Freeport Resources

11 January 2021

Mining

Copper/Gold Beachhead into World-class Region

Key Data

Listing:	CVE
Ticker:	FRI
Shares Outstanding:	75.2m
Share Price:	C$0.23
Market Cap:	C$13.57m
Cash Balance:	C$3m
Options in the money	41.8m (10c)
Asset Location:	PNG

Resources (Inferred)		
Mt	Cu (%)	Au (g/t)
211	0.4	0.43

Summary

- **Olgal deposit has a 69% higher in-situ value than undeveloped global peers**
- **Equally endowed with Cu/Au, mitigating commodity risk**
- **Optimisation could double tonnage and increase Cu/Au content >65%**
- **Nearby targets, with minimal exploration, could be substantially accretive**
- **Premier jurisdiction for Cu exploration globally**

Located 25km from the Ok Tedi Cu/Au deposit, the Star Mountains project is so named after the mountain chain marking the oblique convergence transition point between the Indo-Australian and Pacific plates; responsible for a plethora of world class deposits, including Lihir, Grasberg, Porgera, Ok Tedi, Bougainville, Misima, Gold Ridge, Emperor/Vatukoula, Mt Kasi and Wahi.

We selected eight undeveloped, comparable primary copper/gold-porphyry resources, using latest resource numbers, we discovered that the in-situ value ~$54/t (using $3/lb Cu and $1,800oz Au) for Olgal was substantially better than the average of its listed peers (~$32-34/t). This discrepancy is, in large part, driven by Olgal being within the top quartile of global porphyry deposits in gold grade, approximately ~38% higher than the average; which actually underestimates its competitive position, given that our calculated mean is positively skewed by several world-class outliers.

The importance of copper porphyries cannot be underestimated, accounting for > 60% of annualised global copper production and represent ~65% of known global copper resources. Given the sophistication of modern exploration over the past four decades, current exploration success has not matched historical efforts and is unlikely to be ever replicated (*i.e*. the largest and highest grade discoveries are likely to have already been made). Underlying our belief that the Star Mountains project is one of the more attractive undeveloped Cu-porphyries globally.

Analyst

Gaius L.L. King
gaius@fox-davies.com

Table of Contents

Introduction

Located near the border with Indonesia in Papua New Guinea (PNG), the Star Mountains Property is only 25km from the world-class Ok Tedi porphyry Cu-Au mine, covering a 501sqkm contiguous exploration project containing the Olgal deposit. This tenement package prospectivity was recognised as far back in 1968 by Kennecott, and yet by most measures is relatively under-explored due to significant geographical constraints (*e.g*. Hindenburg Wall, see Figure 1), limiting physical access to the area, despite its proximity to Ok Tedi. Project admittance is limited to either helicopter, or short take-off fixed-wing aircraft.

Figures 1 & 2: Hindenburg Wall (Left); and main camp based at Tifalmin airstrip (Right).

Source: Zeriga-Alone[1] (2012), Company reports (2020)

The nominal cost (not adjusted for inflation) of all historic exploration to date on the project, including 51 holes (totalling 21,415m) is estimated >$43m; half of which, is allocated to a single prospect, Olgal, with an Inferred Resource of 211Mt @ 0.4% Cu & 0.43g/t Au. Some of the better intercepts include:

- 596m @ 0.61% Cu & 0.85g/t Au;
- 183m @ 0.53% Cu and 0.58 g/t Au; and
- 435m @ 0.52% Cu and 0.72 g/t Au (Including 100m @ 0.82% Cu & 1.39 g/t Au)

In addition, various exploration programmes have identified additional porphyry and/or skarn-type Cu-Au targets, all of which have never been tested adequately.

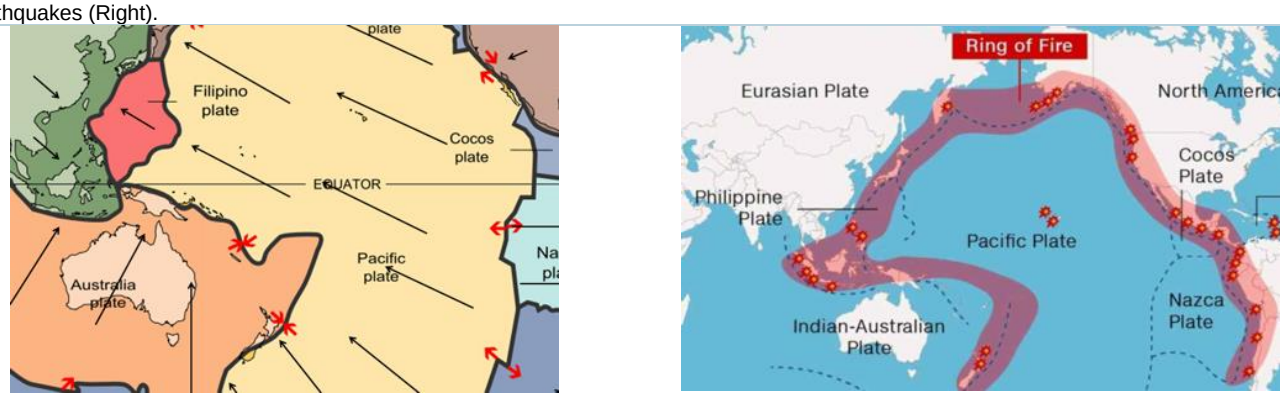
In summary, ***the company is at an interesting inflection point, with an existing large delineated resource, which we believe (on most numerical metrics) exceeds a basic economic threshold above the average undeveloped Cu/Au porphyry deposit. In addition, its immediate prospectivity has never been adequately tested, and given the significance of the Olgal mineralisation event, we believe that future satellite deposits will add to its future development prospects***.

[1] Zeriga-Alone, T., *et al*. (editors) (2012) *The Hindenburg Wall: A review of existing knowledge*. Wildlife Conservation Society Papua New Guinea Programme, Goroka, PNG.

Regional Geology

PNG lies along the edge of the Pacific Ring of Fire, in a virtually continuous series of oceanic trenches and volcanic arcs/belts defining the edges of continental plate movements (see Figure 4), accounting for around 90% of the world's earthquakes. A theory first espoused by Alfred Wegener, Plate Tectonics holds that the lithosphere (the hard-outer layer ~100km thick) moves about on the earth's surface, resting on the fluid-like (visco-elastic solid) asthenosphere, allowing these plates to undergo motion in different directions. The movement mechanism is thought to be related to convection in the earth's mantle (see Figure 5).

Figures 3 & 4: The location and relative direction of movement of tectonic plates. PNG is on a diffuse plate boundary zone between the Pacific and Australian tectonic plates (Left); and is located within the Pacific "Ring of Fire", encompassing a 40,000km long horseshoe region (high-lighted in red) strongly coincident with epithermal gold & copper porphyry styles of mineralisation. It encompasses 75% of the world's active volcanoes, with all but three of the world's 25 largest volcanic eruptions over the last 11.7Ma, and is responsible for 90% of the world's earthquakes (Right).



Source: Earle S.[2] (2019), GeologyIn (2020)

Plate tectonics make PNG one of the most attractive sites globally to explore for copper porphyry deposits.

PNG lies along the outer-rim of the Australian plate largely made up of a mountainous fold and thrust belt system driven by oblique convergence between the Pacific and Indo-Australian plates. Regional geology is largely defined by the collision/subduction of the Pacific plate underneath the Australian tectonic plate. The PNG boundary is composed of numerous microplates, each with discrete degrees of motion; with individual geological terranes ranging from continental fragments, blocks of oceanic volcanic crust and mantle, including two extensive ophiolites. This tectonically active region is defined by an abundance of faulting, numerous volcanoes and intrusives, genetically essential for the development of copper and gold deposits (as well as a range of other metals).

The Pacific Ring of Fire region has a high geothermal gradient, resulting from water bearing rock in the form of subducting oceanic crust, forced beneath the adjacent continental crust; as it decomposes and melts, hydromagmatic diapirs are created. Their formation releases entrapped fluids, allowing them to circulate in convection cells, leaching metal ions out of the surrounding rock.

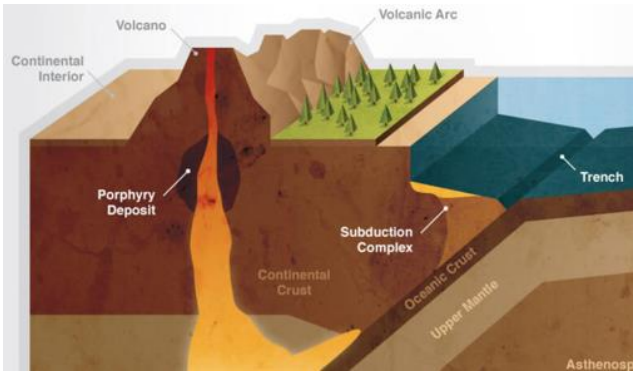
[2] Earle, S. (2019) *Physical Geology* – 2nd Edition. Victoria, B.C.: BCcampus. Retrieved from https://opentextbc.ca/physicalgeology

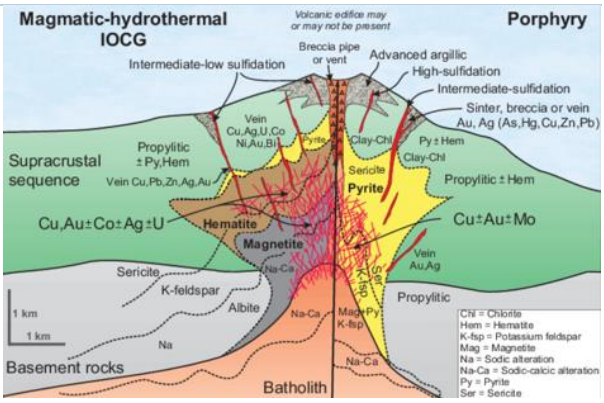
These diapirs rise as isothermal Newtonian fluids, until they reach isostatic equilibrium. The associated fluids ultimately cool and eventually form economic concentrations within structural and stratigraphic traps. It is at the junction of these plate boundaries that is critical for both the formation and hosting of major porphyry and epithermal events in both northern and eastern PNG at Lihir, Porgera, Ok Tedi, Bougainville and Misima; Gold Ridge in the Solomon Islands; Emperor/Vatukoula and Mt Kasi in Fiji; as well as similar epithermal gold events at Wahi on the Coromandel Peninsula in New Zealand.

Porphyry Cu/Au Mineralisation Model

Porphyry copper deposits form in and around convergent plate-margin boundaries (although in some instances they have also been associated with post collisional volcanism) or in island-arc environments, typically associated with subduction-related volcanism (see Figure 5), and are strongly structurally controlled (regionally and/or locally). Porphyry ore bodies form from hydrous intermediate-to-felsic magmas emplaced within the upper 5km of the crust (see Figure 6), from which hydrothermal fluids exsolve and deposit copper and gold via fluid–rock interaction.

Figures 5 & 6: Magmas thought to be responsible for porphyry formation are generated by the partial melting of the upper part of post-subduction, stalled slabs that are altered by seawater, or alternatively, metasomatised mantle wedges; both produce highly oxidized conditions that liberate sulphides carrying ore minerals (e.g. Cu, Au, Mo) which are transported to upper crustal levels (Left); and magmatic-hydrothermal systems, illustrating the relationship between S-rich porphyry Cu ± Mo ± Au deposits (right side) and S-poor magmatic-hydrothermal iron oxide-copper-gold (MH-IOCG) deposits (left side) (Right). Porphyry copper/gold deposits primarily consist of disseminated copper minerals in veins and breccias, typically distributed evenly within large volumes of rock, forming high tonnage (>100Mt), low to moderate grades (0.3–0.6% Cu) deposits.





Source: VisualCapitalist (2015), Richards *et al.* (2013)[3], USGS (2010)

Typically predating these fluids, are vertical dikes of porphyritic intrusive rocks from which this deposit type derives its name. Because their formation is associated with continental margin deformation, the vast majority of these large-scale porphyry deposits are typically less than 20Ma[4]; which by definition, also limits their geological

[3] Richards, J. & Mumin, H. (2013) "Magmatic-hydrothermal processes within an evolving Earth: Iron oxide-copper-gold and porphyry Cu Mo Au deposits". *Geology*, v. 41 - 10.1130/G34275.1

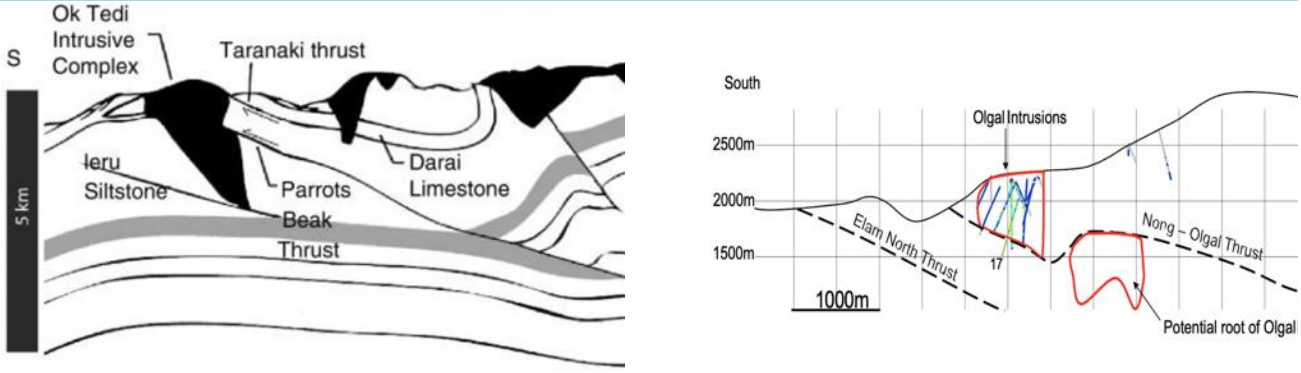
[4] Notable exceptions include the 438Ma Cadia-Ridgeway deposit, NSW, Australia.

preservation as the genetic tectonic processes responsible for their formation, also ensure their rapid destruction.

Local & Olgal Deposit Geology

Metaphorically, the Star Mountains chain forms the "spine" of the PNG Highlands, marking the transition point between the relatively stable craton of the Fly Platform and the New Guinea Mobile Belt. The eastern portion, characterised by large exposures of Darai Limestone in stacked north-verging thrust sheets, and a western portion dominated by andesitic volcanics and porphyritic dioritic intrusives.

Figures 7 & 8: Cross-Section through Ok Tedi intrusive complex, with intrusions occurring in the hanging wall of a major thrust connecting to a deeper fault. In-mine mapping identifying pre-, syn-, and post-emplacement slip motion along fault-and thrust planes, with skarn formation along these planes. Not dissimilar to that observed at Freeport's Star Mountains prospects (Left); and regional cross-section extended showing Nong-Olgal thrust, its morphology and orientation defined by seven drillholes (see Figure 11) (Right). The continuation of the Olgal Cu-Au mineralisation is interpreted to have been truncated (~550m) by a post-emplacement faulting. Alteration and mineralisation are confined to the hanging wall, whilst sedimentary rocks in the footwall are unmetamorphosed/unaltered and bereft of any sulphides. Significant exploration potential exists to discover the Olgal extension, although current interpretation of displacement is that it is likely to be deeper, and toward the north.



Source: van Dongen (2010)[5], Company reports (2020)

Olgal Deposit is still open to the south and downdip.

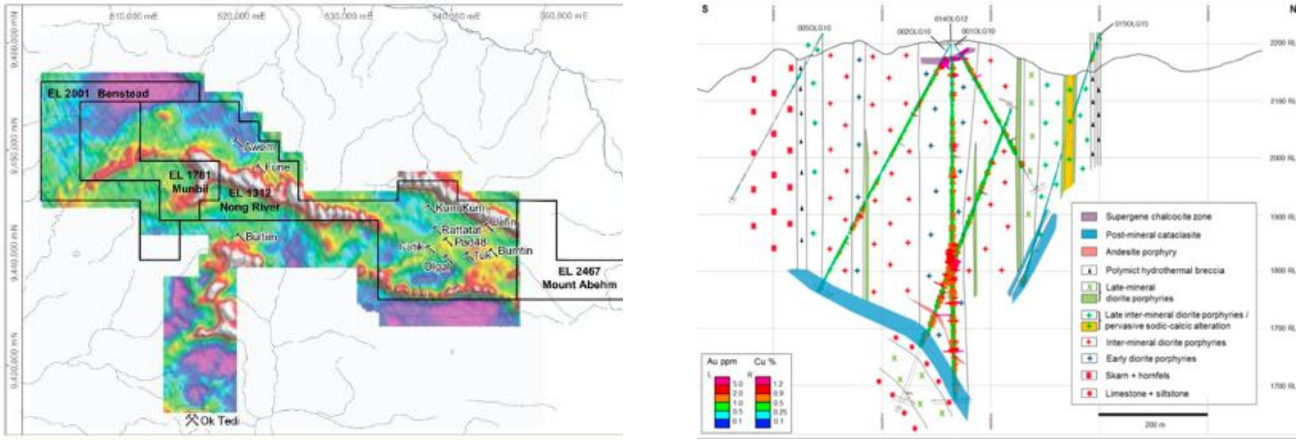
According to management reports, current drilling at Olgal has delineated the resource potential to the north, south and east (see Figure 11), there is still extensional potential downdip and to the south of the current western most line of drill holes. The main copper bearing mineral is chalcopyrite, with minor occurrences of covellite and bornite. Geologists who have visited Ok Tedi believe that the Olgal porphyry and skarn mineralisation characteristics observed within the Star Mountains project are similar, geologically. We also note that this level of mineralisation rarely (if ever) occurs in isolation. In the advent that additional mineralisation is discovered at Olgal to the west, there are a plethora of nearby porphyry targets that have the potential to add significant tonnages to the overall resource.

In the following peer and deposit analysis, given current gold grades, Olgal contains in-situ, substantially more economic in-ground value than many of its peers. It is outside the scope of this analysis to determine an NPV, which requires the calculation

[5] van Dongen, M. *et al.* (2010) "Recycling of Proterozoic crust in Pleistocene juvenile magma and rapid formation of the Ok Tedi porphyry Cu–Au deposit, Papua New Guinea". *Lithos*, v. 114, p. 282–292

of Reserves. Reserves typically require a Measured and/or Indicated Mineral Resource (Olgal is only Inferred), overlain with a prefeasibility study, encompassing mining, processing, metallurgical, and economic parameters, demonstrating that at the time of reporting, economic extraction is possible.

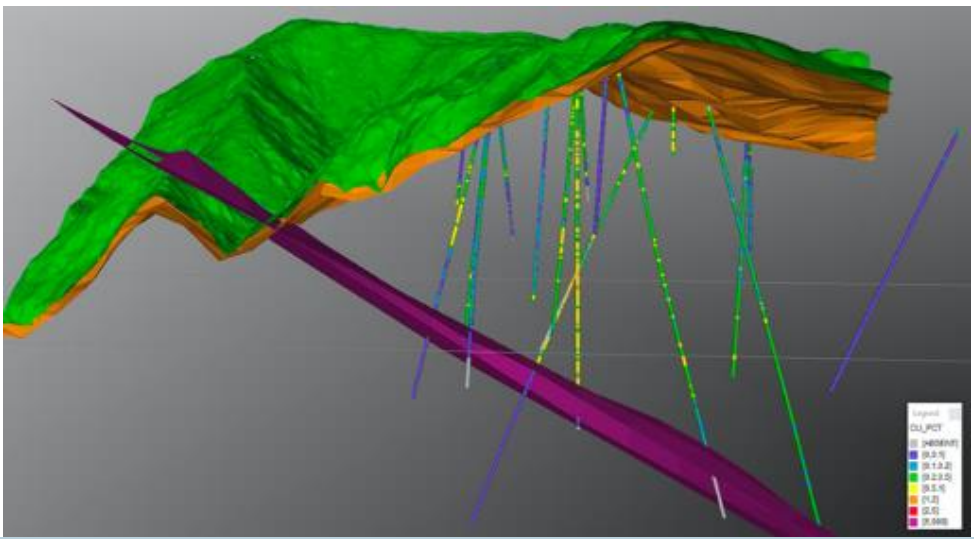
Figures 9 & 10: Star Mountains Prospects coverage "ZTEM" survey along with portions of the OTML-held tenements running south from the Star Mountains tenements up to the Ok Tedi mine. In identifying structures and numerous conductive anomalies, this has led to a working hypothesis that there are two clusters of mineralisation (i) the first trending north of Ok Tedi and (ii) the other in and around the Olgal deposit itself (Left); and simplified Olgal Section, the main Cu-Au prospect with a surface footprint of 1200m x 400m, containing the only Inferred Resource. The source of mineralisation, is an altered hornblende diorite porphyry intrusion (Right).



Source: Company reports (2020)

Figure 11: 3D View of Olgal, looking North. Due to challenging terrain, drilling is limited to a number of accessible sites, typically containing two or three holes drilled in different directions. Nominal drill hole spacing is around 200m, which, for a large diffuse such as Olgal, is sufficient. Holes coloured by Cu Grade; Topography in green. A basal thrust (purple) dipping around 33°>060° (dip>direction) has been identified from seven holes which separate the upper mineralised sequence from the barren basement. A zone of oxidation (shown in orange) is depleted both in sulphur and copper, averages ~20m in thickness.

Further drilling required at Olgal to convert into Measured and Indicated Resource categories.



Source: Company reports

Typically, there is a size frequency distribution within any given geological province, which displays a power-law relationship (*i.e*. a lot of smaller deposits, or fewer larger deposits). Moreover, that the size of the geological mineralisation/alteration halo

surrounding an economic deposit is generally proportional to the size of the ore system (*i.e*. the bigger the plumbing system, the greater the amount of copper/gold precipitated); so the "first mover" or "Elephant Country" approach usually discovers the best deposits.

These relationships are almost impossible to quantify within an economic framework, and hence prospectivity and initial success are very much still solely in the geological domain. However, all things remaining equal, the larger easier-to-find deposits will be located first (*e.g*. Olgal), with the more difficult, often smaller (higher grade?) deposits found later. The latter deposits, as a rule, are usually economically inferior to those in initial operating mines, in the sense that their production costs per unit of output are higher.

What does this mean for Freeport Resources? It implies that the chance of finding another deposit similar in scale to Olgal in the immediate vicinity is probably very unlikely. In Table 2, using a 0.2% COG, the Inferred Resource is ~450Mt. However, this underestimates the size of the initial system, given the under interpretation that up to 50% of the original Olgal Cu-Au ore-body was truncated (~550m) by a post-emplacement faulting (see Figure 8). On a global scale, a single porphyry orebody in the vicinity of 800Mt-1Bt (such as Olgal) is globally and geologically significant. When that tonnage is compared with numerous other pre-mined porphyry Resources, the global average is ~580-650Mt, with the global median ~380Mt.

Critical to this understanding is that structurally global plumbing systems are not homogeneous, that any one event will result in at least several major fluid pathways giving rise to numerous opportunities for economic mineralisation. A distinguishing feature of porphyry styled orebodies is that they always occur as mineralised camps, that even the USGS do not recognise discrete mineralised events occurring within 2km of each other. What it does imply, however, given its regional peers, is that there is almost certainly at least several >100-150Mt deposits waiting to be discovered. In addition, the potential exists for a plethora of smaller, high-grade (epithermal?) deposits higher up in the system (assuming they haven't been eroded).

Given the primary size of the Olgal intrusive event, using other porphyry mineralisation patterns, we believe there are at least several other deposits to be discovered.

Overall, this implies there is a substantial exploration upside. This project has two such distinct clusters with numerous identified prospects, all in close proximity. It would be a geological oddity (impossibility?) if Olgal were eventually found to be the only site of economic mineralisation in the immediate region.

Olgal Inferred Resource

The Olgal mineral resource estimate is based on 23 diamond core holes overlain by geology and assays, totalling 8,949m. Block model dimensions are 50x50x20m, with the Resource geologist suggesting that a block size, one half to one quarter the hole spacing, was appropriate for this type of deposit, given that the coefficients of variation are low. Remarkably, the deposit was so uniform that no grade cutting was

applied to the calculation, as no extreme or outlier values were identified; which in our experience is quite rare.

Table 1: Comparison of average drillhole and model grades. Block grades within the resource calculations are conservatively lower than Cu and Au average-grades because drilling is clustered within the higher-portion of the deposit. Conversely, Mo block grades are higher because it's mineralisation was more concentrated surrounding the core, which was less drilled.

Calculated Cu/Au Resource grades conservatively lower than average sample grades.

Element	Drillholes		Resource Model		Block Sample
	Samples	Grade	Blocks	Grade	
Cu	1,896	0.266	16,984	0.236	89%
Au	1,896	0.255	17,084	0.224	88%
Ag	1,896	0.410	17,084	0.406	99%
Mo	1,896	13.4	17,084	14.5	108%

Source: Company reports, FD

Table 2: Resource estimates by copper cut-off grades. PNG porphyry deposits contain, typically, substantially more gold credits compared with their South American counterparts which are predominantly copper assemblages. The orebody uniformity demonstrated using a 0.3% Cu cut-off, the overall Resource copper grade is only 25% higher at 0.4% Cu; the point at which the Resource consultants judged to set the Inferred Resource (see Table 3).

Conservative 0.3% COG used to establish maiden Inferred Resource; but if lowered to 0.2% Cu, in-situ metal increases by 64%. Significant room for future project optimisation.

Cu COG*	Mt	Cu (g/t)	Au (g/t)	Ag (g/t)	Mo (ppm)
0.00	782	0.23	0.22	0.41	14.3
0.05	708	0.25	0.24	0.41	15.5
0.10	639	0.27	0.25	0.41	16.2
0.15	554	0.29	0.28	0.42	17
0.20	449	0.32	0.31	0.43	17.5
0.25	329	0.35	0.36	0.44	18.2
0.30	211	0.40	0.43	0.47	19
0.35	132	0.44	0.52	0.49	18.1
0.40	81	0.49	0.61	0.51	16.6
0.45	49	0.53	0.72	0.54	14.9
0.50	26	0.58	0.85	0.85	13.8

Source: Company reports, FD

Although it would require significantly more drilling to convert into an Indicated and Measured Resource, the current grade profile suggests that if the Cu cut-off was lowered, even marginally, the incremental increase in Resource base would be substantially larger again. At a 0.20 Cu-cutoff, the Inferred Resource would be ~450Mt, at a still respectable 0.32% Cu and 0.31g/t Au, but the additional impact on project economics could be potentially transformative.

Table 3: Olgal Mineral Resource Estimate. Primary zone mineralisation above the thrust zone (see Figure 11), as the oxide zone (in orange) is depleted in copper. We have enclosed the published copper equivalent which assumes $3/lb Cu and US$1,200/oz Au. Note, we have used different assumptions on our peer analysis and deposit comparison.

Class	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Cu Eq.*	Cu (kt)
Inferred	210	0.40	0.43	0.47	19	0.65%	840

Source: Company reports, FD - *The copper equivalent is based on metal prices of US$3lb Cu and US$1,200oz Au, giving a formula of Cu Eq. = % Cu + g/t Au x 0.5833.

Market Peer Comparison

In a recent development, the ASX, is forcing junior mining companies to retract promotional materials containing "peer comparison information"; in particular, comparing the relative size and potential of projects with other listed companies hiring geologists to verify company statements and fining companies if they don't retract in time.

We are not averse to this new development, which is bound to be expanded to other mining dominated exchanges. Peer analysis has historically been used in valuing a firm by comparing a standardised valuation metrics with similar companies. It is widely used among bulge bracket banks as an instrument in comparing various mining operations, cost of extraction, Resource base, etc.

For non-producing assets, still within their exploration phase, it is a far more difficult proposition to get a standardised basis to accurately compare disparate projects, even using projected cash-costs, given so many new projects are now reputedly occurring within the first-quartile portion of the cost-curve. The process is often abused with a Resource (*e.g*. copper, in-situ value per pound) over market capitalisation, favouring those with large, often low-grade deposits with no realistic correlation to either economics, or likelihood of development.

Table 4: Selected peers to Freeport Resources, copper porphyry projects, in different jurisdictions, not in production, published Resources >100Mt.

Company	Projects	Location	Mkt Cap.	USD(M)	Ticker
Freeport Res.	Olgal	PNG	C$13.75m	10.86	FRI:CVE
Western Copper & Gold	Casino	Yukon Terr.	C$211.49m	167.08	WRN:TSE
Hot Chili	Cortadera/Productora/Costa Fuego	Chile	A$137.04m	106.89	HCH:ASX
Northisle Copper & Gold	North Island Project	Vancouver Island	C$48.81m	38.56	NCX:CVE
St Augustine	King-king	Mindanao	C$118.92m	93.95	SAU:TSE
Candente Copper	Cañariaco Norte	Peru	C$57.22m	45.20	DNT:TSE
Serengeti Resources	Kwanika	British Columbia	C$47.62m	37.62	SIR:CVE
Panoro Minerals	Cotabambas/Antilla	Peru	C$55.48m	43.83	PML:CVE
NGEX Minerals	Los Helados	Chile	C$66.14m	52.25	NGEX:CVE

Source: Various company reports, FD

To establish a scientific (and, therefore, more robust) basis for peer analysis, we selected eight companies that were undeveloped, primary copper/gold-porphyry resources without Reserves (see Appendix A); with the underlying imperative to compare like with like. Some containing minor amounts of silver and molybdenum, which we excluded primarily because all of these minor commodities had a negligible impact on the overall project economic, not knowing payabilities, or even metallurgical recoveries. Moreover, we eschewed published Cu-equivalent numbers published due to imbedded (and differing) commodity price assumptions for copper and gold.

Table 5: Peer comparison analysis comparing in-situ Cu & Au per tonne of Resource, and Cu Eq. grades, based on $1,800/oz Au and $3/lb Cu.

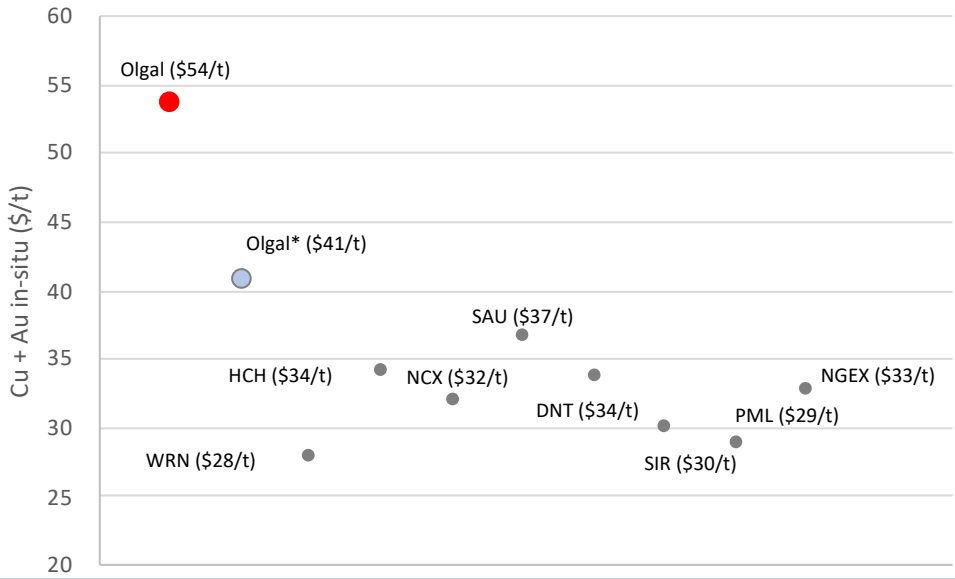
Company	Cu in-situ ($Bn)	Au in-situ ($Bn)	Cu+Au ($Bn)	Cu+Au/t	Cu Eq.
Freeport Resources	5.56	5.73	11.29	54	0.8%
Freeport Resources*	9.50	8.84	18.34	41	0.6%
Western Copper and Gold	31.79	75.20	106.99	28	0.4%
Hot Chili	19.15	5.52	24.67	34	0.5%
North Island Min. Res. Cu & Au	7.82	9.20	17.02	32	0.5%
St Augustine	18.85	23.34	42.19	37	0.6%
Candente Copper	26.67	3.94	30.61	34	0.5%
Serengeti Resources	4.86	4.53	9.39	30	0.5%
Panoro Minerals	18.94	6.90	25.83	29	0.4%
NGEX Minerals	70.20	25.24	95.44	33	0.5%

Source: FD – NB, Olgal* is where the Inferred Resource COG is dropped to 0.2% Cu (see Table 2)

Olgal's in-situ value is 69% higher than the mean of its direct peers.

We noted that, although most project specific studies used $3/lb, which is near spot (+/-5%), the same studies use a long-term gold price >35% lower than spot (typically $1,250 to $1,300/oz Au)? In Olgal deposit's case, both commodities contribute approximately half of the in-situ value, each. Interestingly, when we dropped the Cu COG to 0.2%, it was still higher than its immediate peer group, but it raises the question whether the calculated Inferred Resource is too conservative?

Figure 12: In-situ value per tonne of Resource, based on $3/lb Cu and $1,800oz Au (Olgal red dot). The dots represent the graphical representation of the in-situ value per tonne of Resource (see Table 5), the company tickers are listed in Table 5. For example, Hot Chilli (HCH) has an in-situ value of US$34/t.



Source: FD – NB, Olgal* is where the Inferred Resource COG is dropped to 0.2% Cu (see Table 2)

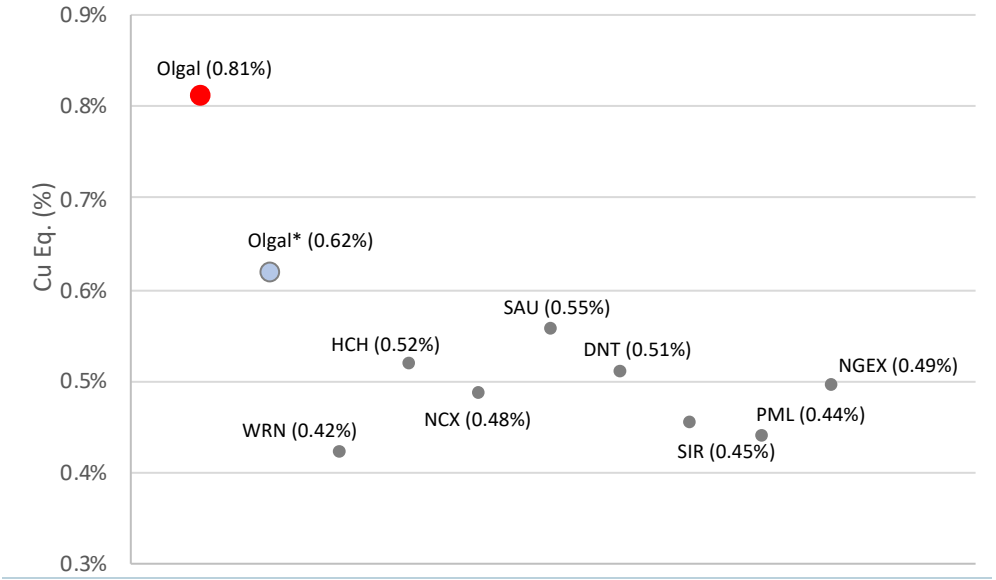
What is abundantly clear is that the Olgal deposit (see Figure 12) in-situ valuation is substantially better than any of its listed peers (~$32-34/t). We also evaluated the in-situ valuation if the Inferred Resource COG was dropped to 0.2% Cu (see Table 2), that although the in-situ value for decreases is 24% (Olgal blue dot) it still remains materially better than its peers; with its contained metal content increasing 62%.

In any case, calculating Cu equivalent grades is fraught with the misnomer that a single number can accurately reflect an orebody without taking in operating

variables. For instance, overall copper recoveries average ~86%[6] at Ok Tedi, while gold averages ~59%. The numbers we have used implicitly assumes that recoveries for both metals are equivalent, which is patently not the case. Metallurgical characteristics vary significantly from deposit to deposit, ore types, even where production resides within a single Resource.

What we do conclude, however, that using a 0.3% Cu COG in its Inferred Resource estimation (red dot) is high-grading (see Figure 13), ultimately, may not be fully optimising the deposit economically. If the above peer analysis demonstrates anything, it is that possibly a 0.45 to 0.6% Cu Eq. could be a sufficient economic threshold to justify possible development, and therefore, utilising a 0.2-0.25% COG could lead to a more efficient economic benchmark?

Figure 13: Orebodies recalculated as Cu equivalents, with copper price assumed to be $3/lb and gold to be $1,800/oz. The dots represent the graphical representation of the Cu-equivalent value per tonne of Resource (see Table 5). Using a 0.3% COG, the value per tonne from Olgal (0.81% Cu Eq.) is almost double that of Western Copper & Gold (WRN: 0.42% Cu Eq.)



Source: FD – NB, Olgal* is where the Inferred Resource COG is dropped to 0.2% Cu (see Table 2)

Using a 0.2% Cu COG implies that Olgal has a 29% superior Cu eq. grade differential over the mean.*

[6] Ok Tedi Mining Ltd Annual Review 2018 (2019) p.30-31 https://oktedi.com/wp-content/uploads/2019/05/OK-Tedi-Annual-Review-2018-Web.pdf

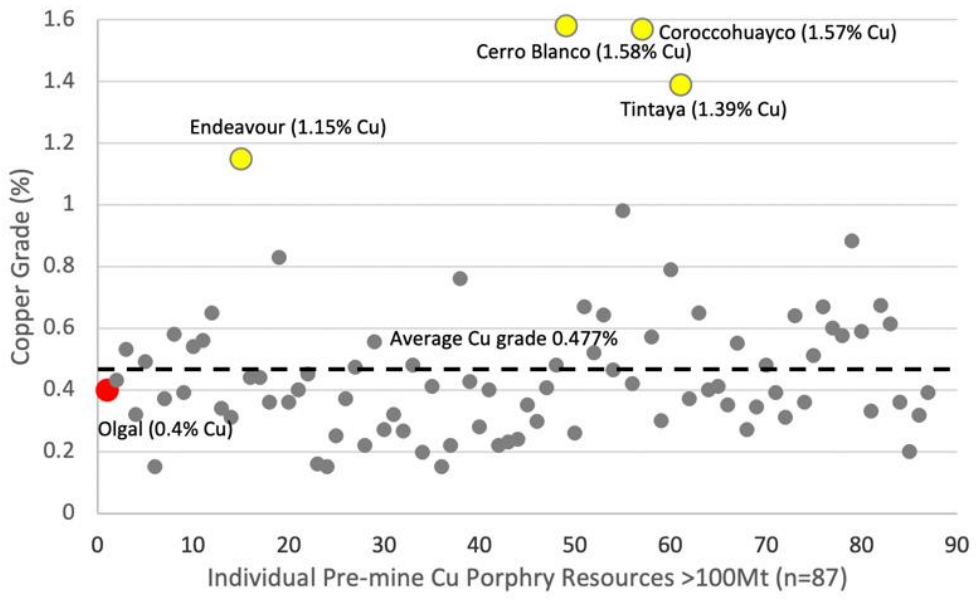
Global Deposit Comparison

One of the key comparisons is where the Olgal Resource lies within the universe of copper porphyries over time. It is on this basis one gets a better appreciation of its prospectivity and economic potential. Copper is an industrial metal and its demand is ultimately a reflection of the global economy, and more recently, the electrification and industrialisation of countries such as India and China.

In more recent times, China has been consuming approximately half of the world's copper, three times the level of Japan in second place. Nevertheless, as a result of economic disruption caused by COVID-19, there have been 20% falls in demand in both the US and EU, and a 13% fall in Japan[7]. Yet, over the same period, Chinese copper imports for the first 10 months of 2020 were 6.17Mt, up by 41% over the pcp, creating a new annual record in just 10 months; by implication that China now accounts for between 60-65% of total world copper consumption.

However, as the global vaccination programme begins to be rolled out, and US and European economies convalesce, we expect copper demand from these regions to recover to match previous peaks; if coupled with sustained record Chinese demand, it is highly possible that prices could trend substantially higher than current levels.

Figure 14: Olgal Cu grade vs global pre-mine Cu Resource average.



Source: USGS, Various commodity reports, FD

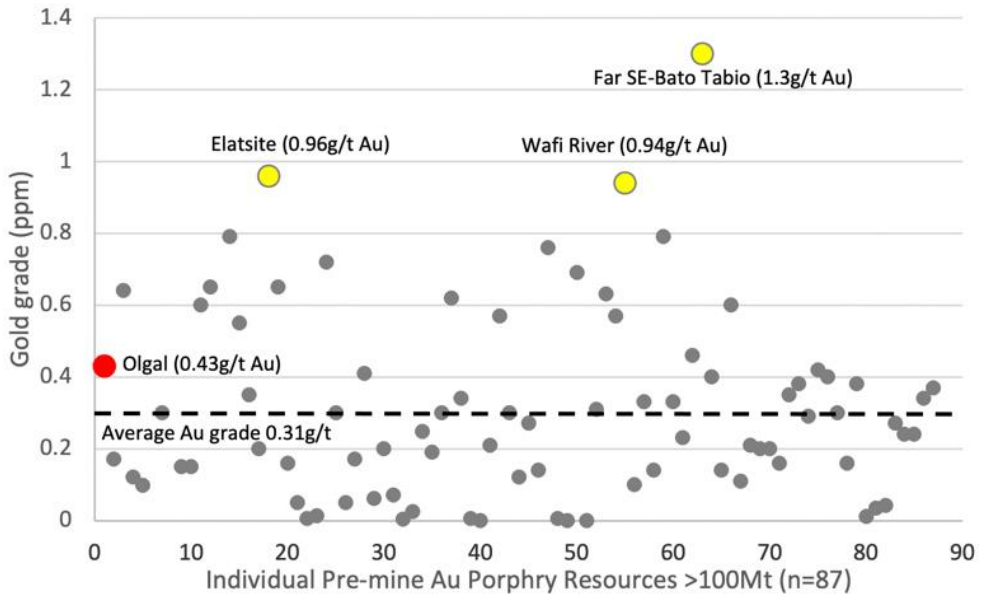
Despite Olgal Cu-grade being 16% lower than the numerical mean (see Figure 14), it is approximately that of the medium; as the average is positively skewed by several outliers (e.g. Cerro Blanco, Coroccohuayco, etc.). Critically, these higher-grade copper deposits (with the exception of the Endeavour mine) range between 100-

[7] https://publications.industry.gov.au/publications/resourcesandenergyquarterlyseptember2020/documents/Resources-and-Energy-Quarterly-Sept-2020.pdf p. 119

150Mt, and are not stand-alone operations, rather augmenting larger, lower-grade, copper porphyry camps.

One of the key economic drivers of Olgal is its relative abundance of gold mineralisation. Gold's role is slowly evolving into a monetary medium as a store of intrinsic value, which is increasingly obvious when you compare a number of currencies using a set quantum of gold over time. It is the only monetary medium that is not someone else's liability. In most of Europe, banks charge savers to store their monetary funds; the opportunity-cost for the saver, therefore, is to acquire an asset (*i.e.* gold) that cannot be duplicated, with long-term storage effectively cost-free. The irony being, that the largest growth in gold purchases is not from Developing Nations with depreciating currencies (*e.g*. India and China) but from low rate, negative interest rate regimes in Europe and increasingly, the US.

Figure 15: Olgal Au-grade vs global pre-mine Au Resource average. Interesting to note that when comparing with Figure 14, those deposits high in copper values, do not correspond with those with elevated gold inventories. Olgal is within the top quartile in gold grade, ~38% higher than the global average; which again underestimates its competitive position, given the calculated mean is positively skewed by several high-grade outliers (*e.g*. Wafi River).

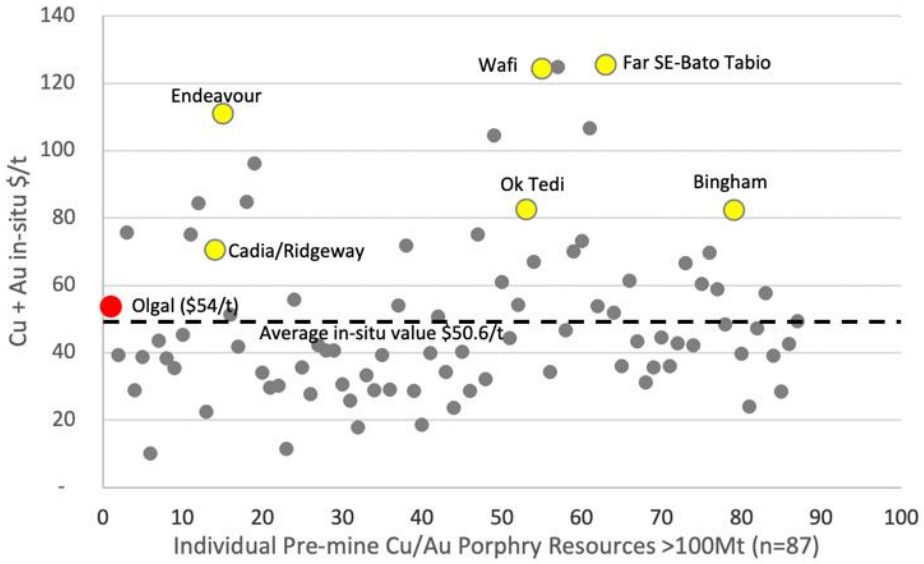


Source: USGS Various commodity reports, FD

Given the sophistication of modern exploration over the past four decades, future exploration success in copper porphyries is unlikely to be replicated in the near-term (*i.e*. the largest and highest grade discoveries are likely to have already been made). It is inevitable that exploitation of a particular deposit type will result in physical mineral depletion, moreover, if that depletion continues unchecked while other economic and technological conditions remain the same, resource scarcity and the cost of mineral production will increase, causing real mineral prices to rise. This is a critical consideration given copper porphyries now account for more than 60% of the annual global copper production and ~65% of known global copper resources.

One of the factors that is constantly counteracting this inevitability is material substitution – although it is generally understood that any substitutes for copper are inferior.

Figure 16: In-situ value per tonne of ore based on Cu + Au grades, assuming $3/lb Cu and $1,800/oz Au. Olgal resides above the mean, which is strongly influenced by a number of world class deposits.



Source: USGS, FD

Although above the mean, the average is strongly influenced by a number of world-class deposits, the like of which, will not be found again. In that respect, Olgal currently remains one of the most attractive undeveloped Cu-porphyries globally.

Which brings us to our last point, that discovery depletion (*ceteris paribus*), means the easier-to-find deposits will be located first, with the more difficult deposits found later. The latter deposits, as a rule, are usually of a poorer quality than initial operating mines, in the sense that their production costs per unit of output are higher (*e.g*. mines are deeper). Meaning that Olgal's future development is not going to be hampered by the future discovery of another Wafi, Ok Tedi or Bingham (see Figure 16), as those world-class deposits have already been discovered and are unlikely to occur again. Therefore, on preliminary Resource results, Olgal is a better economic prospect than the rest that are undeveloped.

Being equally endowed in Cu and Au mitigates some commodity risk.

Critically, a copper porphyry such as Olgal containing approximately equal amounts of these two commodities that have different business and macro drivers, mitigate overall project risk. Typically, if there was weakness in one commodity, it would be offset by strength in the other.

Additional Key Exploration PNG Targets

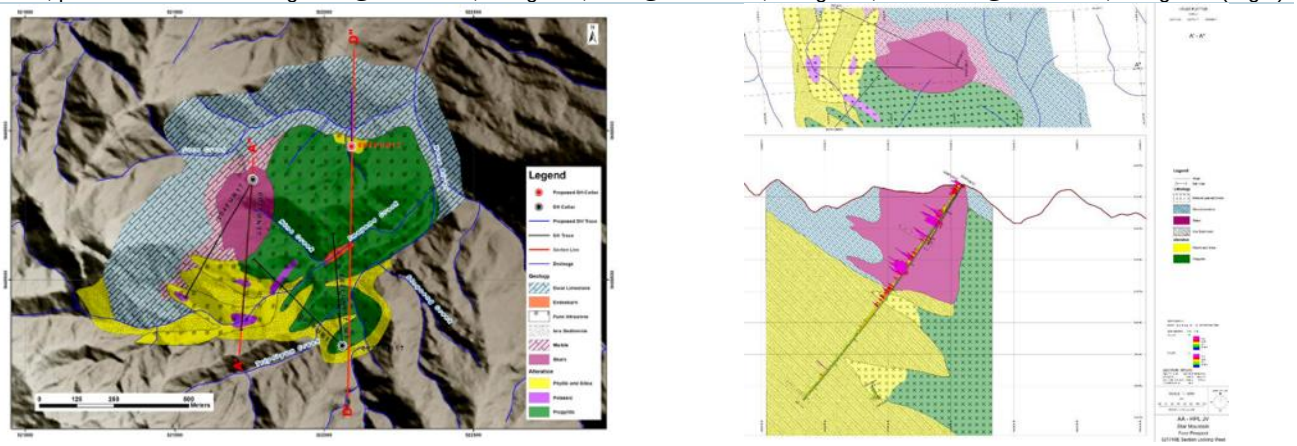
Most of the remaining Star Mountains extensional targets have had very little historical exploration.

The Star Mountains tenements have a number of other highly prospective targets in close proximity that could easily add to the economics of the entire project if additional discoveries transpire; in particular, by extending life-of-mine and scheduling to maintain a constant throughput. Given the current overall Olgal grade, we believe that these future discoveries need not be at higher grades. Rather, we reiterate that this style of mineralisation occurs in clusters. The USGS, in fact, does not segregate porphyries as separate orebodies if they occur within 2km of each other, considering them genetically related. With the exception of Olgal, all the other projects have had very little exploration, despite their obvious prospectivity and proximity to the substantial resource.

Fune

Contains copper skarn mineralisation, developed along the contact between limestone and silicate sedimentary horizon. According to ZTEM and geological interpretation, the porphyry source has not yet been identified, despite the fact that quartz vein bearing xenoliths suggest that the primary intrusive is nearby.

Figures 17 & 18: Fune prospect geology; located along an interpreted N-S structural corridor northeast of OK Tedi (Left); and Fune cross-section, previous results including 50m @ 0.32% Cu, 0.09g/t Au, 67m @ 0.41% Cu, 0.13g/t Au, and 158m @ 0.45% Cu, 0.13g/t Au (Right).



Source: Company reports (2020)

Futik

Propylitic alteration observed at the northern and eastern parts of Futik, with phyllic alteration covers the central part of the prospect; collectively strongly indicative of a Cu-porphyry-style alteration halo usually associated with mineralisation. Estimated a footprint of ~1 x 0.6km. The equigranular diorite intrusive contains up to 3% chalcopyrite, but as far as we are aware, has never been drill tested.

Bumtin

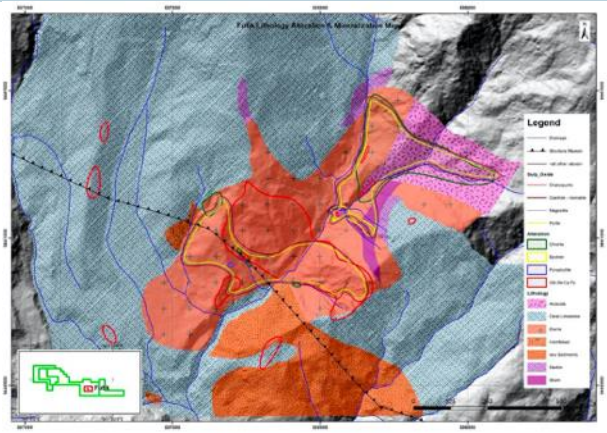
Located ~5 km NE from Olgal and ~2km south from Unfin, the Bumtin prospect is defined by a magnetic high. Known copper mineralisation occurs predominantly as

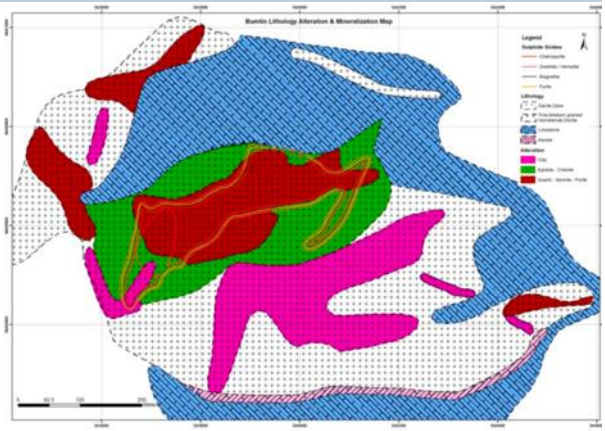
chalcopyrite in fractures and as disseminated ore. Its proximity to Unfin indicates it could be genetically related, and, therefore, part of a larger system.

Unfin

Unfin is a sub-economic porphyry-skarn prospect measuring 1km by 800m, that has been tested by two diamond drill holes. Copper mineralisation occurs mainly as chalcopyrite and covellite. Despite it having the largest surface area of exposed alteration within the Tifalmin area, drilling has been limited to just the northern portion of the prospect, with Unfin South potentially the higher-grade portion of the porphyry system.

Figures 19 & 20: Futik Prospect Geology, located ~3km northwest of the Olgal prospect, containing 1.8 x 1.8km hornblende diorite intrusive, and a 730m x 900m breccia zone overlain by a silicified cap (Left); and interpreted lithology and alteration of the Bumtin Prospect covering a total footprint of 1 x 0.5km (Right).



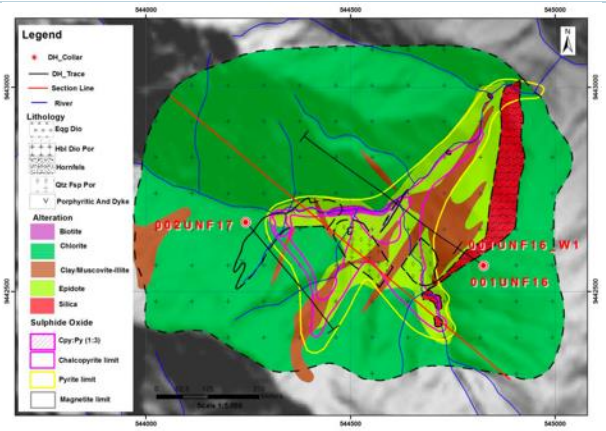


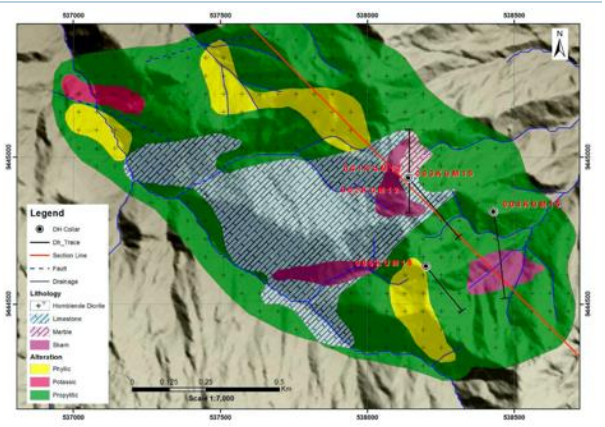
Source: Company reports (2020)

Kum Kom

Mineralisation at Kum Kom appears to be concentrated within skarns formed from metasomatized limestone roof pendants, surrounded by low-grade (0.1-0.2% Cu – intersected by three holes) porphyry intrusives.

Figures 21 & 22: Unfin Prospect Geology (Left); and interpreted lithology and alteration of the Kum Kom Prospect (Right).





Source: Company reports (2020)

Application of AI in Exploration?

One of the more interesting developments in mineral exploration is the advent of distributed ledgers, with several Mining Houses apparently using this emerging technology to integrate large data sets, allowing advanced statistical models in order to find relationships. Moreover, it allows real-time analysis of data making it increasingly possible to make quick decisions.

It only requires a modicum of imagination to see the value of this application to mineral exploration. One of the challenges surrounding explorers is the ponderous size of data from a myriad of sources, including drill-hole data, geochemistry, mapping, geophysics; the interpretation of which is often nebulous at best, and the eventual success of interpretation down to the skill and knowledge of the individual geologist involved. The potential exists to overlay that data with targeted geological models, allowing some level of quantitative understanding on the probability of its success.

What is particularly interesting is that Freeport Resources has recently signed a contract with Minerva Intelligence, who have deployed their "DRIVER AI solution"; undertaking a full suite analysis of elements (not just those of specific economic interest), in order to create multi-element zonation patterns. The Minerva sales pitch reputedly compares geochemical signitures with its database of "hundreds" of similar orebodies looking for specific characteristics using the company's proprietary AI technology. On their website, Minerva recently announced that they had "completed a project in Papua New Guinea (from which we assume they are referring to Freeport's Star Mountains project), the results of which will be announced publicly in early 2021". Theoretically, the application of machine learning should be able to determine subtle connections for mineral explorers, potentially discovering targets not yet considered.

It could be easy to be sceptical about this process, arguing that this is very much a data in, data out scenario, and given the restricted amount of work outside the Olgal deposit, the question remains, how applicable will the results be in generating other targets? We contend, however, that that line of questioning entirely misses the point. This is embryonic technology, with management giving guidance that the entire process cost ~$30k, a small fraction (<5%) of a single BQ drillhole from surface.

The judicious use of new AI technologies could potentially have major cost and time savings.

The risk-reward scenario is asymmetric, this process is capable of detecting alteration and zonation patterns easily missed by traditional geological methods of analysis. It is possible, arguably even probable, that this process could at least offer several priority targets, if even one of those amounted to an additional orebody, it could save millions of dollars in unnecessary expenditure and potential years of endeavour. We look forward to the released analysis in the new-year.

PNG Background

The first settlements in Papua New Guinea (PNG) can be traced back as far as 60Ma when Aboriginal peoples first migrated to Australia. The first European credited to have sighted the principal island was Don Jorge de Meneses, a Portuguese explorer, in around 1526-27. After being split between the German and British Empires post 1884, Australia assumed full governance of the former German territory following WW1. After elections in 1972, PNG became self-governing on 1 December 1973. It achieved full independence and joined the United Nations in 1975.

Approximately 13% of PNG's inhabitants live within urban centres, with ~40% of the population living a subsistence lifestyle. There are >850 known languages, and due to its rugged terrain, the country remains arguably the least explored geologically, culturally and scientifically. More than 96% of the population are Christian.

The country's tenure laws recognise "customary land title", that entails traditional lands of various indigenous peoples have some legal basis to inalienable rights. This customary basis in law covers ~97% of the usable land in the country. Approximately 3% of the land of Papua New Guinea is held in private hands, typically under 99-year lease, held by the State. The few existing freeholds automatically convert to a state lease at the point of transference.

PNG is arguably the least explored and considered one of the most highly prospective regions globally.

Despite it being one of the most mineralogically endowed countries on earth, mining was largely absent until the early 1970s. With the exception of some copper by-products, the vast majority of mining in PNG has been gold oriented, with exploration discoveries to-date including a host of world-class deposits, including Frieda River, Grasberg, Hidden Valley, Lihir, Ok Tedi, Porgera, Ramu and Wafi-Golpu, among many others. As a result, PNG is the continual recipient of substantial foreign investment in the mining sector.

PNG Transparency

According to the Index of Economic Freedom (2020), PNG's score was 58.4, unchanged from the previous year. Overall, it ranks the country as the 108th best place to do business globally, behind Tonga but ahead of Trinidad and Tobago. The top four places rated to do business in order, are Singapore, Hong Kong(?), New Zealand and Australia. The United Kingdom came in 7th and United States 17th.

PNG rates relatively well in several areas: in fiscal, business, trade and investment freedoms, and tax burdens. The top income tax-rate is 42%, and the corporate tax rate is 30% with operating non-resident companies assessed tax rate of 48%. In the most recent year, overall tax revenue as a percentage of GDP fell to 13.7%. Total government expenditures is steady at 21.3%, yet despite fiscal restraint, the country has run budget deficits over the past three years averaging 3.6%, with public debt

now ~37% of GDP. Domestic inflation has increased, reaching 5.9% in June 2020, following the steady devaluation of the PNG Kina.

We believe that the ranking system reflects historical legacy issues as opposed to on the ground reality. That PNG is a far better jurisdiction in which to conduct business with surety of title than many other comparable developing countries globally.

Transparency International's *Corruption Perceptions Ind*ex had PNG equal 137th out of 180 nations, equivalent to countries such as Kenya, Russia and Lebanon. We believe in this instance that this ranking does not accurately reflect the ease to undertake mineral exploration and extraction, as many Australian companies have done for decades. Moreover, we consider a number of countries it is listed as equivalent to, as being significantly riskier. For industry participants, PNG is perceived as no more difficult than operating in the Philippines, which is ranked equal 113. PNG's strong propensity for tribalism, has meant that personal relationships played a disproportionate role in governance and some sectors of business; typically outside mining.

Other Exploration Targets

These legacy Canadian assets could now be considered secondary in importance to the PNG prospects, but still have clear value.

Spanish Mountain

The Spanish Mountain gold project (150 hectares) located in British Columbia, has been proposed as the original source of gold mineralisation mined in nearby placers. Critically, the project is adjacent to and on strike with an interpreted NW-SE trending gold-bearing zone held by Spanish Mountain Gold Ltd (SMG), who recently updated their NI 43-101 publishing a Measured and Indicated Resources of 4.1Moz Au (273Mt @ 0.47 g/t). Reporting that they had consistently intersected gold in the Upper Argillite horizon which had traced along strike for approximately 800m, with width up to 500m and up to 135m in thickness; coinciding with resistivity lows. Freeport's claims are less than a kilometre east of and on strike with the mineralised zone.

Airborne geophysical data commissioned by Freeport demonstrates structural continuity from SMG's "Main Zone", with low resistivity continuing into its claims, without apparent discontinuities or offsetting features. Geochemistry over these areas are anomalous with > 400 ppb Au in soil and up to 0.13 g/t in weathered pyritic argillite and greywacke surface rocks.

The Q Claims

Covering 12k hectares in British Columbia, the key asset encompasses a fluorite deposit, with previous non-compliant 43-101 reserves at 24Mt @ 11.5% CaF_2; with minor celestite ($SrSO_4$) and some recoverable quantities of silver-bearing galena and sphalerite. The deposit has >22km in diamond drilling and two developed adits identifying eight discrete flat lenticular lenses with an average eight metre thickness.

The project is also being evaluated for widespread molybdenite (present in both adits confirmed by sampling) and a number of drill holes, reaching values up to 0.19% MoS_2. Interestingly, both the molybdenite and fluorite mineralisation correspond to localised fracturing and schistosity identified from structural mapping and high-resolution aerial photography, which could be a useful tool for future exploration efforts.

Red Rose Mine

Positioned in northern British Columbia, the project is a former tungsten-gold producer, with an average scheelite grade of 1.5% W, producing over 10kt of tungsten with Cu, Au and Ag by-products when in operation between 1942-54. The project is located within the *Rocher Deboule* mining camp, former tungsten

producers include (of course) Rocher Deboule, Victoria, Highland Boy, Great Ohio, Armagosa, Blue Lake and Black Prince. The pegmatite vein within the Red Rose shear was mined over 60 to 120 metres, from the surface down to the 800 level, below which the ore-body was only partially mined.

The mine is also highly perspective for gold exploration, with sampled grades >19g/t over 0.7m. Important to remember that gold averaged ~$31-35/oz at the time the mine was operational, a time where private ownership of bullion was banned, up until 1975, when the price of gold was effectively mandated.

It is generally accepted that any grade of 5g/t over a metre, from a selective underground operation, is economic.

Directors & Management

Gord Friesen (President, CEO) – Has over 35 years of experience in the capital markets (retail and institutional) and has an extensive background in fundraising, corporate communications and project marketing. He has funded mining projects throughout the Americas, including gold, silver, copper, nickel and a variety of other base metals projects. He is currently a member of the board of Glacier Lake Resources Inc.

Allan Glowach (Non-executive Director) - Consultant in the oil and gas industry working with public and private companies for 31 years. He has served as both an officer and a director of numerous public companies, his clients are amongst the largest pipeline companies in North America including Enbridge and TransCanada Pipeline. Mr. Glowach has a Bachelor of Science in Chemistry from the University of Alberta and is a serving member of CSA Materials for Oil & Gas Pipeline Systems as well as the National Association of Corrosion Engineers.

Dr. Nathan Chutas (Chief Operating Officer) - Geologist with over 20 years of experience in a variety of management and technical roles focussed on exploration of greenfield, brownfield, near-mine resources and project evaluation; including with Teck Cominco, NovaGold, Sandfire Resources America and Era Resources. He has worked throughout North America, South Africa, Mexico and PNG. Holds a PhD from the University of Washington and is a CP with the American Institute of Professional Geologists.

Scott Davis (CFO) - Partner of Cross Davis & Company, he has been CFO of several companies listed on the TSX Venture Exchange. His past experience includes four years at Appleby as an Assistant Financial Controller, two years at Davidson & Company as an Auditor and five years with Pacific Opportunity Capital as an Accounting Manager.

Daniel Beck (VP Business Development) - Formerly a business development analyst for TSX.V-listed Cobalt 27 Capital Corp., the leading pure play cobalt metal and streaming company prior to its sale for $500+ million in November 2019. He began his career as a financial analyst at Switzerland-based Pala Investments AG, one of the world's leading private investment firms focussed on mining. Daniel has extensive expertise in project evaluation and modeling. Holds an undergraduate degree in Applied Mathematics and a graduate degree in Minerals Engineering.

Appendix A – Peer Comparison Resource Comp.

All selected peer company deposits are compared on a first principals basis, using most recent published Resource numbers. All of these projects are at a relatively early stage, none have calculated Reserves. We have excluded minor elements, particularly, Ag and Mo, due to unknown recoveries, payabilities. In any case, projected economic contributions typically <5% of overall Revenues.

Table 6: Peer comparison Resource table.

Company	Tonnage (Mt)	Cu (%)	Au (g/t)	Cu in-situ (kt)	Au in-situ (Moz)
Freeport Resources (*Inferred*)	210	0.40%	0.43	840	3.19
Freeport Resources* (*Inferred*)	449	0.32%	0.31	1,437	4.91
Western Copper and Gold					
M&I	2,390	0.14%	0.41		
Inferred	1,461	0.10%	0.14		
Total	3,851	0.12%	0.31	4,807	41.78
Hot Chili (*Indicated & Inferred*)	724	0.40%	0.12	2,896	3.06
North Island Min. Res. Cu & Au					
Indicated	342	0.24%	0.29		
Inferred	191	0.19%	0.24		
Total	533	0.22%	0.27	1,183	5.11
St Augustine					
Indicated	962	0.25%	0.33		
Inferred	189	0.22%	0.27		
Total	1,151	0.25%	0.32	2,850	12.97
Candente Copper					
M&I	752	0.45%	0.07		
Inferred	158	0.41%	0.06		
Total	910	0.44%	0.07	4,032	2.19
Serengeti Resources					
Indicated	224	0.26%	0.25		
Inferred	90	0.17%	0.17		
Total	314	0.23%	0.23	735	2.51
Panoro Minerals					
Indicated (Antilla)	292	0.34%			
Inferred (Cotabambas)	604	0.31%	0.18		
Total	895	0.32%	0.12	2,863	3.83
NGEX Minerals					
Indicated	2,099	0.38%	0.15		
Inferred	827	0.32%	0.10		
Total	2,926	0.36%	0.14	10,613	14.02

Source: Various company reports. NB, Olgal* is where the Inferred Resource COG is dropped to 0.2% Cu (see Table 2)

Research Disclosures


Gaius L.L. King

Gaius L.L King has 25 years' experience in mining, exploration, corporate finance, mineral economics, and as a resource analyst. As a geologist, he worked five years in various underground operations, and was involved in discovering and delineating ~2.6 Mt @ 3.5% Ni from a variety of ore bodies. Gaius has analysed fundamental supply and demand of iron ore, nickel, PGE, uranium, gold, REE, borate and lithium, among others. As an analyst, he has specialised in the mid-tier/junior sectors, covering mining stocks on the ASX and AIM.

Investment analyst certification

All research is issued under the regulatory oversight of Fox-Davies Capital. Each Investment Analyst of Fox-Davies Capital whose name appears as the Author of this Investment Research hereby certifies that the recommendations and opinions expressed in the Investment Research accurately reflect the Investment Analyst's personal, independent and objective views about any and all of the Designated Investments or Relevant Issuers discussed herein that are within such Investment Analyst's coverage universe.

Research Disclaimers

Research disclosure as of 11 January 2021

Company Name (the Relevant Issuer)	Disclosure
Freeport Resources Inc	7

Investment Research Disclosure Legend:

1. In the past 12 months, Fox-Davies Capital Limited or its affiliates have had corporate finance mandates or managed or co-managed an offering of the Relevant Issuer's securities or received compensation for Corporate Finance services from the Relevant Issuer.

2. Fox-Davies Capital Limited expects to receive or intends to seek compensation for Corporate Finance services from this company in the next six months.

3. The Investment Analyst or a member of the Investment Analyst's household has, or expects to receive, a long position in the shares or derivatives of the Relevant Issuer.

4. The Investment Analyst or a member of the Investment Analyst's household has a short position in the shares or derivatives of the Relevant Issuer.

5. As of the month end immediately preceding the date of publication of this report, or the prior month end if publication is within 10 days following a month end, Fox-Davies Capital Limited and / or its affiliates beneficially owned 1% or more of any class of common equity securities of the Relevant Issuer.

6. A senior executive or director of Fox-Davies Capital Limited or a member of his or her household is an officer, director or advisor, board member of the Relevant Issuer and / or one of his subsidiaries.

7. Fox-Davies Capital Limited acts as a corporate broker and/or capital markets adviser for the Relevant Issuer.

The Investment Analyst who is responsible for the preparation of this Investment Research is a consultant to Fox-Davies Capital, a securities broker-dealer.

The Investment Analyst who is responsible for the preparation of this Investment Research has received (or will receive) compensation linked to fees generated by Fox-Davies Capital from the Relevant Issuer.

This report has been commissioned by the Relevant Issuer and prepared and issued by Fox-Davies Capital Ltd, in consideration of a fee payable by the Relevant Issuer.

Disclaimer - Important Information

This document is not independent and should not be relied on as an impartial or objective assessment of its subject matter. Given the foregoing, this document is deemed to be a marketing communication for the purpose of the European Markets in Financial Instruments Directive (MiFID), the Financial Conduct Authority's Rules and Dubai Financial Services Authority's Conduct of Business Rules and as such has not been prepared in accordance with legal requirements designed to promote the independence of investment research and Fox-Davies Capital is not subject to any prohibition on dealing ahead of dissemination of this document as it would be if it were independent investment research.

This document has been issued by Fox-Davies Capital Limited and Fox-Davies Capital (DIFC) Limited (collectively "Fox-Davies Capital") in consideration of a fee payable by the Relevant Issuer for services that include the production and broad dissemination of a detailed report followed by regular update notes. Sponsored research is considered by Fox-Davies to qualify as an acceptable minor non-monetary benefit according to the EU MiFID II Directive.

This document should not be construed in any circumstances as an offer to sell or solicitation of any offer to buy any security or other financial instrument, nor shall it, or the fact of its distribution, form the basis of, or be relied upon in connection with, any contract relating to such action. This document is not based upon detailed analysis by Fox-Davies Capital of any market; issuer or security named herein and does not constitute a formal research recommendation, either expressly or otherwise. This document has no regard for the specific investment objectives, financial situation or needs of any specific entity. Fox-Davies Capital and/or connected persons may, from time to time, have positions in, make a market in and/or effect transactions in any investment or related investment mentioned herein and may provide financial services to the issuers of such investments. The information contained herein is based on materials and sources that we believe to be reliable, however, Fox-Davies Capital makes no representation or warranty, either express or implied, in relation to the accuracy, completeness or reliability of the information contained herein. Opinions expressed are our current opinions as of the date appearing on this material only. Any opinions expressed are subject to change without notice and Fox-Davies Capital is under no obligation to update the information contained herein. None of Fox-Davies Capital, its affiliates or employees shall have any liability whatsoever for any indirect or consequential loss or damage arising from any use of this document.

This report has been approved in the UK by Fox-Davies Capital Limited solely for the purposes of section 21 of the Financial Services and Markets Act 2000. In the UK, this report is directed at and is for distribution only to persons who (i) fall within Article 19(1) (persons who have professional experience in matters relating to investments) or Article 49(2) (a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) or (ii) are professional clients or eligible counterparties of Fox-Davies Capital (all such persons together being referred to as "relevant persons"). This report must not be acted on or relied up on by persons in the UK who are not relevant persons. In accordance with the Dubai Financial Services Authority's Conduct of Business Rules, this marketing material is intended only for professional clients and market counterparties, and no other person should act upon it

Neither the information nor the opinions expressed herein constitutes, or is to be construed as, an offer or invitation or other solicitation or recommendation to buy or sell investments.

Neither this report nor any copy of part thereof may be distributed in any other jurisdictions where its distribution may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. Distribution of this report in any such other jurisdictions may constitute a violation of UK or US securities law, or the law of any such other jurisdictions.

Investments in general involve some degree of risk, including the risk of capital loss. The value of investments contained herein may go up or down. Where investment is made in currencies other than the base currency of the investment, movements in exchange rates will have an effect on the value, either favourable or unfavourable. Securities issued in emerging markets are typically subject to greater volatility and risk of loss. The services, securities and investments discussed in this document may not be available to nor suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment advisor. Past performance is not necessarily a guide to future performance and an investor

may not get back the amount originally invested. Where investment is made in currencies other than the investor's base currency, movements in exchange rates will have an effect on the value, either favourable or unfavourable. Levels and bases for taxation may change. When we comment on AIM or OFEX shares you should be aware that because the rules for those markets are less demanding than the Official List of London Stock Exchange plc, the risks are higher. Furthermore, the marketability of these shares is often restricted.

Fox-Davies Capital and/or its associated companies may from time-to-time provide investment advice or other services to, or solicit such business from, any of the companies referred to in this document. Accordingly, information may be available to Fox-Davies that is not reflected in this material and Fox-Davies Capital may have acted upon or used the information prior to or immediately following its publication. In addition, Fox-Davies Capital, the directors and employees thereof and/or any connected persons may have an interest in the securities, warrants, futures, options, derivatives or other financial instrument of any of the companies referred to in this document and may from time-to-time add or dispose of such interests. Neither the whole nor any part of this material may be duplicated in any form or by any means. Neither should any of this material be redistributed or disclosed to anyone without the prior consent of Fox-Davies Capital. Fox-Davies Capital Limited is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange. Fox-Davies Capital (DIFC) Limited is authorised and regulated by the Dubai Financial Services Authority.

Fox-Davies Capital Limited may distribute research in reliance on rule 15a-6(a)(2) of the Securities and Exchange Act 1934 to persons that are major US Institutional investors, however, transactions in any securities must be effected through a US registered broker-dealer. Any failure to comply with this restriction may constitute a violation of the relevant country's laws for which Fox-Davies Capital does not accept any responsibility. By accepting this document you agree that you have read the above disclaimer and to be bound by the foregoing limitations/restrictions.

Please note that unless otherwise stated, the share price used in this publication is taken at the close of business for the previous day. This document has been prepared on the basis of economic data, trading patterns, actual market news and events, and is only valid on the date of publication. Fox-Davies Capital does not make any guarantee, representation or warranty, (either expressly or implied), as to the factual accuracy, completeness, or sufficiency of information contained herein. This document has been prepared by the author based upon information sources believed to be reliable and prepared in good faith.

This note is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part, for any purpose.

Fox-Davies Capital Ltd

12 Hay Hill, Mayfair

London W1J 6DQ

United Kingdom

Member of the London Stock Exchange.

Authorised and Regulated by the Financial Conduct Authority.

Registered in England and Wales with company number 10165213 and registered address 5 Technology Park, Colindeep Lane, Colindale, London, United Kingdom NW9 6BX

Fox-Davies Capital (DIFC) Ltd.

Emirates Financial Towers, N1702D

Dubai International Financial Centre

P.O. Box 507268, Dubai

United Arab Emirates

Authorised and Regulated by the Dubai Financial Services Authority.

Registered in the Dubai International Financial Centre with commercial license number CL2950

Freeport Resources – Cu/Au Province