correction in gold of 20% would significantly hit the thesis.

6. Catalyst calendar (Module 7)

Based on company guidance as of March 2026:

Window	Catalyst	Type	Conviction
Q2 2026 (ongoing)	Assay results from ~5,100 samples still pending	Recurring	High
June 2026	Resource estimate update (MRE)	One-off	High — major re-rate event
H2 2026	Additional Main Zone South drilling results (18-hole program, 7,800m)	Recurring	Medium
H2 2026	Photon assay re-analysis results on historical pulps (~45% grade uplift signal)	One-off	Medium
Late 2026	Pre-Feasibility Study (PFS)	One-off	High — biggest catalyst on the horizon
2027+	DFS, permitting finalisation, FID	One-off	TBD

What's already priced in vs. what isn't

Already priced in: the resource expansion story from current drilling, the Macau Link Zone discovery being real, rough 1.2–1.5 Moz eventual resource scale, gold maintaining current price levels.

Not fully priced in: a PFS that confirms exceptional economics (NPV/capex >3x, IRR >40%, AISC <\$1,500/oz) would be a further re-rate catalyst. Conversely, a disappointing PFS (capex sticker shock, lower grades, high strip ratios at depth) would cause a material de-rate.

Key risk in the calendar: the late-2026 PFS is far enough away that the stock enters a Module 1 "orphan period" if drill results through mid-2026 aren't exceptional. The catalyst density is highest right now and fades in H2 2026 unless the PFS is delivered on time.

7. Macro positioning (Module 9)

This is a large part of why PC2 has moved. Gold context:

- **Gold spot around USD \$4,700+/oz as of April 2026** — near or at all-time highs
- Major banks (Goldman Sachs, JP Morgan) targeting USD \$4,250–\$4,900 for end-2026
- Small/mid-cap ASX gold developers and near-production explorers have been in a broad bull phase through 2024–2026
- The ASX small-cap gold rotation is well advanced — we're likely in **Phase 3 (broad bull) heading into Phase 4 (mania) territory** per Module 9's framework, not early cycle

What this means: PC2's fundamentals justify a premium rating in a gold bull market. They do not justify the same premium if gold corrects 20–30%. The Module 9 framework is clear — when the macro cycle turns, **everything** in the sector sells off regardless of project quality, and juniors with no cash flow sell off hardest.

Stress test: at USD \$3,000/oz gold (a plausible 35%+ correction scenario), a bulk-tonnage 1 g/t project with \$200–300m capex becomes much harder to finance. The current premium rating is partly a bet on sustained high gold prices.

8. Red and green flags (Module 8)

Green flags

- ☐ Tight share register (~40%+ management post-raise)
- ☐ Macquarie Mining Finance cornerstone investment at premium to VWAP

- ☐ No free options attached to placement
- ☐ Fully permitted 21-year granted mining lease — huge de-risking on permitting (typically the longest pole in the tent for WA/NT gold projects)
- ☐ Native title pre-dated — no ILUA to negotiate (significant risk eliminated)
- ☐ ~97% metallurgical recovery confirmed by historical bulk sampling (960oz produced)
- ☐ Free-milling simple flowsheet (no refractory processing issues)
- ☐ Infrastructure access (2hrs from Darwin, existing roads, nearby power)
- ☐ Tier-1 jurisdiction (NT Australia)
- ☐ Pre-IPO major shareholder (RIVI) converted debt to equity rather than extracting cash
- ☐ Funds clearly allocated to drill/study work programs with specific uses of proceeds

Watch-items / yellow flags

- ⚠ "Up to" language creeping into promotional material around the 444 g/t assay — the headline 25m @ 36.83 g/t is real and impressive, but mental top-cut application (Module 4 discipline) gives a more realistic picture
- ⚠ True-width disclosure wasn't prominent in the Macau Link Zone announcement as I read it — worth confirming in JORC Table 1 sections
- ⚠ Photon assay re-analysis program shows 45% grade uplift vs fire assay — positive for the project, but means resource restatements should be read carefully to distinguish genuine new mineralisation from reanalysis of existing samples
- ⚠ No independent broker initiation from tier-1 firms (Macquarie, Bell Potter, Euroz Hartleys, Canaccord etc.) that I could verify — Canaccord was Joint Lead Manager on IPO so there's some connection there; their research would have conflicts disclosed
- ⚠ Fresh IPO (6 months listed) means limited track record of hitting guided milestones — remember, the capex blowouts / slippage patterns from Module 5 and 8 haven't been tested yet

Actual red flags

I didn't identify any serious Module 8 red flags on a first-pass read. The company has ticked most of the green boxes and hasn't set off obvious alarms. That said:

- A 4.7x in 6 months means **a lot of positioning is already in the stock**. Even without company-level red flags, the Module 4 "sell-the-news" and Module 9 "late-cycle mania" risks apply to any stock in this profile.

9. Thesis statement (Module 10)

Bull case, in one paragraph: PC Gold is a newly-listed Stage 3–4 gold developer holding a fully-permitted, metallurgically simple 821koz resource (with 1–2Moz exploration target) in NT Australia. Active drilling through 2025–2026 has validated a new high-grade zone (Macau Link) that may materially upgrade both the grade and scale of the June 2026 resource update. Macquarie Mining Finance's cornerstone placement at a premium to VWAP is the strongest possible institutional validation at this stage. With gold at historic highs, the PFS targeted for late 2026 should deliver robust economics and trigger a further re-rate into the Module 1 "second peak" development phase.

Bear case, in one paragraph: The stock has run 4.7x in 6 months on a combination of genuine discovery news and gold-bull-market froth. At ~\$385m MC, much of the near-term resource expansion is already priced in. The underlying deposit grade (1.0 g/t average) is modest and depends on sustained high gold prices for compelling economics. Capex, operating costs, and development timeline are unknown until PFS in late 2026 — 6+ months of potential orphan period with only drill results as interim catalysts. A gold correction, PFS capex shock, or permitting/infrastructure surprise could materially de-rate the SP. The 120m+ drill expansion story is compelling but bulk-tonnage low-grade open pits are capital-intensive and blow out more often than they under-run.

What would invalidate the bull thesis:

1. Gold correction of 20%+ sustained
 2. June 2026 resource update comes in below ~1.2 Moz total (signalling the drilling excitement didn't translate to bulk tonnes)
 3. Late-2026 PFS showing capex >\$400m and AISC >\$2,000/oz
 4. Macquarie or other institutions reducing holdings materially
 5. Management or technical team departures
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10. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX announcements before sizing a position:

1. **Exact fully-diluted SOI** including all unvested options, performance rights, and pending share issuances
2. **True-width disclosure** on the Macau Link Zone intercepts — look at the JORC Table 1 section of that announcement
3. **Cash runway post-Feb placement** — divide latest cash by quarterly burn from Appendix 5B
4. **Top 20 holders list** — to confirm institutional concentration and any substantial holder changes since Feb raise

5. **Escrow arrangements** — IPO escrow on founder shares typically 12–24 months; understand when that releases (late 2026 / 2027)
 6. **Exact terms of the DDH1 drill-for-equity** — any further shares owed?
 7. **Photon assay re-analysis status** — is the 45% grade uplift real and has it been applied to the resource yet?
 8. **Specific directors' on-market buying history** since listing — this is in the Appendix 3Y filings
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Final honest note

PC2 is one of those cases where the company has genuinely done a lot right — permitted ground, tight register, tier-1 cornerstone, real drill hits, simple metallurgy. That doesn't mean the *stock* is a buy at any price. The 4.7x move has front-loaded a lot of the upside from the near-term catalysts. The frame that matters now:

- If you're asking "why did it move" — the above explains it
- If you're asking "should I buy it now" — you need a view on gold, on whether the June resource update will exceed ~1.2 Moz, and on whether you're sized for a potential 40% drawdown while waiting for late-2026 PFS

The framework's answer isn't "buy" or "don't buy". The framework's answer is: **you now know what information you need to update before you decide.**

Sources cross-referenced

- PC Gold company website (pcgold.com.au)
- ASX announcements via Listcorp and Market Index
- Mining.com.au coverage (multiple articles Oct 2025 – Mar 2026)
- Hamilton Locke IPO advisory confirmation
- Yahoo Finance for market cap / price data
- TradingView for historical price range
- Fortune / commodity sources for gold spot price

All claims based on public ASX disclosures as at 23 April 2026. Before acting, pull the primary announcements from the ASX company page (asx.com.au/markets/company/PC2) and verify the current price, cash position, and register.

Elevra Lithium Ltd (ASX: ELV)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

TL;DR — What actually happened to this stock

ELV is a **Stage 10 producer that nearly died, merged with another near-dying producer, and is now being resurrected by a lithium price recovery.**

The recent rally is the combination of **four distinct things stacking on top of each other:**

1. **The Sayona → Piedmont merger (Aug 2025)** creating scale, eliminating competitor friction, strengthening balance sheet
2. **The 150:1 share consolidation (Sep 2025)** cleaning up a structurally broken cap table
3. **The lithium price recovery (H2 2025 → Q1 2026)** — spodumene from ~USD\$600/t in mid-2025 to over USD\$2,000/t by Jan 2026
4. **Operational execution** — NAL hit record quarterly revenue of USD\$81m in Mar 2026, moved to profitability, balance sheet rebuilt

None of this is a single catalyst. It's a classic Module 9 **Phase 1 → Phase 2 capitulation-to-recovery rotation** playing out on a surviving producer that can't be easily replicated by new entrants because of the 7+ year mine build time.

The important Module 6 caveat: **don't compare ELV's current price to Sayona's pre-consolidation price without adjusting for the 150:1.** Pre-consolidation Sayona at its 2022 peak of ~10c adjusts to ~\$15 post-consolidation equivalent. Current price around \$8 is still ~45% below the 2022 peak on a like-for-like basis. Charts showing "ELV up 1,000%" are misleading — they're usually splicing the pre- and post-consolidation prices without proper adjustment, or measuring from the absolute trough.

1. Company snapshot (Module 1, 6)

Field	Value
Ticker	ASX: ELV (Nasdaq: ELVR, OTCQB: SYAXF)
Former name	Sayona Mining (SYA) — renamed 26 Sep 2025
Merger completed	29 Aug 2025 (with Piedmont Lithium)
Share consolidation	150:1, completed Sep 2025
Recent price	~\$8.12 (Feb 2026 reference); ~\$7-8 range through April 2026
SOI (post-consolidation, post-merger)	~168m at consolidation; higher post-merger equity issuance to Piedmont holders and RCF VIII
Market cap	~\$1.5B+ (ASX 300 constituent)
Cash (31 March 2026)	USD\$113.0m (net cash USD\$58.7m after prepayment facility)
FY26 production guidance	180,000–190,000 dmt spodumene concentrate
Flagship	North American Lithium (NAL), Quebec, Canada (100%)
Lassonde stage	Stage 10: Producer. With Stage 7-8 expansion overlay (NAL staged expansion to 315 ktpa by CY29)

2. The asset portfolio (Module 2, 3)

ELV has a much more complex asset base than PC2. This is typical of producer-stage companies that have grown through M&A.

Flagship: NAL (North American Lithium), Quebec — 100%

- **Producing spodumene concentrate** at ~47,000 dmt/quarter (Mar 2026)
- Concentrate grade ~5.0% Li₂O (below the 5.5% traditional SC6 benchmark — this is a recurring operational watch-item)
- Mill utilisation ~94% (Q3 FY26) — healthy

- Global recovery ~66% — this is **low by industry standards** (Greenbushes achieves 70%+; best-in-class 75%+)
- FY26 unit operating cost guidance: USD\$860–880/dmt
- Expansion pathway to 315 ktpa by CY29 with staged debottlenecking starting mid-2027

Moblan Lithium Project, Quebec — 60%

- Development-stage spodumene project
- Partnered with SOQUEM (Quebec government-owned)
- Significant resource but requires capex

Carolina Lithium, USA — 100%

- Fully permitted project (permitting was a multi-year battle)
- Integrated spodumene-to-hydroxide concept
- Construction not yet started as of latest disclosures

Ewoyaa Lithium Project, Ghana — 22.5%

- JV with Atlantic Lithium (ASX: A11)
- Spodumene DSO and concentrate potential
- Jurisdictional risk (Ghana) — Module 8 flag to monitor

Pilbara (WA) tenement portfolio

- Prospective for gold and lithium
- Legacy Sayona ground — marginal value unless drilled up

Module 3 grade reality check

NAL's producing grade of 5.0% Li₂O concentrate from the operation, drawn from ore at ~1.1–1.2% Li₂O head grade, is **firmly in the "average" bracket** per the Module 3 lithium benchmarks. It's not Greenbushes (2%+ Li₂O head grade) and it's not Wodgina. It's economic when spodumene prices are above ~USD\$800/t and increasingly profitable above USD\$1,200/t. At USD\$1,453/dmt realised in the Mar 2026 quarter, the operation is generating comfortable margin. At USD\$600/t (mid-2025 reality), it was losing money.

This is a price-taker producer, not a cost leader. Understanding that is the whole thesis.

3. The capital structure history and post-merger reality (Module 6)

This is where Sayona's history gets ugly and ELV's cleanup matters.

The Sayona legacy (pre-merger)

Sayona Mining was one of the most *over-issued* stocks on the ASX. Pre-consolidation SOI was over **25 billion shares**. The stock traded at fractions of a cent for extended periods. Every capital raise was deeply dilutive because the SP was so low that each dollar raised issued enormous new share volumes.

This is the exact pattern Module 6 warns about: a company that survives through repeated dilutive raises during a downturn ends up with a capital structure that *itself* becomes a drag on the recovery. Even if the underlying operation improves, you need enormous enterprise value growth to move the per-share price because there are so many shares outstanding.

The 150:1 share consolidation (Sep 2025)

After shareholder approval on 31 July 2025, every 150 Sayona shares became 1 share. This reduced SOI from ~25 billion to ~168 million. **It did not change the underlying value of the company** — just restructured the arithmetic so the share price could move to a rational level for institutional investors.

Post-consolidation SOI at implementation: **168,458,841 ordinary shares**.

The merger with Piedmont Lithium (Aug 2025)

Under the revised merger terms:

- Each Piedmont share → 3.5133 post-consolidation Elevra shares
- Each Piedmont ASX CDI → 5.27 pre-consolidation Sayona shares (adjusted post-consolidation)
- Approximately **50/50 equity split** between Sayona and Piedmont shareholders at closing

The associated capital raisings

At merger completion, ELV raised:

- ~**A\$40 million institutional placement**
- ~**US\$69 million issue of shares to Resource Capital Fund VIII LP (RCF VIII)** plus an options issuance
- Combined "conditional placement" totalling roughly A\$150m+ equivalent

RCF VIII is a major resources private equity fund — their participation is a **Module 8 green flag**: tier-1 institutional cornerstone who did extensive DD on the combined entity.

Current cap table reality

Post-merger, post-consolidation, post-placement, ELV has a meaningfully larger SOI than the 168m reported at consolidation because of:

- Piedmont equity issued in the merger (~50% of combined)
- RCF VIII placement shares
- Options/performance rights

I'd estimate current fully-diluted SOI is in the 340–400m range — **this needs to be verified from the latest Appendix 3B or NASDAQ filings**. At ~\$8 per share, that implies the ~\$1.5B+ market cap I noted earlier.

Module 6 watch-items

- **Options/performance rights:** per the Sep 2025 post-consolidation disclosure, there were 1.77m performance rights and 2.72m options at \$4.80 strike. These numbers will have grown with the merger. Worth checking the latest annual report remuneration notes.
- **RCF VIII options overhang:** the options issued to RCF VIII alongside their share placement could be material. Check the terms in the disclosure documents.
- **Prepayment facility:** ELV carries a USD\$54.3m prepayment facility (essentially customer prefinancing). That's debt-like but tied to physical delivery obligations. Worth understanding the terms.

Top holders

RCF VIII is likely now the largest single institutional holder, along with former Piedmont institutional holders and whatever Sayona-era institutions survived the downturn. The register shifted significantly with the merger and consolidation. Pull the latest top 20 from the most recent annual report — this is one of the genuine gaps in my analysis.

4. The macro story — the lithium price cycle (Module 9)

This is the single biggest driver of ELV's re-rate. More so than any company-specific factor.

The lithium price collapse (2022 peak → mid-2025 trough)

- Lithium carbonate peak: CNY 580,000–600,000/t in late 2022 (roughly USD \$80,000/t equivalent)
- Spodumene (SC6) peak: USD\$8,000/t
- Trough (mid-2025): lithium carbonate ~USD\$9,000–10,000/t; spodumene ~USD\$600–700/t
- **Peak-to-trough: roughly -90%**

This was the most brutal commodity price collapse of any major metal in the current cycle. The entire lithium producer complex went from record profits to cash losses in 18 months.

Mine closures: Mt Cattlin, Finnis (Core Lithium), Bald Hill, Ngungaju (PLS). Dozens of developers went bust or mothballed. Sayona itself was a survival story — they were able to keep NAL running because of the Piedmont offtake revenue and repeated capital raises, but both companies were burning cash.

The recovery (H2 2025 → Q1 2026)

Per the Module 9 framework, this is a textbook commodity cycle bottom:

1. **Supply discipline:** Australian producers curtailed expansions; Zimbabwe banned concentrate exports
2. **Policy signals:** Chinese anti-involution campaign, mining permit cancellations in Jiangxi, CATL's Jianxiawo mine suspension
3. **Demand surprises:** ESS demand growth (forecast revised up 60% to 750 GWh for 2026), AI-data-centre-driven energy storage
4. **Speculative positioning:** Chinese futures market participation amplified the move

Spodumene price trajectory:

- July 2025: ~USD\$600/t
- October 2025: lows
- Late Dec 2025: ~USD\$1,000/t
- Jan 2026: crossed USD\$2,000/t
- Jan-Feb 2026 peak: as high as USD\$2,500/t reported
- Some softening in Q2 2026 but staying elevated

ELV's **realised price** in the Mar 2026 quarter was USD\$1,453/dmt — a **46% QoQ increase**. That realised price tracking the spot is the entire reason ELV swung from losses to USD\$32m of quarterly operating profit.

What this means through the Module 9 lens

We're probably in late Phase 2 (stealth recovery) / early Phase 3 (broad bull) for lithium. Key indicators:

- Producers have re-rated first ✓ (PLS, MIN, ELV, etc.)
- Broker upgrades flowing through ✓ (Bell Potter lifted spodumene forecast 89%)
- M&A activity picking up ✓ (Sayona-Piedmont, others)
- IPO pipeline reopening — not obviously yet
- Retail mania — not yet; lithium is still a "healing" story, not a hype story

Crucially: analyst views are genuinely divided. Wood Mackenzie still forecasts surplus in 2026. S&P Global sees a narrowing surplus. Morgan Stanley sees deficit. UBS sees modest deficit. This divergence is classic mid-cycle territory — not yet "everyone agrees the bull market is back," which means the re-rate might have more room if demand keeps surprising, or could reverse sharply if supply comes back faster than expected.

5. Operational and financial reality (Modules 5, 10)

The March 2026 quarter — just released 22 April 2026

Read carefully through the Module 10 producer-quarterly lens:

Metric	Q3 FY26 (Mar 2026)	Q2 FY26 (Dec 2025)	QoQ change
Spodumene produced	47,332 dmt	44,000 dmt (approx)	+7%
Spodumene sold	~56,000 dmt	66,000 dmt	-15%
Realised price (FOB)	USD\$1,453/dmt	USD\$998/dmt	+46%
Unit operating cost (sold)	USD\$884/dmt	USD\$812/dmt	+9%
Revenue	USD\$81m	USD\$66m	+22%
NAL operating profit	USD\$32m	~USD\$12m	+170%
Mill utilisation	94%	89%	+
Global recovery	66%	62%	+
Cash balance	USD\$113m	USD\$81.3m	+USD\$31.7m
Net cash	USD\$58.7m	USD\$26.4m	+123%

What this tells you through the Module 10 lens:

- **Revenue up, price-driven** — this is the good kind of revenue growth when operational volumes also held up
- **Unit costs rose 9% QoQ** — watch-item. Management attributed to higher-cost inventory moving through, plus lower Li₂O grade ore from Phase 3 of the pit. This is classic operator behaviour: grade-driven cost pressure.
- **Mill utilisation 94% and recoveries improving** — operationally tightening up
- **Cash more than doubled in net terms** — balance sheet repair is real and happening fast
- **Concentrate grade dropped to 4.9-5.1% Li₂O** — below the 5.5% SC6 spec means price discount, also a watch-item
- **Sales volumes slightly below production** — inventory build, typical for this time of shipping year, but worth watching across quarters

Guidance reaffirmed

- FY26 production: 180,000–190,000 dmt
- FY26 sales: 170,000–190,000 dmt
- Unit operating cost sold: USD\$860–880/dmt
- Capex FY26: USD\$26m

At the current realised price environment (USD\$1,400+/dmt), ELV is generating meaningful cash flow. If the price holds, they'll end FY26 with well north of USD\$150m cash and be self-funding NAL expansion and the downstream push.

The key sensitivity

At USD\$1,400/dmt realised price: highly profitable At USD\$1,000/dmt realised price: modestly profitable At USD\$800/dmt realised price: roughly break-even after sustaining capex At USD\$600/dmt realised price (mid-2025 reality): losing money

A 20-30% lithium correction takes ELV back to break-even quickly. The operational leverage to the commodity price is severe — which is both the bull and bear case.

6. The NAL Expansion fast-track (Module 7, strategic)

Announced 12 January 2026. This is one of the biggest specific catalysts driving the recent price action.

The original plan

Whole-of-project expansion to 315 ktpa by end CY29, with construction complete then commissioning after. Permitting was the critical path constraint.

The revised staged plan

Using **additional permitting information received post-scoping-study** plus existing permits, ELV identified a sequence that removes permitting from the critical path:

- **Initial 15-20% production uplift from mid-CY27** — via debottlenecking
- **Milling expansion to 6,500 tpd** using a temporary mobile crusher — targeting 315 ktpa by early CY28
- **Final crushing and ore-sorting circuit** by early CY29

Why this is a big deal

- Brings forward incremental production by **~2 years vs original plan**
- Low-risk brownfields expansion (not a greenfield project)
- Stages capital investment over time rather than front-loading one massive spend
- Keeps NPV near USD\$950M and IRR ~26.4% (per company modelling at assumed prices)

Module 5 caveat

These NPV/IRR numbers come from a scoping study (Sept 2025), which is **Stage 5 accuracy ($\pm 35\text{-}50\%$)** per Module 5. Real numbers will emerge through PFS/DFS over 2026. Capex blowouts from scoping to actual are the default pattern. Treat the USD\$950M NPV as a directional indicator, not a firm number.

Module 5 price-deck check

I don't have the specific commodity price assumption in the scoping study in front of me — this is a key thing to verify. If they're using USD\$1,200/t spodumene (roughly consensus long-term), the NPV is robust at current prices. If they're using USD\$1,800/t spodumene (peak-of-cycle), the NPV is fragile.

7. Other recent strategic moves (Module 7)

Mangrove Lithium offtake MOU (Feb 2026)

Non-binding MOU for spodumene offtake with Mangrove Lithium (a refining startup). **Module 8 watch-item:** non-binding MOUs are overhyped routinely. Useful as a framing device, shouldn't be read as a firm sale.

North American refining MOU (Mar 2026 quarter)

Part of the "downstream push" — signals intent to move up the value chain from concentrate producer to chemical producer (the Piedmont legacy ambition).

S&P/ASX 300 index inclusion

Mar 2026 quarter. Passive index buying is a recurring tailwind for the stock — forced buying from index funds regardless of their own analyst views. Often worth 5-15% to the SP at inclusion events for small-to-mid-caps.

Major broker coverage

Per ELV's investor page, ELV is now covered by at least three named analysts (Raj Ray, Reg Spencer, Austin Yun). These are tier-1 / tier-2 sell-side mining analysts, which gives the stock institutional legitimacy that Sayona never had during the downturn.

8. Red and green flags (Module 8)

Green flags

- ☐ **Tier-1 institutional cornerstone** (RCF VIII) at merger
- ☐ **Major merger executed cleanly** — integration risk was a serious concern but March quarterly shows operational continuity
- ☐ **Balance sheet repair documented in quarterlies** — cash growing, profitability reported
- ☐ **Tier-1 jurisdiction for flagship** (Quebec, Canada)
- ☐ **ASX 300 inclusion** — institutional legitimacy
- ☐ **Multiple tier-1/tier-2 sell-side analyst coverage**
- ☐ **NAL expansion brought forward by ~2 years** — capital efficient brownfields
- ☐ **Share consolidation cleaned up a structurally broken cap table**
- ☐ **FY26 guidance reaffirmed** — management hitting their numbers matters

Watch-items / yellow flags

- ☐ **Unit costs rising QoQ** — Phase 3 mine grade drop pushing costs. If recoveries and grade continue to drift, margin compression accelerates
- ☐ **Concentrate grade below 5.5% SC6 standard** — this means pricing gets spec-discounted in most offtakes. Watch for "adjusted to 5.5% equivalent" footnotes in pricing
- ☐ **Global recovery 62-66%** — structurally below best-in-class lithium operations. There's an operational improvement case here but it's not a given
- ☐ **Non-binding Mangrove MOU** — classic Module 8 watch-item, shouldn't be weighted as firm
- ☐ **Scoping study economics, not PFS/DFS** — the NAL expansion numbers are still scoping-accuracy. Expect revision through 2026.
- ☐ **Ghana exposure** (Ewoyaa 22.5%) — jurisdictional risk, though diluted by minority stake
- ☐ **RCF VIII options overhang** — size and strike matter; pending dilution possible

Not quite red flags, but material context

- ⚠ **Sayona history**: the legacy of this company included years of dilutive capital raises, CEO turnover, and guidance misses. The new Elevra management (Lucas Dow as CEO/MD is ex-BHP and ex-Whitehaven — strong pedigree) has a cleaner track record but inherited operational and cultural debt from Sayona
- ⚠ **Commodity leverage is the story**: on a price-deck adjusted basis at consensus long-term lithium prices, ELV's valuation gets tight. The current share price embeds a reasonably bullish lithium price view.

Genuine red flags

I didn't identify any serious Module 8 red flags. This isn't a zombie promoter shell — it's a real producer with real cash flow, real assets, and institutional backing. The risk is price-related, not governance-related.

9. Valuation context (Module 10)

Two valuation approaches produce very different answers — this is the Module 10 honest-synthesis part.

Revenue / P/S multiple

- Simply Wall St reported 6.4x P/S at ~\$8.12 (Feb 2026)
- Their fair value models suggested this is *below* peer and industry averages → "undervalued" on revenue multiples

DCF approach

- Simply Wall St DCF implied fair value of **A\$2.96** at the same time the stock was at A\$8.12
- On DCF, stock looks significantly overvalued

How to reconcile

These aren't contradictory. They're measuring different things:

- **P/S multiple** says: "compared to peers, ELV trades cheap on current revenue"

- **DCF** says: "compared to the sum of all future cash flows discounted at reasonable rates, ELV trades rich"

The gap is entirely explained by **commodity price assumptions in the DCF vs current spot**. If you assume spodumene falls back to USD\$900-1,000/t long-term (which is near most broker consensus), the DCF struggles to justify anything like \$8 per share. If you assume spodumene stays above USD\$1,500/t for an extended period, the DCF would support the current price and more.

This is a bet on where lithium prices go. Everything else is noise on top of that.

Per-tonne-of-resource valuation check

ELV has massive combined resources across NAL, Moblan, Carolina, and Ewoyaa. The exact LCE (lithium carbonate equivalent) number is north of 200m tonnes of ore for NAL+Moblan alone. Comparing EV per LCE tonne to global peers:

- Pilbara Minerals: well-known benchmark
- Albemarle: integrated, brine + hard rock
- SQM: brine

These per-tonne comparisons are less useful than for explorers because the producing assets have actual cash flow. For ELV, **cash-flow-based valuation at reasonable long-term prices** is the more honest frame.

10. Catalyst calendar (Module 7)

Window	Catalyst	Type	Conviction
30 April 2026	Next quarterly due (Mar 2026 already released 22 Apr)	Scheduled	Released
Q2 CY26	Updated scoping study + detailed engineering for NAL expansion	One-off	High — key input to PFS
H2 CY26	Further offtake signings (binding, not MOU)	Ongoing	Medium
CY27	PFS / DFS on NAL expansion Phase 2	One-off	High — may reset the valuation maths
Mid CY27	Initial 15-20% production uplift from debottlenecking	Operational	High impact if delivered
Early CY28	Target 315 ktpa production via mobile crusher phase	Operational	Critical execution milestone

Window	Catalyst	Type	Conviction
Early CY29	Final expansion completion	Operational	Ultimate delivery test
Ongoing	Quarterly realised price (most significant catalyst every 3 months)	Scheduled	Very high
Ongoing	Broader lithium market pricing (daily)	Macro	Very high

Module 7 key insight: for a producer like ELV, the **most important catalyst every 90 days is the quarterly activities report**. Revenue, cost, and cash position updates directly drive the SP. One bad quarter (rising unit costs + grade issues + sales shortfall) can unwind months of rally. Conversely, one great quarter (what we just saw) can accelerate it.

The longer-dated catalysts (NAL expansion PFS, 315 ktpa target) are where the *structural* re-rate vs *cyclical* re-rate distinction lives. If they deliver NAL expansion on time and on budget, ELV becomes a different kind of company. If they suffer typical capex blowouts and delays (Module 5 default pattern), the story flattens.

11. Thesis statement (Module 10)

Bull case, in one paragraph: Elevra is a surviving North American hard-rock lithium producer that merged into scale at the cycle trough, cleaned up its capital structure via 150:1 consolidation and RCF VIII cornerstone investment, and is now capturing the lithium price recovery at the operational level. NAL is generating USD\$30m+ of quarterly operating profit at current prices, with a staged expansion pathway to 315 ktpa by early CY29 that's permit-de-risked. The company has transitioned from "will it survive" to "how big can it get" territory, with a meaningful downstream/integrated platform option via Piedmont's legacy Carolina project. At current prices, the stock still trades at a premium to DCF fair value at consensus long-term lithium prices, but that premium is justified if the recovery persists or the deficit scenarios play out.

Bear case, in one paragraph: ELV is a high-cost, sub-optimal-recovery producer whose entire valuation rests on spodumene staying above USD\$1,200/t. Half of the analyst community sees continued surplus in 2026, with Zimbabwean exports and Australian restart capacity (Bald Hill, Mt Cattlin, Ngungaju, Finniss) all capable of adding supply within 4-6 months of a price decision. NAL's concentrate grade and recovery are structural issues that ~USD\$26m annual capex won't fix quickly. The stock has run over 100% from its 2025 lows; much of the macro lithium recovery is now priced in; next-quarter earnings will be the crucial test of whether margins are sustainable through the FY26 seasonal pattern. A return to the USD\$800-1,000/t spodumene range — well within the range of non-crisis historical levels — cuts cash flow by 60%+ and invalidates the current multiple.

What would invalidate the bull thesis:

1. Spodumene falls sustainably below USD\$1,000/t
 2. Mothballed capacity (Bald Hill, Mt Cattlin, Finniss, Ngungaju) restarts en masse, adding 400,000+ tpa of supply
 3. Zimbabwe lifts its export ban
 4. NAL operational metrics (grade, recovery) deteriorate further rather than stabilise
 5. NAL expansion scoping study updates (Q2 CY26) show significant capex creep
 6. Chinese battery demand underperforms vs ESS + EV forecasts
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12. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX/SEC disclosures before sizing a position:

1. **Exact fully-diluted SOI** — factoring in RCF VIII options, Piedmont-era performance rights carried forward, and any post-merger issuances
 2. **Top 20 holders post-merger** — the register composition matters a lot for volatility and liquidity
 3. **Prepayment facility details** — the USD\$54.3m facility, maturity and terms
 4. **Specific scoping study commodity price assumption** for NAL expansion (this is THE sensitivity number)
 5. **Piedmont legacy obligations** — any offtake deals, tax assets, or liabilities that transferred
 6. **Insurance and hedging** — what % of forward production is contracted at fixed prices vs spot exposed
 7. **Directors on-market buying since merger** — the Module 8 litmus test
 8. **Escrow arrangements** (if any) on merger shares — potential future supply overhangs
 9. **Actual concentrate price realisation vs SC6 benchmark** — is the discount for lower grade widening or narrowing?
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13. How this compares to PC2 (since you asked both)

Worth noting for your mental framework:

Dimension	PC2	ELV
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Lassonde stage	3-4 (discovery / resource definition)	10 (producer) + expansion overlay
Primary driver of re-rate	Company-specific discovery	Macro lithium cycle recovery + M&A scale
Cap table quality	Clean, tight, concentrated management	Recently cleaned up; previously very messy
Risk profile	High idiosyncratic (will the drill hits continue?)	High macro (will lithium prices hold?)
Cash generation	None (pre-revenue)	Growing rapidly (USD\$32m quarterly profit)
What kills it	Drill results disappoint + capex shock at PFS	Lithium price crashes again
What makes it 3x from here	Major resource upgrade + PFS showing exceptional economics + takeover	Lithium spodumene sustaining above USD\$1,800/t + NAL expansion delivery
Appropriate position size (per Module 10 framework)	2-4% of mining allocation (Stage 3-4 risk)	5-10% for higher-conviction producer, but consider macro hedge

Key difference: PC2 is a bet on a *company*. ELV is a bet on a *commodity with a decent operator attached*. These are genuinely different investment decisions even though both sit on the ASX gold/lithium board.

Final honest note

ELV is the textbook example of a Module 9 Phase 1 → Phase 2 → Phase 3 producer recovery. The framework predicts exactly this pattern:

- Commodity crashes, producers re-rate hardest to the downside
- Strong survivors merge/consolidate at the trough
- Commodity price base forms, producers re-rate first
- Broker upgrades, index inclusions, institutional re-entry
- Stock doubles+ well before any demand/supply balance is proven

The uncomfortable framework truth is that the easy money has already been made. Buying ELV at A\$1-2 during 2024 was the trade. Buying it at A\$8 is a bet on the recovery continuing, which is a legitimate view but carries meaningfully less asymmetry.

If you're thinking about this stock, the honest question isn't "is ELV a good company" (it's a real producer with real cash flow — it's fine). The honest question is:

- **Where do lithium prices go from here?**
- **What's my edge over the analysts who have already moved their targets up?**
- **What's my downside scenario if lithium retraces 30%?**

If you can't answer those three questions with conviction, you're trading the lithium market with extra operational risk layered on top. That's not necessarily wrong — just know what you're actually buying.

Sources cross-referenced

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- Mining.com.au and mining.com coverage
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- SEC filings (Form 6-K for Elevra Lithium; Form 8-K for Piedmont Lithium pre-merger)
- Herbert Smith Freehills Kramer, Baker Botts, Hamilton Locke deal disclosures
- Yahoo Finance, StockTitan, Simply Wall St valuation frameworks
- The Globe and Mail, The Manila Times coverage of March 2026 quarterly

All claims based on public disclosures and industry reporting as at 23 April 2026. Before acting, pull the primary quarterly (released 22 April 2026), latest investor presentation, and any post-merger Top 20 holder disclosures directly from ELV's investor page.

Galan Lithium Ltd (ASX: GLN)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

TL;DR — What actually happened to this stock

- **GLN = Stage 8-9 developer crossing into commissioning** (lithium brine)

GLN is a South American lithium brine developer that has spent ~7 years building Hombre Muerto West (HMW) in Argentina. They **completed Phase 1 construction on 31 March 2026** and are now in commissioning, with first lithium chloride production targeted for **H1 2026** (imminent) and first shipments in **H2 2026**.

The re-rate from ~\$0.09 in mid-2025 to ~\$0.47 in late January 2026 (more than a 5x) is the classic Module 1 Lassonde Curve **second peak build** — the stock moves *into* commissioning because this is the exact point where a developer stops being speculative and starts being valued on cash flow. Four things stacked:

1. **Phase 1 construction completion** (on time, on budget — rare in mining)
2. **The RIGI tax/investment regime approval** from Argentina (only Rio Tinto and Galan got this in the lithium sector)
3. **Two high-quality capital raises at premiums to VWAP** — Clean Elements at \$0.11 in Aug 2025, \$40m placement at \$0.41 in Jan 2026
4. **Lithium price recovery** through 2H 2025 and into 2026 — same macro as ELV but GLN benefits even more because they're pre-revenue with low unit costs

The Clean Elements placement at **\$0.11** in Aug 2025 and the \$40m placement at **\$0.41** in Jan 2026 are the same investors paying **~4x more per share in 5 months**. That's the signal to understand — the institutional smart money saw something through the downturn and doubled down at much higher prices.

1. Company snapshot (Module 1, 6)

Field	Value
Ticker	ASX: GLN (OTC: GLNLF, FSX: 9CH)
Former name	Dempsey Minerals (changed to Galan Lithium August 2018)
Listed	ASX since 2011 (as Dempsey); as Galan from 2018
Ref price (late Dec 2025)	\$0.32
Last placement price (Jan 2026)	\$0.41 (2% premium to 5-day VWAP)
Market cap (late Dec 2025)	~\$368m
Market cap (post-\$40m raise)	materially higher, estimate \$500m+ at \$0.41 issue price given ~1.2bn+ fully diluted shares
Flagship asset	Hombre Muerto West (HMW), Catamarca Province, Argentina (100%)
Other assets	Candelas Project (Argentina, 100%); Greenbushes South (WA, exploration)
Cash (31 Dec 2025, pre-\$40m raise)	A\$15m + US\$6m undrawn prepayment facility
Cash (post-\$40m raise, Feb 2026)	materially higher, probably A\$50m+
Debt	None — significant green flag
Lassonde stage	Stage 8-9: Construction complete → Commissioning → First production imminent

2. The asset — why brine is different (Modules 2, 3)

This is the key technical distinction between GLN and every hard-rock lithium stock (ELV, PLS, MIN, etc.). If you understand this, you understand GLN. If you don't, you'll misread everything about it.

Hard rock vs brine — the two lithium economics

Dimension	Hard rock (spodumene)	Brine (GLN's approach)
Capex	Moderate	Higher upfront
Opex	Higher (\$700-900/t spodumene, plus conversion costs to carbonate/hydroxide)	Lower — first-quartile globally
Time to first production after decision	3-5 years	4-7 years (evaporation cycles)
Ramp speed once operational	Fast	Slower (brine takes time to concentrate)
Environmental profile	Higher footprint, tailings	Lower water impact per tonne but water-intensive overall
Product	Spodumene concentrate (~5.5% Li ₂ O), requires further conversion	Lithium chloride concentrate (direct to LFP battery supply chain)
Typical margin at low commodity prices	Compressed or negative	Still profitable
Typical margin at high commodity prices	Large	Also large but upside capped by fixed-capacity ponds

GLN's specific asset — HMW

Hombre Muerto salar, Catamarca Province, Argentina. The same salar as:

- Livent's Fenix operation (now Arcadium/Rio Tinto after Rio's \$6.7B acquisition of Arcadium in 2025)
- POSCO's Sal de Oro project
- Gangfeng's Mariana project nearby

This salar is **the most proven lithium brine asset in Argentina**, with commercial production going back decades. The geological setting is validated — not a moose pasture.

The grade story

Per Module 3 benchmarks for brine:

- Atacama (Chile, world's best): 1500-2700 mg/L Li
- HMW average brine grade: **859 mg/L Li**, with recent tests **981 mg/L**
- Most Argentine salars: 200-800 mg/L

This puts HMW in the **upper tier for Argentine brines** — not Atacama-level, but well above the median Argentine salar. More importantly:

- **Low magnesium (Mg) and sulphate (SO₄) impurities** — these are the killer costs in brine processing. Many Argentine projects with decent Li grade are uneconomic because high Mg:Li ratios require expensive chemistry to reject.
- **Lower impurity profile than most competitors** — quoted as the differentiator for Clean Elements' due diligence.

Resource scale

Total Resource: **9.5 Mt LCE** — one of the top 20 largest lithium resources globally. Multi-decade mine life (40 years in the DFS). This scale is why Phases 3 and 4 can target 60 ktpa LCE by 2030 — there's enough brine in the ground to sustain that scale.

The product: lithium chloride concentrate (LiCl)

HMW produces **6% lithium chloride concentrate** rather than carbonate or hydroxide. This is important and under-discussed:

- Skips one processing step (carbonate conversion)
- Lower capex, faster time to revenue
- Particularly suited to **LFP (lithium iron phosphate) battery production**, which is the dominant chemistry in Chinese EVs and stationary storage
- Can be further processed into carbonate at the buyer's facility if needed

LFP is ~60% of global EV battery demand and the dominant chemistry for grid-scale BESS. GLN's product is a direct fit for that segment.

Module 3 reality check

On Module 3's lithium benchmarks, HMW is a **tier-1 Argentine brine asset by grade and impurity profile**, with Atacama-comparable economics on cost per tonne LCE but higher than Atacama on absolute grade. Combined with scale (9.5Mt LCE resource), it's a genuinely world-class asset — the kind of deposit you'd expect a major to acquire (as Rio did with Arcadium).

3. The staged development plan (Modules 1, 5)

HMW is being built in phases. Understanding the phases is critical to understanding the valuation.

Phase 1 — 4 ktpa LCE (expanded to 5.2 ktpa)

- **Construction completed 31 March 2026** (announced today → 3 weeks ago)
- Now in commissioning
- Brine inventory ready: ~**10,000 t LCE** already in evaporation ponds
- First processed brine: early Q2 2026
- First lithium chloride concentrate: **H1 2026** (targeting this quarter)
- First shipments: H2 2026
- **30% expansion to 5.2 ktpa** announced with the \$40m placement in Jan 2026

This is the "prove the flowsheet works" phase. Once Phase 1 is operational and generating cash flow, Phase 2 is far easier to finance.

Phase 2 — 20.85 ktpa LCE (DFS complete 2023)

Per Module 5 framework, this is a **DFS-stage project**, so economic numbers are $\pm 10\text{--}15\%$ accuracy (better than scoping):

- Production target: 20.85 ktpa LCE
- **Post-tax NPV (8% discount): USD \$2 billion**
- **IRR: 43%**
- Free cash flow: USD \$236m per year at steady state
- Product: 6% LiCl concentrate (same as Phase 1)

Module 5 stress test

The headline DFS NPV of \$2B and IRR of 43% is impressive, but apply the Module 5 lens:

- **What commodity price assumption?** The 2023 DFS would have used price assumptions that may now look either conservative or aggressive depending on current vs long-term outlook. Need to verify by reading the DFS document directly.
- **IRR 43%** is in the "strong project" band per Module 5, but bordering on "assumptions aggressive" territory (>40%). Plausible for brine given the low opex, but verify.
- **Capex** — not in my immediate notes but will be substantial. Brine capex intensities are typically \$20,000–35,000 per tonne LCE of annual capacity — so Phase 2's 20.85 ktpa could be \$500m–\$700m capex. Phase 1's 4 ktpa (now 5.2 ktpa) was funded with roughly \$80–100m of capital raised over 2023–2026, implying capex intensity around \$20,000/tpa — at the lower end, consistent with brownfield / shared-infrastructure economics.

Phase 3–4 — 60 ktpa LCE by 2030

Long-dated expansion to become one of Argentina's largest lithium producers. Not yet at DFS stage. **Treat this as optionality, not a base case.** Construction permits for Phases 1 and 2 exist (up to 21 ktpa); Phases 3 and 4 still need further permitting.

Where GLN sits on the Lassonde Curve

At this moment (April 2026), GLN is **at the transition from Stage 8 (Construction) to Stage 9 (Commissioning)**. This is the most volatile part of the curve because:

- Construction overruns / delays get punished hard (the Module 5 capex-blowout pattern applies here)
 - Commissioning problems (ramp issues, recovery shortfalls) are common for any new plant, brine plants in particular (evaporation takes time)
 - But **if commissioning goes well**, the second peak starts forming very quickly
-

4. Capital structure and funding history (Module 6)

This is where Galan's story gets genuinely interesting and where Module 6's framework pays off.

The pre-2025 situation

GLN had been grinding through the lithium bear market with limited cash, similar to every other developer. Share price collapsed from highs in the 2022 bull market (>\$1.70) to low teens of cents

by mid-2025 — a punishing drawdown of ~90%. SOI grew materially during this period as they raised capital at progressively lower prices. **Classic Module 1 valley of death behaviour.**

The June 2025 rejected takeover offer

Worth flagging for context: in **December 2024**, GLN rejected a **US\$150 million offer** from **Zhejiang Huayou Cobalt and Renault Group** for the company's Argentine assets. Two implications:

1. **Validation of the asset quality** — two serious strategic buyers did genuine DD and concluded the assets were worth making a bid for
2. **Benchmark for valuation** — at the time of the bid, GLN's full market cap was well below \$150m, so the bid represented a significant premium to market but management believed (rightly, in retrospect) that standalone development would unlock more value

Rejecting offers is risky — many companies that reject bids end up disappointing shareholders who wanted the certain exit. In this case, the subsequent lithium recovery and GLN's own execution have validated the decision (so far).

The Clean Elements cornerstone (August 2025) — Module 6 green flag

- **A\$20m placement at A\$0.11 per share**
- **21% premium to last close** at the time
- **Clean Elements Fund** — a specialist lithium/clean energy fund
- Includes attached options: 1 unlisted option per 2 shares, exercise price A\$0.15
- 77-day technical and legal due diligence period completed successfully

This is **textbook Module 6/8 green flag pattern**:

- Premium to market (not discount)
- Serious DD completed
- Specialist cornerstone that understands the asset
- Options at higher strike price align Clean Elements with upward moves

The Authium offtake + prepayment (April 2025)

- Binding offtake and operating agreements with **Authium Limited** (USA)
- US\$6m prepayment facility available

- Locks in a customer for the first tonnes of production
- Non-dilutive working capital access

The January 2026 \$40m placement — Module 6 green flag scaled up

This is where the story gets genuinely striking.

- **A\$40m institutional placement + A\$1m director placement**
- **Issue price: A\$0.41 per share — 2% premium to 5-day VWAP, premium to 10 and 15-day VWAPs**
- 13% discount to last close of A\$0.47 (standard for placements)
- Clean Elements participating again (reinforcing cornerstone)
- Canaccord Genuity lead manager (tier-1 broker)
- Directors committing their own cash alongside institutional money
- Proceeds: expand Phase 1 to 5.2 ktpa (30% uplift), Greenbushes South exploration, working capital

The Clean Elements arithmetic is the tell:

- **Aug 2025 placement price: A\$0.11**
- **Jan 2026 placement price: A\$0.41**
- **Same cornerstone paying ~3.7x more per share in 5 months**

Clean Elements is doubling down at much higher prices after seeing Phase 1 progress. That's not normal; that's a fund with genuine conviction based on watching execution first-hand.

Module 6 framework green flags — almost all present

- ☐ Premium-to-VWAP pricing in both recent raises
- ☐ Tier-1 institutional cornerstone (Clean Elements) across both
- ☐ Director participation with own cash
- ☐ Specialist cornerstone (not generic institutional money)
- ☐ Clear use-of-funds aligned to stated milestones
- ☐ Canaccord Genuity as bookrunner
- ☐ No debt (removed financing risk, preserved optionality)

Watch-items

- ⚠ **SOI has grown significantly** through the 2023–2025 raises. Pre-consolidation SOI is in the 1+ billion share range. That's the opposite of tight-register (compare to PC2's tight register). Large SOI means individual moves translate less directly to dollar-market-cap changes.
 - ⚠ **Clean Elements options** — at A\$0.15 strike with ~91 million options (half of 182m shares issued), these are deep in the money. Pending dilution of ~91m shares.
 - ⚠ **Phase 2 funding not yet secured** — the \$500m+ capex for Phase 2 will require substantial future capital. Likely a mix of debt, streaming/royalty, strategic partner equity, and maybe another placement. Each path has trade-offs.
 - ⚠ **Authium prepayment facility** — US\$6m is small but any prepayment is a forward sale at a discount. Not concerning at this size but watch if scaled.
-

5. Argentina — the jurisdictional factor (Module 8, 9)

This is the single biggest company-specific risk (not commodity risk, which applies to all lithium).

The headline risk

Argentina has historically been one of Latin America's more volatile economic jurisdictions:

- Currency controls
- Capital export restrictions
- Peso hyperinflation
- Retroactive tax changes
- Political regime shifts

Some of these historical risks have moderated under the Milei administration (pro-market reforms, reduced currency controls, fiscal tightening) but the structural risks remain real.

The RIGI (Régimen de Incentivo para Grandes Inversiones)

This is the unsung hero of GLN's story. The RIGI is an incentive framework for large foreign investments introduced under Milei's reforms:

- **30 years of fiscal stability** (tax rates locked in)

- Income tax benefits
- Reduced export duties
- Simplified foreign currency access
- Streamlined regulatory processes

Per Galan's disclosures, **only two lithium companies have been approved for RIGI status: Rio Tinto (Arcadium) and Galan**. This is a serious differentiator and a substantial green flag. The Argentine government is signalling that GLN/HMW is a strategic priority investment.

Why this matters for valuation

RIGI status materially reduces country risk premium on GLN's DCF valuation. A DCF discount rate that might be 12–15% for an un-RIGI Argentine lithium project can reasonably be 8–10% for GLN. That's directly reflected in the DFS's NPV calculation at 8%.

What can still go wrong

RIGI is framework-level; implementation is ongoing. Political change (Milei's coalition doesn't survive 2027 elections, or policy reverses) could undermine the 30-year stability promise. Argentina has history of governments unwinding predecessors' commitments. This is a real tail risk but not a near-term issue.

Catamarca Province specifics

Catamarca is one of Argentina's most mining-friendly provinces (alongside San Juan and Salta). Existing lithium operations have generally operated without major political disruption. Indigenous community relations in the Puna region have historically been negotiated case-by-case; GLN's disclosures don't flag active community disputes.

6. Macro positioning (Module 9)

Same lithium macro story as ELV, but with different leverage dynamics.

The lithium cycle context

- Spodumene spot: USD\$600/t in mid-2025 → USD\$2,000+/t by Jan 2026
- Lithium carbonate: ~USD\$9,000 → USD\$26,000+

- Module 9 phase: transitioning from Phase 1 (capitulation) through Phase 2 (stealth recovery) into Phase 3 (broad bull)

Why GLN benefits differently to ELV

- **ELV is already producing** — benefits from higher realised prices directly and immediately
- **GLN is commissioning** — benefits from higher *forward* price expectations that drive:
 - Higher NPV on the asset
 - Better terms on future offtake agreements
 - Easier access to Phase 2 financing
 - Better M&A valuation if a bid emerges
- GLN's **operating leverage is higher** because they're starting from zero production and building to 5.2 ktpa, then 20.85 ktpa, then potentially 60 ktpa. Each phase of production is valued against a commodity price that could be wildly different from the DFS assumption.

The LFP-specific demand story

GLN's lithium chloride product is specifically optimised for LFP batteries. The demand tailwinds for LFP specifically:

- Chinese domestic EV market dominated by LFP (BYD especially)
- Tesla's standard-range vehicles globally use LFP
- BESS (battery energy storage systems) overwhelmingly LFP
- **Fastmarkets raised its 2026 ESS shipment forecast from 460 GWh to 750 GWh — a 60%+ increase**

This specific demand vector is structurally stronger than the high-nickel chemistry demand that drives hydroxide pricing. GLN is positioned in the right segment.

The supply-side caveat

The same Module 9 bear case applies:

- Zimbabwe could lift its concentrate export ban
- Australian mothballed capacity (Bald Hill, Mt Cattlin, Ngungaju, Finniss) could restart within 4–6 months
- Chinese lepidolite producers could resume at CATL Jianxiawo
- New brine projects in Argentina are coming online (multiple)

A 30% correction in lithium prices from current levels would be painful for GLN — the DFS NPV scales roughly linearly with long-term price assumption. But because GLN is low on the cost curve and has Phase 1 already built, they survive a downturn better than most peers.

7. Operational status and catalyst calendar (Modules 7, 10)

Where we are right now (April 2026)

- **Phase 1 construction completed 31 March 2026** (announced ~3 weeks ago)
- Electrical and mechanical testing programs underway
- Wet commissioning next — using both raw and pre-concentrated brine
- ~10,000 t LCE brine inventory in ponds ready for processing
- First lithium chloride concentrate production **targeted for H1 2026** (imminent, probably Q2)
- First shipments H2 2026

Module 7 catalyst calendar

Window	Catalyst	Type	Conviction	Expected impact
Q2 2026	First processed brine through plant	One-off	Very high (already happening)	Positive if no issues; significant negative if commissioning problems
Q2 2026	First lithium chloride concentrate production	One-off	Company-defining milestone	Major SP impact
Q3 2026	First shipments to Authium	Recurring	High	First revenue = real valuation change
H2 2026	Phase 1 ramp to nameplate (4 ktpa, then 5.2 ktpa expansion)	Ongoing	Medium	Quarterly reporting catalyst
H2 2026	Updated Phase 2 DFS / Phase 2 FID	One-off	High	Next major re-rate catalyst
2026–2027	Phase 2 financing package (debt + offtake + streaming)	One-off	High	Critical — dilution risk vs non-dilutive path
2027	Phase 2 construction start	Ongoing	High	Entry to next Lassonde stage cycle

Module 7 risk framework for commissioning

Commissioning is genuinely high-risk on brine projects. Things that go wrong in brine commissioning:

1. **Evaporation rate below model** — weather, sun exposure, pond geometry assumptions
2. **Nanofiltration plant yield below design** — impurity rejection not meeting spec
3. **Product grade below spec** — customer price penalties kick in
4. **Brine chemistry surprises** — Mg/SO₄ levels higher than predicted after full concentration cycle
5. **Scale/deposits in piping and ponds** — routine but can disrupt early operations

The ~10,000 t LCE brine inventory already in the ponds means GLN has a material head-start — they're not waiting for 12+ months of evaporation to start producing. But the process plant itself still needs to work.

Ramp-up realism

Per Module 5 and 10 framework: **nameplate capacity in Year 1 is rare**. Expect Phase 1 to produce maybe 60–75% of 4 ktpa nameplate in the first 12 months of operation. The 5.2 ktpa expansion target probably means steady-state mid-to-late 2027. Plan financial modelling accordingly.

8. Red and green flags (Module 8)

Green flags

- ☐ **First-quartile cost curve position** — structurally low opex brine
- ☐ **RIGI approval** — major Argentina de-risking, only 2 lithium companies have it
- ☐ **Tier-1 asset quality** — 9.5 Mt LCE resource, top grade Argentine brine, low impurities
- ☐ **Clean Elements cornerstone doubling down** at 3.7x higher prices in 5 months
- ☐ **Premium-to-VWAP placements** — both the Aug 2025 and Jan 2026 raises
- ☐ **Director participation with own cash** in Jan 2026 placement
- ☐ **Canaccord Genuity lead-managed** (tier-1 broker)
- ☐ **No debt** — preserved financial optionality through the downturn
- ☐ **Phase 1 construction on time, on budget** — the exception, not the rule in mining
- ☐ **Authium binding offtake** — first customer locked in

- **Product fit with LFP battery chemistry** — right segment of demand growth
- **Rejected US\$150m bid from Huayou + Renault in 2024** — asset attracts serious strategic interest
- **Multiple future expansion phases already permitted** (up to 21 ktpa)

Watch-items / yellow flags

- **SOI has grown very large** through the downturn raises — each new share materially less impactful to per-share value
- **Clean Elements options overhang** (~91m at \$0.15 strike)
- **Phase 2 funding still to be arranged** — \$500m+ capex is the next big challenge
- **Commissioning risk is genuine and imminent** — Q2 2026 first production is a go/no-go moment
- **DFS economics** dated from 2023 — commodity price assumption needs to be verified against current spot
- **Argentina political tail risk** — RIGI protects for 30 years but requires political continuity to actually hold
- **"World-class" promotional language** in announcements — not a red flag given asset quality, but Module 8 always flags this style

Genuine red flags

I didn't identify any serious Module 8 red flags. Like ELV, this is a real company with a real asset, real cornerstone institutional money, and executing its plan. The risks are operational (commissioning) and macro (lithium price, Argentina politics) — not governance or structural.

The GLN-specific anti-pattern check

Going through Module 8's sneaky-tactics taxonomy:

- **Transformational acquisition pivot?** No — they've been on HMW since 2018
- **Shell recycling?** No — legitimate development company
- **Capital raise immediately after positive news?** Yes actually — the \$40m placement Jan 2026 came after share price had rallied through late 2025. This is the Module 8 pattern: positive news → elevated SP → placement. But priced at **premium to VWAP** is mitigating; suggests supply was strong enough demand didn't require a discount. Still worth noting.
- **Death spiral convertibles?** No
- **Going concern emphasis?** No — no debt, cash in hand
- **Heavy free options attached?** The Clean Elements deal had 1-for-2 options at \$0.15 strike — not trivial, but not excessive given the depressed SP environment at the time
- **Related-party deals?** No flags I found

9. Valuation framing (Module 10)

The DFS anchor

Phase 2 DFS (2023): **US\$2B NPV at 8% discount rate, 43% IRR** for 20.85 ktpa LCE operation

At post-Jan-2026-placement SOI of around 1.2bn+ shares and a share price around \$0.41, market cap is roughly A\$500m = ~US\$330m. If Phase 2 alone is worth US\$2B NPV, the stock is trading at ~17% of Phase 2 NPV.

But:

- Phase 2 isn't built yet — the NPV is future value, not present value
- Phase 1 only delivers 5.2 ktpa, not 20.85 ktpa — less cash flow in the near term
- Phase 2 requires \$500m+ capex that's not funded yet, so dilution/streaming needed
- The DFS commodity price assumption needs to be verified against current/forward
- Argentina discount (even with RIGI) should pull discount rate up from 8% in a true risk-adjusted model

Applying a more realistic framework:

- Phase 1 (5.2 ktpa) at current commodity prices might generate US\$40–80m annual EBITDA at steady state
- Assigning a 6–10x EV/EBITDA multiple to Phase 1 alone gives \$300–800m
- Phase 2 option value (risk-adjusted NPV) probably another \$300–600m
- Phase 3–4 option value — more speculative, maybe \$100–300m

Rough sum: \$700m–\$1.7bn enterprise value. Current EV (~\$500m) is at the low end of that range.

Module 10 position-sizing implications

GLN is a **Stage 8–9 position** by the Module 10 framework — 3–6% per position of mining allocation is the default range. Weighted toward upper end of that if commissioning goes well, scaled back significantly if commissioning hits problems.

The comp set

In the context of other Argentine brine plays:

- Rio Tinto/Arcadium (now private, but comp pricing from the acquisition)
- Lithium Argentina / Ganfeng's projects
- Allkem/Orocobre (before merger with Livent)
- POSCO's Sal de Oro

Comps generally trade at EV/tonne LCE of resource in the US\$50–\$300 range depending on development stage. GLN has 9.5Mt LCE resource; at \$70/t LCE that's ~\$665m EV (about where current EV sits); at \$150/t LCE that's \$1.4B.

GLN sits broadly in-line with developer-stage brine comps but could re-rate toward producer multiples once commissioning succeeds.

10. Thesis statement (Module 10)

Bull case, in one paragraph: Galan Lithium is a near-producer Argentine brine developer with a tier-1 asset (9.5 Mt LCE, first-quartile cost curve, RIGI-approved), Phase 1 construction completed on time and on budget, and first lithium chloride production targeted for this quarter. The cornerstone institutional investor (Clean Elements) has doubled down at 3.7x higher prices across two recent raises, both executed at premium to VWAP — a pattern that only happens when specialist money sees genuine asset quality and execution. The product (LiCl) is specifically suited to the structurally fastest-growing lithium demand segment (LFP batteries and grid BESS). Phase 2 at 20.85 ktpa would multiply scale 4x from Phase 1; Phase 3–4 could push to 60 ktpa by 2030. A Zhejiang Huayou + Renault takeover bid was rejected at US\$150m in late 2024; the asset would attract serious strategic interest at multiples of that today.

Bear case, in one paragraph: GLN is pre-revenue, crossing the highest-risk point of the Lassonde Curve (commissioning), with years of further development ahead. Phase 2 requires \$500m+ capex that isn't funded, which means either substantial further dilution (current SOI is already large after years of downturn raises), expensive debt, or streaming agreements that encumber future production. Argentina political risk is real — RIGI protects for 30 years but only if successive governments respect it. The DFS NPV of \$2B is based on 2023 commodity price assumptions that may not hold at any given future lithium price. Any commissioning issues (ramp-up problems, product spec failures, unexpected brine chemistry) push first revenue out, extend cash burn, and likely trigger further capital raises at compressed prices. The 5x rally from mid-2025 lows has priced in a lot of good news before it actually arrives in the P&L.

What would invalidate the bull thesis:

1. Commissioning problems delay first production past Q3 2026
2. Product LiCl grade comes in below spec (below 6% target), triggering offtake price penalties
3. Actual Phase 1 ramp takes longer than 12–18 months to nameplate
4. Lithium prices correct 30%+ sustainably

5. Phase 2 financing forces substantial further dilution at compressed SP
 6. Argentina political disruption undermines RIGI in practice
 7. DFS capex for Phase 2 blows out significantly when detailed engineering is done
-

11. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX disclosures before sizing a position:

1. **Current fully diluted SOI** — including all Clean Elements options, performance rights, director options
 2. **The exact commodity price assumptions in the Phase 2 DFS** — this is the key NPV sensitivity
 3. **Updated Phase 1 capex vs original budget** — any overruns hidden in detail?
 4. **Recent brine chemistry confirmation tests** — does the concentrated brine actually meet spec after the full cycle?
 5. **Status of Authium prepayment facility drawdown** — drawn or not?
 6. **Updated Mineral Resource and Ore Reserve Statement** — has the 9.5 Mt LCE been refined since DFS?
 7. **Phase 2 financing timeline and preferred path** — debt, equity, streaming, or strategic partnership?
 8. **Insider on-market buying activity** — Appendix 3Y filings since January 2026
 9. **Comp pricing** — what did Rio Tinto pay for Arcadium per tonne LCE? Useful benchmark.
 10. **Detailed RIGI terms** — exactly which fiscal benefits and which are contingent on meeting investment thresholds?
-

12. How this compares to PC2 and ELV (completing the triangle)

Dimension	PC2	ELV	GLN
Lassonde stage	3-4 (discovery/resource)	10 (producer)	8-9 (commissioning)
Commodity	Gold	Lithium (hard rock)	Lithium (brine)
Jurisdiction	NT, Australia (Tier-1)	Quebec, Canada (Tier-1)	Catamarca, Argentina (Tier-2 with RIGI upgrade)

Dimension	PC2	ELV	GLN
Primary re-rate driver	Company-specific discovery	Lithium macro + M&A scale	Construction completion + lithium macro
Time to first cash flow	2–3+ years (PFS late 2026)	Already producing	Weeks to months
Key near-term catalyst	June 2026 resource update + PFS late 2026	Quarterly realised price updates	First lithium chloride production Q2 2026
Key near-term risk	PFS disappointment; gold correction	Lithium price correction	Commissioning problems
Cap table quality	Clean, tight	Recently cleaned up	Diluted through downturn but growing institutional quality
Cornerstone	Macquarie Mining Finance	RCF VIII	Clean Elements Fund
What triples it	Major discovery + takeover	Spodumene sustained \$2000+/t	Successful ramp-up + Phase 2 FID on favourable terms
What halves it	Drill results disappoint	Lithium crash back to \$800/t	Commissioning problems + dilutive Phase 2 financing

The strategic framing

If I were building a portfolio from these three per Module 10's framework, they serve different roles:

- **PC2** = asymmetric bet on discovery outcomes; highest idiosyncratic risk/reward
- **ELV** = direct lithium cycle exposure with operating leverage; highest macro beta
- **GLN** = event-driven bet on near-term commissioning with meaningful asset backing; highest time-specific conviction

These aren't substitutes. They're complements if you want diversified mining exposure. They're overlapping risk if you stack all three at full position size.

Final honest note

GLN is the stock where the **Module 6 capital structure analysis tells you the most**. The fact that Clean Elements paid \$0.11 in August 2025 and then voluntarily paid \$0.41 in January 2026 — the same fund, at 3.7x the price, without being compelled — is information you don't get from drill results or brokers or charts. That's a specialist investor with more information than retail markets about both the asset and the macro, putting real money behind a specific view.

It doesn't mean GLN can't fail. Commissioning problems are common. Argentina could throw a political curveball. Lithium could correct hard. Phase 2 financing could be brutally dilutive.

What it does mean is: the framework's answer here isn't "guess what happens next." The framework's answer is: you can see what informed institutional money is doing, you can see what commissioning milestones need to be met, you can see where the catalysts sit on the timeline. The rest is calibrating position size to your conviction in operational execution.

The asymmetric moment — buying at \$0.09 in mid-2025 when the specialist cornerstone was announced at 21% premium to that price — has passed. The current question is whether the transition from Stage 8 to Stage 10 (full producer status) plays out on schedule and delivers the DFS economics. If yes, GLN re-rates toward producer multiples. If no, the valley resets.

Sources cross-referenced

- Galan Lithium company website and investor portal (galanlithium.com.au)
- ASX announcements via Listcorp and Market Index (gln.asx.com.au)
- StockTitan, Investing News Network (INN), Mining.com coverage
- 2023 Phase 2 DFS (referenced in multiple announcements)
- Company quarterly activities reports (Dec 2025 quarter most recent pulled)
- Access Newswire (31 March 2026 Phase 1 completion announcement)
- California Telegraph, Stocktitan coverage of \$40m Jan 2026 placement
- PR Newswire, INN coverage of Clean Elements August 2025 placement
- Ainvest and industry commentary on RIGI framework
- Yahoo Finance, Simply Wall St for market data

All claims based on public ASX disclosures and industry reporting as at 23 April 2026. Before acting, verify the latest commissioning status from GLN's investor page and check ASX for any post-30 March 2026 operational updates.

Solstice Minerals Ltd (ASX: SLS)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

TL;DR — What this company actually is

Solstice is a **multi-project WA-focused explorer** with a dual-commodity strategy (gold + copper-gold) and one quite unusual attribute for a junior: **a history of monetising non-core ground for real cash rather than just diluting shareholders.**

The stock has done ~156% over the last year and touched \$1.28 at its peak, from a 52-week low of \$0.155 (a ~8x move at the peak). The re-rate isn't any single catalyst — it's a **Stage 2-3 Lasso Curve re-rate** across multiple prospects simultaneously, layered on top of a gold bull market and decent copper macro, with a capital structure cleaner than most peers.

Key facts:

- **Flagship is the Yarri Gold Project** (1,650km² in the Eastern Goldfields, surrounded by >1Moz neighbours)
- **Nanadie Copper-Gold Project** (Murchison, 40.4Mt @ 0.4% Cu + 0.1 g/t Au Inferred resource acquired in 2025)
- **\$10m Hobbes tenement sale to Northern Star in 2024** is a rare Module 8 "disciplined capital" green flag — they sold a non-standalone asset to a major for real cash instead of grinding it endlessly
- **~\$14-15m cash, no debt** as of the Dec 2025 quarterly
- Strategic placement to **Paradice Investment Management** — institutional validation
- Market cap around **\$120m** at early-2026 pricing

This is a very different stock from PC2, ELV, or GLN. It's not a single-asset discovery story, not a producer riding commodity prices, and not a near-producer crossing commissioning. It's a **multi-project explorer running a sensible portfolio strategy**. The risk/reward profile is different — lower per-asset conviction but more shots on goal.

1. Company snapshot (Module 1, 6)

Field	Value
Ticker	ASX: SLS
Incorporated	2011
HQ	Subiaco, WA
CEO/MD	Nick Castleden
Share price (Mar 2026)	~\$0.88
52-week range	\$0.155 – \$1.28
Market cap	~\$120m (late Feb 2026)
Cash (Dec 2025 quarter)	~\$14m
Debt	None
Unlisted options	~17.1m (various strikes and expiries)
Performance rights	~2.8m (held by staff, management, board)
Lassonde stage	Stage 2-3 for most prospects; Stage 4 for Nanadie (has a resource)

2. The asset portfolio (Modules 2, 3)

Unlike a single-asset junior, SLS runs a genuine portfolio. Each asset has a different stage, commodity, and risk profile. This matters because Module 10 position sizing gets tricky — you're sizing a basket, not a single thesis.

Yarri Gold Project (flagship, 100%)

Location: Eastern Goldfields, WA, ~150km NE of Kalgoorlie **Land package:** ~1,650km² **Setting:** Straddles two craton-scale structural corridors (Keith-Kilkenny Tectonic Zone and Laverton Tectonic

Zone) — the same geological setting that hosts the nearby >1Moz operations

Neighbours — Module 3 context:

- Northern Star's **Carosue Dam** (4.1Moz Au @ 2.1 g/t) immediately south
- AngloGold Ashanti's **Sunrise Dam** nearby
- Ramelius' **Rebecca-Roe** project
- Saturn Metals' lithium/gold plays

The "nearology" framing (Module 8) would normally be a red flag, but in Yarri's case the tenements are actually within the same mineralised corridors, not just in the broad region. That's a weaker nearology case than most.

Active prospects within Yarri:

Bluetooth Gold Prospect:

- Near-surface oxide gold over ~800–900m strike length
- Recent intercepts: 18m @ 3.06 g/t (within 30m @ 2.06 g/t), 29m @ 1.58 g/t, 12m @ 2.86 g/t
- Apply Module 4 g·m framework: 18m @ 3.06 g/t = **55 g·m** (solid); 30m @ 2.06 g/t = **62 g·m** (solid); 29m @ 1.58 g/t = **46 g·m**
- These aren't world-changing intercepts but they're in the "solid hit" band for open-pit oxide gold
- Multiple thick, shallow, continuous intercepts = right geometry for future open-pit mining
- Within 50–100km of existing processing facilities → **commercialisable at modest scale**

Edjudina Range Gold Prospect:

- ~24km SE of Bluetooth
- Emerging discovery — "blind" structural target under soil cover
- Recent intercepts: 8m @ 3.40 g/t (inc. 4m @ 6.00 g/t); 4m @ 2.89 g/t; 2m @ 11.10 g/t (inc. 1m @ 20.90 g/t)
- G·m calculation: 8m @ 3.40 g/t = **27 g·m** (modest); 2m @ 11.10 g/t = **22 g·m** (modest but high grade)
- Key development: fresh rock (primary) mineralisation confirmed below oxide — this is important because it means the deposit has depth potential, not just shallow oxide
- 1km strike length of gold anomalism identified
- Earliest stage of the Yarri prospects

Statesman Well Gold Prospect:

- Historical workings and intercepts
- 22 RC holes completed in 2025 (~2,000m)
- Historical intercepts: 22m @ 1.14 g/t, 10m @ 2.04 g/t, 13m @ 1.28 g/t
- Still being evaluated

Module 3 grade verdict for Yarri gold: These are **typical bulk-tonnage open-pit oxide gold intercepts** — grades in the 1–3 g/t range with occasional higher-grade core. At current gold prices (USD\$4,700+/oz), this is easily economic at open-pit scale within the 50–100km processing radius. Historical benchmarks say a 50koz+ deposit at 1.5 g/t within trucking distance of an existing mill is a real project.

Nanadie Copper-Gold Project (100%, acquired 2025)

Location: Murchison District, ~95km SE of Meekatharra, WA **Status:** **Granted Mining Lease** (important — shortens development pathway) **Resource:** JORC-compliant Inferred MRE of **40.4Mt @ 0.4% Cu + 0.1 g/t Au Contained metal: ~162kt copper + 130koz gold**

Module 3 grade check for copper:

- Porphyry benchmark: 0.3–0.8% Cu (world-class >0.6%, scale matters more than grade)
- Nanadie at 0.4% Cu is within porphyry economic range but at the **lower end**
- At 40.4Mt, this is not a tier-1 porphyry (tier-1 is 500Mt+)
- The 0.1 g/t Au by-product adds ~\$150m of contained Au value at current prices — meaningful but not transformative

CuEq (copper equivalent) rough calculation: Using approximate prices of USD\$10,500/t Cu and USD\$4,700/oz Au with standard recoveries:

- 0.4% Cu ≈ \$42/t ore Cu value
- 0.1 g/t Au ≈ \$15/t ore Au value
- Combined ≈ \$57/t ore gross in-situ value

At 40.4Mt contained resource and hypothetical \$57/t gross value, the contained metal value is ~\$2.3B. But this is gross in-situ — typical realisation after mining, processing, and refining costs is 20–40% of gross, i.e. \$460m–\$920m net present value ballpark, and that's before capex to build.

The Nanadie thesis:

- Near-surface, open-pittable copper-gold
- Existing 40.4Mt resource is the **starting point, not the end point**
- Current 5,000m (extended to 6,300m) RC drilling program is targeting **extensions beyond current MRE boundary**
- Company has identified significant expansion targets — IP (induced polarisation) geophysics has mapped prospective features
- "Hidden and only partly defined below shallow soil cover" per the CEO — the geophysics has shown the system extends

Module 8 watch-item for Nanadie: it's 100% inferred. Per Module 2, **Inferred cannot be used in reserves or PFS/DFS economics.** The company needs to drill enough to upgrade material to Indicated before any study makes sense. That's what the current campaign is doing, but it's not a 12-month job.

Ringlock Project (100%)

Location: ~80km NNW of Kalgoorlie **Commodity:** Nickel sulphide (primary) + gold **Status:** Early stage **Prospects:** Ringlock, GSP, Mt Jewell

This is essentially optional upside in the portfolio. Nickel is a poor commodity right now (supply glut from Indonesia, prices compressed). Unless a genuine high-grade sulphide discovery emerges, Ringlock is unlikely to materially drive valuation in the near term.

Ponton Project

Early-stage gold, small portion of total portfolio work. Not yet material.

Total land position

~2,200 km² across three project areas in WA. That's a genuinely large tenement footprint — most juniors hold 200-500 km².

3. Capital structure and history (Module 6)

SOI and dilution

From the investor presentation I pulled:

- Quoted ordinary shares
- 17.1m unlisted options (various strikes and expiries)
- 2.8m performance rights (staff, management, board)

The total fully diluted SOI figure needs to be verified from the latest quarterly — I estimate fully diluted at ~120-130m shares given the ~\$120m MC at ~\$1/share. This is a **tight-to-moderate**

register compared to lithium survivors like GLN.

The Hobbes tenement sale — Module 8

GREEN FLAG, highlighted

In 2024, SLS sold its **Hobbes tenement to Northern Star Resources for \$10 million in cash**. This is extraordinary and deserves its own paragraph, because it's the opposite of almost every junior capital-management pattern you see.

Why this matters:

1. **Non-dilutive cash.** \$10m went into the company without issuing shares.
2. **Proof of asset quality.** Northern Star (a major) did their DD and paid real money for ground that SLS deemed non-core. Hobbes wasn't a dog being dumped; it was legitimate ground that suited a neighbour better.
3. **Validation of SLS management judgment.** Management correctly identified which of their assets had standalone potential and which were better monetised. That's a rare discipline in junior mining (Module 8's "promoter-style" companies hoard all ground regardless of economic viability).
4. **Creates a recurring template.** The company can potentially do this again with other non-core ground as it's delineated.

This pattern — active portfolio rationalisation and monetisation — is one of the most underweighted signals retail investors miss. Module 8's green flag list mentions "disciplined capital raises tied to milestones"; selling ground for cash is one tier better because it avoids dilution entirely.

Paradice Investment Management placement

A \$2.13m strategic placement to **Paradice** in 2025. Paradice is a legitimate Australian small-cap specialist institutional investor. This is **Module 6 green flag territory** — quality institutional participation at modest dilution cost.

Cash runway

- \$14m cash (Dec 2025 quarter)
- Quarterly burn typically \$2–4m given active drilling programs
- Runway: **3–5 quarters** as of Dec 2025

That's adequate for the immediate term but means a capital raise in late 2026 is likely unless meaningful news flow drives SP higher and enables non-dilutive raising.

Module 8 quick register check

- ☐ Director holdings explicit in annual report
 - ☐ Performance rights structured (not excessive scale)
 - ☐ Options at various strike prices (likely in-the-money now given SP run)
 - ☐ No convertible notes, no death spirals
 - ☐ No related-party tenement transactions flagged
 - ☐ Annual reporting shows normal exploration spend patterns
-

4. Management and track record (Module 8)

CEO/MD Nick Castleden

Based on his public profile and commentary style in announcements: experienced West Australian exploration geologist. The language in announcements is notably **measured and technical** rather than promotional — I noted this while reading through the 2025 drill updates. That's a Module 8 subtle green flag — companies with geologists writing the announcements tend to have fewer of the "up to" / "company-making" red flags.

Board

Verify from the annual report for current composition. Per the Module 8 framework, key things to look for:

- Technical expertise (geology, mining engineering)
- Capital markets experience
- WA network (for jurisdictional operational advantage)
- Track records of taking explorers to resource and beyond

Board and management holding

Approximately **50% held by team** at IPO-equivalent per the 2025 annual report commentary, though this would have diluted some through subsequent raises. **Still a tight register** compared to most ASX micro-cap juniors where management holds 10-20%.

5. Macro positioning (Module 9)

Dual commodity exposure = different from single-commodity juniors

This is an unusual setup for a junior. Most juniors are "the [commodity] company." SLS is both gold and copper-gold.

Gold macro (flagship Yarri exposure):

- Gold spot USD\$4,700+/oz — near all-time highs
- Small/mid-cap ASX gold juniors are in Phase 3 (broad bull) — possibly moving to Phase 4 (mania) depending on your read
- Brokers (Goldman, JPM) still have 2026 targets USD\$4,250–4,900 — i.e., either flat or higher from here
- Gold juniors have re-rated meaningfully through 2024–2026

Copper macro (Nanadie exposure):

- Copper fundamentals are genuinely bullish — demand from EV, grid infrastructure, data centres
- Supply is structurally constrained — few large new mines being commissioned, declining grades at majors
- Copper price has firmed through 2025–2026 but the junior copper space has been less rewarded than lithium or gold
- Incentive price for new copper mines is ~USD\$10,000–12,000/t — current prices near or above that supports new supply, but the 7+ year development lag means juniors with near-production copper will be rewarded if prices hold

Module 9 phase diagnosis: For gold, SLS is in a mid-to-late bull cycle phase. For copper, probably earlier cycle.

Why this matters for SLS specifically

The dual exposure is a **portfolio hedge within the stock**. If gold retraces 20%, copper is less likely to also retrace 20% — they respond to different macro drivers. A gold-only junior gets hit harder in that scenario. A copper-only junior gets hit harder if copper retraces.

This doesn't mean SLS is immune to sector drawdowns — juniors as a class move together on risk-on/risk-off. But the fundamental asset value is more diversified.

The catch

Diversification within a small company is sometimes a **weakness disguised as strength**. SLS management attention is split across 3+ active projects. If any one project became a genuine major discovery, the company might not have the resources or focus to properly advance the others. Module 8 watch-item.

6. Catalyst calendar (Module 7)

For a junior explorer like SLS, the catalysts are almost entirely **drill result announcements** from ongoing programs.

Active programs (as of early 2026)

- **Nanadie Phase 1 RC drilling:** expanded to 6,300m, 13+ holes reported, continuing through Q1 2026
- **Yarri follow-up drilling:** Bluetooth and Edjudina Range
- **Ponton early-stage work**

Known scheduled catalysts

Window	Catalyst	Type	Conviction
Q1 2026 (mid-late January)	First assay results from Nanadie 2025 samples	One-off	Medium — extension drilling success key
Feb 2026	23-hole Nanadie drilling results released	One-off	Released — interpret via follow-on
Q1-Q2 2026	Continued Nanadie drilling results in batches	Recurring	Medium per batch
Q1-Q2 2026	Follow-up drilling at Bluetooth and Edjudina Range	Recurring	Medium per batch

Window	Catalyst	Type	Conviction
H2 2026	Potential Nanadie MRE update (upgrade Inferred to Indicated, or expand overall)	One-off	High — major re-rate event
H2 2026	Yarri resource definition if prospects mature	One-off	Medium
Q2 2026	Possible strategic asset acquisition / divestment (SLS has flagged willingness)	Opportunistic	Low conviction on timing
30 Apr 2026	Mar 2026 quarterly activities report	Scheduled	Low base case

Key insight from Module 7

For a multi-project explorer, the cadence of catalysts is more continuous than a single-asset explorer. You shouldn't expect a single blockbuster catalyst; you should expect **a steady stream of medium catalysts** across 2026.

The **single biggest potential catalyst** in 2026 is the **Nanadie resource upgrade/expansion** if it materialises. Moving from 40.4Mt Inferred to a substantially larger resource (say, 60–80Mt) with portion upgraded to Indicated would materially change Nanadie's valuation and unlock the possibility of a scoping study.

What's NOT in the calendar

- No PFS or DFS in the visible timeline — this is still a Stage 2–3 explorer
- No production milestones — years away
- No M&A visibility — can't predict

7. Valuation framing (Module 10)

The rough framework

SLS at ~\$120m MC with ~\$14m cash = **Enterprise Value (EV) ~\$106m.**

That EV is being assigned to:

- Yarri Project (1,650 km², multiple prospects, no JORC resource yet)
- Nanadie Project (40.4Mt Inferred resource at 0.4% Cu + 0.1 g/t Au)
- Ringlock Project (early-stage nickel)
- Ponton Project (early-stage gold)

Per-tonne-of-resource check

Nanadie alone has 40.4Mt of Inferred resource. On an EV-per-tonne basis, \$106m ÷ 40.4Mt = ~**\$2.60/t of resource**. That's very low compared to most Australian copper developers.

On a contained-metal basis: 162kt Cu + 130koz Au ≈ 200kt CuEq at current prices. EV/CuEq tonne = ~**\$530/t CuEq**. For comparison, Australian copper developers typically trade at \$1,000-\$3,000/t CuEq once they have a PFS.

On these metrics, Nanadie alone could arguably justify most of the current EV. Which means Yarri is essentially being ascribed very little value despite being an active multi-prospect gold exploration area.

Caveats to this simple arithmetic:

- Nanadie is all Inferred — discount for JORC confidence
- No PFS/DFS means capex unknown, processing flowsheet unknown, recovery unknown
- Until drilling confirms meaningful expansion, "40.4Mt at 0.4% Cu" is a starting point, not a business case
- Ringlock and Ponton have essentially zero valuation attached; that's appropriate given early stage

The analyst read

- Per Investing.com data: 1 analyst with \$1.00 price target (Hold rating)
- Per TipRanks data: 1 analyst mentioned with \$1.85 price target and Buy rating
- Limited coverage for a stock that has 5x'd in a year — tier-1 brokers haven't initiated

Analyst sparsity for a stock that's moved this hard is a **Module 8 watch-item**, though common for \$120m MC explorers. If broker coverage expands, that's a future catalyst; if it doesn't, it suggests the price action is retail/momentum-driven rather than institutional re-rating.

How Module 10's "FA Story" framework applies

SLS is an unusual case because the valuation stacks several different cases:

1. **Yarri discovery case:** one of the prospects (Bluetooth, Edjudina) grows into a standalone resource of 200koz+. At current gold prices, a 200koz open-pit oxide gold deposit in trucking distance of a mill is worth \$50–150m just for the ore value.
2. **Nanadie scale case:** drilling confirms material expansion from 40.4Mt toward something more like 80–120Mt, with a portion upgraded to Indicated. Enables scoping study, positions SLS as a credible mid-tier copper developer.
3. **Takeover case:** Northern Star, Ramelius, or another major acquires Yarri ground (again) or the whole company for its strategic position. The Hobbes precedent shows this isn't hypothetical.
4. **Macro continuation case:** gold and copper hold current prices, and the junior sector stays in an up-cycle, and SLS continues grinding value through exploration progress.

Any one of these (or combinations) can justify higher valuations. None of them are guaranteed. **The portfolio structure means multiple ways to win, but also means single-asset catalysts don't produce the 5-10x moves you see in concentrated juniors.**

8. Red and green flags (Module 8)

Green flags

- ☐ **Hobbes sale for \$10m cash (2024)** — exceptional capital management signal; non-dilutive liquidity from asset monetisation
- ☐ **Paradise Investment Management placement** — quality institutional on register
- ☐ **No debt**
- ☐ **Multiple prospects being systematically advanced** rather than scattered drilling
- ☐ **Measured, technical announcement tone** — CEO geologist-style, not promotional
- ☐ **Granted Mining Lease on Nanadie** — shortens development pathway vs exploration licence only
- ☐ **Existing infrastructure at Yarri** (roads, mills within trucking distance) reduces development capex requirements
- ☐ **Strong cash position relative to MC** — \$14m on \$120m MC is ~12% cash-to-market-cap, high for an active explorer
- ☐ **Dual commodity diversification** reduces single-commodity macro risk
- ☐ **Tier-1 jurisdiction (WA)** — no sovereign, permitting, or infrastructure discount
- ☐ **Board/management ~50% at IPO** — aligned interests

Watch-items / yellow flags

- **100% Inferred resource at Nanadie** — the whole MRE needs drilling to upgrade before it's bankable

- ⚠ **Multi-project focus risk** — management attention split, no single standout asset
- ⚠ **Limited analyst coverage** despite 5x share price move — retail-driven move possibility
- ⚠ **No PFS/DFS anywhere in the portfolio** — still entirely pre-economic studies
- ⚠ **Cash runway 3-5 quarters** — capital raise likely in H2 2026 unless SP moves higher
- ⚠ **Nanadie 0.4% Cu grade is at low end of economic porphyry range** — needs scale to work
- ⚠ **No production catalysts within visible horizon** — all results are drill results

Genuine red flags

I didn't identify any Module 8 red flags specific to SLS. No name changes, no commodity pivoting, no related-party deals flagged, no going-concern language, no ASX speeding tickets visible in the disclosure history I reviewed. This reads as a legitimately-run small-cap explorer.

What I specifically did NOT see (and that's good)

- No "transformational acquisition" language
 - No pivoting from lithium to gold or similar fad-chasing
 - No death-spiral convertibles
 - No paid promotional research campaigns I could identify
 - Director behaviour appears normal (though verify recent 3Y filings)
-

9. Thesis statement (Module 10)

Bull case, in one paragraph: Solstice Minerals is an active multi-project Western Australian explorer with a disciplined capital management track record (including a rare \$10m non-dilutive asset sale to Northern Star in 2024), a meaningful existing copper-gold resource at Nanadie with clear expansion potential, multiple active gold prospects in the tier-1 Eastern Goldfields within trucking distance of major processing facilities, quality institutional backing (Paradice), and \$14m cash with no debt. Trading at ~\$2.60 per tonne of resource (Nanadie alone), the current EV substantially under-weights the Yarri exploration optionality in a gold bull market. Multiple catalysts across 2026 — Nanadie drill results and resource update, Yarri follow-up drilling, possible asset acquisitions or divestments — provide steady news flow, with the Nanadie MRE update the single biggest re-rate potential.

Bear case, in one paragraph: SLS is a multi-project Stage 2-3 explorer that has already moved 5x in 12 months on exploration results that are solid but not spectacular. None of the gold

prospects have reached JORC resource stage. The Nanadie 0.4% Cu grade is at the low end of economic porphyry range and the resource is 100% Inferred, meaning years of drilling are needed before any credible PFS. Management attention is diluted across multiple projects rather than concentrated on one high-conviction asset. Limited analyst coverage and moderate cash runway (3–5 quarters) mean another capital raise is likely in late 2026, and if the SP pulls back 30% from current levels the raise will be more dilutive. A gold correction to USD\$3,500/oz combined with broader risk-off rotation away from juniors could see the stock retrace 40–60% from recent highs even with no company-specific negatives.

What would invalidate the bull thesis:

1. Gold corrects sustainably below USD\$3,800/oz and copper below USD\$9,000/t
 2. Nanadie extension drilling fails to materially expand the MRE or produces grades below current 0.4% Cu
 3. Yarri gold prospects fail to progress to JORC resources within 12 months
 4. Management attention fragmentation results in no single prospect crossing the development threshold
 5. No progress on additional asset monetisation (like Hobbes) for 24+ months
 6. Capital raise at compressed SP in late 2026 signals institutional support thinning
-

10. Position sizing considerations (Module 10)

Using Module 10's stage-by-stage position sizing framework:

- SLS is **Stage 2-3 for most prospects, Stage 4 for Nanadie**
- Stage 2–3 guide: **2–4% per position** of mining allocation
- Stage 4 guide: **2–5% per position**

For SLS specifically, I'd lean toward the lower end of those ranges (2–3%) because:

1. **Already 5x'd** — much of the easy upside has been captured
2. **No single concentrated thesis** — spread across multiple prospects
3. **Resource still Inferred only** — years from economic studies
4. **Cash runway bounded** — dilution risk inside 12 months
5. **Tight analyst coverage** — no institutional multiplier on new catalysts

The **multi-project structure means lower conviction per dollar invested** compared to a single-asset thesis at the same stage. On the flip side, multiple shots on goal means lower idiosyncratic risk than a single-project explorer.

11. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX disclosures before sizing a position:

1. **Current fully-diluted SOI** — including all options, performance rights, and any recent issuances
 2. **Latest Top 20 holders list** — confirm Paradise holding and look for recent institutional changes
 3. **Director on-market buying** in Appendix 3Y filings across the last 12 months
 4. **Exact terms of the February 2026 Nanadie assay results** — I noted them being released, need to read the full announcement
 5. **Updated cash position in Mar 2026 quarterly** (due 30 April 2026)
 6. **Any CP changes on resource updates** — continuity of CP signals technical continuity
 7. **Status of tenement applications** (several applications flagged as pending)
 8. **Whether any offtake discussions or strategic partnerships are in progress**
 9. **The CuEq calculation methodology used by the company** vs the one I did above — different assumptions give different numbers
 10. **Latest investor presentation** for the company's own framing of valuation and catalysts
-

12. The SLS-specific insight worth holding onto

Most ASX junior explorers follow a predictable pattern of **ground + drill + raise + repeat**. SLS's Hobbes sale (and management's flagged willingness to do more of the same) is a **different operating philosophy**: ground + drill + monetise non-core + raise + repeat.

This matters because the arithmetic of dilution over a 5–10 year development timeline is brutal for most juniors. A company that can fund half of its drilling via non-dilutive asset sales rather than shareholder dilution delivers fundamentally different long-term outcomes for per-share value.

You can see this in the 50%-board-ownership-at-IPO statement and the comparatively tight SOI. Management has been disciplined about not issuing shares unless necessary. That discipline is rare and valuable — though it's reasonable to expect it will be tested in the next 12–18 months when the active drilling programs require continued funding.

Whether they maintain that discipline is the key Module 8 test going forward. If SLS does another non-dilutive asset sale in 2026 to fund ongoing drilling, it's a much stronger company than the

current EV reflects. If they resort to a deeply-discounted placement when cash runs low, the thesis weakens materially.

Sources cross-referenced

- Solstice Minerals company website (solsticeminerals.com.au)
- ASX announcements via Listcorp, Market Index, HotCopper, ASX direct
- Solstice Minerals Annual Report FY25 (30 June 2025)
- Investor presentations (Resource Rising Stars Gold Coast, September 2025)
- Discovery Alert mining coverage (multiple 2025–2026 articles)
- TipRanks, Investing.com, Yahoo Finance market data
- Proactive Investors, Morningstar Australia company profiles

All claims based on public ASX disclosures and industry reporting as at 23 April 2026. Before acting, pull the March 2026 quarterly (due 30 April 2026), the February 2026 Nanadie assay announcement, and the latest investor presentation directly from solsticeminerals.com.au/investor-centre/asx-announcements.

Minerals 260 Ltd (ASX: MI6)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

TL;DR — What this stock actually is

MI6 is, by a significant margin, **the most spectacular ASX gold developer re-rate of the current cycle**. The numbers tell a specific story:

- 12 months ago (April 2025): market cap ~**A\$30m**
- 6 months ago (October 2025): market cap ~**A\$200m**
- Early March 2026: market cap ~**A\$870m** (BMO conference presentation)
- Peak at the \$1.3 billion mark per later BMO commentary
- That's a **~43x increase in market cap in about 12 months**

This did not happen because of a single discovery hole. It happened because **a seasoned team led by Tim Goyder executed a masterclass in mining value creation**:

1. **Acquired a 2.3Moz gold project (Bullabulling) from Zijin for A\$166.5m in January 2025** — a motivated-seller distressed asset at the bottom of a multi-year holding period by the Chinese major
2. **Drilled 132,991m in 12 months** across 615 holes
3. **Doubled the resource from 2.3Moz to 4.5Moz by December 2025**
4. **Secured Franco-Nevada as cornerstone** in a \$220m funding package in February 2026 — **Franco-Nevada's largest ever royalty acquisition in Australia**
5. **All through the strongest gold bull market in 70-80 years** (Goyder's own words)

The re-rate is real, fundamentals-driven, and genuinely rare. It's not froth. But — and this matters — **a 43x is already in the stock**. The question is no longer "why did MI6 move" but "what justifies further re-rating from here" and "what risks remain".

This is a **Stage 4 → Stage 6 Lasso Curve rapid progression** (resource definition into PFS), with a clearly signposted 12–18 month pathway through PFS (mid-2026), DFS (early 2027), FID (early 2027) and first production (H2 2028).

1. Company snapshot (Modules 1, 6)

Field	Value
Ticker	ASX: MI6 (OTC: MTSZF)
Listed	2021 (spin-out of Liontown Resources)
Chairman	Tim Goyder (mining entrepreneur — Liontown, Chalice, DevEx, Deep Yellow)
CEO/MD	Luke McFadyen (former OZ Minerals)
Market cap (April 2025)	~\$30m
Market cap (March 2026)	~\$870m-\$1.3B
Current share price (approx)	\$0.60-0.70 range post-Feb 2026 placement
Flagship asset	Bullabulling Gold Project , Coolgardie/Kalgoorlie region, WA
Resource (Dec 2025 update)	130Mt @ 1.0 g/t Au = 4.5Moz (3.0Moz Indicated + 1.5Moz Inferred)
Key cornerstone	Franco-Nevada (4.9% equity + major royalty holder)
Lassonde stage	Stage 4-6: Resource Definition → PFS (targeted mid-2026)

2. Company origins and the transformational pivot (Modules 1, 8)

The origin story — Module 8 context

MI6 was a **2021 spin-out of Liontown Resources** (ASX: LTR), created to hold Liontown's non-lithium assets. Early life: Moora Project (battery metals), Aston Project (Gascoyne, WA) — early-stage exploration.

For most of 2022–2024 this was a small, forgotten exploration company — exactly the kind of stock that languishes during a mining downturn. Then in January 2025, the pivot happened.

The Bullabulling acquisition — Module 1's perfect Stage-4 re-rate entry

In **January 2025**, MI6 acquired the **Bullabulling Gold Project** from **Zijin Mining** (the \$100bn Chinese gold/copper/lithium giant) for **A\$166.5m in cash and scrip**.

Why this deal was exceptional — read in Module 8 framework:

1. **Zijin is a motivated seller of non-core assets.** They acquired Bullabulling via their 2014 takeover of Norton Gold Fields. Bullabulling had been "folded into the global portfolio" and sat dormant for a decade with minimal work. For Zijin, this was a low-priority asset not worth the capital allocation. For MI6, it could be their entire company.
2. **The asset was significantly de-risked already.** Previous owner Bullabulling Gold had completed a full feasibility study and defined a 3.9Moz resource before the 2014 Zijin acquisition. MI6 inherited 20+ metallurgical reports and decades of drilling data.
3. **Gold bull market starting.** The acquisition was completed as gold was rallying from the 2022–2023 base. Goyder himself said the gold price has risen ~A\$700/oz in the three months since signing the deal.
4. **Granted mining leases + Native Title Land Use Agreement already in place.** Permitting — typically the single longest pole in the WA gold development tent — was effectively done.
5. **Infrastructure sorted.** 45-minute drive from Kalgoorlie (Australia's gold capital). Great Eastern Highway runs through the project. Power, water, skilled workforce all accessible. Camp, offices already on-site.

Why this isn't a Module 8 red flag

Normally, a "transformational acquisition pivoting from battery metals to gold" would ring every Module 8 alarm bell — that's exactly the kind of fad-chasing commodity pivot the framework warns about.

But this case is fundamentally different because:

- **The acquired asset is real** (not speculative ground)
- **The founder/chairman Tim Goyder has the track record** to execute such deals (he's pulled off value-accretive acquisitions at Lontown and Chalice before)
- **The MI6 team was specifically built to execute this kind of deal** — the prior MI6 business was effectively a shell holding ground, keeping a vehicle alive for strategic opportunities

This is the distinction between a promoter shell and a **capital-discipline vehicle waiting for the right opportunity**. MI6 was the latter.

The Tim Goyder factor — Module 8 green flag concentrated

Tim Goyder is arguably Australian junior mining's most successful serial entrepreneur over the last decade:

- **Liontown Resources (ASX: LTR)** — he was Chairman and major shareholder when it built the Kathleen Valley lithium project through the last cycle
- **Chalice Mining (ASX: CHN)** — Chairman of the company that made the Julimar Ni-Cu-PGE discovery (one of ASX's best mineral discoveries of the last decade)
- **DevEx Resources** (Chairman)
- **Deep Yellow Ltd** (Chairman) — major uranium developer
- **MI6** — Chairman, and he subscribed A\$12m of his own cash in the Bullabulling acquisition placement, holds ~7.3%

Goyder's pattern is consistent: he backs management teams, puts significant personal capital in, takes Chairman roles rather than CEO roles, and tends to exit at the production-ready or M&A stage. His endorsement isn't marketing — it's capital.

When Goyder describes the current gold market as "the best market for new gold developments in 70 to 80 years," that's someone who has seen multiple cycles calibrating this one against his experience base.

3. The asset — Bullabulling Gold Project (Modules 2, 3)

Location and setting

- ~25km SW of Coolgardie, ~65km SW of Kalgoorlie-Boulder
- WA's Goldfields-Esperance region (tier-1 gold jurisdiction globally)
- Yilgarn Craton — Archaean granite-greenstone terrain hosting Australia's largest gold deposits
- ~600 km² tenement package (significantly expanded from initial acquisition)

Neighbour context (Module 8)

Bullabulling is **surrounded by operating gold mines** — not a moose pasture:

- Northern Star's KCGM operation (14Moz+ produced)
- Evolution Mining's Mungari operation
- Zijin's own Paddington operation (which is why they owned Bullabulling)
- Multiple smaller operations within 100km

This is the tier-1 geological setting. The question for any Bullabulling analysis is not "is there gold in this belt" — there's decades of proof. The question is "does this specific 8.5km strike system scale economically."

The resource evolution — Module 2 framework

Category	At acquisition (Jan 2025)	December 2025 update
Tonnage	60 Mt	130 Mt
Grade	1.2 g/t Au	1.0 g/t Au
Contained gold	2.3 Moz	4.5 Moz
Indicated	1.4 Moz	3.0 Moz (67%)
Inferred	0.9 Moz	1.5 Moz (33%)
Cut-off grade	0.5 g/t	0.4 g/t
Pit shell gold price	~A\$3,000/oz	A\$4,500/oz
Recoveries	~92%	92%

Apply the Module 2 lens:

- **96% resource increase in 12 months** is exceptional but the mechanics matter
- The jump from 2.3Moz to 4.5Moz came from three drivers:
 1. **New drilling (434 holes, 90,650m)** extending known zones
 2. **Lower cut-off (0.5 → 0.4 g/t)** — includes more marginal material
 3. **Higher pit-shell gold price assumption (A\$3,000 → A\$4,500)** — more material fits inside an economic pit at higher prices
- The grade dropped from 1.2 to 1.0 g/t — this is **entirely consistent with** adding lower-grade marginal material at a lower cut-off
- **67% Indicated category** is very healthy by Module 2 standards (most junior gold developers have 40-50% Indicated at this stage)

Module 2 reality check

The 4.5Moz number is real but context matters:

- **The headline is pit-shell constrained at A\$4,500/oz gold.** At A\$3,500/oz (a 20% gold correction), some of that contained gold falls outside the economic pit shell. Rough rule: each A\$500/oz gold price decrease typically removes 10-15% of the pit shell at this grade range.
- **The 1.5Moz Inferred (33%)** is mostly at depth or along strike, and becomes relevant if and when drilling upgrades it to Indicated

This is not a flag — it's how resource estimation works. But when you see the headline "4.5Moz" being thrown around, remember it's conditional on sustained high gold prices.

Module 3 grade verdict

At 1.0 g/t Au across 130Mt, Bullabulling is a **bulk-tonnage, low-to-moderate grade open-pit gold deposit**:

- Bulk-tonnage open pit benchmark: 0.5–1.5 g/t
- Bullabulling at 1.0 g/t = squarely in the middle
- Compared to nearby operations:
 - KCGM (Super Pit): historically 1.5–2.0 g/t
 - Mungari: ~1.3 g/t open pit
 - Paddington: ~1.0–1.2 g/t

So Bullabulling is **similar grade to its neighbours**. Not spectacular, not marginal — proven economic at this grade range in this province.

The deposit geometry

- **8.5km continuous strike** (extends to 14km including Gibraltar)
- Four main deposit areas: Bacchus (894koz), Phoenix, Kraken, Dicksons
- Plus Gibraltar (separate)
- Near-surface oxide then continuing at depth
- Free-milling metallurgy (no refractory issues — significant Module 3 green flag)
- 92–94% expected recoveries in CIL processing

Recent drilling continues to support the thesis

Drilling since the December 2025 MRE has included:

- Bacchus: 7m @ 7.2 g/t, 11m @ 3.3 g/t, 28m @ 1.7 g/t with internal zones up to 22.6 g/t
- Phoenix: 5m @ 3.8 g/t, 7m @ 4.7 g/t, 20m @ 1.1 g/t, 14m @ 1.4 g/t

Module 4 g·m check on the Bacchus hits:

- 7m @ 7.2 g/t = **50 g·m** (solid)
- 11m @ 3.3 g/t = **36 g·m** (solid)
- 28m @ 1.7 g/t = **48 g·m** (solid)

These aren't discovery hits — they're infill/extensional drilling confirming continuity at or better than the current model. Exactly what you want to see between a maiden MRE and a resource update.

4. The Franco-Nevada deal — why it's so significant (Module 6, 8)

The February 23, 2026 announcement of the **\$220m strategic funding package with Franco-Nevada** is the single most important Module 6/8 signal in MI6's entire story.

The deal structure

- **\$170m royalty funding** — Franco-Nevada pays upfront for an additional gross royalty over the project
- **\$50m equity subscription at A\$0.45 per share**
- Franco-Nevada post-deal holds approximately **4.9% of MI6**
- Franco-Nevada's shares subject to **12-month voluntary escrow** + 12-month orderly market arrangement
- Franco-Nevada already had a **1.0% royalty on some tenements** pre-deal (legacy from previous owners)

Why this is a Module 6/8 green flag of the highest order

Franco-Nevada is the world's premier gold royalty and streaming company. They are the gold standard (pun intended) of project-finance discipline in the sector. Their business model

survives and thrives on:

- Rigorous technical due diligence
- Conservative commodity price assumptions
- Only investing in tier-1 or near-tier-1 projects
- Typical portfolio: Antamina, Cobre Panama, Candelaria, Stillwater, and other top-global assets

Their own press quote from the announcement is telling: "**This represents Franco-Nevada's largest ever royalty acquisition in Australia.**"

The framework implications (Module 8):

1. **Tier-1 institutional DD has been completed.** Franco-Nevada's technical, legal, environmental, and commercial teams spent months on this. If they put \$220m in, it means the project looks bankable to the most discerning capital in the sector.
2. **Non-dilutive funding component.** The \$170m royalty money is not equity — it's locked against future production but doesn't dilute existing shareholders. This is the Module 6 green flag of highest tier: capital without dilution.
3. **Equity at a set price with escrow.** Franco-Nevada paid \$0.45/share (a fixed price, not a discount to a moving market) and committed to holding for 12+ months. That's conviction pricing.
4. **Removes most of the project finance overhang.** Traditional mining project finance involves 50-60% debt, 30-40% equity, 10-20% offtake/streaming. Franco-Nevada's contribution covers the equivalent of the streaming/royalty portion at scale, reducing the size of debt and equity needed later. This is THE key Module 1 valley-of-death mitigant.

What the deal signals about MI6's valuation

Franco-Nevada valued MI6 equity at **A\$0.45/share** in February 2026. That was an anchor price for the placement. Post-deal, the market valued MI6 significantly higher (market cap reached \$1.3B, implying SP above A\$0.65-0.80 range depending on SOI).

Simple arithmetic: Franco-Nevada's equity was priced at a specific point in time based on their deep view of the project. The market subsequently priced it higher. Either:

- Franco-Nevada got a cornerstone discount (common — 10-30% typical for cornerstones at this scale)
- Market has priced in PFS/DFS optimism that Franco-Nevada hasn't yet assumed
- The gold price has continued to rally since the deal

All three are probably true to some degree.

5. Capital structure and shareholder register (Module 6)

Share issuance history

Event	Shares issued	Price	Outcome
2021 spin-out	Initial	-	Existing holders inherited from Liontown
Early 2025	Placement tied to Bullabulling acquisition	~A\$0.25-0.35	Goyder subscribed A\$12m
2025 throughout	Multiple smaller raises	Various	Funding drill program
Feb 2026	\$50m Franco-Nevada equity + \$60m placement	A\$0.45	Major raise for PFS/DFS and pre-development

TipRanks flagged a proposed issuance of **up to 111,111,111 ordinary shares** in late February 2026 — consistent with the Franco-Nevada equity subscription and associated placement at \$0.45 totalling around \$50m.

Current register composition (as of early 2026)

- **~37% institutional** — including North American long-only gold funds (a signal-grade shareholder base for gold developers)
- **Samuel Terry Asset Management** — largest shareholder at **7.4%** (Sydney-based boutique, long-only specialist)
- **Tim Goyder** personal holding: **~7.3%**
- **Franco-Nevada: 4.9%** (post-Feb 2026 deal)
- Broader retail and smaller institutional holders comprise the remainder

Module 6 green flags in the register

- ☐ **Tier-1 cornerstone (Franco-Nevada)** at fixed escrowed price

- □ **Specialist boutique institutional holder (Samuel Terry)** as largest shareholder — these funds don't chase; they accumulate
- □ **North American long-only gold funds** on register — the gold-specialist institutional base
- □ **Chairman holds 7.3% with personal cash** — skin in the game at highest level
- □ **Tight register** — 37% institutional + 7.3% Goyder + 7.4% Samuel Terry + 4.9% Franco-Nevada = ~57% of stock in concentrated, aligned hands

Watch-items (Module 6, 8)

- △ **Aggressive SOI growth** — from ~\$30m MC to \$1.3B in 12 months means shares issued for the acquisition + subsequent raises. Need latest fully-diluted SOI to do per-share valuation properly.
 - △ **Franco-Nevada royalty reduces future margin** — the \$170m upfront is paid for by a percentage of future revenue in perpetuity. This is project-finance math that's favourable at the current stage but becomes meaningful at production. The specific royalty percentage needs to be verified from the deed.
 - △ **Further capital raises likely** before production — even with the Franco-Nevada package, total development capex for a 5Mtpa operation is probably A\$400-600m. Some combination of debt, streaming expansion, and equity will still be needed.
-

6. Economics — what we know and don't know yet (Module 5)

What hasn't been published yet

- **No PFS** (targeted mid-2026)
- **No DFS** (targeted early 2027)
- **No Ore Reserve** (maiden Reserve targeted with PFS, mid-2026)
- **No published capex figure** for the restart
- **No published AISC guidance**
- **No FID** (targeted early 2027)

What we know from broker modelling and public commentary

Argonaut's base case (April 2025 initiating coverage, on the pre-upgrade 2.3Moz resource):

- 5 Mtpa open-pit operation
- ~140,000 oz pa production
- 15+ year mine life

Goyder told reporters the **aim is ~150,000 oz pa**, consistent with Argonaut's base case.

With the 4.5Moz resource upgrade, there's reasonable argument for a higher throughput or longer mine life scenario. The PFS will clarify.

The economic framework (Module 5 projection)

Using industry-standard multipliers for an Australian open-pit CIL gold operation of this scale:

- **Capex estimate:** A\$400-600m for a 5Mtpa CIL plant + mine development + infrastructure (historical comparable projects)
- **AISC estimate:** A\$2,200-2,800/oz for a 1.0 g/t open pit in WA
- **At A\$5,000-6,000/oz gold:** margin of A\$2,500-3,500/oz × 140,000 oz = A\$350-490m gross margin per annum
- **NPV at 5-8% discount:** potentially A\$1.5-3bn (rough ballpark, wholly dependent on final capex, grade delivered, gold price assumption)

These numbers are **speculative** because the PFS hasn't been released. But they inform why the market has re-rated — on any reasonable economic assumption, Bullabulling at 4.5Moz with current gold prices is a genuinely valuable asset.

The Module 5 stress test framework

For when the PFS drops, the questions to ask:

1. What gold price was used? Is it above or below current spot?
2. What's the capex estimate vs Argonaut's modelling?
3. What's the capex/NPV ratio? (Module 5 rule of thumb: 2-3x NPV/capex is healthy)
4. What's the IRR? (15-25% solid; 25-40% strong; >40% check assumptions)
5. What's AISC vs current gold price? (below 60% is healthy)
6. What's the expected ramp time to nameplate?
7. What's the Year 1 production vs average? (high-grading early years is common)

If the mid-2026 PFS comes in at the optimistic end of these (NPV/capex >2.5x, IRR >30%, AISC below A\$2,500/oz), another re-rate is likely. If it comes in at the disappointing end (capex blowout, AISC near A\$3,000/oz), a material pullback should be expected.

7. Catalyst calendar (Module 7)

MI6 has one of the densest catalyst calendars in the ASX gold developer space right now.

Window	Catalyst	Type	Conviction	Expected SP impact
Q2 2026 (ongoing)	Drill results from the remainder of the program	Recurring	High per batch	+/-5-15% per material batch
Mid-CY2026 (July)	Updated MRE	One-off	High	Major — potential resource over 5Moz
Mid-CY2026 (July)	PFS + Maiden Ore Reserve	One-off	VERY HIGH	Primary re-rate event / primary risk event
H2 2026	Further drilling to feed DFS	Recurring	Medium	Batch-by-batch
H2 2026	Power/infrastructure decisions	One-off	Medium	Signals capex discipline
Q3-Q4 2026	Permitting updates	Recurring	Medium	Background de-risking
Early CY2027	DFS + Final Investment Decision (FID)	One-off	VERY HIGH	Second major re-rate point
CY2027	Project finance package (debt portion)	One-off	High	Confirms development is funded
2027-2028	Construction begins, construction milestones	Recurring	High	Ongoing
H2 2028	First gold pour	One-off	VERY HIGH	Second Lasso de peak

The mid-2026 PFS is the critical moment

This is the single biggest catalyst on the horizon. **Everything that's happened to date — the drilling, the resource upgrade, the Franco-Nevada deal — is preamble to the PFS.** The PFS:

- Converts the resource into an actual economic project with real numbers

- Declares the maiden Ore Reserve (Module 2 hierarchy — this is a big step)
- Establishes the commodity price deck the project is tested against
- Reveals capex and operating cost assumptions
- Determines whether Franco-Nevada's cornerstone looked smart or conservative at the \$0.45 price

If the PFS is strong, MI6 re-rates again. If it's disappointing (capex surprise, lower grade than expected, AISC above A\$2,800/oz), a meaningful pullback is plausible even from current levels.

Between now and PFS

Expect continuing drill result batches every 4-6 weeks. These are likely to be modestly positive (confirming existing model) rather than transformational — the real story is aggregating into the resource update, not individual holes.

8. Macro positioning (Module 9)

The gold macro tailwind

MI6 is positioned almost perfectly for the current gold cycle:

- **Gold spot USD\$4,700+/oz** (AU\$7,200+/oz range)
- Small-cap gold developers are in Phase 3 (broad bull) per Module 9's framework
- Near-production developers like MI6 are the optimal cycle positioning — they benefit from high prices in NPV assumptions AND are close enough to production to convert that into cash flow before the cycle reverses
- Brokers (Goldman, JPM) still have 2026 gold targets USD\$4,250-4,900/oz

Why the timing was so good

Tim Goyder's "70-80 years best market" comment is hyperbole but not by much. The specific combination:

- Historic asset bought during end of down-cycle (deal signed when gold ~A\$3,800/oz)
- Resource upgrade and studies completing in rising gold price environment (gold now ~A\$7,200/oz)
- Franco-Nevada cornerstone confidence at peak of tier-1 institutional gold allocation
- Production targeted for H2 2028 — likely still into sustained gold strength if consensus is right

The macro risk

The entire re-rate is priced for gold staying elevated. The framework honest view:

- A gold correction to USD\$3,500/oz (25% drop) would cut Bullabulling's economic pit shell meaningfully, reducing the ore reserve
- A correction to USD\$2,800/oz (40% drop, pre-2024 levels) would still leave the project economic but at much reduced NPV
- The stock at current valuations almost certainly embeds an A\$4,500/oz+ long-term gold assumption

Module 9 stress test: at USD\$2,800/oz gold, MI6's market cap would likely halve from current levels even with all operational execution perfect.

9. Red and green flags (Module 8)

Green flags — extensive

- **Franco-Nevada as cornerstone** — world's premier gold royalty company, largest ever Australian royalty deal
- **Tim Goyder as Chairman with 7.3%** personal holding — serial success record
- **Samuel Terry as largest shareholder (7.4%)** — boutique long-only specialist
- **37% institutional register** including North American gold funds
- **Zijin exit at reasonable price** (A\$166.5m for 2.3Moz = ~A\$72/oz acquisition) in a gold bull market
- **Granted mining leases + NTLUA in place** — permitting largely complete
- **Simple metallurgy, free-milling, 92-94% recoveries** — processing risk minimal
- **Infrastructure-rich setting** (45 min from Kalgoorlie, on highway, existing camp)
- **96% resource upgrade in 12 months** — delivered meaningful progress
- **GR Engineering appointed** for PFS/DFS engineering — tier-1 Australian engineering firm with strong gold track record
- **Clear catalyst calendar** through 2028 — transparent delivery path
- **Measured announcement tone** despite extraordinary performance
- **Euroz Hartleys and Argonaut broker coverage** — initiated coverage from tier-1 firms

Watch-items / yellow flags

- ⚠ **Massive re-rate has already happened** — from A\$30m to A\$1.3B is 43x. Much of the asymmetric upside from Module 1's Stage-4 re-rate is captured.
- ⚠ **Valuation embeds bullish gold view** — if gold corrects, the stock reprices.
- ⚠ **PFS capex unknown** — typical A\$400-600m range but surprises happen. The Module 5 pattern of PFS-to-DFS capex creep still applies.
- ⚠ **Franco-Nevada royalty math** — at production, a percentage of revenue (in addition to the existing 1% legacy royalty) flows to Franco-Nevada. Need to verify the specific royalty rate from the deed.
- ⚠ **SOI has grown aggressively** — need latest fully-diluted count for proper per-share valuation.
- ⚠ **Historic operations suspended in 1998** — there's context around why previous operators (Resolute, Norton Gold Fields, Zijin) didn't proceed further. Part of that is gold price (A\$500/oz era for Resolute) and part is economics. Need to understand MI6's advantage beyond gold price.

Genuine red flags

I did not identify any serious Module 8 red flags. The announcement style, the register, the institutional support, the disclosure quality — all consistent with a legitimately-managed company running the playbook well.

One subtle Module 8 consideration

The story has been so good, so fast, with so much institutional validation, that the **market expects execution**. When expectations are this high, even a modest delay or disappointment (PFS 3 months late, capex 15% higher than expected, grade reconciliation slightly off) can produce outsized selling. The cliché "priced to perfection" has risks.

10. Valuation framing (Module 10)

The current valuation

At ~\$870m-\$1.3B market cap across February-March 2026 and 4.5Moz resource:

- **EV per ounce of resource:** ~\$193-\$289/oz
- For comparison, Australian gold developers with PFS typically trade at \$150-\$500/oz of resource
- Producers trade at \$300-\$1,000+/oz depending on quality

MI6 is roughly priced at **pre-PFS developer multiples** — reasonable but not cheap.

The DCF frame (rough modelling)

At 140kozpa, A\$2,500/oz AISC, A\$5,000/oz gold, 15-year mine life, 7% discount rate:

- Annual EBITDA: ~A\$350m
- Unlevered after-tax cash flow: ~A\$230m
- Rough NPV: ~A\$2.0-2.3bn

With capex of A\$500m (mid-range estimate):

- NPV(project) - capex = A\$1.5-1.8bn implied equity value
- Current market cap ~\$1.0-1.3bn range = reasonable but some upside baked in if execution is clean

This rough math is **broadly consistent with a current-price-to-fair-value ratio of 0.7-0.85**. The market has priced in substantial execution confidence but isn't paying full producer multiples yet. That's where the PFS release becomes critical — it either validates this pricing (and potentially re-rates further as uncertainty resolves) or challenges it (capex surprises trigger de-rate).

Module 10 honest synthesis

- **On revenue/cash-flow multiples:** MI6 is still pre-revenue, so P/S and P/E are meaningless
- **On asset backing:** the 4.5Moz Indicated/Inferred resource at tier-1 jurisdiction supports meaningful valuation
- **On peer multiples:** trading broadly in line with large Australian gold developers pre-PFS
- **On DCF:** reasonable at current prices, embedding moderate assumptions

The stock is **neither cheap nor expensive in conventional mining terms**. It's priced for continued execution without fresh surprises.

11. Thesis statement (Module 10)

Bull case, in one paragraph: Minerals 260 is one of the most compelling gold developer stories on the ASX — a tier-1 team led by serial winner Tim Goyder acquired a 2.3Moz gold project from a distressed Chinese seller at the perfect point in the cycle, aggressively drilled it, doubled the resource to 4.5Moz, and secured the world's leading gold royalty company (Franco-Nevada) as cornerstone in their largest-ever Australian deal. The project has granted mining leases, a Native Title agreement, simple metallurgy, existing infrastructure, and a clear pathway to production by

H2 2028. With 4.5Moz Indicated+Inferred resource and likely growth to 5Moz+ in the mid-2026 update, Bullabulling is one of the best-positioned new WA gold projects in a generational gold bull market. Franco-Nevada's \$220m cornerstone removes most of the valley-of-death risk. A successful PFS in mid-2026 and DFS/FID in early 2027 would position MI6 as a clear acquisition target for mid-tier producers (Northern Star, Evolution, Genesis, Ramelius) who would pay premium multiples for a fully-permitted development-ready asset in WA.

Bear case, in one paragraph: MI6 has re-rated 43x in 12 months and is now trading at ~\$1bn+ market cap on the back of a resource that's still largely Indicated+Inferred, a PFS that hasn't been released, and a set of economic assumptions that embed peak gold pricing. The previous owners (Resolute, Norton, Bullabulling Gold Ltd, Zijin) collectively held the asset for 20+ years without proceeding to full development — much of that was gold price (A\$500/oz era) but some of it reflects economic marginality at the project's bulk-tonnage low-grade (1.0 g/t) structure. A 20-25% gold correction would materially reduce the economic pit shell and resource size. Capex estimates in the PFS could surprise to the upside (the Module 5 default pattern), forcing either further dilution, more streaming, or project deferral. The Franco-Nevada royalty (percentage undisclosed in what I reviewed) permanently reduces project margin in perpetuity. Most importantly, the asymmetric-return window has passed — you're now paying developer multiples on a pre-PFS project where most of the value creation has already been recognised by the market.

What would invalidate the bull thesis:

1. Gold corrects sustainably below A\$4,000/oz (US\$2,600/oz) — resource size compresses
 2. Mid-2026 PFS shows capex above A\$700m or AISC above A\$2,900/oz
 3. Resource update in July 2026 fails to exceed 5Moz or shows grade degradation
 4. Tim Goyder reduces personal holding materially (track the Appendix 3Y filings)
 5. Major institutional holder (Samuel Terry or the North American gold funds) exits
 6. Permitting or native title surprises emerge (unlikely given current status)
 7. Labor market constraints in WA delay construction timeline by 12+ months
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12. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX disclosures before sizing a position:

1. **Current fully-diluted SOI** — including all options, performance rights, and the Feb 2026 issuance
2. **Franco-Nevada specific royalty rate** — the gross royalty percentage over and above their existing 1% legacy royalty
3. **The specific gold price assumption in the pit-shell that generated the 4.5Moz MRE** — A\$4,500/oz per my notes, but verify

4. **Cash runway** — post-Franco-Nevada, the cash position should be substantial, but verify from latest quarterly
 5. **Directors' latest on-market buying activity** — including Goyder's personal transactions
 6. **Escrow and lockup schedules** — both from the 2021 spin-out era and the 2025-2026 placements. When do various tranches come off escrow?
 7. **Any historical feasibility study comparable data** — Bullabulling Gold's 2013-era FS would have capex and AISC estimates that give context
 8. **Detailed metallurgical test work status** — Resolute's 1990s heap leach vs CIL bench-scale test work vs MI6's proposed circuit
 9. **Power strategy** — management mentioned solar/wind "in the mix" — this affects both capex and opex
 10. **Comparable developer acquisitions in WA 2024-2026** — what multiples are majors paying for Bullabulling-like projects?
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13. The key insight worth holding onto

MI6 is a **textbook Module 1 Stage-4 to Stage-6 rapid progression** executed at the right point in the cycle. The reason it worked:

1. **Cycle timing.** The acquisition was signed before the 2025 gold breakout. Stakes acquired at trough, value realized at peak.
2. **Asset quality.** Bullabulling was a real project with a feasibility history, not a greenfield punt. The risk was execution and gold price, not geology.
3. **Team quality.** Goyder has a track record. McFadyen came from OZ Minerals (tier-1 pedigree). They hired experienced WA mining people.
4. **Capital discipline.** Rather than continuous dilutive raises, they layered in Franco-Nevada's royalty structure — a non-dilutive A\$170m that few juniors could have attracted.
5. **Clear roadmap.** Every milestone has been communicated publicly and delivered on or ahead of schedule.

The lesson for the framework: most of MI6's re-rate happened because the market gradually recognized what the chairman and management team had identified at the outset — the asset was badly undervalued under its previous owner. The re-rate from A\$30m to A\$1bn wasn't random; it was the market catching up to an obvious opportunity once the team showed they could execute.

For forward-looking analysis: the next phase of MI6's story is the PFS/DFS/construction phase, which is fundamentally different from the discovery/resource phase just completed. Module 5 risks (capex blowouts, economic sensitivity) dominate from here, not Module 4 risks (drill result variance). Position sizing should reflect that shift.

Sources cross-referenced

- Minerals 260 company website (minerals260.com.au)
- ASX announcements direct from company
- Mining.com coverage (multiple 2025-2026 articles)
- Stockhead, Proactive Investors, Smallcaps.com.au coverage
- TipRanks and Daily Political BMO conference coverage
- Argonaut Research initiating coverage (April 2025)
- Euroz Hartleys quarterly gold sector commentary
- Denver Gold Group profile
- Franco-Nevada announcement (Feb 23, 2026)
- Yahoo Finance, Market Index, Listcorp for market data

All claims based on public ASX disclosures and industry reporting as at 23 April 2026. Before acting, pull the Franco-Nevada announcement in full, the December 2025 resource upgrade announcement, and Argonaut's initiating coverage (if accessible) directly from source. The July 2026 PFS release will be the next major information event.

Bison Resources Ltd (ASX: BSR)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

TL;DR — What this is and what to watch

BSR is a **brand new ASX listing — only 7 days old at date of this report** (listed 16 April 2026). This is the earliest possible stage on the Lassonde Curve, before drilling has even commenced. Any "FA report" on a newly-listed explorer is essentially an **assessment of the prospectus thesis** and the **register/management quality**, not the asset economics (because there are none yet).

Key facts:

- **Listed 16 April 2026** at \$0.20 IPO price
- **\$5.5m raised** (heavily oversubscribed)
- **Closed first day at \$0.62 — up 225% on debut**
- Indicative listing market cap ~\$13.25m; post-debut spike ~\$40m+
- **Nevada-focused gold/silver/copper explorer**
- **Zero JORC resource. Zero drilling. No economic studies.** This is concept/grassroots stage (Module 1 Stage 1).
- **Four projects: Ruby Lake, Cherry Springs, Bald Peaks, Medicine Range** in the Carlin Trend
- **312 unpatented lode mining claims across ~26 km²**
- Management team linked to **Sun Silver (SS1)** and **Black Bear Minerals (BKB)** — the "Kalgoorlie-connected" cluster

This is the riskiest category of ASX stock. The 225% first-day pop reflects IPO scarcity (heavily oversubscribed, small raise), Nevada-gold-thematic momentum, and management/promoter reputation — **not** underlying asset validation. That validation is years and millions of dollars of drilling away.

The honest framework read: **the first-day move is the entire story so far**. Everything from here depends on execution of maiden drilling programs across four projects starting H2 2026.

1. Company snapshot (Module 1, 6)

Field	Value
Ticker	ASX: BSR
Listed	16 April 2026 (7 days before this report)
IPO price	\$0.20
First-day close	\$0.62 (+225%)
Capital raised	\$5.5m (heavily oversubscribed)
Indicative MC at IPO	\$13.25m
Post-debut MC (approx)	~\$40m+
Non-executive chairman	Adam Jakovich
Management linkage	Sun Silver (ASX:SS1), Black Bear Minerals (ASX:BKB)
Portfolio	312 unpatented lode mining claims, 26.1 km ²
Location	Northeast Nevada, ~80km SE of Elko
Target mineralisation	Gold, silver, copper — porphyry, carbonate replacement (CRD), skarn
Status	Zero resource, zero drilling completed by BSR, pre-exploration
Lassonde stage	Stage 1 — Concept/Grassroots

2. The Nevada thesis — macro and geological (Modules 3, 9)

Why Nevada has ASX interest

Nevada is — by independent measures — the world's top mining investment jurisdiction:

- **Fraser Institute ranks Nevada #1 globally for mining investment**
- Hosts approximately **75% of total US gold production**
- The **Carlin Trend** alone has produced 255+ million ounces of gold historically
- Home to the **Nevada Gold Mines JV** (Barrick + Newmont) — 2+ million ounces per year production
- **Long mining history, robust permitting framework, skilled workforce, world-class infrastructure**

This is the opposite of a sovereign-risk jurisdiction. If you can build a real discovery in Nevada, you can mine it. That's a significantly different risk profile from some other ASX-listed junior jurisdictions.

The Carlin Trend specifically

The Carlin Trend is a northwest-southeast geological corridor in north-central Nevada, approximately 60km long and up to 8km wide, that has produced:

- **Sedimentary-hosted "Carlin-type" gold deposits** — fine, disseminated gold in carbonate host rocks
- Multiple 10Moz+ deposits (Goldstrike/Betze-Post, Gold Quarry, Cortez)
- Deposits often "invisible" — microscopic gold, not visible as in typical lode systems
- **Still under-explored at depth and along strike**

What BSR is actually targeting

Important nuance: BSR isn't targeting **classic Carlin-type gold**. They're at the **southeastern terminus** of the Carlin Trend, and their target deposit styles are:

- **Porphyry copper-gold** (Ruby Lake primary target)
- **Carbonate replacement deposits (CRD)**
- **Skarn-type systems**

These are **different deposit styles** from the Carlin-type gold that made the trend famous. The "in the Carlin Trend" marketing is geographically accurate but the geological thesis is adjacent, not identical.

Module 8 watch-item: the "Carlin Trend" branding is doing heavy lifting in the promotional material. The geological comparison to Barrick's +2Mozpa operations is aspirational — those are Carlin-type deposits. BSR's targets are porphyry/CRD/skarn, which work by different rules. It's not a red flag, but it's a subtle framing choice worth recognising.

3. The four projects (Modules 2, 3)

All four projects are **pre-drill, pre-resource stage**. There is no JORC resource, no Ore Reserve, no economic study. Everything below is **target concept**, not defined mineralisation.

Ruby Lake (flagship)

- Claim count and size: largest of the four
- Target: major gold-silver-copper porphyry, carbonate replacement, and skarn-type mineralisation
- Key geological features:
 - Structural intersection identified as primary target focus
 - Remote sensing identified **cluster of kaolinite, goethite, haematite spectral anomalies**
 - Targets interpreted as signals of hydrothermal alteration (i.e., past fluid flow that might have deposited metals)
- **Current status:** no drilling. Geophysics and field targeting are next steps.

Cherry Springs

- 82 unpatented lode mining claims
- ~7 km²
- Similar geological setting (structural junction, late-stage intrusion)
- Two main target clusters including a **500m × 500m goethite-haematite anomaly** along a NE-trending fault
- Target same deposit styles as Ruby Lake

Bald Peaks

- 40 claims
- ~3 km²
- Two target zones along north-trending brittle faults
- Includes **800m-long kaolinite-jarosite anomaly** and **1km-long goethite-haematite anomaly**
- Interpreted as potentially reflecting "significant hydrothermal fluid movement"

Medicine Range

- Part of the four-project portfolio

- Less detail disclosed in the prospectus material I pulled

Module 4 / Module 2 reality check

When I read these descriptions carefully, I note:

- **All targets are based on remote sensing spectral anomalies** — satellite imagery that detects mineral signatures at surface
- **No drilling results**, no JORC classification, no surface sampling grades disclosed
- The language is appropriate for early-stage exploration ("targets", "anomalies", "prospective")
- But the inferential chain is long: spectral anomaly → hydrothermal alteration → potential deposit → drilling → discovery → resource → mine

Every link in that chain is conditional. Most spectral anomalies don't translate to drillable targets. Most drillable targets don't result in economic discoveries. This is the structural reality of Stage 1 exploration.

Module 3 grade context

Since there are no drill results, there's nothing to benchmark against the Module 3 grade framework. The target deposit styles (porphyry Cu-Au) would need:

- 0.3–0.6%+ Cu for porphyry
- 2–8 g/t Au for CRD or skarn
- Scale of at least 50–100Mt for a bulk-tonnage porphyry or 5–20Mt for higher-grade CRD

Until drilling starts and assays return, there's no way to evaluate whether these targets have grade and scale.

4. The management and promoter question (Module 8)

This is **the most important single factor** for a newly-listed explorer. Asset quality can only be assessed by drilling; management quality is the differentiator between a company that will drill systematically, raise capital disciplined, and ultimately discover something, vs a company that's effectively a promoter vehicle.

Non-executive Chairman: Adam Jakovich

Adam Jakovich has been involved in multiple ASX junior listings. The Stockhead coverage explicitly links BSR to "**many of the same names behind the successes of Sun Silver (SS1) and Black Bear Minerals (BKB)**" — both recent ASX junior listings.

The Sun Silver / Black Bear / Bison pattern

This is where the framework analysis gets important. **Sun Silver and Black Bear Minerals are both successful recent ASX junior IPOs** associated with a group of repeat-listing-associates. Here's what I can verify about the pattern:

- **Sun Silver (SS1)** listed in 2024, focused on silver exploration, had a strong debut and subsequent re-rate
- **Black Bear Minerals (BKB)** is another recent junior IPO in the same promoter cluster
- Now BSR has listed with explicit linkage to both

Module 8 framework reading: this is the "serial promoter" pattern, which cuts both ways:

Positive reading: experienced IPO operators who know how to structure juniors, raise capital, build share registers, and advance projects through exploration phases. The Sun Silver and Black Bear outcomes demonstrate the cluster can list successfully and deliver initial shareholder returns.

Cautious reading: repeat IPO structures in the same promoter cluster are **Module 8 yellow-flag territory**. The pattern works best for IPO investors who get in early (at the listing price) and are positioned to exit during the debut-rally phase. Longer-term, the operator's incentive is to launch the next vehicle, not necessarily to drill their current vehicles to discovery.

Honest framework read: BSR could be a genuine discovery-track vehicle, or it could be a "listing product" in a series. You cannot know which from the prospectus alone. The 12-24 months after listing will tell — specifically:

- Do they drill systematically, or do they mostly do geophysics and "target generation" for years?
- Does management participate in the capital raises with personal cash?
- Do they bring in tier-1 institutional backing at follow-on raises?
- Do they hit any meaningful drill-hole milestones?

What I'd want to verify

1. Adam Jakovich's specific track record across previous ASX vehicles beyond the current cluster
2. The full management team bios from the prospectus

3. The specific individuals from the "Sun Silver / Black Bear" cluster who are in BSR
4. Historical outcomes (if any) of prior companies they've been involved with — did they discover something, did they sell, did they dilute?

The legal advisor reveal

Hamilton Locke handled the IPO legals. They also did PC Gold's IPO (the first stock I reported on in this series). Hamilton Locke is a **real tier-1 Australian resources law firm** that wouldn't attach its name to anything egregiously promotional. That's a mild positive procedural signal — but legal quality doesn't guarantee asset quality.

5. Capital structure (Module 6)

The IPO

- **\$5.5m raised** (at the high end of the \$4.5–5.5m target range)
- 22.5–27.5m new shares issued at \$0.20
- **Heavily oversubscribed** — broker allocations were rationed
- Indicative MC at full subscription: \$13.25m

What we know about the post-IPO register

- I don't have detailed top-20 data yet — it will appear in the first quarterly and annual report
- Expect significant **escrow** on founder/vendor shares (standard ASX 12–24 month escrow for pre-IPO shares)
- Institutional allocation likely small given the \$5.5m raise size
- Broker syndicate would have distributed most allocations to retail and sophisticated investors

The first-day 225% spike — what does it mean?

The 225% first-day pop (from \$0.20 to \$0.62) is a Module 8 signal that needs careful interpretation:

Positive reading:

- Genuine oversubscription — demand exceeded the \$5.5m raise cap
- Retail / momentum buyers chasing quality Nevada gold exposure in a gold bull market
- Broker syndicate effectively set the IPO price well below market-clearing level
- IPO participants get an immediate paper gain (good for broker/promoter relationships)

Cautious reading:

- **Thin free float** — with only \$5.5m raised and most shares in escrow, day-one trading is on a tiny fraction of total SOI. Small buy orders create outsized price moves.
- **Classic small IPO behaviour** — 200%+ first-day spikes are common for heavily oversubscribed micro-cap IPOs and almost always fade in the weeks/months after listing as holders take profit and as the novelty wears off
- The spike embeds **no fundamental improvement** — the company has the same \$5.5m cash, same four projects, same zero drilling, same zero resource as it did at \$0.20

Framework honest read: the first-day spike is a function of **IPO mechanics and market sentiment**, not asset validation. Anyone buying the open at \$0.50+ is paying a significantly higher valuation than the IPO price for the same underlying company. The \$13.25m listing MC becomes \$40m+ with no change in what's actually been achieved.

Dilution math looking forward

With only \$5.5m raised and four projects to advance to maiden drill stage:

- Typical drill program cost in Nevada: US\$200–300 per metre of RC drilling
- A 5,000m maiden program per project: ~US\$1–1.5m per project
- Total maiden drilling across four projects: US\$4–6m (~A\$6–9m)
- Plus geophysics, assays, permitting, corporate overhead: add ~A\$2–3m per year
- **Current cash of \$5.5m supports ~12–18 months of systematic exploration maximum**

Another capital raise is virtually certain within 12 months. The question is whether it's done at a premium to listing price (if exploration progress creates appetite) or at a discount (if the stock has faded back toward IPO levels with no news flow).

6. Catalyst calendar (Module 7)

For a newly-listed explorer, catalysts are relatively predictable in the first 12 months. From the prospectus framing:

Window	Catalyst	Type	Conviction
Q2 2026	Geophysics programs across projects	Operational	Low SP impact (positioning only)
Q2-Q3 2026	Drill target definition	Operational	Low SP impact
H2 2026	First maiden drilling commencement	One-off	High conviction on event, variable SP impact
Late 2026 / early 2027	First assay results from maiden drilling	One-off	Very high — the critical moment
2027	Follow-up drilling at any successful targets	Recurring	Medium per batch
30 Jul 2026	Jun 2026 quarterly (first as listed entity)	Scheduled	Low base case (first real disclosure)

Why the first drill results matter so much

For a Stage 1 explorer with no prior drilling, the **maiden drill results are binary**:

- **Hit: significant grades with continuity** → SP could multiple
- **Miss: barren or marginal intercepts** → SP typically halves or worse as the thesis is invalidated for that project

For BSR with four projects, the outcome isn't quite as binary — they can drill multiple targets, and the four-project structure means partial success is possible. But the **aggregate read** of the first 12-24 months of drilling determines whether BSR becomes a serious exploration story or drifts back to listing-price levels with no re-rate catalyst.

The decay risk between now and maiden drilling

The big risk for BSR over the next 6 months: between IPO and first drill results, there are no substantive fundamental catalysts. The stock will be driven by:

- Gold price movements
- Broader junior sector sentiment
- Promotional cycle (investor presentations, news flow)
- Free float expansion as escrow periods end

Most IPO pops fade into this catalyst vacuum. Expect significant SP volatility between now and first results.

7. Macro positioning (Module 9)

BSR has the macro wind behind it — **but so does every gold explorer listing in 2026**. That's actually a watch-item, not a green flag alone.

Gold macro

- Gold spot USD\$4,700+/oz (historic high)
- Junior gold sector in Phase 3 (broad bull) per Module 9
- New IPO activity typically surges at this cycle phase — late bull markets generate IPO-rush dynamics

The IPO-rush pattern (Module 9)

When commodity prices are high and sector sentiment is strong, **IPO pipelines open aggressively**. This is both a consequence and a warning sign:

- **Consequence:** legitimate projects that were too early-stage to list during the downturn now become listable
- **Warning:** the bar for "listable" drops. Projects with marginal geology or weak management teams also get through. Broker syndicates become less discerning. Retail money chases anything in the hot theme.

BSR listing at a +225% pop in a gold bull market fits this pattern. The pattern doesn't mean BSR specifically is low-quality — but it does mean **the listing environment is unusually favourable to promoters** and less discerning buyers need to do more work on asset quality than they would in a harder market.

The Nevada-specific story

- Nevada has seen significant ASX exploration activity in 2024-2026
 - Several ASX juniors have listed to explore Nevada over the past year
 - Thematic capital attraction is strong
 - Real fundamental copper story (US structural supply tightness, policy preference for domestic minerals) supports the thematic
-

8. Red and green flags (Module 8)

Green flags

- ☐ **Tier-1 jurisdiction** (Nevada — Fraser Institute #1 globally)
- ☐ **Hamilton Locke as IPO legal advisor** — real-firm procedural quality signal
- ☐ **Heavily oversubscribed IPO** — demand validation at listing
- ☐ **Four projects (not single-asset)** — some portfolio diversification
- ☐ **Proximity to Elko mining hub** — infrastructure access
- ☐ **No debt, clean cap table at listing**
- ☐ **Gold bull market context supporting sentiment**
- ☐ **Management linked to Sun Silver and Black Bear successes** — some track record of executing IPOs

Watch-items / yellow flags

- ⚠ **Zero drilling completed by BSR** — the entire thesis is based on remote sensing and geological concepts
- ⚠ **\$5.5m cash supports only 12-18 months of exploration** across four projects — another raise is virtually certain
- ⚠ **225% first-day pop** embeds significant positioning in the stock at prices 3x the IPO level with zero fundamental improvement
- ⚠ **"Carlin Trend" marketing** — geographically accurate but BSR targets adjacent porphyry/CRD/skarn deposits, not the classic Carlin-type gold that made the trend famous
- ⚠ **Repeat-listing-promoter pattern** — Module 8 caution around serial IPO clusters; outcomes for non-early holders in such patterns are variable
- ⚠ **Likely thin free float post-IPO** — high volatility in both directions as escrow periods expire
- ⚠ **No institutional cornerstone disclosed** at the level of a Macquarie / RCF / Franco-Nevada / Paradise type name
- ⚠ **Four-project structure can dilute focus** — management attention split from day one

Not yet flagged but worth monitoring

- **Escrow release schedule** — when do founder/vendor shares come off escrow? A flood of supply into a thin market can crater the SP
- **Director on-market transactions** — do insiders buy at market, or only receive placement/performance rights?

- **Capital raise quality** — when the inevitable next raise happens, is it done at a premium to market (like Galan's Clean Elements story) or at a discount with free options attached?
- **Drilling cadence** — do they actually start drilling in H2 2026 as flagged, or does "drill target definition" and "geophysics" consume the first 9-12 months?

Genuine red flags I did NOT see

I did not identify any serious Module 8 red flags in my research. The company is what it says it is — a newly-listed Nevada gold/silver/copper explorer with four early-stage projects, experienced-enough management, a clean listing, and a first-day pop. The risks are structural (Stage 1 exploration, dilution, execution uncertainty), not governance or fraud-related.

9. Valuation framing — or rather, the impossibility of it (Module 10)

Why traditional valuation doesn't work here

- **No resource** → no per-ounce valuation framework
- **No revenue** → no P/E, P/S multiples
- **No production** → no EV/EBITDA
- **No PFS** → no DCF with any confidence
- **No drilling history** → no Module 4 gram-metre framework

What's actually being valued

At \$40m+ post-debut MC, the market is valuing:

- The **optionality** of maiden drilling programs across four projects
- The **thematic premium** of Nevada gold in a bull market
- The **promoter/management signal** from Sun Silver / Black Bear connections
- The **scarcity premium** for small IPOs with heavy oversubscription

Comparable analysis

Useful comp question: what do newly-listed ASX Nevada gold explorers typically trade at pre-drilling? Rough benchmarks from recent listings:

- Successful pre-drill pattern: \$10–40m MC for 6-12 months, then re-rate on first drill success to \$50–200m+
- Failed pre-drill pattern: \$15m listing MC drifts to \$5-8m within 12-18 months as novelty fades
- Discovery pattern: \$15m listing MC → \$200-500m+ on genuine discovery (rare, maybe 5% of programs)

BSR at \$40m post-debut is at the **upper end of pre-drill listing multiples**. The first-day pop has already captured a portion of the discovery optionality. Without a drill result, further upside requires:

- Broader gold sector strength
- Specific positive news (claim additions, strategic partnerships, experienced staff hires)
- New information about any of the four targets

Module 10 position-sizing implications

For a Stage 1 explorer, the framework suggests **0.5–2% per position maximum** of mining allocation. Lottery economics — most go to zero; rare ones 20-50x. Size so the win is meaningful but the loss is survivable.

For BSR specifically, factors pushing position size to the lower end of that range:

- Already 3.1x from IPO price with zero fundamental change
- No drill results likely before H2 2026
- Capital raise likely within 12 months
- Free float expansion as escrow expires

Factors that could push toward the upper end:

- Genuine conviction in management's ability to execute (requires deeper DD than I've done here)
- Strong view on Nevada gold cycle continuing
- Four-project structure giving more shots on goal than single-asset explorers

10. Thesis statement (Module 10)

Bull case, in one paragraph: Bison Resources is a newly-listed Nevada-focused gold, silver and copper explorer with four promising early-stage projects adjacent to the world-class Carlin Trend,

backed by a management team with a track record of IPO execution (Sun Silver, Black Bear). The projects target large-scale porphyry and CRD/skarn systems in the top-ranked global mining jurisdiction (Nevada #1 per Fraser Institute), within 80km of the Elko mining hub with full infrastructure access. The heavily oversubscribed IPO and 225% first-day pop signal strong market support, creating a favourable environment for follow-on capital raises to fund systematic maiden drilling programs. In a gold bull market with US reshoring of critical minerals supply driving additional capital toward domestic exploration, BSR offers asymmetric exposure to near-term drill catalysts from a disciplined starting point.

Bear case, in one paragraph: BSR is a Stage 1 exploration company with no drill results, no JORC resource, no economic studies, and no historical company track record — every element of the thesis is unproven. The 225% first-day pop has already captured most of the pre-drill optionality premium; buyers at \$0.60 pay 3x the IPO price for the identical underlying asset. The \$5.5m raised supports only 12-18 months of exploration across four projects, meaning a dilutive capital raise is virtually certain by mid-2027, and will be deeply dilutive if the SP fades. The "Carlin Trend" marketing is geographically accurate but the target deposit styles (porphyry/CRD/skarn) are adjacent to — not the same as — the Carlin-type gold deposits that made the trend famous. The management's repeat-IPO pattern works best for early IPO holders who exit into debut rallies; longer-term retention may not be the primary incentive. Most junior exploration programs do not discover economic deposits; BSR should be sized accordingly.

What would invalidate the bull thesis:

1. Maiden drilling results show marginal or no mineralisation at primary Ruby Lake target
2. Capital raise within 12 months done at discount to listing price with heavy free options attached
3. Management team changes (CEO or chairman departures)
4. Gold price correction of 20%+ that removes the macro tailwind
5. "Drill target definition" and "geophysics" consume most of 2026 without actual drilling starting
6. Failure to retain key technical/geological staff

What would validate the bull thesis:

1. Genuine first drill hits at Ruby Lake or Bald Peaks (50+ g·m gold or equivalent)
 2. Capital raise within 12 months done at premium to listing price with institutional cornerstone
 3. Director on-market buying in the first 12 months
 4. Strategic partnership or option agreement from a tier-1 Nevada operator
 5. Resource definition work beginning on any prospect within 24 months
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11. The honest reality of Stage 1 IPO analysis

There is a limit to what fundamental analysis can deliver on a stock like BSR. The framework modules are most powerful when applied to:

- Stage 3-4 (discovery/resource definition) — drill results analysis
- Stage 5-7 (economic studies) — PFS/DFS stress testing
- Stage 10 (producer) — quarterly operational analysis
- Stage 8-9 (construction/commissioning) — execution risk assessment

For Stage 1 concept-stage explorers, most of the framework hasn't yet engaged. You are evaluating:

- **Management quality** (hard to assess fully, requires time)
- **Geological plausibility** (requires specialist knowledge beyond what ASX retail can typically evaluate)
- **Capital structure signals** (cleaner picture after 12 months of filings)
- **Execution cadence** (only visible after 12-24 months of operating as a public company)

The framework's honest answer for BSR at this point: **wait and watch**. The first 6-12 months of ASX life will reveal:

- Whether management executes the stated drilling roadmap
- How they handle the first capital raise (premium or discount, institutional or retail)
- Whether initial exploration data (geophysics, soil sampling) validates or challenges the remote-sensing targets
- Whether the SP settles into a sustainable range or collapses toward IPO pricing

Position-sizing implication: if you believe the management/promoter quality merits exposure, a small starter position is defensible. A full conviction position is not. Wait for the first drill results, at minimum, before increasing exposure.

12. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX disclosures before sizing a position:

1. **Full prospectus** including use-of-funds breakdown, management bios, director remuneration structure
 2. **Full top 20 holders** and escrow schedule — this won't be available until the first quarterly (due 30 July 2026)
 3. **Adam Jakovich's specific track record** across ASX vehicles beyond Sun Silver and BKB — including older/failed vehicles
 4. **The specific individuals** overlapping between BSR, SS1, and BKB on the management/board/advisor level
 5. **Geological consultants** who did the prospectus work — are they tier-1 or tier-3?
 6. **Exact Competent Person** details for the target concept work
 7. **Use of funds breakdown** — how much is drilling, how much is geophysics, how much is G&A?
 8. **Escrow release schedule** — when do founder/vendor shares become tradeable?
 9. **ASX 30 June quarterly** (first as public company, due 30 July 2026) — first real operational disclosure
 10. **Sun Silver (SS1) and Black Bear Minerals (BKB) 12-24 month post-IPO performance** as comparables for what BSR's trajectory might look like
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13. The key framework insight for IPO investing

Most ASX mining IPOs fall into three categories in their first 12-18 months:

1. **Discovery track (5-10% of IPOs):** genuine team, genuine asset, drills something real in the first year, re-rates meaningfully. These compound over years.
2. **Slow burn (40-50% of IPOs):** team and asset are real but progress is slow. SP drifts lower from listing peaks. Investors get tired. Eventually either hits something or gets acquired/rolled up.
3. **Fade to irrelevance (40-50% of IPOs):** the listing was the primary liquidity event. Drilling is slow or unsuccessful. Capital raises get progressively more dilutive. SP drifts to fractions of listing price within 2-3 years.

You cannot tell which category BSR will fall into from the prospectus alone. The Sun Silver / Black Bear cluster association is a signal, but not a guarantee — some cluster IPOs work, some don't.

The framework's discipline for approaching IPOs like BSR: **treat the listing as a speculation on management + asset, not an investment in a proven business.** Size accordingly. Don't chase the first-day rally. Wait for the first drill results to reveal which category the company is actually in.

Sources cross-referenced

- Bison Resources company website (bisonresources.com.au)
- ASX announcements via Listcorp and company website
- Hamilton Locke law firm IPO announcement
- Kalkine IPO coverage (25 March 2026)
- Resources Rising Stars coverage (5 March 2026)
- Grafa news (16 April 2026)
- Stockhead "Resources Top 5" coverage (16 April 2026)
- Smallcaps.com.au listing coverage (16 April 2026)
- Yahoo Finance, TradingView for market data
- GoMarkets Top 5 ASX IPO Candidates 2026 coverage (11 March 2026)

All claims based on public ASX disclosures, prospectus material, and industry reporting as at 23 April 2026. The company has been listed only 7 days at the time of this report, so the substantive operating history is minimal. Before acting, pull the full prospectus directly from the company website and verify management team bios, escrow schedules, and use of funds. The first quarterly (due 30 July 2026) will provide the first independent operational disclosure.

Torque Metals Ltd (ASX: TOR)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

TL;DR — What this stock actually is

TOR is a **Stage 4 WA gold explorer with a meaningful maiden resource, aggressive resource-expansion drilling, and a well-timed capital raise into a gold bull market**. The re-rate from ~5c lows to ~35c (with some data points showing \$0.29 in mid-Jan 2026 and implied peaks above 35c) is a classic Module 1 **Stage 3-4 re-rate** — maiden MRE released, follow-on drilling extending the system, capital raised to fund aggressive expansion.

Key facts:

- **250,000 oz maiden MRE at 3.1 g/t** (Paris Gold Project, WA)
- Resource geometry: 1,094Kt @ 4.3 g/t for **152koz at Paris** + 1,145Kt @ 2.0 g/t for 73koz at HHH + 279Kt @ 2.8 g/t for 25koz at Observation
- **\$15m bought-deal placement completed in Dec 2025** — ~\$16m cash at end Dec 2025, in-the-money options could add ~\$4.6m
- **~526m shares on issue** (per late 2025 disclosures) with market cap ranging between **~\$170m (Jan 2026)** and **~\$293-306m (March 2026)** — so the stock is volatile
- Market cap **up ~935% in 12 months** per StockAnalysis.com
- 2 analysts with price targets averaging ~\$0.675 (Strong Buy rating) — upside implied
- **The flagship is shallow, high-grade (3.1 g/t), high-recovery (>96%), close to multiple processing plants** — attractive development economics even before scoping study

The honest framework read: this is a genuine Stage 4 resource-stage gold explorer. The maiden MRE happened in September 2025. Drilling since then has consistently extended mineralisation beyond the resource envelope. The **scoping study work is underway, with next major catalyst being the updated/expanded resource estimate and initial scoping economics**.

Unlike PC2 (tight-register discovery stock), MI6 (large-scale 4.5Moz acquired asset with Franco-Nevada), or GLN (brine developer near production), TOR sits in the bracket of **small-but-legitimate resource-stage WA gold explorer** with a clear ~250koz starting point and demonstrated ability to grow that. It's the classic junior gold developer profile in an exceptional

1. Company snapshot (Module 1, 6)

Field	Value
Ticker	ASX: TOR
Incorporated	2017
HQ	Subiaco, WA
Managing Director	Cristian Moreno
Market cap (mid-Jan 2026)	~\$172m
Market cap (mid-March 2026)	~\$293-306m
52-week range	\$0.05 - \$0.35+
SOI (late 2025)	~526m shares
Cash (end Dec 2025 quarter)	~\$16m (post \$15m placement)
In-the-money options	~\$4.6m potential exercise
Debt	Minimal — ~\$478k total; essentially unleveraged
Flagship	Paris Gold Project , Lake Cowan/Norseman area, WA
Other projects	New Dawn (north of Paris), Edleston (Canada), Penzance, Ponton
Maiden MRE	250koz at 3.1 g/t (2.52Mt) — September 2025
Lassonde stage	Stage 4: Resource Definition, moving toward Scoping Study

2. The asset — Paris Gold Project (Modules 2, 3)

Location and setting

- Paris Exploration Camp covers ~**1,200 km²**
- Located ~**90km southeast of Kalgoorlie, WA**
- South of **St Ives Gold Mine** (Goldfields Ltd)
- Sits on the **Boulder-Lefroy Fault** — the same mineralised corridor that hosts:
 - Northern Star's **KCGM Super Pit** (14Moz+ produced)
 - Goldfields' **Invincible** and **St Ives**
 - Karora Resources' **Beta Hunt** and **Baloo**

This is **tier-1 geological setting**. Not nearology in the loose sense — this is the same structural corridor that hosts Australia's most productive gold deposits. Module 8 passes: legitimate geological analogue, not just a postcode play.

The maiden resource (Sept 2025)

Deposit	Tonnes	Grade	Contained Au
Paris	1,094 Kt	4.3 g/t	152 koz
HHH	1,145 Kt	2.0 g/t	73 koz
Observation	279 Kt	2.8 g/t	25 koz
Total	2,518 Kt	3.1 g/t	250 koz

Resource categorisation (Paris deposit breakdown)

- Indicated: 284Kt @ 3.7 g/t = **34koz (22%)**
- Inferred: 810Kt @ 4.5 g/t = **118koz (78%)**

Module 2 reality check:

- **78% of Paris (the flagship deposit) is Inferred.** This is a big number. Per Module 2, Inferred material cannot be used in reserves or PFS/DFS economics. The 34koz Indicated portion is what any near-term scoping would rely on. Most of the headline 250koz will need infill drilling to upgrade before it's bankable.
- That said, **78% Inferred is typical for a maiden MRE** — it's the starting point, not the end point. TOR is already running infill drilling specifically to upgrade this material.
- **The grade is the story:** 4.5 g/t Au in the Inferred portion at Paris is genuinely high-grade for a WA open-pit/underground-transition deposit.

Module 3 grade context

At 3.1 g/t average and 4.3 g/t for Paris deposit specifically, this sits in the **upper-middle band** of Module 3's gold grade benchmarks:

- Bulk-tonnage open pit: 0.5–1.5 g/t
- Average open pit: 1–3 g/t
- **High-grade open pit: 3–5 g/t ← Paris sits here**
- Underground: 4–8 g/t
- High-grade underground: 8–15 g/t

TOR specifically notes that **~190,000oz at 2.9 g/t is open-pittable**. That's a healthy split — two-thirds of the resource mineable at a grade (2.9 g/t) that's significantly above the typical WA open-pit threshold.

Metallurgy — major Module 3/8 green flag

- **>96% metallurgical recovery** confirmed
- Free-milling gold (no refractory processing issues)
- Paris is described as "shallow, high-grade, high-recovery"

96% recovery is excellent. Most WA gold deposits achieve 88–94%. Anything above 94% is exceptional and directly flows through to project economics — every additional 2% of recovery is roughly 2% additional free cash flow per ounce mined at steady state.

Infrastructure access

Module 8 green flags here:

- **13 pre-native title development-ready mining licences** — permitting significantly de-risked
- Nearby processing plants: **Bald Hill, Higginsville, Lanfranchi, St Ives** all within trucking distance
- Existing roads, power, workforce in the Kalgoorlie ecosystem
- 14 mining licences + 3 prospecting licences + 50 exploration licences across the full ~1,200 km² footprint

For a 250koz deposit, the tollmilling option (trucking ore to a nearby mill rather than building a standalone processing plant) is economically compelling. This is a "**start small, grow**" pathway — analogous to Solstice's Yarri project approach but at more advanced stage.

Recent drill results extending the system

Since the maiden MRE, drilling has extended mineralisation beyond resource envelope at multiple points.

Significant intercepts (Module 4 g·m framework applied):

Hole	Intercept	G·m	Category
24HRC087	16m @ 4.19 g/t from 66m	67 g·m	Solid
Includes	2m @ 13.12 g/t, 2m @ 18.91 g/t	-	High-grade core
24PRC106	48m @ 1.37 g/t from 72m	66 g·m	Solid
Includes	9m @ 2.6 g/t, 3m @ 9.23 g/t	-	High-grade core
Diamond	35m @ 14.12 g/t from 157.85m	494 g·m	Exceptional
New Paris	12m @ 4.16 g/t	50 g·m	Solid (blind target)
Various	Up to 22.15m intercepts with 26.9 g/t peaks	Variable	Mixed

The **35m @ 14.12 g/t diamond intercept at 494 g·m** is in the "exceptional" band per Module 4's framework. That's genuinely company-making grade × width. If that extends along strike, it reshapes the entire resource.

The "New Dawn Corridor" discovery

Recent drilling identified **New Paris, Paris North, and Observation North** as new target zones. Notably, **New Paris was a "blind target"** — no previous drilling, no surface expression, defined entirely by:

- Geophysical anomalies
- Structural interpretation
- Geochemical vectoring

First-pass drilling at New Paris returned **12m @ 4.16 g/t**. That's a significant result because it validates the predictive exploration model and opens a new corridor parallel to the main Paris-HHH-Observation trend.

The New Dawn Corridor spans **~3km** and hosts several underexplored structural zones. 36 planned RC holes across three primary prospects.

Module 4 honest read

These are **solid-to-strong intercepts** consistent with a genuinely mineralised system. The 494 g·m diamond hole is the standout. The multiple intercepts at 50-70 g·m across different prospects support the "large gold camp" concept management is promoting.

Watch-items:

- Most intercepts include narrow high-grade cores (13 g/t, 18 g/t, 9 g/t spikes) — these need top-cutting in resource estimates or they'll skew averages
 - True width disclosure should be verified in JORC Table 1
 - The "up to 26.9 g/t" headline is a peak assay, not a weighted intercept — standard Module 4 caution applies
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3. Management and the Cristian Moreno factor (Module 8)

MD Cristian Moreno

Moreno has led TOR since incorporation in 2017. He's been the consistent public face through the downturn, the maiden MRE, and now the re-rate. From public commentary:

- Technical background (emphasises geological models, structural interpretation, geophysics)
- Measured tone in announcements
- Focus on infill/upgrade to Indicated and scoping-study work rather than just growth stories

The "agile, low-overhead" framing

Multiple sources describe TOR as running an **agile, low-overhead exploration strategy** with **AI-assisted geological modelling**. The Motley Fool data showing 1 employee and minimal corporate overhead is consistent — this is a tightly-run junior with most cash going to drilling rather than fees.

Module 8 green flag: in a sector where 10-director boards eat 20-30% of cash raised, TOR's lean structure is unusual and aligned.

The drill-for-equity deal with Topdrill

Topdrill (drilling contractor) agreed to take equity in lieu of some drilling fees. This is a **Module 6 subtle green flag**: the drilling contractor is effectively putting skin in the game, signalling confidence that the project will deliver. It also reduces cash outlay at the stage when cash is most scarce.

4. Capital structure and history (Module 6)

The dilution reality

TOR has **526m shares on issue** (late 2025). This has grown significantly over the years of development. That's an important context:

- IPO era: smaller SOI
- Multiple placements through 2022-2024 during gold downturn
- **December 2025 \$15m bought-deal placement** — this is the most recent and most significant
- Result: ~526m SOI, substantial dilution history but now a cleaner cap structure going into the growth phase

The December 2025 \$15m placement — Module 6 green flag territory

- **Bought-deal structure** — underwriter takes risk, funds are locked in
- Gold price was rallying into the raise, so timing was favourable
- Post-raise cash: ~\$16m
- In-the-money options: another ~\$4.6m potential
- **Fully funded for aggressive 2026 drilling** per company disclosures
- No debt, no convertible notes

The "bought deal" is particularly notable. Bought deals are typically done when brokers have demand already lined up — not when they need to shop the deal around. It signals institutional demand.

Cash runway

- Cash \$16m + option exercise potential ~\$4.6m = ~\$20m available
- Quarterly burn for TOR at current drilling pace: likely \$3-5m (active drilling + studies)
- **Runway: 4-7 quarters** depending on drilling intensity

That's adequate for 2026 drilling programs + scoping study work, though another raise is plausible in late 2026 if scoping study work + aggressive drilling extends into 2027.

Share register

Market Index notes "no sell transactions reported by Substantial Shareholders in the past 12 months" — that's a small positive signal (nobody above 5% has been trimming), but the specifics of the top 20 require the latest annual report or investor presentation to confirm.

Things to verify:

- Post-Dec 2025 placement top 20
- Management/board holding (get from the annual report)
- Any institutional cornerstones

5. Catalyst calendar (Module 7)

For a Stage 4 explorer, the catalyst pathway is fairly predictable:

Window	Catalyst	Type	Conviction
Q1-Q2 2026 (ongoing)	Outstanding assay results from 7,400m RC program	Recurring	Medium per batch
Q2 2026	DHEM geophysics results from HHH Deposit	Recurring	Medium
Q2-Q3 2026	Updated/expanded Mineral Resource Estimate	One-off	High — major re-rate catalyst
H2 2026	Scoping Study release	One-off	Very high — defines project economics
H2 2026	Metallurgical work updates	Recurring	Low-medium
2027	PFS work	One-off	High
Ongoing	Drill results from multi-rig programs	Recurring	Medium per batch
30 April 2026	Mar 2026 quarterly (due)	Scheduled	Low base case

The two big near-term catalysts

Updated MRE (expected mid-2026):

- Includes all drilling results post- maiden MRE (Sept 2025)
- Likely pushes resource from 250koz toward **350-500koz range** if drill results continue to extend the system
- More material moved from Inferred to Indicated category
- Would drive a meaningful re-rate

Scoping Study (expected H2 2026):

- First economic framework for Paris
- Will define capex, opex, NPV, IRR, mine plan concept
- **Critical:** tollmilling vs standalone processing decision will be made here
- If the scoping shows strong economics at scale consistent with 190koz open-pittable at 2.9 g/t, another re-rate is plausible

Scope for surprise

The "New Dawn Corridor" with its New Paris discovery hole (12m @ 4.16 g/t blind target) could generate surprise upside catalysts. If continued drilling at New Paris or the 3km New Dawn Corridor delivers more high-grade intercepts, a standalone resource there would add to the Paris camp.

6. Macro positioning (Module 9)

Gold tailwind — same story as MI6, PC2, and SLS

- Gold at USD\$4,700+/oz, AU\$7,200+/oz
- Junior gold developers in Phase 3 (broad bull)
- TOR has run ~935% in 12 months per StockAnalysis data — already captured significant gold tailwind
- Consensus targets for 2026 support further upside but not guaranteed

Why TOR benefits specifically

TOR sits in a sweet spot on the Module 9 cycle curve:

- **Pre-production but with a real resource** = leveraged to gold price on future NPV

- **High recovery + high grade** = margin is wider than typical junior projects, so percentage gold price moves flow through strongly
- **Tollmilling optionality** = low capex pathway means less dilution risk if gold stays elevated

Stress test

At USD\$3,500/oz gold (25% correction), the maths on TOR changes:

- Resource pit shells shrink (the economic resource is smaller at lower prices)
- Margin at 2.9 g/t grade narrows materially (AISC ~A\$2,000-2,400/oz becomes tighter against a lower revenue per ounce)
- Valuation per ounce multiples contract

But TOR's high grade and recovery mean it's more resilient than a 1.0 g/t project like Bullabulling or a 0.8 g/t project like Yarri. **Quality grade = better downside protection.**

7. Red and green flags (Module 8)

Green flags

- ☐ **Maiden MRE defined** — 250koz at 3.1 g/t is a real resource, not a concept
- ☐ **>96% metallurgical recovery** — outstanding for any gold deposit
- ☐ **Shallow, high-grade material** — 190koz open-pittable at 2.9 g/t
- ☐ **13 pre-native title development-ready mining licences** — major permitting de-risking
- ☐ **Tier-1 location** on Boulder-Lefroy Fault, near St Ives
- ☐ **Four nearby processing plants** — tollmilling optionality
- ☐ **\$15m bought-deal placement in Dec 2025** — institutional demand, clean terms
- ☐ **No debt, lean corporate structure**
- ☐ **No substantial shareholder selling** in the past 12 months
- ☐ **Drill-for-equity with Topdrill** — contractor alignment
- ☐ **Blind-target discovery at New Paris** validates the lithostructural model
- ☐ **Exceptional drill hits** (35m @ 14.12 g/t = 494 g·m) consistent with scale potential
- ☐ **2 analysts with Buy ratings, target ~\$0.675** vs recent prices in \$0.29–0.55 range

Watch-items / yellow flags

- ⚠ **526m SOI** — the historic dilution is material. Per-share valuation math will remain heavy until cash flow arrives
- ⚠ **78% of Paris resource is Inferred** — major infill drilling work needed before PFS-credible economics
- ⚠ **Price volatility** — market cap has ranged from \$172m to \$306m in ~2 months (Jan-Mar 2026). Either the market is unsure how to value TOR, or momentum/sentiment swings are large given the small free float
- ⚠ **Some promotional language** in company material — "large gold camp," "game-changer" — though tone is less promotional than many juniors
- ⚠ **Multiple projects** (Paris flagship + New Dawn + Penzance + Edleston Canada) can split management attention
- ⚠ **Scoping Study not yet released** — no published NPV/IRR/capex to anchor valuation
- ⚠ **Analyst coverage limited to 2 analysts** — no tier-1 broker coverage (though in small-cap gold this is common)

Genuine red flags

I did not identify any serious Module 8 red flags. Company discipline around capital raising, no shell-recycling pattern, no commodity pivoting, no related-party deals flagged, clean licensing status. This reads as a legitimate resource-stage junior executing the standard WA gold developer playbook.

The subtle observation

There's some tension between the lean corporate structure (1 employee per Motley Fool data) and the aggressive drilling programs across multiple prospects. Either:

- TOR runs a heavily outsourced model (drilling contractors, geological consultants, lab services) — in which case the "1 employee" data point may be outdated or misleading
- Or the operational capacity is genuinely stretched and scaling will be a challenge

Most likely the former. Verify from annual report for current headcount and structure.

8. Valuation framing (Module 10)

The EV per ounce check

At mid-Jan 2026 market cap of \$172m with 250koz resource:

- **EV/oz: ~\$688/oz** (accounting for \$16m cash, EV ~\$156m)

At mid-Mar 2026 market cap of \$293-306m:

- **EV/oz: ~\$1,160-1,220/oz**

Module 10 comparable context for WA gold developers:

- Pre-PFS developers: typically \$300-\$800/oz
- Post-PFS developers with reserves: \$500-\$1,500/oz
- Near-production developers: \$1,000-\$2,500/oz

TOR at mid-January levels was trading at pre-PFS developer multiples. At mid-March levels, TOR is trading at post-PFS developer multiples **despite not having a PFS yet**. The question is whether the market is pricing in:

- Resource growth to 500koz+ in the mid-2026 update
- Successful scoping study in H2 2026
- Continued gold price strength

Or whether the stock has over-extended on momentum ahead of these catalysts.

The analyst take

- 2 analysts with an average 12-month price target of ~\$0.675
- Current price range \$0.29-0.55 in the observed period
- Implied upside: 25-130% depending on entry price
- Both analysts have Buy ratings

Analyst targets at these levels imply the market hasn't fully priced in the bull case. But analysts also have limited coverage, so the pricing signal is weaker than if multiple tier-1 brokers had initiated.

Module 10 position-sizing implications

TOR is a **Stage 4 explorer moving toward Stage 5 (Scoping Study)**. Module 10's default range is 2-5% per position.

Factors pushing to upper end of range:

- Real resource already defined
- Exceptional metallurgy
- Multiple near-term catalysts (MRE update + scoping study)
- Infrastructure-rich setting reduces development risk

Factors pushing to lower end of range:

- Already moved ~935% in 12 months; much asymmetric upside captured
 - 78% of flagship resource is Inferred
 - Valuation has stretched between Jan and March 2026
 - Large SOI (526m) constrains per-share upside
-

9. Thesis statement (Module 10)

Bull case, in one paragraph: TOR is a well-managed, small-cap WA gold developer with a genuine 250koz high-grade (3.1 g/t) resource at the Paris Gold Project, supported by exceptional metallurgy (96% recovery), multiple nearby processing plants enabling tollmilling optionality, and 13 development-ready mining licences that reduce permitting risk. The December 2025 \$15m bought-deal placement has fully funded aggressive 2026 drilling, with an updated resource estimate and scoping study targeted for mid-to-late 2026. With drilling successfully extending the system beyond the current resource envelope (including a blind-target discovery at New Paris and a 35m @ 14.12 g/t diamond intercept) and gold prices at historic highs, TOR has multiple re-rate catalysts ahead of it through the next 12 months. The tier-1 location on the Boulder-Lefroy Fault, proximate to KCGM, St Ives, and Invincible, validates the geological setting.

Bear case, in one paragraph: TOR has already run ~935% in 12 months and is now trading at post-PFS developer multiples despite not having a PFS. The maiden resource is 78% Inferred at the flagship Paris deposit, meaning substantial infill drilling is needed before credible economics can be published. At 526m SOI, the historical dilution is material and any future capital raise (likely needed in late 2026 to fund PFS/DFS work) will further compress per-share upside. A 25%+ gold correction would shrink the economic pit shell, reduce resource size, and compress valuation multiples significantly. The market cap has oscillated between \$170m and \$306m in 2 months — high volatility in both directions indicates thin free float and sentiment-driven pricing, not stable institutional conviction. Most of the "easy" re-rate from Stage 3 → Stage 4 has happened; the next 12 months require actual execution (MRE growth, scoping study delivery) to justify current multiples, and the Module 5 default pattern for capex surprises still applies when scoping study drops.

What would invalidate the bull thesis:

1. Mid-2026 MRE update comes in below 350koz or shows grade degradation
2. Scoping study in H2 2026 shows capex above A\$250m or AISC above A\$2,500/oz
3. Gold corrects sustainably below USD\$3,800/oz
4. Inferred → Indicated conversion is slower than expected, delaying PFS/DFS
5. Director or management turnover (Moreno has been the consistent face)
6. Further substantial dilution below current SP levels

What would validate the bull thesis:

- 1. MRE update to 400koz+ with 50%+ in Indicated category
 - 2. Scoping study shows NPV/capex >3x with AISC below A\$2,000/oz
 - 3. New Dawn Corridor drilling delivers multiple 50-100+ g-m intercepts across New Paris, Paris North, Observation North
 - 4. Tollmilling agreement announced with one of the nearby processing plants (major de-risking)
 - 5. Tier-1 institutional buying emerges on the register
-

10. How TOR compares to others you've asked about

Quick contextual comparison using the framework modules:

Dimension	TOR	SLS	PC2	MI6
Lassonde stage	Stage 4 (Resource Definition)	Stage 2-3 (Concept-early resource)	Stage 3-4 (Discovery-resource)	Stage 4-6 (Resource-PFS)
Commodity	Gold	Gold + Copper-Gold	Gold	Gold
Jurisdiction	WA (tier-1)	WA (tier-1)	NT (tier-1)	WA (tier-1)
Resource	250koz @ 3.1 g/t	40.4Mt Cu-Au Inferred	821koz @ 1.0 g/t	4.5Moz @ 1.0 g/t
Grade quality	High (3.1 g/t)	Moderate (1.5-3 g/t at prospects)	Low-moderate (1.0 g/t)	Low-moderate (1.0 g/t)
Recovery	96%	TBD	97%	92-94%
Development permitting	13 ready licences	Some granted	Granted 21-year lease	Granted
Recent re-rate	~935% (12m)	~156% (1y), 8x peak	4.7x (since IPO)	43x (12m)
Scoping study status	In progress (H2 2026)	Not yet	Late 2026 PFS target	Mid-2026 PFS target
Market cap	\$170-300m (volatile)	~\$120m	~\$385m	\$870m-\$1.3B
Primary near-term catalyst	MRE update + scoping study	Nanadie MRE upgrade	June resource update + PFS	July PFS + reserve

The TOR-specific framing: highest-grade resource of the group, smallest market cap of the resource-stage peers, most development-ready (tollmilling + 13 licences), but also most diluted (526m SOI) and most already-run in relative terms.

11. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX disclosures before sizing a position:

1. **Current fully-diluted SOI** including all options, performance rights
 2. **Top 20 holders post-December 2025 placement** — identify any new institutional cornerstones
 3. **Director on-market transactions** in the last 12 months
 4. **Latest investor presentation** for updated resource targets and scoping study assumptions
 5. **Exact timing guidance** for mid-2026 MRE update and H2 2026 scoping study
 6. **Commodity price assumption** in the pit shell that generated the 250koz MRE
 7. **Tollmilling vs standalone processing decision status** — this materially affects capex
 8. **Edlestone (Canada) project status** — is this a meaningful value driver or optional exposure?
 9. **True width disclosure** on the 35m @ 14.12 g/t diamond intercept — hero hole but needs geometry context
 10. **Latest quarterly (Mar 2026, due 30 April 2026)** — first post-placement operational disclosure
-

12. The framework insight for TOR specifically

TOR is a textbook **Module 1 Stage 4 re-rate playing out in real time**. The pattern is recognisable:

1. **Maiden resource defined** (Sept 2025) → first major re-rate trigger
2. **Capital raise to fund aggressive follow-on drilling** (Dec 2025) → institutional validation
3. **Drilling results extending the system** (ongoing Q4 2025 / Q1 2026) → momentum builds
4. **Updated MRE expected mid-2026** → second re-rate trigger
5. **Scoping study H2 2026** → third re-rate trigger (if economics are strong)
6. **PFS + Reserves 2027** → fourth re-rate trigger
7. **Production decision + construction** → fifth re-rate trigger
8. **First gold** → Lasso second peak

The framework's honest read: **the first major catalyst (maiden MRE) has already fired**. The question is how much of the future catalyst pathway is already priced into the current ~\$300m market cap. At these levels, the stock requires continued execution to justify. Mid-2026 MRE must grow the resource. Scoping must show strong economics. Gold must hold.

Position sizing should reflect that **the asymmetric early-stage opportunity has partially passed**, but **meaningful upside remains if the catalyst chain continues to deliver**. The Module 10 framework would suggest 2-4% allocation for a high-conviction position, with pre-defined trim levels at catalyst events to manage the stretched valuation risk.

Sources cross-referenced

- Torque Metals company website (torquemetals.com)
- ASX announcements via Listcorp, Market Index, HotCopper
- Stockhead Torque Metals news coverage
- Proactive Investors (multiple articles from 2024-2026)
- TipRanks corporate announcements
- Investing.com, StockAnalysis.com, Yahoo Finance for market data
- The Motley Fool company quote data
- Morningstar Australia company profile
- Skrill Network coverage of New Paris discovery

All claims based on public ASX disclosures and industry reporting as at 23 April 2026. Market cap has been unusually volatile (\$172m-\$306m in 2 months), so current pricing should be verified directly before sizing any position. The March 2026 quarterly (due 30 April 2026) will provide the first post-Dec-2025-placement operational update and is a near-term read.

Greatland Resources Limited

(ASX:GGP / AIM:GGP)

Prepared: April 26, 2026 **Reporting framework:** ASX FA Course (Modules 1–10) **Verification status:** Most operational and corporate data verified against company announcements via secondary sources (Proactive Investors, Mining Weekly, Investing.com, ASX, AIM regulatory filings). Where I haven't pulled the primary ASX document directly, I've flagged uncertainty. Recommended primary verification before sizing a position: 2025 Annual Report, Havieron Feasibility Study release (Dec 1, 2025), HY26 Half-Yearly Report, March 2026 Group MRE update.

Executive summary

Greatland Resources is unusual in the ASX context — it is **simultaneously a Stage 10 producer and a Stage 7-8 developer** of an integrated gold-copper operation in WA's Paterson Province. The company sits at A\$7.7-9.7bn market cap depending on day, dual-listed on ASX and AIM, included in the S&P/ASX 200, and has progressed through one of the most consequential corporate transformations on the ASX in 2024-2026: acquiring 100% of Newmont's Telfer mine and the remaining 70% of the Havieron development project for US\$475m in December 2024, then re-listing on the ASX in June 2025 at A\$6.60.

This is **not a junior speculation**. It's a mid-tier gold-copper producer with strong cash generation (~A\$948m cash, no debt, ~A\$1.3bn operating cash flow in calendar 2025) and a fully de-risked at-feasibility-level development project (Havieron). The investment case is fundamentally different from the speculative juniors covered in our framework — much closer to a mature producer-plus-development thesis than a discovery or resource-definition trade.

The thesis is straightforward: Telfer generates significant near-term cash flow, Havieron's FS shows A\$2.9bn post-tax NPV and 22.5% IRR at base case, and the integration of the two assets supports a "multi-decade mining hub" framing from management. The major risks are execution at Havieron (capex blowout, 2.5-year build, ramp issues), gold price exposure, the inherited Telfer operational variability that already triggered one production downgrade, and meaningful environmental remediation overhang (TSF8).

The valuation question is whether the market is fairly pricing the combined producer-plus-developer story, or whether either Telfer's mine life extension optionality or Havieron's FID-to-first-gold catalyst path can drive further re-rating. Sum-of-parts analysis suggests the current MC is in the fair value zone with modest upside if execution holds.

1. Company snapshot

Tickers	ASX:GGP, AIM:GGP, OTC:GRLGF, FRA:G8G
Name	Greatland Resources Limited (Australian-incorporated 2023)
Predecessor	Greatland Gold plc (UK-incorporated 2005, AIM-listed)
Reorganisation	UK Scheme of Arrangement effective 20 June 2025
HQ	Subiaco, Western Australia
Index inclusion	S&P/ASX 200
Recent share price	~A\$11-12 (April 2026; all-time high A\$15.32 on 8 April 2026)
Market cap	~A\$7.7-9.7bn
Shares on issue	~672.91m (post-restructure)
Cash	A\$948.3m (31 Dec 2025)
Debt	Nil drawn; A\$500m Tier-1 corporate debt facility committed (undrawn)
CEO/MD	Shaun Day (B.Com, CA, FCA, AICD, CFA — ex-CFO Northern Star Resources)
Chairman	Mark Barnaba (also Fortescue board)

Lassonde Curve position

This is a hybrid case the framework doesn't model cleanly:

- **Telfer** is unambiguously **Stage 10** — operating mine, quarterly production reports, AISC reporting, reserves and mine life management
- **Havieron** is **Stage 7-8 transitional** — Feasibility Study completed 1 December 2025, environmental approvals pending, FID expected in FY26, ~2.5 year construction-to-first-gold

For valuation and risk-management purposes the company should be treated as a producer with embedded development optionality, not a single Lassonde-stage entity. This is similar to how Northern Star, Evolution, or De Grey's mid-2020s position would be modelled — multi-asset producer-developer.

Corporate history snapshot

- 2005: Greatland Gold plc incorporated in UK, AIM-listed
 - 2018: Havieron discovered by Greatland in JV with Newcrest
 - 2019-2023: Havieron advanced under JV with Newcrest (Greatland 30% / Newcrest 70%)
 - 2023: Newmont acquires Newcrest, becoming Greatland's 70% JV partner at Havieron
 - February 2021: Shaun Day appointed Managing Director
 - September 10, 2024: Binding agreement signed to acquire Newmont's Havieron 70% + 100% of Telfer for US\$475m
 - September 30, 2024: Shareholder approval for acquisition + capital raise
 - December 4, 2024: Acquisition completed; US\$325m equity placement closed; Newmont issued 2,669,182,291 GGP shares as part-consideration (~20.41% of pre-restructure SOI)
 - April 2025: ASX listing process commenced; corporate reorganisation announced
 - May 12, 2025: EGM approval for restructure
 - June 20, 2025: UK Scheme of Arrangement effective; Greatland Resources Ltd becomes new parent
 - June 2025: ASX listing at IPO price A\$6.60; share consolidation ~1:19-20 ratio
 - July 2025: FY26 production guidance revised down (300-340koz → 260-310koz); SP -24% on the day
 - December 1, 2025: Havieron Feasibility Study published
 - January 21, 2026: Wyloo exercises remaining option on Newmont's residual 9.9% stake; Newmont fully exits
 - March 2026: Updated Group MRE released — Telfer + Havieron now 14.9 Moz Au + 645kt Cu
 - April 8, 2026: All-time high A\$15.32
 - April 28, 2026: March 2026 quarterly activities report (upcoming)
-

2. Asset summary

2.1 Telfer (100% owned, operating)

Location: Paterson Province, East Pilbara, WA. ~1,300 km NE of Perth, ~485 km ESE of Port Hedland.

Operations:

- Mining contractors: Macmahon (surface), Byrnecut (underground)
- Mining: West Dome Open Pit + Main Dome Underground
- Processing plant: 20 Mtpa
- Mining method: open pit cutbacks + sub-level open stoping underground

Resource (December 2025 update, released March 2026):

Component	Tonnes (Mt)	Au (g/t)	Cu (%)	Au (Moz)
West Dome Open Pit	—	—	—	4.9
Main Dome Underground	—	—	—	2.2
West Dome Underground (maiden)	—	~2.3	—	0.6
Stockpiles	—	—	—	(~0.3, see below)
Telfer total	—	—	—	8.0 Moz
Combined Telfer + Havieron	550	0.84	0.12	14.9 Moz Au + 645 kt Cu

Note: I have aggregated tonnages and split-by-component grades from secondary sources. The full breakdown table by Measured/Indicated/Inferred and by deposit zone is in the March 2026 ASX MRE announcement, which should be read directly before sizing a position.

Resource confidence: Telfer Measured + Indicated grew 163% to 3.8 Moz Au in the March 2026 update — the higher-confidence component required for PFS/DFS-level reserves. This is significant: it's not a parameter-shuffle update (Module 2 framework), it's underpinned by 134,000m of new drilling completed in 2025 with a discovery cost of A\$5/oz.

Reserves (April 2025 inaugural, prior to March 2026 update):

- Inaugural Greatland Telfer Ore Reserve: 46.1 Mt @ 0.48 g/t Au, 0.05% Cu = 712 koz Au + 23 kt Cu
- Combined Group Ore Reserve (incl. Havieron 2022 Reserve): 71.0 Mt @ 1.36 g/t Au, 0.19% Cu = 3.1 Moz Au + 132 kt Cu
- **Updated Telfer Ore Reserve due Q2 2026 (June quarter)** — incorporating the much-expanded Telfer resource

Low-grade stockpiles (Sep 2025): 20.8 Mt at 0.33 g/t Au, 0.04% Cu = 221 koz Au + 9.1 kt Cu (sits in resource estimate, partly contributes to the LOM picture).

2.2 Havieron (100% owned, FS complete, pre-FID)

Location: ~45 km E of Telfer, same Paterson Province.

Discovery: 2018 by Greatland.

Type: Brownfield underground gold-copper deposit, hosted in calc-silicate marble + biotite metasiltstone within a brecciated pipe (650m × 350m × 1,400m).

Pre-development to date:

- Total underground development exceeds 3,060m (as at June 2024)
- Main access decline: 2,110m+ advance
- Box cut construction completed
- Underground development restart in HY26 after Greatland resumed operatorship

Updated Ore Reserve (per Dec 2025 FS):

- 38.5 Mt @ 2.63 g/t Au, 0.33% Cu
- Contained: 3.3 Moz Au + 128 kt Cu
- Described in company materials as "the largest Australian underground gold reserve outside of a global major gold producer"
- This is a 55% increase in tonnage and 36% more contained metal vs the prior March 2022 Reserve (24.9 Mt @ 2.98 g/t Au, 0.44% Cu = 2.4 Moz + 109 kt Cu)

Mineral Resource (Dec 2023 update — note that this may have been refined):

- 131 Mt @ 1.7 g/t Au, 0.21% Cu = 7.0 Moz Au + 275 kt Cu
- Or 8.4 Moz AuEq (gold-equivalent including copper credit)
- The Dec 2025 FS reserve plan uses only part of this resource — **~87 Mt of additional resource (3.1 Moz Au + 130 kt Cu) sits outside the FS mine plan**, providing life-extension upside

Note on Au vs AuEq: The 8.4 Moz figure is gold-equivalent (uses copper credits). The 7.0 Moz figure is gold-only. Both are correct under different conventions. The Module 3 framework is relevant here: equivalent grades are legitimate for genuine polymetallic deposits — Havieron is genuinely a gold + copper deposit and the by-product credit is recovered through the Telfer flowsheet. But primary verification of price and recovery assumptions is needed.

3. Economics

3.1 Telfer current operations (HY26 Jul-Dec 2025)

Metric	HY26
Production	167,163 oz Au + 6,894 t Cu

Metric	HY26
Sales	154,411 oz Au + 6,578 t Cu
AISC	A\$2,176/oz
Realised gold price	A\$5,756/oz
Realised copper price	A\$13,606/t
Net revenue	A\$977.3m
EBITDA	A\$560.3m
NPAT	A\$342.9m
Operating cash flow	A\$658.5m
Cash build	A\$373.6m
Mill throughput	9.19 Mt
Head grade	0.61 g/t Au, 0.09% Cu
Recoveries	~88.5% Au, ~80.0% Cu

FY26 Production Guidance (revised July 2025):

- Original (at IPO): 300-340 koz Au
- Revised: 260-310 koz Au — now expected to trend toward upper end based on H1 performance
- AISC: A\$2,400-2,800/oz — now expected to trend toward lower end

FY26 Year-to-date through March 2026 (per April 2026 preliminary update):

- Production: 249,887 oz Au + 11,022 t Cu
- This puts the company on track to meet or slightly exceed the upper end of 260-310 koz guidance

Operating cash generation since acquisition (Dec 2024 - Dec 2025, ~13 months):

- Total production: 335,000+ oz Au + 14,000+ t Cu
- Total operating cash flow: ~A\$1.3bn
- Net cash build: ~A\$800m

This is substantial cash generation. Given the upfront acquisition cost of US\$475m (~A\$700-750m at exchange rates of the time), the asset has effectively **paid for itself within 12 months of ownership** — exceptional return on the acquisition cost given current gold prices.

3.2 Havieron Feasibility Study (1 December 2025)

Metric	Base case	At spot prices (~A\$6,250/oz Au)
Mine life	17 years (9 yrs steady state)	Same
Steady-state production	266 koz Au + 9,600 t Cu p.a.	Same
AISC	A\$1,610/oz	Same
Pre-production capex	A\$1.065 bn (incl. contingencies + A\$200m Telfer plant upgrades)	Same
Pre-tax FCF p.a. (steady state)	A\$739m	A\$1,197m
After-tax FCF p.a. (steady state)	A\$550m	A\$870m
Post-tax NPV (5% discount)	A\$2.9 bn	A\$5.4 bn
IRR	22.5%	31.5%
Gold price assumption	A\$4,500/oz	~A\$6,250/oz (spot)

FS structural notes (Module 5 framework applied):

- **Resource categories used:** Reserves are Probable + Proved, derived from Indicated + Measured Resources. The FS economics rely on this — no Inferred contribution to the production schedule. This is the right structural read for a DFS (PFS-equivalent).
- **NPV/capex ratio:** Base case NPV A\$2.9bn / capex A\$1.065bn = **2.7x** — comfortably within the 2-3x rule of thumb for a genuinely investable developer.
- **AISC vs current spot:** A\$1,610/oz AISC vs spot ~A\$6,250/oz Au = ~74% margin. Even at A\$3,000/oz (a major price collapse scenario), AISC margin remains positive at ~46%.
- **Capex structure:** A\$200m of the A\$1.065bn capex is Telfer plant upgrades to optimise recovery from Havieron ore. This is brownfield-style integration capex — uses existing infrastructure rather than building a standalone plant. Materially de-risks the build vs greenfield equivalents.
- **Funding:** A\$948m existing cash + ongoing Telfer cash flow + A\$500m undrawn Tier-1 debt facility. **The project is genuinely fully funded** without need for further equity dilution at base case operating performance.
- **Lifecycle stage:** This was branded "Feasibility Study" rather than "DFS/BFS" but the precision ($\pm 10\text{-}15\%$) and bankability (Tier-1 debt secured against it) suggests DFS-grade. Minor terminology variation; not a downgrade tactic from Module 8.
- **Resource upside:** 87 Mt of additional resource sits outside the FS mine plan = 3.1 Moz Au + 130 kt Cu. Mine life extension and grade expansion potential through underground drilling targeting the Breccia and Link zones. The deposit remains open at depth.
- **Permitting:** Final environmental permits required to take FID. Targeted FY26.
- **Time to first gold:** ~2.5 years post-FID. So if FID lands in FY26 (by June 2026), first gold ~late 2028 or early 2029.

Honest read on the FS economics:

These are strong numbers. The base case prices are below current spot (a positive signal — the FS isn't selling a price view), the contingency is included in the headline capex, and the AISC is

genuinely competitive (A\$1,610/oz puts Havieron in the global lower-quartile cost band). The IRR of 22.5% base / 31.5% spot exceeds the 15-25% threshold for a genuinely strong project.

What stress testing would reveal (which I haven't been able to do without the full FS document):

- Capex sensitivity at +25% (industry-norm blowout): NPV would compress meaningfully but probably stay positive
- Gold price sensitivity at -20% from base case: NPV compresses more significantly given the leverage to gold price
- Schedule slippage of 12 months: working capital and financing implications

These should be checked from the FS sensitivity tables in the actual ASX announcement.

4. Capital structure

4.1 Shares on issue and dilution

Current SOI: ~672,906,505 ordinary shares (per LSE filing Apr 2026)

Pre-restructure SOI: ~13bn (Greatland Gold plc on AIM)

Consolidation ratio (June 2025): ~1:19-20 (verifiable from Scheme Document)

Recent issues:

- Dec 2025: 2,154,832 new shares to Employee Share Trust at A\$8.32 per share
- March 2026: 30,000 new shares from option/convertible exercise

FY26 Performance Rights granted Dec 19, 2025:

- Total: 1,393,755 (under EIP approved at AGM 13 Nov 2025; up to 10m securities authorised over 3 years)
- Shaun Day (MD): 167,939
- Monique Connolly (CFO): 82,813
- Other employees: 1,143,003
- Vest based on service + performance over 3 years (1 July 2025 - 30 June 2028)
- Zero exercise price

Approximate fully diluted dilution from current EIP (3-year cap): Up to 10m additional shares $\approx$ 1.5% of current SOI. Material but not extreme.

Other dilution overhangs:

- US\$100m deferred consideration to Newmont, payable upon Havieron commercial production with gold price hurdle. This is cash-payable, not shares — so not equity-dilutive but is a future cash outflow.
- Need to verify outstanding options and convertibles in the Annual Report. The 30,000 share issue in March 2026 from option exercise indicates some unquoted options exist.

Fully diluted MC estimate at A\$11.48: ~A\$7.8bn (negligible difference from headline MC given small option overhang).

4.2 Substantial holders (most recent)

Holder	%	Trajectory	Notes
Wyloo Consolidated Investments	18.13%	Building (call option exercises)	Andrew Forrest's vehicle. Specialist mining-focused holdco. Strategic backer.
BlackRock	5.46%	Stable (mix of shares + financial instruments)	2.55% direct shares + 2.91% via instruments (likely swaps/derivatives)
Newmont Corporation	0% (as of Jan 2026)	Fully exited	See trajectory below
Tembo Capital Holdings Guernsey	~6% (estimated, needs verification)	Was a named pre-restructure substantial holder; current status to verify	Pre-restructure 796.77m shares = ~40m post-consolidation

Newmont's exit trajectory (the major register dynamic of the past 12 months):

- Dec 4, 2024: Received 2.669bn GGP shares (= 20.41% pre-restructure) as part-consideration for Telfer + Havieron sale
- June 23, 2025: Sold half of stake (US\$336m proceeds, ~230% gain in 9 months) — taking position to 9.95%
- Jan 21, 2026: Sold remaining 9.9% to Wyloo for US\$134m — taking position to 0%
- Total Newmont realised proceeds: **~US\$470m** (over 100% return on a non-cash holding within 12 months)

Wyloo's accumulation trajectory:

- Pre-acquisition (2024): held a working capital facility to Greatland Gold (~A\$7.1m)
- December 2024: Wyloo invested \$100m as part of the institutional placing for the Newmont acquisition
- June 2025: Voting rights notice showed 20.75% (basis includes call option financial instruments)
- Jan 2026: Exercised call option on remaining 9.9% Newmont stake → 18.13% direct holding

The signal in the register dynamics (Module 6 framework applied):

This is a textbook example of **a strategic specialist building a long-term position while a corporate exits non-core**:

- Wyloo is a serious specialist mining capital provider (Andrew Forrest's vehicle, also major positions in nickel via Cassini/Mincor, REE via Hastings, lithium via various). Building from initial ~8% to 18%+ position over 12 months demonstrates conviction.
- Newmont's exit was inevitable and well-flagged — they sold non-core assets globally as part of a divestment program after Newcrest acquisition. Their selling has been orderly and the price they realised confirms the asset value
- BlackRock's 5.46% via mostly financial instruments (swaps/derivatives) is generalist passive money, not a strategic signal
- The fact that neither party has been forced into the other's hand and the SP has continued to re-rate suggests the register transition is being absorbed cleanly

Free float estimation: Given top holders ~24% (Wyloo 18% + BlackRock 5.5% + Tembo ~6%) — implies ~70% free float, which includes substantial retail (legacy AIM holders carried over from the UK plc) plus smaller institutional positions.

4.3 Cash position and runway

Cash 31 Dec 2025: A\$948.3m **Debt drawn:** Nil **Debt facility committed:** A\$500m (Tier-1 banking syndicate) **Total liquidity:** ~A\$1.45bn

Cash burn analysis (Module 6 Section 8 framework):

This isn't a typical pre-revenue junior burning cash — Telfer is generating ~A\$200-400m of cash flow per quarter. So the "runway" question doesn't apply in its junior form.

The relevant Section 8-style calculation for a producer-developer is:

- Quarterly operating cash flow (HY26 average): ~A\$329m per quarter
- Quarterly growth capex (HY26 average): ~A\$45m at Telfer + ~A\$15m at Havieron = ~A\$60m
- Net cash build pre-Havieron-construction: ~A\$200-300m per quarter

Havieron capex impact on this picture:

- Total pre-production capex: A\$1.065bn over ~2.5 years
- Average quarterly Havieron capex during build: ~A\$100-130m

So at base case operating performance, the company can fund Havieron construction from organic cash flow without needing to draw the \$500m facility. The debt facility is genuine financial flexibility, not a structural funding requirement.

Stress test: If gold price fell to A\$3,500/oz (a 44% drop from current spot) and AISC rose 10%, Telfer would still generate operating cash flow of ~A\$150-200m per quarter. Havieron build would

require partial debt drawdown but would not threaten company solvency.

This is a fundamentally different cash dynamic from any junior in our framework. The company has structural financial resilience.

4.4 Hedging strategy

- Put options covering 225,004 oz Au from January 2026 to June 2027
- Weighted average strike price: A\$4,500/oz
- This provides downside protection without capping upside (asymmetric — paid for the optionality)
- Verifiable from HY26 announcement

Module 9 framing applied: this is a sensible hedging strategy. Producers in an extended bull cycle who are about to enter a major capex phase often layer in put protection to lock in capex funding visibility while preserving upside. The structure is consistent with prudent risk management at a transitional stage.

5. Catalysts

5.1 Catalyst calendar (next 12-18 months)

Date / Window	Event	Type	Conviction	Expected SP impact
28 April 2026 (imminent)	March 2026 Quarterly Activities Report	Scheduled (recurring)	High	Modest — preliminary already released, AISC and detail to come
Q2 2026 (April-June)	Final Telfer environmental permits	One-off	Medium-high	Material if approved, ramp delays if not
FY26 (by 30 June 2026)	Updated Telfer Ore Reserve Estimate	One-off	High	Likely positive — incorporating 150% resource expansion
FY26 (by 30 June 2026)	Havieron environmental permits + FID	One-off	High	Major catalyst — confirms timeline to first gold
31 July 2026	FY26 full-year results	Scheduled	Medium	Cash flow, full-year AISC, dividend potential

Date / Window	Event	Type	Conviction	Expected SPimpact
FY27 (Jul 2026 onwards)	Integrated Telfer-Havieron production plan	One-off	High	Defines multi-year production profile
Late 2026 / 2027	AGM (typically Nov)	Scheduled	Low base case	EIP renewal, voting items
Ongoing	Drilling results from 240,000m FY26 program	Recurring	Medium	West Dome UG and Main Dome UG growth potential
Ongoing	Quarterly activities reports (Jul 2026, Oct 2026, Jan 2027)	Scheduled	Medium	Production tracking, cash flow updates
2028-2029	Havieron commissioning + first gold	One-off	High	The next major Lasso re-rate event

5.2 Recurring scheduled catalysts

- Quarterly Activities Reports (Appendix 5B): due within 1 month of quarter-end
- Half-yearly results: late Feb / early March
- Full-year results: late Aug / early Sep
- AGM: typically November
- Annual Mineral Resource and Ore Reserve Statement: typically with the annual report

5.3 Key catalysts to watch with close attention

1. Final Havieron environmental permits + FID (FY26). This is the single most important upcoming catalyst. Once permits are received and FID is taken, full development can resume and the timeline to first gold becomes contractually defined.

2. Updated Telfer Ore Reserve Estimate (Q2 2026). The March 2026 MRE upgrade was significant — Measured + Indicated grew 163% to 3.8 Moz. Conversion of this to reserves will define Telfer's mine life beyond the current 2027-2028 horizon. Mine life extension is a major thesis driver for management.

3. Integrated Telfer-Havieron production plan (FY27). Will set the multi-year production profile — the basis on which long-term cash flow modelling can be done with confidence.

4. Drilling results from the 240,000m FY26 program. Particularly West Dome Underground and Main Dome Underground — both have the potential to add high-grade mill feed and improve

the AISC trajectory.

5.4 The "absence of a catalyst is itself a catalyst" check (Module 7)

GGP's quarterly disclosure pattern is the **opposite** of the dormant-company tell. Each quarterly substantively describes new progress — drilling metres, production figures, cash position changes, project milestone updates. The detail in the September 2025 quarterly is illustrative: specific stage references, mining contractor names, low-grade stockpile estimates with grade and contained metal, capital allocation breakdown by project. This is a company actively executing.

6. Macro positioning

6.1 Commodity cycle phase (gold)

Gold has had a multi-year bull run. Current spot is around US\$4,500-5,000/oz, well above the long-term incentive price (rough rule of thumb for new tier-2 projects: US\$1,800-2,200/oz). This places the cycle in **late-bull / mania territory** under the Module 9 framework.

Several caveats:

- **Structural drivers remain in place:** central bank gold accumulation, geopolitical risk premia, debasement concerns from large fiscal deficits, and gradual de-dollarisation. These are durable structural forces rather than narrative.
- **Narrative drivers are layered on top:** Middle East tensions (resolved as of April 2026 ceasefire), election cycles, Fed policy expectations. These create short-cycle volatility.
- **Recent pullback of ~15% in late March 2026** is consistent with a normal correction within an extended bull rather than a cyclical top.

The gold cycle could go meaningfully higher or pull back materially — both are plausible reads. Several investment banks have published US\$5,000-6,000/oz late 2026/2027 targets, but consensus targets in commodities are unreliable signals (Module 9 framework — narrative-driven analyst targets often lag the market in both directions).

For GGP specifically: the company benefits from sustained high gold prices (Telfer cash flow + Havieron NPV upside) but is structurally resilient even in a meaningful pullback (AISC margins remain comfortable down to ~A\$3,000/oz Au).

6.2 Copper exposure (~10-15% of revenue)

Copper is the secondary commodity exposure. ~10-15% of net revenue currently from copper, more from Havieron once in production.

Copper outlook: structural demand from electrification, grid investment, EV adoption combined with structural supply constraints (Chilean ore grade decline, permitting bottlenecks globally). Generally bullish 5-10 year structural picture, though near-term sentiment driven by Chinese demand expectations.

6.3 Stage match to cycle phase

GGP is unusual in that:

- The Telfer producer side aligns well with **late-bull gold cycle** — operating leverage to high gold prices, immediate cash flow capture
- The Havieron developer side aligns well with **broad bull / mid-cycle** — projects bought now will hit production after the current cycle's peak, capturing the next leg

This split-stage exposure is structurally favourable from a portfolio construction perspective. A pure-play producer is fully exposed to a cycle peak. A pure-play developer is exposed to development cost inflation if the cycle stays high. GGP gets immediate cash flow at high prices AND development assets that can come online at any reasonable future gold price level.

The relevant macro risk is a structural collapse in the gold cycle (real rates rising sharply combined with central bank gold buying ceasing) before Havieron is in production. In that scenario, the Telfer cash flow declines AND the Havieron NPV compresses simultaneously. This is a tail risk worth being aware of but not the base case.

7. Red and green flags (Module 8 lens)

7.1 Green flags

On capital structure:

- ✓ Specialist strategic backer (Wyloo) building stake aggressively at higher prices
- ✓ Net cash position with no drawn debt
- ✓ Tier-1 debt facility committed (Tier-1 banking syndicate, A\$500m, undrawn)
- ✓ Project genuinely fully funded without need for equity dilution
- ✓ Capital raises tied to specific milestone (Newmont acquisition, Dec 2024) — not vague "general working capital"
- ✓ Hedging strategy is asymmetric (puts only, no capped upside)
- ✓ EIP performance rights have 3-year vesting with service + performance conditions, not just SP target

On the project:

- ✓ Conservative FS assumptions (base case price A\$4,500/oz vs spot A\$6,250/oz)
- ✓ Met recoveries based on operating Telfer plant (not pilot data)
- ✓ Reserves use Indicated + Measured only (no Inferred contribution)
- ✓ Resource grew 150% at Telfer through actual drilling (134,000m), not parameter shuffle
- ✓ Discovery cost A\$5/oz at Telfer — exceptional drilling efficiency
- ✓ NPV/capex ratio 2.7x — within rule of thumb for genuinely investable developer
- ✓ Brownfield development (uses existing Telfer infrastructure) — materially de-risks build vs greenfield equivalent
- ✓ Independent technical sign-off (need to verify CP names and consultants from FS document)

On management and disclosure:

- ✓ Strong technical/financial management — Shaun Day from Northern Star pedigree
- ✓ No frequent ASX queries (need to verify on announcements page)
- ✓ Detailed, technical announcements — quarterly reports are substantive, not copy-paste
- ✓ No going concern emphasis in audit reports (need to verify in Annual Report)

On corporate behaviour:

- ✓ Project progressing through Lasso stages on credible timeline
- ✓ Multiple specialist analysts covering the stock (11 analysts per Simply Wall St)
- ✓ Included in S&P/ASX 200

7.2 Yellow flags

Director compensation pattern: This is the most prominent yellow flag and warrants detailed treatment.

Per AFR's published ASX 300 director pay tables, both Mark Barnaba (Chairman) and Elizabeth Gaines (NED) are at the top of the highest-paid ASX 300 directors list:

- Barnaba: A\$4.52m total (across both GGP and Fortescue), of which A\$3.3m was from GGP board fees plus a parcel of options
- Gaines: A\$1.88m total (across both GGP and Fortescue)

The published explanation is that this was "a one-off structural quirk tied to the company's mid-2025 listing on the ASX" — i.e., options or rights granted pre-listing that vested or were valued at IPO at materially higher prices than initially struck. The framing is sympathetic.

Module 8 read: This is a yellow flag rather than a red flag. The numbers are eye-watering for a director's first year on a producer board, but:

- The company genuinely transformed (junior → mid-tier producer) in the directors' first year
- Both directors are on a peer board (Fortescue) where serious mining governance is required
- The structure that created the high payout is an option valuation event, not ongoing remuneration at this scale
- However: total board + KMP comp should be back-tested against the >5% of MC threshold from Module 8. At A\$7.7bn MC and even generous estimates of total board + KMP comp of A\$15-20m, this is ~0.2% of MC — well within reasonable bounds

The flag is the **headline number**, not the structural compensation pattern. The 2025 Annual Report's full Remuneration Report should be read to confirm that ongoing comp is structured reasonably and the 2025 figures are the outlier they're presented as.

Production guidance downgrade pattern:

The July 2025 production guidance revision (300-340 koz → 260-310 koz, AISC range bumped) triggered a 24% single-day SP fall. The cited reasons — "unexpected variability in stockpile grades and challenges in the open-pit mine plan" — reflect a real operational issue inherited from Newmont. The company didn't fully understand what they were buying.

Module 8 read: This is a moderate flag but **not** a recurring pattern. One downgrade in the first 6 months of operations after a transformative acquisition is excusable (Module 5 framework — actual operating performance vs design assumptions almost always differs). The subsequent two quarters have demonstrated improving operational performance with H1 FY26 production at 167 koz tracking toward the upper end of the revised guidance, and AISC trending toward the lower end.

Worth tracking: if a SECOND downgrade comes in FY26 or FY27, that becomes a structural concern about the asset's true operational reality. So far, one downgrade.

Environmental remediation overhang (TSF8):

Telfer carries legacy environmental liabilities, particularly around tailings storage facility 8 (TSF8) — the restart of which was a condition precedent for the Newmont acquisition completion, and which carries ongoing remediation requirements.

Module 8 read: This is a real and material liability. The full magnitude needs verification in the Annual Report (provisions and contingent liabilities notes). Not necessarily fatal — major operating mines all carry rehabilitation provisions — but worth quantifying.

Concentration risk:

Telfer + Havieron are essentially one operation. No geographic diversification. A single major operational issue (water access denial, indigenous heritage dispute, regional permitting freeze, infrastructure failure) could affect both assets simultaneously.

Module 8 read: This is a structural feature of the company, not a flag per se. But position sizing for a GGP holding should reflect that you're getting concentrated WA gold-copper exposure, not a diversified producer. Pair this with separate exposure to other jurisdictions if your portfolio concentration matters.

Tembo Capital position uncertainty:

The pre-restructure Tembo holdings (796m shares = ~40m post-consolidation = ~6%) need verification in the post-listing Top 20 holders. If Tembo has been selling, that's relevant register information. If not, they're a stable strategic holder.

7.3 Red flags — none material

Running through the Module 8 10-question disqualification checklist:

1. ☐ Name/commodity changes in 5 years? Restructure happened (Greatland Gold → Greatland Resources) but commodity focus unchanged. Not a flag.
2. ☐ ASX queries / speeding tickets last 12 months? Need to verify (no major flags surfaced in research, but worth checking).
3. ☐ Going concern emphasis? No (substantial cash, profitable producer).
4. ☐ Director / CFO turnover? Stable senior management. CFO Connolly granted FY26 rights — implies retention. Need to verify Shaun Day's tenure runs into 2027+.
5. ☐ "Up to" reporting? Drill announcements properly disclosed (need to verify across all recent announcements).
6. ☐ Foreign / historical estimates? No — JORC compliant throughout, with proper CP sign-off.
7. ☐ Related-party asset transactions? The original Newmont acquisition was clearly arm's-length. Telfer South JV with Rincon Resources (Dec 2025) needs review for related-party concerns (likely arm's-length but worth verifying).
8. ☐ Capital raise within 5 days of major positive announcement? The Dec 2024 raise was strategic-acquisition-driven, fully transparent and deal-tied. Not a pattern.
9. ☐ Director remuneration >5% of MC for non-producer? GGP is a producer, and absolute board comp is ~0.2% of MC. Not a structural flag despite the headline numbers.
10. ☐ Copy-paste quarterlies? No — quarterlies are substantive.

Total red flags triggered: 0 hard, 2 soft (director pay headline, production downgrade pattern). Both manageable with appropriate scrutiny of subsequent disclosures.

8. Thesis statement

Greatland Resources is a Stage 10 gold-copper producer (Telfer) with an integrated Stage 7-8 development asset (Havieron) trading at A\$7.7-9.7bn market cap (~A\$11-15 share price). The thesis is that:

1. **Telfer continues to deliver strong cash flow at current gold prices** (A\$1.3bn ops cash flow over the first 12 months, A\$948m cash position, no debt)
2. **The Havieron Feasibility Study supports a 2.7x NPV/capex ratio at base case** (A\$2.9bn NPV, 22.5% IRR), with execution to first gold ~2.5 years post-FID
3. **The integrated mine plan from FY27 onwards defines a multi-decade gold-copper production profile** that the market will progressively price in as catalysts deliver
4. **A specialist strategic backer (Wyloo, 18%+) is signaling long-term confidence** through aggressive accumulation at premium prices
5. **Downside is bounded by the operating Telfer asset** generating cash flow above A\$3,000/oz Au (well below current spot)

The thesis is invalidated if:

- Havieron capex blows out 30%+ above the A\$1.065bn estimate
- Havieron permitting is denied or materially delayed beyond FY27
- Telfer experiences a second major production downgrade revealing structural operational issues
- Gold price falls below A\$3,000/oz on a sustained basis (rare in current macro)
- TSF8 environmental remediation triggers a material unexpected provision
- Indigenous heritage or regulatory issues disrupt operations regionally

The thesis is asymmetrically supported if:

- Gold price stays above current spot levels through Havieron commissioning (2028-2029)
 - Telfer mine life extension drilling continues to add resource at A\$5/oz discovery cost
 - The integrated Telfer-Havieron production plan demonstrates 250+ koz annual production at AISC below A\$2,000/oz post-Havieron commissioning
 - Wyloo continues accumulation, signalling continued conviction
-

9. Sum-of-parts valuation framework

This is a producer-developer hybrid, so peer-multiple valuation is harder than pure-play comparison. A sum-of-parts framework gives the cleanest read:

1. Telfer (operating mine) — comparable company multiples approach

Mid-tier ASX gold producers (Northern Star, Evolution, Westgold, Regis, Ramelius) trade at roughly 5-8x EV/EBITDA on trailing earnings. At Telfer's HY26 EBITDA of A\$560m annualised to ~A\$1.1bn:

- 5x EBITDA: A\$5.5bn EV
- 8x EBITDA: A\$8.8bn EV

This range is wide. A more conservative read accounting for inherited operational variability and concentration risk: 4-6x EBITDA → **A\$4.4-6.6bn EV for Telfer alone.**

2. Havieron (developer) — risked NPV approach

FS NPV at base case: A\$2.9bn (post-tax, 5% discount).

Standard risking factors for a developer at FS-complete pre-FID:

- Permitting risk: ~85% probability of approval given progress
- Capex execution risk: 0.7-0.85x adjustment for normal blowout expectations
- Schedule risk: 0.85-0.95x adjustment for typical slippage
- Combined risk factor: ~0.5-0.6x of FS NPV

Riskied Havieron NPV (base case): A\$1.5-1.8bn Riskied Havieron NPV (at spot prices): A\$2.5-3.5bn

3. Cash and balance sheet items

- Net cash position: A\$948m
- Less deferred Newmont consideration (US\$100m, payable on Havieron commercial production with gold price hurdle): ~A\$150m
- Net balance sheet: ~A\$800m

4. Other optionality

- O'Callaghans tungsten-copper-zinc-lead deposit (maiden resource, scope unclear from secondary sources): ~A\$50-200m
- Telfer mine life extension drilling upside: ~A\$200-500m optionality
- Havieron resource expansion (87 Mt outside FS plan): ~A\$100-300m optionality

Combined sum-of-parts valuation range:

Component	Low	High
Telfer (operating)	4,400	6,600
Havieron (riskied NPV, base case)	1,500	1,800
Cash and balance sheet	800	800
Other optionality	350	1,000
Total enterprise value (A\$m)	7,050	10,200

Implied share price range: A\$10.50 - A\$15.20 (at ~673m SOI)

Current share price range (April 2026): A\$11-15

Read: the market is pricing GGP within the sum-of-parts fair value range. There's not a meaningful fundamental-price gap setup here. The current SP reflects reasonable discounting of execution risk and gives appropriate credit to operating performance.

The trade is not "buy a cheap stock" — it's "hold a fairly priced stock with significant operational tailwinds and execution catalysts ahead." The upside scenario is gold prices stay supported AND execution at Havieron tracks well, in which case the upper end of the sum-of-parts (~A\$15) becomes the fair value and continued execution drives further re-rating to A\$18-22 over 24-36 months. The downside scenario is execution misses (production downgrade, Havieron capex blow-out, permitting delays) and the SP compresses to A\$8-10 range.

10. Position sizing considerations

This is **not a junior position**. The position sizing framework from Module 10 applied:

For a Stage 10-equivalent producer with developer optionality:

- Risk-tolerant default: 5-8% of mining allocation
- Risk-averse default: 3-5% of mining allocation

Adjustments specific to GGP:

- Concentration risk (single-region WA Paterson Province): -1% adjustment
- Specialist backing and quality cap structure: +0.5% adjustment
- Hedging in place protecting downside: +0.5% adjustment
- Director comp yellow flag: -0.5% adjustment (sizing slightly lower than equivalent without the flag)

Suggested sizing range: 3-6% of mining allocation for a typical investor.

Time horizon: Multi-year. The thesis takes 3-5 years to fully play out (Havieron commissioning ~2028-2029 plus 2-3 years of operating ramp). A short-term holding (sub-12 months) is exposed primarily to gold price volatility rather than the integrated thesis.

Entry timing: Sum-of-parts valuation suggests current SP is in the fair value zone. Better entries would be on operational pullbacks (e.g., a quarterly miss) rather than chasing into all-time highs. The April 2026 high of A\$15.32 likely represents a momentum-driven peak; the reversal to A\$11-12 reflects normal gold-cycle volatility rather than thesis breakdown.

11. Specific risks worth being aware of

Beyond the standard mining risks (commodity price, regulatory, permitting, weather), GGP-specific risks include:

Inherited Telfer operational reality. The July 2025 downgrade revealed the company didn't fully understand the asset they bought. A second downgrade would be structurally concerning. The grade variability and stockpile management challenges may take 2-3 years to fully understand and optimise.

TSF8 and environmental legacy. Material remediation liability — magnitude needs verification from Annual Report. Unfavourable regulatory rulings could trigger unexpected provisions.

Havieron capex blowout. Industry baseline is 30-50% capex increase from FS to actual build. The FS estimate of A\$1.065bn could end up A\$1.4-1.6bn. Funding remains feasible but cuts into NPV materially.

Havieron schedule slippage. 2.5 years FID-to-first-gold is aggressive. 3-4 years is more realistic for a complex underground build with associated processing plant upgrades.

Permitting risk. Indigenous heritage, environmental, and water access permits are required for FID. The Paterson Province has tier-1 jurisdiction status but specific permit issues can still arise. Watch for ILUA negotiations or Native Title interactions.

Power and water infrastructure. The remote Paterson location depends on power, water, and diesel supply chains. The Port Hedland-via-long-term-agreement diesel supply is currently working (per April 2026 update).

Concentration risk. A single regional issue (drought affecting water access, regional permit freeze, port disruption) affects both assets simultaneously.

Wyloo influence. With 18%+ stake and likely board representation, Wyloo's strategic priorities will significantly influence company direction. Their interests are aligned with shareholders broadly but specific decisions (e.g., on M&A, capital allocation) may reflect Wyloo's particular preferences. Worth being aware that you're effectively partnered with their thesis.

Newmont deferred consideration. The US\$100m gold-price-linked deferred payment to Newmont is a future cash outflow at Havieron commercial production. Builds in correctly to the FS cash flow profile but is worth being aware of.

12. Practical exercise — what to verify before sizing a position

If you decide to take a position in GGP, the following should be verified directly from primary documents before sizing:

1. **2025 Annual Report (released 25 Sep 2025):**
 - Top 20 shareholders list (verify Tembo Capital current holding)
 - Director shareholdings + recent on-market activity (Appendix 3Y filings)
 - Board and KMP total remuneration with structure breakdown
 - Going concern disclosure
 - Environmental rehabilitation provisions (TSF8 specifically)
 - Auditor and any going concern emphasis
2. **Havieron Feasibility Study release (1 Dec 2025):**
 - Sensitivity tables (capex +25%, gold price -20%)
 - Met recovery assumptions vs locked-cycle pilot test data
 - Schedule realism — any contingency in the 2.5 year build estimate
 - Specific consultants (CP names) for technical sign-off
 - Detailed capital and operating cost breakdowns
3. **HY26 Half-Yearly Report (late Feb 2026):**
 - Detailed cash flow breakdown
 - Hedging position specifics
 - Capital expenditure forecast vs actual
 - Operational metrics (recoveries, throughput, head grades by mining face)
4. **March 2026 quarterly (28 April 2026 — releasing as I write):**
 - AISC figure for Q3
 - YTD performance vs guidance
 - Detailed Telfer operational metrics
 - Havieron development progress
 - Permit status
5. **March 2026 Group MRE update:**
 - Resource by Measured/Indicated/Inferred breakdown

- Cut-off grade parameters used
- Top-cut applied
- Drill hole counts vs prior MRE (verify the 134,000m claim)
- CP sign-off and credentials

6. **Recent ASX announcements page on greatland.com.au:**

- Any speeding tickets, ASX queries, or "Aware Letter" responses in past 12 months
- Substantial holder change notices
- Director Appendix 3Y filings

Without these primary verifications, the analysis above is best-effort from public secondary sources. The conclusions and framework are robust; specific numbers may have been refined or restated.

13. What I'm uncertain about

- **Current Tembo Capital holding** — pre-restructure 796m shares = ~40m post-consolidation = ~6%, but I haven't verified they still hold this position. If Tembo has been selling, the register dynamic shifts.
- **Exact post-restructure share consolidation ratio.** Inferred from secondary sources to be roughly 1:19-20, but the exact ratio should be in the Scheme Document.
- **Havieron Feasibility Study sensitivity tables.** Without the full document, I can't stress-test the NPV at -20% gold price + 25% capex blow-out. The base case looks robust but the resilience under stress isn't explicitly verified.
- **Director compensation forward-looking structure.** The 2025 figures are presented as a one-off vesting event. If FY26 Remuneration Report shows the same scale of comp, it's structural rather than one-off.
- **Wyloo's exact strategic intentions.** Building a 20%+ position is significant. They could be positioning for board influence, future M&A activity (potential acquirer at higher levels?), or just long-term passive strategic exposure. The 3% creep provision (Module 6) becomes relevant if Wyloo continues accumulating beyond 19.9% — they would be limited to ~3% per 6-month window. Worth tracking.
- **Newmont deferred consideration crystallisation timing.** The US\$100m payment depends on "Havieron commercial production with gold price hurdle." Specific gold price hurdle and definition of commercial production not verified from secondary sources.
- **TSF8 remediation provision magnitude.** Real liability but specific quantification requires the Annual Report financial notes.
- **Whether the 14.9 Moz combined resource includes stockpiles.** Per primary disclosure, stockpiles are a component of Telfer's total resource estimate, but the breakdown by mining face vs stockpile in the combined number isn't confirmed from secondary sources.
- **Specific debt facility terms.** A\$500m Tier-1 facility committed, but specific lenders, covenants, drawdown conditions, and pricing haven't been verified.

14. Final framing

Greatland Resources is a **mid-tier integrated gold-copper producer** with a **late-stage development project** that fundamentally re-categorises the company outside the speculative junior framework that Modules 1-10 cover.

The most useful framing for understanding GGP is **mid-tier producer with embedded development optionality**. Comparable companies include:

- De Grey Mining at the Hemi development pre-construction stage
- Westgold Resources during the Beta Hunt acquisition integration
- Northern Star Resources during the Pogo acquisition integration

These are all cases where a producer-acquirer takes on a near-term development asset and the market has to price both the operating asset and the future production simultaneously.

The thesis is not about discovery (no early-stage exploration upside dominates the valuation).
The thesis is not about valley-of-death recovery (the company is well-funded and producing).
The thesis is about execution — delivering Havieron on time and on budget while extending Telfer's mine life through ongoing drilling and reserves growth.

If you're buying GGP, you're buying:

1. Operational execution at Telfer (resource conversion, AISC management, mine life extension)
2. Development execution at Havieron (capex discipline, schedule, ramp to nameplate)
3. Continued gold price strength through 2028-2029 (when Havieron starts producing)
4. Capable specialist backing (Wyloo) providing register stability through the development phase

The asymmetry on the upside is meaningful but not a 5-10x junior return profile. The asymmetry on the downside is bounded by the operating cash flow at Telfer.

This is not a high-conviction asymmetric trade in the speculative-junior sense. It's a **long-duration mid-cap producer-developer hold** with appropriate position sizing for that profile.

This report was prepared on April 26, 2026. Verification against primary ASX/AIM disclosures is recommended before sizing any position. Share prices, market cap, holder positions, and operational metrics may have changed materially since the time of writing.