

RTG Mining is a way to play the stronger copper price

The gold price is up again, to a new record of US\$3,084/oz. I won't make a big deal of it as it is exactly what we should be expecting. The general media is starting to wake up to gold, running stories on the recent strength in the past week. Will this mean that the man in the street will come in and look for bullion investments? Quite possibly, as this would be typical bull market behaviour. Does this mean the gold market is topping out? Maybe, but I would suggest otherwise.

We are seeing price behaviour in gold like we saw in the 1970s when the world came off the Gold Standard. Eventually there was a major blow-out when gold hit US\$800/oz, but we are a long way from this sort of behaviour yet.

The copper price has been performing well since late December, rising from below US\$4.00/lb to more than US\$4.50/lb recently. If this trend continues we will see people talking up copper companies more aggressively. With this in mind we have written a piece on RTG Mining Inc, a copper company with a special copper project in the Philippines; special because it has very profitable supergene mineralisation running at 21% Cu in its first year of operation. The shares were in a trading halt last week as it has been undertaking a US\$12m placement in support of the impending development, supplementing the US\$30m that will be coming from Glencore.

RTG Mining - very high-grade copper, at first

We have had RTG Mining Inc (RTG) on the radar for some time. It has a 40% interest in the Mabilo high-grade copper project that will rapidly make serious money once the ball starts rolling in Q4 of 2025. However, its location in the Philippines, and the need to work with local partners, has been a delaying factor. Through perseverance and patience, and with the US\$30m funding deal with Glencore recently announced, Mabilo is now all systems go.

Strong local partner

Unfortunately foreign corporations are only permitted to own 40% of resource projects in the Philippines. This tends to be a negative for investors in a similar way that the BEE requirements in South Africa are not popular. The economic interest attributable to foreigners can be improved upon with certain arrangements but you cannot flout the intention of the rules.

Having the right local partner is critical. One of the reasons for RTG taking so long to get to this point was the unsatisfactory partner dating back to 2014. Efforts to terminate the joint venture partnership resulted in a six year long battle in the Singapore International Arbitration Court. Upon settlement RTG retained a 40% interest in Mabilo, a 2% NSR and the right to receive repayment of US\$27m in loans from Stage 1 (DSO) of the development.

RTG now has a new, financially strong partner in the Villar Family, one of the most prominent family offices in the Philippines. Recent work has involved the refreshing of various operating permits with the final hurdle, the land access agreement, expected to be achieved by June 2025.

Mabilo Stage 1 - DSO in year one

Stage 1 includes 100,000 tonnes of direct shipping of the supergene chalcocite material that grades an amazing 21% Cu. Taking into account the gold cap and oxidised skarn, the 578,048 tonnes of material will take about a year to mine and ship/process. This will deliver payable metal of 19,200 tonnes of Cu and 29,400 oz of gold.

An 80m deep pit will be developed starting in October 2025. This will take not only the supergene, but also 300,000 oz in a gold cap and 150,000 of oxide skarn material. It will be all over in only 12 months. This extra material will provide a useful net cash flow of \$10m on top of the supergene copper, taking the expected earnings attributable to RTG for year one out to circa US\$72m (A\$114m).

Capex estimates for Stage 1 remain below US\$25m and operating costs will amount to another US\$32m.

Stage 2 - Skarn mineralisation for six years

Stage 2 involves the processing of 1.35 Mtpa of skarn mineralisation for six years, with that mineralisation being open at depth and along strike. So far there has only been 18,000m of drilling undertaken. There could easily be much more mineralisation, perhaps a total of 20 Mt when all is said and done. The grade is expected to be 2% Cu, 2 gpt Au and some silver.

Tailings dams are becoming increasingly controversial everywhere. Interestingly, for Stage 2, 70% of the skarn mineralisation reports to the concentrate product. A 1.35 Mtpa processing rate will generate only 0.4 Mtpa of tailings material.

The Glencore Financing Deal - US\$30m

RTG recently announced that Glencore International AG has agreed to finance Stage 1 to a total of US\$30m in three tranches that are expected to cover 100% of the capex.

1. US\$3.5m for land acquisition - to be done by 30/6/25
2. US\$21.5m for development capital
3. US\$5m for additional working capital.

Tranches 1 and 2 will carry an interest rate of SOFR +5%, and Tranche 3 SOFR +7%.

Strong Economics

The 2016 Feasibility Study showed strong economics at the time. These should be updated at some point but they probably look much better due to the gold price. Back then the production costs were US\$61.91 pt and the gold

equivalent cash costs were US\$224/oz or US\$0.42/lb for copper, depending on which you focus. Metal prices used were US\$1,200/oz and US\$5,200 pt of copper.

Strong, experienced management and board

The chairman, Michael Carrick, has a successful track record that goes back to his time as CEO at Resolute Mining. He was subsequently CEO of CGA Mining Limited which developed the Masbate Gold Mine in the Philippines, until it merged with B2Gold Corp in January 2013. The current CEO, Justine Magee, was CFO of CGA. Phil Lockyer, a NED, is a mining engineer and metallurgist with 40 years operational experience including 20 years with WMC as General Manager of WA.

Strong share register

RTG already has a strong share register populated with institutions that hold in excess of 50% of the issued capital. The largest is New York-based Equinox Partners with 19%, closely followed by the Hains Family with 18% and Franklin Templeton with 11%. With 1.12bn shares on issue and a share price of 2.7¢, the market capitalisation is a modest \$28m (prior to the US\$12m placement being done right now). RTG is listed on both the ASX and the Toronto Stock Exchanges.

The Bottom Line

The fundamentals look attractive on Stage 1, with pre-tax earnings expected to be A\$114m in only 12 months of operation. Compare this with the market capitalisation of only A\$28m (plus the additional equity injection). Stage 2,

which will be funded from Stage 1 cashflow, will contribute longer term earnings over the subsequent six years. Continued exploration is likely to extend the life and may even prove the existence of a much larger porphyry system.

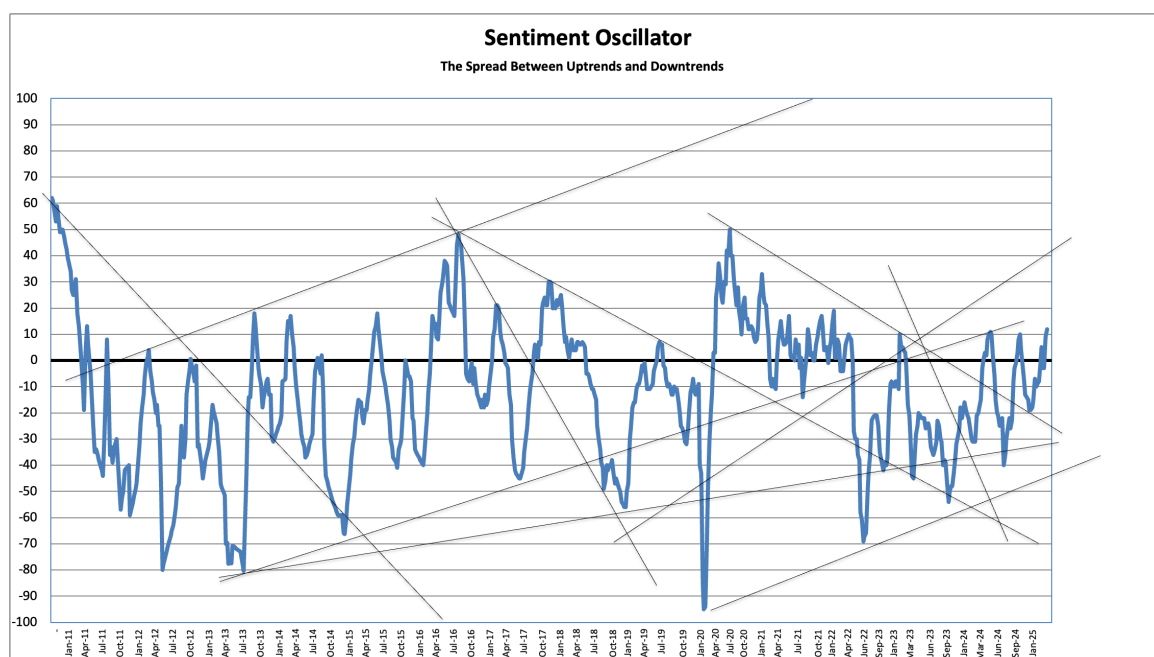
Stage 1 of the project couldn't be more simple. It is just a matter of mining, crushing and shipping. No metallurgical recovery methods are required.

The word "strong" features in a number of the subheadings above; economics, management and the share register. There is no reason why RTG will not be very successful and the market price will reflect this.

On a more exotic front the Company has promising exploration activities in Kyrgyzstan and is negotiating for a position on Bougainville Island, but these are not the main game. There is plenty to keep it busy in the Philippines.

Stop Press: RTG went into a trading halt last Thursday for a placement of approximately US\$12m in two tranches (US\$2.7m and US\$9.3m), at 25¢ a share (CDI). We believe it to have been overbid.

Disclosure: Interests associated with the author own shares in RTG Mining.



Sentiment Oscillator: There was a small improvement in sentiment over the week. There were 45% (44%) in uptrend and 33% (35%) in downtrend.

Detailed Chart Comments

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

Indices	Code	Trend Comment	
All Ordinaries	XAO	correction turned into downtrend	
Metals and Mining	XMM	weaker	
Energy	XEJ	down further	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR	strong recovery	phosphate, gold
Alkane Resources	ALK	forming a wedge	gold
Alicanto Minerals	AQI	breaching downtrend	base metals, silver, gold
Alligator Energy	AGE	breached uptrend	uranium
Almonty Industries	All	surge to new high	tungsten
Alpha HPA	A4N	down	HPA
American Rare Earths	ARR	rising gently	rare earths
Anax Metals	ANX	new low after placement	copper
Andean Silver	ASL	recovering uptrend	silver
Arafura Resources	ARU	rising	rare earths
Ardea Resources	ARL	new uptrend	nickel
Arizona Lithium	AZL	new low	lithium
Astral Resources	AAR	sideways below resistance line	gold
Aureka	AKA	rising after name change from Navarre	gold exploration
Auric Mining	AWJ	down	gold
Aurora Energy Metals	1AE	testing downtrend	uranium
Aurelia Metals	AMI	rising	copper + base metals
Aurum Resources	AUE	rising	gold
Australian Gold and Copper	AGC	breached steepest downtrend	base metals, silver, gold
Australian Rare Earths	AR3	down again	rare earths
Australian Strategic Materials	ASM	testing downtrend	rare earths
BHP	BHP	secondary downtrend in play	diversified, iron ore
Ballymore Resources	BMR	back to lows	gold exploration
Barton Gold	BGD	gently higher	gold exploration
Beach Energy	BPT	rising	oil and gas
Bellevue Gold	BGL	slump then suspension re guidance	gold
Besra Gold	BEZ	still down	gold
Black Cat Syndicate	BC8	new high	gold
Boab Metals	BML	breached support line	silver/lead
Brazil Critical Minerals	BCM	new low - two tranche plus 1 for 3	rare earths
Brazilian Rare Earths	BRE	back to downtrend	rare earths
Brightstar Resources	BTR	less steep uptrend	gold
Caravel Minerals	CVV	improving	copper
Carnaby Resources	CNB	breaching downtrend	copper
Castile Resources	CST	testing downtrend	gold/copper/cobalt

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Catalyst Metals	CYL		surge higher	gold
Cazaly Resources	CAZ		new low	rare earths
Celsius Resources	CLA		at lows	copper
Centaurus Metals	CTM		rising	nickel/cobalt/HPA
Challenger Gold	CEL		rising	gold
Cobalt Blue	COB		testing downtrend	cobalt
Cyprium Metals	CYM		testing downtrend	copper
Delta Lithium	DLI		down	gold/lithium
Emerald Resources	EMR		back to highs	gold
Empire Energy	EEG		breached uptrend	gas
Emmerson Resources	ERM		uptrend	gold
EQ Resources	EQR		rising	tungsten
Evolution Mining	EVN		rising	gold
Felix Gold	FXG		spiked higher	gold exploration, antimony
First Graphene	FGR		steep rise	graphene
Fortescue Metals	FMG		down	iron ore
Genesis Minerals	GMD		rising	gold
Globe Metals and Mining	GBE		sideways	niobium
Gold 50	G50		breached uptrend	gold exploration + gallium
Golden Horse	GHM		rising	gold exploration
Great Boulder Resources	GBR		steeply higher	gold exploration
Green360 Tech (was Suvo)	GT3		testing downtrend	kaolin
Hamelin Gold	HMG		testing downtrend	gold exploration
Heavy Minerals	HVY		new high	garnet
Hillgrove Resources	HGO		new low	copper
Iltani Resources	ILT		rising again	antimony
Iluka Resources	ILU		new low	mineral sands
Jupiter Mines	JSM		improving	manganese
Kaiser Reef	KAU		improving	gold
Kalina Power	KPO		down	carbon sequestration
Larvotto Resources	LRV		new high	gold, antimony
Lindian Resources	LIN		down	rare earths + bauxite
Lotus Resources	LOT		continuing down	uranium
Lynas Corp.	LYC		rising again	rare earths
Many Peaks	MPK		rising	gold exploration
Marmota	MEU		spiked higher on titanium discovery	gold/uranium exploration
Matsa Resources	MAT		strongly higher	gold
Mayur Resources	MRL		rising again	renewables, cement
Meeka Gold	MEK		uptrend	gold
MetalsX	MLX		rising	tin, nickel
Meteoric Resources	MEI		new low	rare earths
Metro Mining	MMI		off its highs	bauxite
Midas Minerals	MM1		spiked higher, then pullback	lithium

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Native Mineral Resources	NMR		steeply higher	gold
New Murchison	NMG		sideways	gold
Nexgen Energy	NXG		down	uranium
Northern Star Res.	NST		rallying	gold
Nova Minerals	NVA		down	gold exploration
Novo Resources	NVO		testing downtrend	gold exploration
Pacific Gold	PGO		new low	gold exploration
Paladin Energy	PDN		collapse	uranium
Pantoro	PNR		new uptrend	gold
Patriot Battery Metals	PMT		pullback after strong rally	lithium
Peninsula Energy	PEN		down	uranium
Perseus Mining	PRU		correcting lower	gold
QMiners	QML		back to lows	copper
Queensland Pacific Metals	QPM		down	nickel/cobalt/HPA
Regis Resources	RRL		new high	gold
Regergen	RLT		surged higher	gas, helium
Richmond Vanadium	RVT		down	vanadium
RIO	RIO		down	diversified, iron ore
RTG Mining	RTG		strong recovery	copper
Rumble Resources	RTR		testing uptrend	zinc exploration
S2 Resources	S2R		down	gold exploration
Sandfire Resources	SFR		off its highs	copper
Santana Minerals	SMI		rising	gold
Santos	STO		breaching downtrend	oil/gas
Sarytogan Graphite	SGA		still down	graphite
Scorpion Minerals	SCN		testing downtrend	gold exploration
Siren Gold	SNG		rising	gold exploration
Southern Palladium	SPD		pullback	PGMs
Stanmore Coal	SMR		down	coal
St George Mining	SGQ		collapse to new low	rare earths, niobium
Stellar Resources	SRZ		testing downtrend	tin
Sun Silver	SS1		rising again	silver
Talga Resources	TLG		rallying, about to meet resistance line	graphite
Tamboran Resources	TBN		breached uptrend	gas
Terra Uranium	T92		rallying	uranium
Theta Gold Mines	TGM		rising again	gold
Toro Energy	TOE		steep rise	uranium
Torque Metals	TOR		back to lows	gold exploration + lithium
Vintage Energy	VEN		sideways	gas
Vertex Minerals	VTX		testing uptrend	gold
Warriedar Resources	WA8		testing downtrend	gold exploration
West Cobar	WC1		new low	rare earth + lithium
Westgold Resources	WGX		spiked higher	gold
West Wits Mining	WWI		rising	gold

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Whitehaven Coal	WHC	down	coal
Totals	44%	54	Uptrend
	35%	43	Downtrend
		123	Total

Guides to Chart Interpretations

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

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

Weightings of Sectors Represented in the Company Charts

Sector	No. of Companies	Weighting
Gold	30	24.4%
Gold Exploration	17	13.8%
Copper	12	9.8%
Rare Earths	11	8.9%
Uranium	9	7.3%
Oil/Gas/Hydrogen	6	4.9%
Iron Ore/Manganese	4	3.3%
Lithium	3	2.4%
Graphite/graphene	3	2.4%
Nickel	3	2.4%
Silver	3	2.4%
HPA/Kaolin	2	1.6%
Tungsten	2	1.6%
Tin	2	1.6%
Antimony	2	1.6%
Coal	2	1.6%
Niobium	2	1.6%
Potash/Phosphate	1	0.8%
Vanadium	1	0.8%

Zinc/Lead	1	0.8%	
PGMs	1	0.8%	
Mineral Sands	1	0.8%	
Bauxite	1	0.8%	
Cobalt	1	0.8%	
Other	3	2.4%	
Total	123		

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