

mine**life**

WEEKLY RESOURCE REPORT by Gavin Wendt

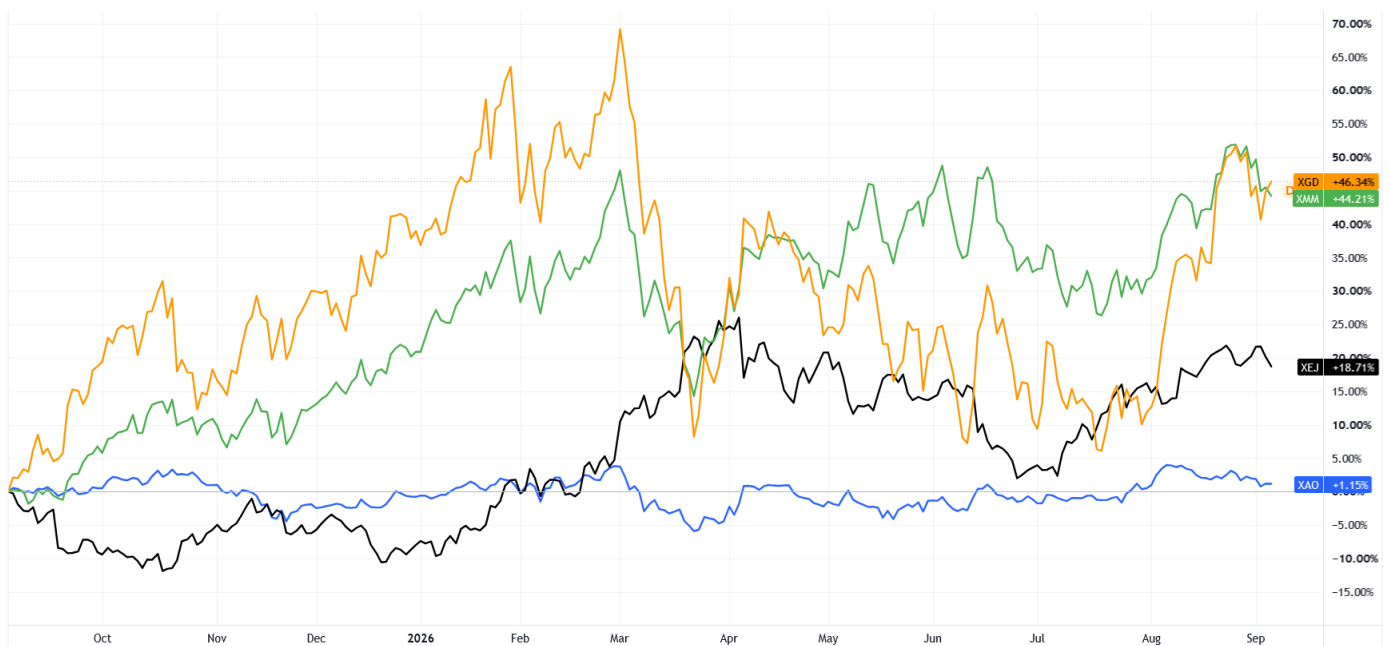


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OVERVIEW

- The gold and broader mining sectors are continuing their strong performances over the past 12 months – although there has been a pullback over the past week. The ASX All Ordinaries Gold Index (XGD) is up 46%, the ASX 300 Metals & Mining Index (XMM) is up 44%, whilst the ASX 200 Energy Index (XEJ) is up 19%. Then there remains a sizeable distance back to the ASX All Ordinaries Index (XAO) which is up 1%. Robust underlying company earnings are driving the resource sector, despite global fears around inflation.



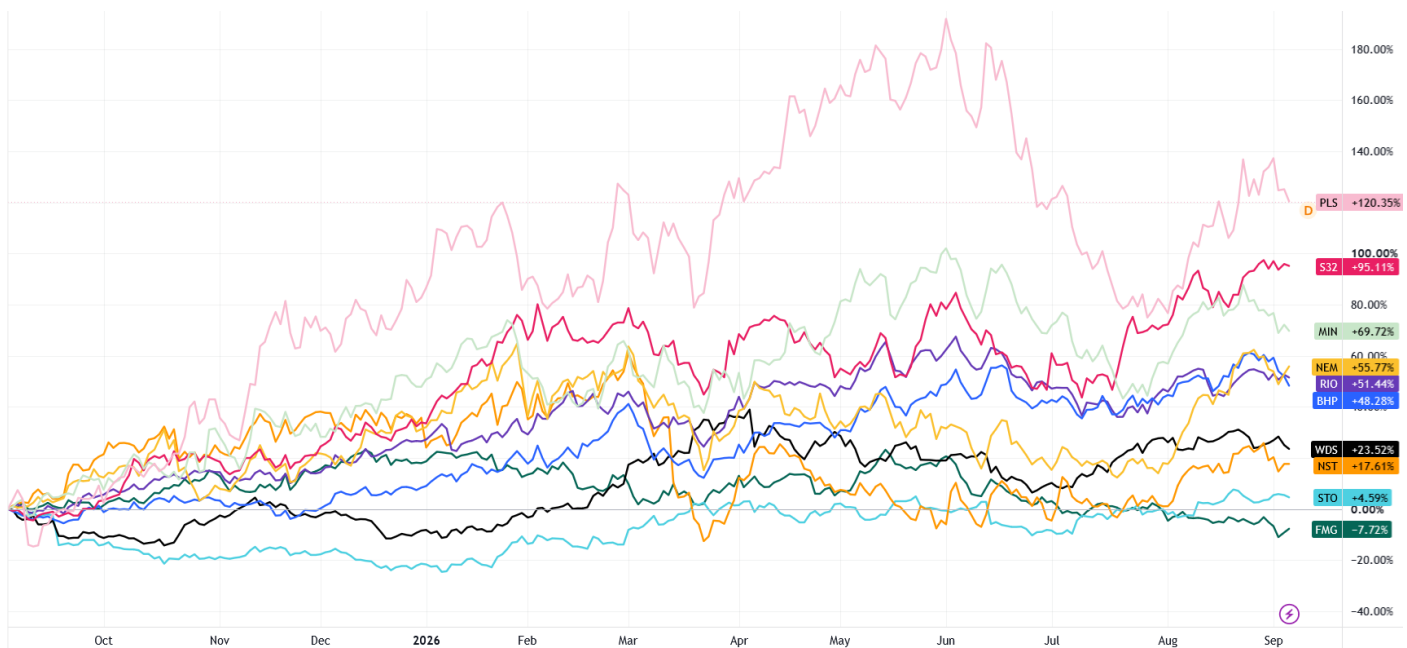
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Figure 1: 12-month graphic comparing the relative performances of the ASX Metals & Mining, Energy, Gold, and All Ordinaries indices.

PERFORMANCE OF THE TOP 10 MINERS

The relative performances of Australia's biggest mining and energy companies over the past 12 months:

1. PLS Group +120%
2. South 32 +95
3. Mineral Resources +70%
4. Newmont Corporation +56%
5. Rio Tinto +51%
6. BHP Group +48%
7. Woodside Energy Group +24%
8. Northern Star Resources +18%
9. Santos +5%
10. Fortescue -18%



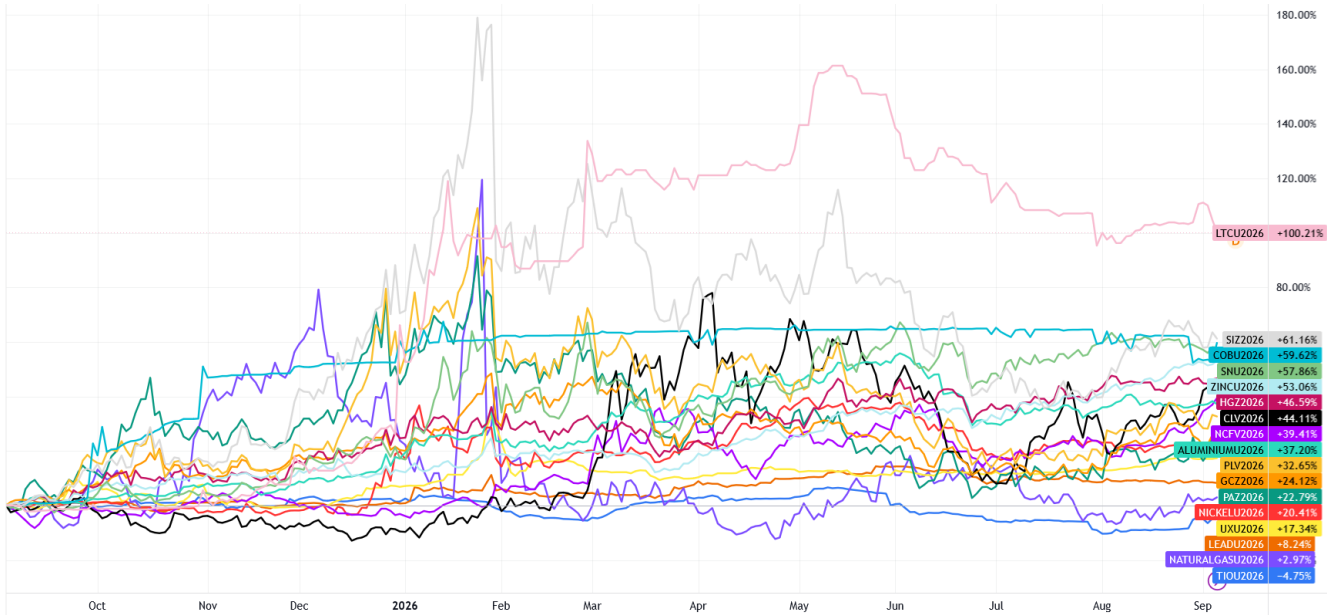
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Figure 2: 12-month rolling graphic comparing the relative performances of Australia's biggest mining and energy stocks.

COMMODITY COMPARISON CHART

- **Lithium Carbonate (+100%)** – prices strong as environmental approvals revoked at CATL's Jianxiawo mine.
- **Silver (+61%)** – fell 3% to below \$65 an ounce on Friday on US\$ strength related to higher interest rates.
- **Cobalt (+60%)** – prices supported by DRC export quotas implemented in late 2025.
- **Tin (+58%)** – close to all-time highs reached in June, with ongoing supply restrictions out of Indonesia.
- **Zinc (+53%)** – prices remain at 4-year highs due to global supply disruptions and low stockpile inventories.
- **Copper (+47%)** – close to all-time highs due to ongoing supply-side challenges and mine supply reductions.
- **Crude Oil (+44%)** – up 9% this week as the war in the Middle East continued with little prospects of peace.
- **Coal (+39%)** – highest levels in 11 weeks amid robust global energy demand and persistent supply risks.
- **Aluminium (+37%)** – LME inventories remained near a 36-year low due to Middle East supply disruptions.
- **Platinum (+33%)** – prospects of increased industrial demand as hybrid vehicle demand remains resilient.
- **Gold (+24%)** – weaker as the dollar and yields strengthened on stronger-than-expected US employment data.

- **Palladium (+23%)** – prices firm as demand for hybrid vehicles grows, possible bans on Chinese EVs.
- **Nickel (+20%)** – prices steady on potential production cuts at Indonesia's largest nickel-processing hub.
- **Uranium (+17%)** – prices steady on the back of muted levels of spot buying by power-generating utilities.
- **Lead (+8%)** – remains at its lowest level since 2022 due to broader demand concerns around ICE vehicles
- **Natural Gas (+3%)** – strong demand in Europe and Asia for refill storage ahead of the winter heating season.
- **Iron Ore (-5%)** – prices have risen back to \$99/ton on improved demand-supply fundamentals.



TradingView

Figure 3: 12-month rolling graphic comparing the relative performances of a basket of commodity futures prices.

RESOURCE EQUITY PERFORMANCE

This graphic illustrates the 2-year performance of ASX resource equities – noting the strong gains between April 2025 and February 2026, followed by a recent consolidation.

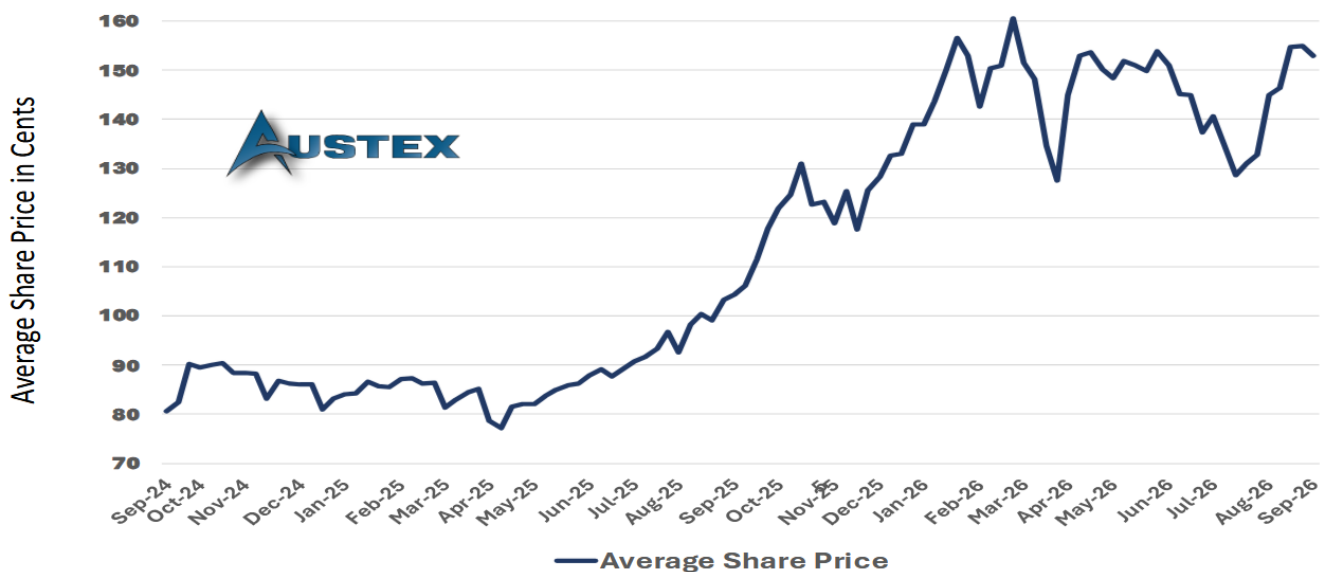


Figure 4: Average ASX resource companies' share price over the past two years (Courtesy of Austex).

COMMENTARY

Gold

- Gold fell by 2% to around \$4,380 an ounce on Friday, as the dollar strengthened following stronger-than-expected US employment data, which boosted expectations for tighter monetary policy.
- US non-farm payrolls rose by 162,000 in August, following an upwardly revised increase of 23,000 in July, significantly exceeding market expectations for a 56,000 gain.
- Meanwhile, the unemployment rate held steady at 4.1%, while annual wage growth eased to 3.1%, although the decline was smaller than markets had anticipated. The resilient labor-market data strengthened the case for tighter monetary policy.
- Money markets are now pricing in a near 60% probability of a Federal Reserve rate hike in September.

Global Debt

- A key factor that's directly correlated with gold's strong performance is the level of global debt.
- Global borrowing costs are rising, not only because interest rates are at multi-decade highs, but because the entire structure of bond markets is shifting.
- Recent geopolitical shocks - especially the closure of the Strait of Hormuz and renewed US - Iran hostilities - have pushed up energy prices, lifted inflation, and forced markets to price in higher interest rates for longer.
- Demand for capital is also surging globally, with governments borrowing more at the same time that major tech companies are issuing unprecedented amounts of debt to fund AI data-centre expansion.
- US hyper-scalers have already raised over \$219bn this year (and may reach \$400–500bn) - pushing up borrowing costs for everyone.

How global borrowing costs have changed

Yield on UK government 10-year bonds, compared with selected G7 countries, 2006 to 2026



Note: Figures represent quarterly points in each year

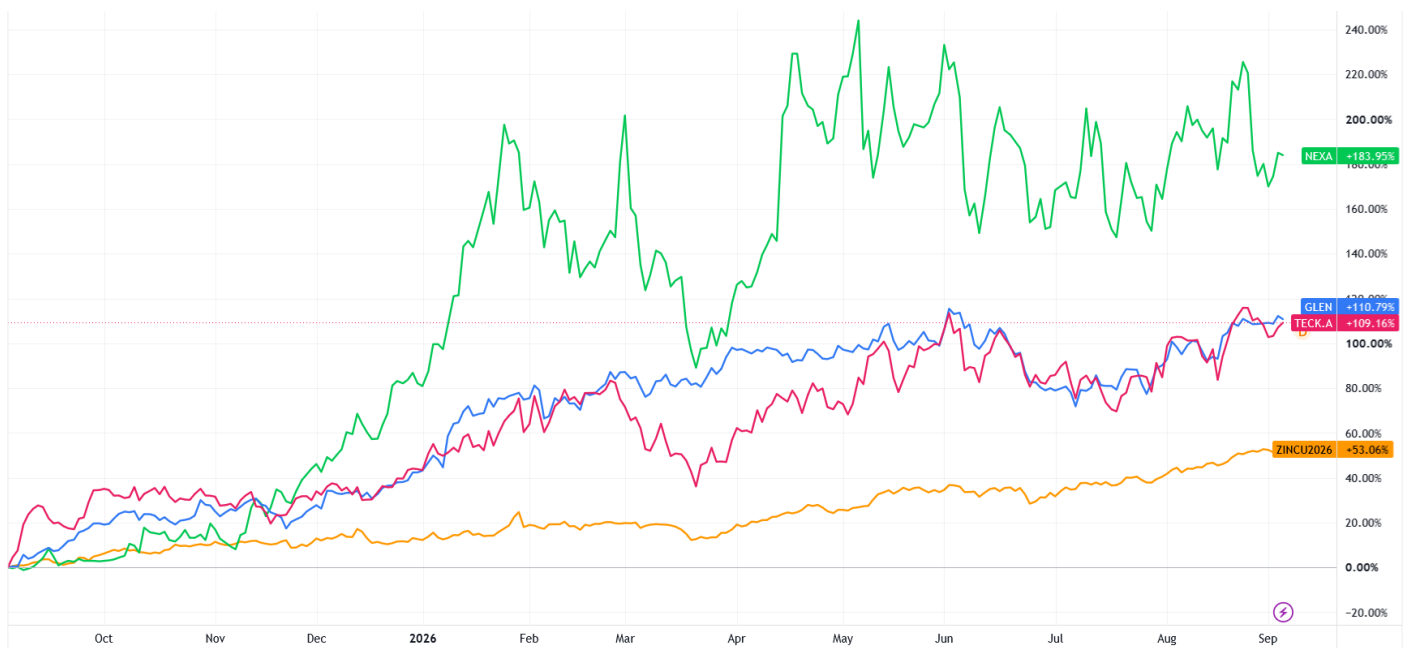
Source: Bloomberg

BBC

Figure 5: Graphic showing the change in global borrowing costs.

Zinc

- Zinc isn't as prominent in ASX investors' minds as other commodities, but the underlying fundamentals are pretty compelling at present. Prices have surged to a +4-year high on the back of a 64% fall in LME inventories.
- LME warehouse stocks have dropped from 264,000 tonnes in December 2024 to 95,000 tonnes presently - their lowest level since April 2023.
- Meanwhile LME zinc is trading at its highest level since June 2022 - and is up 53% from a trough in mid-2025.
- The simultaneous decline in inventory and rise in price shows physical tightness, as the cash settlement price rises while warehouse stock declines because buyers have less to draw on. The tightness is mostly concentrated in Western warehouses.
- HSBC's Global Commodity Team forecasts a 2.1% year-on-year decline in 2026 to 12.5 million tonnes, due to lower production levels in Latin America. JP Morgan expects zinc prices to stay elevated through 2026 as global supply tightens and demand rises.
- Major zinc producers exposed to the LME price have risen strongly over the past 12 months - Teck Resources (TSX: TECK; NYSE: TECK) up 109%, Glencore (LSE: GLEN) up 111%, and Nexa Resources (TSX: NEXA) up 184%.



TradingView

Figure 6: Performance of major global zinc producers v the zinc price.

Copper

- Markets are grappling with a looming copper shortage - so brownfields developments are set to play a crucial role in filling a near-term supply gap.
- As electrification accelerates and supply remains constrained, infrastructure-rich brownfield copper projects are becoming strategic assets in their own right.
- Miners are therefore increasingly turning to brownfield opportunities where existing infrastructure, underground development and known resources dramatically reduce cost and risk – with economics enhanced by close-to-record metal prices.
- Across Australia, we are seeing a growing trend of revitalised brownfields copper mines – headlined by Sibanye-Stillwater's just-announced \$490M restart of Tasmania's historic Mt Lyell mine. Project execution is

scheduled to begin in the first half of 2027, unlocking a 23-year mine life that at steady state is expected to deliver ~26,000 tonnes of copper, 16,000 ounces of gold and 116,000 ounces of silver annually.

- Mt Lyell is not an isolated example – there's also the Kanmantoo's mine's restart in South Australia, as well as Capricorn Copper and Austral Resources' regional processing strategy at Isa and Cloncurry in Queensland – of where sunk capital is being leveraged to bring new tonnes online faster.
- Australia is currently the eighth largest copper producer globally (accounting for ~3% of world supply), but we hold ~10% of global resources – meaning we're well positioned as a long-term supplier.

World - LME Copper Stocks vs. Copper Price

MacroMicro.me | MacroMicro

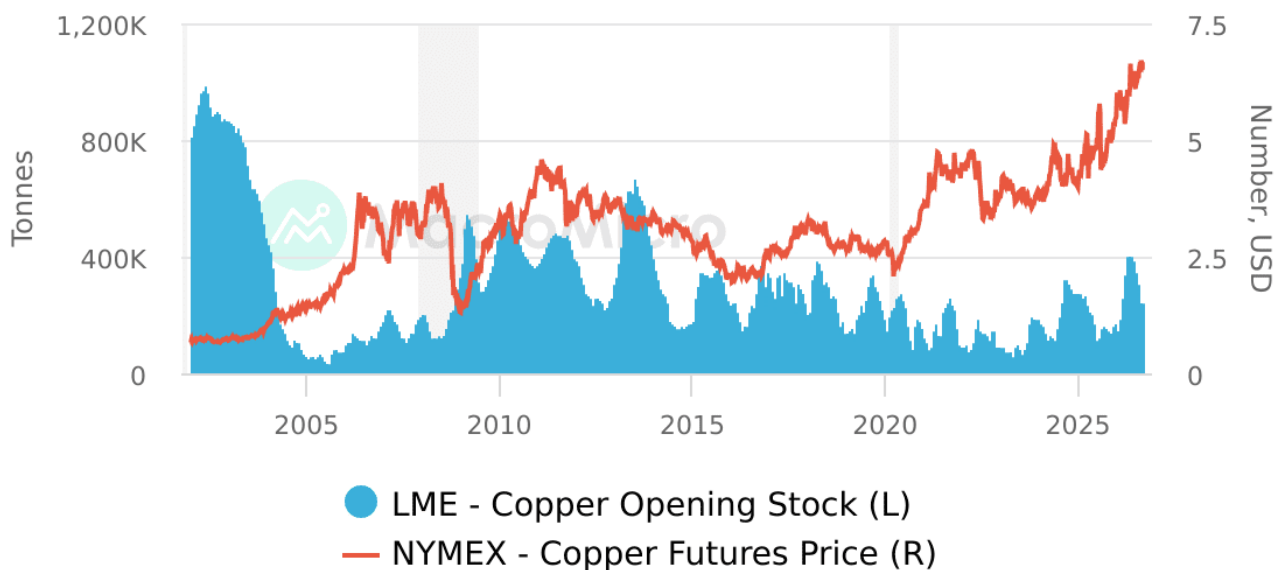


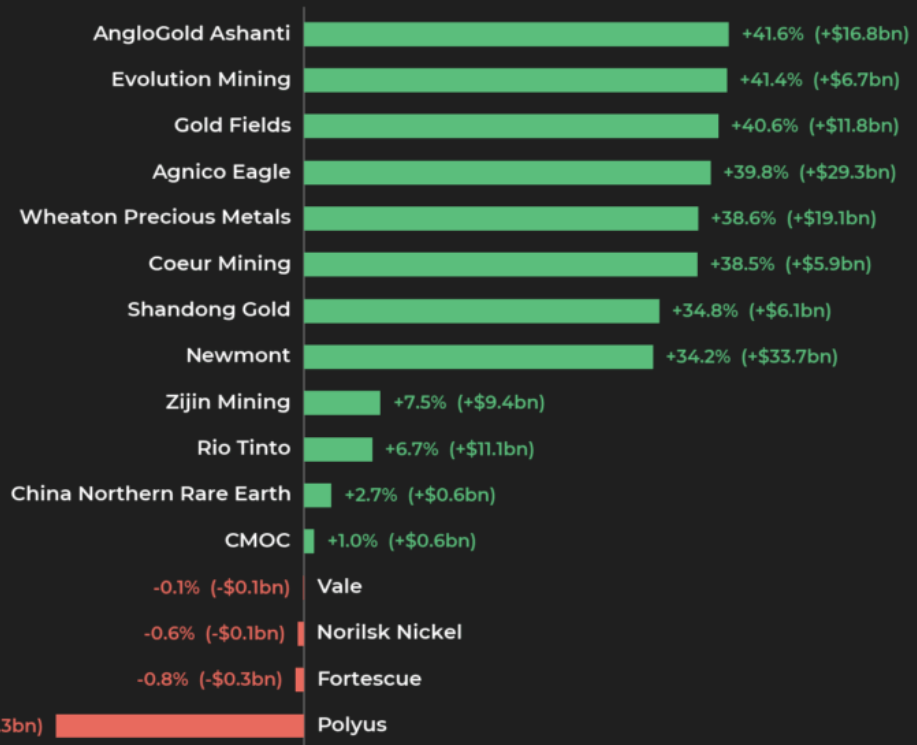
Figure 7: Graphic comparing the copper price v LME inventory levels.

Mining's Top 50 Companies

- The value of the world's top 50 mining companies rose by US\$357 billion during the month of August – the largest single-month gain since 2019. The previous record was set in January, when the Top 50 added \$338 billion, then in February there was a further \$267 billion gain on the way to the ranking's all-time high valuation of \$2.75 trillion.
- The gain took the overall value back above \$2.5 trillion for the first time since February 2026.
- Interestingly, the past 12 months represents the most volatile period ever – reflected in the fact that the month of March saw a \$420 billion fall following gold's sizeable decline.
- The August rally has seen Australia overtake Canada as the world's most valuable mining address, with a value of \$538 billion compared with Canada's \$534 billion. The United States is third at \$358 billion, ahead of China at \$296 billion.
- The eight best-performing companies for August were all gold companies.
- BHP was the best-performing non-gold company during the month of August, adding \$25 billion, as it saw copper overtake iron ore as its biggest earner. BHP has also hit an all-time high in share price terms in 2026.
- The number of companies worth more than \$100 billion rose from four to seven during August - as Newmont, Freeport-McMoRan and Agnico Eagle joined BHP, Rio Tinto, Southern Copper and Zijin Mining.

AUGUST'S WINNERS AND LOSERS

AT THE CLOSE OF TRADING AUGUST 31, 2026



Source: MINING.COM, stock exchange data, company reports.

US\$ market cap change August 31 vs July 31, 2026, primary-listed exchange, converted to US\$.

MINING.COM TOP 50

Figure 8: Graphic showing the best and worst performers among the world's Top 50 mining stocks.

RECENT EQUITY COVERAGE

Friday 4 September

Southern Hemisphere Mining (SUH) - Share Price: \$0.034 | Market Cap: \$27M | Initiated @ \$0.031 (Feb 2025) |

- SUH has an exploration focus on Chile, the world's leading copper-producing nation, which generates 27% of global copper supply.
- The company's flagship project is its Llahuin Porphyry Copper-Gold-Moly Project, with a JORC 2012 MRE of 218Mt at 38% CuEq - for 496,600t of contained copper, 654,900oz of gold and 12,500t of molybdenum.
- Progress is being made towards mine-scale open-pit configuration, with drilling aimed at adding critical mass in terms of tonnage, with the potential for higher-grade copper endowment at depth.
- Llahuin is located less than 70km from the 6.1 billion tonne Los Pelambres porphyry deposit and just 8km from the El Espino mine that is currently under construction.
- The Southern Porphyry target at Llahuin is being explored via a joint venture farm-out to FMR Resources (ASX: FMR), where there is potential for a large, untested copper porphyry system extending for ~6km. FMR is funding up to \$13M of exploration expenditure and with payment of \$2.67M over two stages to earn up to a 60% stake.

Thursday 3 September

AusQuest Limited (ASX: AQD) - Share Price: \$0.047 | Market Cap: \$780M | Initiated @ \$0.017 (Sep 2015) |

- AQD's strategy of targeting exclusively Tier-1 exploration prospects differentiates it from the vast majority of its junior peers - together with the fact that it seeks to minimize equity dilution via joint venture farm-outs.
- AQD has maintained a unique Strategic Alliance Agreement (SAA) with diversified miner South32 (ASX: S32) since 2017, with AQD developing a pipeline of potential exploration opportunities and S32 funding exploration.
- The SAA allows AQD to work alongside one of the world's most successful diversified miners in the search for high-potential exploration opportunities in Australia.
- AQD's current focus revolves around its prospective 100%-owned copper projects in Peru. Maiden drilling in early 2025 at the Cangallo Porphyry Copper-Gold Project led to immediate success and saw AQD's shares rise from \$0.007 in January to a high of \$0.061.
- AQD has just commenced maiden drilling at its Lantana Copper-Gold Project in Peru.

Tuesday 1 September

Liontown Limited (ASX: LTR) - Share Price: \$1.305 | Market Cap: \$3.89B | Initiated @ \$0.025 (Feb 2019) |

- We backed LTR's exploration ambitions that were successful in outlining and expanding its 100%-owned Kathleen Valley lithium project in Western Australia - which hosts one of the largest spodumene resource bases in Australia, and also one of the largest on a global scale.
- The operation has a current Mineral Resource Estimate of 150Mt at 1.33% Li₂O and 130ppm Ta₂O₅ (as of June 2025) and the expected mine life is over 20 years.
- Final Investment Decision (FID) approval was given by the board in June 2022, construction commenced in December 2022, and first spodumene concentrate was produced in mid-2024.
- The operations have been optimised for an initial 2.8Mtpa, producing approximately 500ktpa of spodumene concentrate. As Kathleen Valley continues to ramp up into a better pricing environment and with a stronger balance sheet, LTR will refresh its 4Mtpa expansion case, with completion of studies expected during the Sep quarter 2026.

Monday 31 August

Elevra Lithium (ASX: ELV) - Share Price: \$8.25 | Market Cap: \$1.6B | Initiated @ \$2.40 (July 2017) |

- ELV (formerly Sayona Mining) has been focused on developing a lithium hub in Québec, Canada, where it successfully acquired and reopened the North American Lithium (NAL) mine, subsequently supported by entering into a strategic partnership with formerly-listed Piedmont Lithium.
- ELV aims to benefit from Québec's strategy of developing a complete lithium value chain, from mining through to downstream processing, leveraging off the province's proximity to US battery markets, and competitive advantages such as world-class infrastructure and access to low-cost hydropower.
- ELV subsequently completed a merger with Piedmont Lithium in August 2025 to create a unified development strategy across an expanded portfolio of high-quality assets, emerging as the premier North American hard-rock lithium producer.

Sunday 30 August

Aureka Limited (ASX: AKA) - Share Price: \$0.12 | Market Cap: \$19M | Initiated @ \$0.096 (Mar 2019) |

- Aureka holds an extensive portfolio of advanced-stage, high-grade Victoria gold projects, targeting discovery/development of next generation multi-million-ounce deposits.
- The Stawell Corridor Gold Project captures 60km of a multi-million-ounce gold zone, with a 40km section of this corridor yielding +6 million ounces of gold within two multi-million-ounce goldfields – Stawell and Ararat.
- AKA's Global Resource inventory comprises 6,240,000 tonnes at 2.27 g/t Au 454,800 oz.
- AKA has negotiated a binding toll mill partnership with the Wedderburn Gold Processing facility to treat ore from the Walkers Pit at its Comstock deposit, where it has applied for a production licence.

Wednesday 26 August

Torque Metals (ASX: TOR) - Share Price: \$0.265 | Market Cap: \$166M | Initiated @ \$0.145 (Apr 2024) |

- TOR maintains a project portfolio situated to the southeast of Kalgoorlie, within WA's prolific Eastern Goldfields.
 - TOR's flagship Ritz Gold Project (formerly the Paris Project) covers ~1,200km - comprising 14 mining licences, 2 prospecting licences and 48 exploration licences - ~90km southeast of Kalgoorlie in Western Australia.
 - Ritz is strategically positioned near major gold producers, including Westgold Resources' Beta Hunt operation and Goldfields' St Ives.
 - The Ritz Project MRE comprises three primary deposits - Paris, HHH and Observation - that have only been partially tested. The Ritz MRE spans in 2.5km strike length and an area of 2.5 sq km, with strong indications of interlinking structures between the Paris, HHH and Observation deposits, with promising gold mineralisation outside of the resource area.
 - Ritz hosts a recently updated JORC 2012 Mineral Resources Estimate (MRE) of 3.47Mt @ 3.1g/t gold for 351,000oz gold (Indicated and Inferred) - with multiple additional prospects and intersections outside of this MRE - proximal to key processing facilities such as the Higginsville and St Ives mills.
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