

ALMA METALS LIMITED (ALM)

Quality copper in a low-risk jurisdiction.

Our View

With the Briggs Copper JV Project (“Briggs” or “the Project”) 60 km west of Gladstone in Central Queensland, Alma has a potentially world-class asset on its hands that is already showing similarities (including grade) to successful operations globally.

The current inferred MRE of 415 Mt @ 0.25% Cu and 31 ppm Mo is only the beginning – we are confident that further drilling will significantly grow and upgrade this resource, which is additional to an Exploration Target of 480 Mt to 880 Mt @ 0.20% to 0.30% Cu.

The Company is currently undertaking a 2,000 m infill drilling programme, which also has the aim to further define previously identified higher grade near surface zones of mineralisation, and to provide samples for metallurgical test-work, both of which can significantly improve the feasibility of any planned operation. Initial results are very positive, with the first hole intersecting a deposit best of 276.0 m @ 0.45% Cu and 24 ppm Mo from surface, including 49.0 m @ 1.01% Cu and 17 ppm Mo from 3 m.

The results of the drilling will feed into an updated MRE, and this, along with ongoing metallurgical test-work, will be used in a Scoping Study planned to commence later this year.

We see steady news flow from a company and project that is well leveraged to exploration and evaluation success.

A Potentially Low-Cost Future Development

Briggs has several features that could support a low cost, robust operation, with several operations with a similar grade being successfully operated globally. These features include:

- Outcropping, continuous mineralisation, with a potentially low strip ratio and no need for a pre-strip,
- Large tonnage, which will allow for high throughput, and hence take advantage of the economies of scale,
- Close to existing infrastructure, including power (both baseload and planned solar), water, transport, port, and services,
- Excellent preliminary metallurgical recoveries (of up to 95%) to date, from initial bench scale work; and,
- Near surface zones of higher-grade mineralisation for a potential higher grade starter pit.

Experienced Board and Management

Company personnel have significant relevant experience, and success in previous ventures. They also have significant shareholdings, aligning their interests with other shareholders.

SEPTEMBER 2, 2024**Summary (AUD)**

Market Capitalisation	A\$13.0 m
Share Price (August 30, 2024)	A\$0.009
52 week low	A\$0.006
52 week high	A\$0.012
Cash (June 30, 2024)	A\$2.21 m
Subsequent raisings	-
Liquid assets (August 30, 2024)	A\$2.73 m
Ordinary shares (undiluted)	1,449 m
Unlisted options	120* m
Fully diluted	1,569 m

* All but 25 million options will expire by September 30, 2024.

Directors and Management

Mr Alasdair Cooke	Executive Chairman
Dr Frazer Tabcart	Managing Director
Mr Valentine Chitalu	Non-Executive Director
Mr John Dean	Non-Executive Director
Mr Ian Hume	Non-Executive Director
Mr Dan Davis	Company Secretary

Top Shareholders

Mr Alasdair Cooke	9.3%
African Energy	6.0%
PS Consulting P/L	4.8%
Lowell Resource Fund	3.0%
Board and Management	11.5%
Top 20	44.0%

12 Month Price Chart

INVESTMENT CASE

With a current MRE of 415 Mt @ 0.25% Cu and 31 ppm Mo, and an additional Exploration Target of 480 Mt to 880 Mt @ 0.20% to 0.30% Cu, Briggs has the potential to be a world-class, very large, albeit relatively low-grade operation, and it is the grade that will cause hesitation amongst potential investors. However, several operations globally successfully produce at similar grades, and we have also reviewed recent development studies of two Australian and two offshore projects that also demonstrate that such deposits have the potential to be technically and financially viable at today's metals prices.

Keys in getting such projects over the line include securing the substantial up-front capex, and accepting the solid, but not spectacular returns. These factors are offset by such operations generally being long life and consistent producers. Briggs also has the unique attribute of being located nearby essential infrastructure which could substantially reduce ongoing operating and capital costs. There is also a dearth of new copper developments, particularly in stable jurisdictions, of which Queensland is one. The state ranked 13th globally in the 2023 Fraser Institute Survey, well ahead of the main copper producers including Chile, Peru and the DRC. This comes at a time of forecast copper supply deficits, and, ignoring short term fluctuations, longer term strong prices.

In any operations, metals prices need to be accepted for what they are (although hedging can be in place) – operators therefore need to be able manage costs, as well as maximise revenue through managing payable copper and by-product production, particularly in the lower grade operations. Briggs has several factors that should help the potential economics and thus compares favourably with other projects.

On the revenue side:

- Preliminary sulphide floatation metallurgical test work has returned cleaner copper recoveries of up to 95.1% to a potentially marketable concentrate with low deleterious elements – this is an excellent result, and there is still optimisation work to be undertaken which may well improve recoveries and concentrate grades,
- There is increasingly evident potential to delineate contiguous areas of higher-grade, near-surface mineralisation (as demonstrated in the first hole of the current programme, with an intersection of 276.0 m @ 0.45% Cu and 24 ppm Mo from surface, including 49.0 m @ 1.01% Cu and 17 ppm Mo from 3 m), allowing for higher margin copper production early in the mine life to help pay off capital; and,
- Potential for molybdenum as a by-product, although this is yet to be subject to metallurgical test work.

There are also several factors that may be beneficial in lowering costs, both operating and capital:

- Potential for a close to zero strip ratio at the beginning of the operation, and continuously low for the life of mine, and no need for capitalised pre-stripping,
- Potential for reduced power consumption if coarser grind sizes can be confirmed,
- Options for a phased operation, with a smaller, relatively low-cost, higher-grade startup,
- Ready access to grid power, with high tension power lines passing within 15 km of the Project; and,
- Close to other infrastructure, including gas, rail and road, and within 60 km of the Port of Gladstone.

Nearby power generators include both large baseload facilities, as well as lower cost solar that can be potentially used during the day.

It needs to be noted, given the relatively low value per tonne of ore mined, even incremental operating cost savings can have a strong leverage on operating margins and overall project economics. In addition, lessening of capex should be beneficial in financing such large operations.

In summary, the discussion in the “Benchmarking” section below demonstrates the potential at Briggs, particularly given the upside from the nature of the mineralisation and proximity to infrastructure.

BENCHMARKING

Current Operations

Several operations globally are operating at similar grades to those at Briggs, albeit with some later in their life and having paid off pre-development capital.

Table 1 presents a summary list of generally large-scale, low-grade copper mines producing concentrates. Here we have presented metrics in terms of CuEq grades, with this based on US metals prices of \$8,500/t Cu, \$2,000/oz Au, \$40/kg Mo and \$25/oz Ag. We have also applied a generalised recovery of 85% to the CuEq Reserve grade, to get recovered grade to compare to the C1 operating costs presented in terms of CuEq.

What this highlights is that lower grades are manageable and can deliver a reasonable operating margin.

Table 1: Global examples of low-grade copper mining operations (Source: Company reports and presentations).

Operation	Owner	Location	Type	Conc Throughput Mtpa	C1 Opex USD \$/t	C1 Opex CuEq @ \$8,500/t	CuEq Grade Reserves	CuEq Grade Recovered @ 85%
Gibraltar	Taseko	BC	Conc	27	\$10.85	0.13%	0.29%	0.24%
Constancia	Hudbay	Peru	Conc	29	\$11.85	0.14%	0.34%	0.29%
Mount Milligan	Centerra	BC	Conc	22	\$12.90	0.15%	0.43%	0.37%
Copper Mountain	Hudbay	BC	Conc	17	\$13.58	0.16%	0.37%	0.32%
Highland Valley	Teck	BC	Conc	38	\$14.00	0.16%	0.32%	0.28%
Sierra Gorda	KGHM/S32	Chile	Conc	47	\$15.40	0.18%	0.56%	0.47%
Mina Ministro Hales	Codelco	Chile	Conc	19	\$20.45	0.24%	1.05%	0.89%
Red Chris	Newmont	BC	Conc	6.5	\$25.96	0.31%	0.71%	0.60%
Salobo	Vale	Brazil	Conc	32	\$32.07	0.38%	0.83%	0.70%

Two operations located in BC are presented in more detail in Table 2 below – Highland Valley, operated by Teck, and Gibraltar operated by Taseko Mines (TSX: TKO). These are both long life operations, and the two largest copper operations in British Columbia. They are located between 250 km and 450 km north of Vancouver and are well serviced by transport and power infrastructure. What needs to be noted however is relatively cheap power in BC – most is produced by hydro.

Both have been operating for several decades – the Highland Valley Camp has operated since 1962, with production at an historic average grade of close to current – it is primarily a copper producer with an incremental molybdenum by-product.

Taseko bought the mothballed Gibraltar mine for C\$1 in 1999, and subsequently spent C\$800 million in a three-phase expansion and restart. The mine was mothballed in 1998 due to low copper prices, and Taseko recommenced operations in 2004.

Although originally released in Canadian dollars, we have converted these figures to US dollars using a CAD/USD exchange rate of 0.73.

Also, the grades are close to those as used in our Australian examples, thus supporting the potential of Briggs.

Table 2: Highland Valley and Gibraltar operational metrics (Source: Company reports).

Parameter	Highland Valley - Teck		Gibraltar - Taseko	
	H1 2024	2023	H1 2024	2023
Tonnes Mined kt	31,482	72,886	37,387	80,490
Tonnes Milled kt	19,019	36,785	11,252	27,223
Strip Ratio			1.65	1.30
Copper				
Grade %	0.29	0.3	0.24	0.25
Recovery %	90.6	90.6	78.7	82.6
Production kt	49.9	98.8	22.6	55.6
Production Mlb	110.0	217.8	49.9	122.6
Molybdenum				
Production t	400	600	196	545
Operating Metrics				
Operating Costs USD m	\$270	\$511	\$124	\$242
Opex/Tonne Milled USD	\$14.20	\$13.89	\$11.01	\$8.88
Opex/lb Cu USD	\$2.46	\$2.35	\$2.48	\$1.97

Australian Development Studies

Table 3 presents results of four recent porphyry development studies, including two in Australia, namely Caravel Minerals' (ASX: CVV, market capitalisation of A\$84 million) eponymous Caravel Copper Project, located 150 km NE of Perth in Western Australia, and Alkane Resources' (ASX: ALK, market capitalisation of A\$254 million) Boda-Kaiser Copper Project, located near Dubbo in the Central West of New South Wales.

We have also looked at foreign projects owned by Australian companies, including Xanadu's Mines' (ASX: XAM, market capitalisation of A\$98 million) Kharmatgai project in Mongolia, and the open pit sulphide portion of the Chilean Costa Fuego project, owned by Hot Chili (ASX: HCH, market capitalisation of A\$126 million).

Figures currently applicable to Briggs are presented in the "Notes" column. We would expect upside in some facets given the early stage of the Project.

All are porphyry projects and are broadly similar in many respects to Briggs (although more advanced, with significantly more drilling and at the development study stage), including being close to infrastructure. Apart from Kharmatgai, all are also in developed areas near regional centres.

One difference is that Boda-Kaiser includes an underground operation near the end of the mine life, although production is incremental to the open-pit phase. Also, Costa Fuego is planned to be a multi-component

operation, including open-cut sulphide concentrating, open-cut low-grade sulphide and oxide leaching, and underground sulphide concentrating.

In Table 3 we have estimated those costs and production figures that in our view may be applicable to an open cut sulphide operation only (at the same throughput of 21.5 Mtpa) at Costa Fuego, to be comparable with the other examples. These figures will differ from what would be actual figures for such a production scenario but should be reasonable for the purposes of this comparison. However, as such they should not be used as a definite estimate of the costs of such an operation at Costa Fuego.

In estimating the Costa Fuego capital costs, we have used:

- 100% of the pre-start earthworks, site services, sulphide process, molybdenum process, water and power infrastructure and capitalised mining – this assumes a 21.5 Mtpa plant as used in the combined operation,
- 63% of the tailings storage facility, reflecting that 63% (211 Mt) of the total concentrate feed of 334 Mt is open cut,
- 87% of the owners' costs and EPCM,
- 100% of the open pit expansion costs including the Cortadera infrastructure and rope conveyor,
- 63% of the tailings, sulphide process and molybdenum process sustaining capex; and,
- 100% of the sustaining waste stripping and closure costs.

For Kharmatgai, we have just included the overall life of mine figures, and not the separate stages.

We note that both Hot Chili and Xanadu have released MRE updates subsequent to the release of development studies, however, there have been no updated study figures released that are related to these.

Other points to note include:

- Most data has been directly sourced from the relevant company releases, and we have not spoken to the companies,
- Where released figures were quoted in Australian dollars, we have converted them to US dollars using an AUD/USD exchange rate of 0.65,
- We have calculated copper equivalent ("CuEq") figures using a copper price of US\$8,500/tonne, a gold price of US\$2,000/oz, a silver price of US\$25/oz and a molybdenum price of US\$40/kg,
- We have calculated our own opex/lb CuEq using first principals; that is using company supplied LoM production and operating costs at the mine gate (mining, processing and G&A) – these may differ from Company supplied costs per pound given different methodologies and prices,
- For the sake of this discussion, we have assumed a 5% ad-valorum royalty for all – this is not actually the case, as different jurisdictions have different royalty regimes,
- The purpose of this is not to pass comment on the veracity or otherwise of the figures as supplied in the studies, but to use them to see what may be the case at Briggs;
- Given that Briggs is at a relatively early stage, we cannot present any firm figures, however, may be able to make some general comments about similarities and potential differences.

Revenue

Revenue per tonne milled, before royalties, is shown in Row 29 – this highlights the relatively low value of the mineralisation, further stressed by the margin (Row 33). This also highlights that the margin is highly geared to

any change in revenue – even a 10% rise or fall in revenue has a significant change on the margin, as would a reduction in operating costs.

Another effect on revenue is by-products – although these may occur in relatively small amounts in the deposit, they may either report as payable metals to the primary mineral concentrate (with no additional processing cost), else may be extracted with only incremental additional capital and operating costs.

Operating Costs

The main site operating costs include mining, processing and G & A. As mentioned above, margins are highly geared to operating costs, so even incremental changes in these costs can have a significant effect on the bottom line. These will be affected by several factors, including strip ratio, rock competency and hardness, and grind size amongst others. One of the main inputs is the power cost, to which grind size can have a major effect.

Grade and Metallurgical Recovery

These are the main controls on revenue, and there are significant differences between the scenarios. As it stands, the copper metallurgical recoveries and grades at Briggs are similar to those at Caravel (rows 10 and 15), however there is the potential to delineate shallow zones of higher-grade mineralisation that can be mined early in the operation at Briggs. Our review of the drilling shows several areas of 0.30% Cu to 0.40% Cu near surface, with the recent hit of 276m@ 0.45% from surface confirming this potential. A change of 0.05% Cu, using a 90% recovery, increases revenue per tonne milled by US\$3.80, which goes straight on the bottom line. An increase in the MRE grade of 0.25% Cu to 0.40% Cu increases revenue by US\$11.50/tonne before royalties.

Strip Ratio and Pre-Strip

One of the key determinants of the value of a block of ore in a block model is the strip ratio – one oft-quoted parameter for open cut deposits is the break-even strip ratio, which determines what blocks may be mined.

Strip ratios and open cut mining costs for the various scenarios are shown in Rows 35 to 41. Note that Caravel has priced in an owner-operated mining fleet as a capital expense, whereas others have incorporated lease/hire costs as an operating expense. Here unit mining costs range between ~US\$1,00 to US\$2.00/tonne moved.

Therefore, a strip ratio decreased by one unit (say from 2:1 to 1:1), would result in cost savings of up to US\$2 per tonne milled, which at the lower grades, has the potential to increase margins by ~20%. Another effect of a lower strip ratio is a smaller mining fleet, hence, if owner operated, a lesser up front capital requirement, and if contractor ran, further lower overall operating costs.

Likewise with a capitalised pre-strip – which is unlikely to be required at Briggs, whereas at Caravel, there is an initial pre-strip of US\$126 million and a later one of A\$190 million for the development of subsequent pits.

Similarly, the Costa Fuego study includes capitalised mining costs of US\$100 million up-front, and waste stripping costs of US\$630 million down the track. These make up a significant part of the overall capital costs.

Infrastructure

All projects have good access to power, water and transport infrastructure, with power and water being critical for a viable operation. The main discriminant for power will be distance to the grid, and available capacity, although still a relatively small part of the capex. Briggs is within 15 km of HT power lines, fed by both the baseload Callide and Gladstone power stations. Power makes up a significant portion of processing costs in mining operations (commonly ~30%) and can also be used for trolley assist or electric mine trucks, thus further cutting operating costs if cheap power is available.

At Briggs there could be the option of utilising lower cost solar power during the day – planned major solar farms in the region include Upper Calliope (1300 MW, 5 km from Briggs), Aldoga (380 MW, 20 km NW of Gladstone) and Smoky Creek (600 MW, 40 km north of Biloela).

The proximity to transport infrastructure also helps cut down capital costs in accessing a project. That being said, Hot Chili has included water and power infrastructure costs of US\$182 million, although it is within ~20 km of a grid connection and 70 km of the sea, with seawater to be pumped and piped to site.

Given that concentrates are a high value cargo, concentrate transport operating costs are less sensitive to transport distance.

Table 3: Development study comparison (Source: Company Releases, all figures in AUD)

1	Company	Caravel	Alkane	Xanadu	Hot Chili	Notes
2	Project	Caravel	Boda/Kaiser	Kharmatgai	Costa Fuego	
3	Location	Western Australia	New South Wales	Mongolia	Chile	
4	Study	Updated PFS	Scoping Study	Scoping Study	PEA O/C Only	
5	Date	Apr-23	Jul-24	Apr-22	Jun-23	
6	Production Profile			LoM	Concentrator O/C Only	
7	Mill Throughput Mtpa	30	20	15 - 30	21.5	
8	Project Life Years	25	17	30	10	
9	OP Ore Processed Mt	750	323.5	760	211	
10	Copper Grade	0.24%	0.15%	0.21%	0.44%	Briggs - 0.25%
11	Gold Grade g/t	0.023	0.26	0.18	0.12	
12	Silver Grade g/t	1.20	-	-	0.45	
13	Mo Grade ppm	50	-	-	118	Briggs - 31 ppm
14	CuEq Grade	0.29%	0.35%	0.35%	0.59%	Briggs - 0.26%
15	Average Cu Recovery	89%	83.5%	90.0%	87.0%	Briggs - up to 95%
16	Average Au Recovery	50%	76.3%	77.5%	56.0%	
17	Average Ag Recovery	50%	-	-	37.0%	
18	Average Mo Recovery	60%	-	-	58.0%	Briggs - to be tested
19	LOM Cu Production t	1,602,000	413,733	1,500,000	807,708	
20	LoM Gold Production oz	277,300	2,057,553	3,300,000	455,872	
21	LoM Silver Production oz	14,467,825	-	-	1,129,503	
22	LoM Mo Production t	22,500	-	-	14,441	
23	CuEq Production t	1,815,682	893,760	2,276,471	983,036	
24	By-product %age of Revenue	12%	54%	34%	18%	
25	Recovered CuEq Grade	0.24%	0.28%	0.30%	0.47%	
26	CuEq Production Mlb	4,002	1,970	5,017	2,166	
27	CuEq lb sold/tonne milled	5.34	6.09	6.60	10.27	
28	Revenue and Costs Summary					
29	Revenue/Tonne Milled	\$20.58	\$23.48	\$25.46	\$39.60	
30	Royalty @ 5% Ad Valorem	-\$1.03	-\$1.17	-\$1.27	-\$1.98	
31	On Site opex/Tonne Milled	-\$6.21	-\$12.74	-\$10.85	-\$12.84	
32	Total Capex/Tonne Milled	-\$2.77	-\$4.03	-\$2.47	-\$9.43	
33	Margin/Tonne Milled	\$10.56	\$5.54	\$10.87	\$15.35	At Mine Gate
34	Mining Costs					

1	Company	Caravel	Alkane	Xanadu	Hot Chili	Notes
2	Project	Caravel	Boda/Kaiser	Kharmatgai	Costa Fuego	
3	Location	Western Australia	New South Wales	Mongolia	Chile	
4	Study	Updated PFS	Scoping Study	Scoping Study	PEA O/C Only	
5	Date	Apr-23	Jul-24	Apr-22	Jun-23	
6	Production Profile			LoM	Concentrator O/C Only	
35	LoM Strip Ratio	1.30 : 1	1.74 : 1	1.10 : 1	1.80 : 1	Briggs - expected to be low
36	Initial Prestrip US\$m	\$126	-		\$100	Briggs - none expected
37	Sustaining Prestrip/stripping US\$m	\$189	-		\$630	
38	Mining Costs US\$/t moved	\$0.92	\$2.15	\$2.09	\$2.21	
39	Mining Costs US\$/t milled	\$2.12	\$5.85	\$4.40	\$6.19	
40	Mining Fleet Initial US\$m	\$206	Dry Hire/Owner-Operator Financed	-	-	
41	Mining Fleet Sustaining US\$m	\$259		-	-	
42	Processing Costs					
43	Processing and GA US\$/t milled	\$4.10	\$6.89	\$6.45	\$6.65	CVV - HPGR
44	Economics					
45	Pre-Production Capital US\$m	\$1,089	\$1,159	\$690	\$921	HCH inc US\$182 for elec, H2O infra
46	Expansion Capex US\$m	\$308	-	\$620	\$236	CVV inc TSF, Additional Pit Prestrip
47	Sustaining Capital US\$m	\$683	\$145	\$570	\$832	CVV inc Mining Fleet, Plant (@ ~2.5% of initial cost pa)
48	Total Capital US\$m	\$2,080	\$1,304	\$1,880	\$1,989	
49	Capital per Tonne Milled	\$2.77	\$4.03	\$2.47	\$9.43	
50	Site Opex per Tonne Milled	\$6.21	\$12.74	\$10.85	\$12.85	As Quoted in Releases
51	Total Site Opex US\$m	\$4,661	\$4,121	\$8,245	\$2,711	
52	Site Opex per lb CuEq Sold	\$1.16	\$2.09	\$1.64	\$1.25	Calculated - Mining, Processing, G and A
53	Logistics					
54	Conc Transport to Port	340 km or 400 km	~400 km	10 km to rail	Road - 70 km to port	Briggs - 60 km from port
55	Water Supply	60 km	Being Investigated	Options - 8 km, 40 km and others	Seawater – 60 km	Briggs - TBD
56	Power Source	Near to grid	Near to grid	Near to grid	Near to grid	Briggs - Near to grid
57	Power Requirements	125 MW	80 MW	110 MW		Briggs - TBD

Latest Development Study/Resource Releases:

Caravel – Caravel Copper Project, WA, PFS Processing Update, 13/4/23, 2023 Mineral Resource Update, 13/11/23

Alkane – Bond-Kaiser Scoping Study – 10/7/24

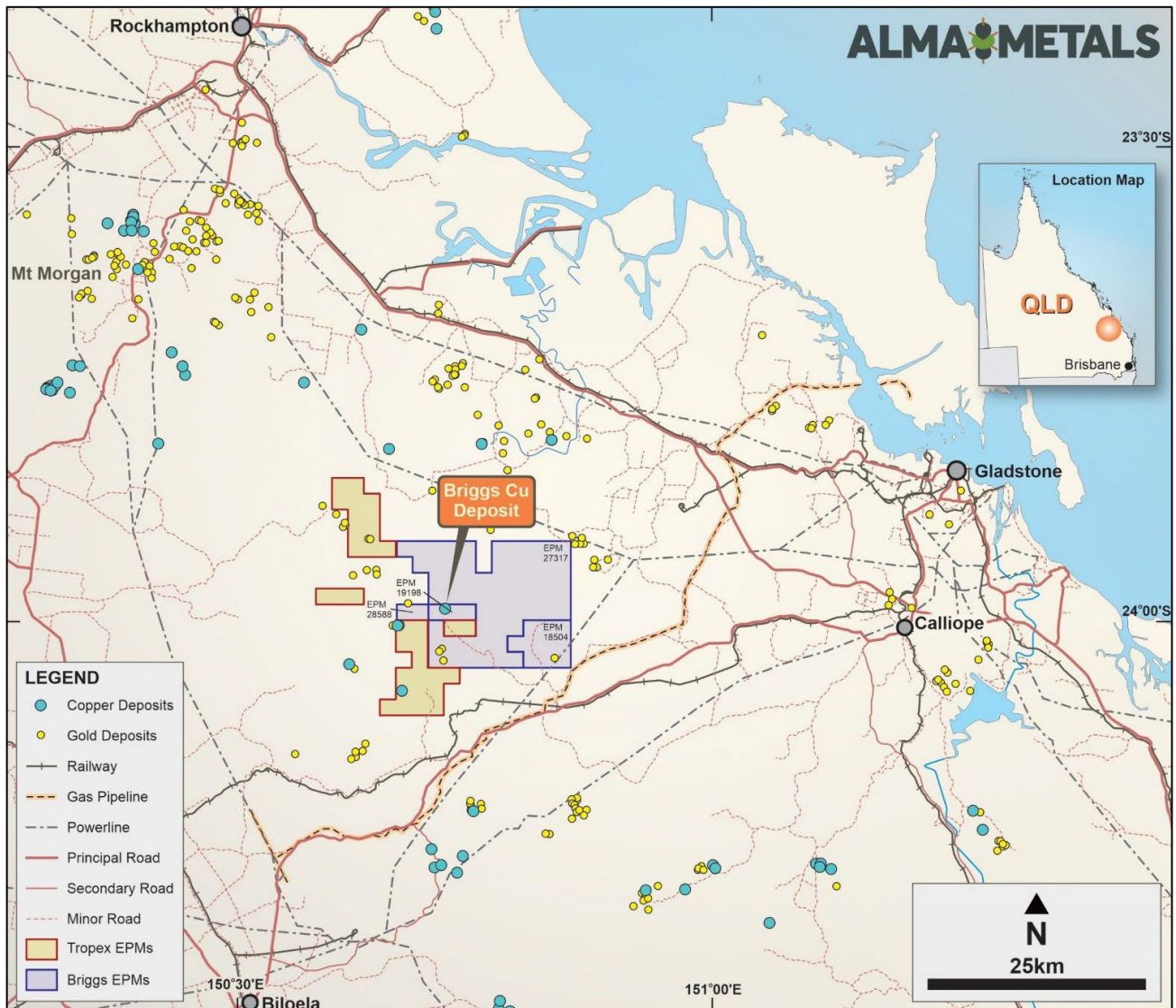
Xanadu – Scoping Study – Kharmatgai Copper-Gold Project - 6/4/22, Increase in Kharmatgai Resource, 21/8/24

Hot Chili – Hot Chili Announces PEA for Costa Fuego – 28/6/23, Hot Chili Indicated Resource at CostFuego Copper-Gold Project Increases to 798 Mt

BACKGROUND AND STRATEGY

Alma Metals Limited (“Alma” or “the Company”) is an ASX listed copper explorer/evaluator, with the focus on the Briggs Copper JV Project (“Briggs”, or “the Project”), located near Gladstone in Central Queensland, Australia (Figure 1), in which it is earning up to a 70% interest from Canterbury Resources (ASX: CBY, “Canterbury”). The Company also holds the East Kimberley Copper Project in Western Australia, however given the focus on Briggs, East Kimberley will not be discussed further.

Figure 1: Briggs location and tenements (Source: Alma)



Alma is working towards the eventual development of Briggs, given the forecast future strength in copper markets, driven by a dearth of new discoveries globally, and the forecast increase in copper demand with a decarbonising economy. Copper is a vital component of electric motors, power generators, and transmission lines, and is one of the minerals required for the future economy that is not controlled by China.

Outside of iron ore (which comprises some 2.6 Bt, or 93% of metals mined), copper, at 22 Mtpa makes up 11.9% of other industrial minerals mined, behind aluminium (37.3%) and chromium (22.1%).

In the shorter-term Alma has recently commenced a drilling programme to upgrade the current Inferred Resource of 415 Mt @ 0.25% Cu and 31 ppm Mo, as well as define higher grade zones that would provide start-up areas for any future mining operations. Results will be incorporated in a Scoping Study expected to commence later in 2024, which will also incorporate the results of other ongoing work, including amongst others:

- Metallurgical test-work, including optimisation on copper, as well as initial work on grind size and molybdenum recovery; and,
- Baseline environmental work, primarily to identify any potential “red flag” issues.

The Company is hoping that the drilling will upgrade sufficient resources to the Indicated category to support the Scoping Study and allow for the financial results to be released to the market.

Board and Management

Alma has a Board and Management with extensive experience and success in the resources sector, including in porphyry copper deposits (including Caravel). In addition, company personnel hold over 11% of the shares in Alma, thus aligning their interest with those of other shareholders.

Company Structure

Alma has 1.45 billion shares and 120 million unlisted options on issue. The options have exercise prices of between A\$0.03 and A\$0.043, and expiry dates ranging from September 19, 2024, to May 31, 2025. All but 25 million A\$0.03 options will expire by September 30, 2024.

The largest shareholder is the Chairman, Mr Alasdair Cooke, with interests of 134.3 million shares (9.3%), with total insiders' interests of 11.6%. The second largest holder is African Energy Ltd, with 6.0%. The Top 20 hold 44.0%.

Financial Position

As of June 30, 2024, the Company had cash of A\$2.2 million, and as of August 22 had listed investments with a market value of A\$2.5 million. The investments include 14.5 million shares in Caravel Minerals and 9.1 million shares in Canterbury Resources.

Over the 12 months to June 30, 2024, Alma spent A\$2.0 million on exploration, and A\$1.1 million on staff and administration. This highlights that the Company is focussed on putting money in the ground.

BRIGGS COPPER PROJECT

Background and Location

Briggs is centred some 60 km east as the crow flies of the Central Queensland Port of Gladstone and is readily accessible via the Dawson Highway from Gladstone (57 km to Mt Alma), and then 20 km on minor roads (Figure 1). Importantly the entire area is over freehold land, simplifying permitting, particularly with regards to the Traditional Owners, with Native Title being extinguished. Heritage surveys will have to be undertaken amongst others, however.

The area is very well served by infrastructure, including HT power lines (and with major power stations at both Gladstone and Biloela), gas pipelines, and heavy rail, with the rail connecting the coal fields to the export terminals at Gladstone. Gladstone, a major regional industrial centre has a population of ~65,000, with the Project falling within the broader Gladstone Regional Council. Given the location near Gladstone and the coalfields, there is also ready access to mining services and skilled labour.

Besides coal mining, the main industry in the region is cattle grazing, however there was significant historic metals mining, including at Mt Morgan, some 60 km to the NW (Figure 1). Mt Morgan, which closed in 1990, produced over 8 million ounces of gold and 360,000 tonnes of copper in its over 100-year life.

Tenure and Acquisition

The Project consists of six Exploration Permit Minerals (“EPM”), covering 106 sub-blocks, or 332 km², all of which are in good standing (Table 4).

Table 4: Briggs tenement details (Source: Qld Government tenement database)

EPM Number	Name	Source	Current Holding	Ult Holding	Area SB	Area Km ²	Expiry
18504	Mannersley	CBY	30%	70%	10	31.3	12/10/2025
19198	Briggs	CBY	30%	70%	3	9.4	15/12/2026
27317	Fig Tree Hill	CBY	30%	70%	58	181.6	19/08/2025
27894	Ulam Range	Alma	30%	70%	14	43.9	25/05/2027
27956	Rocky Point	Alma	30%	70%	19	59.5	20/06/2027
28588	Don River	CBY	30%	70%	2	6.3	11/07/2029

The Company commenced activities at Briggs in early 2021, entering into an option and phased Farm-In and Joint Venture agreement with Canterbury over what was then three granted EPMs and the Don River application, which has subsequently been granted. The other two tenements, which are also under the JV agreement, were acquired from Tropex Metals Pty Ltd (“Tropex”) in early 2024. Transaction details are given below.

In summary, the agreement with Canterbury allows for the right for Alma to earn up to 70% of the Project through the expenditure of A\$15.25 million over nine years after signing of the option – this is in addition to expenditure of A\$750,000 during the option period.

Canterbury Option and Farm-in

- **Option** (exercise announced on July 4, 2022) – As announced on August 18, 2021, Alma (then African Energy, ASX: AFR) initially entered into an option agreement, under which a minimum of A\$750,000 was required to be spent on the ground, including drilling and soil sampling – the drilling ultimately included 12 reverse circulation (“RC”) holes for 1446 m. The agreement also required Alma to subscribe for 8,333,333 shares in Canterbury at A\$0.12/share, to secure the option until 31 July 2022.
- **Stage 1 Farm-In** (completion announced on September 21, 2023) – Alma was required to sole fund A\$2.25 million in exploration expenditure within 2 years of the June 30, 2022, exercise date under an unincorporated JV with Canterbury to earn 30% of the Project, at which point Alma committed to Stage 2
- **Stage 2 Farm-In** – Alma can increase ownership to 51% through the expenditure of a further A\$3 million within four years of exercising the option (i.e. total expenditure, including during the option period, of A\$6 million by June 30, 2026). In an announcement on July 18, 2024, the Company stated that it expects to meet these obligations with completion of the current drilling programme.
- **Stage 3 Farm-In** – Ownership of 70% can be reached through the expenditure of an additional A\$9 million within nine years of exercising the option (i.e. by June 30, 2031).

On completion of the Farm-in, Alma and Canterbury will operate under a contributing JV, with industry standard funding and dilution provisions.

In addition, Rio Tinto Exploration (“RTX”), the previous holder of the Briggs and Mannersley EPMs retains a 1.5% NSR over those two tenements, and a one-off cash fee payable of A\$0.50 per tonne of copper equivalent metal in declared mining reserves at a decision to mine point. The 1.5% NSR can be reduced to 1% by making a cash payment to RTX equal to the fair market value of a 0.5% NSR at the time of settlement.

Tropex Tenement Purchase

Announcement of the acquisition of the two Tropex tenements was made on January 12, 2024, with the up-front consideration being A\$50,000 worth of Alma shares based on the 10-day VWAP calculated on the day binding transaction documents were signed. On August 21, 2024, 6.33 million shares were issued to Tropex and are subject to a six-month escrow period.

In addition, Tropex (and successors) is entitled to a 1% NSR (capped at A\$7.5 million) over any minerals produced from the two tenements.

Exploration History – pre-Canterbury

The Project is at a relatively early stage of delineation for a porphyry deposit, having, prior to Canterbury’s and Alma’s involvement, only 27 diamond (DD), reverse circulation (“RC”) and open hole percussion (“PCD”) holes for 2,552 m drilled into it over a period of 47 years. Subsequent work by Canterbury and Alma has included 12 RC (1,446 m) and 18 DD (6,036 m) holes, as discussed below.

The deposit was discovered by Noranda in 1969 through stream sediment sampling and geological mapping. Other work by Noranda included ground geophysics (induced polarisation, IP) and the drilling of 14 percussion and diamond drillholes for 991 m.

This was immediately followed by Geopeko, which held the ground from 1969 to 1975, undertook extensive soil sampling, but only drilled five relatively shallow diamond holes for 444 m.

CRA Exploration held the ground from 1991 to 1994, undertaking further mapping and geochemical soil sampling, and drilling seven RC holes for 699 m, and then revisited the Project (as Rio Tinto Exploration) from 2012 to 2016. Work included 3D IP and VTEM electrical geophysics, and the drilling of one deep (417.8 m) DD hole, testing a conceptual deep porphyry target.

Canterbury Resources Exploration

Canterbury acquired the Project from Rio Tinto in 2017, and main activities included the drilling of five DD holes for 2,069 m, and the estimation of an initial Mineral Resource Estimate (“MRE”), released to the market on June 10, 2020.

Using a 0.2% Cu cut-off grade, this had Inferred Resources of:

- 142.8 Mt @ 0.29% Cu, for ~410,000 tonnes of contained copper.

This estimated the Briggs Central target only; at that stage insufficient drilling had been undertaken at the Northern and Southern Porphyry targets.

Alma Metals Exploration

Since the entry into the Project, Alma has undertaken comprehensive work programmes, including, amongst others:

- An initial 12-hole, 1,446 m RC drilling programme during the option period,
- Detailed soil sampling during, and subsequent to the option period – this includes sampling at Briggs, and at Mannersley some 10 km to the SE,
- Metallurgical scoping, with results released on April 11, 2022,

- A four-hole, 2,037 m DD programme is late 2022,
- An updated MRE in July 2023; and,
- A 9-hole, 1,930 m DD programme in late 2023, with final results reported in February 2024.

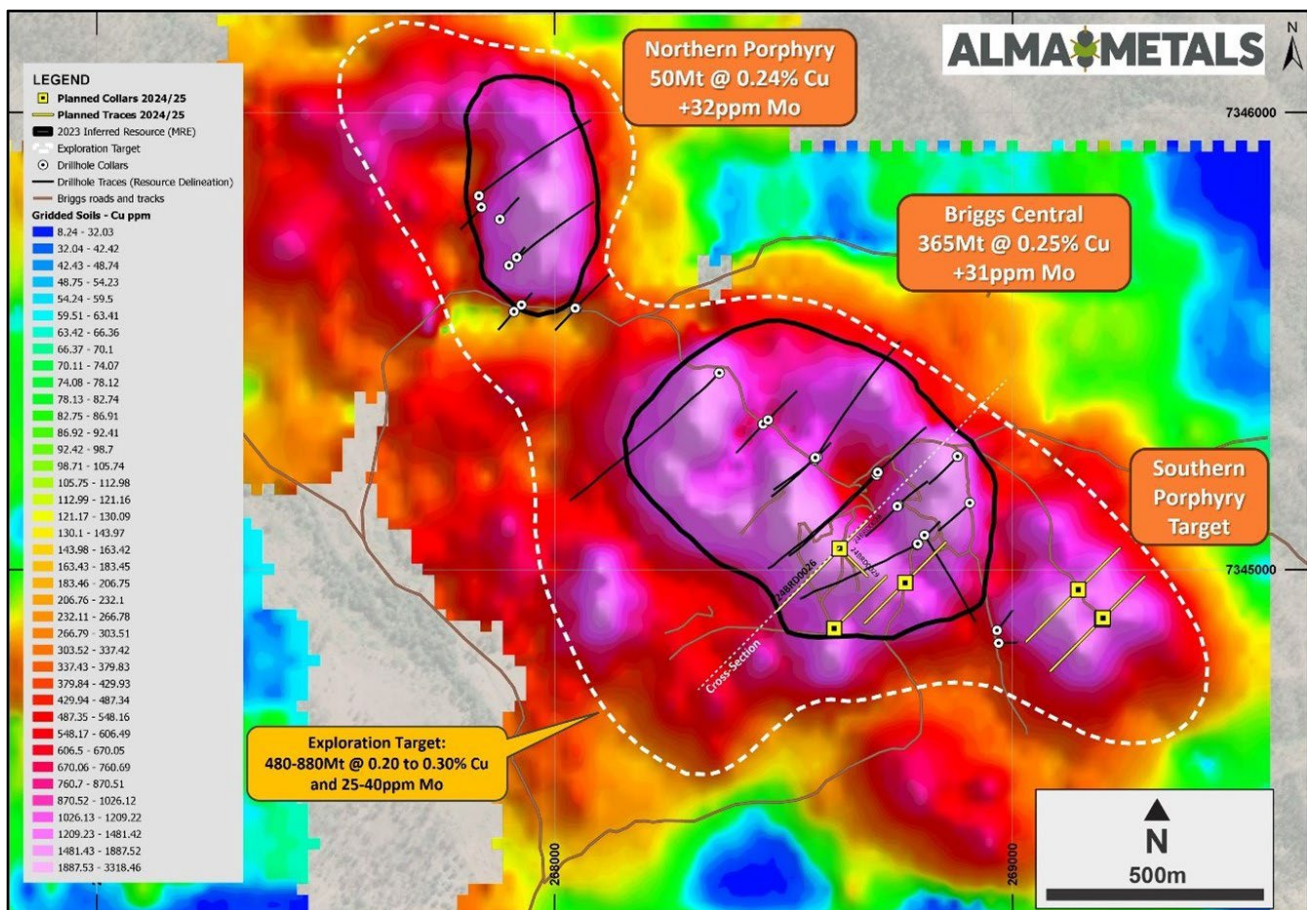
The Company has recently commenced a third DD programme, which is planned to include 9 holes for ~2,000 m. This will be largely shallow infill drilling, also testing for higher grades in the top 200 m at Briggs Central (Figure 2).

The closer spaced drilling over the Briggs Central resource is expected to allow for the upgrade of areas from the Inferred to Indicated categories, which can then be used in a Scoping Study, with commencement planned for later in 2024.

As stated earlier, results from the first hole in the current programme (BRD0026, Figure 6) has returned the best intersection from any drilling to date, and also confirms that mineralisation is still open to the south-west. Three holes have been completed in the programme, with actual depths being 283.9 m (24BRD0026), 250.0 m (24BRDD0027), and 247.5 m (24BRD0028).

A summary of work to date, and locations of planned drillholes is shown in Figure 2.

Figure 2: Briggs deposit drilling programme and resources on copper-in-soils image (Source: Alma)



Geochemical Sampling

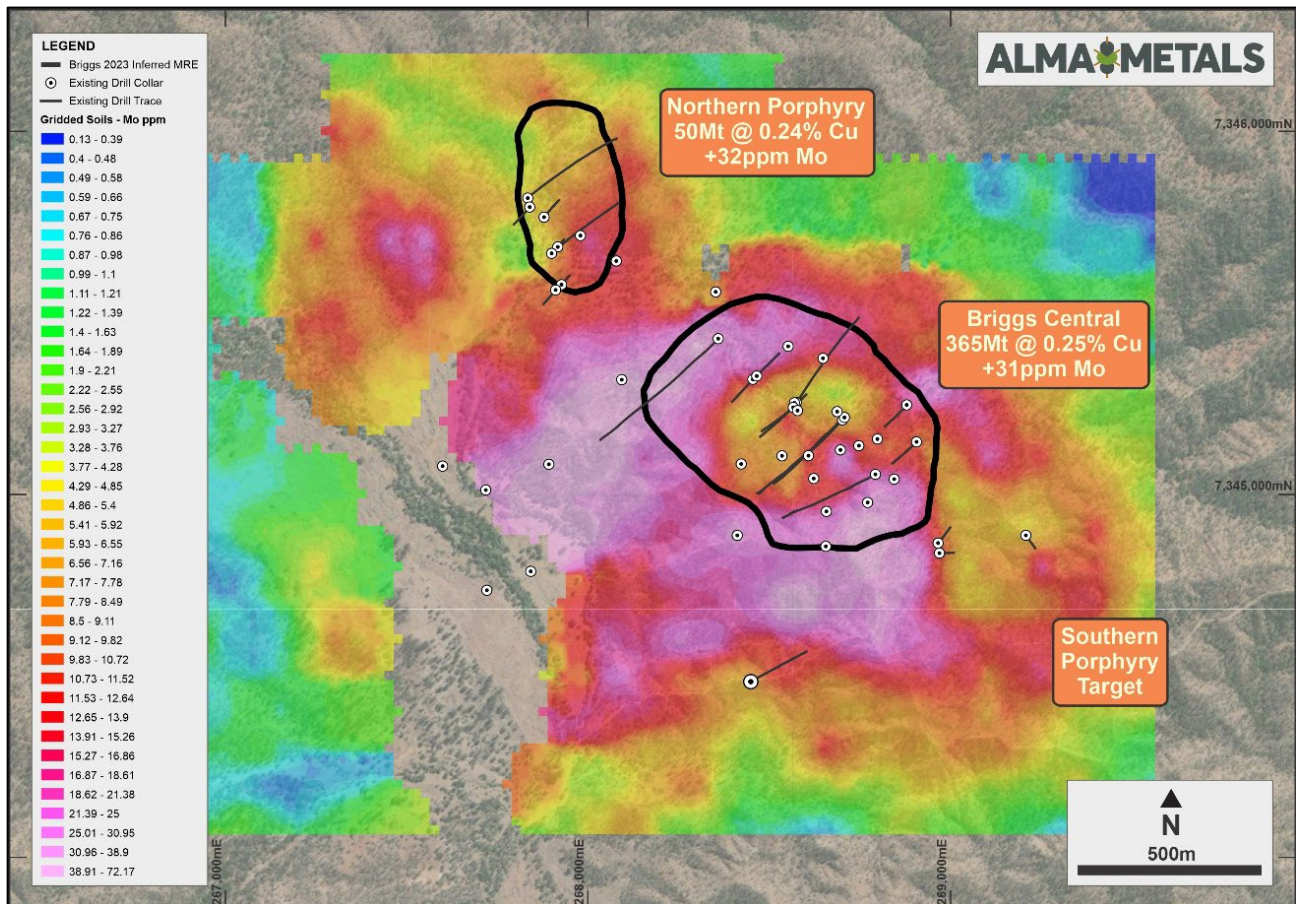
The soil sampling has highlighted the presence of three main porphyry centers, as well as zonation from an inner copper zone to outer molybdenum zone (Figures 2 and 3). The three targets include Briggs Central and

the Northern Porphyry (both of which have Inferred resources), and the Southern Porphyry Target, which until now has been largely untested.

Previous drilling at the Southern Porphyry Target includes three shallow RC holes (maximum depth of 136 m, with two drilled by Alma and one by CRAE), with all being mineralised throughout and ending in mineralisation.

Another feature delineated by the soil sampling that will be tested in upcoming drilling is the potential for zones of higher molybdenum grades, with zonation shown in Figure 3. Drilling has returned intersections of several hundreds of ppm Mo, including 16 m @ 0.29% Cu and 527 ppm Mo from 183 m in hole 23BRDD0021.

Figure 3: Briggs deposit on molybdenum-in-soils image (Source: Alma)



Metallurgical test work

The Company has completed initial benchtop metallurgical scoping on three samples with differing rock types and grades, with this being successful. This has demonstrated high recoveries to a potentially marketable concentrate for all three samples, with low deleterious elements (Table 5).

The following parameters were used:

- Samples were crushed to 3.35 mm, homogenised and then ground to 75 µm,
- Perth tap water, conditioned to a pH of 9.50 was used,
- Sodium isobutyl xanthate ("SIBX") was used as the flotation reagent,
- There was no regrind prior to the cleaner flotation; and,
- There was no optimisation to suppress pyrite flotation.

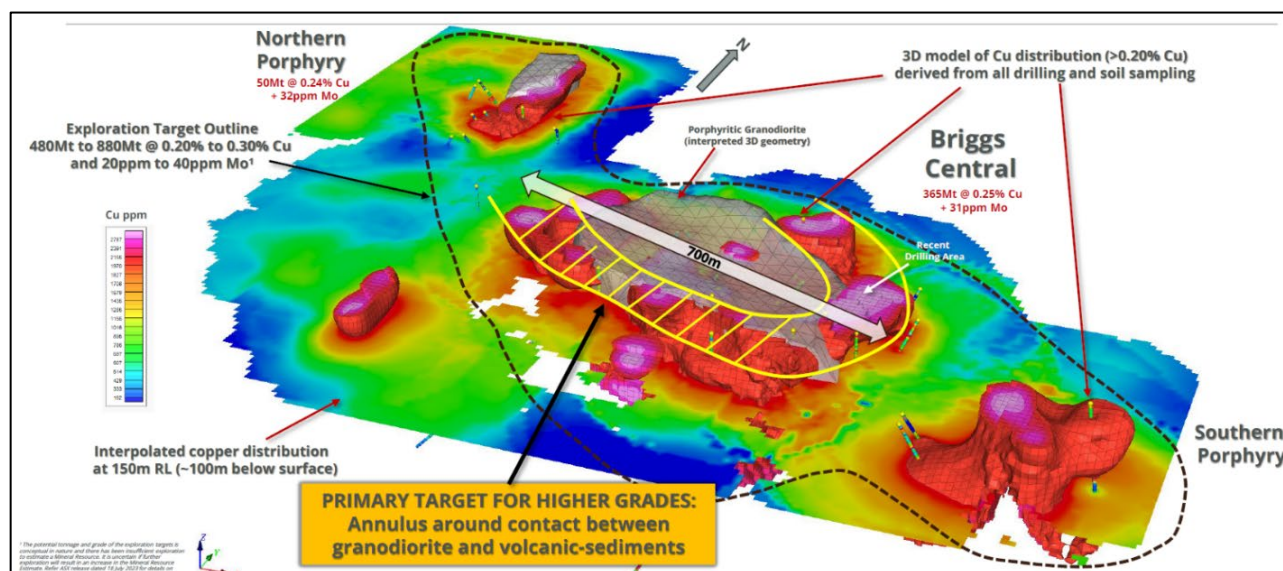
Table 5: Briggs initial metallurgical test work results (Source: Alma)

	MET-1 (GDP, 0.2% Cu)				MET-2 (QTZ, 0.9% Cu)				MET-3 (Min-Sed, 0.4% Cu)			
	Mass	Copper			Mass	Copper			Mass	Copper		
	g	Dist. (%)	Grade Cu %	Rec (%)	g	Dist. (%)	Grade Cu %	Rec (%)	g	Dist. (%)	Grade Cu %	Rec (%)
Cleaner Concentrate	24.3	1.21	17.6	95.1	41.1	4.09	19.7	91.9	45.0	2.26	17.4	93.5
Rougher Concentrate	44.4	2.2	9.7	95.7	61.4	6.12	14.0	97.9	60.1	3.02	13.3	95.4

Drilling

Alma has completed three drilling programmes to date and has recently commenced a fourth. All programmes have continued to grow and upgrade the mineralised system, including adding the Northern Porphyry to the resources, and highlighting the potential of the Southern Porphyry Target. Hole collars and traces for past and current drilling are shown on Figure 2, and targets on Figure 4.

Figure 4: Briggs targets (Source: Alma)



The drilling by Alma has continued to expand the resource, and confirm the mineralisation as intersected by previous operators. We have included two sections from Briggs Central, which show examples of the long intersections of mineralisation, as well as zones of higher grade, near surface mineralisation. As discussed earlier, near surface, high-grade mineralisation can be important in boosting the economics of such projects.

Mineral Resource Estimation

The Company released an updated MRE on July 6, 2023 (Table 6), which included Inferred Resources for Briggs Central and the Northern Porphyry – the Southern Porphyry Target was not Included. The MRE pre-dates the late 2023 drilling, and the current round, both of which will be included in a further update, which is expected to both increase the size, and upgrade some areas of the current MRE to Indicated status.

Table 6: Briggs updated MRE – July 2023 (Source: Alma)

Tonnes (Mt)	Cu Grade (%)	Mo Grade (ppm)	Cut Off Grade (Cu %)	Cu Metal (Mt)	Mo Metal (Mlb)
982.3	0.19	34	0.00	1.85	74.39
905.5	0.20	34	0.10	1.84	67.75
694.1	0.22	33	0.15	1.52	50.38
415.0	0.25	31	0.20	1.03	28.61
153.0	0.29	30	0.25	0.45	10.02
47.8	0.34	28	0.30	0.16	2.91

Along with the MRE, an Exploration Target of 480 Mt to 880 Mt @ 0.20% to 0.30% copper has been released. Resource and Exploration Target areas are shown in Figure 2.

The MRE is a significant increase on the original estimation of 143 Mt @ 0.29% Cu and required only relatively limited additional drilling.

Geology and mineralisation

Mineralisation at Briggs is located in the NW-trending Yarrol Sub-Province, an accreted Devonian-Carboniferous island arc that is part of the overall New England Fold Belt. The belt has been intruded by Late Permian to Early Triassic calc-alkaline granitoids, ranging in composition from granite to gabbro.

At Briggs, these are the causative intrusions for the porphyry style mineralisation, with at least three intrusive centres being recognised – Briggs Central, the relatively under explored Northern Porphyry and the Southern Porphyry Target (Figures 2 to 4). These form an overall zone, as defined by soil geochemistry, surface mineralisation and drilling, of close to 2,000 m long along the NW strike, with the Central Briggs stock having a width of at least 200 m, and with drill intersections to a depth of 600 m, with mineralisation continuous from surface, and open at depth.

Both the stocks and mineralisation are interpreted as being multi-phase, with an earlier porphyry style mineralisation event (quartz-k-feldspar-chalcopyrite-molybdenite veins) being hosted both in the intrusive and wall rocks, with the wall-rocks at the intrusive contacts being hornfelsed, and the main alteration being potassic.

A relatively late phase of mineralisation is associated with dyke-like banded silica bodies, possibly formed at the contacts between intrusive phases, and associated with phyllic (quartz-sericite-chalcopyrite) alteration. These may represent emanations from a later mineralising intrusive at depth, that presents a compelling target.

There is generally only a thin veneer of oxide, however, in some areas deeper (up to 50m) oxide is found, including where there has been weathering down contacts and structures. The higher-grade mineralisation near the top of 24BRD0026 is oxide and transitional (Figure 6) and delineating sufficient tonnages of such material may result in the option for a much lower cost heap-leach start-up operation.

Figures 5 and 6 show typical drill sections, highlighting the broad zones of mineralisation that are still open at depth and to the west and east, as well as zones of higher-grade mineralisation, including near surface material.

Figure 5: SW-NE section through holes 23BRD0019 and 23BRD0020 (Source: Alma)

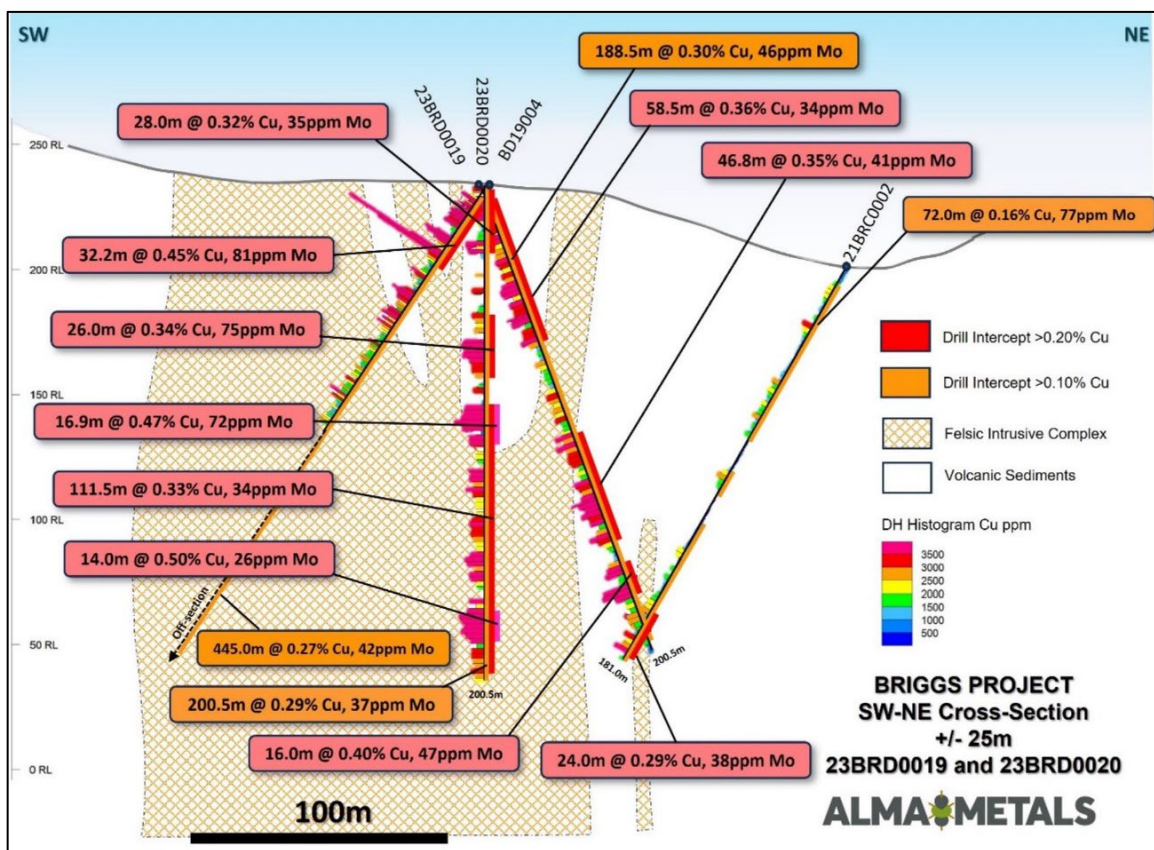
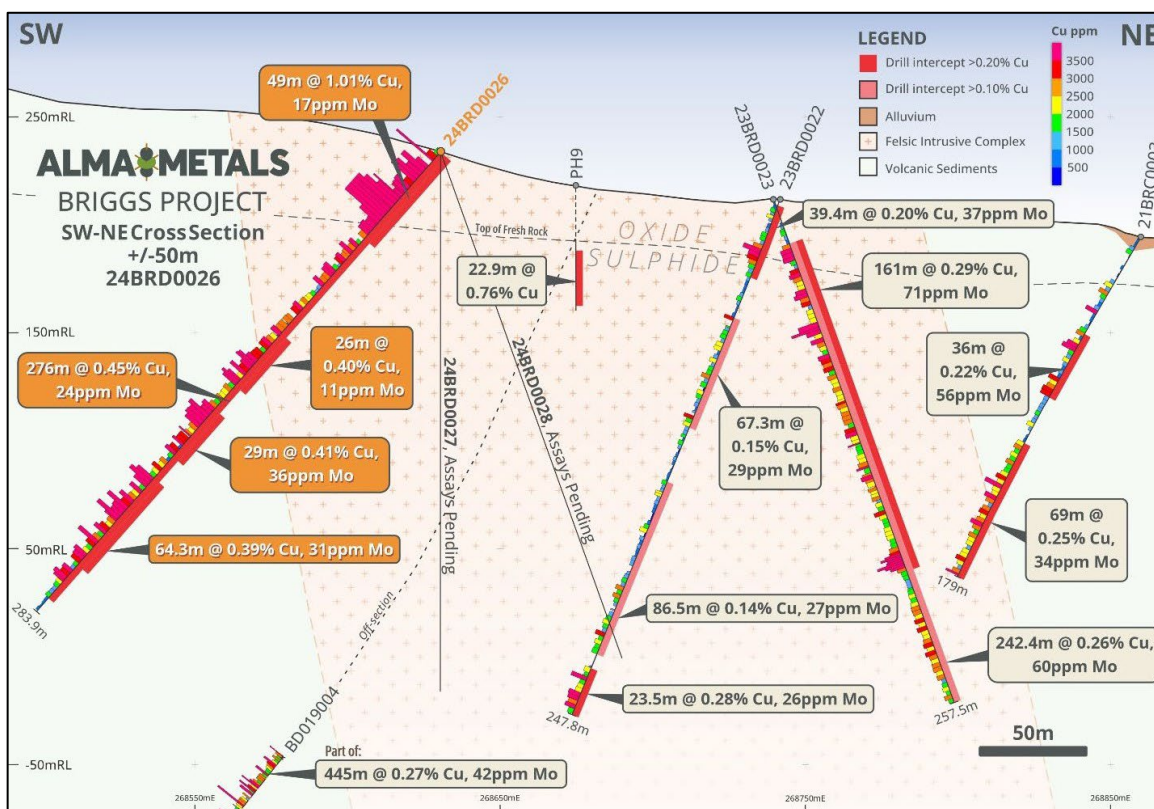


Figure 6: SW-NE section through hole 24BRD0026 (Source: Alma)



DIRECTORS AND MANAGEMENT**Alasdair Cooke – Executive Chairman**

Alasdair has over 30 years of experience in the resource exploration and mining industry throughout Australia and internationally, initially as part of BHP Minerals Business Development Group and with the last twenty years managing public resource companies as part of the Mitchell River Group. The latter has been responsible for several successful mining operations and resource companies developed over the past twenty years including Exco Resources Inc., Albidon Limited, Panoramic Resources Limited and Mirabela Nickel Limited. Alasdair holds a first-class honours degree in Geology and a Bachelor's Degree in Science from the University of Western Australia and is a member of the Australian Institute of Geoscientists. He is currently also a Director of Aurora Uranium Limited, African Energy Resources Limited and Caravel Minerals Limited.

Frazer Tabcart – Managing Director

Frazer is a geologist with over 30 years' experience in the international resources sector, encompassing exploration and corporate roles related to copper, gold, uranium, nickel and coal across five continents. Since 2005, Frazer has been employed by Alma Metals discovering and developing projects in Zambia, Botswana and most recently, Australia. Prior to joining Alma Metals, he held the position of Principal Geoscientist at Western Mining Corporation for 16 years, during which he held various positions and developed expertise in porphyry copper systems. Frazer holds a first-class honours degree and a PhD from the Royal School of Mines in London. He is a member of both the Australian Institute of Geoscientists and the Society of Economic Geologists.

Valentine Chitalu – Non-Executive Director

Valentine has had a 30-year international career in the fields of private equity, privatisation, merchant banking, corporate finance, accounting, auditing, development economics, capital markets and in business and private sector development in transitional economies. He has a significant interest in private sector development in southern Africa and is extensively networked in the region.

John Dean – Non-Executive Director

Since joining First Quantum Minerals Ltd in 2011, John Dean has fulfilled various roles within their mining operations and development projects in Zambia, Mauritania, Botswana, Argentina, and Panama. John is now Assistant General Manager of the Cobre Panama copper mine in Panama and is Feasibility Manager for the Company's Taca Taca Copper Project in Argentina. John graduated with honours from the University of Louisville with a Bachelor of Science in Business Administration and was later awarded an MBA, with distinction, from the University of Oxford.

Ian Hume – Non-Executive Director

Ian's career in the resources industry stretches back several decades, primarily in the fields of managed fund investments, capital raising and project development. In early 2000, he became a Founding Partner of The Sentient Group an independent private equity investment firm specialising in the resources sector which now has investments and commitments totalling more than US\$2.5b. Sentient's current investment portfolio includes projects in power generation, energy storage, potash, base, precious and ferrous metals mining. Before co-founding The Sentient Group, Ian was a consultant to AMP's Private Capital Division, focusing on international resources and telecommunications strategies. He also managed a privately controlled investment company, Devipo and was a Director of an international investment company, Impala Pacific.

Dan Davis – Company Secretary

Dan is a resources industry professional with 20 years' experience in finance roles for resources businesses across all stages from exploration to development, construction and mining. He is the current CFO and

Company secretary of Caravel Minerals and has previously worked for Albidon, Exterra Resources and EVE Investments.

RISKS

Exploration, Evaluation and Resource Results: This is the key risk, and one that faces any junior. The results of the current drilling will be vital in determining the tenor of the resource to be used in the planned scoping study, and also, whether any additional drilling will be required for the study.

Equity Markets: Equity markets can be fickle and can turn on a dime. This will affect investor (both debt and equity) sentiment, and hence the potential for successful exploration and evaluation funding and, possibly well down the track, project financing. This is particularly pertinent with porphyry deposits, as they require significant amounts of drilling to define for advanced development studies.

Metals Prices: These feed into the equity market sentiment – falling metals prices will negatively affect investor sentiment and vice versa. This will have less effect on robust projects.

IMPORTANT INFORMATION

This report is a private communication to clients and those considering becoming a client and is not intended for public circulation or publication, or for the use of any third party without the approval of 708 Capital Limited ABN 17 142 319 202 ("708 Capital"). It is distributed on the basis that no part of it will be reproduced, altered in any way, transmitted to, copied to or distributed to any other person without the prior express permission of 708 Capital. 708 Capital holds Australian Financial Services Licensee (No. 386279).

The following **Warning**, **Disclaimer** and **Disclosure** relate to all material presented in this report and should be read before relying on any of its content to make an investment decision.

Warning

This report presents information, being general advice (i.e., a rating, opinions and/or forecasts) and factual information, in relation to a particular financial product(s). The general advice, whether it be explicit or implied, is based solely on the Analyst's assessment of the merits and attributes of the product(s) concerned. Don't interpret it as indicating that taking a course of action in line with the general advice is appropriate for you personally. It is not personal (i.e., personalised) advice. The question of the product's suitability or appropriateness for your or anyone's particular investment objectives, financial circumstances or needs (i.e., your relevant circumstances) has not been considered. Personal advice addresses whether taking a course of action in relation to a financial product(s) is appropriate for you personally, based on what the adviser knows about the product(s) and your relevant circumstances. Therefore, before acting or otherwise relying on its general advice or other information, consider the appropriateness of doing so, in the light of your objectives and circumstances, or seek personal advice from your adviser at 708 Capital. If you act without first consulting your adviser, you do so at your own risk.

Disclaimer

This report includes, and was prepared using, information from sources 708 Capital considers reliable, but we do not guarantee its accuracy and completeness. All opinions, conclusions, forecasts and ratings are reasonably held at the time this report was published but are subject to change without notice. If they do change after publication, 708 Capital assumes no obligation to update and republish this report. It may include forecasts or statements about the future, including guidance on future earnings, financial position and performance. The words "expect", "should", "could", "may", "predict", "plan" and other similar expressions are intended to identify such "forward-looking statements". The forward-looking statements, opinions and estimates presented in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Except for any liability which by law cannot be excluded, 708 Capital, its directors, officers, employees, representatives (e.g. our advisers) and agents accept no liability (whether in negligence or otherwise) for any error, inaccuracy in, or omission from the information presented in this report or any loss or damage suffered by the recipient or any other person directly or indirectly as a result of any action taken or not taken on the basis of any of the information presented in this report.

Disclosure – Analyst's remuneration and other interests

Analyst remuneration is not linked to the rating, opinions or forecasts presented in any research, or to securing a mandate to provide corporate advisory or fund-raising services or to the successful completion of such a mandate (any other *'conflicted scenario'*). Brokerage paid by institutional clients for dealings (which may be in response to our research) facilitated by our institutional sales team is shared between 708 Capital (for overheads) and to remunerate the institutional and research teams. The arrangement serves to reimburse 708 Capital for payment of base salaries, and beyond a threshold, a pool is made available to be allocated quarterly as a discretionary bonus to members of the teams, based on merit, payable annually.

The Analyst directly or indirectly holds no shares in ALM:ASX. The Analyst and/or their associate(s) may at any time, during its life, have a holding or interest in any products addressed in this report, or a derivative product, and these (if any) may change during the life of this report.

In the past 12 months, 708 Capital has received fees from ALM:ASX for corporate or share placement fees. It may continue to receive these fees on an ongoing basis. Payment of these fees is not linked to this rating, opinion or forecast.

Disclosure – The remuneration and interests of 708 Capital and others

708 Capital Principal accounts directly or indirectly have holdings in ALM: ASX. 708 Capital and/or an associate(s) may at any time, during its life, have a position(s) in any products or options addressed in this report and these holdings (if any) may change during the life of this report.

Where this report is distributed to clients of advisers who aren't members of either the research or institutional team, and the client transacts in response to the research, the brokerage paid by clients for dealings facilitated by the adviser is shared between 708 Capital and the adviser.

Disclosure - General

708 Capital, its directors, officers, employees, representatives and/or agents may during the preparation and the life of this report, for legitimate reasons, have a role or be engaging in activities in relation to the product(s) referred to in this report which do or appear to conflict with the Analyst's views and rating. During the life of this report, we may transact or facilitate transactions in the product(s) concerned for clients or provide oral or written advice to clients which is not consistent with the rating or opinions presented. 708 Capital may solicit business from any issuer mentioned and may sell or buy the product(s) concerned *'as principal'*. 708 Capital receives fees (e.g., application fees), brokerage or commissions, and may receive other benefits, for acting in these various ways, which may be shared with those involved, including our advisers (other than members of our research or institutional teams), associated companies or introducers of business.