EQUITY Development

Halo Minerals plc

A unique copper tailings opportunity in Chile

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Halo Minerals was admitted to AIM on 30 March, raising £4m at 18p/share. The funds will be used to advance work to develop the Playa Verde copper tailings project at Chañaral Bay, on the coast of Chile. The plan is to dredge the tailings and recover copper cathode and copper concentrate which also contains by-product gold. Halo hopes to complete an updated Definitive Feasibility Study and make an investment decision in H2 26 with potential start-up in 2028. The Competent Person's Report (CPR) in the Admission Document assumes the extraction of 34.8mt of tailings (ore reserve plus 2.6mt of mineral resources), and there is further potential if all the beach tailings and some of the offshore tailings can be extracted. We base our fair value on the CPR model (34.8mt, 10% discount rate) which equates to 46p/share.

What is Playa Verde?

For 37 years copper tailings (waste material from mining) were dumped into the Salado River, working their way 120km downstream to be deposited on the beach and offshore at Chañaral Bay. Halo acquired the project from Central Asia Metals but, significantly, **there is no up-front payment**. Instead, Halo will pay US$3.75m when production reaches 7,500t Cu, and a further US$3.75m when 15,000t has been recovered. The plan is to dredge 5mtpa of tailings and recover 8,640tpa Cu at full capacity, of which 82% will be recovered as copper cathode and the balance as copper in concentrate.

Growth potential

The Base Case scenario in the CPR in the Admission Document calls for the treatment of 34.8mt of tailings (32.2mt ore reserves and 2.6mt of mineral resource) over 7 years after a low capital intensity capital cost of US$86.8m. The CPR assumes C1 cash costs of US$2.19/lb Cu, a US$5.30/lb Cu price and a US$4,300/oz gold price. At a 10% discount rate this yields a **post-tax NPV of US$164.1m and an IRR of 51.4%**. Based on the 32.2mt ore reserves alone, the CPR quotes a post-tax NPV of US$154.1m and an IRR of 50.9%. **There are two growth scenarios; the first is the extraction of the remaining 18.6mt of beach tailings, and the second would be the additional extraction of an estimated 100mt of offshore tailings, both of which provide significant upside potential**. Our fair value estimate is based on the ore reserve plus 2.6mt of mineral resources NPV (adjusted for financing and acquisition costs) and stands at 46p/share.

Why tailings and why copper?

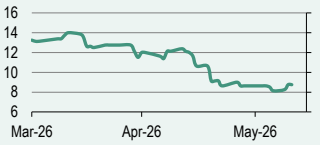
Tailings operations are usually lower risk than mine development. Compared to mining, tailings projects usually have a more readily defined mineral resource and ore reserve, and documented material characteristics (from old mine production records). They usually have lower capital costs and capital intensity, a shorter development time, and simple technology with low operating costs. Tailings operations help the environment since **they make money by cleaning up former mining sites**.

In terms of copper, on the supply side, the mining industry is struggling with ever-deeper mines, declining ore grades, a marked reduction in recent major discoveries, a focus on brownfields exploration (to prolong existing operations rather than discovering new mines) and the geopolitical impact (tariffs and conflict) on operating cost inputs. On the demand side, the growth in electrification has and will continue to boost demand, from growth in electricity transmission and distribution grids, growth into electric vehicle demand and other 'green' applications including AI, and more recently, growth in defence spending. The copper market is widely expected to move into a substantial deficit from 2030. By 2050, BHP sees **copper demand increasing 77%** from 2025 levels and Glencore forecasts **a 27mt supply deficit**.

Company data

EPIC	HALO
Price (last close)	9.0p
Hi/Lo post-IPO	14.5p/8.1p
Mkt cap	£10.11m
ED Fair Value / share	46p
Net cash / (debt) 2025A	£0.356m
Avg. daily volume (3m)	430,764

Share price, p



Source: Investing.com

Description

Halo Minerals is a recently AIM-listed company which intends to bring the Playa Verde copper tailings project into production, processing tailings from the beach and potentially offshore at Chañaral Bay, on the coast of Chile. The company initially plans to dredge the beach tailings in the ore reserves and a small portion of the remaining beach mineral resources.

Longer term potential exists if the company can dredge the remaining beach tailings, and then possibly offshore tailings.

Next event

Optimised DFS and final investment decision – H2 2026

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Cover image: Copper cathodes. *Source: Almalyk Mining & Metallurgical Joint Stock Company. Website: www.agmk.uz/en/products/copper-cathodes*

The investment case for Halo Minerals

Copper tailings treatment – a unique opportunity

Halo Minerals is unique. Unlike other junior copper companies on the LSE, it is the only one that plans to extract copper solely from tailings (waste material from mining). Unlike traditional exploration and mine development, tailings operations are lower risk, both in a geological and economic sense. Tailings deposits are typically better defined in terms of tonnage and grades and have a historic database, benefit from lower capital costs, capital intensity and a shorter development time, use simple technology, have low operating costs and a significantly better environmental footprint – effectively cleaning up mining waste from prior years. Traditional exploration and mining involve heightened geological risk, greater upfront capital costs and longer development times, as well as the lottery of the planning and permitting process.

A well-financed company

Halo listed at the end of March 2026 on AIM – the only new private mining company to list in London so far this year. The company raised £4.0m before expenses (£3.393m after expenses) and ended 2025 with net cash of £356,000. £753,000 has been committed to fund updating the Definitive Feasibility Study (DFS) on its project, Playa Verde, so the group probably still has c.£2.5m of uncommitted cash available.

Acquiring Playa Verde

Halo has acquired the Playa Verde copper tailings project at Chañaral Bay in Chile from Central Asia Metals (CAML) for a total cost of US$7.5m. However, no up-front cash is payable. Instead, Halo will pay US$3.75M when 7,500t of copper has been produced (either as cathode or in concentrate form) and the other US$3.75m when production reaches 15,000t. The fact that no initial payment is needed is a major positive.

What is Playa Verde?

Over 37 years, c. 250mt of copper tailings were dumped into the Salado River from copper mines, working their way 120km downstream to Chañaral Bay and depositing as beach sands and offshore. CAML completed a DFS in 2017-18, but decided to sell the project, allowing Halo to acquire it in Q1 2025. The CPR in the recent March 2026 Admission Document envisages a scenario where 34.8mt of tailings will be extracted from the beach by dredging, yielding 60,329t of copper and 7,465oz of by-product gold over a 7-year operation. Oxide material will yield copper cathodes via SX-EW, and the sulphide-bearing material will yield concentrate containing copper and gold. Capital costs are estimated at US$86.8m and operating costs at US$2.19/lb. Halo plans to return the cleaned beach to the local municipality once dredging has ceased.

Other scenarios

The most conservative scenario is based on the extraction of ore reserves only – i.e. 32.2mt of tailings rather than the 34.8mt (which includes 2.6mt of mineral resources) used in the CPR. Further out, Halo hopes to extract the full 53.4mt in the beach tailings and potentially 100mt+ offshore.

NPV estimates suggest upside

Under the CPR analysis (ore reserves +2.6mt of mineral resources) Playa Verde has an NPV (10% discount rate) of US$164.1m and an IRR of 51.4% using US$5.30/lb Cu and US$4,300/oz Au. On a reserve basis alone, this drops to US$154.1m and 50.9% IRR – still very attractive economics. On the scenario where all the beach sands can be extracted, our NPV estimate rises to US$212.9m, and to US$298.4m if 100mt of offshore tailings can be dredged. Both these scenarios have an estimated IRR of 52.3%.

Peer analysis suggests revaluation potential

We compared Halo against 9 London-listed junior copper explorers and prospective copper mine developers in Chile and the Americas. We value Halo at US$75.88/t on an EV/resources basis; London peers average US$98.08/t. Against the Chilean peers Halo is reasonably valued on an IRR basis and has lower capital intensity than all the key copper projects in the Americas.

Valuing Halo Minerals

We believe that the best way to value Halo now is on an NPV (10% discount rate) less capex and acquisition cost basis. Although capex is already discounted in the NPV, it will need to be funded, so we treat this as a proxy for debt and/or additional equity. Our current fair value is based on the CPR model (reserves +2.6mt of mineral resources) and equates to 46p/fully diluted share. Extracting all the beach resources lifts this to 73p, and extracting a further 100mt of offshore tailings increases this further to 104p. These last two scenarios are aspirational; they show what might be achievable but do not reflect current value. In our view, basing fair value on reserves plus 2.6mt of mineral resources (the CPR Base Case) is reasonable, which sets our fair value at 46p/share. This compares with the placing price in late March of 18p and the current share price of 9p.

Tailings versus mining

Halo's business model is different from that of most junior exploration and mining companies. Halo intends to rework tailings from previous copper mining; this is inherently lower risk and should generate higher returns.

Traditional exploration and mining

- **High geological risk** – the average exploration time for a significant copper or gold discovery is 12 years, on average 2.5 companies explored the property prior to discovery, and the discovery company took on average 2.5 years to find the deposit (Schodde, R.C., Minex Consulting, 2019);
- **High upfront capital cost** – the average cost of discovery in the Western World has risen four-fold in real terms in the last two decades to US$240M (Schodde, R.C., Minex consulting, 2023);
- **Long development timelines** – in the last few years (2020-23) the discovery to production timeline for copper projects has lengthened to 17 years (BHP Insights: How copper will shape our future, 30 September 2024);
- **Planning and permitting** – increasing time and cost burdens to achieve all infrastructure, mining and environmental permits.

Tailings exploitation (Halo's business model)

- **Well defined resource** – surface-stockpiled feedstock usually with a documented and known resource/reserve tonnage and grade, known handling characteristics and understanding of potential by-products and/or deleterious elements. Surface exploration and sampling easier than conventional exploration;
- **Lower capital costs, capital intensity and shorter development time** – typically tailings projects require less total initial and ongoing capital, have lower capital intensity and are quicker to develop than a hard rock mineral deposit;
- **Simple technology, low operating costs** – generally tailings extraction and processing are simpler processes than developing a greenfields exploration discovery, with a historical database of information helping to keep operating as well as capital costs lower than for a typical new mine development and aiding the development timeframe;
- **Environmental rehabilitation** – the re-processing of tailings reduces the negative environmental footprint left by historical mining, and in turn this should mean faster permitting and a positive engagement with local stakeholders;
- **Scalable across multiple tailings assets** – the processing plant can act as a hub for treating other local tailings and the strategy can be rolled out to other tailings opportunities elsewhere.

The Playa Verde tailings re-treatment project

Halo's Playa Verde tailings re-treatment project is located on the coast at Chañaral, in the Atacama Region of Chile, around 900km north of Chile's capital, Santiago. Halo Minerals owns 100% of the project via its wholly owned subsidiary Copper Bay Ltd.

Location of the Playa Verde project

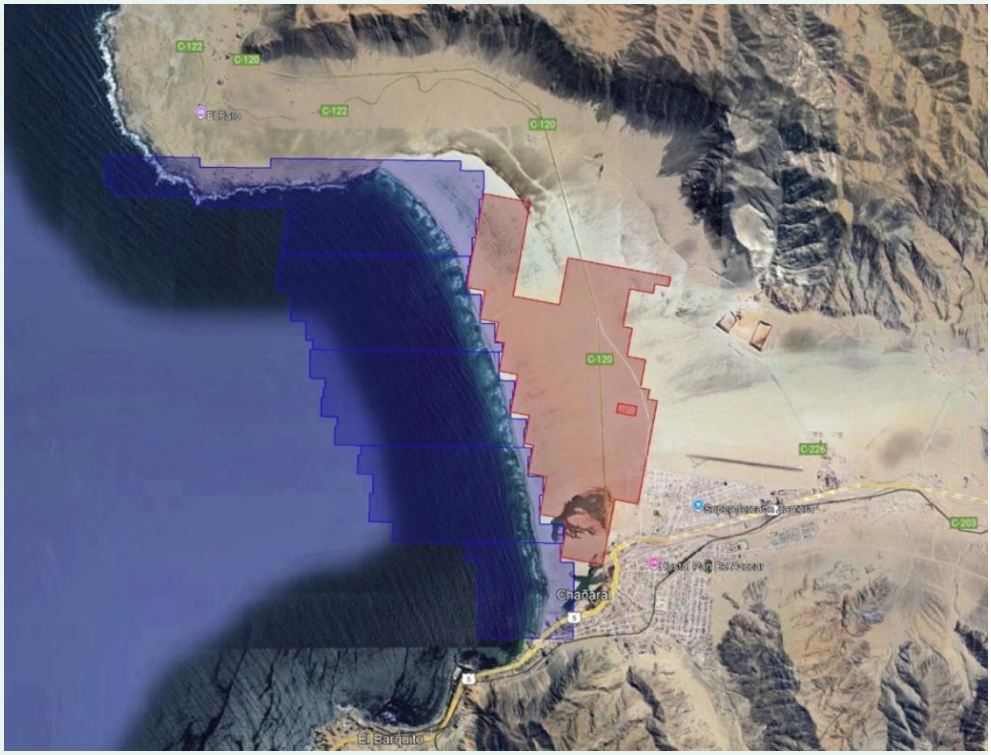
Source: Halo Minerals

What is Playa Verde?

The Playa Verde project consists of 6 mining concessions over an area of 13.57km^2. The project consists of a body of waste material, dumped as tailings over a period of 37 years, from 1938 to 1975. The tailings come from the mining and processing of two copper mines, Potrerillos, and then El Salvador. The mine operators, US company Andes Mining, and state-owned copper company Codelco, discharged the tailings directly into the Salado River, from where they travelled 120km downstream to be deposited in an offshore sedimentary plume in Chañaral Bay, some of which was re-worked as beach deposits.

Environmental controls in the past were clearly less stringent than today, and through the extraction of copper and gold in the tailings, Halo intends to return the beach to the local municipality for use by the local population on completion of operations. In the meantime, the operation should provide locals with employment opportunities.

Playa Verde licence area



Source: Halo Minerals

Halo's acquisition of Playa Verde

Copper Bay Ltd was set up in 2010, its principal asset being the Playa Verde project (then known as the Chañaral Bay project). In November 2013 AIM-listed Central Asia Metals (CAML) acquired a 50% interest in Copper Bay Ltd. for £2.0m (US$3.2m) with an option to acquire a further 25% for US$3.0m on completion of a Pre-Feasibility Project (PFS). CAML is probably better known to investors in the UK as the owner and operator of the very low-cost Kounrad copper tailings project in Kazakhstan. The company also operates the Sasa zinc-lead mine in North Macedonia. CAML announced the completion of the PFS in June 2015 and exercised its option, taking its shareholding to 75%. The US$3.0m was used to produce a Definitive Feasibility Study (DFS) on the project, released in January 2017, and some further optimisation work was carried out. In August 2017 CAML made the decision to sell its stake in Copper Bay.

In April 2025 CAML announced the sale of Copper Bay to Guardian Metals (subsequently rename Halo Minerals in January 2026) at which point CAML's effective stake was 76.1%. The acquisition by Guardian triggered compulsory 'drag' rights over the remaining 23.9% held by minority shareholders. The purchase price for 100% of Copper Bay is US$7.5m, to be paid in two equal cash instalments. The first instalment of US$3.75m is payable once 7,500t of copper (either in cathode or concentrate form) have been produced, and the second US$3.75m becomes payable when production has reached 15,000t.

Exploration history before Copper Bay's involvement

There have been a number of attempts to confirm the resource potential of the tailings at Chañaral Bay. The first programme was in 1972 when BRGM (the French Geological Survey) drilled 86 holes (897m drilled) on the beach. In 2008 PuCobre commissioned a bathymetric survey to measure the depth of the seabed and thickness of the sediments in the bay, allowing for an estimate of the volume of tailings. This was followed by the drilling of 44 holes in the beach area (433m drilled) and 37 holes in the bay. In total, various operators drilled a total of 356 holes in the beach area between 1972 and 2015, and 71 holes in the bay area between 1991 and 2008.

Project studies and resource/reserve evolution

A Competent Person's Report (CPR) was produced in early 2013 by consultants Wardell Armstrong International (WAI) which quoted a non-JORC compliant resource carried out in 2008 of 116mt with an average grade of 0.25% copper for a contained copper content of 288,000t. WAI assumed recovery rates of 80% based on recent metallurgical testwork, and, using a US$3.00/lb copper price, estimated a base case post-tax NPV of c. US$241m, an IRR of 36.9%, capital expenditure of US$236.5m and initial operating costs of US$1.44/lb.

Copper Bay used CAML's initial investment to produce a PFS details of which were released in June 2015. Work for the PFS included a drilling campaign of 1,246 holes to a depth of 9.2m and was incorporated with historical drill data to produce a JORC (2012)-compliant mineral resource containing 124,183t of copper. Much of the inferred resource was to be used as a berm to protect the dredging operation from sea ingress before being reclaimed on completion of dredging. CAML's plan was to produce 6,200tpa of copper cathode and 2,400tpa of copper in concentrate. The economics differed from WAI's 2013 CPR. CAML noted a preliminary capital expenditure of US$88m, C1 cash costs of US$1.34/lb, a post-tax NPV of US$50m (8% discount rate) and an IRR of 21% using a US$3.00/lb copper price.

December 2014 Chañaral beach tailings JORC (2012) mineral resource estimate from Pre-Feasibility Study

Cut-off grade	Classification	Volume (m3)	Tonnage (kt)	Cu total%	Copper (t)
0.1% Cu total	Indicated	28,475,763	42,714	0.244	104,345
0.1% Cu total	Inferred	5,645,741	8,469	0.234	19,838

Source: Central Asia Metals RNS, 24 June 2015. Resource by Wardell Armstrong International, December 2014. Resources include 50m-wide berm.

CAML released details of the DFS in January 2017. The study differed from the PFS, envisaging production of 7,080tpa of copper cathode and 1,560tpa of copper in concentrate. CAML noted a preliminary capital expenditure of US$88.5m, cash costs of US$1.37/lb, a post-tax NPV of US$34.1m (8% discount rate) and an IRR of 19.1%, again using a US$3.00/lb copper price.

2017 JORC (2012) mineral resource estimate from Definitive Feasibility Study

Category	Tonnes (kt)	Cu grade (%)	Contained copper (t)
Measured + indicated	39,942	0.24	92,166
Inferred	14,398	0.23	33,654
TOTAL	**53,440**	**0.24**	**125,820**

Source: Central Asia Metals RNS, 18 January 2017. Resource by Cube Consulting.

The 2026 Competent Person's Report on Playa Verde

Investors are fortunate that given the March 2026 listing on AIM of Halo Minerals a huge amount of information is available on the company in the Admission Document, which includes an 83-page Competent Person's Report (CPR) by Chilean consultants EMI-Ingenieros y Consultores S.A. (EMI) effective 12 February 2026.

Current reserve and resource estimates

The CPR notes that in total an estimated 250mt of tailings were spilled into the bay. The beach deposits at Playa Verde crop-out at surface, and extend to depths of between 0.2m and 18.0m (average thickness 9.5m) over a length of approximately 5km and a width of 900m. EMI has essentially used the 2016 mineral resource estimate of Cube – one can see the total resource of 125,820t above is identical to the total resource (reserves and resources combined) in the following table, taken from the CPR. However, of that total, EMI estimate that 79,359t of contained copper is well enough defined to qualify as an ore reserve – as shown in the following table.

One other point is worth noting. The tailings originally contained copper sulphide traces, given the nature of the original mineralisation, but over time, a large portion of this has been oxidised, particularly in the upper part of the tailings. In total it is estimated that 60% of the copper has now been transformed into acid-soluble copper oxides and chlorides.

Reserves and resources at Playa Verde

Category	Tailings (mt)	Grade (%Cu)	Contained copper (t)
Ore reserves:			
Proved	10.40	0.26	26,609
Probable	21.80	0.24	52,750
Sub-total	**32.20**	**0.25**	**79,359**
Mineral resources:			
Measured + Indicated	6.84	0.23	15,800
Inferred	14.40	0.23	32,400
Sub-total	**21.24**	**0.23**	**48,200**
TOTAL	**53.44**	**0.24**	**125,820**

Source: Competent Person's Report, Halo Minerals Admission Document

Ore extraction and metallurgical recovery

Halo essentially plans to follow the DFS prepared for CAML by Cube Consulting, with some changes based on optimisation work carried out by CAML. The 2016 plan envisaged that given the non-cohesive nature of the tailings, passive excavation using an electric suction dredging wheel would be the optimal solution. The plan would be to construct berms to keep out the sea and to create dividing berms for the individual dredging ponds (this potentially involves some loss of reserve). The ponds are planned to be 14m deep – 12m below water level, with an additional 2m bank height.

The plan calls for the extraction of 5.0mtpa of copper tailings over a 7-year mine life, for a total extraction of 34.8mt at an average grade of 0.25% copper. This includes the extraction of the ore reserves and 2.6mt of inferred resources, yielding 60,329t of recovered copper. The reprocessed tailings produced by the processing plant will be deposited behind the dredge in the dredged pond.

Tailings dredging production plans

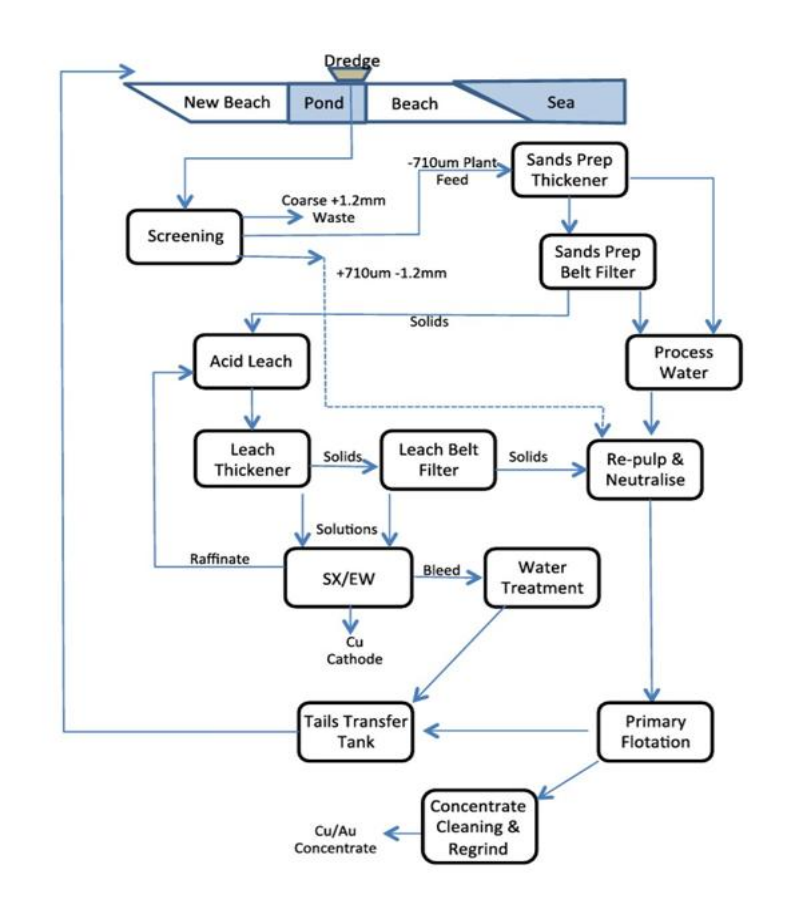
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	TOTAL
Dredge production (m m^3)	3.2	3.2	3.2	3.2	3.2	3.2	2.8	**22.2**
Dredge production (mt)	4.9	5.0	5.0	5.0	5.0	5.0	4.3	**34.2**
Feed grade Cu (%)	0.25	0.21	0.23	0.25	0.26	0.25	0.22	**0.24**

Source: Halo Minerals Admission Document

It is important to stress that the current dredging plan only considers a portion of the resources on the beach, to the east of the western berm and the shoreline area. Additional extraction from the offshore surf and bay zones could add at least 200% to mineral resources according to the CPR.

In terms of processing, the company hopes to achieve a 72% recovery rate. Halo intends to extract copper from leaching and then solvent extraction-electrowinning (SXEW) of copper oxides and carbonates and traditional flotation for copper sulphide tailings to produce a copper/gold concentrate which will then need to be smelted and refined by third parties.

Tailings processing flow sheet



Source: Halo Minerals

Project economics from the Competent Person's Report

The assumptions used in the economic model in the CPR in the Admission Document are essentially similar to the 2017 DFS, with a few differences. The main ones are:

- Constant selling prices – copper US$5.30/lb vs US$3.00/lb; gold price US$4,300/oz;
- Discount rate – 10%pa vs 8%pa.

Revenue assumptions

The project is planned to produce 7,080tpa of SX-EW copper cathode, to be sold at spot prices less a US$250/t fixed trading fee and with a potential premium of US$60-90/t for selling into Asian markets and total marketing costs of US$327/t cathode.

Revenue assumptions for Playa Verde SX-EW cathodes

Copper price	US$/lb	5.30
Premium Years 1&2 CIF China/SE Asia	US$/t cathode	60
Premium Years 3-7 CIF China/SE Asia	US$/t cathode	90
Marketing costs (freight, handling, insurance, taxes etc)	US$/t cathode	327

Source: Competent Person's Report, Halo Minerals Admission Document

The project is also expected to yield 7,800 dry metric tonnes (dmt) of copper concentrate each year, containing an average 20% copper and 5.5g/dmt gold. Overall, average copper recovery of 72% is projected, 59% as cathode and 13% as copper-in-concentrate. There is expected to be an arsenic content of 1.1% which would imply a potential penalty charge of an estimated US$55/dmt, according to the CPR. The buyer could potentially be state-owned Enami's Videla Lira smelter, 170km from the Playa Verde project, although a premium may be achieved if concentrates are shipped to South East Asia, less the freight costs.

Revenue assumptions for Playa Verde copper concentrate from the CPR

Parameter	Value
Concentrate Grade	Copper 20% dmt concentrate, 5.5g/dmt concentrate moisture 10%, arsenic 1.1%
Metal Prices	Copper US$5.30/lb, gold US$4,300/oz
Smelter Terms	Minimum smelter deduction 1% Cu, smelter payable factor 95% Cu Treatment charge US$152/dmt concentrate Refining charge USc 15.2/lb Cu Arsenic penalty US$55/t Gold payable factor 90% (minimum deduction 0.5g/dmt concentrate Payable gold refining charge US$6/oz
Transport, handling & other sales costs	Concentrate marketing US$12/wmt, transport cost to smelter US$13.60/wmt, transport losses (plant to port) 0.2%
Concentrate sales revenue	Copper revenue US$1,868/dmt Gold revenue US$683/dmt Total Net smelter Return US$2,552/dmt

Source: Competent Person's Report, Halo Minerals Admission Document. Note: dmt and wmt refer to dry or wet tonnes of concentrate respectively

Capital expenditure and operating cost assumptions

The CPR notes that Halo expects to spend £753,000 in optimising the cost assumptions in the Cube Consulting DFS, details of which were published in CAML's January 2017 news release. The current capital expenditure estimate is US$86.8m, including a 7.8% contingency. Almost US$61m are expected to be spent on plant equipment and construction, with a further US$10m on dredging equipment.

Initial Playa Verde capital expenditure summary

	US$m
Dredging equipment	10.2
Plant equipment	32.6
Plant construction	28.2
Indirect & other capex	9.5
Contingency	6.3
TOTAL	86.8

Source: Competent Person's Report, Halo Minerals Admission Document

The processing plant also makes up the largest component of average annual operating costs - US$1.65/lb out of total annual operating costs of US$2.19/lb - around 75% of the total. Given that the current copper price is US$6.20/lb (16 June 2026) one can see that there should be a very healthy operating margin.

Playa Verde annual operating cost summary (average over 7 year project life)		
		US$/lb Cu produced
Processing plant	Plant labour	0.14
	Electrical power	0.58
	Sulphuric acid	0.55
	Other consumables	0.26
	Maintenance	0.12
	Sub-total	**1.65**
Dredging	Labour	0.07
	Power	0.09
	Maintenance	0.04
	Sub-total	**0.20**
Sales & marketing	Selling costs	0.32
	Gold credit	-0.28
	Sub-total	**0.03**
G&A		**0.23**
Contingency		**0.08**
TOTAL		**2.19**

Source: Competent Person's Report, Halo Minerals Admission Document

Cashflow, NPV and IRR – 51.4% post-tax IRR

The CPR by EMI in the Admission Document essentially uses the model from the 2016 DFS (details of which were announced in January 2017), updated for the optimisation work undertaken by Central Asia Metals, plus new metal prices (US$5.30/lb for copper and US$4,300/oz for gold) and a 10% (not 8%) discount rate. The model assumes total processed mineral resources of 34.8mt and total copper production of 60,329t copper over a 7 -year project life. The CPR indicates that the project achieves positive cashflow in the first year of production. Using a 10% discount rate, on a pre-tax basis, EMI estimates an NPV of US$182.0m and an IRR of 53.2%, while on a post-tax basis the NPV is US$164.1m with a 51.4% IRR.

EMI also notes that using just the ore reserves (32.2mt at 0.25% Cu) the NPV (10% discount rate) would be US$154.1m with an IRR of 50.9% on a post-tax basis. It's important to note that AIM mandates that in a CPR any estimate of NPV is based on ore reserves only, on a post-tax basis, and using a 10% discount rate. Most London-listed exploration companies use either the Australian JORC (2012) code or Canada's NI43-101 code, both of which are widely used in technical reports on projects around the world. Canadian peers, using NI 43-101, use an 8% discount rate for copper projects.

Discount rates differ using JORC. For instance, Cyprium Metals used 8% in its PFS on the Nifty project while Caravel Minerals used 7% for its Caravel project in its updated PFS.

It is also worth noting that some of Halo's London-listed exploration peers have used an 8% discount rate under the JORC code. Two examples are Celsius Resources in its DFS on the MCB project and Asiamet Resources in its optimised FS on the BKM project. Note that neither of these studies were part of a CPR in an Admission Document but were stand-alone technical studies.

In our analysis we conservatively use the 10% discount rate used in the CPR, but one could argue that 8% would be justified. We will consider this once Halo releases an optimised DFS.

In terms of the CPR Base Case, using ore reserves plus 2.6mt of mineral resources, we understand that in the dredge cycle the 2.6mt resource will need to be extracted as it falls within the dredge path to extract the ore reserves. In our view, it is therefore sensible to include this tonnage in the mine plan and the NPV.

Playa Verde cash flow forecast from the CPR

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Ore mined	mt		5.00	5.00	5.00	5.00	5.00	5.00	4.80
Copper grade	%		0.25	0.21	0.23	0.25	0.26	0.25	0.22
Recovery	%		72.9	72.00	72.00	72.00	72.00	72.00	72.00
Copper cathode	t		7,464	6,245	6,834	7,472	7,697	7,349	6,376
Copper in concentrate	t		1,645	1,376	1,506	1,646	1,696	1,619	1,405
Payable gold	oz		1,322	1,106	1,210	1,323	1,363	1,302	1,129
Copper price	US$/lb		5.30	5.30	5.30	5.30	5.30	5.30	5.30
Gold price	US$/oz		4,300	4,300	4,300	4,300	4,300	4,300	4,300
Net Revenue	**US$m**		**112.1**	**85.9**	**94.0**	**102.8**	**105.9**	**101.1**	**87.7**
Production costs	US$m		37.6	31.5	34.4	37.6	38.8	37.0	32.1
G&A costs	US$m		4.6	3.9	4.2	4.6	4.8	4.6	4.0
Total Operating Costs	**US$m**		**42.2**	**35.3**	**38.7**	**42.3**	**43.6**	**41.6**	**36.1**
C1 cash costs	**US$/lb**		**2.10**	**2.10**	**2.10**	**2.10**	**2.10**	**2.10**	**2.10**
EBITDA	**US$m**		**69.9**	**50.6**	**55.3**	**60.5**	**62.3**	**59.5**	**51.6**
Capital expenditure	US$m	86.8							
Tax (effective)	US$m					6.9	9.9	9.2	7.1
Cash flow before tax	**US$m**	**-86.8**	**69.9**	**50.6**	**55.3**	**60.5**	**62.3**	**59.5**	**51.6**
Cash flow after tax	**US$m**	**-86.8**	**69.9**	**50.6**	**55.3**	**53.6**	**52.4**	**50.4**	**44.5**

Source: Competent Person's Report, Halo Minerals Admission Document

Playa Verde project NPV and IRR from the CPR

	NPV	IRR
Pre-tax (based on 34.8mt mineral resource)	US$182.0m	53.2%
Post-tax (based on 34.8mt mineral resource)	US$164.1m	51.4%
Pre-tax (based on 32.2mt ore reserve)	US$170.9m	52.9%
Post-tax (based on 32.2mt ore reserve)	US$154.1m	50.9%

Source: Competent Person's Report, Halo Minerals Admission Document; Halo Minerals 30 March 2026 presentation

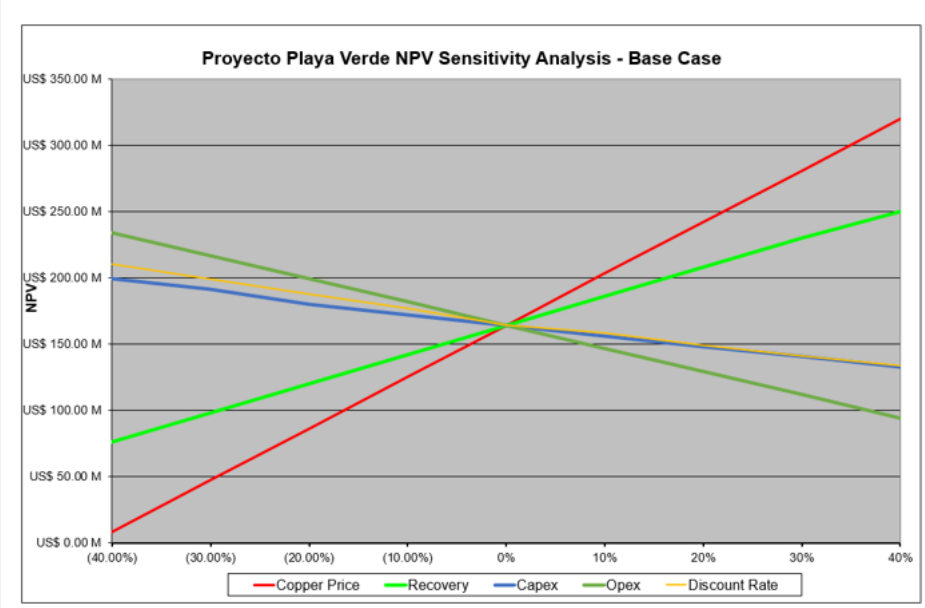
The CPR includes a chart showing the sensitivities of the project's NPV to the copper price, copper recovery, energy and sulphuric acid inputs, and operating and capital costs.

The greatest sensitivity is to the copper price, followed by copper recovery rates and operating costs. The model uses the current 27% corporation tax rate.

We also note that Chile's new President has endorsed reducing the corporation tax rate in Chile to 23% which would enhance the NPV and IRR.

Based on the sensitivity chart in the CPR, at the current copper price of US$6.20/lb (16 June) ie 17% higher than the Base Case model's assumption of US$5.30/lb, (all other factors unchanged), the Playa Verde project would have an NPV of c. US$225m.

Playa Verde Base Case NPV sensitivity analysis



Source: Halo Minerals

Development timeline

£543m of new equity was raised in the first five months of 2026 in London by the mining sector, of which 58% was raised by just 4 companies – Atalaya Mining, Yellow Cake, Guardian Metal Resources and Tungsten West. However, Halo Minerals, was the only new entrant to the London stock market (main exchange and AIM).

Halo raised £4.0m gross (£3.393m net of expenses). These funds will be used to advance the Playa Verde project, commence the application process to secure the necessary maritime access rights and provide working capital to support the business in general. £753,000 will be spent to update the DFS.

Planned expenditure on updating the Definitive Feasibility Study

Planning, metallurgy & infrastructure engineering studies	£268,000
Environmental, social & permitting workstreams	£362,000
Project management & associated administrative support	£123,000
TOTAL	**£753,000**

Source: Halo Minerals Admission Document

An environmentally friendly project

Since trading commenced on 30 March 2026, Halo has made a number of announcements. On 2 April, it announced the appointment of a specialised environmental consultancy to conduct a bio-accessibility study and human health risk assessment study. This will support the project's compliance with regards to the conditions set by the Committee of Ministers in connection to the October 2025 approval of the Environmental Impact Assessment (EIA) for Playa Verde.

The company also announced the engagement of a power and infrastructure engineer to help optimise the expected energy consumption for the mineral processing plant and dredge.

The environmental aspect is a critically important part of the project. According to Halo, the United Nations has described Chañaral Bay as one of the Pacific's most serious cases of pollution. Copper is a biocide, and its removal and reduction, together with deleterious elements like arsenic should allow the company to meet its ambition to return the beach to the local community at the end of operations for recreational and economic activities.

This announcement was followed, on 8 April, by the appointment of a contractor to review and optimise the processing plant flow sheet and assist with securing ancillary permits.

Maritime concession applied for

On 1 May 2026, Halo announced that it had commenced the procedure to file a formal maritime concession application with the Chilean maritime authority (DIRECTEMAR) and the Ministry of National Defence (SSFFAA). The company will need the concession to commence operations on the 53.4mt mineral resource on the beach as well as the non-JORC compliant c.100mt that the company believes may lie offshore in the surf and bay zones. This figure is based on historical bathymetric surveys, academic research and company investigations.

In total the company believes that 250mt of tailings may have been discharged into the bay. If the concession is granted, Halo would be able to conduct marine surveys, sampling and environmental baseline studies and pilot-plant recovery trials, with a view to potentially developing offshore extraction of copper and gold.

Beach mining permit applied for

Then on 7 May 2026, Halo announced that the company had formally filed an application with the Delgado Provincial de Chañaral (Provincial Delegate) for permission to conduct mining operations on the beach areas containing the historic copper/gold tailings.

Equity dilution expected to be minimised

If Halo is successful in its application for the beach mining permit, site works could commence before the end of 2026. Given the capital expenditure forecast of US$86.8m (£55m), the company will need to secure additional finance. The Company aspires to fund the capital expenditure needed to begin the construction phase through a layered funding approach preferencing non-equity dilutive capital sources which could include prepayment financing alongside offtake rights with a metal trader, vendor finance on plant and equipment, royalty and or stream finance, as well as development debt, with equity as a consideration to close any remaining financing gap or opportunistically to reduce the overall blended cost of capital. According to the Admission Document, first production could potentially be achieved in H228.

Potential growth scenarios

Changes to assumptions

The CPR in the Admission Document identifies a post-tax project NPV value for Playa Verde of US$154.1m based on the 32.2mt ore reserves, and a value of US$164.1m based on ore reserves plus an additional 2.6mt of mineral resources. As noted earlier, sensitivity analysis in the CPR suggests that the valuation is most sensitive to copper prices but is also impacted by the recovery rate and discount rate used, and operating and capital cost assumptions. Other variables could also come into play, including gold price, exchange rates and tax rates, mine production and concentrate production levels, and many others.

And as well as there being upside potential from, for instance, higher copper prices, there is equally valuation downside from lower copper prices etc. For instance, a 10% increase in the copper price would increase the post-tax NPV to c.US$230m, while a 10% decrease would lower the post-tax NPV to c. US$125m. Any delay in project development would also have an impact on NPV analysis. A reduction in the corporation tax rate from 27% to a planned 23% would enhance the economics of the project, as would the use of an 8% discount rate, which would be in line with Halo's Canadian-listed peers.

Different scenarios

We have undertaken two other scenarios; one in which all the beach mineral resources are extracted ie 53.4mt of beach tailings in total, and then this scenario, plus an additional 100mt of offshore tailings extraction. It is important to stress that these are not definitive forecasts.

Rather, we believe it gives shareholders and potential investors a sense of the potential at Playa Verde. It is of course dependent on the timely receipt of all necessary permits and on financing, as well as further technical studies.

Assumptions explained

For the extraction of the 53.4mt of total beach mineral resources, we have used the basic assumptions in the CPR, with the following adjustments. For the dredging of the additional tailings in mineral resources, we have assumed that annual mine production is 5.0mtpa for Years 7 to 10, with 3.4mt in Year 11 and we have used the mineral resource grade of 0.23% Cu and a C1 cash cost of US$2.19/lb. We have assumed ongoing G&A costs of US$4.2mpa and assumed additional capital expenditure in Year 7 of US$5m.

For the extraction of the offshore tailings, in Years 12-21, there could clearly be even more variation from our assumptions given the project, if it proceeds, is unlikely to start-up for 12-15 years. Given there is no publicly available data on the offshore potential, while we believe that our assumptions are reasonable, they may not reflect eventual reality. We have assumed production of 10mtpa for 10 years and used a copper grade of 0.20%.

We estimate capital expenditure of US$100m (spent in Years 7 and 8) and have increased our C1 cash cost assumptions by c.25% to US$2.75/lb to reflect our assumption of more difficult operating conditions offshore.

For both scenarios we have used a 27% tax rate but note the likelihood of this being reduced to 23% in the near future.

Basic assumptions for potential expansions at Playa Verde

	Additional 21.2mt beach mineral resources	100mt offshore tailings
Ore mined	5.0mtpa; 3.4mt Year 11	10mtpa
Copper grade (%Cu)	0.23	0.20
Recovery (%)	72	72
Copper cathode (t)	74,520	192,520
Copper in concentrate (t)	16,420	42,020
Payable gold (oz)	13,479	35,579
Copper price (US$/lb)	5.30	5.30
Gold price (US$/oz)	4,300	4,300
Net revenue (US$m)	1,055	2,775
Production costs (US$m)	401	1,274
G&A costs (US$m)	48	132
Total operating costs(US$m)	448	1,405
C1 cash costs (US$/lb)	2.19	2.75
EBITDA (US$m)	606	1,369
Extra capital expenditure (US$m)	5 (Year 7)	15 (Year 10); 85 (Year 11)
Tax (effective) (US$m)	92	271
Cash flow before tax (US$m)	514	1,178
Cash flow after tax (US$m)	423	907

Source: Equity Development. Note all US$m figures are for the whole project life, not additional to the Base Case

Healthy NPV and IRR around 50%

Using our assumptions (including a 10% discount rate) we believe there could be an additional c.US$50m of NPV if Halo is able to extract the full beach mineral resource of 53.4mt, and an additional c.US$90m if the company is able to extract 100mt of offshore tailings, based upon our assumptions.

All 4 scenarios – the two outlined in the CPR and our analysis – yield IRRs of over 50%.

Post-tax NPV and IRR for Playa Verde under different scenarios

Reserve/resource basis	NPV (US$m)	IRR
Ore reserves only (32.2mt)	154.1	50.9%
CPR basis (ore reserve + 2.6mt mineral resource)	164.1	51.4%
Total beach mineral resources (53.4mt)	212.9	52.3%
Total beach mineral resources + 100mt offshore potential mineral resources	298.4	52.3%

Source: Competent Person's Report, Halo Minerals Admission Document; Equity Development

Peer comparisons

Another way to look at value is relative to peer-group companies. Analysts may look at several ratios including EV relative to ore reserves, mineral resources or production, capital intensity (capital expenditure per unit of production), mine life and grade, to name a few.

The challenge we have is that while there are many listed copper exploration and mining companies on global stock exchanges, particularly on the Toronto and Australian exchanges, there are relatively few copper tailings companies. For institutional natural resource investors, the investment choice is huge when it comes to copper exploration companies, but for those investors focusing on London-listed equities the choice is much more limited.

London-listed peers

There are 3 major "pure" copper plays in London, including Antofagasta (market capitalisation £42,293m; 2025 copper production 653,700t) and Atalaya Mining (£1,353m; 51,100t Cu). These companies are too big to realistically be used as peers. The third "pure play" is Central Asia Metals (£249m; 13,300t). As a copper tailings operator, the company is a close peer to Halo (and of course sold Playa Verde to Halo), but it also produces zinc-lead from the Sasa mine. However, operating issues at Sasa and CAML's proposed acquisition of Cygnus Metals, distort the company's valuation metrics. We have also selected 9 London-listed copper explorers that have a mineral resource and have compared Halo's EV/Cu resources with Central Asia Metals (CAML) and these 9 copper explorers.

First, a few caveats. We have used mineral resources as the best metric as some of these companies have not defined an ore reserve yet. Many of the studies that these mineral resources are taken from are several years old and made at different times and at a time when copper prices were significantly lower which will impact the resource calculation. Also, some of these projects also have by-products and we have not taken these into account – this will impact the EV/Cu resource calculation. Also, some of these peers have other exploration assets, and we have not adjusted for this in the Enterprise Value.

As an established producer of copper from tailings, one would expect CAML to have the highest valuation. CAML's shares hit a 12-month high of 244p in late February, at which point CAML's EV/Cu resource was US$849.96/t Cu. Since then, the share price has nearly halved, with two major collapses.

The first, in early March, followed the announcement of reduced reserves/resources and mine life at the Sasa zinc-lead mine and the comment that there would be a non-cash impairment charge of no greater than US$120m (the company later announced a US$117.5m or £87.4m impairment).

Then, in early June, CAML announced a proposed all-share acquisition offer for Cygnus Metals with an implied equity value of c. A$232m (£122.4m). The combined hit of £209.8m closely reflects the £182.0m decline in CAML's market capitalisation between the 12-month high and the current share price (141.4p). CAML's EV/resources figure of US$403.75/t therefore seem a fair reflection of the value of its Kounrad copper tailings facility in Kazakhstan.

Halo's EV/Cu resource compared to London-listed peers

Company	Location	EV (US$m)	Cu resources (t)	EV/resources (US$/t)
Central Asia Metals	Kazakhstan	255.3	609,722	418.76
Bezant Resources	Namibia	38.0	140,673	270.30
Phoenix Copper	USA	10.1	41,976	241.18
East Star Resources	Kazakhstan	30.1	200,158	150.18
Galileo Resources	Zambia	14.0	114,750	122.11
Halo Minerals	**Chile**	**9.5**	**125,820**	**75.88**
Asiamet Resources	Philippines	61.5	2,402,900	25.60
Anglesey Mining	Wales	3.5	157,780	22.01
Celsius Minerals	Philippines	61.5	637,000	21.15
Xtract Resources	Australia	16.0	1,034,125	15.49
African Pioneer	Namibia	7.5	506,855	14.72
Average (9 junior explorer peers)				**98.08**

Source: Equity Development. Priced 16 June 2026

Halo's London-listed copper exploration peers present a wide range of EV/resource results, ranging from US$14.72/t to US$270.30/t, with an unweighted average of US$98.08/t – but please remember the caveats noted earlier.

London-listed peers

- **Phoenix Copper** – detailed engineering studies underway at the Empire mine in Idaho. Planned production of 8,000tpa copper with an 8-year mine life. Company needs finance;
- **Bezant Resources** – increased mineral resources at its Hope and Gorob copper-gold project in April; first production anticipated in H226;
- **East Star Resources** – programmes looking for volcanogenic copper sulphide deposits, porphyry copper and gold in Kazakhstan. JV with Chinese partners Xinhai on the Verkhuba project (East Star carried to production) and has a gold exploration partnership with Endeavour Mining;
- **Galileo Resources** – advanced planning underway at 75%-owned Luansobe project in Zambia; other exploration programmes underway in Zambia, Botswana, Zimbabwe and the USA for copper and other minerals;
- **Celsius Resources** – also listed on the ASX. January DFS released on main project, MCB Cu-Au project. Other exploration assets in the Philippines as well as a Co-Cu project in Namibia;
- **Asiamet Resources** – BKM and Beutong copper projects in the Philippines. May 25 updated ore reserves and optimised feasibility study for BKM Stage 1 SX-EW project;
- **Anglesey Mining** – hoping to re-open the historic Parys Mountain mine on Anglesey. It is the UK's largest copper project, with Zn, Pb, Ag and Au by-products. Preliminary Economic Assessment in 2021. Permitting has commenced;
- **Xtract Resources** – most advanced project (the only one with a mineral resource) is the Bushranger low grade Cu-Au porphyry in NSW. Other copper exploration programmes in Zambia and owns 80%

of a Moroccan exploration company which has recently been awarded a mining licence for the Amghas antimony mine, with start-up anticipated in Q426;

- **African Pioneer** – copper exploration in Namibia, Zambia and Botswana. Only project with a recent mineral resource is 85%-owned Ongombo in Namibia. The company recently signed a non-binding term sheet with Xinhai for the provision of financing and technical services for the Ongombo and Ongeama copper projects.

As one can see, Halo Minerals is currently valued in the middle of the London-listed peer group, at US$75.88/t, based on the current share price of 9.0p. However, if we go back to the end-March placing price of 18p, Halo's EV/resources would have been US$166.53/t. This would seem to be a fair valuation given the peer group valuations. Indeed, one might argue that a premium to this is warranted given the advantages of tailings operations over hardrock exploration and mining noted earlier in this note. In our view an aspirational target on an EV/resources basis could be US$200/t.

Peers operating in Chile

There are several Canadian and Australian copper explorers and developers operating in Chile. There is even a TSX-listed Chilean copper tailings company, Amerigo Resources. Amerigo operates the MVC tailings facility which processes tailings from the world's largest underground copper mine, state-owned Codelco's El Teniente mine.

However, that company operates more like a utility. It requires no growth capital and is designed as a vehicle to return substantial amounts to shareholders via quarterly and performance dividends and share buybacks. In return for the right to process the tailings and extract the copper and by-product molybdenum, Amerigo pays Codelco a royalty to extract from historical and fresh tailings, and this agreement extends to 2037.

So, Amerigo does not own the tailings, and given its different business model, is, in our view, not a suitable peer for Halo. Instead, we have used the following peers:

- **World Copper** – currently restructuring by spinning out its Chilean Escalones project to shareholders. 2022 PEA - 20-year mine life, 50,000tpa recoverable copper by SX-EW;
- **Marimaca Copper** - 2025 DFS outlined a 13-year project at 50,000tpa Cu at the Marimaca project with start-up targeted for 2028. Also exploring at Pampa Medina;
- **Los Andes Copper** – owns 100% of the significant Vizcachitas copper project. 2023 PFS notes average copper production of 183,000tpa over the first 8 years and an average 152,000tpa over a 26-year mine life. Potential start-up in 2031;
- **Capstone Copper** – established copper producer. 2025 production a record at 224,764t from mines in the USA, Mexico and Chile.100%-owned (reducing to 75%) Santo Domingo mine is fully permitted; decision to proceed expected in H226. Updated PFS (2024) indicates a 19+ year mine life and production of an average 106,000t pa copper;
- **Hot Chili** – 2025 PFS indicates a 14-year mine life at Costa Fuego with average production of 116,000tpa CuEq (95,000tpa Cu plus by-product Au, Mo and Ag).

Hot Chili recently (9 June 2026) published a new corporate presentation on its website. It took information from technical reports on peer company websites and standardised them as per its own technical study, which uses an 8% discount rate, a copper price of US$4.30/lb and a gold price of US$2,280/oz.

Based on these assumptions, the IRRs of the 5 Chilean projects range between 19% and 60%, but cluster around 26-31%. Based on Hot Chili's analysis, 11 other projects in the Americas have estimated IRRs between 19-27%. The Chilean peers have copper equivalent resources ranging between 916,000t and 20.4mt.

For Halo, we have recalculated NPV and IRR using the 8% discount rate and US$4.30/lb Cu price. The Halo CPR contains no gold resource estimate so we have pro-rated the copper and gold production in the 7-year mine plan relative to the copper resource, giving a CuEq resource for Halo of 130,212t CuEq, an NPV of US$93m and an IRR of 29% which is well within the range of Halo's Chilean peers.

Given the substantially different resource and project size between Halo and its Chilean peers, however, we do not believe that comparing EV/resource is particularly relevant.

Post-tax NPV and IRR for Chilean copper projects at 8% discount rate and US$4.30/lb copper price ranked by IRR

Company	Project	Resources Cu Eq t	NPV (US$m)	IRR (%)
World Copper	Escalones	1,563,533	2,112	60
Marimaca Copper	Marimaca	916,044	709	31
Los Andes Copper	Vizcachitas	20,432,528	4,055	30
Halo Minerals	**Playa Verde**	**130,212**	**93**	**29**
Capstone Copper	Santo Domingo	2,550,000	1,905	26
Hot Chili	Costa Fuego	4,260,000	1,203	19

Source: Hot Chili presentation 9 June 2026, company websites, Equity Development

One metric, however, which demonstrates the attractions of tailing processing rather than hard rock mining, is capital intensity.

This is the capital expenditure per annual tonne of production. For the Chilean peers we have again used Hot Chili's June 2026 presentation. One can see that the capital intensity for Halo is significantly lower than for any of the hard rock projects, and clearly Halo's peers will need to raise substantial capital in the future which may involve significant shareholder dilution. For 12 other projects in the Americas, Hot Chili quotes capital intensities ranging between US$11,067/t and US$42,394/t, so again, **Halo is better placed than all these peers.**

Capital intensity of Chilean copper projects

Company	Project	Initial capex 2025 real (US$M)	Capital intensity (US$/t Cu pa)
Halo Minerals	**Playa Verde**	**86.8**	**10,071**
Marimaca Copper	Marimaca	587.0	14,126
World Copper	Escalones	742.2	14,729
Hot Chili	Costa Fuego	1,272.7	16,518
Los Andes Copper	Vizcachitas	2,744.8	17,837
Capstone Copper	Santo Domingo	2,410.7	35,317

Source: Hot Chili presentation 9 June 2026, Equity Development

Valuation

While one would normally look at NPV/IRR, earnings and EBITDA ratios (for producers) and peer comparisons, Halo is uniquely positioned as a pure-play prospective copper tailings producer and in our view the best metric to value Halo is based on NPV minus discounted capital expenditure and discounted asset payments.

Although capital expenditure is already taken into account in the NPV, Halo will need to raise finance to bring Playa Verde into production. Therefore, while it might appear that we are double-counting capital expenditure, raising the capital expenditure will inevitably mean debt and/or additional equity. We discount the finance and asset payments in the same way as we have for cashflows, matching the discount to the timing of the necessary capital raise. Our assumption is that US$3.75m is paid to CAML in Year 1 of operation, and the second US$3.75m tranche in Year 2.

Halo valued at 46p/share

AIM listing requirements require a CPR valuation on an ore reserve only basis, and this is included in the CPR. However, the CPR Base Case model includes 2.6mt of mineral resources as well (34.8mt in total).

Given that the additional 2.6Mt of mineral resources needs to be extracted to recover the ore reserves, we believe that inclusion of the 2.6mt in our valuation is justified. **This gives a current fair value for Halo on a fully diluted basis of 46p/share**.

This compares with the end-March placing price of 18p/share and the current share price of 9.0p/share. On the same basis but **using an 8% discount rate** as used by Halo's Canadian-listed peers, **our fair value would be 61p/share** (fully diluted basis).

Valuation scenarios

Basis	CPR - ore reserve only (32.2mt)	CPR – ore reserve +2.6mt mineral resource	Total beach mineral resources (53.4mt)	Total beach mineral resources + 100mt offshore potential mineral resource
NPV (US$m)	154.1	164.1	212.9	298.4
Disc. capex and asset payments (US$m)	84.8	84.8	87.1	119.5
NPV-capex and asset payments (US$m)	68.4	79.3	125.8	178.9
NPV-capex and asset paymments (£m)	51.2	59.3	94.1	133.8
Adjusted NPV (p/share)	40	46	73	104

Source: Equity Development. 127,891,943 fully diluted shares in issue, £1=US$1.3427

Aspirational upside potential

Looking further out, if **all the beach resources** can be mined then the fair value increases to **74p/share** and if **100mt of offshore tailings** can be extracted then our valuation increases to **105p/share**.

Clearly, a lot of work needs to be done for these scenarios to materialise, so we urge investors to view these as aspirational potential scenarios.

Management

The management team has broad experience in the mining sector with geology and mine development expertise, and additionally in the broader mining finance sector, including fundraising, project valuation and asset management.

Chief Executive Officer

- **Andrew Dennan** – Andy is the Chief Executive Officer of Halo Minerals. He has over 18 years' experience as an investment professional including roles in equity capital markets and investment management and executive positions in AIM listed companies with a focus on natural resources. Recent roles include CFO of Coro Energy and CEO of Ascent Resources.

Chief Financial Officer

- **Frank Jackson** – Frank has widespread mining experience including hard and soft rock and mine waste recovery in Africa and Europe as well as mining sector corporate finance experience as General Manager of FMB Merchant Bank. He has developed gold and tantalite resources on his own licences. Frank has worked for Rio Tinto developing copper and nickel resources and cathode refineries and for Anglo American developing large scale open-cast mining resources and financing facilities. Recently he has been involved with a carbon capture company, Cool Planet Technologies.

Chief Operating Officer

- **Erick Pegot-Ogier** – Erick has over 20 years of experience building and managing businesses across Latin America, with a strong focus on mining, and is founder of copper and gold ventures in Peru, with projects recognised by the Ministry of Energy and Mines as part of the country's strategic copper portfolio.

Non-Executive Directors

- **David Minchin** – David has over 20 years' experience in exploration geology and corporate finance, with a proven track record in project management, M&A and fundraising including leading several London IPOs. He managed US$450m of private equity investments across Africa in exploration projects. Recent roles include Chairman of Helix Exploration, Chief Geologist at Evechem GmbH, CEO of Helium One Global and Director of Geology with mining private equity group AMED Funds.
- **Daniel Bloor** – Dan has over 22 years international minerals and exploration experience. He began his career as a geologist before moving into consulting, advisory and executive leadership and is skilled in fundraising, project due diligence and strategic development. He co-founded research firm Cloudminer, lead international business development for Chengdu Chemphy Chemical Industries, and was Technical Director of Tethyan Mining Resources and Barracuda Holdings. He has held several executive positions in private resource companies.

Financial position

As a pre-production company, financial results are not particularly relevant at this point-in-time, and given Halo has not yet sanctioned development of Playa Verde, it is not possible to make financial forecasts. Halo published its financial results for the year ending 31 December 2025 on 4 June 2026. These are tabulated below:

Balance sheet

£'000s	As at 31 Dec 2025	As at 31 Dec 2024
Non-current intangible assets		
Exploration & evaluation assets	3,691	-
Other intangible assets	95	-
Total non-current assets	**3,786**	**-**
Current assets		
Trade & other receivables	130	12
Cash & cash equivalents	356	14
Total current assets	**486**	**26**
Total assets	**4,272**	**26**
Current liabilities		
Loans	-	190
Trade & other payables	817	503
Total current liabilities	**817**	**693**
Non-current liabilities		
Loans	-	500
Deferred consideration payable	3,751	-
Total non-current liabilities	**3,751**	**500**
Total liabilities	**4,568**	**1,193**
Shareholders' equity		
Ordinary share capital	275	214
Shate premium account	37,589	35,276
Other reserves	3,016	3,016
Share based payment reserve	400	-
Foreign exchange reserve	(252)	-
Accumulated losses	(41,324)	(36,673)
Total equity	**(296)**	**(1,167)**
Total equity & liabilities	**4,272**	**26**

Source: Halo Minerals

In the 2025 results there are a few points worth making.

- At the end of 2025, Halo had net cash of £356,000 and raised £4.0m gross in the admission placing. According to the Admission Document, costs relating to the placing and stock exchange admission amounted to £1,145,000 (net of VAT) which was settled by £368,000 of existing cash, £170,000 as equity and the balance of £607,000 in cash from the placing. The number of fully diluted shares in issue on admission was 127.89m (assuming full conversion of options and warrants) and the company had net proceeds of £3,393,000 available to it after these payments.

- The company has budgeted expenditure of £753,000 to fund work on updating the DFS, and we therefore assume that the company probably has cash of c.£3m at present, declining to c.£2.5m after the budgeted expenditure.
- The company has recognised a deferred payment liability of £3,751,000 on its acquisition of the Copper Bay Group (i.e. the Playa Verde asset).

Income statement

£000's	Year end 31 Dec 2025	Year end 31 Dec 2024
Project costs	(26)	-
Administrative expenses	(1,241)	-
Administrative credit	-	152
Operating (loss)/profit	**(1,267)**	**152**
Foreign exchange	385	-
Finance costs	(768)	(641)
Loss before tax	**(1,651)**	**(489)**
Taxation	-	-
Loss after tax	**(1,651)**	**(489)**
Other comprehensive income		
Foreign exchange on translation of overseas subsidiaries	(252)	-
Total comprehensive loss for the year	**(1,903)**	**(489)**
Loss per share (£)	**(0.05)**	**(0.05)**

Source: Halo Minerals

Cash flow statement

£000's	Year end 31 Dec 2025	Year end 31 Dec 2024
Cashflows from operating activities		
Cash used in operations	(682)	(238)
Net cashflows used in operating activities	**(682)**	**(238)**
Cashflows from investing activities		
Payments for exploration/evaluation assets	(275)	-
Cash acquired on acquisition of subsidiaries	26	-
Net cashflows used in investing activities	**(249)**	**-**
Cashflows from financing activities		
Issue of ordinary shares	898	-
Proceeds from drawdown of loans	375	250
Net cashflows from financing activities	**1,273**	**250**
Net increase in cash & cash equivalents	342	14
Cash & cash equivalents at start of period	14	2
Cash & cash equivalents at end of period	**356**	**14**

Source: Halo Minerals

Appendix 1: The case for copper

Since bottoming in March 2020 as COVID-19 bit into sentiment, the copper price has rallied strongly, from around US$2.17/lb to an all-time high of US$6.71/lb on COMEX in May 2026. Demand sentiment continues to be buffeted by geopolitical factors – the wars in Ukraine and Iran, and the impact of tariffs – and longer-term electrification and defence spending trends.

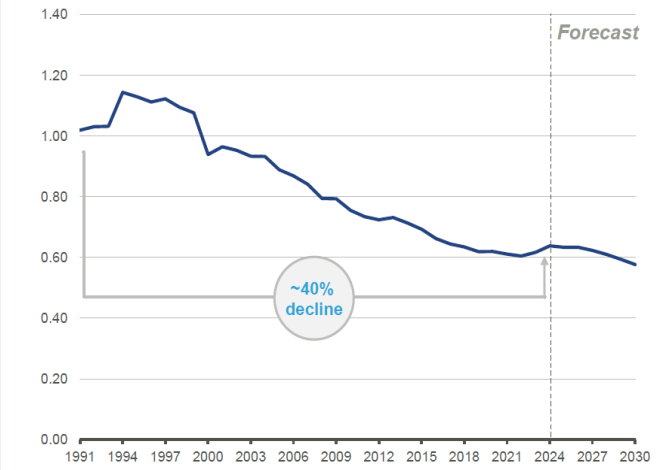
On the supply side, both mine output and refined production remain impacted by declining ore grades, the lack of significant recent discoveries, increasing production costs, and production disruptions. On balance, however, while many commodity analysts are forecasting a copper surplus for the next few years, the market sees a growing supply deficit from around 2030.

Copper supply under pressure

The International Copper Study Group (ICSG) estimates that mined copper production in 2025 rose 0.9% from 2024 levels to 23.197mt and forecasts a further increase of 1.6% in 2026, and 2.3% in 2027, to 23.559mt and 24.103mt respectively. Refined copper production, which includes secondary recycling activity, increased by 4.5% in 2025 to 28.656mt according to the ICSG, with additional increases of 0.4% and 3.0% forecast in 2026 and 2027 to 28.760mt and 29.613mt respectively (Copper Market Forecast 2026/2027, 23 April 2026).

The Mining Journal (Copper producers see output drop in Q1, 15 May 2026) notes that the top 13 copper producers posted a 164,347t drop in combined output in Q1 2026 versus Q1 2025 as companies struggled with the impact of accidents and seismic events at a number of mines including Grasberg (Freeport-McMoRan), El Teniente (Codelco) and Kamoa-Kakula (Ivanhoe), so notwithstanding the disruption allowance allowed for by ICSG, we may not see a 1.6% increase in copper mine production this year.

Declining mined head grade (% copper)



Source: BHP, 2024 Chilean copper site tour presentation, 18 November 2024

Ore grades declining

In terms of ore grades BHP notes that copper ore mined head grades have fallen 40% from around 1.0% in 1991 to an estimated 0.6% by 2030 (2024 Chilean copper site tour presentation, 18 November 2024). BHP also expects between one-third and half of global copper supply to face grade decline and ageing challenges. Put simply; to maintain contained copper output, lower grades require ever greater tonnages of ore for processing, and mine ageing means that typically a mine extends ever deeper (whether open-pit or underground) which will in turn tend to mean higher operating costs. Both these challenges require continuing productivity and technology advancements. Quoting S&P Global Market Intelligence, BHP notes that only around 25% of copper mines are less than 10 years old, and over 50% are more than 20 years old (BHP Insights: how copper will shape our future, 30 September 2024).

Exploration spends focused on brownfields reserves

While exploration spend is still well below 2012's peak, it has steadily increased from the COVID-19 low in 2020 and has been between US$3.0bn and US$3.5bn annually for the last 3 years with BHP, Rio Tinto, Anglo American, Freeport-McMoRan and Codelco accounting for approximately 25% of this. Spending is dominated by brownfields mine site exploration, which is typically lower risk, as companies attempt to extend mine life, rather than spending on higher risk greenfields exploration.

BHP expects new brownfield supply to contribute up to 30% of total copper supply by 2035. Quoting S&P Global Market Intelligence, BHP notes that of the 239 copper deposits discovered between 1990 and 2023, only 14 deposits were discovered in the last decade (2014-2023) and just 4 discoveries were made between 2018-2023. BHP notes that the average time between copper deposit discovery and production is 17 years (BHP Insights: how copper will shape our future, 30 September 2024).

Geopolitics impacts production costs

The impact of the wars in Ukraine and the Middle East (and notably the closure of the Strait of Hormuz), is also having a major impact on copper production costs. The impact is felt in oil, diesel and LNG pricing and availability, and the knock-on effects not only on mine fuel costs, but also electricity pricing and availability.

The Middle East is also a major supplier of sulphur and sulphuric acid, and reagent prices have also risen significantly. Sulphuric acid is used in the leaching and SX-EW of copper oxide ores to dissolve the copper out of the ore, while in the treatment of sulphide copper ores, sulphuric acid is typically produced in the smelting process. Added to the Iran conflict, China, a major sulphuric acid exporter, has been reducing the export of sulphuric acid. In addition, copper smelters have been struggling with poor economics because of tight supply of copper concentrates and very weak treatment and refining charges (TCRCs).

According to the IEA, spot TCRCs have been negative since 2024, and are at an all-time low (around -US$80/t), while annual TCRC negotiated benchmarks, based on the January 2026 agreement between Antofagasta and China are at zero following a surge in Chinese smelter capacity (IEA, Copper prices have hit record highs, but smelters face mounting strategic pressures, 2 March 2026). So even when the Iran conflict ends and the Strait of Hormuz reopens, it will be some time before supply chains return to normal.

As one can see, copper supply is facing some immense challenges, and it is hard to see how this will change in the near-term.

World copper usage and supply forecast

REGIONS	COPPER MINE PRODUCTION			REFINED COPPER PRODUCTION			REFINED COPPER USAGE		
('000 t Cu)	2025	2026	2027	2025	2026	2027	2025	2026	2027
Africa	4,490	4,589	4,949	3,124	3,235	3,467	193	192	173
N.America	2,209	2,313	2,398	1,604	1,701	1,721	2,291	2,321	2,361
Latin America	8,761	9,101	9,504	2,129	2,281	2,430	391	392	396
Asean-10	746	827	1,061	500	686	1,042	1,235	1,261	1,324
Asia ex Asean/CIS	2,839	3,061	3,309	16,677	17,680	18,028	20,120	20,469	20,907
Asia-CIS	983	1,067	1,109	490	501	496	107	107	107
EU	750	768	805	2,391	2,585	2,920	2,961	2,996	3,025
Europe Others	1,587	1,747	1,812	1,286	1,330	1,432	903	926	942
Oceania	832	776	883	454	437	461			
TOTAL	23,197	24,249	25,830	28,656	30,437	31,996	28,201	28,664	29,236
World adjusted 1/ 2/	23,197	23,559	24,103	28,656	28,760	29,613	28,201	28,664	29,236
% change	0.9%	1.6%	2.3%	4.5%	0.4%	3.0%	2.8%	1.6%	2.0%
World Refined Balance (China apparant usage basis)							**455**	**96**	**377**

1/ Based on a formula for the difference between the projected copper availability in concentrates and the projected use in primary electrolytic refined production.
2/ Allowance for supply disruptions based on average ICSG forecast deviations for previous 5 years.

Source: International Copper Study Group, Copper Market Forecast 2026/2027, 23 April 2026

Copper demand boosted by electrification

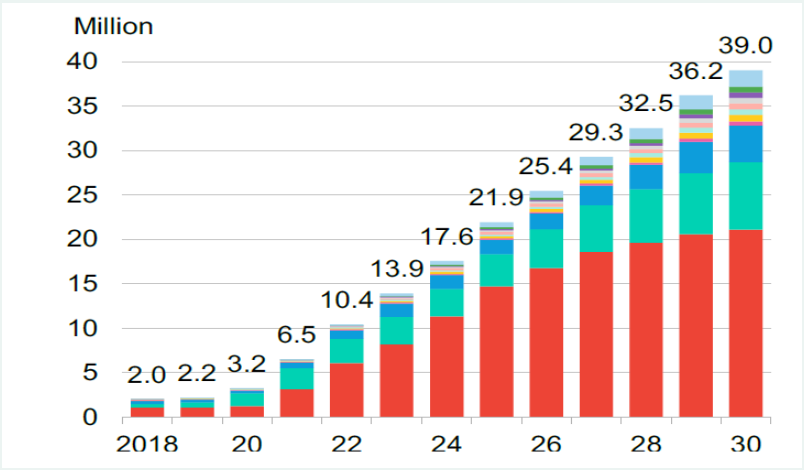
In terms of refined copper usage, The ICSG estimates a 2.8% increase in demand in 2025 to 28.201mt and forecasts a further 1.6% growth in 2026 to 28.664mt followed by 2.0% in 2027 to 29.236mt (ICSG Copper Market Forecast 2026/2027, 23 April 2026). It is still unclear what the impact of the tariff war and closure of the Strait of Hormuz will have on demand, but it's unlikely to be positive and the ICSG suggests that copper usage in the first three months of the year was essentially flat compared with the first 3 months of 2025, at 6.894mt versus 6.843mt (Copper: Preliminary Data for March 2026, 22 May 2026).

While the short-term is difficult to assess, there are some very positive long-term trends, broadly flowing around electrification – green energy technologies and applications, global power grid expansions, and growth in Artificial Intelligence – as well as in defence applications too.

Traditional uses for copper include construction (plumbing and wiring), machinery (motors, generators, wiring), cooling (heat exchangers and cooling coils), electrical and electronic appliances (refrigerators, washing machines, TVs, computing, telephones, lighting etc), transport (railways, aircraft, shipping, internal combustion engine vehicles) and fossil power generation (power cables, tubing and cooling systems, generator winding).

Over the last 10 years, global GDP has averaged 2.76%, and we assume that traditional copper demand will lag this figure by 0.75%. This would imply that copper demand for traditional uses will grow from around 18mt in 2025 to c.25mt by 2040.

Global near-term passenger EV sales



Source: BloombergNEF, Electric Vehicle Outlook 2025

Electric vehicle sales to double in next 15 years

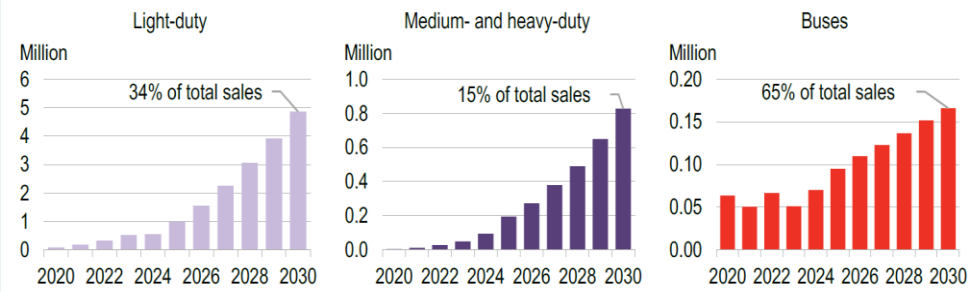
Green energy technologies and applications include the growth in electric vehicle demand, solar and wind energy technologies and growth in energy storage systems. **On average an electric vehicle uses 3.8-times more copper than a traditional internal combustion engine vehicle** (83kg versus 22kg), with hybrids using 39kg, plug-in hybrids 60kg and battery EVs 83kg (axlewise.com/ev/copper-used-in-ev/).

BloombergNEF estimates that passenger EV sales will increase from 21.9m in 2025 to 39.0m in 2030, and around 68m in 2040. The research group also sees commercial EV demand rising from around 1.3m in 2025 to 5.7m in 2030.

This increase is supported by the growth in demand for heavier, larger, vehicles such as SUVs while cost competitiveness is shifting battery demand from nickel-manganese-cobalt (NMC) or nickel-cobalt-aluminium (NCA) to lithium-iron-phosphate (LFP) batteries which are on average 73% more copper-intensive.

BloombergNEF also sees significant growth in commercial EVs – light, medium and heavy-duty vans and trucks, as well as buses and coaches. China, the Nordic countries and South Korea are expected to have all-electric bus fleets by 2040.

Global sales outlook for electric and fuel-cell vans, trucks and buses

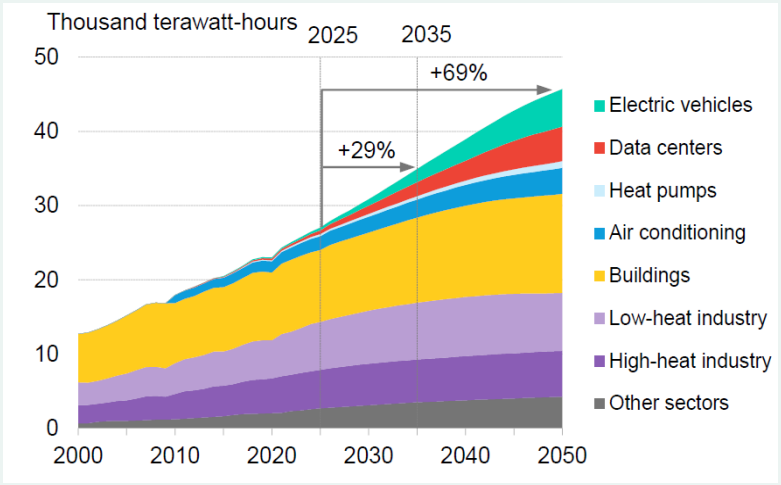


Source: BloombergNEF, Electric Vehicle Outlook 2025. Electric vehicles include battery-electric and plug-in hybrid vehicles. Buses include city buses apart from Chiba, which also includes coaches and intercity buses

Huge growth in electricity transmission and distribution

Growing electrification worldwide is leading to a surge in copper demand for transmission and distribution. BloombergNEF notes that global electricity demand has more than doubled since 2000 and expects a further 29% increase from 2025 to 2035 to c.34,000 TWh, and a 69% increase between 2025 and 2050 to c. 45,000 TWh.

Drivers of electricity demand growth



Source: BloombergNEF, New Energy Outlook 2026

While aluminium is often used in overhead transmission and distribution lines, copper is widely used in underground and sub-sea distribution and transformers. A European Commission study (Science for Policy Brief - Material requirements for electricity grids, 3 October 2025) notes that land and sea cables require 27,000kg/km of copper, and anticipates a 75-fold increase in EU copper demand for the electrical grid; from 4,200t in 2025 to 324,000t in 2030. The total demand between 2025 and 2030 (inclusive) is estimated at 653,000t and the study notes that mined copper could be a significant bottleneck to EU grid expansion.

The International Energy Agency notes that to reach national goals, 80mkm of grids will need to be added or refurbished by 2040, the equivalent of the entire existing global grid (Electricity Grids and Secure Energy Transitions, Revised Version, November 2023). BloombergNEF comments that after a 15% growth in global grid spending in 2024, this was expected to increase by a further 16% in 2025 to over US$470 billion for the first time, illustrating the rate of growth in global grid infrastructure (Global Grid Investment could top $470billion for the first time in 2025, 1 December 2025).

AI boosts electricity and copper demand

Much of the surge in global grid capacity is to provide power for the rapid growth in capacity of data centres for Artificial intelligence (AI) and machine learning, and for cryptocurrency mining.

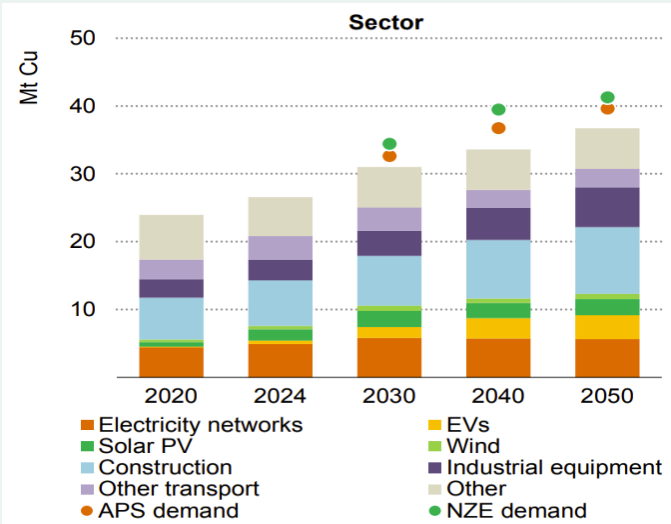
Reuters, quoting consultancy CRU, notes that copper demand for data centres was just 78,000t in 2020, but had jumped to an expected 260,000t in 2025 and is forecast to exceed 650,000t by 2030 (Global power grid expansion fuels fresh copper demand surge, 31 July 2025).

The Copper Development Association comments that a conventional data centre might use 5,000-15,000t of copper but that a hyperscale AI data centre, such as those built to house Nvidia's HGX systems, can use up to 50,000t of copper per facility. The copper is needed for power delivery, thermal management and data transmission.

In terms of power delivery, a smaller data centre may require 5 to 10 MW of power, but a hyperscale gigawatt AI data centre could require 100MW or more. In terms of thermal management, high-performance computing generates substantial heat, and data centres therefore require copper for use in liquid cooling systems, heat exchangers and thermal interfaces to conduct away the heat effectively. And in terms of data transmission, copper is necessary for high-speed interconnects and networking equipment in AI clusters, especially in edge facilities where latency and reliability are key.

In power delivery and data transmission, copper is also key in these data centres for grounding systems to prevent electrical surges, stability and safety. According to The Copper Development Association, The Association notes that in 2024 6.3GW of capacity was underway in primary US markets, with US$1.5 trillion of data centre construction announced recently (Copper Development Association, The US has enough copper to meet surging demand for AI data centres. But securing that supply depends on a robust, all-of-the-above strategy, May 2025).

Global copper demand growth



Source: IEA, Global Critical Minerals Outlook, 21 May 2025. Note: Refined copper demand excludes direct-use scrap. EV demand includes Batteries and motors. Other includes consumer products, cooling, communications & other electronics. The scenario is under the IEA's STEPS base case (Stated Policies Scenario). APS is the Announced Pledges Scenario and NZE is the Net Zero Emissions by 2050 Scenario.

Defence spending boosts copper demand

The conflicts in Ukraine and the Middle East/Iran plus generally heightened geopolitical tension have led to increases in military spending globally. According to the Stockholm International Research Peace Institute, world military expenditure rose 2.9% in real terms in 2025 to a record US$2,887bn. Global spending has increased for 11 consecutive years, although the annual increase was much less than the 9.7% increase recorded in 2024 (SIPRI Fact Sheet – Trends in World Military Expenditure, 2025, April 2026).

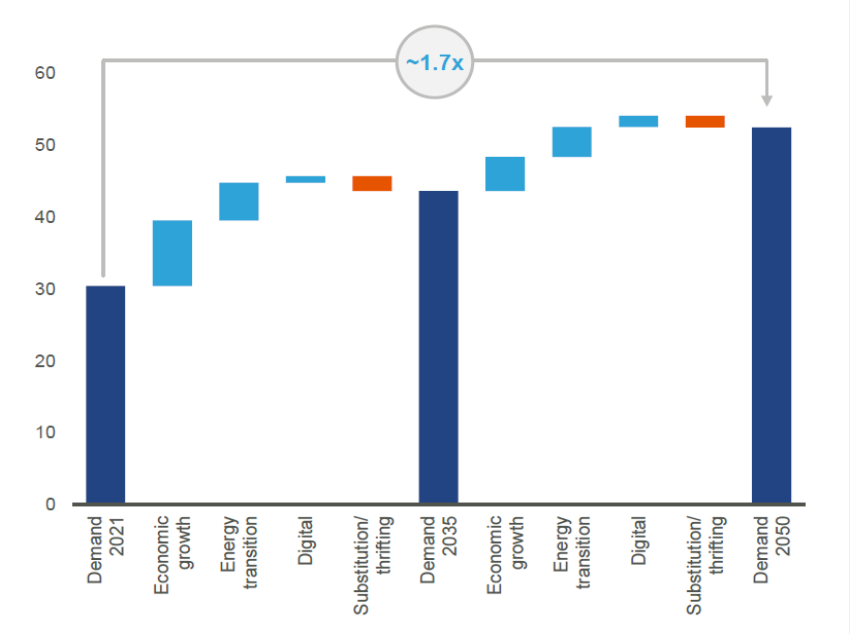
Copper is used widely in combat vehicles, missiles, explosives and in shipbuilding. It is also widespread in munitions such as in cartridge cases, as a driving band in artillery shells, a liner in shaped-charge anti-tank munitions and jackets for small-arm rounds. The Modern War Institute opines that as the USA restocks its arsenal; **copper demand will increase dramatically**. The institute notes that the Department of Defense planned to increase annual production of copper-containing 155-millimetre shells from 93,000 units a year to 1.2m in 2025 (Modern War Institute, As America's military rearms, it needs minerals – and lots of them, 29th November 2023).

Given current conflicts in Ukraine and the Middle East/Iran, it is possible that defence spending globally could, in real terms, double by 2040 to US$5.8tn. This could, in turn, result in a 2.5 to 3-fold increase in defence-driven copper demand by 2040 to 0.8-1mt. Ultimate levels of defence demand will depend on how long the conflicts in Ukraine and the Middle East/Iran continue for, and the degree to which countries feel the need to re-arm back to or beyond historical levels – 1Mt may prove to be a conservative target for copper demand by the military.

Copper demand to increase 77% by 2050

As noted, the International Copper Study Group estimates that copper usage in 2025 was 28.2Mt. Given the demand trends that we have outlined, copper demand is expected to grow strongly over the next few decades. BHP estimates that demand could reach 50Mt by 2050, an increase of 77% from 2025 levels.

Global copper demand to reach 50Mt in 2050 (Mt)



Source: BHP, 2024 Chilean copper site tour presentation, 18 November 2024

Copper in surplus in Q126

With all the growth in demand that is envisaged, it may come as a surprise that in the next few years the copper market is expected by many to be in surplus. The International Copper Study Group notes that after a refined market surplus of 455,000t in 2025, it anticipates a surplus of 96,000t this year and a further surplus of 377,000t in 2027 (Copper Market Forecast 2026/2027, 23 April 2026).

It's worth pointing out, though, that the ICSG (Copper: Preliminary data for February 2026, 28 April 2026) also notes that in the first three months of the year the refined balance (adjusted for Chinese bonded stock change) was already showing a surplus of 386,000t compared with 195,000t in the first three months of 2025 (Copper: Preliminary data for March 2026, 22 May 2026).

27mt copper supply deficit possible by 2050

Over the next two years the copper concentrate market is likely to remain in deficit, a significant deficit of at least 600,000t in 2026, and a smaller deficit in 2027 of around 200,000t. This deficit could turn into modest surpluses for the following three or four years of up to 300,000tpa before returning into deficit. However, from 2030 an ever-growing deficit looks likely to emerge, unless mine production can increase materially.

In terms of the refined market, analysts have mixed views, with some anticipating deficits but the majority anticipating surpluses until 2030-2031, of up to 500,000tpa. As with concentrate, from 2030 or 2031 an ever-growing deficit looks likely to emerge. it is worth noting that not everyone anticipates near-term annual surpluses; Codelco, the Chilean state-owned mining company, anticipates annual deficits of up to 200,000tpa between 2026 and 2030 (Codelco corporate presentation, November 2025). But by 2035, the annual deficit could exceed 2mt.The consensus is that we require significant increases in mine supply.

Without additional mine capacity, global mine production could peak around 2030. The table illustrates a few views, based on each source's supply and demand scenario, but the trend is clear to see:

Ever-growing copper supply deficits are forecast

Source	Copper deficit
Rio Tinto	9Mt by 2035
BHP	10Mt by 2035
IEA	11Mt by 2040
BloombergNEF	19Mt by 2040
Glencore	27Mt by 2050

Source: Rio Tinto Capital Markets Day presentation, 4 December 2025; BHP 2024 Chilean copper site tour presentation, 18 November 2024; IEA Global Critical Minerals Outlook 2025, 21 May 2025; BloombergNEF New Energy Outlook 2026, 19 May 2026; Glencore 2025 Capital Markets Day presentation, 3 December 2025

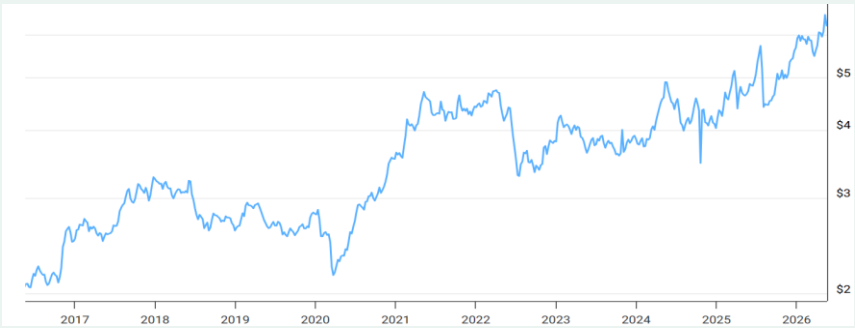
Copper price strength in recent years

Copper's most recent low of US$2.17/lb was in mid-March 2020 as COVID-19 impacted economic activity. However, notwithstanding this, the metal price finished the year at over US$3.50/lb and has been on a largely upward trajectory since then, with a relatively modest set-back to a two-year low in mid-2022 on further COVID fears and against a backdrop of rising inflation and interest rates.

Since then, mine production challenges (such as the forced closure of Cobre Panama) have led to tightness in the copper concentrate market, which in turn has had an impact on smelter output, particularly in China. After starting 2025 at around US$4.00/lb, copper prices have been on the rise following further production challenges (for example, Grasberg) and the surge in electrification demand which has more than offset the geopolitical risks of tariffs and the Iran conflict.

These factors took copper to US$5.60/lb by the end of 2025, and a peak on COMEX of US$6.71/lb in May 2026.

10-year copper price chart (US$/lb)



Source: www.macrotrends.net

Looking forward, copper price forecasts depend very much on one's supply/demand outlook and the trend in surpluses or deficits. In turn, on the supply side, this will depend on assumptions of mine and smelter output, and on the demand side on the rate of growth of electrification and the adoption of green and new technologies, and defence spending. Given some estimates of a market surplus of copper over the next few years, one can argue that it might be reasonable to assume a pull-back in copper prices over the next few years but given the possibility of increasing copper deficits from 2030, prices are expected to rally thereafter.

A median forecast poll of 31 analysts conducted by Reuters yielded an average copper price forecast for 2026 of US$11,975/t (US$5.43/lb) (Copper forecasts jump above $11,000 for first time, but analysts wary on demand worries: Reuters poll, 29 January 2026). More recently the Chilean Copper Commission, Cochilco, forecasts a copper price of US$5.55/lb in 2026 and US$5.10/lb in 2027 (news release, 19 May 2026). These compare with a current copper price of US$6.20/lb (16 June).

Appendix 2: Glistening gold - a summary

While copper is the main commodity for Halo Minerals, **around 27% of revenue is expected to come from gold** according to the Competent Person's Report in Halo's March 2026 AIM Admission Document. Consequently, it is well worth summarising the outlook for the gold market. It's fair to say that fundamentals of supply and demand are much less relevant than sentiment towards economic and geopolitical risk, with gold traditionally seen as a safe haven and store of value in uncertain times.

The World Gold Council estimates that total gold supply in 2025 reached 5,143.8t in 2025, while gold demand (before OTC and other inventory movements) totalled 5,025.2t. In Q126 the relevant figures are 1,230.9t and 1,195.9t respectively (Gold Demand Trends: Q1 2026, 29 April 2026).

5-year gold price chart (US$000/oz)

Source: www.macrotrends.net

Rampant gold price

The gold price has risen sharply since the beginning of 2024, from US$2,078/oz to peak at US$5,405/oz on 29 January 2026, before profit taking led to a gradual decline, taking prices to a recent low, currently at US$4,177/oz (10 June 2026). According to a poll by the LBMA of 28 analysts, the average forecast gold price for 2026 is US$4,742/oz, with a range of US$4,000-6,050/oz (www.lbma.org.uk/forecast-survey-2026/analysts-forecasts). This compares to the current gold price (16 June 2026) of US$4,326/oz. Out to 2029 (inclusive) most forecasts remain between US$4,100/oz and US$4,700/oz.

Macroeconomics and geopolitics

The rise in gold has been driven by macroeconomic and geopolitical issues, which are intertwined. On the macroeconomic front, investors are wary of inflation and interest rate trends across the globe, exacerbated by the US/Israeli attacks on Iran and the closure of the Strait of Hormuz. The ongoing war in Ukraine and volatile US domestic and foreign policy decisions have also played their part. Recently, strengthening trends in the US$ have also impacted gold market sentiment and led to a relatively modest gold price correction from the January high. The impact of US tariffs on world trade, and retaliation by other governments have clearly not helped macroeconomic or geopolitical sentiment.

This has led to central bank purchases of gold and institutional and private client purchases of gold ETFs, coins and physical gold investment as the market continues to see gold as a safe haven. Central bank purchases continue at an unprecedented scale – 16 years of consecutive buying, including 3 years of over 1,000t of accumulations. Much of 2023 and H124 was marked by net outflows of funds from gold ETFs, but following this most months have seen net inflows, some of which have been significant. According to the World Gold Council (Gold ETF Flows: May 2026, 4 June 2026) the global net ETF position was 4,121t at the end of May 2026, with net additional tonnage of approximately 864t added in 2025 and the first 5 months of 2026. The World Gold Council (Gold Demand Trends: Q1 2026, 29 April 2026) notes that gold bar and coin demand in Q1 2026 soared 42% y/on/y to 474t and was the second highest on record.

Appendix 3: Chile as a copper mining destination

The world's largest copper producer

Chile is one of the world's leading mining jurisdictions, and mining is the core and key to the nation's economic wealth.

According to Chile's Mining Commission (Consejo Minero, Cifras Actualizadas de la Minería, May 2026) the country produced 5,415,000t of copper in 2025, 23% of the world's total. Chile is the world's largest copper miner and contains some of the world's largest copper mines, including the world's biggest, Escondida, which mined 1,345,000t of contained copper in 2025.

The country is also the world's second-largest molybdenum and third-largest lithium producer, and produces meaningful quantities of silver, gold and iron ore. Mining drives the Chilean economy. According to Chile's Mining Council, mining contributing 13.1% or US$46.7bn of GDP in 2025, with copper mines by far the largest part of this; US$40.85bn or 11.5% of national GDP.

If one includes the multiplier effect through the production chain, then mining is responsible for 24% or US$85.6bn of Chile's GDP. The mining industry also dominates Chilean exports, representing 59% or US$63.25bn in 2025 (Consejo Minero, Cifras Actualizadas de la Minería, May 2026).

Chile: second quartile in terms of investment risk

Rank (out of 68 jurisdictions)	Country/state/province	Investment Attractiveness Index score
1	Nevada	90.87
2	Ontario	89.98
3	Saskatchewan	89.66
4	South Australia	89.19
5	Arizona	87.06
32	**Chile**	**69.17**
64	Mali	46.58
65	Philippines	45.85
66	Egypt	39.61
67	Burkina Faso	35.29
68	China	20.00

Source: Fraser Institute, Annual Survey of Mining Companies, 2025; 26 February 2026

In terms of attractiveness as a mining destination, a Canadian think-tank, the Fraser Institute, publish an annual survey of countries and states/provinces around the world. The institute polls mining and exploration companies to produce its Investment Attractiveness Index, combining the Best Practices Mineral Potential Index (a measure of geological potential) with the Policy Perception Index (a measure of government policy on exploration). Inevitably, the top jurisdictions each year are states/provinces in Canada, Australia and the USA together with Nordic countries. Chile is usually in the second quartile.

For 2025 Chile was ranked 32nd out of 68 jurisdictions, compared with 29th out of 82 jurisdictions in 2024. This slip probably reflects uncertainty in the run up to the result of the November 2025 election, in which José Kast (right-wing Republican Party) replaced Gabriel Boric (Socialist Unity for Chile).

Kast took power in March, and one of his first acts was to combine the ministries of Mining and Economy under agronomist Daniel Mas. It is unclear what this may mean for mine permitting and environmental approvals, but one would expect a right-wing government to be more pro-business and pro-mining than a socialist government.

The hope must be that the new government is more business-focused than the previous administration. Apart from permitting, miners in Chile face challenges with power and water availability. However, on the plus side, miners have access to a skilled mining workforce and a generally benign regulatory code of practice.

Corporation tax in Chile is currently 27%. Both Kast and his opponent, Evelyn Matthei, endorsed reducing the corporation tax rate to 23%. While this has not yet happened, the fact that both candidates back the move suggests that it will happen in the not-too-distant future. There is a further 8% withholding tax payable on dividends. Halo will not be subject to any royalty payments.

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