GLOBAL METAL & MINING CONFERENCE

Scarce copper supply, harder growth and changing metal markets





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We hosted senior management from the world's leading mining companies at our 3rd Global Mining Conference held at the GS offices in London from 20-21 October. The agenda (see Exhibit 1) featured discussions with executives from the largest diversified, copper, zinc, aluminium, rare earth and lithium miners, as well as commodity traders. Discussions centred on the increasing challenge of delivering the next wave of copper supply in a world characterised by declining grades, rising capital intensity, permitting complexity and growing geopolitical fragmentation. Resource security emerged as a dominant theme, with governments playing a more active role in commodity markets through tariffs, strategic stockpiling, financing support and critical mineral initiatives. As project execution risks continue to increase, miners are increasingly looking to partnerships, JVs and infrastructure sharing to syndicate development risk and unlock value from existing resource bases. The conference also highlighted the growing focus on capital discipline, with companies pursuing portfolio rationalisation, infrastructure monetisation and non-core asset sales to recycle capital into future growth opportunities. Lastly, we hosted commodity traders to discuss the outlook for copper, aluminium and battery materials markets, and the implications of an increasingly fragmented global trade environment.

Key takeaways:

- **Copper prices supported by US metal imports and ongoing mine supply disruptions:** Copper remained one of the most constructive commodities discussed at the conference, but the debate has evolved from last year. Mine disruptions supported prices in 2025; one year on, trader expectations for ~3Mt of copper mine supply growth across 2025-26 have yielded only ~700kt, largely from African SxEw, with concentrate supply now ~300kt below 2024 levels. The main discussion on mine supply is the pace of recovery of Chilean mines post weather disruptions, and the pace of ramp-up of mines such as Grasberg, Cobre Panama, Kamoa-Kakula, and el Teniente over 2027 and 2028. At the same time,

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tariff-related stockbuilding has pulled >1.5Mt of copper into the US, tightening inventories elsewhere and making regional balances increasingly important. While AI and electrification remain supportive long-term structural demand drivers, the near-term message was that scarce units, supply underdelivery (particularly in Chile - weather and industrial action present increasing risks), US trade policy and China scrap tightness are driving market tightness more than accelerating end demand.

- **Copper growth is advancing, but getting harder and more expensive to deliver:** Last year, discussions focused on where the next wave of copper supply would come from and the growing role of Argentina with its RIGI investment framework; this year, the focus was increasingly on how that growth can actually be delivered. Declining grades, a lack of shovel-ready projects following >10 years of underinvestment, 15-20 year development timelines, permitting complexity and capital intensity of >$30k/t for greenfield projects continue to constrain supply. **The growth options across the miners are increasingly visible at higher prices, but so too are the increasing costs, capital intensity and execution risks.** Soon, the market will get an idea of the appetite for miners to sanction major growth (Vicuna, Olympic Dam) in the current inflationary environment; we believe buy vs build remains firmly on the agenda.
- **Partnerships and JVs increasingly the preferred route to growth:** Partnerships were prominent last year, but the approach to syndication and partnerships seems increasingly established across the sector as companies look to share capital, execution risk and infrastructure (including leaching capabilities). Discussions around QB-Collahuasi, Los Bronces-Andina, Spence-Sierra Gorda, Vicuna and potential collaboration around El Pachon/Los Pelambres all point towards greater emphasis on adjacencies and industrial synergies. Importantly, these combinations can also unlock material production from existing resource bases, with QB-Collahuasi discussed as potentially adding ~175ktpa and Los Bronces-Andina ~120ktpa of copper, while derisking production and deferring major capital. With project capital intensity rising and management, engineering, construction and skilled labour capacity increasingly constrained, companies appear increasingly willing to sacrifice full ownership or control where partnerships can improve returns, accelerate development or reduce execution risk. Corporate M&A still remains part of the equation, but extracting more from existing resource bases through asset-level partnerships was the more consistent theme this year.
- **Funding growth without compromising returns:** With the next investment cycle approaching, capital allocation discussions increasingly centred on how to fund growth while protecting balance sheets and shareholder returns. Capital recycling is becoming more programmatic, spanning infrastructure monetisation, streams, non-core asset sales and portfolio simplification. BHP highlighted its Antamina silver stream and Pilbara power transactions; Rio is progressing its $5-10bn (GSe $10bn) simplification programme (including infra sales); while Glencore (Kazzinc & DRC Copper divestments, possibly before year-end), South32 (aluminium divestment) and others continue to assess portfolio rationalisation and external funding options. The common objective is to monetise assets that can attract lower cost of capital owners and redeploy that capital into higher-return growth, helping manage the

trade off between growth, balance sheet strength and shareholder returns.

- **Resource security increasingly shaping commodity markets and capital flows:** Resource security was a broader theme than at last year's conference, with governments becoming more active participants through tariffs, strategic stockpiling, financing support and critical-mineral initiatives. Copper is increasingly being viewed as a strategic input alongside more traditional critical minerals, while speciality metals and rare earths demonstrate how security of supply can take precedence over lowest-cost sourcing. This is influencing where inventories sit, where projects can access capital and how customers think about supply chains, with some increasingly willing to accept higher cost or less efficient supply chains in exchange for greater security of supply.
- **Copper and zinc supply constrained, aluminium... nickel deja vu:** Outside copper, zinc emerged as another structurally supply-constrained market, with global reserves down ~30% over 20 years, head grades having halved and limited large-scale replacement supply. Aluminium remains supported near term by low inventories and elevated physical premiums, but the medium-term outlook is more cautious as Indonesian supply accelerates (7-8 month build time for new smelters was suggested by traders), with production expected to increase from ~1.7Mt to ~3.4Mt in 2027 (traders view; GSe 2.9Mt in 2027). Together with broader ex-China capacity additions, this raises the risk that supply begins to outpace demand and draws comparisons with the supply response seen in nickel. Nickel was viewed as more tactical, reflecting Indonesian curtailments and stockpiling, with supply expected to respond again at higher prices.
- **Rare Earths:** The panel underscored how far the West has moved from intent to execution on decoupling rare earth supply chains in the past year. China still produces ~80% of the world's NdPrO and over 90% of the world's RE magnets, and sets the reference price for the entire industry via the Asian Metals Index, and a year on from the April 2025 export restrictions that disrupted Western supply chains and manufacturing, continues to have the operational and competitive advantage. What has changed is that the response is now capitalised and under construction rather than announced: US$110/kg NdPr has become the industry standard rather than the exception, floor pricing has extended for the first time to heavy rare earths, and consolidation has arrived with Lynas' proposed acquisition of Meteoric Resources and other projects across the Americas. The panel's clear message was that the decoupling is now structural rather than policy-dependent, heavy rare earths (Dy, Tb, Sm and Y) have replaced NdPr as the binding constraint across the entire ex-China chain, and that the swing factor from here is project execution and ramp-up, not price.
- **Lithium:** The strong 12-18 month rally in lithium prices has been driven by supply-side disruption in China, and robust ESS-led demand, although there has been a wave of restart/expansion announcements across both spodumene and brine. Lithium prices have recently retraced and the discussion centred on the disconnect between weak sentiment and firm demand indicators, offtake and marketing strategies as producers contract the next supply wave, execution/funding

of recently sanctioned expansions (PLS' P2000, Liontown's Kathleen Valley 4Mtpa, Lithium Argentina's Cauchari-Olaroz Stage 2 and PPG), and how each company frames long-run pricing and inducement economics.

- ***Iron ore - supply response building as Chinese buying power increases**: Discussions highlighted an evolving market structure, with new supply beginning to come through alongside greater coordination from China on procurement. Rio is ramping Simandou, while Vale is building potential to add tonnes through Capanema, Vargem Grande and S11D +20, with further low-capital growth potential from existing Northern System infrastructure. But the combination of low prices and elevated freight rates is putting pressure on high cost supply in Brazil and elsewhere and production risks are increasing. At the same time, coordinated Chinese purchasing through CMRG is becoming a more established feature of the market, with GLEN drawing parallels to collective Chinese negotiations already seen in copper concentrates and ferrochrome. The miners response remains focused on value over volume, product quality and cost competitiveness rather than maximising tonnes, with Vale expecting its higher-grade, lower-alumina products to become increasingly valuable as the broader seaborne mix deteriorates.*

Company sections that follow are based on the order presented at the conference (Exhibit 1).

Exhibit 1: Agenda and participating companies at the 3rd GS global Metals & Mining Conference in London

Goldman Sachs

AGENDA

Global Metals & Mining Conference

LME Week, London



Tuesday, 20 October 2026

07:30 – 08:30		**Registration and Breakfast**
08:30 – 09:00		**First Quantum** **Tristan Pascall,** CEO
09:00 – 09:30		**Lundin Mining** **Jack Lundin,** CEO
09:30 – 10:00		**Teck Resources** **Jonathan Price,** CEO
10:00 – 10:20		**Break**
10:20 – 10:50		**Antofagasta** **Iván Arriagada,** CEO
10:50 – 11:20		**Freeport-McMoRan** **Kathleen Quirk,** CEO
11:20 – 12:00		**Copper & Zinc: Reshaping Portfolios for Base Metals Growth** **Matthew Daley,** CEO, South32 **Brendan Harris,** CEO, Sandfire **Daniel Myerson,** Chairman, Eldorado
12:00 – 13:00		**Networking Lunch**
13:00 – 13:45		**Rare Earths: Decoupling from China** **Tom O'Leary,** CEO, Iluka Resources **Daniel Havas,** Chief External Affairs Officer, Lynas Rare Earths **Thras Moraitis,** CEO (incoming), USA Rare Earth
13:50 – 14:35		**Introducing The Consolidated Mining Standard** **Rohitesh Dhawan,** CFO, International Council on Mining and Metals **Jonathan Price,** CEO, Teck Resources *Additional Attendees TBC*

Wednesday, 21 October 2026

07:30 – 08:30		**Registration and Breakfast**
08:30 – 09:00		**Rio Tinto** **Simon Trott,** CEO
09:00 – 09:30		**Glencore** **Gary Nagle,** CEO
09:30 – 10:00		**Vale** **Gustavo Pimenta,** CEO
10:00 – 10:20		**Break**
10:20 – 10:50		**Anglo American** **Duncan Wanblad,** CEO
10:50 – 11:20		**TBC**
11:20 – 11:50		**BHP** **Catherine Raw,** Chief Development Officer
11:50 – 12:30		**Managing Capital and Copper Construction Risk in the Americas** **Makko DeFilippo,** CEO, Ero Copper **Cashel Meagher,** CEO, Capstone **Peter Kukielski,** CFO, Hudbay
12:30 – 13:15		**Networking Lunch**
13:15 – 14:00		**Navigating Metals in an Increasingly Fractured World** **Nicholas Snowdon,** Head of Metals Research, Mercuria **Graeme Train,** Head of Metals & Minerals Analysis, Trafigura **Nick Dmitruks,** Head of Base & Battery Metals Physical Trading, Goldman Sachs
14:00 – 14:45		**Lithium: Briners and Miners and the Next Supply Wave** **Dale Henderson,** CFO, PLS Group **Tony Ottaviano,** CEO, Liontown **Ignacio Celorrio,** EVP, Legal, Government & External Affairs, Lithium Argentina

Alcoa Corp
Anglo American plc
Antofagasta plc
Aurubis AG
BHP Group Ltd
Capstone Copper Corp
Eldorado Gold Corp
Ero Copper Corp
First Quantum Minerals Ltd
Franco-Nevada Corp
Glencore plc
Hudbay Minerals Inc
Iluka Resources Ltd
Liontown Ltd
Lithium Argentina AG
Lundin Mining Corp
Lynas Rare Earths Limited
NGEx Minerals Ltd
PLS Group Ltd
Rio Tinto Group
Sandfire Resources Ltd
South32 Ltd
Teck Resources Ltd
USA Rare Earth Inc
Vale SA

Source: Goldman Sachs Global Investment Research

First Quantum: Fireside with Tristan Pascall, CEO

First Quantum ***(covered by Marcio Farid)*** is focused on resolving the situation at Cobre Panamá, maintaining operational momentum in Zambia and positioning the balance sheet and project pipeline for its next phase of copper growth. At Cobre Panamá, stockpile processing is ongoing and management believes recent government milestones and the ministerial commission process represent concrete progress towards a durable resolution, although a formal agreement remains outstanding. In Zambia, the goal is to increase fresh ore feed and access higher-grade material at Kansanshi following the S3 expansion. Beyond the existing portfolio, Taca Taca is the leading growth option, with the company advancing permitting, RIGI and financing work, although FID remains dependent on a resolution on Cobre Panamá and balance sheet strengthening.

Key Takeaways

- **Cobre Panamá clear direction towards resolution:** Management took the opportunity to clarify that recent announcements regarding Cobre Panamá were positive and according to expectations (more details here), and the government recommendation points to mine reactivation in order to deal with environmental issues and execute an orderly closure over a long period (decades). Additionally, the company is currently processing previously mined stockpiles and has around 3,000 people on site. Management expects a potential restart to reach ~85-90% of steady-state production within six to nine months following a decision, with the final ramp-up requiring further optimization. The major processing assets are described as being in good condition, with work now focused on the remaining regrind and cleaner circuits, columns and Jameson cells, while rebuilding the skilled workforce would also be important to the ramp-up.
- **Taca Taca advancing, but remains linked to Panama and the balance sheet:** First Quantum is advancing Taca Taca ahead of any FID, with a public consultation for the ESIA scheduled for 12 November and management targeting a RIGI application ahead of the 8 July 2027 deadline. Management expects greater clarity on Cobre Panamá and balance-sheet capacity before taking a decision and intends to reduce Net Debt/EBITDA towards 1.0x before developing the project. In terms of financing, the company is evaluating several options, including project financing, an equity partner, streaming and pre-sales; its engagement with IFC is also intended to support work towards potential project financing. Operationally speaking, management described the processing flowsheet as relatively standard based on the company's previous concentrator developments, with water and biodiversity among the principal technical and environmental areas of focus.
- **Zambia focused on grade and mine delivery following S3:** At Kansanshi, the 25Mtpa S3 circuit is intended to compensate for lower grades through higher processing volumes, while the operational focus is increasingly on pre-stripping and accessing higher-grade South East Dome ore. Management noted that some higher-grade material has already begun to come through, but stressed the need keep it sustainable. At Sentinel, the focus remains on mine volumes, stripping and the grade profile, with management seeing opportunities to extend the mine

footprint. Further detail on the production and grade outlook is expected with the company's annual outlook around the end of January/early February.

- **Growth pipeline beyond Taca Taca:** Management views a resolution at Cobre Panamá as an important enabler for the broader growth portfolio. La Granja, owned 55% by First Quantum and 45% by Rio Tinto, remains early in the permitting process, while Haquira provides further optionality in Peru. Management expects that, all going well in Panama, over the coming year the company should have progressed Taca Taca's RIGI and ESIA processes sufficiently to move towards decision-making on the project.

Lundin Mining: Fireside with Jack Lundin, CEO

LUN's ***(covered by Matt Greene)*** strategy ahead of Vicuna is centred around maximising value from existing operations, with contractor insourcing, leach optimisation and improved recoveries underpinning the next phase of its Full Potential programme. Copper and Latin America remain the portfolio focus, with management seeing sufficient organic opportunities without needing further acquisitions, but will remain opportunistic if external opportunities present.

Much of the discussion centred on operational consistency, supported by achievable targets, rigorous planning and a culture of accountability, continuous improvement and eliminating unnecessary bureaucracy. Management believes several years of consistent delivery have built the internal confidence and maturity to pursue brownfield growth, while maintaining operating discipline. Caserones' weather disruptions tested this resilience after a period of exceeding internal expectations since the 2023 acquisition. Management highlighted the team's response, with backup power maintaining critical infrastructure, no major safety events during the storms and operations subsequently returning to nameplate capacity. Lessons from the power outages and wind damage to transmission lines are being applied to Vicuna Stage 1 planning, rather than being viewed solely as an operating setback. Lastly, shareholder returns through the growth investment phase remain priorities. The additional ~$100mn opportunistic buyback increases this year's buybacks from ~$150mn to ~$250mn. The base annual distribution remains ~$220mn across dividends and buybacks, with flexibility for further opportunistic returns.

Key Takeaways

- **Vicuna:** Stage 1 remains targeted for sanction before end 2026, potentially enabling construction to begin in early 2027. Capex remains the key ask from the market - the JV is focussed on the remaining work on the bottom up capex estimate, schedule and execution plan are undergoing shareholder review ahead of the targeted year end FID. Management acknowledged that the estimate would incorporate inflation, Argentine escalation and normal engineering maturation, but provided no revised capex figure. We expect an upward revision to Stage 1 capex to ~$8.5bn (GSe), up from LUN estimate of ~$7bn and BHP of $7-8bn. Management believes Caserones (~40km from Vicuna and 4,500m of altitude) provides relevant experience for altitude related equipment and labour productivity assumptions. It also expects

Vicuna's early mover position among major projects to support access to skilled labour, while acknowledging recruitment and workforce challenges the industry is expected to face.

- **Brownfield growth:** At **Candelaria**, management indicated potential to increase underground ore production from ~14ktpd to ~22ktpd, supported by insourcing mine development and production, improved advance rates and lower costs per metre. At **Caserones**, current testing is being done around leaching primary sulphides, which could potentially increase total cathode output from ~25ktpa to ~40ktpa. A resource expected at Angelica in 1H'27, which could provide higher grade oxides for leaching. The storm related power outages prevented grinding operations during July-August and will weigh on Q3, but Caserones is now back at nameplate capacity. At **Chapada,** construction of an additional ball mill is underway, which should deliver ~5pp of recovery improvement, while supporting the subsequent development of the higher grade Sauva satellite deposit (~15km from Chapada).
- **Los Helados:** LUN owns 31% of the satellite deposit located ~15-20km away from Caserones. Studies with NGEx Minerals are looking at trade offs of open pit versus UG mining and standalone development versus leveraging Caserones infrastructure, with a pathway potentially identified over the coming months. An update to the resource and possible development pathway studies are expected in 1H'27.

Teck Resources: Fireside with Jonathan Price, CEO

Our Teck *(not covered)* fireside chat focused on operational progress at QB, the proposed Anglo-Teck merger and the growing importance of metals security. Management remains constructive on copper, arguing that a shortage of attractive, development-ready projects, rather than funding, is the main constraint on supply growth. Exploration underinvestment, permitting challenges and rising capital intensity limit the industry's ability to close the prospective supply gap. In speciality metals, customers are increasingly accepting less efficient supply chains in exchange for security, with technology and defence customers exploring longer-term contracts, partnerships and buyers' clubs for small but essential metals such as germanium, indium and antimony. Management expects security considerations to encourage Western processing investment despite weak smelting economics and global overcapacity. The Trail smelter is attracting Canadian and US government interest, including potential support for germanium and gallium capacity, although scarce technical expertise remains a constraint beyond funding.

Key takeaways

- **Proposed Anglo-Teck merger:** Management highlighted a combined copper production base of ~1.2Mtpa and a $800mn synergy commitment, with integration planning underway. China remains the only outstanding regulatory approval, which management remains confident of securing no later than end of Q1 2027. The transaction could close in a matter of weeks post approval. Growth opportunities include a potential ~175ktpa uplift from combining QB and Collahuasi and ~120ktpa from Los Bronces-Andina on top of the ~1.2Mtpa base, alongside debottlenecking and a broader project pipeline.
- **QB progress:** QB has seen steady improvements in operational performance in 2026, with management reporting no tailings-related constraints over the past 12 months. Construction of the sixth rock bench is underway and expected to provide enough space to store tailings through 2028, allowing time to complete the sand dam in parallel. Sand deposition rates are improving, while throughput and recovery optimisation continue as the operation processes transition ores. Heavy snowfall and strong winds caused power interruptions in Q3, although management described the mine and plant as running well during its recent visit.
- **Operational resilience and growth:** HVC's mine life extension targets production through 2046 at an average ~132ktpa. The growth pipeline also includes nearer term Zafranal and San Nicolas, alongside longer-term options at NuevaUnion, Galore Creek, Schaft Creek and NewRange. In developing these projects and sustaining existing operations, management highlighted the structural need to embed greater climate resilience into asset design and mine planning, rather than treating extreme weather as unforeseen, mentioning adaptations include relocating vulnerable infrastructure and adjusting equipment positioning ahead of adverse weather as examples.

Antofagasta: Fireside with Iván Arriagada, CEO

Antofagasta's (*covered by Matt Greene*) strategy remains centred on delivering organic growth at Centinela and Los Pelambres, underpinning its target for ~30% higher copper production versus 2024 before the end of the decade, implying ~860kt. Management remains confident in this target, equivalent to ~200kt of incremental copper, with around two-thirds from Centinela's second concentrator and one-third from higher grades at Los Pelambres. Centinela is ~90% complete, with commissioning expected to finish during 2027, ramp up to full capacity in 2028 and deliver its first full year at nameplate in 2029. Los Pelambres' enabling projects are >70% complete.

Beyond the current build, Anto continues to assess brownfield growth across its portfolio, including further concentrator expansion at Centinela (across both concentrators) and Antucoya-Cachorro integration. At Los Pelambres, management sees potential longer-term synergies with GLEN's neighbouring El Pachon project, particularly as Chile-Argentina mining cooperation develops, although this is not part of the core strategy today. Capital allocation remains balanced, with the 35% minimum payout unchanged and scope for distributions to increase as the current investment cycle concludes. M&A remains selective, with Anto's organic pipeline setting the benchmark for returns and external opportunities needing to offer clear synergies.

Key Takeaways

- **Growth pathway:** Centinela commissioning is expected to finish during 2027, with full capacity in 2028 and the first full year at nameplate in 2029. Higher grade Phase 11 ore at Los Pelambres has started to come through in Q4'26, with management expecting a more stable grade/production profile across 2027-29. The recent Centinela labour negotiations have concluded, with no further negotiations expected at the operation in 2027.
- **Next leg of brownfield growth:** At **Centinela**, studies are assessing either expanding the existing concentrator from ~107ktpd to ~140ktpd or the new concentrator from ~95ktpd to ~150ktpd (C2E), although the immediate priority remains completing the current build and ramp up. Polo Sur pre-stripping is also underway, with higher grade oxide feed expected towards end-2026. At **Los Pelambres**, the focus is completing the desalination and concentrate pipeline projects and securing the mine life extension permit, which management expects Q1'27. Longer term, management sees potential synergies with GLEN's El Pachon across the Argentine border, but this remains outside the core strategy.
- **Capital intensity should fall as enabling projects complete:** Anto expects sustaining capex to decline once the current investment phase passes, noting that ~$2bn of projects at Los Pelambres are classified as sustaining despite being largely one-off enabling infrastructure. Management indicated group sustaining capex could normalise towards ~$1.5bn thereafter. The 35% minimum dividend payout remains unchanged, although distributions have remained around 50% through the investment phase, supported by strong metal prices.
- **M&A remains selective, with organic growth setting the hurdle:** Anto remains open to external opportunities where there are clear synergies and attractive

returns, but sees its existing resource base as the primary route to growth. Potential synergies with Escondida and Zaldívar were acknowledged, although management sees greater value today from executing the standalone strategy, including the water system targeted for mid-2028 and primary ore leaching (Cuprochlor-T). Management would also like greater visibility on potential Antucoya-Cachorro integration over the next 12 months.

Freeport-McMoRan: Fireside with Kathleen Quirk, CEO

The fireside chat focused primarily on FCX's *(covered by Nick Cash)* constructive long-term copper outlook, underpinned by broadening demand drivers and ongoing global supply constraints. Management also discussed the company's technology-driven growth initiatives, including its leaching roadmap and additive rollout plans, as well as opportunities to drive future production growth through brownfield expansions within FCX's existing operating footprint.

Copper demand growth broadening while supply remains increasingly constrained. Management argued that the next decade of copper demand growth should be more diversified than the last, expanding beyond China and increasingly driven by electrification, power infrastructure, data center investment and grid modernization. At the same time, FCX emphasized that industry supply growth remains challenged, noting that many of the projects expected to contribute future production were discovered decades ago and that the pipeline of new world-class copper discoveries remains limited. Management also highlighted the growing strategic importance of copper, noting that governments and policymakers are increasingly focused on supply security, domestic sourcing and critical mineral supply chains. This combination of broadening demand drivers and constrained new supply underpins management's constructive long-term outlook for the copper market.

Technology-enabled copper growth remains a significant long-term opportunity. Management highlighted leaching and other technology initiatives as an increasingly important source of future copper production growth. FCX noted that leach production is currently running at approximately 200M lbs annually and reiterated its ambition to increase that figure toward 800M lbs by 2030 through improvements in recovery rates and processing technologies. Management also discussed approximately 40bn lbs of copper contained in historical stockpiles and indicated the company has narrowed its evaluation to two additive technologies that have demonstrated encouraging results. Importantly, FCX expects to begin rolling out these additives on a broader basis over the coming quarters, representing a key step toward determining the ultimate scale of the opportunity. While not reflected in current production guidance, management continues to view leaching, automation and technology deployment as potentially meaningful contributors to long-term copper growth.

Brownfield expansion remains the preferred path for long-term volume growth. Management emphasized that future production growth is expected to come primarily from opportunities within FCX's existing asset base rather than large-scale greenfield developments or transformative M&A. The company highlighted growth opportunities across its U.S., Indonesian and Chilean operations, arguing that expansion of existing assets offers advantages through established infrastructure, operating expertise and

permitting frameworks. Management continues to prioritize disciplined capital allocation and project execution, focusing on opportunities capable of generating attractive returns while maintaining balance sheet flexibility.

Copper & Zinc: Reshaping Portfolios for Base Metals Growth (South32, Sandfire, Eldorado)

*We hosted a panel to discuss "**Copper & Zinc: Reshaping Portfolios for Base Metals Growth**". Panelists included:*

***Matthew Daley** (CEO, South32) - S32 covered by Paul Young*

***Brendan Harris** (CEO, Sandfire) - SFR covered by Paul Young*

***Daniel Myerson** (Chairman, Eldorado) - not covered*

The panel with South32, Sandfire, Eldorado focused on capital allocation and growth pipelines. Panelists shared a supply-driven view on zinc and copper markets and described an exceptionally tight concentrate market.

Key Takeaways

- **South32: growth funded ahead of distributions, with nothing permanent in the portfolio.** S32 is repositioning as a focused copper and zinc company following the sale of its aluminium value chain to Alcoa (for up to US$5.6bn; deal expected to complete by end of March 2027), with ~55% CuEq growth from its approved and in-construction projects. Capital allocation strategy targets sustaining capital first, then committed growth at Sierra Gorda and Hermosa, with the net cash position able to fund growth projects. The move away from a fixed dividend payout ratio was presented as a shift away from formula rather than a de-prioritisation of returns; every dollar beyond committed growth competes for a place, including Cannington life extension and US options such as Ambler in Alaska. Manganese is being run for value with an attractive cost-curve position with no growth ambition, and management reiterated that everything in the portfolio is for sale at the right price.
  - **Sierra Gorda (JV with KGHM):** a recent ~60% ore reserve increase on a conservative price assumption supports around a 20-year life and ~1Bt of reserve, with the orebody open at depth and drilling continuing. The fourth grinding line is in construction which S32 expects ~30% copper growth once ramped up to full capacity, with a fifth and possibly sixth grinding line plus further life extensions under study, supported by the Catabela Northeast exploration target (~1-3bn tonnes at ~0.45% Cu; an exploration target, not a Mineral Resource or Ore Reserve). An MoU has been signed with KGHM and BHP to pursue Spence synergies, with management drawing an explicit analogy to the ~US$5bn of synergies that emerged from combining the Los Bronces and Andina mine plans, and flagging near-term optionality around mined oxide material and Spence leaching capacity freeing up towards the end of the decade.
  - **Cannington:** after ~30 years of operation, cut-off grades are being reassessed for the first time around a combined open-cut and underground concept, with the open cut covering fixed costs and the underground providing high-grade swing feed. Mill capacity of 3Mtpa sits meaningfully above current throughput at ~2.2Mtpa, offering immediate fill opportunity, alongside established rail and Townsville port infrastructure. Current life of mine is around 2033, with

management confident in a materially longer life and an update on the open cut flagged shortly. An 18-24 month reinvestment program in ventilation, paste fill and electrical reticulation is intended to address the quarter-to-quarter variability seen from ageing infrastructure.

- **Hermosa (33-year life of mine):** construction is around 50-60% complete on management's measure, with mills, flotation cells and much of the steel in place and shaft sinking close to the bottom; ventilation shaft completion expected within about a month was described as a major de-risking event. The Peake copper deposit has grown from ~3Mt to 33Mt and is expected to keep growing. Full notice to proceed on federal permits opens ~15 high-potential targets for step-out drilling, including the historic Flux workings. Nameplate capacity is ~4.3Mtpa, with early work supporting a low-capital uplift to ~5Mtpa, and combined shaft and decline access providing ore-handling headroom of ~5.5-6Mtpa, above plant capacity. A manganese deposit also sits above the lead-zinc-silver orebody.

- **Sandfire: focused on TSR, not tonnes, and flexibility over a payout target.** SFR has transformed from over ~$400mn of net debt 3.5 years ago to net cash of ~US$350mn, with a first dividend in some years of ~US$117mn paid in recent weeks. Management is supportive of payout ratios where they suit the business but will not pre-commit, with buybacks at a different point in the cycle or reinvestment able to compete; a ~$300mn net cash level was cited as the preferred buffer given energy market and bond yield uncertainty, with cash built above that level expected to be returned. In a high-beta sector, SFR management focuses on reducing volatility through safe, consistent, predictable production, and if capital cannot be put to work better the company should be willing to run assets to closure or sell them and hand the money back.
  - **MATSA:** SFR sees the most value-accretive option as extending life around existing hubs for the only modern polymetallic processing hub in the Iberian pyrite belt, pointing to a resource base (~190Mt) several times current reserves (~40Mt), conservative reserve pricing and an asset management characterised as overcapitalised. Magdalena is open at depth and is the highest-NSR opportunity, contingent on securing small adjacent licences to drill deeper; Aguas Teñidas offers stockwork and resource-to-reserve conversion in the halo part of the orebody, particularly above $5/lb; and Sotiel remains a longer-dated option management would prefer to displace. The La Juliana discovery (~15% Zn and 150+ g/t Ag with lead and some copper) has the potential to push out lower-grade material and extend the zinc production base at the ~90-100ktpa rate. MATSA C1 costs were below $1/lb in the last quarterly, with management arguing that polymetallic by-product credits move SFR down the cost curve while Andean copper assets face declining grades, rising strip ratios and water constraints, implying falling beta and cost of capital.
  - **Motheo:** a maiden reserve has been declared at A1 with extensions continuing at T3 and A4, following an acceleration of drilling across the Iberian pyrite belt and Kalahari copper belt over the last 12-24 months. Management

believes it is approaching confirming, with work to do, an underground opportunity at A4 beginning ~200m below the existing pit, with a suspected high-grade core and thickness amenable to semi-bulk mining methods and lower costs. This is explicitly not a declared resource.

- **Kalkaroo and Black Butte:** if MATSA and Motheo lives are extended, Kalkaroo becomes a growth rather than replacement project in the 2030s, creating what management described as a pathway towards ~250kt of CuEq (no timing given and not guidance). Kalkaroo is characterised as the best undeveloped copper-gold project in Australia, in what SFR views as the country's best development jurisdiction, with significant gold credits, low altitude and therefore low capital intensity, and proximate highway and rail infrastructure. A 130,000m drilling programme should enable SFR to exercise its option to move to an 80% interest. Black Butte remains under review on whether the opportunity justifies the effort, given a new time zone, permitting and operating regime against SFR's simplicity focus, and whether there is a better natural owner for the benefit of local communities. No decision criteria were quantified and no use of proceeds was indicated.

- **Eldorado: build phase over, returns the stated priority.** Management sees Eldorado as unusual in having just completed two major builds (McIlvenna Bay and Skouries), with the capex spent and the balance sheet at what management regards as its weakest point, alongside substantial operating cash flow from existing operations, a dividend and an NCIB in place. Eldorado's ambition is a strong balance sheet through the cycle: the company set out to be early in the cycle with new copper and gold production and now intends to harvest those cash flows, with consistent and generous shareholder returns the explicit priority to 2030. On commodity mix, management is agnostic between gold and polymetallic exposure, with the test being what makes the most money per share. Eldorado trades on a high cost of capital through the risk phase, which management expects to fall as it delivers operationally.
  - **Skouries:** management is monitoring all aspects of the ramp-up but views the single-line copper-gold concentrate flowsheet as simpler and quicker to ramp than McIlvenna Bay's three-line polymetallic plant. Commercial production is targeted later this year with full throughput targeted early in the new year, and the asset is characterised as a very high-margin, meaningful free cash flow contributor.
  - **McIlvenna Bay:** Eldorado's focus is on scalability rather than reserve extension. Management argued that defining 20-30 year reserves is a poor use of capital given the weight of value in the first decade of discounted cash flows, while stressing that an 18-year reserve does not define the mine's life. Incremental throughput carries very high incremental returns, and Eldorado has the balance sheet to pull scalability forward, but will do so methodically and behind shareholder returns.

- **Zinc: a supply story the panel believes is under-appreciated.** Eldorado argued zinc is an easier market to read than copper because supply must come

overwhelmingly from primary mine production rather than recycling, and demand growth is unspectacular but steady, pointing to depletion at Red Dog and at Antamina (the world's second-largest zinc mine, and a copper mine), the closures of Kidd Creek and Lady Loretta, and very little new large-scale supply beyond Hermosa. S32 corroborated the structural case with its own figures: global zinc reserves down 30% over 20 years, head grades halving, and an absence of newly permitted zinc mines over the last decade outside Hermosa, and highlighted that, unlike five or six years ago, the price spike has not drawn out a Chinese supply response. Demand is less compelling than copper but robust, with zinc consumed as it oxidises to protect steel in any infrastructure, bridge or data centre build and therefore not recycled in the same way. SFR, which flagged the thesis publicly in the early 2020s, read the Chinese inability to respond to higher prices late last decade as evidence that the endowment is under pressure, with Western mines facing the same cost-curve pressures as copper. S32 sees the end-of-decade timing of Hermosa, as major mines come off, as attractive, and values the polymetallic nature of the deposit.

- **Copper: look at supply and capital intensity, not demand narratives.** Eldorado argued investors over-index on demand (data centres today, EVs previously) while the large mines that contribute meaningful supply are all depleting. On the basis of having just built two mines, management's view is that new supply takes longer and costs considerably more than commonly held, and that consensus capital intensity estimates understate the true cost, implying the price must adjust. SFR made the complementary point that Andean copper assets face declining grades, rising strip ratios, water constraints and limited by-products, with cost pressures flowing onto the cost curve.
- **Concentrates:** SFR reported offers for its concentrates deep in negative territory on a near-daily basis, and a customer proactively seeking to reset a Motheo contract tendered just over 12 months ago (with second-year sellers' options) at a more negative number to secure the metal. Management does not expect this to persist indefinitely, with the expectation that the Chinese will eventually dominate the smelting industry. Acid prices are helping Chinese smelter profitability, while management has some concerns for European smelter profitability given energy markets. Near term, the market is very tight and customers are having difficulty securing supply.

Ivanhoe: Fireside with Marna Cloete, CEO

Ivanhoe Mines *(not covered)* focused on the evolution of the company from a junior explorer into a developer and operator of large-scale mining assets, with management highlighting the successful build-out of Kamoa-Kakula and the company's ambition to further expand its copper platform through Western Forelands, Kazakhstan and future growth opportunities. The discussion centred on the long-term optimisation of Kamoa-Kakula following the 2025 seismic disruption, with management emphasising sustainable mine planning, stockpile development, open-pit opportunities and ore blending to support the long-term objective of a >500ktpa copper complex.

Management also highlighted improving alignment with JV partner Zijin, increased funding flexibility for future developments, the strong performance of Kipushi, and a constructive long-term outlook for copper given the scarcity of large-scale discoveries and increasing project execution complexity.

Key Takeaways

- **Kamoa-Kakula reset focused on establishing a sustainable path to >500ktpa of copper production:** Management stated that extensive work has been completed on hydrology, drilling, grade models and mine planning following the March 2026 reset. The company is reassessing mine sequencing across the complex, incorporating open-pit opportunities and stockpile development while optimising ore blending between Kamoa and Kakula. While management acknowledged the ramp-up may extend further into 2028 than previously anticipated, it reiterated confidence in achieving the long-term >500ktpa production objective and stressed that decisions are being made to maximise the long-term value of a multi-generational asset rather than optimise short-term guidance.
- **Western Forelands represents Ivanhoe's next major growth platform:** Ivanhoe highlighted ongoing infill drilling and early development work at Western Forelands, which management views as a development opportunity that can leverage both the infrastructure and lessons learned from Kamoa-Kakula. The open-pit nature of the resource is expected to simplify development relative to underground operations, with management discussing a 3-5yr horizon to meaningful development and early production. The company also noted that financing options available today are significantly broader than during the original Kamoa-Kakula build, including local bank facilities, sovereign-backed funding and strategic partnerships.
- **Kipushi performing strongly as copper fundamentals remain constructive:** Management described Kipushi as a major success story, highlighting its position as the world's third-largest zinc producer and noting that production has exceeded conservative initial expectations. Beyond zinc, Ivanhoe and Gecamines are evaluating opportunities to recover germanium and gallium from concentrates. More broadly, management remains constructive on copper, arguing that large-scale deposits remain difficult to discover, are often located in challenging jurisdictions, and require increasingly complex execution and financing capabilities to develop. Management also highlighted sulphuric acid pricing of above ~$1,000/t as a current tailwind, although pricing is expected to normalise over time.

Rare Earths: Decoupling from China (Lynas, Iluka)

*We hosted a panel to discuss "**Rare Earths: Decoupling from China**". Panelists included:*

***Tom O'Leary** (CEO, Iluka Resources) - covered by Paul Young*

***Daniel Havas** (Chief External Affairs Officer, Lynas Rare Earth Minerals) - covered by Paul Young*

***Thras Moraitis** (CEO, USA Rare Earth) - not covered*

The panel underscored how far the West has moved from intent to execution on decoupling rare earth supply chains in the past year. China still produces ~80% of the world's NdPrO and over 90% of the world's RE magnets, and sets the reference price for the entire industry via the Asian Metals Index, and a year on from the April 2025 export restrictions that disrupted Western supply chains and manufacturing, continues to have the operational and competitive advantage, according to the panel. What has changed is that the response is now capitalised and under construction rather than announced: US$110/kg NdPr has become the industry standard rather than the exception, floor pricing has extended for the first time to heavy rare earths, and consolidation has arrived with Lynas' proposed acquisition of Meteoric Resources and other projects across the Americas.

We forecast global NdPrO deficits to 2027 and forecast ~5-7% p.a. global demand growth for NdPrO from 2024 to 2030 and believe the NdPrO market has significantly tightened since 2025 and will stay in deficit until at least 2027 and perhaps beyond. Our recent visit to rare earth (RE) magnet facilities in Jiangxi province China showed that global magnet (NdFeB) demand is growing >10% with global NdPrO demand growing ~7ktpa, with magnet producers in China believing RE supply is tighter right now than 2023 and 2024. Combined with the fact that the barriers to entry and the technology step to refine and produce REO remain extremely high (with only a handful of refineries located outside of China), that REs are used in wide-ranging and important industries, and are a minor cost of the end-use applications, this makes REs one of if not the most strategic or critical groups of metals on the planet, according to the panel.

With critical minerals the focal point of international discussions, the panel's clear message was that the decoupling is now structural rather than policy-dependent, heavy rare earths (Dy, Tb, Sm and Y) have replaced NdPr as the binding constraint across the entire ex-China chain, and that the swing factor from here is project execution and ramp-up, not price.

- **Decoupling is now being driven by supply and cost structure, not just Western policy:** The panel set out three reinforcing drivers for a durable (or permanent) price decoupling; 1) China's own industrial, robotics and clean-energy build out consumes heavy rare earths, so Beijing is likely to keep constraining heavy exports on its own account - a supply-side bifurcation independent of Western action; 2) governments have accepted that at least a portion of supply, and for some industries an entire value chain, must sit outside China; that by definition creates a different cost base that persists at least through the medium term; and 3) floor pricing exists because Asian Metal Index-linked pricing would not attract private capital upstream for heavy or light rare earths; the HRE floors of ~US$600/kg for Dy and US$2,000/kg for Tb were derived from work commissioned in 2024 by independent advisers and government technical teams specifically to identify the price needed to generate an adequate return on upstream investment. LYC noted the industry strategy was always to push NdPr to an economic level. MP and LYC have both signed contracts for US$110/kg floor prices in the past two years - and we note the NdPr spot price has remained above ~US$100/kg for 2026 to date.
- **Floors now cover heavies as well as lights, and set the floor for negotiation:** The panel discussed contracts including US$110/kg NdPr alongside heavy floors of roughly US$600/kg Dy and a little over US$2,000/kg Tb, with a share of upside

above the floor. These prices reflect pricing on the strategic value of the metals rather than just their market price, at which level the panelists expressed the ability to secure sufficient returns. ILU's view is that these floor prices are now the start of the conversation, and it has signed what it believes is the first, and so far the only multi-year commercial offtake agreements with floors on both LREs and HREs that is not government-supported: 1,200t of REO in total over an initial 4-year term from 2028 with a global automotive OEM, at the higher of a minimum or market-linked price, and secured revenue of around US$150mn. The next structural step for ILU is shifting contract indexation away from the AMI to a Western index once ex-China volumes are meaningful, and is currently opting not to set public offtake targets, on the view that negotiating conditions keep improving. LYC also mirrored the sentiment of not being inclined to sell below the floor price anymore, with US$110/kg the basis of OEM discussions, along with other undisclosed, customer-specific heavy floors.

- **Heavies are the real scarcity:** The sentiment expressed by the speakers was that ex-China spot price is dislocated, but the indices are not a market. European Dy was quoted a bit over US$1,000/kg and Tb ~US$4,000/kg at the session, noting that transactable Dy oxide is experiencing a lot of tightness; samarium-cobalt metal and yttrium metal were called out as similarly difficult, with tightness expected to persist for the next 6–12 months. The important caveat: these indices report very few transactions and are not reflecting a real market dynamic, so spreads versus contracted floors should compress as new supply lands, but heavy demand was not expected to be saturated in the medium term, because it will take years for the current project set to produce meaningful volume. Promisingly, capacity response is underway: LYC is building a 300tpa DyTb circuit in Malaysia which Mt Weld cannot feed alone long term, hence Meteoric/Caldeira feedstock is crucial; ILU has 750tpa of heavy separation at Eneabba, designed around Northern Minerals' xenotime feed, versus only a couple of hundred tonnes of heavy rare earths in 2029 on stockpile-only feed. Projects in Brazil, which hosts some of the world's largest and high quality resources are also seeing progress, with projects featuring high heavy content (including ~18% yttrium in the basket) in their deposits, providing a material step up in ex-China raw supply.
- **Execution and ramp-up (not nameplate and price) are swing factors:** ILU's Eneabba is ~65% complete (from 60% at the Aug-26 half year), and management maintains the A$1.7–1.8bn capex guidance, with one principal contractor on site and the majority of equipment placed with installations remaining. The feed into the front of the plant is expected around mid-2027, with the light rare earths a few months later, and the first heavy rare earths towards end-2027. The ramp profile remains the priority over capacity: ~4ktpa LREs (NdPrO) and a couple of hundred tonnes of HREs in 2029. This would be on Eneabba-only feedstock versus the 5.5ktpa/750tpa nameplate, with the 1,200t offtake making up ~10% of ramped production. Third-party feed (Northern Minerals, VHM, Lindian) for ILU is the preferred fill, with these offtakes securing the feed long term. The Wimmera deposit was also flagged as a long-term foundation feedstock, with its eight years of stockpile removing any urgency to spend. For LYC, Malaysian downstream capacity

goes to 12ktpa to match Mt Weld, but ~16kt of cracking and leaching at Mt Weld provides the real optionality. LAMP's expanded capacity of 300t of DyTb is underway, which will be fed with the offtakes secured from third parties and mainly, the Caldeira MREC, supporting a move above 12ktpa paced deliberately to ex-China demand growth (targeting 100% ex-China sales by 2030). The importance of retaining light rare earths like NdPr is still central to profitability; balancing the expansion of both will be key to maintaining the sustainable supply outside the China market. Outside the APAC region, there are also major developments in the US and EU, where the market is focusing on the execution theme by building out the full mine-to-magnet and mine-to-oxide supply chain, with the refining bottleneck starting to see refining capability expand, like with Carester's Caremag plant coming online in 2027.

- **Capital structure and downstream partnering are more integrated:** ILU is effectively running two balance sheets - a highly geared, A$1.65bn non-recourse government-partnered rare earths structure and a traditional mineral sands business. Due to the capital requirements for the mineral sands being low in a more challenged pigment feedstock market, the capital preference is on the rare earths, with the 20% Deterra stake as additional balance sheet strength. The multi-government structures elsewhere in the sector are similar: a conditional US$725mn Department of War loan commitment for Energy Fuels, a ~US$565mn loan facility for a Brazilian asset by the US International Development Finance Corporation (DFC), and French state incentives of up to ~€130mn for the European metals buildout for Carester's Caremag. On the downstream, LYC noted that it could not sell 10.5kt into the ex-China market today because metallisation and magnet-making do not exist at scale - Japan remains the only ex-China source of magnets at volume, driving strategic tripartite discussions, as seen between Lynas and Japanese magnet maker/OEM discussions. Rather than build in-house, LYC is seeding smaller magnet makers: A$50mn of equity into JS Link enabling a 3ktpa Malaysian plant with LYC as 100% supplier (~1ktpa of NdPr), a similar US facility under consideration, and more such deals in the pipeline. Finally, on valuation: the panel's view is that floor-price offtakes plus government debt de-risk revenue commercially and financially, justifying a lower discount rate and a higher multiple as cash flows are realised, with the remaining gaps governments should target being heavy rare earth feedstock and midstream metallisation.

Rio Tinto: Fireside with Simon Trott, CEO

The Rio Tinto ***(covered by Paul Young and Matt Greene)*** fireside chat featured Simon Trott in his second appearance as CEO, now one year into the role and following a busy twelve months: the December Capital Markets Day (*Stronger, Sharper, Simpler)* reset, the Argentina lithium tour, the Glencore discussions, the CBA aluminium acquisition in Brazil with Chalco, first ore from Simandou, and a cost-out target that has almost tripled. The message was that the base has been strengthened and the focus now shifts to converting that into growth: run the assets well, deploy a differentiated project capability into a deep pipeline across the four focus commodities (iron ore, aluminium,

lithium, copper), and recycle capital out of assets the market does not value. Management framed the ambition of being a high value metals and mining company continuing, noting ~85% of EBITDA comes from Tier 1 assets, so operational improvement flows through to shareholders. Capital allocation remains unchanged, with divestment proceeds treated like any other cash flow across shareholder returns, growth and the balance sheet.

Key takeaways

- **Cost-out program:** The cost-out target has risen from ~US$650mn to a US$1.8bn annualised run-rate by end-2026, or ~5% of a ~US$35bn cost base. The early benefit came from choosing which projects to continue, but management now sees further repeatable upside, with tracked initiatives across the group, cross-asset benchmarking, and three-to-five year plans being built into the 2027 planning cycle. The structural change is a shift away from the centralised model, with ~20% of senior leaders removed and decision-making and accountability focused back to the mine sites and processing plants where value is created. Management was explicit that the program centered around maintaining the future potential of the business by reducing inefficiencies rather than costs, maintaining the velocity with their 80 initiatives across the group focusing on delivering growth.
- **Portfolio simplification and capital recycling:** RIO is well progressed on delivering the US$5bn simplification target by year-end, having already announced >US$2bn at the 3Q operational review (noting completion remains subject to conditions), for which management has conviction on the value of the pipeline. The Q3 Dampier desalination plant transaction was flagged as the template: an asset that does not need to sit on the balance sheet, retained access to the volumes required, value arbitraged to a lower-cost-of-capital owner, and a Traditional Owner partnership in the Pilbara. The same logic is being applied to infrastructure across the portfolio (Pilbara power, Kemano, Canadian rail). On the operating assets, the borates process is well progressed and structurally simpler than RTIT, which will need structuring work to reach the owners who value it most, with a weaker mineral sands market a consideration on timing. Management intends to run this review annually, implying the programme can extend beyond US$10bn.
- **M&A discipline and partnerships as the delivery model:** Value was the thread through both the Glencore and CBA processes. On Glencore, the message was consistent: a number of investment theses were tested, value could not be reached, hence the decision not to bid was reached; CBA conversely was a bolt-on of integrated bauxite and aluminium in a favourable jurisdiction, in partnership with Chalco. With >20 operating JVs already, partnerships are central to how RIO intends to grow, bringing complementary skills to the table (Simandou was cited as world-class consortium execution, now ramping to a ~10Mtpa annualised rate) and providing access to unique opportunities. The Chinalco relationship is strong and oriented towards joint opportunity identification, with work underway on turning project capability into a distinctive competitive advantage. On marketing, management noted the Commercial business is built to enhance value around RIO's own physical flows (portside trading in China, the changing Pilbara mix and the

introduction of Simandou, and the structurally short/long positions across aluminium), not to build a third-party book.

- **Copper on path to 1Mtpa**: From ~850kt today, the near-term build is the continued OT ramp-up (running at >450ktpa annualised in 3Q, group Cu up ~30%) plus opportunities at Kennecott. The next phase is centred on the Americas with Resolution, projects in Chile and Argentina, and earlier-stage options showing promise, with sequencing to be set out in due course. At Resolution, rigs are being added and the priority is driving the drift into the orebody to define the development pathway, applying OT block cave learnings, with management framing the trade-off as long-term value matched with pace. On being asked which of La Granja, Winu, La Comita, San Antonio and Nuevo Cobre stood out, management said the whole book is underappreciated by the market, and that stacking the projects against RIO's project capability and balance sheet positions the Cu business well through the 2030s.
- **Aluminium and lithium both have growth and bolt-on optionality:** Lithium projects are tracking well towards ~200ktpa capacity by 2028, with assets at the bottom of the cost curve once operating and attractive capital intensity, further configuration work underway on the Canadian asset, and additional options in Argentina and Chile beyond the 200kt. In aluminium, management noted aluminium and copper demand growth rates are similar through to the mid-2030s with a changed supply side (China's cap, stranded power redirected to data centres). Following on, the Canadian/Saguenay assets cannot be replicated, Pacific Aluminium re-powering is well progressed, CBA-style bolt-ons plus an Australian bauxite build-out are the path forward.

Glencore: Fireside with Gary Nagle, CEO

GLEN *(covered by Matt Greene)* framed the discussion around the strategic value of its marketing franchise, recovery of the copper business and a disciplined approach to growth. Management argued that increasing geopolitical fragmentation, resource security initiatives and government intervention are creating a more supportive backdrop for the marketing business. GLEN remains constructive on copper, seeing supply struggling to match growing demand, while acknowledging that substitution, innovation and demand destruction will have to ultimately balance the market. Utilities' increasing focus on fuel and geographic diversification is supporting interest in running coal fleets for longer after seeing two global energy crises in the past 4 years.

Following the recent ASX listing, GLEN highlighted a positive reception from Australian investor base, with appetite for an alternative to the large iron ore names through its coal, marketing and copper growth exposure. Management viewed the timing of the listing as favourable, with no pushback on coal and investors actively seeking exposure, contrasting with the ESG-driven backdrop a couple years ago. Around 1% of the register has migrated to Australia after one week, which management believes positions GLEN for ASX 200 inclusion in the near term and ASX 100 over time.

Key Takeaways

- **Marketing model and key themes:** Management emphasised that marketing is primarily a physical logistics, blending, scale, and optimisation business rather than simply a trading business, supported by $1.5-2bn of "risk-fee" earnings power, with any disruption opportunities providing incremental upside. These include smaller weather, transport and operational events, rather than only major geopolitical shocks. Section 232 driven copper stockpiling, alongside persistently low copper and zinc TC/RCs, aluminium market disruptions and growing government intervention in resource markets were highlighted as key opportunities. GLEN recently upgraded medium Marketing EBIT guidance midpoint to ~$3.5bn and a range of $2.8-4.2bn (from $2.3-3.5bn).
- **Metals security and Chinese buying power:** Government involvement is increasing across the value chain, from entities such as the Korean Exim, US Exim/DFC (Project Vault) and European strategic stockpiling initiatives. Management argued that resource security has become a bipartisan priority, increasing both the strategic relevance of mining assets and the frequency of market dislocations that benefit the marketing business. When asked on the coordinated Chinese iron ore purchasing (through CMRG), it was viewed as unsurprising, given longstanding collective negotiation around copper smelter terms and similar behaviour in ferrochrome. GLEN also questioned copper TCRC benchmark longevity, arguing that declining contracted volumes progressively reduce relevance until benchmarks disappear if spot and contracted term spreads widen, which we are currently seeing.
- **Copper recovery and growth pipeline:** Management framed the path back to ~1Mtpa Cu by 2028 as a recovery of the existing business rather than conventional growth, with KCC (>300ktpa potential) and Collahuasi driving most of the uplift. Confidence in Collahuasi has improved following management changes (new JV CEO, ex head of Anglo American's copper business), access to higher-grade fresh ore (Rosario) and the leach restart, with a path back to full operating rates by end of 2027. Discussions around a potential QB-Collahuasi combination remain focused on governance, capital allocation and value sharing rather than whether synergies exist. GLEN continues to view standalone expansion as a credible alternative. El Pachon remains a key component of the longer term ambition of ~1.6Mtpa by 2035, with management describing a potential multi-phase development exceeding 700ktpa (in two 360ktpa phases), with a syndicated structure likely and a strategic partner having to provide technical capabilities in building greenfield projects. Potential partnerships, including with neighbouring operations such as Los Pelambres, remain under consideration, while MARA could support a 4Q27 FID following recent RIGI approval and permitting, with Alumbrera first production now expected in 2H27 versus 1H28 previously.
- **Portfolio optimisation and capital release**: The Orion CMC stake in the DRC copper assets is progressing, with a potential outcome in late 2026 or early 2027, while Kazzinc remains under review and a decision could come in the next 30-60 days, although management stressed that valuation and terms rather than portfolio simplification will drive any decision, given the asset remains cash generative. Bunge is ultimately expected to exit, but management believes additional value can be

realised before disposal, citing inbounds from strategic buyers (such as sovereign wealth) who may pay a premium for the ~17% stake.

Vale: Fireside with Gustavo Pimenta, CEO

Vale ***(covered by Marcio Farid)*** panel focused on organic copper growth, improving competitiveness across nickel and iron ore, and maintaining capital discipline alongside shareholder returns. Management sees the strongest opportunity in developing its existing Brazilian resource base, particularly Carajás, where brownfield projects can leverage existing infrastructure and should require materially less capital than greenfield alternatives. The company remains open to selective partnerships and "smart M&A", but views outright copper acquisitions as expensive relative to its internal pipeline. In iron ore, the focus remains on operational stability, product mix and extracting additional value from existing northern infrastructure, while in nickel the emphasis has shifted from restructuring towards sustaining the recent improvement in competitiveness.

Key Takeaways

- **Copper growth centered on Carajás and brownfield opportunities:** Vale continues to prioritize organic copper growth, with several projects under development and Bacaba and Salobo's coarse particle flotation (CPF) already under construction. Management highlighted Alemão as an important subsequent project and is optimistic on permitting given the predominantly brownfield nature of the pipeline and efforts to reduce projects' environmental footprint. The pipeline benefits from existing infrastructure and materially lower capital intensity than typical greenfield development, which management believes should allow Vale to pursue growth without compromising shareholder remuneration.
- **Base metals strategy remains build rather than buy:** Management sees considerable value in retaining and expanding Vale's copper exposure rather than selling down the business, with an IPO or third-party financing viewed as potential funding tools (if needed) rather than strategic objectives. Management also highlighted a substantial improvement in nickel economics, supported by cost reductions, by-product credits and additional own-feed volumes from recent projects. On M&A, Vale remains open to transactions where infrastructure can be shared or existing capacity optimized, but views outright copper M&A as significantly less attractive than developing its own portfolio.
- **Iron ore focused on flexibility, low-capital growth and product quality:** Capanema and Vargem Grande are ramping up, while the S11D +20 (recently started) project is expected to increase capacity and help offset depletion elsewhere in the Northern System. Management sees additional potential to utilize existing infrastructure in northern Brazil, subject to permitting and market conditions, and believes Vale's lower-alumina, higher-grade product offering should become increasingly valuable as the broader seaborne ore mix deteriorates. Management also highlighted India as an increasingly important market, which Vale could benefit through its global blending capabilities.
- **Freight contracting provides protection against elevated spot rates:** Vale has

increased its use of long-term freight contracts and bunker-fuel hedging, leaving the company substantially insulated from the recent increase in spot Brazil-China freight, which should mitigate the structural freight disadvantage versus Australian producers. At current market conditions, only a relatively small portion of Vale's own production was described as borderline on profitability, and management reiterated its "value over volume" approach rather than selling marginal tonnes at a loss.

- **Capital allocation remains anchored around shareholder returns:** Management reiterated that shareholder remuneration remains a key priority and expects both dividends and buybacks to continue to feature in capital allocation. At the same time, Vale believes the relatively low capital intensity of its organic copper pipeline can be absorbed within the company's balance sheet. Regarding extraordinary distributions, Mr. Pimenta noted that they are less likely under current market conditions, while retaining flexibility as market conditions and the balance sheet evolve.

Anglo American: Fireside with Duncan Wanblad, CEO

The fireside chat with Anglo American ***(covered by Matt Greene)*** focused on **copper growth through existing assets, brownfield opportunities and adjacent operations.** Management sees embedded growth options at Los Bronces and Collahuasi, alongside QB's ramp-up following completion of the proposed merger with Teck (no update on the original timing provided by company), with industrial synergies from Los Bronces-Andina and Collahuasi-QB expected towards the end of the decade into the early 2030s.

On copper fundamentals, management remains constructive, citing resource scarcity, declining grades, permitting and capital intensity. Higher prices are necessary but insufficient to unlock supply; the only major developments in the sector to improve output have been ultra-class haul trucks and leaching. Moving forward, AAL sees further developments in leaching technologies and AI could unlock more supply, but neither will significantly change the supply outlook over the next 5-10 years. It sees value it scarcity, operating Tier-1 assets well, and unlocking value through partnerships where it makes sense; AAL has been an industry leader in the partnership model, with BHP stating it took inspiration from the Los Bronces-Andina agreement with its MoU between Spence and Sierra Gorda.

Portfolio transformation continues to progress. Management remains optimistic about completing the steelmaking coal disposal by Q1'27 and hopes for an outcome on nickel later this year or early next year, following renewed engagement with the European Commission. On diamonds, detailed negotiations remain at a delicate stage, with management optimistic about signing contracts before year-end and progressing completion mechanics during 2027, provided the process stays on track. Management noted that engagement with China on the proposed AngloTeck merger remains constructive, with completion still expected within the previously indicated 12-18-month window (by Mar'27).

Key Takeaways

- **Collahuasi: fresh ore supports recovery, with leaching providing additional**

optionality. Following additional stripping and reliance on lower grade, lower recovery stockpiles, the operation has largely returned to fresh ore, with grades improving despite snow related disruption. Navigating faulted benches could make production uneven (but should not be interpreted as a soft downgrade to the recovery profile next year), although management does not view this as a major problem or detrimental to the mine's long term potential. The existing leach plant is expected to restart this year, contributing a couple thousand, with somewhat higher output next year but limited by installed capacity. A larger opportunity mentioned could draw on Rosario material and stockpiles averaging ~0.6% copper, subject to leachability. This would require a new facility, investment assessment, permitting, land and water management; capital intensity would remain substantial, albeit below that of a concentrator.

- **Los Bronces-Andina: permitting and tailings removal determine the growth timeline.** Management expects to submit permit applications for the joint mine plan by year-end, with approval ordinarily taking around three years. Chile's efforts to streamline permitting could shorten this to 2-2.5 years, although this remains an opportunity rather than the base expectation. Securing the full processing benefit also requires the smaller Los Bronces plant to return after Perez Caldera tailings removal, which is expected to take around three years; faster permitting could therefore shift the critical path to the tailings removal. Reprocessing of tailings is being assessed for technical and economic viability, potentially offering greater scope in deeper material (higher grade) rather than near surface.
- **Quellaveco: maintaining throughput is the near-term priority, with longer-term optionality at depth**. Management emphasised sustaining processing volumes as grades decline, to manage the transition towards eventual copper production of ~250kt. Asked about a potential water partnership, management remained open to commercially attractive infrastructure collaboration but saw no clear additional production uplift from water alone. Potential longer-term options discussed include accessing higher-grade material at depth through pit extensions or a possible underground transition on a ~10yr planning horizon, rather than capital intensive milling expansion (which would need additional water too). Encouraging drilling supports the potential for a bulk underground operation in due course, supported by regional satellite sources, although it remains early stage with more work needed.

Alcoa: Fireside with Bill Oplinger, President & CEO

The fireside chat with AA's (*not covered*) President and CEO Bill Oplinger focused on Alcoa's strategic positioning across the aluminum value chain, the long-term outlook for aluminum and alumina markets, evolving supply constraints globally, and the company's growth and capital allocation priorities following the pending South32 acquisition.

Future aluminum supply growth may be more constrained than investors expect. Management discussed future aluminum supply additions and appeared more constructive on long-term industry fundamentals than industry expectations would suggest. While Indonesia is frequently cited as the largest source of future global

aluminum production growth, management referenced recent trips to the region and discussions with industry participants and suggested investors may be underestimating the practical challenges associated with developing new capacity. Specifically, management highlighted power requirements, supporting infrastructure needs and broader project execution complexity as potential factors that could slow the pace of supply additions relative to current market expectations. The discussion implied that while announced projects appear as significant capacity additions, translating those announcements into operating production may prove more challenging than many investors assume.

Long-term demand growth remains supported by electrification and power infrastructure investment. Management reiterated its constructive demand outlook and cited electrical transmission infrastructure, grid investment, electrification and light-weighting trends as important demand drivers over the coming decade. Management referenced expectations for approximately 3% annual aluminum demand growth in North America and roughly 1% annual demand growth in Europe over the long term, driven in part by rising electricity demand and the infrastructure required to support it as well as light-weighting. The discussion suggested management remains confident that demand growth will continue to be strong as aluminum becomes an increasingly important material for power-related applications.

Management views exposure to entire value chain as competitive advantage. AA discussed opinions on where future value will accrue across the aluminum value chain. Management explained that historically it viewed ownership of bauxite reserves and alumina refining capacity as the primary source of scarcity and strategic value. However, management suggested it is becoming less clear where the industry's future bottlenecks ultimately reside. Potential constraints could emerge in bauxite, alumina, smelting capacity, energy availability, infrastructure, permitting or other areas. As a result, management argued that maintaining exposure across the entire aluminum value chain provides greater long-term optionality than concentrating exposure in a single segment, as value may accrue to different parts of the chain over time.

Management views the South32 acquisition as both strategically and financially attractive. Management remained highly constructive on the pending South32 transaction and emphasized its strategic fit within the company's long-term portfolio. Beyond strengthening Alcoa's position across mining, refining and smelting, management emphasized that the acquired assets were purchased at what it viewed as an attractive valuation relative to comparable transactions and replacement costs. AA highlighted the quality and longevity of the asset base and suggested the transaction provides exposure to assets that would be difficult and significantly more expensive to replicate organically today. Management's comments indicated that the acquisition should be viewed as both a portfolio-enhancing transaction and a value-accretive investment.

Deleveraging remains post-close priority, with multiple ways to accelerate balance sheet improvement. While deleveraging remains the company's first capital allocation priority after closing the transaction, management highlighted several sources of liquidity that could accelerate balance sheet improvement. In addition to generating approximately $500MM of free cash flow in 3Q at current commodity prices, management noted the acquisition's locked-box structure had already accumulated roughly $300MM of value and could continue to build prior to closing. Management also

highlighted plans to monetize $500mn-$1bn of closed and curtailed assets through 2030, as well as the future monetization potential of Alcoa's Ma'aden stake beginning in 2028. As a result, management expressed confidence that leverage could decline relatively quickly following the transaction, allowing the company to eventually restoring flexibility for both shareholder returns and future growth investments.

BHP: Fireside with Catherine Raw, Chief Development Officer

The fireside chat with BHP ***(covered by Paul Young and Matt Greene)*** focused on the structural copper outlook, how BHP evaluates and sequences its ~US$50-60bn copper growth pipeline, the steps being taken to de-risk execution across Chile, Argentina and Australia, and the increasingly programmatic approach to capital recycling and partnerships. BHP remains constructive on copper over the long term, driven by electrification and now AI/data centre demand, and retains its ability to perform without a higher long-run copper price to sanction its own projects, with copper margins currently >70%. The binding constraint on growth is funding, management bandwidth and execution capacity rather than project quality, which is shaping both the JV structures and the asset monetisation programme. BHP continues to target ~3-4% Cu Eq production growth CAGR between FY27-FY35 off an FY27 low point, with equity copper production rising towards ~2Mtpa by the mid 2030s.

Key takeaways

- **Copper outlook structurally constructive, with the demand drivers evolving:** BHP's pivot towards future-facing commodities (copper core, potash the other) began with the simplification of the portfolio and the South32 spin-out, on the view that the mega trends of the next 30 years would differ from the last 30. Copper's appeal is its distributed demand base with demand growth seen at or above GDP growth for decades on electrification, and the energy shift from the molecule to the electron. On electrification, AI has now overtaken EVs and the energy transition as the growth drivers from five years ago, requiring grid reinvestment, more power and data centres, all of which are copper-intensive. On supply, BHP cannot see the disruptions that would unlock significant new volumes. Management was explicit that the call is on the next 20–30 years, not the next 6–12 months.
- **Incentive pricing is an input-cost story:** Management noted that BHP does not need higher prices to sanction its projects at spot or historical prices, with the Cu business margins currently over 70%. However, prices ultimately reflect inputs, and the market is seeing challenging inflation in labour and other input costs, higher capex and longer permitting timelines, which would be expected to require higher copper prices to clear those hurdles; a continuation of the trend of the last 30 years. Cu production has grown 30% over the past five years, organically and inorganically, with OZ Minerals acquired in 2022, the Escondida growth programme through study phase and moving towards execution, the Vicuña greenfield acquisition, and the >US$10bn expansion of Copper South Australia to 500ktpa.
- **Execution de-risked through pre-emptive contracting and JV structures:** Commenting on the industry constraint regarding the number of major projects that

can be built simultaneously in Chile, BHP stated that it has firstly pre-empted the problem, signing structural framework agreements with Bechtel and Fluor well ahead of time to secure expertise and give contractors visibility of a project pipeline. This first mover advantage draws on the learnings from Jansen on EPCM and structural relationship agreements. Secondly, the Vicuña JV model with the Lundins is itself a risk-management tool, with a dedicated team and its own culture, supported by BHP and Lundin subject-matter experts but insulated from other BHP projects. Third, risk is further mitigated by spreading projects across Chile, Argentina and Australia, using a separate project management team in Australia and different contractor pools, including Nerin for smelter design and engineering. Of all the options, Vicuña excites management most, with the potential to be transformational for BHP, Lundin and Argentina and the copper market.

- **Capital recycling now programmatic:** Following the Antamina silver stream and Pilbara power sales, the test is on funding ability to ensure growth is not constrained, and whether high returning growth can be delivered faster by relieving that constraint. If so, the relevant comparison is the opportunity cost of growth foregone rather than cost of debt, allowing BHP to monetise at an implied cost of ~5%+ and redeploy into double digit return projects while managing the trilemma of growth, balance sheet and returns. On Antamina, the market was ascribing no value to the silver contribution (benchmarked against the Glencore/Teck stream sale in 2015), and there was no benefit from the revenue to BHP. Despite the asset's strong cash flow and cost curve position, selling the stream did not affect BHP's valuation post sale. Management stressed that capital recycling is programmatic rather than one-off, sequencing options over 5, 10, 15 and 20 years and continually creating new ones, since each asset can only be sold once. The third-party infrastructure partnerships also carry a geopolitical de-risking benefit, creating local advocates outside the mining industry when fiscal pressure emerges.
- **JVs, adjacencies and buy and build:** The Rio Tinto Pilbara JV (Yandi), the Spence-Sierra Gorda MOU (we estimate US$2-4bn of synergies on a 100% basis) and Faraday/San Manuel in Arizona all trace back to the same constraint on how many projects can be built at once. Management noted that the Faraday structure unlocks value that would not be prioritised within BHP's tier one filter, with the key test being trust in the partner and contractual downside protection to ensure international standards are met. Management also flagged the current US environment as a unique window to revive projects historically blocked by permitting and litigation, alongside favourable copper pricing. On Sierra Gorda, the Andina-Los Bronces deal and the market's reception helped build internal conviction that work with adjacencies did not require control, and building over time would be constructive. On M&A, the framing is buy *and* build rather than buy vs. build. Mining depletes, so resources must be added by drill bit or acquisition, with the value retained in the synergies and embedded optionality in long life assets that benefit from the next cycle.

Managing Capital and Copper Construction Risk in the Americas (Capstone, Hudbay, Ero Copper)

*We hosted a panel to discuss "**Managing Capital and Copper Construction Risk in the Americas**". Panellists included:*

***Makko DeFilippo** (CEO, Ero Copper) - covered by Marcio Farid*

***Cashel Meagher** (CEO, Capstone) - covered by Marcio Farid*

***Peter Kukielski** (CEO, Hudbay) - covered by Marcio Farid*

Key takeaways

- **Hudbay:** Hudbay and its partner Mitsubishi sanctioned Copper World. Management calls it a low-risk, low capital intensity project at ~$22k/t, expected to produce ~100ktpa of copper over the first 10 years. The Extension Case gives a ~37-year mine life but requires moving onto federal land in year 10. Management sees a 10-year runway for federal permitting as very conservative (Under FAST41, mining projects in Arizona have received federal permits in approximately three years). Copper World's economics include no tariff assumptions. The concentrate leach facility is fully permitted under the PFS, but today it an optionality as management prioritizes other projects under its large pipeline (management said it would make money on a standalone basis and could be accelerated if conditions warranted, with synergies with Cactus, where acid is a key cost). Cactus (~100ktpa oxide heap leach/SX-EW) is planned conservatively: PFS update by mid-next year, DFS in 2028, FID ~2029 and production in 2031, reusing the Copper World construction workforce. Management expects to double copper production by 2029 and triple it by 2031. Its ambition is ~500ktpa consolidated by the middle of next decade. At Snow Lake, the new technical report supports ~185koz/yr of gold over the next five years. Management sees the New Britannia mine as a potential next anchor asset, and gold cash flow is expected to fund much of the copper growth.
- **Capstone:** Santo Domingo FID is expected near the end of this year or early next year, with 50–60% detailed engineering complete by the time of announcement. Scope is broadly unchanged from the 2024 FS. Management is evaluating whether existing regional desalination and port infrastructure (for the iron ore concentrate) can unlock value. Management sees escalation of ~20% against the 2024 capex for the stated scope, which the port option could partly offset. It also sees a window to secure contractors before the expected wave of construction from the majors' expansions. On the district, Mantoverde run-rate would be at ~130ktpa (findings on exploration results likely to be disclosed until year-end) and Santo Domingo adds ~110ktpa, taking the district to ~240ktpa. A potential Mantoverde Phase II (~100ktpa) would take it to ~340ktpa, supported by gold, iron ore and cobalt by-product credits. MV-O tie-in is complete: the plant is running jus nameplate, though management cautioned this is only a week of da run rate will be set after three months of operation. The $45mn pyri targets production in 2028 and should replace 20–25% of acid used leaching. A cobalt hydroxide feasibility study is due early in the new Valley, the primary crusher rebuild and filtration work should be the

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shutdown. Nameplate of ~56ktpd should ramp up over the next year, lifting output from ~40kt this year to 50–60kt next year (grade dependent). An FS for 70ktpd is due mid-next year, made possible by in-pit tailings. On Chile, management described a sharper permitting process under the current administration, with fast-tracking of brownfield applications. The Mantos Blancos expansion, which tailings permits are expected to take two years, will prove if permitting has indeed been more streamlined. Management targets ~500ktpa Cu production in five to eight years.

- **Ero Copper:** Furnas, a JV with Vale Base Metals, has a 24-year initial mine life in the PEA. Eleven rigs are infilling inferred resources ahead of a PFS in 1H27, which is targeting a 20-year mine life, with drilling results pointing to extension potential beyond that. Management expects Brazil's critical minerals policy to allow Furnas to enter a fast-track licensing process. The 2021 Pró-Minerais Estratégicos framework enabled Tucumã's installation license in just over a year, and management does not expect the election to change it much. At Tucumã, throughput has reached 70–80% of the 4Mtpa design. Tailings filtration is the bottleneck, and additional filtration capacity is expected online in 4Q but is not in guidance or the long-term plan. A ~1.6% grade starter pit supports ~35kt at sub-$2/lb cash costs this year. Higher throughput is meant to offset the expected decline towards life-of-mine grades. At Xavantina, the mine rather than the mill is the constraint (the mill uses ~170ktpa of ~300ktpa capacity). Mechanization is ramping up with some challenges and delays. Meanwhile, the sale of stockpiled gold concentrate (~$700/oz AISC), expected to run though mid-next year, is supporting cash flow. Management sees a clear pathway to ~150ktpa CuEq production within five years.

Navigating Metals in an Increasingly Fractured World (Mercuria, Trafigura, GS Global Banking & Markets)

*We hosted a panel to discuss "**Navigating Metals in an Increasingly Fractured World**". Panelists included:*

***Nick Snowdon** (Head of Metals Research, Mercuria)*

***Graeme Train** (Head of Metals & Minerals Analysis, Trafigura)*

***Nick Dmitruks** (Head of Base & Battery Metals Physical Trading, Goldman Sachs Global Banking & Markets)*

The summary below is consolidated feedback from the panellists and not a GS view unless specifically noted

Copper

- **US Tariffs:** Panellists argued the global market has been in surplus for the past two years, but the US has effectively absorbed that surplus through stockbuilding ahead of potential tariffs, creating a chronic shortage in consumption centres. The US is on track to over-import ~1.5-1.7Mt of copper this year, with October imports alone

potentially reaching 200-250kt versus <100kt pre-tariff monthly flows. The result is a market where regional balances matter far more than global balances and prices are increasingly being driven by US trade policy. **The panel argued the most likely outcome is a staggered tariff structure (base case 15% in 2027, 30% from 2028) that keeps copper flowing into the US while preventing inventories from leaking back into global markets.** The effect of such a framework was seen as effectively extending the trade through to ~2028. With copper increasingly viewed as a strategic input, panellists questioned why the US would release a stockpile it spent two years accumulating. Lastly, a prolonged ambiguity outcome could instead trigger "tariff fatigue", allowing surplus metal to emerge outside the US.

- **Supply:** The copper market has lost far more supply than many appreciate. **In early 2024, consensus expected ~3Mt of copper supply growth across 2025-26, but only ~700kt has been delivered, largely from DRC SxEw operations. Concentrate supply is now ~300kt below 2024 levels**, forcing smelter output and Chinese refined production lower in 2026 vs. 2024. For the panel, the failure of mine supply to deliver was one of the three defining drivers of copper in 2026, alongside US stockbuilding and Chinese scrap tightness. China is expected to import ~400kt less cathode this year as the US increasingly controls marginal units, while changes to **Chinese scrap policy have removed >300kt of scrap supply and could constrain the market through at least 1H27**, with meaningful policy adjustments seen as unlikely ahead of the next NPC, with a further ~150kt of scrap losses possible in 1H before recovering ~200kt in 2H.
- **Demand:** The panel argued that signs of demand destruction are already emerging in China, where industrial deflation means real copper prices are far higher than many investors appreciate, estimating that copper prices in China are closer to $18,000/t on a real 2020$ basis. This has driven ~1Mtpa of thrifting, substitution and forgone consumption over the past three years from the domestic market (excluding export channel). On AI, the panel estimated AI related copper demand at ~1Mt for this year (~300kt of incremental demand growth vs. 2025). However, that growth has largely been offset by weakness in traditional and rate sensitive sectors, leaving overall copper demand broadly flat. The panel expects a similar, if not slightly faster, pace of AI demand growth in 2027, with an upside case for a further ~1Mt of copper demand by 2028. Looking further ahead, the demand trajectory was compared to "China in 2004", indicating the market is seen as in the early stages of a long duration structural growth cycle. While AI remains a compelling structural demand driver, the panel's message was that today's market tightness is being driven more by scarce units and supply underdelivery than by booming end market demand.

Aluminium

- The panel framed near term aluminium as remaining supported by low inventories, elevated physical premiums and the lingering impact of Middle East disruptions, **but increasingly sees the market as a supply story rather than a demand story.** Panellists argued that if Chinese exports are excluded, China's domestic industrial economy is estimated to be running ~12-13% lower YoY, implying aluminium and

copper consumption has effectively reverted to ~2018 consumption levels. **Indonesian supply growth was the focal point, with expected 2027 total production increasing from ~1.7Mt to ~3.4Mt, implying ~1.7Mt of growth next year alone (vs. ~900kt previously at the beginning of 2026), supported by Chinese offshore smelters having a 7-8 month build time**. Combined with new capacity in Africa and Saudi Arabia, panellists estimated ~4.4Mt of ex-China supply growth, seen as more than current demand appears able to absorb. Much of the new Indonesian capacity was seen as sitting on low-$2,000s/t C1 costs, with incentive prices cited at ~$2,700-2,800/t. **The view was that Indonesian tonnes will ultimately find their way into global markets.**

Zinc

- Panellists highlighted that underinvestment in zinc mine supply has been more severe than in copper, with global mine production now below 2015 levels despite continued growth in Chinese smelting capacity. Over the past decade, China has increased its share of ex-China mine supply by ~20ppt, contributing to ex-China smelter closures and increasing China's share of refined production. Chinese smelters have also become less responsive to poor profitability, continuing to pull in concentrate despite weak economics, leaving China increasingly self-sufficient in refined metal provided concentrate remains available. The panel noted that zinc arbitrage flows are less efficient than copper due to export taxes, fewer LME deliverable brands and lower liquidity, allowing regional market dislocations to persist for longer.

Nickel

- The panel highlighted recently announced Indonesian production cuts equivalent to ~15kt month of contained nickel from MHP operations and a further ~25kt month from NPI production, reflecting margin pressure with producers operating below marginal cost fpr NPI producers. If maintained through year end, the cuts could remove roughly ~100kt of nickel supply from the market. Combined with an estimated ~100kt of strategic stockpiling demand, this could leave nickel better supported into year end. Panellists were clear that this is unlikely to be a lasting shift, and that prices in the ~$18-19k/t range would bring much of the curtailed production back into the money. While the near term message was to avoid being short on the cost curve, the broader view remains that Indonesian supply growth resumes next year, leaving the current tightening as a short term rather than structural story.

Lithium

- The panel sees this year's lithium rally as driven by Chinese battery export incentives pulling demand forward into 2026, with battery export rebates falling from 9% to 6% and set to fall to 0% from January 2027. Prices subsequently corrected as the market realised much of the strength was timing related rather than structural. At the same time, lithium's unusually elastic supply response re-emerged, with higher cost Australian and Chinese production able to restart far faster than typical

greenfield projects. Despite the correction, panellists argued prices are now approaching marginal cost support, with fourth quartile producers increasingly under pressure. With Zimbabwe's concentrate export ban due from January and uncertainty remaining around the restart of the Jianxiawo mine, the panel suggested the market may be underestimating the potential for a tighter lithium balance into 2027 and highlighted the commodity as an increasingly attractive area to rebuild long exposure.

Lithium: Briners and Miners and the Next Supply Wave

*We hosted a panel to discuss "**Lithium: Briners and Miners and the Next Supply Wave**". Panelists included:*

***Dale Henderson** (CEO, PLS Group) - covered by Hugo Nicolaci*

***Tony Ottaviano** (CEO, Liontown) - covered by Hugo Nicolaci*

***Sam Pigott** (CEO, Lithium Argentina) - not covered*

The summary below is consolidated feedback from the panellists and not a GS view other than where specifically noted.

The lithium panel brought together PLS Group ***(covered by Hugo Nicolaci)***, Liontown Resources ***(covered by Hugo Nicolaci)*** and Lithium Argentina ***(not covered)***, following a strong 12-18 month rally in lithium prices, supply-side disruption in China, robust ESS-led demand, and a wave of restart/expansion announcements across both spodumene and brine. The discussion centred on the disconnect between weak sentiment and firm demand indicators, offtake and marketing strategies as producers contract the next supply wave, execution/funding of recently sanctioned expansions (PLS' P2000, Liontown's Kathleen Valley 4Mtpa, Lithium Argentina's Cauchari-Olaroz Stage 2 and PPG), and how each company frames long-run pricing and inducement economics.

Key takeaways

- **Price weakness viewed as sentiment-driven, not fundamental:** All three panelists pushed back on the recent re-tracement. PLS pointed to demand indicators including Asia ex-China EV growth of ~+80% YTD, rest-of-world EVs +100% YTD and global ESS +35% YTD, arguing China's lower absolute EV numbers actually represent a rising share of a smaller total car market, and that Europe's 300,000 hybrid cap is largely immaterial (hybrids are lithium-light; BEVs uncapped). LTR sees buyers holding out in anticipation of 2027 supply that may not materialise (noting inconsistent inventory definitions and opaque signals on supply from Africa), with a strong CY27/28 outlook and risk of a price spike. Lithium Argentina described the last four months as sentiment-driven rather than structural, with very low chemical inventories, viewing the apparent cell inventory build as committed volume awaiting installation.
- **Offtake strategy is security near term, optionality long term:** PLS runs 2 long-dated contracts with the remainder short-dated (mostly 2-3 years), with recent deals securing US$1,000/t price floors, no ceiling, a $100 million unsecured prepay in one case and an $80 million Australian bank guarantee in another. PLS flagged that these terms were struck in a weaker market, speaking to the premium for reliable supply. LTR's three principles are spodumene-index linkage (two-thirds of the book moved across, one chemicals-linked customer remaining), keeping expansion tonnes uncontracted for flexibility, and preserving a contracted/uncontracted balance. Lithium Argentina has >80% of Cauchari-Olaroz Stage 1 committed to JV partner Ganfeng at market prices, with Stage 2 and its 33%

PPG share (~15kt of the 50kt phase one) unallocated.

- **Growth projects sanctioned, with staged execution:** PLS FID'd P2000 (2Mtpa spodumene concentrate) at A$1.9 billion capex, guiding to A$620/t unit costs (pre further cost-out), first tonnes in the Sep-Q CY29. The project has an IRR just under 30% and NPV of A$2.7 billion, with ~$1 billion of incremental NPV per US$250/t increase in the long-run price, and a concurrent underground PFS flags potential to lift output ~10% to 2.2Mtpa, while Brazil's Colina FS is due in the Dec-Q 2027. LTR's Kathleen Valley underground ramp is tracking to plan (14 work fronts from 7; Byrnecut onboarding ~30 people/month) with the recently FID'd 4Mtpa brownfield de-bottleneck delivering first incremental tonnes in 1Q FY28 and full ramp by 1Q FY30, targeting a 20-25% unit cost reduction on fixed-cost dilution. Lithium Argentina is at or above 95% capacity at Cauchari-Olaroz with C1 below US$6,000/t, with Stage 2 (+45ktpa, ~$1 billion) targeting permits mid-2027 and FID mid-to-late 2027, and PPG (150ktpa in 3 x 50kt phases, slightly more than $1 billion) awaiting RIGI approval.
- **Funding discipline and Argentina's RIGI as a cost-of-capital unlock:** PLS emphasised an uncompromising balance sheet, with ~A$2.3 billion cash plus a newly completed $700 million US high yield bond (building on its debut issue earlier in the year) and position for organic and inorganic opportunities. Lithium Argentina expects the JV to self-fund Stage 2 through cash flow and debt (Stage 1 generating ~$400 million EBITDA with ~90% conversion to FCF, ~$120 million of JV net debt repaid), and is working with Ganfeng on a largely third-party funded PPG package. RIGI - lower corporate tax, accelerated depreciation, VAT credits and critically FX/dollar retention clarity that makes otherwise elite project economics bankable for global capital.
- **Long-run pricing seen as too low; demand and technology diversification de-risks investment:** LTR used a consensus US$1,430/t long-run spodumene price for its expansion study but argued the true inducement cost for greenfield juniors is set by funding covenants (e.g. 1.5x debt-service coverage ratio) rather than marginal cost plus a 20% return, implying a materially higher clearing price. PLS used US$1,600/t (consensus average) for P2000 and likewise expects long-run expectations to drift higher, noting current margins of c.US$1,000/t despite the bearish rhetoric. Lithium Argentina uses US$18,000/t for chemicals, with both Cauchari-Olaroz Stage 2 and PPG still generating ~20% IRRs at US$12,000/t. On strategy, Liontown framed its early Argentine brine entry (Centenario, drilling from early next year) as complementary to hard rock and as insurance against both DLE disruption and battery chemistry uncertainty, while Lithium Argentina expects Ganfeng-developed DLE elements to lift recoveries (currently mid-60s) and reduce costs ~15% at both expansion projects.

Introducing the Consolidated Mining Standard (ICMM, Teck, Copper Mark, Alcoa)

*We hosted a panel to discuss "**The Future Business Model of Mining**". Panelists included:*

***Rohitesh Dhawan** (CEO, ICMM)*

Jonathan Price *(CEO, Teck Resources) - not covered*

Michèle Brülhart *Executive Director, Copper Mark*

Bill Oplinger *(President & CEO, Alcoa) - not covered*

Against a backdrop of more than 200 mining standards, the Consolidated Mining Standard Initiative (CMSI) aims to bring together four existing frameworks into a single global standard, simplifying sustainability assessments for investors, customers and operators. The rationale is not only to reduce duplication, but also to create a common benchmark that allows stakeholders to distinguish between operators, rather than focusing solely on poor performers. The framework is targeting participation from around 300 sites and would assess performance across 24 ESG-related areas and 490 requirements, supported by independent third party assurance. Participants noted that certification is unlikely to be a standalone driver of valuation or metal premiums, although it may influence investment decisions at the margin. More broadly, the standard was framed as a mechanism to promote responsible mining practices, improve transparency and support the industry's licence to build and grow.

TP, Methodology and Risks

- **We are Buy rated on ANTO.L (covering analyst - Matt Greene) with TP of £44.0/sh.** Our 12-month TP is set at a 25/75 blend of 1.3x NAV and EV/EBITDA (8.5x target multiple). **Downside investment risks to our view and price target:** (1) Commodity price movements - particularly unexpected US tariff related events (this is the key near-term risk to our call); (2) operational delivery in light of broader challenges facing the industry; (3) execution risk at Centinela - 50% complete; on track and budget, but unforeseen weather/safety/technical/design issues could delay the project and increase costs; (4) value-destructive M&A - we would view positively asset-level transactions that unlock industrial synergies versus corporate transactions; and (5) Industrial action that impact production.
- **We are Buy rated on FM.TO (covering analyst — Marcio Farid) with TP of C$72.0.** Our 12-month target price is based on our EV/EBITDA multiple-based valuation and the inclusion of Taca Taca and La Granja projects. We value both Taca Taca and La Granja separately from our EV/EBITDA methodology and add it on top. For Taca Taca, at a 0.75x PFS-stage NAV multiple, it is worth $7.9B, or C$13.5/share of our price target. For La Granja, at a 0.50x PEA-stage NAV multiple, it is worth $400M, or C$0.7/share, of our price target. Our multiple-based valuation consists of an equal-weighted blended multiple of 9.9x for 2026E and 2027E EV/EBITDA, based on historical avg + 1 std. deviation. **Downside risks:** 1) Zambia currently generates 100% of the company's EBITDA and asset concentration is now elevated (production issues in Zambia—e.g., energy availability, accidents—could significantly reduce the company's ability to honor cash obligations); 2) a longer-than-expected resolution at Cobre Panama could limit FM's ability to deleverage; 3) lower-than-expected copper prices could reduce investor interest in owning copper assets; and 4) a potential reopening of Cobre Panama with worse-than-expected economics could pose a risk, 5) Worse-than-expected economics for mainly Taca Taca (e.g. cost,

capex) and/or delays on permitting/RIGI approvals and start-up.

- **We are Buy rated on LUN.TO (covering analyst - Matt Greene) with TP of C$47.1 (Skr318 for LUMIN.ST)**. Our 12-month TP is based on a 50:50 blend of 1x NAV and EV/EBITDA with a 9.0x target multiple. **Key risks to our view and price target:** (1) commodity price movements – in particular unexpected US tariff related events (we believe this is the key near-term risk to our call), (2) operational delivery in light of broader challenges facing the industry, (3) geopolitical risk in Argentina and/or unforeseen weather/safety/technical/design issues, which could delay the Vicuna project and increase costs, and (4) value-destructive M&A – we believe asset-level transactions that unlock industrial synergies would carry lower risks than corporate transactions.
- **We are Buy rated on CS.TO (covering analyst — Marcio Farid) with TP C$21.0.** Our 12-month target price is based on an equal-weighted blended DCF and 1-yr fwd EV/EBITDA target multiple of 6.9x, based on 5-yr historical avg + 1 std.deviation and the inclusion of Santo Domingo project in our model. We value Santo Domingo separately from our blended DCF/EV/EBITDA methodology and add it on top: at a 0.75x PFS-stage NAV multiple, and including the $300M Orion cash contribution at par, it is worth $1.5B, or C$2.8/share, of our price target. Our DCF model assumptions include a 1.8 beta and 9.9% nominal WACC, based on 35%/65% D/E capital structure and 30% tax rate, consistent with the assumptions we used for other copper names in our coverage. **Downside risks:** 1) Lower-than-expected copper prices could disproportionately impact Capstone's earnings due to its high degree of operating leverage (10% change in copper prices yield ~20% change in EBITDA), 2) Delay on the delivery and ramp-up of internal projects (MVO, Mantos Blancos Phase II, MVPA) that lead to higher production/lower costs in our model, 3) Higher-than-expected costs and/or lower-than-expected copper production (e.g. unplanned downtimes, equipment failures, exogenous impacts such as strikes/weather conditions), 4) Changes in mining regulation given the company's still limited earnings diversification (80% of EBITDA from Chilean assets), 5) Weaker-than-expected free cash flow generation (e.g. higher-than-expected sustaining capex, capex overrun on ongoing projects ex-Santo Domingo), 6) Worse-than-expected economics for Santo Domingo (e.g. cost, capex) after DFS and/or delays on FID/start-up.
- **We are Buy rated on HBM.TO (covering analyst — Marcio Farid) with TP C$51.0.** Our 12-month target price is based on an equal-weighted blended DCF/1-yr fwd EV/EBITDA target multiple of 6x and the inclusion of Copper World and Mason projects into our PT. We value the projects separately from our blended DCF/EV/EBITDA methodology and add it on top. For Copper world, at a 0.75x PFS-stage NAV multiple, it is worth $1.6B, or C$5.1/share, of our price target. For Mason, at a 0.5x PEA-stage NAV multiple, it is worth $1.1B, or C$3.6/share, of our price target. Our DCF model assumptions include a 1.2 beta and 8% WACC (nominal), based on 35%/65% Debt/Equity capital structure and 35% tax rate. **Downside risks:** Downside risks to our price target and investment view include: 1) copper/gold prices below GS macro forecasts, mainly impacting the higher cost Copper Mountain asset, the principal FCF growth enabler before Copper World, 2)

Slower-than-expected copper production growth in Peru following recent mill improvement delivered, 3) failure to fully deliver the turnaround at Copper Mountain mine leading to still-negative FCF generation for the asset, 5) Worse-than-expected economics for Copper World, Cactus and Mason projects (e.g. cost, capex, reserve base definition for Mason) and/or delays FID/start-up.

- **We are Neutral rated on ERO (covering analyst — Marcio Farid) with TP $35.0.** Our 12-month target price is based on our equal-weighted blended DCF/1-yr fwd EV/EBITDA target multiple of 6.3x (based on a 5-yr historical average and 1 std deviation) and the inclusion of the Furnas project in our model. We value Furnas separately from our blended DCF/EV/EBITDA methodology and add it on top: at a 0.50x PEA-stage NAV multiple, it is worth $176M, or $1.7/share, of our price target. Our DCF model assumptions include a 1.4 beta and 10.7% nominal WACC. **Upside risks:** 1) faster-than-expected turnaround on current operational issues at Tucumã and Caraíba mines; 2) higher-/longer-than-expected copper prices, which could potentially increase investor interest in copper assets; and 3) higher-than-expected gold prices, which could impact positively the company's profitability and increase interest from investors, 4) Faster-than-expected progress of Furnas project, improved visibility towards the project's reserve base definition. **Downside risks:** 1) production and cost disappointments during the Tucumã project ramp-up; 2) lower-than-expected copper prices, which could potentially reduce investor interest in copper assets; and 3) lower-than-expected gold prices, which could impact the company's profitability and reduce interest from investors, 4) Slower-than-expected progress of Furnas project (PFS delivery, start-up or lower-than-expected reserve base once more complete studies are published).

- **We are Neutral rated on SFR.AX (covering analyst - Paul Young) with a TP of A$21.4.** Our 12-month TP is based on a 50:50 blend of 1x NAV and EV/EBITDA (6.5x). **Upside Risks:** (1) Higher copper, zinc, lead, gold and silver prices, (2) Better-than-expected production from Matsa & Motheo, (3) Upside exploration success & resource conversion (including at Kalkaroo), (4) Possible divestment of the Black Butte project above GSe NPV. **Downside risks:** (1) Lower copper, zinc, lead, gold and silver prices, (2) Higher operating costs and strengthening FX (EU, ZAR, AUD), (3) Operational challenges and lower resource to reserve conversion at Matsa and Motheo than what we model, (4) Higher capex and delays on Kalkaroo.
- **We are Buy rated on GLEN.L (covering analyst - Matt Greene) with a TP of £7.2.** Our 12-month TP is based on a 50:50 blend of 1x NAV and EV/EBITDA with a 6.5x target multiple. **Downside risks:** (1) coal, copper and zinc metal price weakness, (2) operational challenges, (3) material commodity price movements and logistical challenges that could result in losses from the marketing division, (4) higher capex and opex owing to industry cost inflation, (5) value-destructive M&A given the Buy vs Build dynamics facing the industry.
- **We are Buy rated on RIO.L (covering analyst - Matt Greene) with a TP of £80.0.** Our 12-month TP is set at an equal 50:50 blend of 1x NAV and EV/EBITDA with a 5.5x target multiple. **Downside risks to our Buy call:** (1) Iron ore and base metal price weakness: weakness in demand could negatively impact the price for iron ore,

copper and aluminium. (2) Ongoing impacts from WA Heritage to permitting timelines and operations in the Pilbara: delays to heritage approvals in WA could impact permitting timelines and operations in the Pilbara that may impact production output, product grade, costs and capex (note Pilbara represents ~50% of group NAV). (3) Delays to further growth: Oyu Tolgoi (underground ramp-up/ Mongolia tax dispute), Pilbara (replacement mines / Rhodes Ridge), Simandou (ramp-up), Lithium, Escondida & decarbonisation projects. (4) Higher capex and opex due to industry cost inflation: Cost inflation across both capital and operating expenditure is a persistent risk. RIO is spending ~US$10-11bn p.a. in capex, and elevated input costs would erode free cash flow and the attractive return to shareholders.

- **We rate RIO.AX (covering analyst - Paul Young) a Buy with TP A$176.3** Our 12-month TP is based on an equal 50:50 blend of 1x NAV and EV/EBITDA (7x target multiple). **Downside risks to our Buy call: (1)** Iron ore and base metal price weakness: weakness in demand could negatively impact the price for iron ore, copper and aluminium. **(2)** Ongoing impacts from WA Heritage to permitting timelines and operations in the Pilbara: delays to heritage approvals in WA could impact permitting timelines and operations in the Pilbara that may impact production output, product grade, costs and capex (note Pilbara represents ~50% of group NAV). **(3)** Delays to further growth: Oyu Tolgoi (underground ramp-up/ Mongolia tax dispute), Pilbara (replacement mines / Rhodes Ridge), Simandou (ramp-up), Lithium, Escondida & decarbonisation projects. **(4)** Higher capex and opex due to industry cost inflation: Cost inflation across both capital and operating expenditure is a persistent risk. RIO is spending ~US$10-11bn p.a. in capex, and elevated input costs would erode free cash flow and the attractive return to shareholders.
- **We are Neutral rated on VALE (covering analyst — Marcio Farid) with a TP of $15.0.** Our 12-month TP is based on our 50/50 blended DCF methodology (WACC 9.0%, Beta 1.10) and 12m fwd. EV/EBITDA multiple of 5.2x. **Upside risks:** (1) Higher iron ore prices on the back of stronger steel demand in China (with a potential rebound of the real estate or infrastructure segment) could improve prices for longer, positively impacting Vale's earnings; (2) Potential supply disruptions or slower-than-expected ramp-up of new iron ore capacity could also give some support to prices; (3) An acceleration of electrification and grid investments on the back of increased AI usage could push base metals prices (especially copper) higher, boosting VBM's results; (4) Stronger USD relative to BRL could positively impact Vale's profitability as well. **Downside risks:** (1) Lower iron ore prices on the back of a potential stronger-than-expected China macro slowdown could impact Vale's main products. (2) Stronger BRL relative to USD could negatively impact Vale's profitability. (3) A potential weakening of base metals supply & demand dynamics (copper and nickel) could push prices lower, impacting Vale's profitability negatively. (4) Any further legal actions regarding Samarco could potentially increase Vale's provisions. (5) Operational performance could disappoint for both iron ore and base metals, driving lower-than-expected volumes and pressuring cash flow generation.
- **We rate BHP.AX (covering analyst - Paul Young) a Buy with TP A$65.7.** Our

12-month TP is based on an equal 50:50 blend of 1x NAV and EV/EBITDA (7.5x target). **Investment risks:** (1) Macro factors: FX (AUD, CLP, CAD), commodity prices over the next 12 months, (2) Fluctuating operating costs and capex, (3) Project execution timelines, (4) Fiscal risks, (5) External M&A.

- **We are Neutral rated on BHPB.L (covering analyst - Matt Greene) with a TP of £31.1.** Our 12m TP is set at an equal 50:50 blend of NAV and EV/EBITDA with a 6.0x target multiple. **Investment risks:** (1) Macro factors: FX (AUD, CLP, CAD), commodity prices over the next 12 months, (2) Fluctuating operating costs and capex, (3) Project execution timelines, (4) Fiscal risks, (5) External M&A, (6) Ongoing and higher charges with rehabilitation at Samarco in Brazil.
- **We are Buy rated on ILU.AX (covering analyst - Paul Young). Our NAV is A$11.34/sh and our 12m TP s A$8.8/sh.** Our TP is based on a 75:25 NAV:EV/EBITDA with a target multiple of 10x. **Downside investment risks include:** Project permitting/approvals, lower-than-expected mineral sands demand and prices, operational issues, project execution risks (Balranald & Rare Earth projects) and higher-than-expected capex due to industry cost inflation.
- **We are Buy rated on LYC.AX (covering analyst - Paul Young). Our NAV is A$19.39/sh and our 12m TP is A$21.7/sh**. Our PT is based on a 50:50 NAV:EV/EBITDA with a target multiple of 18x. **Downside risks:** (1) Lower RE/NdPrO prices and inability to sign higher fixed price contracts; (2) Macro risks and lower-than-expected RE magnet demand; (3) Inability to increase production from Kal C&L & LAMP beyond 12ktpa NdPrO; (4) Permitting/near-term production risks in Malaysia; (5) Project execution & capex risks on the expansion of LAMP; (6) Higher opex due to inflation.
- **We are Sell rated on PLS.AX (covering analyst - Hugo Nicolaci) with a TP of A$3.50/sh .** Our 12m PT is set at an equal 50:50 blend of NAV and EV/EBITDA with a 7.0x target multiple (unchanged), reflecting near-term lithium prices and medium-term growth. **Risks (+):** Lithium prices, Macro risks, Construction and commissioning risk, Operational optimization, Cost inflation/operating risk, Stronger vertical integration proposition, Growth and M&A.
- **We are Neutral rated on LTR.AX (covering analyst - Hugo Nicolaci) with a TP of A$0.95/sh**. Our 12m PT is set at an equal 50:50 blend of NAV and EV/EBITDA with a 9.0x target multiple (unchanged), reflecting near-term lithium prices and medium-term growth. **Key risks:** Construction and commissioning risk, Costs, Exploration success, Mid/downstream optionality, Lithium prices, Macro risks, Funding, Growth and M&A.
- **We are Not Rated on AAL.L (covering analyst - Matt Greene).** We do not reflect the simplification strategy or announced (and yet to complete) disposals in our forecasts.
- **We are Not Rated on S32.AX (covering analyst - Paul Young).**
- **We are Buy rated on FCX (covering analyst - Nick Cash).** Our 12-month price target of $81 is based on a through-cycle EV/EBITDA valuation (85%) and a theoretical M&A component (15%). Our fundamental valuation of $78 is based on a 7.4x EV/EBITDA multiple to our updated 2026-2028 average estimates. As for the

M&A valuation, we apply a 9.0x multiple to our updated FY2026-2028 estimates to arrive at a $97 value. Key risks include 1) Commodity prices lower than anticipated; 2) Higher energy costs; 3) Labor strikes in Indonesia and South America; 4) Mine operating disruptions resulting in less output than anticipated; 5) Higher than anticipated capital costs; 6) Cost reduction less than anticipated.