

Aldebaran Resources Inc. (TSXV:ALDE)

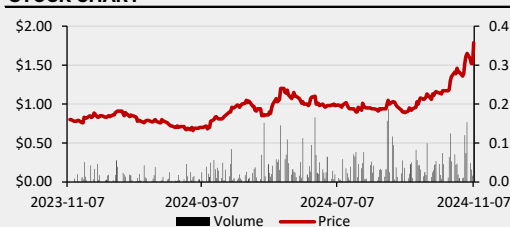
US\$250M Option to JV Signed with Nuton on Altar Project

Corporate Update
November 8, 2024

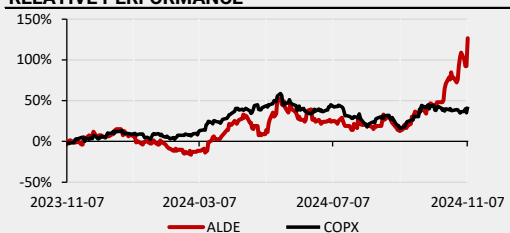
(Currency is CAD\$ unless noted otherwise)

Closing Price (C\$/sh)	\$1.79
Rating	BUY
Target (C\$/sh)	\$2.50
Return to Target	40%
52 Week Low / High	\$0.65 / \$1.98
CAPITALIZATION	Basic Diluted
Shares Outstanding (M)	169.8 181.7
Market Capitalization (C\$M)	\$304.0
Enterprise Value (C\$M)	\$286.1
Cash and Equivalents (C\$M)	\$17.9
Total Debt (C\$M)	\$0.0

STOCK CHART



RELATIVE PERFORMANCE



NET ASSET VALUE	(\$M)	(\$/sh)
Altar	\$643.1	\$3.79
Rio Grande	\$35.8	\$0.21
Other Projects	\$9.4	\$0.06
Total Corporate Adjustments	\$17.9	\$0.11
Corporate NAV	\$706.2	\$4.16

RELATIVE VALUATION	EV/lb CuEq (US\$)	P/NAV
Aldebaran Resources Inc.	\$0.013	0.43x
Peer Group*	\$0.101	0.44x

*RCS Estimates and S&P Capital IQ

MAJOR SHAREHOLDERS

Management (6.8%), Route One Investment Company (44.1%), South32 Limited (14.8%), Sibanye Stillwater (14.4%)

DISCLOSURE CODE:

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Company Description

Aldebaran Resources Inc. engages in the acquisition, exploration, and evaluation of mineral properties in Canada and Argentina. The company's flagship asset is the 60%-owned Altar Cu-Au porphyry project (option for 80%) located in San Juan Province, Argentina. A 2021 mineral resource estimate delineated +11.4Blbs copper and 3.4Moz gold in the M&I categories along with 1.8Blbs copper and 0.4Moz gold in the inferred category at Altar. It also holds 100% interests in the Rio Grande Cu-Au project located in Salta Province, Argentina; the Aguas Calientes, El Camino, Catua, Oscuro, and La Frontera properties in Argentina. Aldebaran Resources Inc. was incorporated in 2018 and is headquartered in Vancouver, Canada.

Impact: Very Positive

Aldebaran announced that it entered into an option to JV agreement with Nuton Holdings Ltd., a Rio Tinto (LSE:RIO, Not Rated) venture, whereby Nuton could acquire an indirect 20% interest in the Altar project by making staged cash payments totalling US\$250M. Additionally, Aldebaran has completed its work commitments to acquire an additional 20% indirect interest in Altar from Sibanye-Stillwater (JSE:SSW, Not Rated) – for a total 80% indirect interest, subject to finalization of the acquisition in Q4/24. **In our view, this option to JV by a major partner is a testament to the scale and quality of the Altar project. We view this agreement positively as it is a source of non-dilutive financing that allows for regular cash injections as project milestones are met. As such, we believe Aldebaran could likely be funded and poised to more rapidly advance Altar through the development phase.**

- **Terms of the option to JV agreement.** Nuton would make staged cash payments totalling US\$250M: 1) a US\$10M upfront payment, 2) US\$20M after an updated MRE at Altar (Q4/24E), 3) US\$30M after an Altar PEA that includes a Nuton case (Q2-23/25E), and 4) US\$190M after an Altar PFS that includes a Nuton case (2026E). Nuton could elect to terminate the option agreement after the MRE, PEA, or PFS and ALDE would retain its 80% interest and any cash payments made.
- **Finalizing the earn-in with Sibanye-Stillwater.** Altar is owned by Peregrine Metals Ltd. (Private), which is 60% owned by Aldebaran (option for 80%). Aldebaran has met its commitments to acquire an additional 20% interest from Sibanye, which would result in Aldebaran and Sibanye holding an 80% and 20% interest in Peregrine, respectively. Upon completion of the PFS payment by Nuton, Altar would be owned by Aldebaran (60%), Sibanye (20%), and Nuton (20%).
- **2024/25 Nuton test work program underway.** Phase 1 testing is using 2,100kg of Altar material in 1m columns under different Nuton conditions. Results are expected in Q2/25 and would be used in the PEA. Phase 2 is planned to include drilling new PQ-sized twin holes to provide material for testing in full height, 10m columns. They would simulate a 10m lift height in an operational leach pad. Results are expected in mid-2026 and would be used in the PFS. The program cost would be paid from the upfront US\$10M payment from Nuton.

Valuation:

We maintain our BUY rating and C\$2.50/sh target price. We continue to ascribe 80% of the value of Altar to Aldebaran as it should imminently finalize its option agreement with Sibanye and there is no certainty that the option to JV will ultimately be exercised by Nuton. Aldebaran is trading at a discount on an EV/lb CuEq basis at US\$0.013 vs. peers at US\$0.101. We believe it could likely close that valuation gap if it continues to achieve development milestones at Altar. **Upcoming catalysts:** 1) Altar MRE update (H2/2024), 2) Nuton test results (Q2/2025), 3) Altar PEA (Q2-Q3/25), and 4) Altar PFS (2026).



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Updated November 8, 2024

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
2024-06-03	NA	NA	BUY	67%
2024-06-18	NA	NA	BUY (S)	27%
2024-07-23	NA	NA	HOLD	0%
2024-10-09	BUY	2.50	TENDER/ SELL	3%
2024-11-08	BUY	2.50	NA	3%
			UNDER REVIEW	0%

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Aldebaran Resources Inc.	TSXV:ALDE	

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