

Notes from UK INVESTOR MAGAZINE interview - 28 Jun 2022

Interview: [CLICK HERE](#)

*** General overview of UFO?**

- AIM listed junior explorer, picks up early stage projects which team and expertise can develop in prime and secure jurisdictions
- Key 3 areas are:
 - The iron projects in W.Aus in Pilbara
 - Also in the same region the Munni Munni (MM) PGM and Elisabeth Hill (EH) Silver Mine which is historically the highest grade underground silver mine of its time
 - And in Mexico 2 the silver traditional epithermal very HG (High Grade) systems and Donovan 2, mainly copper/gold project all in the core silver belt of Mexico

*** Reasons for operating within Australia and Mexico?**

- Mexican assets were already in the portfolio from previous company and this silver belt area is the largest silver producing area in the world
- Mexico despite what might be seen in the media of late (becoming less friendly jurisdiction) is a mining country, great people, workforce and lots of geological information to draw
- More recently focused on projects in Australia which is one of the key mining jurisdictions in the planet and now have two key projects there as very low risk jurisdiction and again a huge skilled workforce, contractors and consultants to be able to advance these projects.

*** How do you fund such a diverse and large portfolio and your divestment and partnering strategy?**

- Get these projects into company with careful consideration and technical Due Diligence
- Very successful fund raise last year and been very careful with funds focusing on channelling most of the funds into the ground as such through exploration etc.
- Utilising a focus on desktop research for areas like MM with a huge historical data set to enable better planning
- On the funding side and especially iron ore which is usually considered a very expensive commodity to bring into production, we're always open to finding best option for shareholders such as asset sales or JV's on a financial and/or technical basis for each project as it gets to a certain level
- Such as being open minded with the planned Hancock iron ore project pegged for production in 2023, also speaking to certain parties to support that both financially and from an off-take POV to secure funding by having agreements in place beforehand
- Have to be flexible, look at who is looking at the company and projects etc. to get the right mix of support and funding to remain fiscally responsible for each stage.

*** Focus on flexibility given volatility for Junior Explorers, what are the main challenges for the sector and your strategies to navigate these?**

- Challenging times due to fiscal and geopolitical issues such as Ukraine but have confidence in the projects, commodities and jurisdictions
- Sometimes not as visible as people want us to be in updating quickly on results (referring to lab delays etc. in W.A)
- Such as having DSO grade iron ore which is a key commodity for now and into future irrespective

of market volatility

- And at MM with its platinum, Palladium, Gold and other PGM's from the historical 2.5 MoZ proven resource pre-2012 JORC compliance
- Sort of commodities that are part of the green future we're living in and working towards and silver of course, an incredibly undervalued and misunderstood metal used in some many different key industries and products that also have increased demand going forward
- Focused on correct areas, commodities and not going gung ho without fiscal and ROI responsibility in mind.

*** Besides the major milestone of commencing production at Hancock, what else would you point out for investors to keep an on in the next 12 months?**

- Hancock iron ore is the most advanced with exploration, scoping study leading to an MRE, next phase towards development of niche operation and production through obtaining a mining license
- But also have Brockman iron ore tenement to the west of Hancock being drilled in next few months and is completely undrilled historically but we feel has potential for HG iron material and just acquired Vivash Gorge (VG) iron ore project just SE of Brockman which also has on its boundary a Fortescue deposit of approx.. 20 MT of 58-59% iron ore also potentially running into the VG tenement
- Huge amount of work to be done at MM and EH in terms of updating the historic MM resource and working up to reopening the mine and getting underground, expecting the new headframe to be put in place on the main shaft in the next fortnight so EH mine can be dewatered and team can get down there to understand the potential
- Quite strong indications of a larger and lower grade but larger volume nickel and copper mineralisation associated with the MM intrusion mostly unexplored to date in that area
- Early maiden drilling in Mexican projects has been completed and waiting on results, hoping to get those soon and plan next phase of work, plenty there in pipeline, have to be cognisant to keep working but keep an eye on markets and funding so we don't get into a position of being cash strapped, which we're not at all at this stage
- Maximise spend towards time in field to move all the projects to the next level.

*** Long term plan and vision for the business?**

- Core strategy is project development, picking up projects with great potential at a great price point and adding significant value
- With Hancock now looking to go into a mining scenario because of the project dynamics, the fact that it's incredibly low capex to get into product and the high interest already had from several parties on obtaining the product
- Vision of UFO in 12-18 months' time is we're producing our own iron ore and producing significant cash flow, even at present iron prices the project is not too sensitive to price volatility so would be able to continue mining and making a profit and then plough back in projects like MM
- And would then be self-funded to undertake such significant projects as MM and EH but also have the opportunity to look for the next Hancock or the next MM.

*** Main reasons for investing in UFO in the future?**

- The team, diverse and experienced BOD
- On technical side, really good team in Australia now where key field work programs currently ongoing with Lloyd and Arun leading the charge for development work there and Bradley joining as the new exploration mgr. in Perth whose experience already making a great difference in quality of work and reporting etc.

- All key commodities for the future even inc. metals such as Palladium which is still required for Catalytic Convertors in traditional cars that will still be manufactured for a few years and with future global supply chain forecasts in general
- Silver has a solid manufacturing and PPE (Personal Protective Equipment?) type products
- Australia is a great mining/exploration jurisdiction as is Mexico despite recent discussions/coverage still a prime jurisdiction in his opinion.

Link to register for UFO presentation on 30 June:

<https://ukinvestormagazine.leadpages.co/uk-investor-magazine-summer-investor-evening-2022/>

END.