A grossly undervalued Rare Earths & Battery Metals play

Metals & Mining

West Cobar Metals Limited (ASX: WC1) is an Australia-based resources company primarily engaged in exploring for critical minerals. Its flagship, clay-hosted Salazar Rare Earth Elements (REE) Project, is located in the Tier-1 mining jurisdiction of Western Australia with proximity to essential infrastructure. Given the increasing demand for REE due to the growth in various sectors such as defence, aerospace, electronic vehicles and medical device applications, the company is well-positioned to capitalise on this expanding market. With the promising metallurgical test work results, the company is swiftly advancing towards the development of its flagship Salazar Rare Earths Project.

Salazar REE Project offers a strong foundation of resources

Since acquiring the Salazar REE project in late 2022, WC1 has undertaken essential exploration activities in the prospective region, resulting in an expansion of the resource size and an improved understanding of the deposit's geotechnical and metallurgical characteristics. The initial drilling program, comprising 283 holes, revealed a nearly 4x increase over the previously Inferred Resource tonnage, featuring consistently high REE grades. The total resources now stand at 190 million tonnes (Mt) with a concentration of 1,172 parts per million (ppm) Total Rare Earth Oxide (TREO) at a 600ppm cut-off, representing a notably high-grade deposit.

Co-mineral resources add value to the project's economics

Newmont deposit in WC1's Salazar Project is a rich repository, hosting Titanium Dioxide and High Purity Alumina mineral resources alongside reported REE. The presence of 29Mt of 5.0% Titanium Dioxide (TiO_2) and 4Mt of 29.6% Aluminium Oxide (Al_2O_3) resources, with potential for high-grade HPA feedstock, present an opportunity to bolster the project's economic outlook. The co-mineral resources, coupled with the REE total resources of 83Mt at the Newmont deposit, enriched in dysprosium and terbium, offer significant upside potential. Moreover, the presence of high-grade zones abundant in scarcely available Scandium and Gallium further augments the deposit's value.

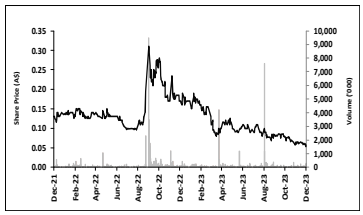
Valuation range of A$0.36–0.41 per share

We value WC1 at A$0.36 per share in a base-case scenario and A$0.41 per share in a bull-case scenario using an asset-based comparable valuation methodology, representing a Price/NAV of 0.14x. Our calculation considers full share dilution, including the company's recently closed private placement and share purchase program. Our target price range underscores the substantial inherent value of the Salazar deposits. In addition, as WC1 monetises its other strategic assets, additional value can be unlocked long term. Notable risks to our investment thesis include commodity price fluctuations, funding challenges and potential project delays.

West Cobar Valuation (A$m)	Base Case	Bull Case
Salazar REE Resource Value	35.18	40.62
Newmont TiO2 Resource Value	7.18	7.36
Newmont Al2O3 Resource Value	4.07	5.03
Implied Enterprise Value	46.42	53.02
Implied Price (A$ per share)	0.361	0.410

Date	8 Dec 2023
Current Price (A$)	0.054
Target Price (A$)	0.36-0.41
Price / NAV (x)	0.14x
Market Cap (A$m)	6.3
52-week L/H (A$)	0.195/0.054
Free Float (%)	20%
Bloomberg	WC1 AU
Reuters	WC1.AX

Price Performance (in A$)



Business description

West Cobar Metals Limited (ASX:WC1) is an Australian mineral exploration and development company listed on the ASX since Oct 2021. The company is primarily focused on rare earths and battery minerals within Australia and the US. The company's 100% owned flagship project is the Salazar Rare Earth Element Project located in the north-east of Esperance, Western Australia. The company's other core projects include the Nevada Lithium Project, USA (focusing on lithium claystone deposits), the West Cobar Copper-Gold Project in New South Wales (which encompasses the Bulla Park strata bound copper discovery and the Nantilla early-stage geophysical target project), the Hermit Hill Lithium Project in the Northern Territory.

Analyst

Behzad Golmohammadi
behzad @sharesinvalue.com.au

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Investment Rationale

West Cobar Metals Limited (ASX: WC1) is a mineral exploration and development company headquartered in Perth, Western Australia. The company's primary focus is the Salazar Rare Earth Project. The project is located in Southern Western Australia (WA) and is distinguished by its unique and high-grade deposit. Additionally, WC1 is actively engaged in several other projects, including the Nevada Lithium Project, a copper-gold project in New South Wales and the Hermit Hill Lithium Project in the Northern Territory.

Salazar project presents extensive resource foundation

The Salazar Project, covering an expansive area of c.1,171 square kilometres (sq km) in the Esperance district, stands out as one of Australia's most advanced clay mining projects with rare earth element (REE) assets. The successful completion of a phase one air core program, comprising 283 drill holes totalling 9,342m, has significantly expanded the mineral resource at the Newmont deposit within the Salazar project. At the Newmont deposit site, the total resources stand at 83Mt with 1,117ppm of Total Rare Earth Oxides (TREO), featuring indicated resources of 39Mt with an exceptionally high concentration of 1,216ppm. The decisions to engage ANSTO for acid leaching studies, optimising metallurgical processes, and diversifying revenue streams through the development of the project's Titanium Dioxide, High Purity Alumina and Gallium resources underscore the management's commitment to maximising the project's economic value.

The assessment reveals an Inferred Resource at O'Connor deposit, totalling 107Mt with a concentration of 1,216ppm of TREO. With substantial opportunities for resource expansion at both Newmont and O'Connor deposits, the Salazar REE project emerges as a promising and diversified investment opportunity with strong growth prospects and is aligned with the evolving landscape of sustainable and technologically advanced industries.

Rich geology and recovery rates propel the project's success

WC1's Salazar REE project provides a compelling investment proposition, seamlessly integrating geological insights and impressive achievements in metallurgical testing. The analysis of historical drilling data reveals the existence of REEs in well-defined vertical zones, particularly within the Newmont deposit – a significant and high-grade clay deposit. The geological landscape, characterised by **tightly folded amphibolite** trends, is favourable for continuous exploration and development in the mining region.

Backed by robust metallurgical outcomes and a competitive edge, WC1 emerges as a promising entity in the REE mining sector, offering compelling avenues for investment return

Moreover, metallurgical tests conducted by the Australian Nuclear Science and Technology Organisation (ANSTO) showcase outstanding recoveries of valuable magnet rare earths from Newmont. Concurrently, preliminary screening tests suggest substantial potential for beneficiation, promising enhanced economic efficiency. WC1's deliberate emphasis on optimising leaching performance and reducing acid strength further augments operational efficiency. Backed by robust metallurgical outcomes, signifying operational efficiency and a competitive edge, West Cobar emerges as a promising entity in the rare earth mining sector, offering compelling avenues for investment return.

Potential for the extraction of various minerals alongside REEs from the same deposits

The Newmont deposit within the Salazar REE Project presents a multifaceted mineral resource, including titanium dioxide, high-purity alumina and rare earths. Metallurgical testing has revealed the feasibility of concentrating titanium minerals and REEs through SLON concentration (magnetic concentration of fine material), providing an additional advantage. The deposit has rich geology, particularly in magnet rare earth content, with high concentrations of Heavy REEs of dysprosium and terbium. Additionally, laboratory tests confirm the production of High Purity Alumina (HPA) with an exceptional purity level of 99.99%, adding significant value. The Salazar

project's rich mineral diversity includes gallium, prompting a reassessment of the Newmont deposit's composition in response to global shifts, such as China's restriction on gallium exports. In response, the company has chosen to investigate higher-grade gallium prospects, a move aimed at potentially elevating supply shortages in technology industries. The inclusion of co-products, such as titanium dioxide, gallium, scandium and high purity alumina, alongside rare earths, positions Salazar as a unique and highly valuable asset.

Nevada Lithium Project offers promising growth opportunities

WC1's acquisition of 242 mining claims in the Nevada Lithium Project strategically provides the company with an attractive exposure to the expanding lithium sector. The Montezuma Well and Big Smoky Valley claims, situated within the esteemed Nevada lithium district, hold significant potential for sediment-hosted lithium claystone deposits. Benefiting from favourable proximity to Albemarle's Silver Peak lithium operation and other major projects in the Silver Peak-TLC zone, WC1's Nevada Lithium Project benefits from key geological advantages and logistical efficiency. Moreover, through concentrated efforts in reverse circulation drilling, the project is set for rapid growth.

WC1's management team has a substantial skin in the game

WC1's ownership has a close-knit structure, with the Top 20 investors collectively holding a substantial c.55% stake, indicative of a shared confidence among key stakeholders. The management board also plays a significant role, contributing around 25% to the overall ownership. This concentrated ownership model signals a high level of confidence and commitment from both institutional investors and the company's leadership.

A robust demand outlook for REEs

The ongoing green energy transition is poised to ramp up electronic component production, necessitating REEs for creating high-strength permanent magnets used in electric vehicle (EV) engines. Moreover, increased investments in renewable energy, aerospace and mobility sectors demand precision electronic devices, further driving the need for REEs. As of 2023, the global rare earth metals market is valued at US$5.6bn, projected to reach US$14.6bn by 2033, with an anticipated growth rate of 10% annually during the forecast period.

Although REEs are generally abundant in the earth's crust, their geochemical properties mean they are seldom found in concentrated economic clusters (ore deposits). Economically viable deposits are challenging to locate, and the real scarcity lies in the complex process of separating them into materials necessary for producing permanent magnets. WC1's Salazar project stands out as one of the most advanced-stage clay-hosted REE deposits in Australia, containing additional deposits of other valuable minerals.

West Cobar is grossly undervalued

We value WC1 at A$0.36 per share in a base-case scenario and A$0.41 per share in a bull-case scenario using an asset-based comparable valuation methodology. Given the lucrative market for REEs as well as high purity alumina and titanium, we think the large and high-quality resources of the Salazar Project offer substantial value. In addition, our bullish demand outlook for lithium and copper adds significant attractiveness to investment in WC1 due to its multiple exploration projects with high prospects, in our view.

Volatility in REE prices and funding requirements are the key risks to our investment thesis

We think the general bearish sentiment on junior explorers coupled with the low free float of WC1 has led to a massive undervaluation of the stock currently. However, with a recovery in capital markets, an improving global economy and a possible improvement in the stock's liquidity, this massive gap to the stock's intrinsic value is set to get narrower in the long term, in our view.

The key risks to our investment thesis include volatility in commodity prices due to the current uncertain economic conditions and funding risks as WC1 does not generate any cash flows currently and is reliant on capital raisings to fund its operations.

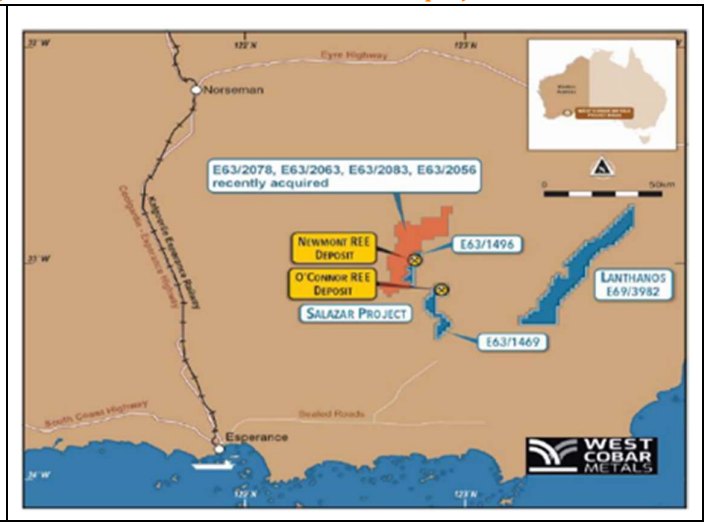
Salazar REE Project — West Cobar's flagship project

In September 2022, West Cobar executed conditional binding agreements to acquire the Salazar Clay-hosted Rare Earth Element (REE) Project situated in southern Western Australia. Salazar Minerals Pty Ltd, a subsidiary of Salazar Gold Pty Ltd, holds the relevant tenements (E63/1469 and E63/1496). Salazar had invested over US$2.7m in exploration and technical undertakings spanning eight years. The acquisition was successfully concluded on October 28, 2022, with the issuance of 39m shares at a price of A$0.10 per share and a cash component of $260,000. This move has equipped West Cobar with a robust position in the market, capitalising on the rising demand for permanent magnets, electrification technologies and increased focus on decarbonisation.

The Salazar Project is situated in the Esperance district, occupying non-agricultural undeveloped state land located northeast of the Esperance township and deep-water port of Esperance, Western Australia (Figure 1). The project includes granted tenements E63/1469, E63/1496, E69/3982, E63/2078, E63/2063, E63/2083and E63/2056, which show significant potential for REE clay exploration within the Esperance district. The combined landholding for the Salazar Project covers an extensive area of c.1,171 sq km.

Figure 1: Salazar REE project location

Figure 2: Granted tenements of Salazar REE project



Source: Company

The project's advantageous position is reinforced by its proximity to essential infrastructure, including ports, rail connections and air services, all conveniently located in the Esperance region. Esperance is a prominent regional centre that has been identified as a potential site for a major renewable energy and green hydrogen hub. The project consists of two main deposits, namely the Newmont REE Deposit and the O'Connor Deposit.

Australian Mining Consultants (AMC) were engaged to conduct a rigorous reassessment of the Mineral Resource estimate (MRE) for the Newmont and O'Connor deposits, following the phase 1 air core (AC) drill program findings. The Salazar REE Project is distinguished by its unique and high-grade deposit, totalling 190 million tonnes (Mt) at a substantially high **1,172ppm TREO**. This substantial mineral resource is classified under the Indicated + Inferred category in accordance with JORC (2012) standards, as per the AMC 2023 report.

With recent drilling and extensive metallurgical test work, which builds upon more than eight years of exploration and technical studies, the Salazar Project stands out as one of the most advanced clay rare earth assets in Australia. The phase one air core program, comprising 283

holes totalling 9,342m, was successfully completed in January 2023. This program aimed to extend and improve the existing Inferred Mineral Resource at the Newmont deposit, explore the southern region of the Newmont deposit and assess the area covered by the O'Connor prospect license (E63/1469). The metallurgical test work has demonstrated that the REE clay minerals can be efficiently extracted through acid leaching at **low temperatures and atmospheric pressure**.

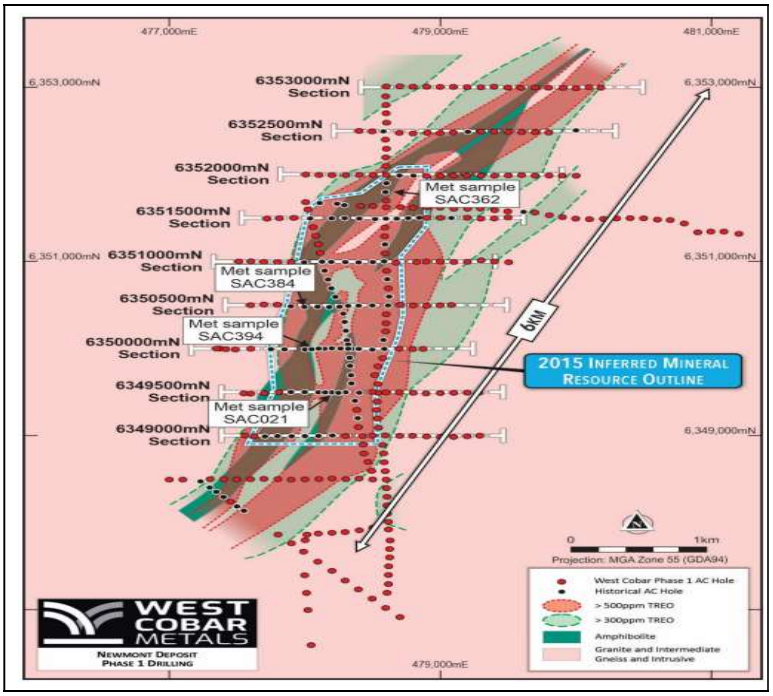
Additionally, the metallurgical analysis carried out by Nagrom on drill samples has indicated the potential recovery of gallium, a crucial material for manufacturing computer chips, semiconductors, internet infrastructure and other technological components, alongside rare earths and scandium (Sc). This extensive research and testing highlight the project's robust technical foundation and prospects.

The Salazar REE project presents significant opportunities for expanding rare earth element (REE) resources at both the Newmont and O'Connor deposits. There is additional exploration potential at the expansive Lanthanos tenement (E69/3982, covering 576 square kilometers) and in the tenements that have recently been acquired from Dundas Minerals Limited. These prospects underscore the project's potential for resource extension and further growth.

Newmont REE deposit

Salazar's Newmont deposit possessed a JORC (2012) compliant Inferred Mineral Resource of 43.5Mt, with 1,192ppm TREO and notable low levels of Uranium and Thorium for the financial year ending in June 2023. In August 2023, subsequent to the air core program, the mineral resource at Newmont surged to 83Mt, featuring 1,117ppm TREO in the Indicated + Inferred Resource category, including a substantial 39Mt with 1,216ppm TREO classified as Indicated Mineral Resource. The reclassification of this Indicated Resource marks a significant milestone, as it sets the stage for the initiation of further studies for the project. This classification, when coupled with mining, metallurgical and marketing data, represents a crucial starting point in advancing the project.

Figure 3: Phase 1 Air core drilling program over Newmont Deposit



Source: Company

Before being acquired by WC1, extensive exploration activities were conducted at the Newmont project site – this involved 133 drill holes and a combined drilled length of 5,519m. The mineral composition at the site is characterised by high-grade REE found within kaolin clay. Laboratory testing has confirmed the feasibility of leach extraction, resulting in the production of High Purity Alumina (HPA) with an exceptional purity level of 99.99%. The Newmont deposit not only offers rich REE resources but also features a ***high-grade alumina zone***, represented by an ***Inferred Mineral Resource of 4Mt, with an aluminium oxide (Al_2O_3) content of 29.6%.***

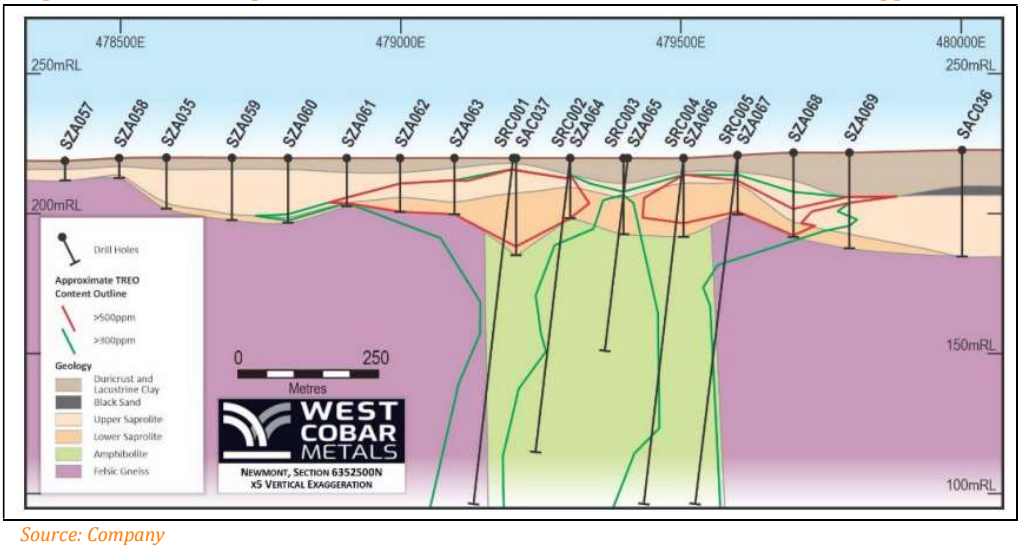
In addition, the deposit also consists of a high-grade Titanium Dioxide inferred resource of 29 Mt at 5.0 % titanium dioxide (at a 2% Ti cut-off).

The drilling efforts within and surrounding the Newmont deposit have yielded exceptional results, particularly with respect to high-grade, near-surface REE intersections, indicating a robust and continuous mineralisation trend. Detailed infill drilling has revealed the significant influence of the underlying amphibolite as a pivotal factor in the creation and concentration of REE mineralisation. Historical reverse circulation (RC) and diamond drilling data further highlight the presence of REEs in distinct vertical zones within the amphibolite and adjacent felsic and intermediate gneiss rock formations (Figure 4). These outcomes instil confidence in the expected continuity of REE mineralisation within the project area.

Newmont represents a substantial and high-grade clay deposit situated ***above an amphibolite unit.*** The geological setting holds significant promise for the extension of Newmont's REE as well as titanium dioxide (TiO_2) and aluminium oxide (Al_2O_3) mineralisation. This potential is particularly notable along a tightly folded amphibolite trend, suggesting a favourable geological context for the continued exploration and development of valuable mineral resources in this location.

Amphibolite, characterised by structural features like fractures, faults, and shear zones, act as conduits for hydrothermal fluids, crucial for mobilising and concentrating rare earth element (REE)-bearing minerals. Additionally, the varying elemental compositions of minerals in amphibolite, when altered or broken down, release elements that create a geochemical environment conducive to REE mineralisation. Chemical interactions between minerals in the amphibolite and surrounding rocks further support the precipitation of REE-bearing minerals. Newmont benefits from these favourable conditions, as its clay deposits are situated over an amphibolite bedrock.

Figure 4: Newmont Deposit cross-sections and indication of bedrock extent of >300ppm TREO



Source: Company

About 25% of REEs at WC1's Newmont deposit are magnet rare earths

Most of the REEs basket price value is derived from the 'magnet' rare earths, namely Neodymium, Praseodymium, Dysprosium and Terbium Oxides, collectively constituting c.25% of the total

TREO content at the Newmont deposit. Notably, the heavy magnet rare earths dysprosium and terbium exhibit relatively high concentrations compared to other clay-hosted rare earth deposits. Furthermore, the presence of deleterious radioactive elements uranium and thorium is minimal and extensive test work has indicated that these elements do not accumulate during the leaching process.

Specifically, **the Newmont deposit stands out due to its elevated levels of high-value, heavy magnet REE content, with 3% dysprosium and 0.5% terbium, underscoring its significant potential and economic value compared to other clay-hosted REE deposits**.

O'Connor Deposit

The O'Connor prospect is situated 10km southeast of the Newmont Deposit within the granted tenement E63/1469 (Figure 5). Exploration at O'Connor includes 32 drill holes spanning a total drilling length of 901m. The REE drilling efforts have yielded impressive results, showcasing high-grade, near-surface intersections with significant thickness.

Figure 5: O'Connor Deposit tenement

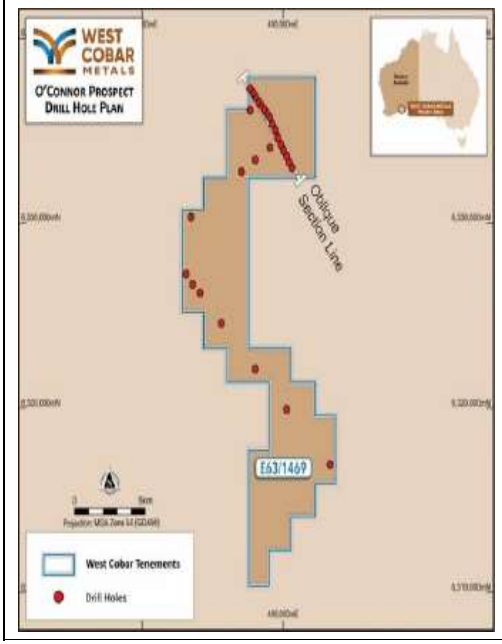
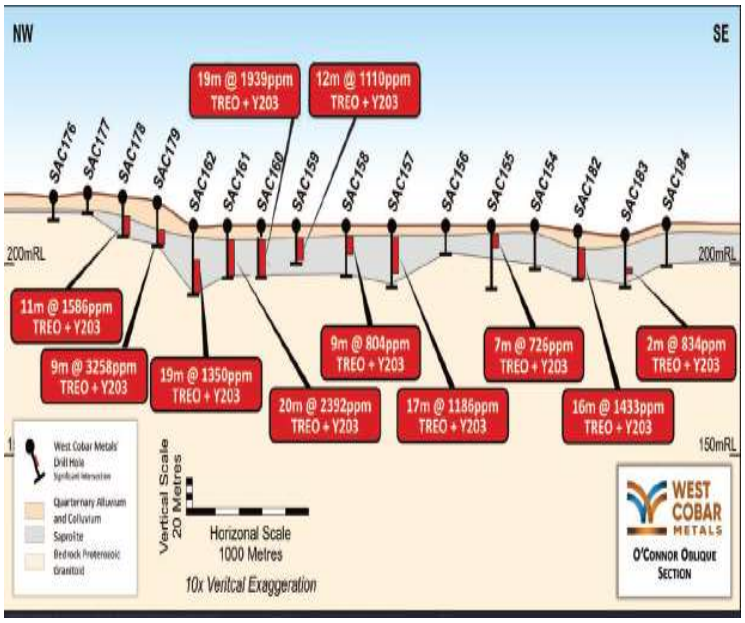


Figure 6: Drill holes conducted at O'Connor Deposit



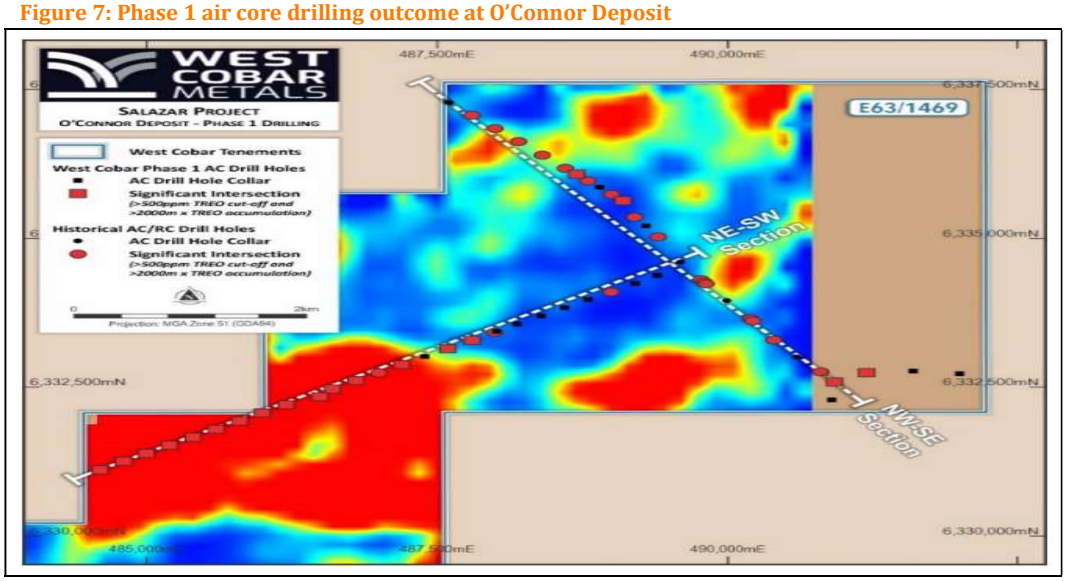
Source: Company

The air core drill program conducted at O'Connor has confirmed the consistent high-grade Rare Earth Element (REE) concentrations and the shallow depth of the mineralisation. At a 600ppm cut-off, REE mineralisation at O'Connor ranges from 2-31m in thickness, occurring at depths of 7-27m. In contrast to the Newmont deposit, O'Connor contains higher concentrations of the light magnet rare earth oxides, specifically neodymium and praseodymium.

The intersections, spaced c.240m apart, consistently reveal REE grades exceeding 600ppm TREO over a distance of 3.5km along the NE-SW line. This correlation can be attributed to a VTEM (Versatile Time-Domain Electromagnetic) zone characterised by elevated conductivity, signifying an extensive and uninterrupted mineralisation zone. As of August 2023, an Inferred REE Mineral Resource has been estimated for O'Connor, amounting to 107Mt with a TREO content of 1,216 ppm.

Metallurgical studies indicate the presence of more conductive and thicker saprolite clays at O'Connor, strongly suggesting a significantly larger REE clay resource. In comparison to the Newmont deposit, the O'Connor deposit reveals higher levels of praseodymium and lower levels of dysprosium and terbium, indicating the granitic origin of the REEs within the saprolite at O'Connor.

Figure 7: Phase 1 air core drilling outcome at O'Connor Deposit



Source: Company

Strategic advantages of the Salazar REE Project

I. Robust resource base with exceptional geolsogy

AMC consultants were engaged to conduct a thorough update of the MRE for the Newmont and O'Connor deposits, driven by the findings from the phase 1 AC drill program. By January 2023, WC1 had successfully executed 283 drill holes, comprising a significant 9,342m drilling, as part of the initial phase of its air core program at the Salazar REE project. The primary objectives of this program included enhancing the existing Inferred Resource of 43.5Mt at 1,192ppm of TREO at Newmont, exploring the southern boundaries of the Newmont deposit and conducting exploration activities in a specified area of the O'Connor license.

The preliminary investigations conducted at the Salazar project prior to its acquisition by West Cobar revealed promising indications suggesting that the Newmont REE mineralisation could be effectively extracted through acid leaching. These initial findings lifted the management's confidence in the project, leading to utilising the expertise of ANSTO to conduct extensive leaching studies. The objective was to optimise acid consumption and leaching recoveries under various testing conditions. Additionally, the company made the strategic decision to enhance the metallurgical flow-sheet process further. This enhancement focused on beneficiation studies, aiming to upgrade the samples at the initial stages. The company's strategy involves advancing these work streams concurrently, aligning with their objective to commercialise the project.

Based on the latest MRE, the Indicated and Inferred Mineral Resources at the Newmont deposit is totalling 83Mt with a concentration of 1,117ppm of TREO. This includes 39Mt of Indicated Resources at 1,216ppm TREO (Figure 8).

Figure 8: Indicated and Inferred Mineral Resources in accordance with the JORC code (2012)

Cut-off (TREO ppm)	Category	Tonnes (Mt)	TREO (ppm)	Magnet Rare Earths			
				Pr_6O_{11} ppm	Nd_2O_3 ppm	Dy_2O_3 ppm	Tb_4O_7 ppm
600	Indicated	39	1216	51	206	36	6.1
	Inferred	44	1029	46	180	29	5.1
	Total	**83**	**1117**	**48**	**192**	**33**	**5.6**

Source: Company and East Coast Research

There are defined titanium dioxide and alumina resources at the Newmont deposit as well, alongside rare earths.

Titanium exhibits the highest strength-to-weight ratio among all metals, making it a preferred material in defence, aerospace and medical device applications. The Titanium Dioxide in the analysed composition is predominantly present as ilmenite (used as a major source of titanium), with ongoing efforts for further characterisation. Highly amenable to magnetic separation methods, it facilitates the creation of a high-grade concentrate. Ilmenite, a crucial component, finds applications as a pigment in paint, plastic, paper and fibre. In addition, its importance extends to the rapidly growing nano-materials sector. It is also important for applications such as dye-sensitised solar cells. Indicative prices for ilmenite concentrate range from approximately US$350/t to US$400/t, with specifications including Australian TiO2 of 55-58% minimum and a minimum Fe content of 27%, quoted CIF China (sourced from ise-metal-quotes.com). This information underscores the versatility and market relevance of Titanium Dioxide, particularly in its ilmenite form, positioning it favourably in various industries and markets. Metallurgical testing has demonstrated the feasibility of producing a concentrate of titanium minerals and REE through SLON concentration (magnetic concentration of fine material) sourced from the titanium dioxide Mineral Resource at Newmont.

Figure 9: Titanium Dioxide

Source: Company

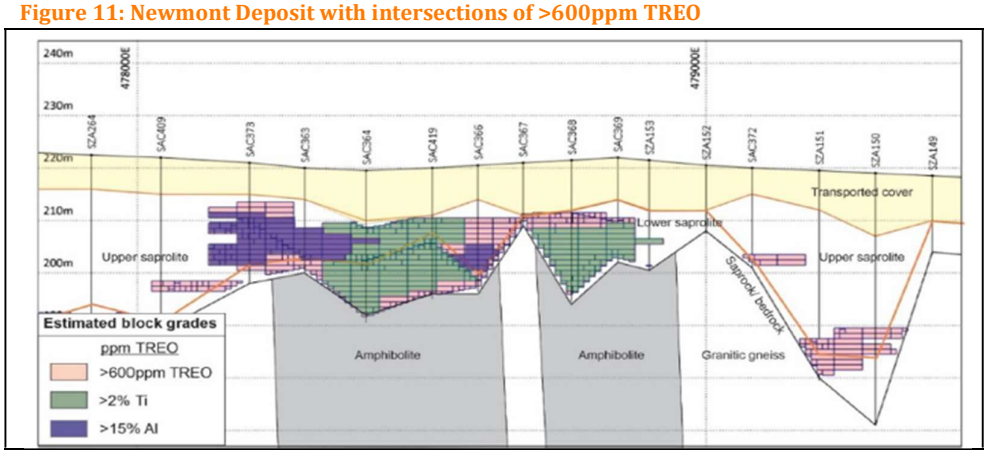
There exists a separate Mineral Resource Estimate at Newmont (JORC Code 2012), consisting of 29Mt with a 5.0% titanium dioxide content (at a 2% Ti cut-off), which is other than the Newmont REE Mineral Resource. The titanium Mineral Resource Estimate is bifurcated into two segments: blocks within the 600ppm TREO Mineral Resource and blocks located outside the 600ppm TREO Mineral Resource (Figure 10 and Figure 11).

Figure 10: Newmont Deposit, Inferred TiO2 Mineral Resources in accordance with the JORC code (2012)

Cut-off Ti%	Category	Saprolite Zone	Mt	Ti %	TiO_2 %	TREO ppm	Fe %	FeO %
2	Inferred	TREO>=600	20	3.1	5.2	1183	8.9	11.4
	Inferred	TREO<600	9	2.8	4.7	428	10.2	13.1
	Total		**29**	**3**	**5**	**942**	**9.3**	**12**

Source: Company and East Coast Research

Figure 11: Newmont Deposit with intersections of >600ppm TREO



Source: Company

Moreover, AMC has defined a high purity alumina Mineral Resource Estimate (JORC Code 2012) of 4Mt with a 29.6% Al_2O_3 (alumina) content (Figure 12). This resource holds the potential for upgradeability as High Purity Alumina (HPA) feedstock, both within and outside the Newmont REE Mineral Resource. Metallurgical test results indicate that HPA feedstock can be generated from the kaolinitic material present within the alumina Mineral Resource.

Figure 12: Newmont: Inferred Mineral Resources in accordance with the JORC code (2012)

Cut-off Ai%	Category	Saprolite Zone	Mt	Ai %	Al_2O_3 %	TREO ppm	Fe %	K %	Si %
15	Inferred	TREO>=600	2	15.6	29.5	909	4.22	0.25	20.1
	Inferred	TREO<600	2	15.7	29.6	276	2.84	0.21	22.6
	Total		**4**	**15.6**	**29.6**	**657**	**3.67**	**0.23**	**21.1**

Source: Company and East Coast Research

Following the release of Alumina MRE, a review of historical drilling data at the Salazar REE project has revealed substantial occurrences of Gallium (Ga). These findings indicate significant intersections of Ga near the surface within the Indicated and Inferred Resource at the Newmont REE Deposit.

O'Connor Mineral resource

AMC Consultants have conducted an initial estimation of an Inferred Resource at O'Connor, amounting to 107Mt with a concentration of 1,216ppm of TREO (Figure 13). This assessment is based on the analysis of 24 historical air core drill holes and 30 air core holes drilled recently during phase 1. The conservative limitation for Inferred Reserves extends to 250m away from the drill lines. The insight depicts the presence of more conductive and thicker saprolite clays, suggesting a substantial increase in the potential size of the REE clay resource.

Figure 13: O'Connor: Inferred Mineral Resource in accordance with the JORC code (2012)

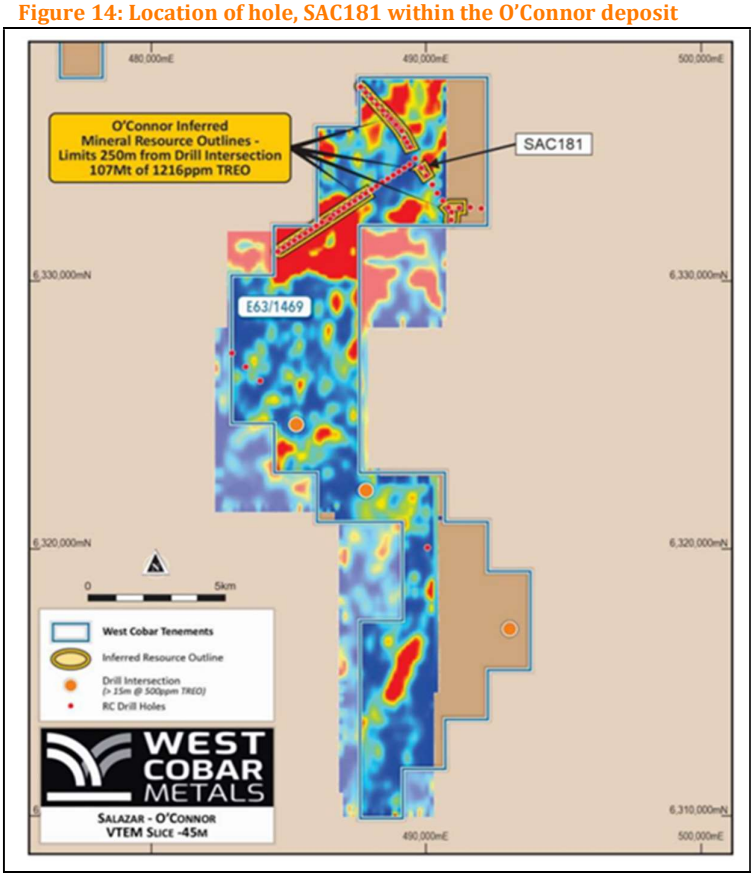
Cut-off (TREO ppm)	Status	Tonnes (Mt)	TREO (ppm)	Magnet Rare Earths			
				Pr_6O_{11} ppm	Nd_2O_3 ppm	Dy_2O_3 ppm	Tb_4O_7 ppm
600	Inferred	107	1216	61	195	11	2.3

Source: Company and East Coast Research

As part of the Salazar REE characterisation testwork, WC1 provided a sample from drill hole SAC181 located in the O'Connor deposit (Figure 14) for magnetic separation and flotation upgrade trials. The magnetic separation processing yielded a magnetic concentrate grading of 0.778% TREO with an overall 69% TREO yield at an upgrade ratio of 5.3:1. ***Meanwhile, the flotation testwork yielded a high-grade concentrate of 5.08% TREO which represents a 34.3:1 upgrade on the original feed.*** The TREO yield of the float to concentrate was 68%.

34X upgrade to 5.08% TREO achieved in Salazar REE beneficiation trails completed recently in December 2023

Figure 14: Location of hole, SAC181 within the O'Connor deposit



Source: Company

In summarising both deposits, the outstanding high-grade near-surface REE results affirm the presence of elevated TREO grades at Newmont, particularly in heavy rare earth and magnet rare earth oxide content, distinguishing the Newmont Deposit from its counterparts. The detailed phase one assays analysis, coupled with a refined geological model, corroborates the existence of high-grade, continuous near-surface rare earth mineralisation at the Newmont deposit. The robust drill results also underscore the substantial potential of the O'Connor prospect for significant additional tonnages.

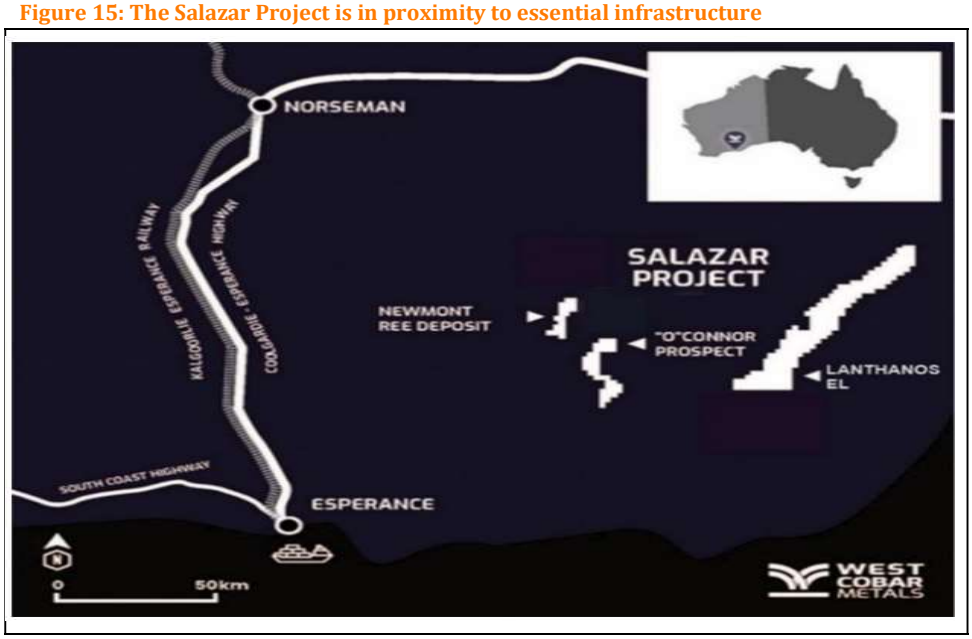
Both the Newmont and O'Connor deposits present significant opportunities for resource expansion, with exploration potential extending to the Lanthanos area covering 576 Km^2. In conclusion, the Salazar REE project's deposits offer high-quality and abundant mineral resources, solidifying their position as promising assets.

II. Favourable location and in close proximity to major infrastructure

The Salazar REE project is situated 120km northeast of Esperance, Western Australia, benefiting from an advantageous location. Spanning a substantial combined area of 745 km^2 within a region known for its potential in REE clays, the project is positioned for significant expansion. Its

proximity to essential infrastructure, including a nearby port, rail facilities and air services, ensures streamlined logistical operations. Additionally, the project leverages the benefits of being in an established mining region, characterised by a skilled local workforce, a robust mining culture and a supportive community. Furthermore, the Esperance region, where the project is located, has been identified as a prospective site for a major renewable energy and green hydrogen hub. This adds an additional layer of strength to the project's potential for sustainable development and long-term growth.

Figure 15: The Salazar Project is in proximity to essential infrastructure



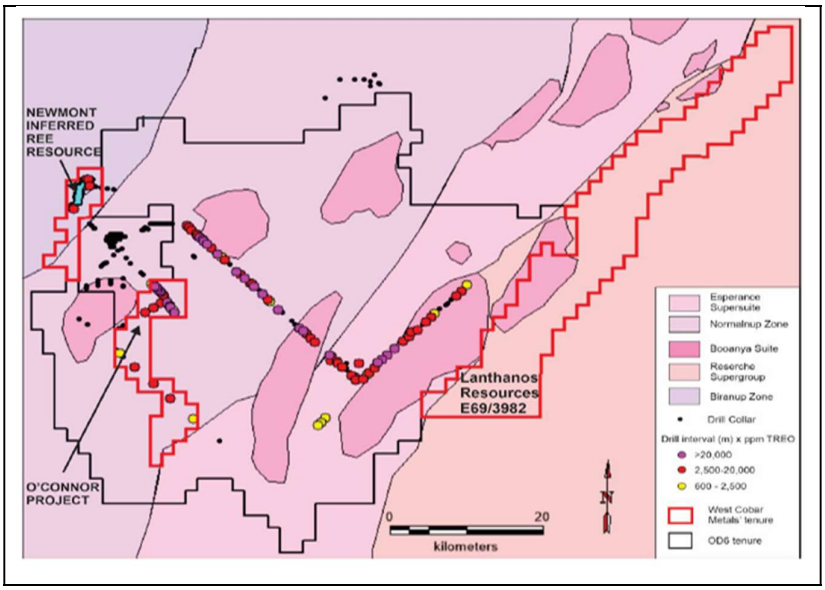
Source: Company

III. Increasing the growth potential of Salazar by acquiring additional prospective tenements

In December 2022, West Cobar Metals Limited entered into a binding agreement to acquire Lanthanos Resources Pty Ltd, the proprietor of tenement E69/3982. This tenement is identified as having strong potential for REE clays and is situated 150 km northeast of the deep-water Port of Esperance. Encompassing 200 blocks across a total area of 575km^2, the tenement has over 70km of prospective REE-enriched clays. WC1's expanded landholding, facilitated by the acquisition of Lanthanos Resources, places the company in a strong position, offering substantial upside potential as the value of REE clays in the Esperance region continues to evolve.

The tenement is positioned within the eastern Albany-Fraser Orogen, specifically along the Nornalup corridor known for hosting 'A' Type REE enriched granites and secondary REE clays. In addition, the tenement aligns seamlessly and is situated directly to the east of the OD6 Metals Limited REE clay project, with recent drilling near the tenement boundaries showing very good rare earth intercepts and grades. The Company obtained full ownership of Lanthanos Resources Pty Ltd ('Lanthanos') by acquiring all the issued capital. The acquisition was completed through the issuance of 1,600,000 shares at A$0.17 per share and a cash payment of A$35,000.

Figure 16: Location of Lanthanos tenements



Source: Company

In September 2023, the company expanded its Salazar REE Project's ground holding through the acquisition of contiguous tenements from Dundas Minerals Limited (ASX: DUN). The acquired tenements, namely E63/2056, E63/2083, E63/2078and E63/2063, total 451km^2, thereby increasing the Salazar Project's overall landholding to 1,171km^2 (Figure 17). This additional ground shares the same host terrane as Salazar's Newmont deposit and exhibits similar prospects for heavy magnet rare earth and titanium dioxide mineralisation. Notably, the aeromagnetic reveals a tightly folded shear zone structure to the south-west, suggesting the potential extension of Salazar's Newmont REE deposit into the newly acquired E63/2056 tenement. West Cobar secured these four tenements from Dundas Minerals Limited for a consideration of A$20,000 in cash and 5m fully paid ordinary shares, which are escrowed for two years.

Figure 17: Location of Dundas tenements

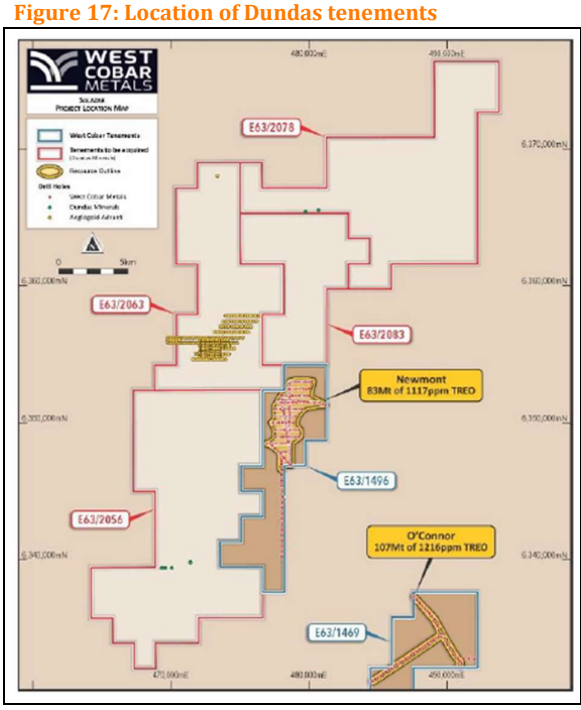
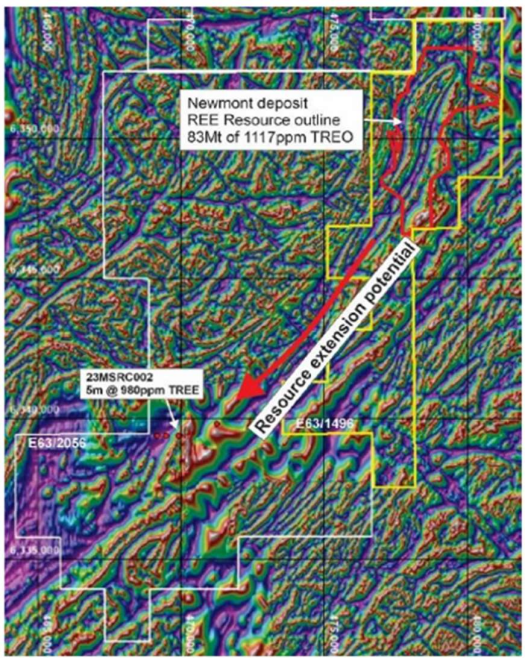


Figure 18: Resource extension of Newmont deposit



Source: Company

Dundas has invested over A$4m in exploration efforts across its tenements, incorporating drilling activities on E63/2078 and E63/2056. In 2022, Dundas executed six Reverse Circulation (RC) and diamond drilling operations within these tenements, yielding outstanding results such as 5m of 980 ppm TREO from 22m in the region. Dundas intends to retain the rights to nickel, copper, and gold for the three northern tenements (E63/2078, E63/2083, and E63/2063) for a 24-month duration. These rights will transition to West Cobar if Dundas does not conduct exploration activities targeting those minerals or achieve success within the stipulated period. An air core drill program is in the planning stages to investigate extensions of the Newmont REE deposit and other prospective targets on the recently acquired grounds.

Driven by recent acquisitions and an expanding exploration footprint, the company holds the potential for a favourable re-rating, attributed to the substantial size and advanced nature of its projects, in our view.

IV. Enhancing the basket price through co-product discoveries

Over the past eight years, Salazar Minerals has involved reputable institutions, including the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the University of Western Australia and the University of New Castle and mineral processing firms Nagrom and Amdel, to conduct various studies on the Salazar REE Project. Early metallurgical test work and characterisation studies show the REE clays are amenable to acid leach processing with low background radioactive elements (Thorium and Uranium). The Newmont deposit has rich geology with a high proportion of total magnet rare earth content (Praseodymium, Neodymium, Dysprosium and Terbium) and is particularly high in the heavy magnet rare earths dysprosium and terbium. The clay mineralisation at Newmont has a relatively high magnet rare earth oxide content comprising about 25% of the basket. The Newmont TREO is relatively high in heavy magnet REE content, comprising 3% dysprosium and 0.5% terbium of TREO. Praseodymium makes up 4.2% and neodymium 16.8% of TREO.

Figure 20: Newmont REE Magnet Distribution

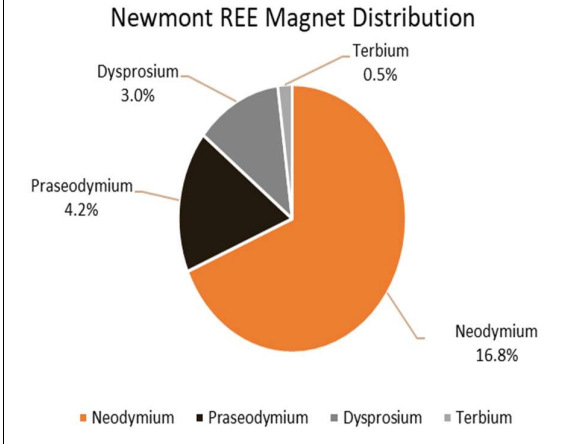


Figure 19: Gallium metal

Source: Company and East Coast Research

ANSTO is in the process of finalising leach test work, encompassing phases 1 and 2, utilising samples sourced from the Newmont deposit. This work aims to optimise the recovery of REE, focusing on factors such as acid strength, consumption, screen size, temperature and leach duration.

The Salazar project features a significant presence of rare earth elements and a unique combination of high-value minerals. The company intends to extract the valuable elements, including HPA, scandium and titanium. An examination of historical drilling data from the Salazar

Rare Earth Element Project, located 150km northeast of Esperance in Western Australia, has revealed substantial concentrations of gallium (Ga).

Gallium, a soft and silvery metal, is vital in forming alloys with metals such as aluminium, copper and tin, leading to gallium arsenide (GaAs). GaAs is essential in semiconductor manufacturing, crucial for internet infrastructure, computer chips and electronic devices. China dominates global gallium supply, accounting for 98% of the market.

Gallium was not systematically analysed in historical aircore programs by the company in their Phase 1 program. The recent announcement by China to restrict gallium exports has prompted the company to re-evaluate material from the Newmont deposit. China's export restrictions can potentially lead to a supply shortage of gallium products (critical for computer chips and semiconductors). West Cobar plans to explore higher gallium grades and conduct re-assays of aircore drill holes to assess the potential inclusion of gallium in the extractable resource base of the Newmont deposit. Additionally, the company will expand on the phase 1 extraction efforts conducted by Nagrom and perform a thorough evaluation of the REE development pathway and the co-product opportunities for HPA, Sc and Ga at Newmont. Limited historical drilling indicated significant gallium intersections near the surface and concentrated in the saprolite within the Newmont area of the REE Inferred Mineral Resource.

V. Impressive recovery rates enhance confidence in the project's economic viability

Metallurgical test results from ANSTO indicate exceptional recoveries of valuable magnet rare earths from Newmont. Furthermore, basic screening tests reveal the clays can undergo significant beneficiation, enhancing front-end economics and decreasing downstream processing and capital costs. Following the completion of phase 1 testing, the management is confident in reducing acid strength. The focus will now shift towards optimising leaching performance, conducting additional variability studies and further refining the process flowsheet.

Eight samples from the Newmont deposit were chosen for head assays, screening and leach testing. These samples, extracted from rare earth enriched saprolite clays, were selected from both an amphibolite basement (Figure 20) and a granitic gneiss basement. Each of the eight head samples has undergone a sequence of screening tests based on size and assay to assess the TREO and mass distribution with size.

Figure 20: Amphibolite derived saprolite clay **Figure 21: Granite derived saprolite clay**

Source: Company

The work program sought to evaluate the leachability of rare earth elements from Newmont samples under diverse acidic conditions, and explore the potential to enhance TREO through sizing. 63 leach tests were conducted across varying acidic concentrations (0.36, 12.5, 25and 100 g/L HCl equivalent), with recovery assessments made at 3, 8 and 24 hours of leaching.

The phase 1 metallurgical test results from the ANTSO indicate robust recoveries of rare earth metals. On average, 68% to 78% recovery of Magnet Rare Earth Oxide (MREO) was achieved in 7

out of 8 samples during the 8-hour liquor test. However, one sample (SAC 362 11m-22m) revealed slower recovery. Leach tests using hydrochloric acid demonstrated superior kinetics and rare earth solubility, achieving up to 94% MREO recoveries at Newmont through the 100 g/L acid pathway.

Figure 22: Acid leach recovery of MREO

Sample	Depth (m)	Sample Information	100 g/L HCL		
			3-hr liquor MREO Recovery	8-hr liquor MREO Recovery	24-hrSolid MREO Recovery
SAC21	8-14	Granite/Gneiss derived, Upper Saprolite	60%	60%	68%
SAC21	14-26	Granite/Gneiss derived, Lower Saprolite	85%	86%	92%
SAC362	11-22	Amphibolite derived, Lower Saprolite (kaolinized)	14%	16%	23%
SAC362	22-32	Amphibolite derived, Lower Saprolite	66%	65%	72%
SAC384	9-14	Amphibolite derived, Upper Saprolite	76%	83%	91%
SAC384	14-24	Amphibolite derived, Lower Saprolite	80%	81%	85%
SAC394	10-18	Amphibolite derived, Upper Saprolite	88%	90%	94%
SAC394	18-30	Amphibolite derived, Lower Saprolite	77%	78%	85%

Source: Company and East Coast Research

The metallurgical test work in phase 1 conducted by WC1 has yielded impressive recoveries of rare earth metals, underscoring the project's potential for operational efficiency and cost-effectiveness. These favourable outcomes underscore WC1's capability to extract rare earth elements efficiently, thereby lowering production costs and boosting profitability. The effective recovery techniques also provide the company with a competitive edge, allowing them to offer rare earth elements at compelling prices in the market. The exception recovery rates position WC1 as a promising player in the rare earth mining sector, in our view.

VI. Exceptional beneficiation results

The beneficiation process improves the economic value of the ore by removing the gangue minerals, which results in a higher-grade ore concentrate and a waste stream. The removal of gangue in the front-end stages of the process enables a significant reduction in capital and operating costs.

WC1 has shown that simple low-cost wet screening results in a quick and simple upgrade of c.150% to the ore grade. In addition, recent tests with an O'Connor drill sample have achieved incredible upgrade results of 34 times the input grade through a combination of magnetic separation and flotation. This results in a concentrate with 5.08% TREO content and approximately 1% of the mass. This means that the portion of material requiring processing to extract the rare earths is drastically reduced.

WC1 is highly encouraged by these preliminary results and is currently working on similar programs for Newmont, which will also consider the titanium stream. Grades of c. 5.08% TREO are extraordinary for clay hosted REEs and could be a game changer for the project economics. Furthermore, there is no drilling / blasting / crushing required compared to hard rock deposits. We expect that the contained metal value of a 5.08% TREO concentrate is approximately US$1,100/t.

VII. Enhancing project viability with clay-hosted REEs

Clay-hosted rare earth elements (REEs) offer advantageous attributes that contribute to low relative operating costs for extraction and processing. The surface mining of clay deposits, typically occurring within the 0–20m depth range, minimises the need for extensive stripping of waste material. This method allows for progressive rehabilitation of mined areas, avoids the complexities associated with crushing and milling and makes the extraction process relatively

simpler. Additionally, the potential for static leaching further enhances cost-effectiveness, as it involves low reagent consumption at ambient temperatures. Notably, the resulting mixed high-grade rare earth precipitate, whether in oxide or carbonate form, offers a purity exceeding 90% TREO (Newmont Deposit samples achieved high recoveries). These features collectively contribute to the economic viability of clay hosted REEs extraction, positioning them favourably in the broader rare earth supply chain.

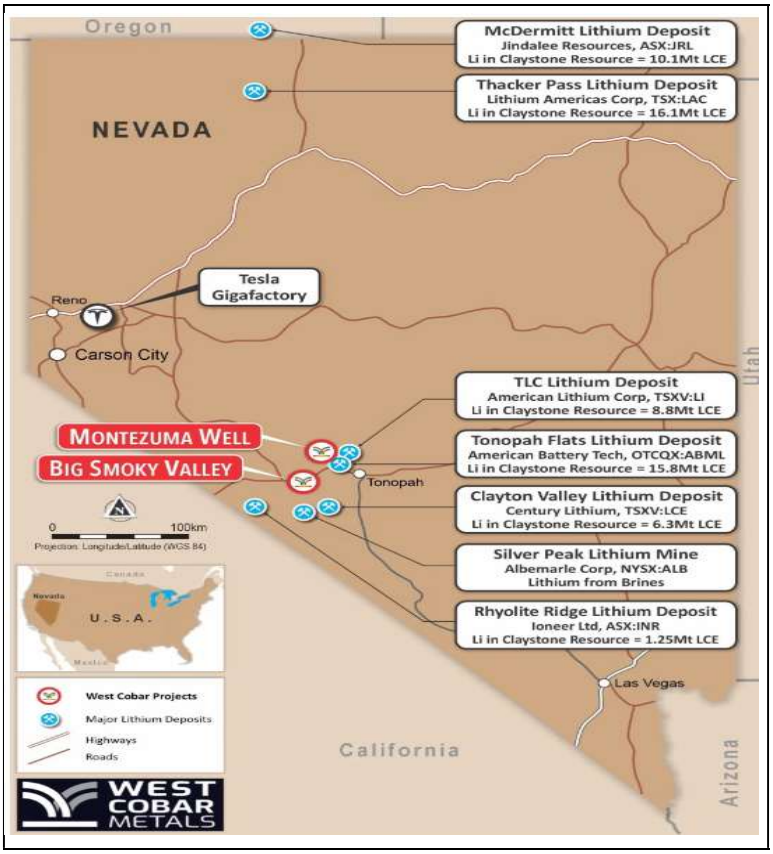
However, the prevailing market scepticism towards rare earth clays is grounded in the understanding that these resources demand time to establish the necessary networks for extraction and processing. The critical question revolves around the economic feasibility of developing clay deposits. While WC1's management is optimistic about its prospects and believes that the company is well-positioned to address these challenges, it is essential to recognise that substantial further efforts are required to make this project economically viable.

Rare earth clays are yet to receive the level of recognition they deserve. This lack of acknowledgment may be attributed to the inherent complexities and uncertainties associated with their extraction and commercial viability. The management anticipates a shift in perception as they move forward into the development stage of the project. The ongoing efforts to mitigate risks, coupled with advancements in technology and exploration, are poised to enhance the understanding and appreciation of rare earth clays within the market.

Nevada Lithium Project – A high potential asset

West Cobar has acquired 242 mining claims in the vicinity of Tonopah, Nevada, USA. These claims are situated within the prominent Nevada lithium district, forming the Nevada Lithium Project. The project includes the Montezuma Well and Big Smoky Valley claims areas, presenting significant potential for extensive sediment-hosted lithium claystone deposits within the Siebert Formation. WC1's claims are situated in the Silver Peak-TLC zone, a region that hosts Albemarle's Silver Peak lithium-in-brines operation, the largest lithium producer in the United States. Additionally, this zone is home to some of the most substantial lithium resources in claystone deposits in the country. Moreover, these claim areas are favourably located near the mining hub of Tonopah and are positioned c.350km southeast of the Tesla Gigafactory in Nevada.

Figure 23: Location of Nevada Lithium Project



Source: Company

The Montezuma Well Prospect has 59 claims and is situated 2km west of the TLC deposit owned by American Lithium Corporation (which has total lithium resources of 2.05Bt @ 809ppm). Additionally, it is positioned 4km north of the recent lithium in claystone discovery at Tonopah Flats by American Battery Technology (which has resources of 5.3Bt @ 561 ppm Li). Future Battery Minerals, located to the south, has reported promising drilling results, including an intersection of 35.1m with a concentration of 463ppm Lithium (Li) from 106.7m. West Cobar plans to conduct five reverse circulation holes, ranging 80-120m in depth, to explore the potential for lithium claystone deposits in the Montezuma Well Prospect.

The Big Smoky Valley Prospect includes 183 claims and is situated 28km southwest of the Ioneer's Rhyolite Ridge deposit and 23km south of Century Lithium's Clayton Valley deposit. WC1 plans to conduct six reverse circulation holes, ranging 80-120m in depth, to assess the presence of lithium claystone deposits in this area.

In June 2023, a preliminary field investigation was conducted. This investigation affirmed the promising potential of West Cobar's claims. The Bureau of Land Management (BLM) has granted approval for the necessary permitting applications related to the planned drilling. The company plans to commence RC drilling, involving 11 holes, to explore lithium mineralisation within the claystone horizons across both tenement areas.

Figure 24: Montezuma Well prospect area

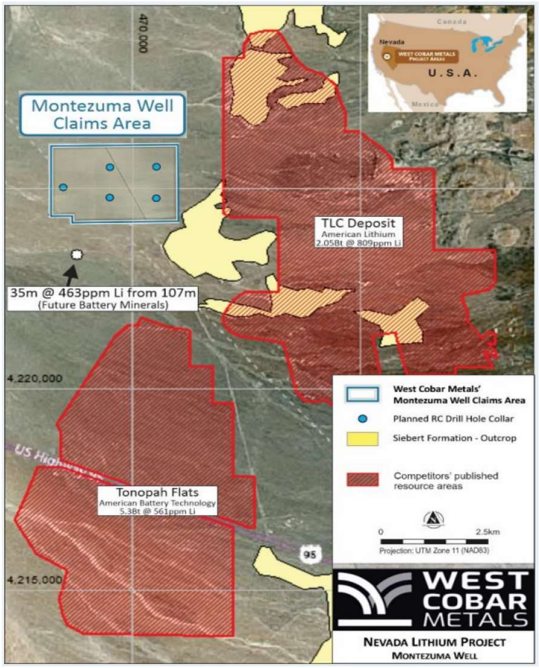
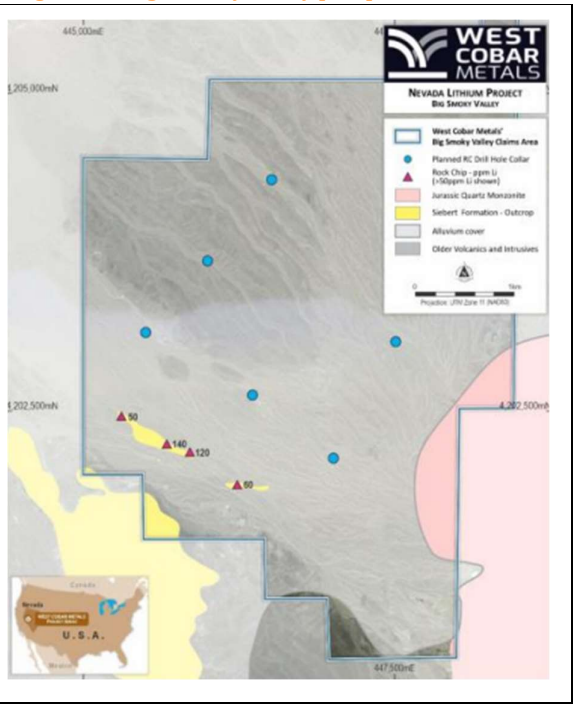


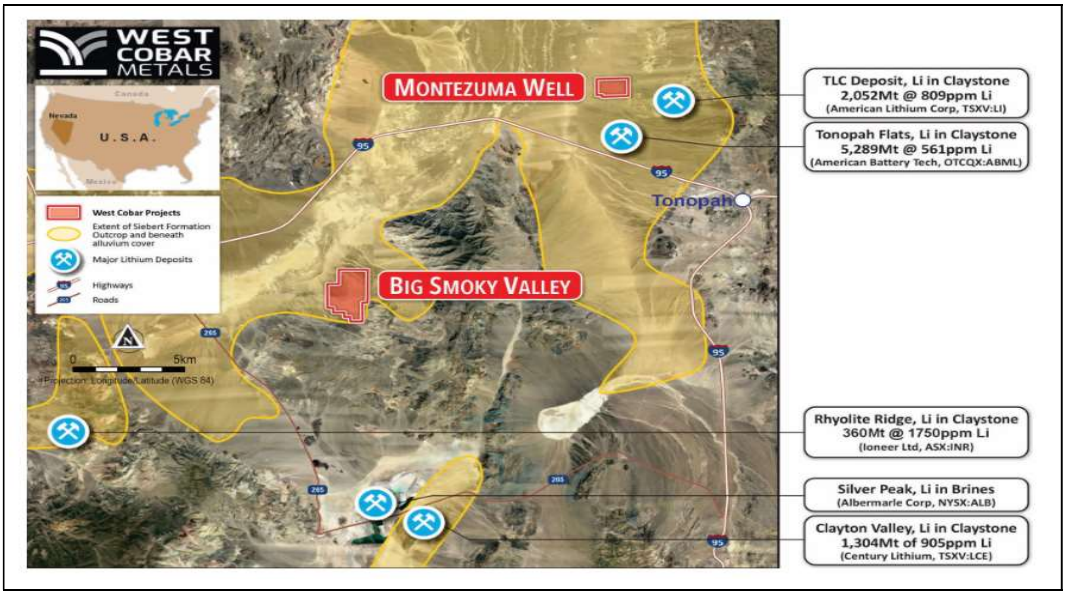
Figure 25: Big Smokey Valley prospect area



Source: Company

As of Nov 27, 2023, Eight RC holes, totalling 1,016m, were completed at the Company's 100%-owned Montezuma Well and Big Smoky Valley Projects in Nevada. In Big Smoky Valley, six RC holes revealed substantial green clay stones and clayey tuffaceous sequences, with samples submitted for lithium assay testing. Montezuma Well encountered drilling difficulties in two holes, leading to abandonment at 64m and 75m. The company is considering the use of a more substantial drill rig for potential future testing at Montezuma Well's deeper levels.

Figure 26: Showing major lithium deposit discoveries in the vicinity of West Cobar's claims



Source: Company

I. Nevada is a favourable location with a mining-friendly reputation

Nevada has gained recognition as a prime location for mining, particularly emphasised in the Fraser Institute's 2021 annual survey. The state's mining-friendly environment secured its top

ranking among mining jurisdictions in the Fraser Institute's 2020 annual survey. Beyond its favourable mining regulations, Nevada is a geological treasure repository, housing the world's largest lithium deposits.

Furthermore, the recent activation of the Defence Production Act in the United States, aimed at boosting and protecting domestic battery material production, solidifies the importance of Nevada as a mining district. The state's appeal is heightened by its close proximity to gigafactories and manufacturers with significant lithium supply needs.

Nevada benefits from a strong legal framework characterised by clear laws and reliable enforcement, contributing to an enhanced security profile. Additionally, the region aligns with the bipartisan commitment in the United States to advance clean energy initiatives and facilitate investments in this sector. Moreover, Nevada presents an economically advantageous environment for explorers, as it refrains from imposing any mandatory minimum annual expenditure requirements.

II. Availability of essential infrastructure and potential of WC1's lithium project

WC1 project is well located; it is situated near essential infrastructure, including power sources, mining services, and potential lithium sales partners. Its location, just 350km southeast of the Tesla Gigafactory, provides an additional advantage. Moreover, West Cobar's prospective areas exhibit geological similarities to established major claystone-hosted lithium deposits in Nevada. The region stands out for hosting the only operational lithium mine in the US, the Silver Peak Lithium Mine, serving as a central hub for lithium exploration and development in claystone. This positions WC1's Nevada Lithium Project favourably for potential growth and collaboration within the thriving lithium sector.

The Montezuma Well and the Big Smoky Valley, WC1's two promising lithium prospects, present considerable potential for hosting lithium deposits in claystone formations. Positioned within the Monte Cristo Valley and Big Smoky Valley, these areas cover a substantial stretch of volcanic rock, known for its lithium-bearing capacity. Notably, this region plays a central role in the exploration and advancement of lithium extracted from claystone in the United States.

Century Lithium, WC1's counterpart in Central Nevada, has identified substantial mineral resources of Lithium Carbonate Equivalent (LCE) in adherence to NI 43-101 standards. The geological characteristics of WC1's Nevada Lithium Project closely resemble Century Lithium's Clayton Valley deposit. Recently, Century Lithium demonstrated that cost-effective processing could be achieved through conventional tank leaching at the project site, resulting in minimal acid consumption and an impressive lithium recovery rate exceeding 85%. The project's resource is extensive and lies flat, with lithium-bearing claystone units exposed at the surface. Anticipated to have a low strip ratio of 0.29:1 due to minimal overburden and the absence of interbedded waste, surface mining operations will not necessitate drilling or blasting for excavation. The results from this mining zone hold considerable promise for WC1's prospective area, given their shared geological characteristics.

III. Competitive edge in claystone mining

While extracting lithium from clay was historically perceived as challenging and costly, recent developments in the industry have shown that it can be achieved in a cost-competitive manner. Clay-hosted lithium miners have successfully employed leaching, a method which is commonly used in extracting lithium from hard rock deposits and is faster than brine evaporation, leading to cost reductions. On the other hand, clay-hosted lithium deposits are normally much shallower than hard-rock deposits, and they don't need crushing, resulting in a lower strip ratio and production costs compared to hard-rock mining. For instance, the strip ratio for Century Lithium's Clayton project, located near the Mustang project, is estimated at approximately 0.29:1.

Furthermore, clay-mining is characterised by relatively low energy consumption and high extraction efficiency, eliminating the need for blasting or drilling. The lithium extracted from

clays is of exceptional quality. Century Lithium, at the Clayton Valley Project, achieved lithium carbonate samples with a purity of 99.94%. This level of purity exceeds the minimum 99.5% standard required for electric vehicle battery qualification, indicating an enhanced grade in the extracted lithium. The positive results observed in counterparts create a promising environment for WC1, given their shared geological attributes.

WC1's other Australian assets

In addition to its flagship project, the company targets other commodities across its other two Australian assets. We have explained them in detail below:

1. The Hermit Hill project in the Northern Territory

The Hermit Hill Lithium Project is located within an emerging and underexplored lithium province in the Northern Territory

The Hermit Hill project comprising EL 33208 is located approximately 130km south-southwest of Darwin in the Northern Territory and is prospective for pegmatite-hosted lithium mineralisation. The project owned entirely by WC1, encompasses an area of 667km^2 in the Litchfield Province, approximately 100km south-southwest of Core Lithium's Finniss Lithium Project and Lithium Plus Minerals' Lei lithium prospect and 30km west of Ragusa Minerals' Tank Hill lithium discovery (Figure 27).

Geological features of the project

The Hermit Hill project area covers a portion of the relatively unexplored western part of the Lichfield Province on the western flank of the Pine Creek Orogen. The central and northern part of the licence area contains small outcrops of Allia Suite Lichfield Granite which is an S type granite and considered a prospective source for LCT[1] pegmatites.

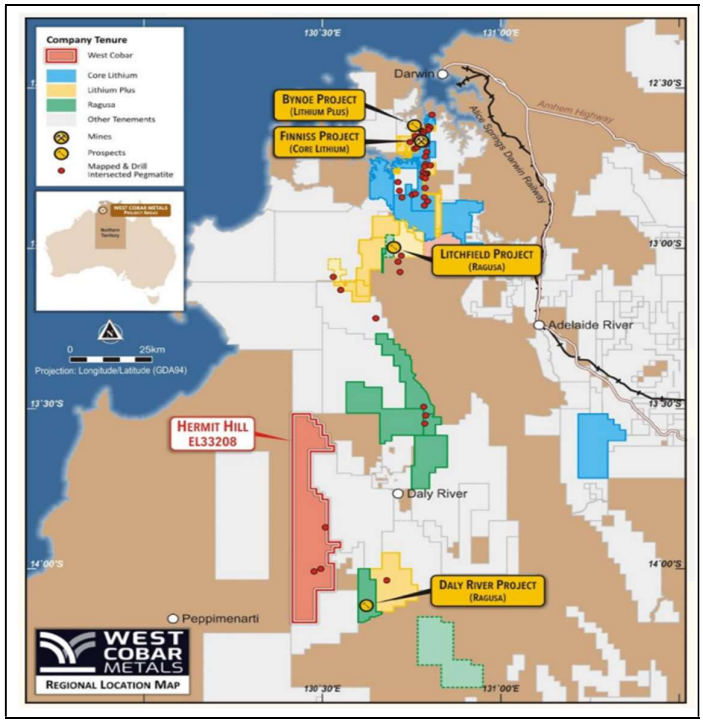
Exploration update

Pegmatites up to 20m wide were observed in the field exploration activities undertaken after the year ended 30 June 2023 at the Hermit Hill project. Pegmatites are expected to be much more extensive and could be traced for up to 400m along strike in the Lichfield Granite, hidden beneath shallow eluvial/ alluvial cover.

The planned next stage of work at the project includes a potential drill program over defined target areas to test and sample the bedrock after the wet season in Q2 2024.

[1] Lithium-cesium-tantalum (LCT) pegmatites comprise a compositionally defined subset of granitic pegmatites.

Figure 27: Hermit Hill project location



Source: Company

2. The Cobar West project in New South Wales (NSW)

The Cobar West project comprises the Bulla Park and the Nantilla Projects. Both projects are located approximately 100-200 km west of the Cobar district in NSW.

The Nantilla project

The Nantilla project comprises EL 9179, encompassing an area of 176km2 which is prospective for gold, copper and base metal mineralisation (Figure 28). The project owned entirely by WC1, covers adjacent aeromagnetic and gravity anomalies and lies approximately 290km north-east of Broken Hill and 260km north-west of Cobar.

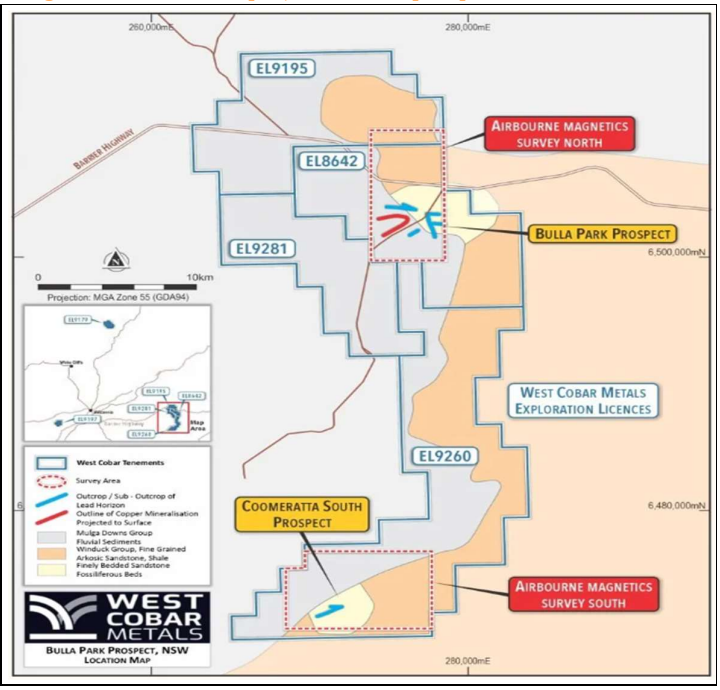
As of 30 September 2023, the company was engaged in negotiations to secure an access agreement with the landholder at the Nantilla Project. Once concluded***, a detailed aeromagnetic survey and potential drill program is planned for the project in H1 2024.***

The Bulla Park project

The Bulla Park project is 100% owned by WC1 and is located approximately 110km west of Cobar in NSW. The project consists of four granted ELs – 8642, 9195, 9260 and 9281, encompassing an area of 518km^2. The broader Bulla Park project comprises two prospects – the Bulla Park prospect and the Coomeratta South prospect, 40km south of the Bulla Park prospect.

Figure 28: Cobar West projects in NSW

Figure 29: Bulla Park project El's and prospects



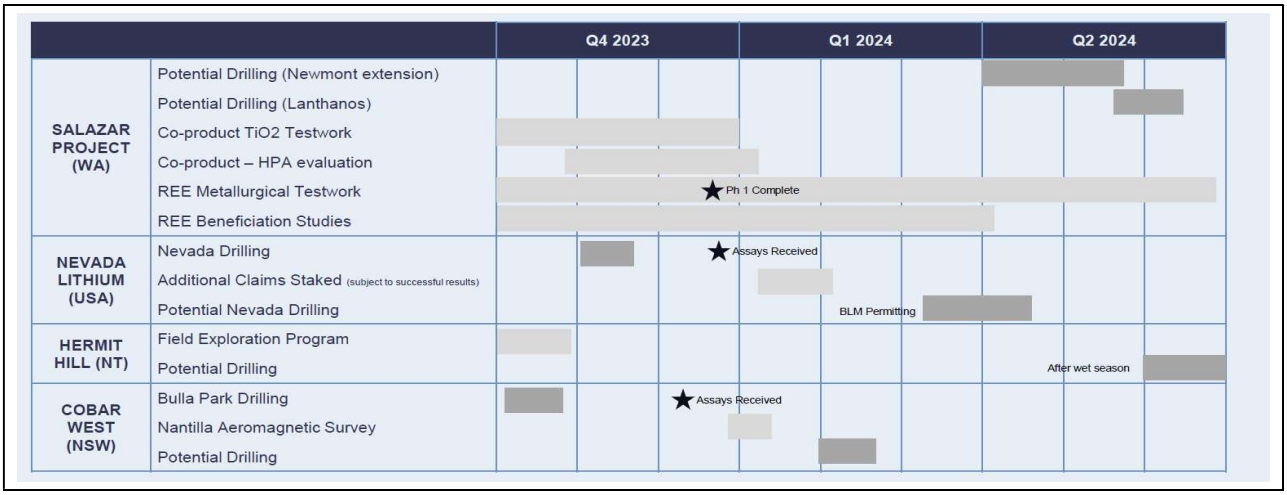
Source: Company

Drilling update for the project

A revised mineralisation model suggests that the widespread copper mineralisation identified at Bulla Park project till date is reflecting a "halo" around a higher-grade pipe or stockwork system like other deposits in the Cobar Basin. Interpretation of detailed low-level aeromagnetics commissioned by WC1 has defined specific drill targets that could relate to these higher-grade copper mineralised zones.

The company has successfully completed diamond drilling in the October 2023 at the project. A diamond drill hole to a depth of 364m has been completed, and the zone targeted for copper mineralisation was observed from 121m to 319m. The core will be logged in detail and despatched for assay. ***The drilling results are expected in December 2023.***

Figure 30: WC1 has a clearly defined timeline for its planned activities



Source: Company

Rare Earth Elements: An indispensable component of modern technologies

Rare earth elements (REEs) are a group of 17 chemical elements, comprising 15 lanthanides[2], scandium and yttrium[3]. The elemental forms of REEs are iron grey to silvery lustrous metals that are typically soft, malleable and ductile and generally reactive at elevated temperatures. While all the REEs have similar chemical properties, they possess distinct physical and magnetic characteristics. They are also referred to as "rare earth oxides" (REOs) because many of them are sold as oxide compounds.

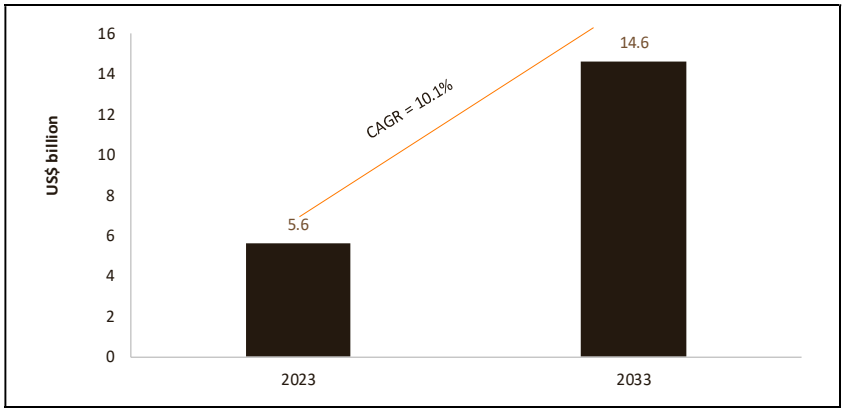
The REEs are typically abundant in the earth's crust. However, because of their geochemical properties, the elements are rarely found in concentrated economic clusters (ore deposits). Deposits that are economically viable are more difficult to find and the real rarity comes in the complex process to separate them into the materials needed to produce permanent magnets used in a range of critical products.

Rising demand for EVs is expected to propel the use of permanent magnets in the production of electric motors

REEs are often classified into two main categories – light rare earth elements or oxides (LREEs or LREOs) such as lanthanum (La), cerium (Ce), praseodymium (Pr)and neodymium (Nd) – typically constitute more than 80% of TREO content in REE deposits, and heavy rare earth elements or oxides (HREEs or HREOs) such as europium (Eu), terbium (Tb) and dysprosium (Dy) – which are difficult to find. Additionally, within these classifications, there is a subset referred to as the magnetic rare earth elements or oxides (MREEs or MREOs) – neodymium, praseodymium, dysprosium and terbium – accounts for c. 90% of the market value of rare earths. These MREEs are essential to produce the high-performance permanent magnets that are used in EVs and wind turbines, as well as in everyday electronics, such as hard drives and smartphones.

The Salazar project boasts a significant presence of high-grade MREOs, with 25% of its basket made up of these vital elements. Additionally, the deposit holds high-value heavy REEs of Dy and Tb oxides.

Figure 31: Global rare earth metals market



Source: Future Market Insights and East Coast Research

The global rare earth elements market is valued at US$5.6bn as of 2023 and is expected to reach US$14.6bn by 2033, growing at a CAGR of 10% during the forecast period (Figure 31). This will primarily be due to the increasing usage of these elements in consumer electronics, renewable energy, aerospace and especially in EVs to produce the high strength permanent magnets used in their engines.

[2] Samarium (Sm), terbium (Tb), thulium (Tm), ytterbium (Yb), cerium (Ce), dysprosium (Dy), erbium (Er), europium (Eu), gadolinium (Gd), holmium (Ho), lanthanum (La), lutetium (Lu), neodymium (Nd), praseodymium (Pr), and promethium (Pm).

[3] Scandium and yttrium are also included in REEs because they are found in the same ore deposits as the lanthanides and show similar chemical properties.

Demand for EVs is forecast to increase significantly over the next ten years as technology improves, the price gap with petrol cars is closed and more electric chargers are deployed. Revenue in the EV market is projected to reach US$457bn in 2023 and is expected to show a CAGR of 17% to reach US$858bn in 2027, where EV unit sales are expected to reach 16.21 million vehicles in 2027 (from around 2 million in 2012). The increase in EV demand is predicted to catapult demand for REEs in the next several years.

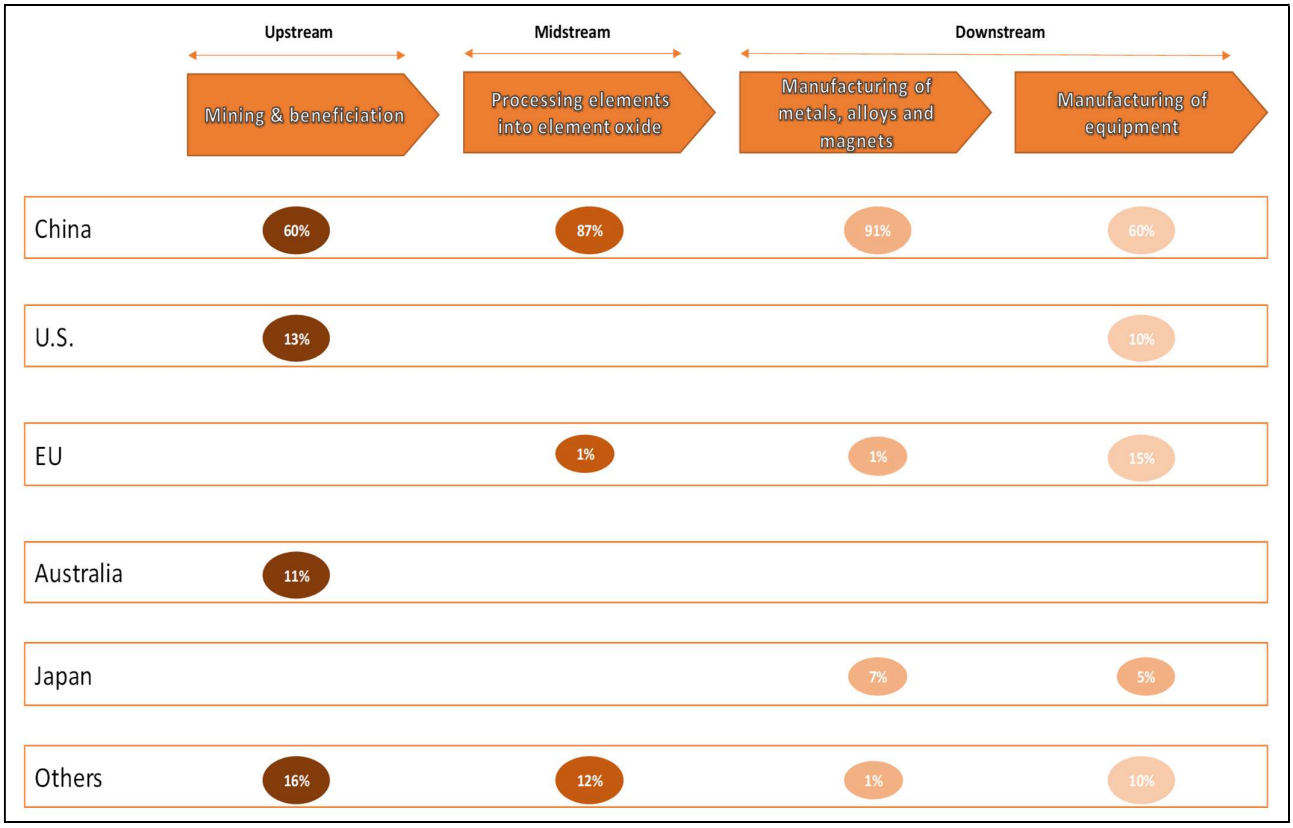
Adamas Intelligence, a Canada-based independent research and advisory firm, forecast that from 2022 through 2035, the value of rare earth oxides consumed by energy transition applications will rise at a CAGR of 19.1%, from US$3.8bn in 2022 to US$36.2bn in 2035. According to the firm, this growth will be led primarily by passenger EV traction motors, which will drive over 50% of the value of consumption in 2035, followed by wind power generators, which will propel another 25%.

Dominance of China in the REE industry

The global REE value chain can be divided into three stages – upstream, the mining of elements; midstream, the processing of elements into separate oxides; and downstream, the manufacturing of permanent magnets and other components made with rare earths.

The REE market space is primarily dominated by China-based vendors owing to their strong integrated supply chain. These vendors have a direct presence in the upstream, midstream and downstream operations (Figure 32).

Figure 32: China's dominance in the REE value chain is paramount



Source: BCG analysis, East Coast Research

China's dominance of the entire rare-earth value chain has raised concerns about potential supply disruptions, particularly in times of geopolitical tension. This dominance is further accentuated by China's vast reserves, estimated at c. 44Mt in 2022, far exceeding those of any other country.

Vietnam shares the second place with c. 22Mt, while Brazil and Russia are closely behind with c. 21Mt.

China has emerged as the primary global producer of REEs and holds a dominant position across its global supply chain. Non-China-based companies are mostly in the developmental phase and will require considerable time before significantly impacting production levels. Nevertheless, it's crucial to highlight the recent efforts by the Australian government to provide substantial incentives and support to miners for expanding their REE production capabilities. This move is expected to wield considerable influence on the global REE supply chain.

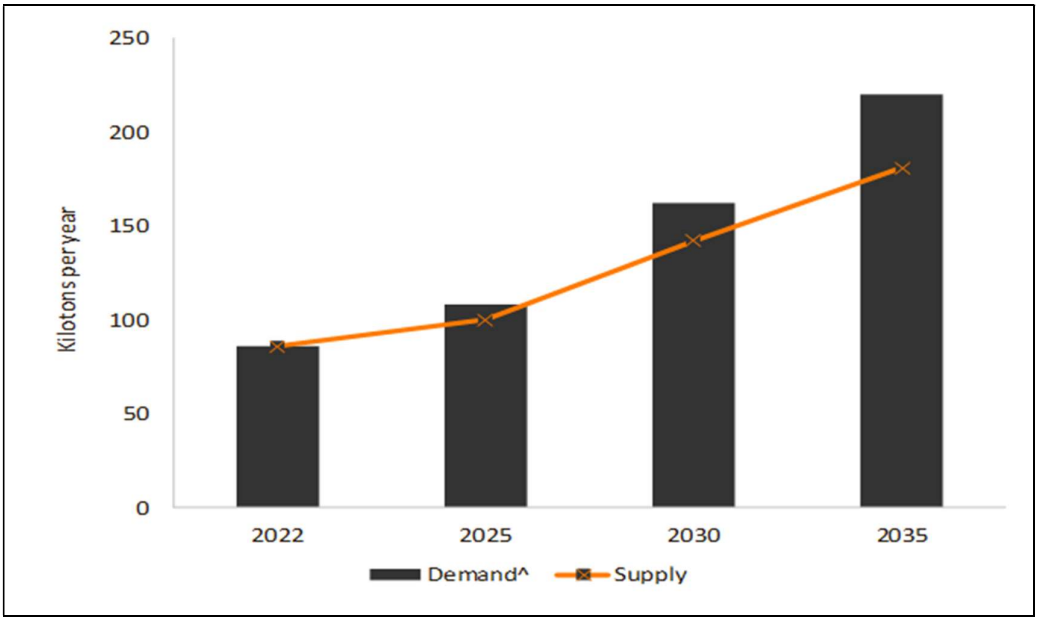
Demand-supply gap and REE prices

According to the US Geological Survey, China remained the world's top producer of REEs in 2022, with an output of 210k tons. The US and Australia produced 43,000 and 18,000 tons, respectively.

The global demand for magnet rare earths is expected to reach 466Kt by 2035, up from 170Kt in 2022, a three-fold increase that amounts to a CAGR of 8%. To meet this demand and to avoid a shortage of REEs by 2030, more than 20 new rare-earth projects would need to be launched, with an additional 10 projects needed by 2035 (Figure 33).

In 2021, the government of China merged its three rare earth-producing companies to form a rare earth giant conglomerate and the second-largest, rare earth mining company in the world. This China Rare Earth group effectively accounts for nearly 60%-70% of China's domestic heavy rare earth element production

Figure 33: Demand vs Supply of neodymium and praseodymium



Note: ^Includes secondary supply, brownfield expansion and other likely additional supply
Source: S&P Global Market Intelligence, BCG, Minex Consulting analysis, East Coast Research

China controls 95% of the production and supply of REEs and this monopoly has allowed it to dictate prices and rouse turmoil among end-users through export controls. China had raised the export tariffs on rare earth elements shipped to various countries including the US, Japan, India, Brazil and the European Union. This led to the supply-demand gap in these countries as they mainly rely on imports from China. If China persists with export restrictions, as it has with commodities like as germanium and graphite, supply could be further compromised.

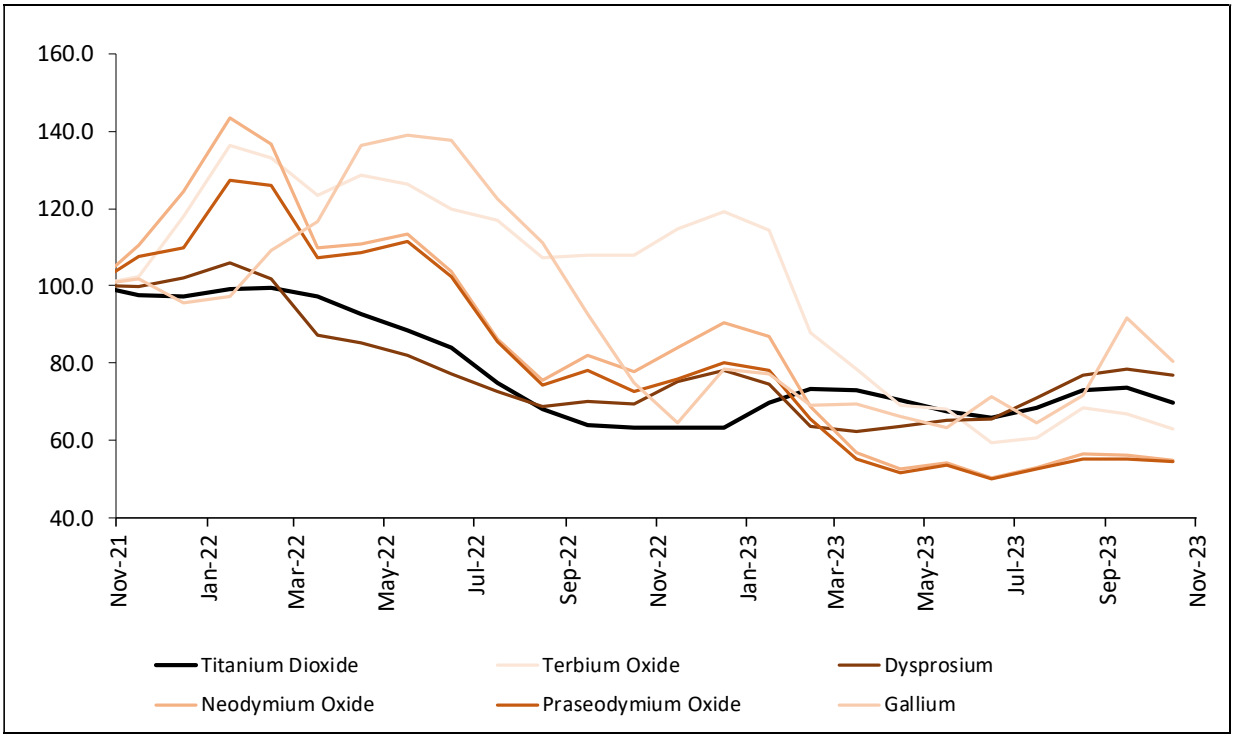
China has a huge influence on global rare earth pricing. The prices for REEs sank to their lowest in July 2023 since late 2020. The decline was primarily due to the soft demand from the automotive sector and the rising supply from China. The price of neodymium[4], which is used to

[4] As of November 2023

make the most powerful magnet in the world, varies between $73 to $520 per kg. However, the ex-China prices could be 30% more than the current quoted price.

With improving supply availability in China, prices for key magnet rare earths have cooled off in 2023. The prices for other non-magnetic rare earths have also continued a downward trend, though the severity of price declines for lanthanum and cerium has been above expectation. Looking ahead, prices and demand for REEs are expected to be robust in the long term.

Figure 34: The slide in REEs price trend in the last two years has been mainly due to China's dumping tactics



Source: S&P Capital IQ, Argus Metals East Coast Research

China will continue to play a crucial role in the REE market

China dominates the global REE value chain and pricing, which is unlikely to be challenged by the 'west' in the short term. However, the rest of the world is attempting to create its own sustainable value chain system by adopting deal strategies. This has led to an increase in equity offerings, asset transactions, strategic partnerships and acquisitions.

Furthermore, few Canadian, German and Australian critical mineral explorers intend to command premium prices, promising quality and consistency in exchange for shifting reliance away from China, the dominant producer and price-setter. These plans come as the miners seek to benefit from the Group of Seven (G7) countries' move to incentivise miners and automakers to produce and procure critical metals domestically or from friendly nations.

Amid the global mining industry experiencing a transformation and the geopolitical tensions with China, the world is seeking diversity of supply as well as expansion of output. Australian companies are well-placed to reduce the risk of price volatility and vulnerabilities in the supply chain. In our view, it's an opportune time for REE miners to enter into potential offtake agreements with OEMs[5], and this represents a huge opportunity for companies like WC1.

[5] Original equipment manufacturer (OEM) is an organization that makes devices from component parts bought from other organizations.

Titanium Dioxide and High Purity Alumina deposits add to the attractiveness of the Salazar REE Project

Titanium Dioxide: part of the mineral sand suite

The mineral sand suite is critical to numerous products found in everyday life, i.e. toothpaste, tiles, paints, human implants (medical/dental), aircraft, golf clubs etc. Although various minerals are included in the mineral sand's suite, but the ones primarily sought from mining generally fall into two categories: titanium dioxide minerals (ilmenite, leucoxene and rutile) and zircon. The vast majority, about 90% of titanium minerals are mined and exported to pigment manufacturers globally. Pigment manufacturers further process the minerals to create titanium dioxide pigment, which is incorporated in paints, plastics, paper, ink, toothpaste, medicine tablets and some food.

In terms of production, Australia is one of the world's largest ilmenites producing countries – behind China, South Africa and Canada in 2019. Although, Australia's ilmenite production was behind these nations, it hosts 32% of global reserves[6] with an estimated 250Mt of proven reserves. In terms of consumption, China is the leading consumer of titanium minerals and zircon.

According to Grand View Research, a US-based market research and consulting company, the global titanium dioxide market size was valued at US$18.8bn in 2022 and is expected to grow at a CAGR of 6.3% from 2023 to 2030. The market is expected to witness significant growth primarily due to the excessive consumption of paints & coatings in various end-use industries including automotive, construction and others.

High Purity Alumina: a critical battery element

Newmont's alumina resource is suitable to be upgraded to a HPA feedstock

High-purity alumina (HPA) is a high-value, high-grade form of aluminium oxide with a minimum purity level of 99.99%. It is produced through the hydrolysis of aluminium alkoxide or the thermal decomposition of aluminium hydroxide.

HPA is a versatile material with applications in electronics, energy, healthcare and other industries. Its exceptional properties, such as high thermal conductivity, electrical insulation and resistance to corrosion, make it an ideal material for use in critical applications that require high performance and reliability.

The Global HPA market was estimated at US$3.8bn in 2023 and is anticipated to increase by a CAGR of c. 22% from 2023 to 2030, to reach US$15.2bn by 2030 (Figure 35). The growth of the HPA market is driven by various factors, including the rising need for high-purity alumina in the electronics industry to produce sapphire substrates used in LEDs and semiconductors, as well as the growing adoption of EVs, which require HPA to produce lithium-ion (Li-ion) batteries.

Furthermore, the increasing focus on renewable energy sources such as solar and wind energy is expected to drive the demand for HPA in the energy sector, particularly for producing high-purity alumina-coated separators used in Li-ion batteries. ***The global HPA market is anticipated to continue its exponential growth trajectory in the coming years and, therefore, we think this represents a substantial opportunity for WC1.***

Exposure to lithium is value-additive for WC1

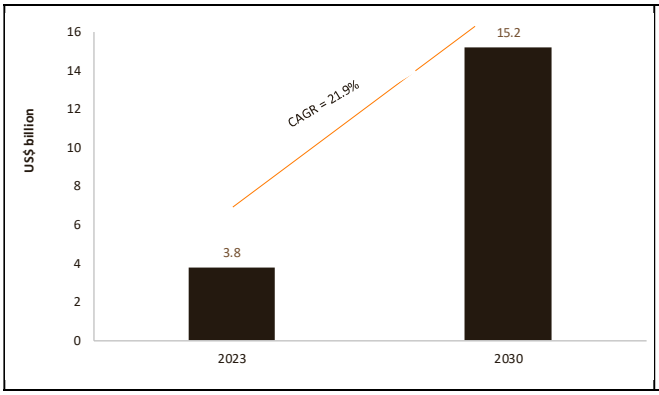
Lithium is a soft, silvery-white alkali metal that is increasingly becoming important for the global economy. It is used in almost every electronic device, from laptops and mobile phone batteries to EVs. Lithium also features prominently in modern power tools and battery-operated material handling equipment. In the industrial space, it is widely used in the production of glass and glass ceramic products, such as fire viewing windows, cooktop panels, telescopic mirror substrates and fire-resistant glass. The global lithium market size was valued at US$7.5bn in 2022 and is expected to grow at a CAGR of 16.7% from 2022 to 2030.

[6] World ilmenite reserves total 770Mt.

Energy storage applications along with increased EV adoption to boost lithium demand

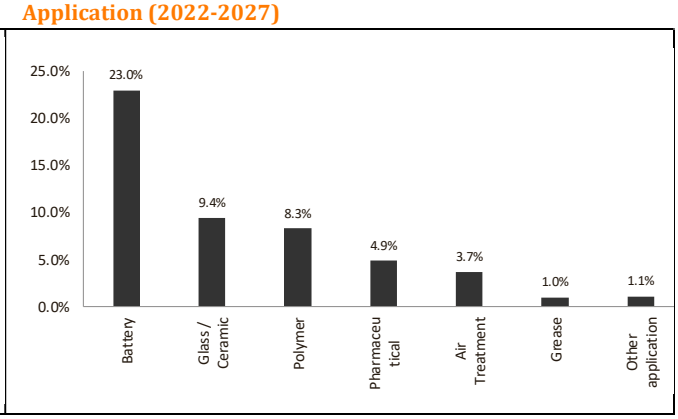
Although lithium's applications are varied, its role as a battery mineral is poised to remain the major driving force behind its demand (Figure 36). Lithium-ion (Li-ion) batteries are in high demand across a spectrum of products, ranging from EVs, cell phones, laptops and power backups/UPS to tablets, power tools, video games, toys, and e-bikes. In addition, the demand for Li-ion battery-based energy storage systems is growing at a significant pace, considering the growth in various renewable energy sectors, including wind and solar. The increased EV adoption will further boost the demand for lithium. While Chinese EV sales grew by 96.5% YoY, a total of 19 countries globally have now passed the 5% EV penetration rate. As per forecasts, demand from battery electric vehicles (BEVs) will increase by a CAGR of 20% to 2.28Mt of LCE in 2033 from 0.3Mt of LCE in 2022. In our opinion, WC1's lithium assets in Nevada and in the Northern Territory, Australia, add to the attractiveness of its other valuable assets.

Figure 35: Global HPA market to grow significantly



Source: Strategic Market Research and East Coast Research

Figure 36: Global lithium market, Volume CAGR (%) by Application (2022-2027)



Source: Mordor Intelligence and East Coast Research

Copper mining to benefit WC1

Copper has the highest conductivity of any non-precious metal and plays an important role in energy production, but it's particularly important for future sustainable technology applications such as EVs and solar photovoltaic (PV) surfaces and is itself a sustainable material as it is 100% recyclable without loss of properties.

While most cars currently on the roads use internal combustion engines that require up to 23kg of copper, a hybrid electric vehicle uses 40kg of copper, a plug-in hybrid electric vehicle uses 60kg, a battery electric vehicle 83kg and a hybrid electric bus 89kg of copper. A battery powered electric bus can use 224-369kg of copper.

EVs use large amounts of copper and the demand for EVs is forecast to increase significantly over the next ten years, which will catapult demand for copper in the coming years. In our view, WC1 stands to gain a significant market opportunity by having exposure to copper mining.

Valuation: Asset-based comparable approach indicates WC1 is trading at a deep discount

We have used an asset-based comparable valuation methodology to determine the long-term value of WC1. As of now the company does not generate free cash flows and will still take some time (c. 9-12 months) to complete its concentrate studies and announce any offtake arrangement. A project feasibility study (PFS) study for its flagship project is c. 12-15 months away. In the

absence of cash flows and PFS, it is suitable to use a resource-based valuation approach (based on peer multiples).

Given that WC1 will directly compete with bigger and more advanced players for its REE product, we have considered ASX-listed companies of different sizes (Figure 37). While the Australian market is fragmented, there are a few firms that compete directly with WC1. These include Australian Rare Earth (ASX:AR3), Heavy Rare Earth (ASX:HRE), Ionic Rare earth (ASX:IXR), OD6 Metals (ASX:OD6), ABx Group (ASX:ABX) and Meteoric Resources (ASX:MEI).

In addition, WC1 also competes with players having Titanium and Aluminium Oxide mineral resources. The additional resource availability act as an economically value accretive proportion for WC1, and hence we have decided to include them in our valuation calculation. For this, we have considered ASX-listed companies of different sizes which are into heavy mineral sands and have high purity alumina projects (refer to Appendix III). This includes, Titanium Sands Limited (ASX:TSL), Strandline Resources (ASX:STA), Sheffield Resources (ASX:SFX), Alchemy Resources (ASX:ALY) and FYI Resources (ASX:FYI).

WC1 offers a unique investment opportunity in Rare Earth Elements space at a deep discount to peers current market values

Figure 37: REE Peer list

Company	Ticker	Market Cap (A$m)	EV (A$m)
Meteoric Resources NL	ASX:MEI	427.7	412.2
Arafura Rare Earths Limited	ASX:ARU	422.7	295.5
Ionic Rare Earths Limited	ASX:IXR	92.8	81.7
Australian Rare Earths Limited	ASX:AR3	22.4	7.6
Victory Metals Limited	ASX:VTM	17.8	14.7
ABx Group Limited	ASX:ABX	17.0	11.0
OD6 Metals Limited	ASX:OD6	16.9	13.4
Heavy Rare Earths Limited	ASX:HRE	4.8	2.7
Peer Median		**20.1**	**14.0**
Peer Average		**127.8**	**104.8**
West Cobar Ltd	ASX:WC1	**6.3**	**3.9**

Note: ^As of 8 December 2023

Source: S&P Capital IQ and East Coast Research

To arrive at our target valuation, we have used peer group average EV/Resources multiples of A$262 per tonne of TREO to value the Salazar REE Project, A$9.8 per tonne of TiO_2 for Newmont Titanium resources and A$6.9 per tonne of Al_2O_3 to value the Newmont Al_2O_3 resources in our base case scenario. Our bull case scenario is based on some recovery in the REE plays valuations. We believe current valuations of around A$262/t TREO are close to trough levels, and we expect valuations to significantly improve by the rising demand for REEs. Therefore, in our bull case scenario, we have used a 16% higher valuation multiple of A$302.5/t TREO; A$10.1/t TiO_2 and A$8.5/t Al_2O_3. Consequently, we have arrived at an implied EV of A$48.7m in the base case and A$55.3m in the bull case scenario (Figure 38).

There will be a time that Australian REE players would also catch the attention of international investors (US and EU based) after the sudden uplift across the Brazilian REE players

We have not included any value from the Cobar West Copper project and the Nevada Lithium project in our valuation of WC1, which remain a significant upside potential to the company's valuation.

We think the deep discount to WC1's valuation compared to its peers can be partially explained by the stock's low liquidity and free float as it's being tightly held. Other reasons can be the lack of an economic study for the Salazar Project and environmental clearances. The process for completing mineralogy studies and attaining environmental clearances are often time consuming, but the company is undertaking this in parallel with the metallurgical variability testing beneficiation trials at Newmont and O'Connor, which have so far yielded exceptional results, providing early indications of the deposits' potential for commercialisation.

That being said, we acknowledge that WC1 offers a unique opportunity to invest in highly lucrative REE space which is already tightened up on the supply side. Titanium and HPA, due to their usability in defence, aeronautics, medical devices and modern-day (Li-ion) batteries, have become highly sought-after minerals. We believe that the capital markets will recognise the dearth of independent companies with excellent projects, thereby supporting WC1's long-term outlook.

There's also potentially significant value in West Cobar's other strategic projects targeting green energy metals of copper and lithium. We have not included the value of these assets in our valuation of WC1 as they are early-stage exploration projects and lack Mineral Resource Estimates, but nevertheless offer significant upside potential to our valuation.

The mid-point target price of A$0.39 represents a Price/NAV of 0.14x, indicating a substantial valuation headroom of more than 500%.

Figure 38: Asset-based relative valuation for WC1 (post equity dilution)

WC1 Valuation (A$ m)	Base Case	Bull Case	Remarks
TREO eq resources (kt)*	134.27	134.27	
Sector Average (EV A$/t TREO)	262.0	302.5	
Salazar REE Resource Value	35.18	40.62	
TiO_2 eq resources (Mt)*	0.7	0.7	
Sector Average (EV A$/t TiO_2)	9.8	10.1	
Newmont TiO_2 Resource Value	7.18	7.36	
HPA eq resources (Mt)*	0.6	0.6	
Sector Average (EV A$/t Al_2O_3)	6.9	8.5	
Newmont Al_2O_3 Resource Value	4.07	5.03	
Implied EV	**46.42**	**53.02**	
Cash^	2.33	2.33	
Provisions and Liabilities^	-0.03	-0.03	
Minority Interest^	-	-	
Total Value	**48.72**	**55.32**	
Fully Diluted Number of shares (m) **	135.00	135.00	Post dilution ^^
Implied price (A$)	**0.361**	**0.410**	
Current price (A$)	0.054	0.054	
Upside (%)	568.3%	658.8%	
Mid-point Target Price (A$ cents)	**0.385**		
Price / NAV (X)	**0.14x**		

*Notes: *Total resource includes 100% of measured and indicated resources and 50% of inferred / probable resources; Total diluted shares include 20.7m of unlisted options; ^^ Private Placement of 12,246,667 shares @ A$0.06 in Nov 2023; Share Purchase Program - 4,920,000 applications were received by WC1 @ A$0.06 in Dec 2023; ^ as of 30 June 2023*

Source: East Coast Research

Additional shares on issue

It is important to note that we have assumed a higher number of shares than are currently on issue. The company has 117.8m shares on issue (including 20.7m of unlisted options) and is offering an additional 17.2m shares in the just concluded private placement and share purchase program. We have included all of these in our calculation of fully diluted shares number.

Re-rating of West Cobar

WC1 is currently trading significantly below our mid-point target valuation. Meeting the following milestones can enable a re-rating on the stock, thereby increasing shareholder value:

- An announcement on **an offtake agreement** will increase confidence in the project.

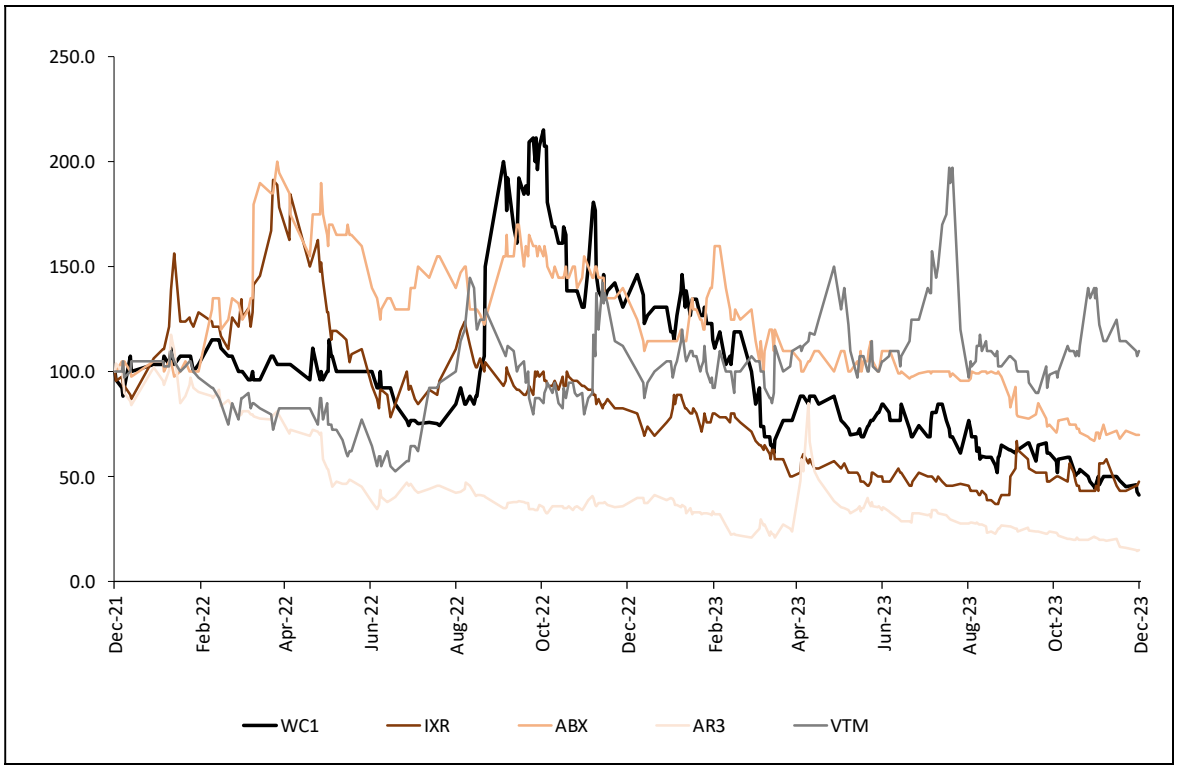
- An announcement on **the achievement of the concentrate studies of the minerals from the Salazar project,** will be a major step towards commercialisation of the mine and will increase investors' confidence in the company.
- Any **increase in the basket prices** for REE elements will have a direct impact on the expected cash flows of the project and its expected return profile. **A jump in titanium and HPA prices** will support the attractiveness of the Newmont deposit, thereby supporting an increase in WC1's valuation.
- An **increase in the indicated and inferred reserves** in further studies will expand the commercial viability of the company's various projects, thereby enhancing its valuation.
- **Completion of an economic study for the Salazar Project,** such as a scoping study or a PFS, will demonstrate the economic viability of the project and improve investor confidence.
- **An improvement of the macroeconomic picture** and the subsequent relaxation of financial markets will have a positive impact on the company's ability to raise funds at more attractive prices to continue its value-accretive operations and thereby increase the company's valuation.
- **Successful drilling results** from the Bulla Park copper project in NSW or the Nevada lithium project could be transformational for the company and are not given any value in the share price.

Risks

Although we believe that WC1 makes up an attractive investment case, especially due to the currently significant market undervaluation of its attractive Salazar Project, we foresee the following key risks to our investment thesis:

- **Underlying commodity price risk**: WC1's investment attractiveness is very sensitive to REE's price fluctuations, which depend on macroeconomic factors, i.e., global demand and supply dynamics of the underlying commodities. Any prolonged drop in the basket prices will be detrimental to our investment thesis.
- **Funding risk**: WC1 presently does not generate any cash flows and is reliant on capital raisings to fund its operations. Timely raising of funds on favourable terms will likely be a challenge for the company's management, given the currently tight financial markets.
- **Execution delays**: The majority of future growth for WC1 is expected to come from potential REE resource discoveries and improvements at the Salazar project site. Any prolonged period between the company's drilling result announcements, as well as possible dismal drilling results, are likely to jeopardise investor sentiment. Further, the company management intends to go for offtake arrangement for the Newmont mine area within the next 7-9 months. Any potential delay in the finalisation of the concentrate studies or in receiving environmental approvals will jeopardise investor sentiment.
- **Geological risk**: For a mining company such as WC1, there exists a perennial risk of downward estimates of reserve figures. There also exists a risk of re-categorisation of the indicated reserves to inferred reserves in further studies. Any such incident will negatively impact the stock's valuation.

Figure 39: WC1's share price has been a mixed bag in the last two years just like the entire sector



Source: S&P Capital IQ and East Coast Research

Appendix I: WC1 SWOT Analysis

Figure 40: SWOT analysis

Strengths	Weakness
(1) The Salazar Project is one of the most advanced clay hosted REE assets in Australia; distinguished by its large and high-grade deposit. (2) WC1's Nevada Lithium Project is located within the world-class Nevada lithium district (home to the only lithium mine in the US). It consists of the Montezuma Well and Big Smoky Valley claims, which are considered prospective for large scale sedimentary-hosted lithium claystone deposits. (3) REEs and lithium demand are poised for exponential growth due to green energy transition. WC1 currently has two master projects of Nevada lithium and Salazar REE, with substantial potential for claystone-hosted deposits. (4) The Salazar project benefits from its proximity to vital infrastructure (including port, rail and air services) and has the availability of a skilled local workforce in nearby Esperance and other towns in WA's Great Southern region. (5) Newmont deposit contains rare earth oxide, with high proportion of rare earth magnet content such as praseodymium, neodymium, dysprosium, amongst others. The deposit also features high-grade alumina and titanium oxide zones. (6) WC1 has a clear competitive advantage with clay-deposits, as they cost-effective and environment-friendly to mine; characterised by relatively low energy consumption and high extraction efficiency.	(1) WC1 is engaged in negotiations to secure an access agreement with landholders at the Nantilla Project. (2) WC1 withdrew from the mediation-arbitration process as the ongoing process was expensive and surrendered the majority of the Cawker's Well tenement area. (3) The company does not generate cash flows and is dependent on capital raisings to fund its operations. (4) China having a technological monopoly in extracting REEs from clay-hosted deposits.
Opportunities	**Threats**
(1) West Cobar's increased landholding via the acquisition of Lanthanos Resources provides the company with upside potential as the value of the REE clays in the Esperance region develops. (2) China's restriction on exports on certain REEs, serves well for companies such as WC1 to fit in. (3) WC1's Australian non-core assets provide it with exposure to the increasing interest in copper exploration. (4) Beneficiation exercises can significantly increase the REE head grades at Salazar, improving the project's economic viability.	(1) Global recession leading to high interest rates and low capital markets activity for financing exploration and development. (2) Inflationary pressures increasing the cost of operations.

Source: East Coast Research

Appendix II: Highly experienced leadership with a strong track record

WC1 has a robust leadership team with diversified experience and skills. The current board and management members of WC1 possess rich and diverse experience across the resources industry, in exploration and mining, as well as strategic management and finance (Figure 41).

Figure 41: WC1's management and board members

Name and Designation	Profile
Mr. Robert Klug **Non-Executive Chairman**	• Mr. Klug has 30 years of corporate law experience and is an Australian qualified resources and corporate lawyer. • He has worked in legal, commercial and leadership roles with several ASX-listed resources companies including Sandfire Resources NL, St Barbara Limited and Heron Resources Limited. • He currently serves on the Board of Noronex Limited (ASX: NRX) and George Street Legal Pty Ltdand as General Counsel of Hastings Technology Metals Limited. • Mr. Klug holds a Bachelor of Law (LLB) from the Murdoch University and a Bachelor of Commerce (B.Com.), Accounting and Finance from the University of Western Australia.
Mr. Matt Szwedzicki **Managing Director**	• Mr. Szwedzicki has over 23 years of corporate and commercial experience with a focus on M&A, corporate growth and investment strategy. • He has held senior leadership roles in companies within the energy and resources industries. • He co-founded Spark New Energies in 2017, an energy company focused on the UK. • Mr. Szwedzicki holds a Bachelor of Engineering and Bachelor of Commerce degrees from the University of Western Australia.
Mr. Mark Bolton **Non-Executive Director**	• Mr. Bolton has more than 30 years of experience in the resources industry and co-founded Salazar Minerals Pty Ltd. • He has served as a Director at Ernst & Young's Corporate Finance division. He has also held Senior Executive roles for several companies listed on the AIM, ASX, LSE and TSX, including serving as the Global CFO for First Quantum Minerals. • He currently serves as a Non-executive Director of Synergia Energy Limited (AIM) and Executive Director of Panthera Resources Plc (AIM).
Mr Ron Roberts **Non-Executive Director**	• Mr. Roberts has more than 35 years of experience in all aspects of exploration, data management and land access across WA, NT, Qld and South Africa. • He has held various roles at ASX-listed Sandfire Resources right from pre-discovery through to Sandfire's rapid growth as an ASX 200 company. • Mr. Roberts is also the co-founder of Bulla Park Metals (West Cobar Metals).
Mr David Pascoe **Head of Exploration and Technical Services**	• Mr. Pascoe is a geologist with more than 30 years of International and Australian experience. • He has served as CEO of West Cobar Metals (May 2021 to Jun 2023), as well as held Chief Geologist & Exploration Manager positions in various entities. • Mr. Pascoe throughout his career has been involved in several discoveries including Magellan (WA, lead deposit), Tocantinzinho (Brazil, 2Moz Au) and Kerimenge (PNG, 1Moz Au). • He currently serves on the board of Pasminex Pty Ltd and Bulla Park Metals Pty Ltd, which he also co-founded. • Mr. Pascoe holds a BSC (Hons) and MSc, in Mining Geology and Exploration Geology, from the Imperial College, London.

Craig McNab **Company Secretary**	• Mr. McNab is an experienced accounting professional with more than 14 years of experience in the resource industry across Australia, New Zealand and the UK. • He has held Senior Finance position at the De Beers Group, as well as has held various corporate roles at Anglo American Plc (in London). • He currently serves as Company Secretary of ASX-listed Chariot Corporation Limited, Firetail Resources Limited and Noble Helium Limited. • Mr. McNab is a Chartered Accountant and Fellow member of the Chartered Governance Institute (Chartered Secretary) – initially qualified as an Auditor at PricewaterhouseCoopers.

Source: East Coast Research

Appendix III: Peer Companies' Resource Estimates

Figure 42: West Cobar's Peers' Mineral Resource Estimates (REE peers)

Company	Ticker	Market Cap (A$m)	EV (A$m)	Total REE Resource (in Mt)	Total TREO Resource (in kt)	EV (A$/t) TREO
Meteoric Resources NL	ASX:MEI	427.7	412.2	204.5	537.0	767.5
Arafura Rare Earths Limited	ASX:ARU	422.7	295.5	45.4	1,177.5	250.9
Ionic Rare Earths Limited	ASX:IXR	92.8	81.7	467.5	299.2	273.0
Australian Rare Earths Limited	ASX:AR3	22.4	7.6	142.8	101.8	74.6
Victory Metals Limited	ASX:VTM	17.8	14.7	125.0	65.0	225.8
ABx Group Limited	ASX:ABX	17.0	11.0	29.5	24.1	457.5
OD6 Metals Limited	ASX:OD6	16.9	13.4	172.0	225.0	59.5
Heavy Rare Earths Limited	ASX:HRE	4.8	2.7	14.0	8.8	311.3
Peer Median		**17.8**	**13.4**			**262.0**
Peer Average		**84.9**	**60.9**			**302.5**

Source: S&P Capital IQ and East Coast Research

Figure 43: West Cobar's Peers' Mineral Resource Estimates (TiO_2 peers)

Company	Ticker	Market Cap (A$m)	EV (A$m)	Total HMS Resource (in Mt)	Total TiO_2 Resource (in Mt)	EV (A$/t) TiO_2
Titanium Sands Limited	ASX:TSL	18.6	18.5	231.9	4.4	4.2
Strandline Resources Limited	ASX:STA	138.9	327.1	44.6	17.6	18.6
Sheffield Resources Limited	ASX:SFX	227.8	203.4	521.0	15.3	13.3
Mineral Commodities Ltd	ASX:MRC	27.6	26.6	19.4	2.6	10.1
Astron Corporation Limited	ASX:ATR	73.7	88.0	101.4	30.7	2.9
Peer Median		**73.7**	**88.0**			**10.1**
Peer Average		**97.3**	**132.7**			**9.8**

Source: S&P Capital IQ and East Coast Research

Figure 44: West Cobar's Peers' Mineral Resource Estimates (Al_2O_3 peers)

Company	Ticker	Market Cap (A$m)	EV (A$m)	Total Resource (in Mt)	Total Al_2O_3 Resource (in Mt)	EV (A$/t) Al_2O_3
Alchemy Resources Limited	ASX:ALY	11.8	6.8	3.3	0.7	9.9
Peak Minerals Limited	ASX:PUA	3.6	2.8	3.7	1.3	2.2
Cadoux Limited*	ASX:CCM	25.3	16.8	8.8	2.0	8.5
Peer Median		**11.8**	**6.8**			**8.5**
Peer Average		**13.6**	**8.8**			**6.9**

Note: FYI Resources (ASX:FYI) has recently changed its name to Cadoux Limited (ASX:CCM)

Source: S&P Capital IQ and East Coast Research

Appendix IV: Analyst's Qualifications

Behzad Golmohammadi, the lead analyst on this report, is an equity research analyst at Shares in Value (East Coast Research).

- Behzad has a bachelor's degree in Engineering (Industrial) and a master's degree in Applied Finance (Investing) from Sydney Business School where he was the top performer in his cohort. He has also passed the first two levels of the CFA Program.
- Behzad has several years of experience working as an Equity Research Analyst and Technical Analyst in Australia and overseas and has a broad knowledge of ASX listed companies. He has been a speaker at the Australian Technical Analysts Association (ATAA).

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