

Minerals 260 Ltd (ASX: MI6)

Report date: 23 April 2026 Framework: The 10-module ASX mining FA course

TL;DR — What this stock actually is

MI6 is, by a significant margin, **the most spectacular ASX gold developer re-rate of the current cycle**. The numbers tell a specific story:

- 12 months ago (April 2025): market cap ~**A\$30m**
- 6 months ago (October 2025): market cap ~**A\$200m**
- Early March 2026: market cap ~**A\$870m** (BMO conference presentation)
- Peak at the \$1.3 billion mark per later BMO commentary
- That's a ~**43x increase in market cap in about 12 months**

This did not happen because of a single discovery hole. It happened because **a seasoned team led by Tim Goyder executed a masterclass in mining value creation**:

1. **Acquired a 2.3Moz gold project (Bullabulling) from Zijin for A\$166.5m in January 2025** — a motivated-seller distressed asset at the bottom of a multi-year holding period by the Chinese major
2. **Drilled 132,991m in 12 months** across 615 holes
3. **Doubled the resource from 2.3Moz to 4.5Moz by December 2025**
4. **Secured Franco-Nevada as cornerstone** in a \$220m funding package in February 2026 — **Franco-Nevada's largest ever royalty acquisition in Australia**
5. **All through the strongest gold bull market in 70-80 years** (Goyder's own words)

The re-rate is real, fundamentals-driven, and genuinely rare. It's not froth. But — and this matters — **a 43x is already in the stock**. The question is no longer "why did MI6 move" but "what justifies further re-rating from here" and "what risks remain".

This is a **Stage 4 → Stage 6 Lasso Curve rapid progression** (resource definition into PFS), with a clearly signposted 12-18 month pathway through PFS (mid-2026), DFS (early 2027), FID (early 2027) and first production (H2 2028).

1. Company snapshot (Modules 1, 6)

Field	Value
Ticker	ASX: MI6 (OTC: MTSZF)
Listed	2021 (spin-out of Liontown Resources)
Chairman	Tim Goyder (mining entrepreneur — Liontown, Chalice, DevEx, Deep Yellow)
CEO/MD	Luke McFadyen (former OZ Minerals)
Market cap (April 2025)	~\$30m
Market cap (March 2026)	~\$870m-\$1.3B
Current share price (approx)	\$0.60-0.70 range post-Feb 2026 placement
Flagship asset	Bullabulling Gold Project , Coolgardie/Kalgoorlie region, WA
Resource (Dec 2025 update)	130Mt @ 1.0 g/t Au = 4.5Moz (3.0Moz Indicated + 1.5Moz Inferred)
Key cornerstone	Franco-Nevada (4.9% equity + major royalty holder)
Lassonde stage	Stage 4-6: Resource Definition → PFS (targeted mid-2026)

2. Company origins and the transformational pivot (Modules 1, 8)

The origin story — Module 8 context

MI6 was a **2021 spin-out of Liontown Resources** (ASX: LTR), created to hold Liontown's non-lithium assets. Early life: Moora Project (battery metals), Aston Project (Gascoyne, WA) — early-stage exploration.

For most of 2022–2024 this was a small, forgotten exploration company — exactly the kind of stock that languishes during a mining downturn. Then in January 2025, the pivot happened.

The Bullabulling acquisition — Module 1's perfect Stage-4 re-rate entry

In **January 2025**, MI6 acquired the **Bullabulling Gold Project** from **Zijin Mining** (the \$100bn Chinese gold/copper/lithium giant) for **A\$166.5m in cash and scrip**.

Why this deal was exceptional — read in Module 8 framework:

1. **Zijin is a motivated seller of non-core assets.** They acquired Bullabulling via their 2014 takeover of Norton Gold Fields. Bullabulling had been "folded into the global portfolio" and sat dormant for a decade with minimal work. For Zijin, this was a low-priority asset not worth the capital allocation. For MI6, it could be their entire company.
2. **The asset was significantly de-risked already.** Previous owner Bullabulling Gold had completed a full feasibility study and defined a 3.9Moz resource before the 2014 Zijin acquisition. MI6 inherited 20+ metallurgical reports and decades of drilling data.
3. **Gold bull market starting.** The acquisition was completed as gold was rallying from the 2022–2023 base. Goyder himself said the gold price has risen ~A\$700/oz in the three months since signing the deal.
4. **Granted mining leases + Native Title Land Use Agreement already in place.** Permitting — typically the single longest pole in the WA gold development tent — was effectively done.
5. **Infrastructure sorted.** 45-minute drive from Kalgoorlie (Australia's gold capital). Great Eastern Highway runs through the project. Power, water, skilled workforce all accessible. Camp, offices already on-site.

Why this isn't a Module 8 red flag

Normally, a "transformational acquisition pivoting from battery metals to gold" would ring every Module 8 alarm bell — that's exactly the kind of fad-chasing commodity pivot the framework warns about.

But this case is fundamentally different because:

- **The acquired asset is real** (not speculative ground)
- **The founder/chairman Tim Goyder has the track record** to execute such deals (he's pulled off value-accretive acquisitions at Liontown and Chalice before)
- **The MI6 team was specifically built to execute this kind of deal** — the prior MI6 business was effectively a shell holding ground, keeping a vehicle alive for strategic opportunities

This is the distinction between a promoter shell and a **capital-discipline vehicle waiting for the right opportunity**. MI6 was the latter.

The Tim Goyder factor — Module 8 green flag concentrated

Tim Goyder is arguably Australian junior mining's most successful serial entrepreneur over the last decade:

- **Liontown Resources (ASX: LTR)** — he was Chairman and major shareholder when it built the Kathleen Valley lithium project through the last cycle
- **Chalice Mining (ASX: CHN)** — Chairman of the company that made the Julimar Ni-Cu-PGE discovery (one of ASX's best mineral discoveries of the last decade)
- **DevEx Resources** (Chairman)
- **Deep Yellow Ltd** (Chairman) — major uranium developer
- **MI6** — Chairman, and he subscribed A\$12m of his own cash in the Bullabulling acquisition placement, holds ~7.3%

Goyder's pattern is consistent: he backs management teams, puts significant personal capital in, takes Chairman roles rather than CEO roles, and tends to exit at the production-ready or M&A stage. His endorsement isn't marketing — it's capital.

When Goyder describes the current gold market as "the best market for new gold developments in 70 to 80 years," that's someone who has seen multiple cycles calibrating this one against his experience base.

3. The asset — Bullabulling Gold Project (Modules 2, 3)

Location and setting

- ~25km SW of Coolgardie, ~65km SW of Kalgoorlie-Boulder
- WA's Goldfields-Esperance region (tier-1 gold jurisdiction globally)
- Yilgarn Craton — Archaean granite-greenstone terrain hosting Australia's largest gold deposits
- ~600 km² tenement package (significantly expanded from initial acquisition)

Neighbour context (Module 8)

Bullabulling is **surrounded by operating gold mines** — not a moose pasture:

- Northern Star's KCGM operation (14Moz+ produced)
- Evolution Mining's Mungari operation
- Zijin's own Paddington operation (which is why they owned Bullabulling)
- Multiple smaller operations within 100km

This is the tier-1 geological setting. The question for any Bullabulling analysis is not "is there gold in this belt" — there's decades of proof. The question is "does this specific 8.5km strike system scale economically."

The resource evolution — Module 2 framework

Category	At acquisition (Jan 2025)	December 2025 update
Tonnage	60 Mt	130 Mt
Grade	1.2 g/t Au	1.0 g/t Au
Contained gold	2.3 Moz	4.5 Moz
Indicated	1.4 Moz	3.0 Moz (67%)
Inferred	0.9 Moz	1.5 Moz (33%)
Cut-off grade	0.5 g/t	0.4 g/t
Pit shell gold price	~A\$3,000/oz	A\$4,500/oz
Recoveries	~92%	92%

Apply the Module 2 lens:

- **96% resource increase in 12 months** is exceptional but the mechanics matter
- The jump from 2.3Moz to 4.5Moz came from three drivers:
 1. **New drilling (434 holes, 90,650m)** extending known zones
 2. **Lower cut-off (0.5 → 0.4 g/t)** — includes more marginal material
 3. **Higher pit-shell gold price assumption (A\$3,000 → A\$4,500)** — more material fits inside an economic pit at higher prices
- The grade dropped from 1.2 to 1.0 g/t — this is **entirely consistent with** adding lower-grade marginal material at a lower cut-off
- **67% Indicated category** is very healthy by Module 2 standards (most junior gold developers have 40-50% Indicated at this stage)

Module 2 reality check

The 4.5Moz number is real but context matters:

- **The headline is pit-shell constrained at A\$4,500/oz gold.** At A\$3,500/oz (a 20% gold correction), some of that contained gold falls outside the economic pit shell. Rough rule: each A\$500/oz gold price decrease typically removes 10-15% of the pit shell at this grade range.
- **The 1.5Moz Inferred (33%)** is mostly at depth or along strike, and becomes relevant if and when drilling upgrades it to Indicated

This is not a flag — it's how resource estimation works. But when you see the headline "4.5Moz" being thrown around, remember it's conditional on sustained high gold prices.

Module 3 grade verdict

At 1.0 g/t Au across 130Mt, Bullabulling is a **bulk-tonnage, low-to-moderate grade open-pit gold deposit**:

- Bulk-tonnage open pit benchmark: 0.5–1.5 g/t
- Bullabulling at 1.0 g/t = squarely in the middle
- Compared to nearby operations:
 - KCGM (Super Pit): historically 1.5–2.0 g/t
 - Mungari: ~1.3 g/t open pit
 - Paddington: ~1.0–1.2 g/t

So Bullabulling is **similar grade to its neighbours**. Not spectacular, not marginal — proven economic at this grade range in this province.

The deposit geometry

- **8.5km continuous strike** (extends to 14km including Gibraltar)
- Four main deposit areas: Bacchus (894koz), Phoenix, Kraken, Dicksons
- Plus Gibraltar (separate)
- Near-surface oxide then continuing at depth
- Free-milling metallurgy (no refractory issues — significant Module 3 green flag)
- 92–94% expected recoveries in CIL processing

Recent drilling continues to support the thesis

Drilling since the December 2025 MRE has included:

- Bacchus: 7m @ 7.2 g/t, 11m @ 3.3 g/t, 28m @ 1.7 g/t with internal zones up to 22.6 g/t
- Phoenix: 5m @ 3.8 g/t, 7m @ 4.7 g/t, 20m @ 1.1 g/t, 14m @ 1.4 g/t

Module 4 g·m check on the Bacchus hits:

- 7m @ 7.2 g/t = **50 g·m** (solid)
- 11m @ 3.3 g/t = **36 g·m** (solid)
- 28m @ 1.7 g/t = **48 g·m** (solid)

These aren't discovery hits — they're infill/extensional drilling confirming continuity at or better than the current model. Exactly what you want to see between a maiden MRE and a resource update.

4. The Franco-Nevada deal — why it's so significant (Module 6, 8)

The February 23, 2026 announcement of the **\$220m strategic funding package with Franco-Nevada** is the single most important Module 6/8 signal in MI6's entire story.

The deal structure

- **\$170m royalty funding** — Franco-Nevada pays upfront for an additional gross royalty over the project
- **\$50m equity subscription at A\$0.45 per share**
- Franco-Nevada post-deal holds approximately **4.9% of MI6**
- Franco-Nevada's shares subject to **12-month voluntary escrow** + 12-month orderly market arrangement
- Franco-Nevada already had a **1.0% royalty on some tenements** pre-deal (legacy from previous owners)

Why this is a Module 6/8 green flag of the highest order

Franco-Nevada is the world's premier gold royalty and streaming company. They are the gold standard (pun intended) of project-finance discipline in the sector. Their business model

survives and thrives on:

- Rigorous technical due diligence
- Conservative commodity price assumptions
- Only investing in tier-1 or near-tier-1 projects
- Typical portfolio: Antamina, Cobre Panama, Candelaria, Stillwater, and other top-global assets

Their own press quote from the announcement is telling: "**This represents Franco-Nevada's largest ever royalty acquisition in Australia.**"

The framework implications (Module 8):

1. **Tier-1 institutional DD has been completed.** Franco-Nevada's technical, legal, environmental, and commercial teams spent months on this. If they put \$220m in, it means the project looks bankable to the most discerning capital in the sector.
2. **Non-dilutive funding component.** The \$170m royalty money is not equity — it's locked against future production but doesn't dilute existing shareholders. This is the Module 6 green flag of highest tier: capital without dilution.
3. **Equity at a set price with escrow.** Franco-Nevada paid \$0.45/share (a fixed price, not a discount to a moving market) and committed to holding for 12+ months. That's conviction pricing.
4. **Removes most of the project finance overhang.** Traditional mining project finance involves 50-60% debt, 30-40% equity, 10-20% offtake/streaming. Franco-Nevada's contribution covers the equivalent of the streaming/royalty portion at scale, reducing the size of debt and equity needed later. This is THE key Module 1 valley-of-death mitigant.

What the deal signals about MI6's valuation

Franco-Nevada valued MI6 equity at **A\$0.45/share** in February 2026. That was an anchor price for the placement. Post-deal, the market valued MI6 significantly higher (market cap reached \$1.3B, implying SP above A\$0.65-0.80 range depending on SOI).

Simple arithmetic: Franco-Nevada's equity was priced at a specific point in time based on their deep view of the project. The market subsequently priced it higher. Either:

- Franco-Nevada got a cornerstone discount (common — 10-30% typical for cornerstones at this scale)
- Market has priced in PFS/DFS optimism that Franco-Nevada hasn't yet assumed
- The gold price has continued to rally since the deal

All three are probably true to some degree.

5. Capital structure and shareholder register (Module 6)

Share issuance history

Event	Shares issued	Price	Outcome
2021 spin-out	Initial	-	Existing holders inherited from Liontown
Early 2025	Placement tied to Bullabulling acquisition	~A\$0.25-0.35	Goyder subscribed A\$12m
2025 throughout	Multiple smaller raises	Various	Funding drill program
Feb 2026	\$50m Franco-Nevada equity + \$60m placement	A\$0.45	Major raise for PFS/DFS and pre-development

TipRanks flagged a proposed issuance of **up to 111,111,111 ordinary shares** in late February 2026 — consistent with the Franco-Nevada equity subscription and associated placement at \$0.45 totalling around \$50m.

Current register composition (as of early 2026)

- **~37% institutional** — including North American long-only gold funds (a signal-grade shareholder base for gold developers)
- **Samuel Terry Asset Management** — largest shareholder at **7.4%** (Sydney-based boutique, long-only specialist)
- **Tim Goyder** personal holding: **~7.3%**
- **Franco-Nevada: 4.9%** (post-Feb 2026 deal)
- Broader retail and smaller institutional holders comprise the remainder

Module 6 green flags in the register

- **Tier-1 cornerstone (Franco-Nevada)** at fixed escrowed price

- □ **Specialist boutique institutional holder (Samuel Terry)** as largest shareholder — these funds don't chase; they accumulate
- □ **North American long-only gold funds** on register — the gold-specialist institutional base
- □ **Chairman holds 7.3% with personal cash** — skin in the game at highest level
- □ **Tight register** — 37% institutional + 7.3% Goyder + 7.4% Samuel Terry + 4.9% Franco-Nevada = ~57% of stock in concentrated, aligned hands

Watch-items (Module 6, 8)

- △ **Aggressive SOI growth** — from ~\$30m MC to \$1.3B in 12 months means shares issued for the acquisition + subsequent raises. Need latest fully-diluted SOI to do per-share valuation properly.
- △ **Franco-Nevada royalty reduces future margin** — the \$170m upfront is paid for by a percentage of future revenue in perpetuity. This is project-finance math that's favourable at the current stage but becomes meaningful at production. The specific royalty percentage needs to be verified from the deed.
- △ **Further capital raises likely** before production — even with the Franco-Nevada package, total development capex for a 5Mtpa operation is probably A\$400-600m. Some combination of debt, streaming expansion, and equity will still be needed.

6. Economics — what we know and don't know yet (Module 5)

What hasn't been published yet

- **No PFS** (targeted mid-2026)
- **No DFS** (targeted early 2027)
- **No Ore Reserve** (maiden Reserve targeted with PFS, mid-2026)
- **No published capex figure** for the restart
- **No published AISC guidance**
- **No FID** (targeted early 2027)

What we know from broker modelling and public commentary

Argonaut's base case (April 2025 initiating coverage, on the pre-upgrade 2.3Moz resource):

- 5 Mtpa open-pit operation
- ~140,000 oz pa production
- 15+ year mine life

Goyder told reporters the **aim is ~150,000 oz pa**, consistent with Argonaut's base case.

With the 4.5Moz resource upgrade, there's reasonable argument for a higher throughput or longer mine life scenario. The PFS will clarify.

The economic framework (Module 5 projection)

Using industry-standard multipliers for an Australian open-pit CIL gold operation of this scale:

- **Capex estimate:** A\$400-600m for a 5Mtpa CIL plant + mine development + infrastructure (historical comparable projects)
- **AISC estimate:** A\$2,200-2,800/oz for a 1.0 g/t open pit in WA
- **At A\$5,000-6,000/oz gold:** margin of A\$2,500-3,500/oz × 140,000 oz = A\$350-490m gross margin per annum
- **NPV at 5-8% discount:** potentially A\$1.5-3bn (rough ballpark, wholly dependent on final capex, grade delivered, gold price assumption)

These numbers are **speculative** because the PFS hasn't been released. But they inform why the market has re-rated — on any reasonable economic assumption, Bullabulling at 4.5Moz with current gold prices is a genuinely valuable asset.

The Module 5 stress test framework

For when the PFS drops, the questions to ask:

1. What gold price was used? Is it above or below current spot?
2. What's the capex estimate vs Argonaut's modelling?
3. What's the capex/NPV ratio? (Module 5 rule of thumb: 2-3x NPV/capex is healthy)
4. What's the IRR? (15-25% solid; 25-40% strong; >40% check assumptions)
5. What's AISC vs current gold price? (below 60% is healthy)
6. What's the expected ramp time to nameplate?
7. What's the Year 1 production vs average? (high-grading early years is common)

If the mid-2026 PFS comes in at the optimistic end of these (NPV/capex >2.5x, IRR >30%, AISC below A\$2,500/oz), another re-rate is likely. If it comes in at the disappointing end (capex blowout, AISC near A\$3,000/oz), a material pullback should be expected.

7. Catalyst calendar (Module 7)

MI6 has one of the densest catalyst calendars in the ASX gold developer space right now.

Window	Catalyst	Type	Conviction	Expected SP impact
Q2 2026 (ongoing)	Drill results from the remainder of the program	Recurring	High per batch	+/-5-15% per material batch
Mid-CY2026 (July)	Updated MRE	One-off	High	Major — potential resource over 5Moz
Mid-CY2026 (July)	PFS + Maiden Ore Reserve	One-off	VERY HIGH	Primary re-rate event / primary risk event
H2 2026	Further drilling to feed DFS	Recurring	Medium	Batch-by-batch
H2 2026	Power/infrastructure decisions	One-off	Medium	Signals capex discipline
Q3-Q4 2026	Permitting updates	Recurring	Medium	Background de-risking
Early CY2027	DFS + Final Investment Decision (FID)	One-off	VERY HIGH	Second major re-rate point
CY2027	Project finance package (debt portion)	One-off	High	Confirms development is funded
2027-2028	Construction begins, construction milestones	Recurring	High	Ongoing
H2 2028	First gold pour	One-off	VERY HIGH	Second Lasso peak

The mid-2026 PFS is the critical moment

This is the single biggest catalyst on the horizon. **Everything that's happened to date — the drilling, the resource upgrade, the Franco-Nevada deal — is preamble to the PFS.** The PFS:

- Converts the resource into an actual economic project with real numbers

- Declares the maiden Ore Reserve (Module 2 hierarchy — this is a big step)
- Establishes the commodity price deck the project is tested against
- Reveals capex and operating cost assumptions
- Determines whether Franco-Nevada's cornerstone looked smart or conservative at the \$0.45 price

If the PFS is strong, MI6 re-rates again. If it's disappointing (capex surprise, lower grade than expected, AISC above A\$2,800/oz), a meaningful pullback is plausible even from current levels.

Between now and PFS

Expect continuing drill result batches every 4-6 weeks. These are likely to be modestly positive (confirming existing model) rather than transformational — the real story is aggregating into the resource update, not individual holes.

8. Macro positioning (Module 9)

The gold macro tailwind

MI6 is positioned almost perfectly for the current gold cycle:

- **Gold spot USD\$4,700+/oz** (AU\$7,200+/oz range)
- Small-cap gold developers are in Phase 3 (broad bull) per Module 9's framework
- Near-production developers like MI6 are the optimal cycle positioning — they benefit from high prices in NPV assumptions AND are close enough to production to convert that into cash flow before the cycle reverses
- Brokers (Goldman, JPM) still have 2026 gold targets USD\$4,250-4,900/oz

Why the timing was so good

Tim Goyder's "70-80 years best market" comment is hyperbole but not by much. The specific combination:

- Historic asset bought during end of down-cycle (deal signed when gold ~A\$3,800/oz)
- Resource upgrade and studies completing in rising gold price environment (gold now ~A\$7,200/oz)
- Franco-Nevada cornerstone confidence at peak of tier-1 institutional gold allocation
- Production targeted for H2 2028 — likely still into sustained gold strength if consensus is right

The macro risk

The entire re-rate is priced for gold staying elevated. The framework honest view:

- A gold correction to USD\$3,500/oz (25% drop) would cut Bullabulling's economic pit shell meaningfully, reducing the ore reserve
- A correction to USD\$2,800/oz (40% drop, pre-2024 levels) would still leave the project economic but at much reduced NPV
- The stock at current valuations almost certainly embeds an A\$4,500/oz+ long-term gold assumption

Module 9 stress test: at USD\$2,800/oz gold, MI6's market cap would likely halve from current levels even with all operational execution perfect.

9. Red and green flags (Module 8)

Green flags — extensive

- **Franco-Nevada as cornerstone** — world's premier gold royalty company, largest ever Australian royalty deal
- **Tim Goyder as Chairman with 7.3%** personal holding — serial success record
- **Samuel Terry as largest shareholder (7.4%)** — boutique long-only specialist
- **37% institutional register** including North American gold funds
- **Zijin exit at reasonable price** (A\$166.5m for 2.3Moz = ~A\$72/oz acquisition) in a gold bull market
- **Granted mining leases + NTLUA in place** — permitting largely complete
- **Simple metallurgy, free-milling, 92-94% recoveries** — processing risk minimal
- **Infrastructure-rich setting** (45 min from Kalgoorlie, on highway, existing camp)
- **96% resource upgrade in 12 months** — delivered meaningful progress
- **GR Engineering appointed** for PFS/DFS engineering — tier-1 Australian engineering firm with strong gold track record
- **Clear catalyst calendar** through 2028 — transparent delivery path
- **Measured announcement tone** despite extraordinary performance
- **Euroz Hartleys and Argonaut broker coverage** — initiated coverage from tier-1 firms

Watch-items / yellow flags

- **△ Massive re-rate has already happened** — from A\$30m to A\$1.3B is 43x. Much of the asymmetric upside from Module 1's Stage-4 re-rate is captured.
- **△ Valuation embeds bullish gold view** — if gold corrects, the stock reprices.
- **△ PFS capex unknown** — typical A\$400-600m range but surprises happen. The Module 5 pattern of PFS-to-DFS capex creep still applies.
- **△ Franco-Nevada royalty math** — at production, a percentage of revenue (in addition to the existing 1% legacy royalty) flows to Franco-Nevada. Need to verify the specific royalty rate from the deed.
- **△ SOI has grown aggressively** — need latest fully-diluted count for proper per-share valuation.
- **△ Historic operations suspended in 1998** — there's context around why previous operators (Resolute, Norton Gold Fields, Zijin) didn't proceed further. Part of that is gold price (A\$500/oz era for Resolute) and part is economics. Need to understand M16's advantage beyond gold price.

Genuine red flags

I did not identify any serious Module 8 red flags. The announcement style, the register, the institutional support, the disclosure quality — all consistent with a legitimately-managed company running the playbook well.

One subtle Module 8 consideration

The story has been so good, so fast, with so much institutional validation, that the **market expects execution**. When expectations are this high, even a modest delay or disappointment (PFS 3 months late, capex 15% higher than expected, grade reconciliation slightly off) can produce outsized selling. The cliché "priced to perfection" has risks.

10. Valuation framing (Module 10)

The current valuation

At ~\$870m-\$1.3B market cap across February-March 2026 and 4.5Moz resource:

- **EV per ounce of resource:** ~\$193-\$289/oz
- For comparison, Australian gold developers with PFS typically trade at \$150-\$500/oz of resource
- Producers trade at \$300-\$1,000+/oz depending on quality

MI6 is roughly priced at **pre-PFS developer multiples** — reasonable but not cheap.

The DCF frame (rough modelling)

At 140kozpa, A\$2,500/oz AISC, A\$5,000/oz gold, 15-year mine life, 7% discount rate:

- Annual EBITDA: ~A\$350m
- Unlevered after-tax cash flow: ~A\$230m
- Rough NPV: ~A\$2.0-2.3bn

With capex of A\$500m (mid-range estimate):

- NPV(project) - capex = A\$1.5-1.8bn implied equity value
- Current market cap ~\$1.0-1.3bn range = reasonable but some upside baked in if execution is clean

This rough math is **broadly consistent with a current-price-to-fair-value ratio of 0.7-0.85**. The market has priced in substantial execution confidence but isn't paying full producer multiples yet. That's where the PFS release becomes critical — it either validates this pricing (and potentially re-rates further as uncertainty resolves) or challenges it (capex surprises trigger de-rate).

Module 10 honest synthesis

- **On revenue/cash-flow multiples:** MI6 is still pre-revenue, so P/S and P/E are meaningless
- **On asset backing:** the 4.5Moz Indicated/Inferred resource at tier-1 jurisdiction supports meaningful valuation
- **On peer multiples:** trading broadly in line with large Australian gold developers pre-PFS
- **On DCF:** reasonable at current prices, embedding moderate assumptions

The stock is **neither cheap nor expensive in conventional mining terms**. It's priced for continued execution without fresh surprises.

11. Thesis statement (Module 10)

Bull case, in one paragraph: Minerals 260 is one of the most compelling gold developer stories on the ASX — a tier-1 team led by serial winner Tim Goyder acquired a 2.3Moz gold project from a distressed Chinese seller at the perfect point in the cycle, aggressively drilled it, doubled the resource to 4.5Moz, and secured the world's leading gold royalty company (Franco-Nevada) as cornerstone in their largest-ever Australian deal. The project has granted mining leases, a Native Title agreement, simple metallurgy, existing infrastructure, and a clear pathway to production by

H2 2028. With 4.5Moz Indicated+Inferred resource and likely growth to 5Moz+ in the mid-2026 update, Bullabulling is one of the best-positioned new WA gold projects in a generational gold bull market. Franco-Nevada's \$220m cornerstone removes most of the valley-of-death risk. A successful PFS in mid-2026 and DFS/FID in early 2027 would position MI6 as a clear acquisition target for mid-tier producers (Northern Star, Evolution, Genesis, Ramelius) who would pay premium multiples for a fully-permitted development-ready asset in WA.

Bear case, in one paragraph: MI6 has re-rated 43x in 12 months and is now trading at ~\$1bn+ market cap on the back of a resource that's still largely Indicated+Inferred, a PFS that hasn't been released, and a set of economic assumptions that embed peak gold pricing. The previous owners (Resolute, Norton, Bullabulling Gold Ltd, Zijin) collectively held the asset for 20+ years without proceeding to full development — much of that was gold price (A\$500/oz era) but some of it reflects economic marginality at the project's bulk-tonnage low-grade (1.0 g/t) structure. A 20-25% gold correction would materially reduce the economic pit shell and resource size. Capex estimates in the PFS could surprise to the upside (the Module 5 default pattern), forcing either further dilution, more streaming, or project deferral. The Franco-Nevada royalty (percentage undisclosed in what I reviewed) permanently reduces project margin in perpetuity. Most importantly, the asymmetric-return window has passed — you're now paying developer multiples on a pre-PFS project where most of the value creation has already been recognised by the market.

What would invalidate the bull thesis:

1. Gold corrects sustainably below A\$4,000/oz (US\$2,600/oz) — resource size compresses
2. Mid-2026 PFS shows capex above A\$700m or AISC above A\$2,900/oz
3. Resource update in July 2026 fails to exceed 5Moz or shows grade degradation
4. Tim Goyder reduces personal holding materially (track the Appendix 3Y filings)
5. Major institutional holder (Samuel Terry or the North American gold funds) exits
6. Permitting or native title surprises emerge (unlikely given current status)
7. Labor market constraints in WA delay construction timeline by 12+ months

12. What I'm uncertain about / verify before acting

Things I'd verify from primary ASX disclosures before sizing a position:

1. **Current fully-diluted SOI** — including all options, performance rights, and the Feb 2026 issuance
2. **Franco-Nevada specific royalty rate** — the gross royalty percentage over and above their existing 1% legacy royalty
3. **The specific gold price assumption in the pit-shell that generated the 4.5Moz MRE** — A\$4,500/oz per my notes, but verify

4. **Cash runway** — post-Franco-Nevada, the cash position should be substantial, but verify from latest quarterly
 5. **Directors' latest on-market buying activity** — including Goyder's personal transactions
 6. **Escrow and lockup schedules** — both from the 2021 spin-out era and the 2025-2026 placements. When do various tranches come off escrow?
 7. **Any historical feasibility study comparable data** — Bullabulling Gold's 2013-era FS would have capex and AISC estimates that give context
 8. **Detailed metallurgical test work status** — Resolute's 1990s heap leach vs CIL bench-scale test work vs MI6's proposed circuit
 9. **Power strategy** — management mentioned solar/wind "in the mix" — this affects both capex and opex
 10. **Comparable developer acquisitions in WA 2024-2026** — what multiples are majors paying for Bullabulling-like projects?
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13. The key insight worth holding onto

MI6 is a **textbook Module 1 Stage-4 to Stage-6 rapid progression** executed at the right point in the cycle. The reason it worked:

1. **Cycle timing.** The acquisition was signed before the 2025 gold breakout. Stakes acquired at trough, value realized at peak.
2. **Asset quality.** Bullabulling was a real project with a feasibility history, not a greenfield punt. The risk was execution and gold price, not geology.
3. **Team quality.** Goyder has a track record. McFadyen came from OZ Minerals (tier-1 pedigree). They hired experienced WA mining people.
4. **Capital discipline.** Rather than continuous dilutive raises, they layered in Franco-Nevada's royalty structure — a non-dilutive A\$170m that few juniors could have attracted.
5. **Clear roadmap.** Every milestone has been communicated publicly and delivered on or ahead of schedule.

The lesson for the framework: most of MI6's re-rate happened because the market gradually recognized what the chairman and management team had identified at the outset — the asset was badly undervalued under its previous owner. The re-rate from A\$30m to A\$1bn wasn't random; it was the market catching up to an obvious opportunity once the team showed they could execute.

For forward-looking analysis: the next phase of MI6's story is the PFS/DFS/construction phase, which is fundamentally different from the discovery/resource phase just completed. Module 5 risks (capex blowouts, economic sensitivity) dominate from here, not Module 4 risks (drill result variance). Position sizing should reflect that shift.

Sources cross-referenced

- Minerals 260 company website (minerals260.com.au)
- ASX announcements direct from company
- Mining.com coverage (multiple 2025-2026 articles)
- Stockhead, Proactive Investors, Smallcaps.com.au coverage
- TipRanks and Daily Political BMO conference coverage
- Argonaut Research initiating coverage (April 2025)
- Euroz Hartleys quarterly gold sector commentary
- Denver Gold Group profile
- Franco-Nevada announcement (Feb 23, 2026)
- Yahoo Finance, Market Index, Listcorp for market data

All claims based on public ASX disclosures and industry reporting as at 23 April 2026. Before acting, pull the Franco-Nevada announcement in full, the December 2025 resource upgrade announcement, and Argonaut's initiating coverage (if accessible) directly from source. The July 2026 PFS release will be the next major information event.

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