

# MACRO OPS

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## THE LONG PULL



European War Metals (AON.ASX)

By Brandon Beylo

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National security, which this conference is largely about, is not merely a series of technical questions – how much we spend on defense or where, how we deploy it, these are important questions. They are. But they are not the fundamental one.

The fundamental question we must answer at the outset is what exactly are we defending, because armies do not fight for abstractions. Armies fight for a people; armies fight for a nation. Armies fight for a way of life. **And that is what we are defending: a great civilization that has every reason to be proud of its history, confident of its future, and aims to always be the master of its own economic and political destiny.** – Marco Rubio, February 14, 2026

Two weeks ago at the Munich Security Conference, Marco Rubio gave probably [the best political speech](#) I've heard in the past ten years.



I encourage you to listen to the speech, read the transcript, or both. But if you don't have time, the TL;DR is that **the world is a better, safer place when the United States and Europe band together to preserve Western civilization.**

I wanted to hug the nearest European, but couldn't find any in my local coffee shop. The speech fired me up, mostly because Rubio pitched the *Bullish War Metals* thesis better than most mining CEOs (emphasis mine):

*“We increasingly **outsourced our sovereignty to international institutions** while many nations invested in massive welfare states **at the cost of maintaining the ability to defend themselves.***

*This, **even as other countries have invested in the most rapid military buildup in all of human history** and have not hesitated to use hard power to pursue their own interests.*

*To appease a climate cult, we have imposed energy policies on ourselves that are impoverishing our people, even as our competitors exploit oil and coal and natural gas and anything else – not just to power their economies, but to **use as leverage against our own.**”*

That sounds amazing, right? It sounds like a 'buy-every-European-miner-you-can' type of speech.

The problem with European mining companies is that the story always ends the same way: **disappointment**. Locals protest, the government intervenes, and eventually decides that beetles are more important than domestic critical mineral production.



I don't know, this time feels different (which I KNOW I shouldn't say). Tim Cook has [someone from the CIA](#) telling him China will invade Taiwan in 2027, Mexico is on fire, and the US could strike Iran any minute.

It feels like the moment *right before* the United States and Europe join forces, reshore domestic mining, and fight for Western Civilization.

The US has already started this movement, so will Europe follow?

## Europe: The Deteriorating Value-Based Economy

One year ago today, I wrote about Europe's impending defense budget increase, a cornerstone of our Rheinmetall (RHM.XTE) bull thesis (see below).

In Wolff's study [released](#) today and previewed by the FT, he calculates that to be self-sufficient on defence, [Europe would have to spend an additional €250bn a year "in the short term"](#), equivalent to roughly doubling collective [defence spending](#) to 3.5 to 4 per cent of GDP.

That should be spent on 50 new brigades meaning roughly 300,000 new troops, to make up for the US soldiers who are currently stationed in Europe, plus those who have been pledged to arrive in the event of an attack.

[In addition, the money should fund 1,400 tanks, 2,000 infantry fighting vehicles and 700 artillery pieces.](#) That, Wolff notes, is "more combat power than currently exists in the French, German, Italian, and British land forces combined".

The current Nato benchmark is 2 per cent: 16 of its 23 EU members meet that. Alliance officials reckon [3.5 per cent is necessary to meet current threats](#) — but that presupposes the US remaining active in Europe.

I also wrote that, "Trump will demand Germany/EU to spend more on their defense and military (i.e., rely less on the US) and that RHM is the best-positioned company to meet that future demand.

Here's a simple way to frame it: In 2024, Europe spent ~2% of GDP on national defense. Trump wants them to spend at least 3%. A 1% increase would result in an additional EUR 100B in annual spending until 2028 (see the graph below from RHM Investor Day)."

The crazy part? Europe actually did it. They grew defense spending by 13% YoY. From [Breaking Defense](#) (emphasis mine):

"“IISS analysis shows that Europe accounted for over 21 percent of the global total in 2025 up from 17 percent in 2022. **Spending in Europe increased by almost 13 percent in real terms in 2024 and in 2025** notably, Germany accounted for a quarter of this uplift, cementing its rank as the fourth largest defense spender globally,” Bastian Giegerich, director of Defense and Military Analysis at IISS, said with the release of the thinktanks annual Military Balance report.

The report said that overall **international defense spending increased to \$2.63 trillion in 2025 from \$2.48 trillion in 2024.**"

International defense spending increased by ~\$150B.

Now you see why I think this time is different, because they're *doing what they said they would do!*



The bigger thesis here is that **Europe is shifting from a value-based to a wartime economy, which is incredibly bullish for European war-metal projects.**

European Parliament released an [EU Strategic Briefing](#) this month where they admitted (at least it sounds like they admitted) that:

1. The Value-Based economy is dying.
2. The New Green Deal was a mistake that reduced EU competitiveness globally.
3. Defense will become the New Green Deal.

Let's start with the value-based economy death (emphasis added):

*“Since its inception as one of the main EU policy areas, trade policy was **traditionally driven by the desire for market liberalisation**, combined with the promotion of EU standards and values. The founding of the World Trade Organization (WTO) in 1994 was seen by the EU as an opportunity to extend the principles of its internal market to the global level. **Membership of former and current communist countries, notably***

**Russia and China, was thought to bring them closer to the principles of rules-based free trade.** Moreover, an open global economy would enable the EU to become a global rule-maker by setting standards that multinational companies would voluntarily follow to ensure EU market access, a phenomenon known as the 'Brussels effect'."

This is what Christians call "Missionary Dating," or the idea that you can change someone's faith while maintaining all the other great things about them (looks, personality, family dynamics, etc.). I tried this trick a few times and it always ended in misery.

The same thing happened with the EU and China/Russia:

*"Membership of former and current communist countries, notably Russia and China, was thought to bring them closer to the principles of rules-based free trade."*

So that whole, "China and Russia will be just like us if we include them ..."



Then there's the Green Deal part of Europe's economic stool. Maybe if the EU could rally countries around "going green," it would improve its competitive positioning, reduce its critical mineral dependency, and force China/Russia to play nice?

*"Like trade policy, the EU Green Deal was never about values only; it also intended to give EU companies a global competitive advantage by belonging to a green 'avant-garde' in a greener global economy. In this vein, the 2023 EU Green Deal*

*industrial plan combines green ambitions with economic ones. It aims to enhance the competitiveness of the EU's net-zero industry – for instance, the strategically important production of batteries – and to ensure access to critical raw materials, making the EU less dependent on, among others, China.”*

But that didn't work, either. As Rubio mentioned in the speech, the Green Deal forced even greater dependence on China and Russia for EV-metals like lithium and cobalt *while simultaneously reducing the EU's global competitiveness (emphasis mine):*

*“The EU envisages a substantial revision of the EU ETS in 2026. Because this is said to include an expansion of its scope to additional sectors, it seems too early to conclude that **the pendulum of the EU's green ambitions 'has swung back'** (Politico, 2025), but it seems fair to say that current policy is struggling to maintain the high ambitions set earlier (Carnegie, 2025). This justifies referring to **a weakening of green values as a policy driver**, not a reversal of the trend, **which began somewhat later than the decline in value-oriented trade policy.**”*

So the hot girl won't come to church and won't sing worship songs ... what other moves does the EU have in its toolbelt to kickstart its economy? Ahh, yes. War.

## From Value-Based To War-Based Economies

According to the Parliament memo, “defence became a significant economic driver following Russia's invasion of Ukraine in 2022, taking a steeper curve under the second Trump administration, exemplified by the NATO spending target of 5 %.”

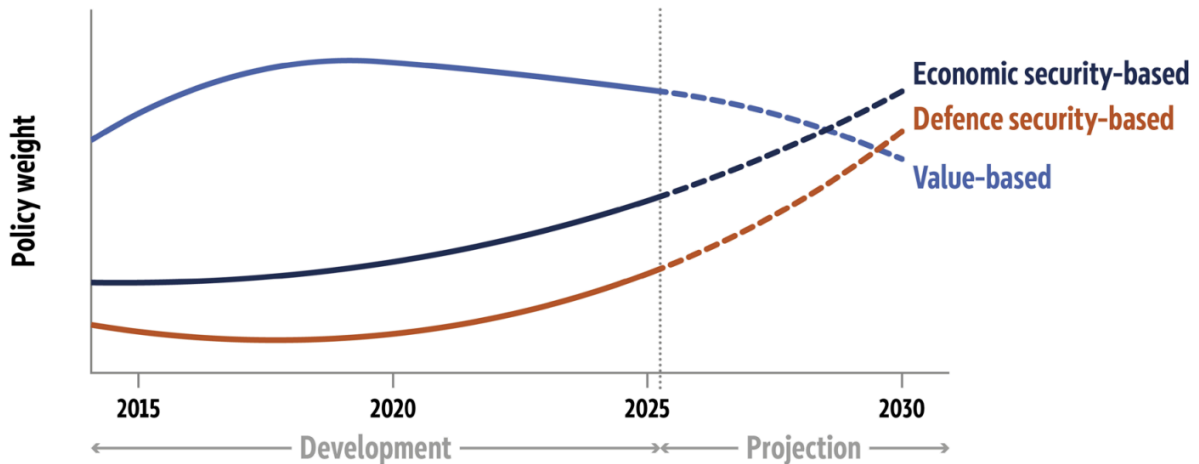
I haaaaattttteeee using this term, but this memo tells investors where the puck is going, and where they should skate: “**We're shifting our focus to national defense now, so that's where most of our policy and money will go.**”

Back to the memo (emphasis added):

*“If these trends continue beyond 2026, **economic security and defence security could overtake values as the main drivers of the EU economy in a couple of years.** If the global security situation further deteriorates, **economic and defence security could start to merge, creating a war economy.** It seems therefore that the increasing policy weight of economic and defence security reflects two mutually reinforcing trends that enhance the EU's strategic autonomy.”*

The EU is telling you they are preparing for a war economy. Look at this chart below. It's the only chart you need to invest in European companies.

Figure 4 – Three trends driving the EU economy (2015–2030)



Source: Author, EPRS.

This chart is why I'm confident that "this time is different." Before today, mining companies and war metals fought against a Value-Based economy of open borders, nice manners, and congenial hospitality. Why approve a dirty mine in Europe when you can ask your friends in China to export some of their material?

That is not the world we live in today.

Which means Europe must invest in the world as it is today and in the one it might become should tensions escalate.

And that means investing in domestic war/industrial mining projects.

## Apollo Minerals (AON.ASX): A Tungsten Restart Story

Tungsten is my favorite war metal, and not just because I'm a Strategic Advisor at Mithril Mining (check us out [here](#)). It's the most well-known beneficiary of wartime economies. If "war metals" had an ETF, it would be called WOLF for tungsten's official mineral name, "wolframite."

But there are two structural problems with investing in tungsten in public markets:

1. Low average grades across public projects.

2. Massive dilution risk as 99% of tungsten projects are at the exploration/development stage.

On top of all the other inherent risks in mining investing.

The ideal tungsten play has something else with the tungsten, a valuable byproduct that can reduce AISCs and increase revenue/margins.

Enter Apollo Minerals (AON.ASX). Apollo is a \$40M polymetallic development company with three main assets:

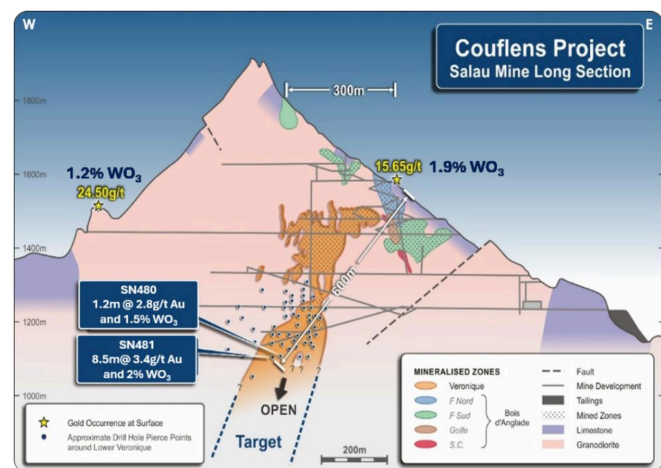
1. **Kroussou Project:** Potential large scale zinc, lead, and gallium deposit in Gabon.
2. **Couflens Project:** Past-producing tungsten mine in the Pyrenees region with significant gold potential.
3. **Salanie Gold Project:** Past-producing high-grade gold mine in Gabon.

**Here's the elevator pitch:** you can underwrite the entire market cap on just AON's Couflens Project, get Kroussou and Salanie for free, and capture all the potential upside from a tungsten restart play at the world's highest-grade past-producing tungsten mine with high-grade gold for free.

## The Couflens Project: High-Grade Tungsten *and* Gold

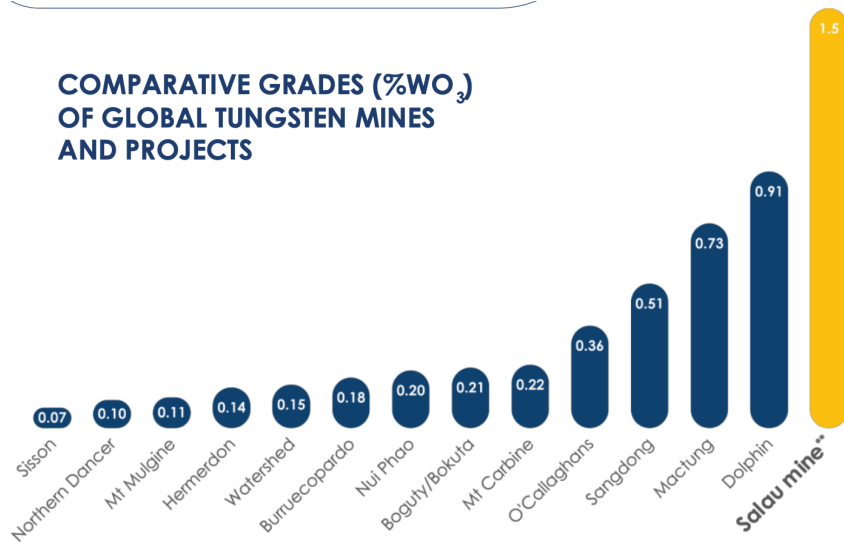
Couflens hosts the Salau mine, which was one of the highest-grade tungsten mines during production before closing in 1986 (low tungsten prices).

The Directorate General for Energy and Climate of the French Ministry reinstated the 5-year exploration permit at Couflens earlier this year. This project is unlike any other tungsten asset I've researched. Salau has high-grade tungsten at the surface and at depth (see image below).



1.9% grades at the surface and 2% grades at 600m depth are insane. But here's the other part ... this tungsten comes with high-grade gold: **15.65g/t at surface** and **3.4g/t at 600m depth**.

This mine averaged 1.5% grades during production, with peak grades reaching 2.5%. That is nuts for tungsten. Check out Couflens average grades versus its global peers:



Salau probably has higher-grade tungsten in its waste product than most mines have in their head-grade. The company also reported high-grade tungsten and gold in historic drill results and channel sampling (see below).

**Table 1: Summary of significant historical gold and tungsten results within diamond drilling**  
(refer AON ASX announcement 4 February 2019)

| Hole ID | Lithology                           | Width (m) | Au (g/t) | WO <sub>3</sub> (%) |
|---------|-------------------------------------|-----------|----------|---------------------|
| SN481   | Massive sulphides                   | 8.5       | 3.4      | 2.0                 |
| SN480   | Granodiorite and pyrrhotite         | 1.2       | 2.8      | 1.5                 |
| DB74    | Quartz, pyrrhotite and arsenopyrite | 0.5       | 3.0      | 1.2                 |

NB: Only selected holes and intervals were sampled for gold historically. Results as historically reported and do not contain from and to intervals and locations are referenced to the logged occurrence of sulphides within the drill hole.

**Table 2: Summary of significant historical gold results within historical channel sampling**  
(refer AON ASX announcement 4 February 2019)

| Location | Lithology            | Width (m) | Au (g/t) | WO <sub>3</sub> (%) |
|----------|----------------------|-----------|----------|---------------------|
| 1253 E   | Massive sulphides    | 1.5       | 2.4      | 2.2                 |
| 1230 E   | Massive sulphides    | 0.4       | 2.0      | 2.5                 |
| 1194 E   | Massive sulphides    | 4.1       | 4.3      | 3.5                 |
| 1194 W   | Skarn and pyrrhotite | 7.7       | 0.9      | 7.2                 |
| 1173 E   | Massive sulphides    | 5.8       | 11.0     | 2.8                 |
| 1165 E   | Massive sulphides    | 8.0       | 9.5      | 2.4                 |

Note: Channel samples are recorded as having been undertaken within the deeper Veronique Zone of the mine, these results should be taken as being indicative of localised mineralisation styles only.

Look at some of those results:

- 5.8m at 11g/t Au and 2.8% WO<sub>3</sub>

- 8m at 9.5g/t Au and 2.4% WO<sub>3</sub>
- 8.5m at 3.4g/t Au and 2.% WO<sub>3</sub>

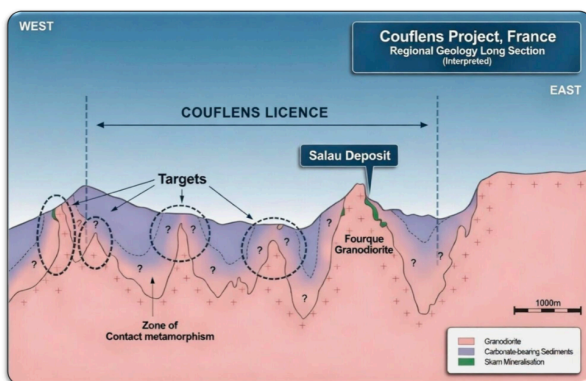
Gold and tungsten are both at all-time highs, and Salau has both in high-grade ore. That checks that box.

The other reason I love this project is that it's a **brownfield restart play**. Typically, brownfield restarts have lower capex and faster time-to-production. For instance, Salau already has 24km of existing underground development across seven levels. Combine the brownfield restart capex with Salau's high-grade ore, and you get the potential for extremely high IRRs and low payback periods.

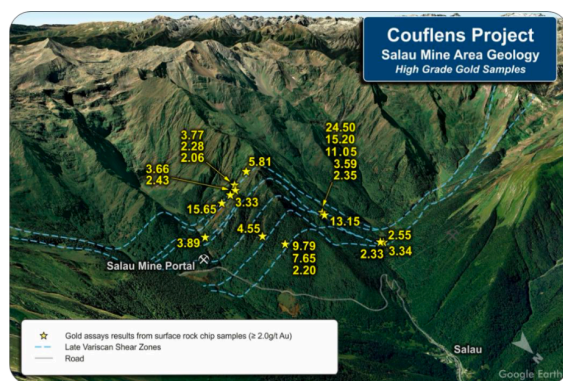
Companies like Tungsten West (TUN.LSE), for example, [reported a 197% IRR](#) on its brownfield restart low-grade Hemerdon tungsten project. They don't even have Salau's gold mineralization.

- Uplift in Project economics calculated using recent tungsten and tin market pricing:
  - The Project's forecast Net Present Value 7.5% ("NPV") increases from US\$190 million to US\$1.7 billion
  - The Project's Internal Rate of Return ("IRR") increases from 29% to 197%
  - Near term EBITDA estimates increase over fourfold

Finally, Couflens offers exceptional exploration potential. In addition to its 24km of underground workings, the Salau mine has 42 km<sup>2</sup> of untapped exploration potential (see image below).



Regional Intrusive and Skarn Repeat Potential



Regional Shearing-Related Gold Trends

So to recap ... the Couflens project checks all of our boxes:

1. **High-grade** tungsten with high-grade gold byproduct (high margins).
2. Historical underground workings for **quicker and lower-cost brownfield restart**.
3. **Tier-1 jurisdiction** (Pyrenees region of France near the Iberian Pyrite Belt).
4. **Massive exploration potential** within the existing land package.

Here's another positive from the Couflens exploration permit reinstatement. AON raised \$6.5M three days after the announcement at a 15% premium to the 5D VWAP. Management also bought ~\$800K during the raise. Then, three days later, the company raised another \$2.8M from Tribeca Investments at the market price.

Before we dive into the management team, I want to discuss the company's Kroussou Project. Kroussou is a potentially "province-scale" polymetallic deposit. The company's JORC Compliant Exploration Target is 140Mt to 300Mt at 2.0% to 3.4% combined zinc and lead grades.

It is important to note that this target came from drilling results in **only six of the 23 target prospects**, suggesting a massive exploration upside as they test the remaining 17 targets.

Management discovered gallium present within zinc and lead in November 2025. Here's CEO Neal Inwood's explanation during that time:

*"Through recent fieldwork and reviewing our drilling, we've realised that **we have a high-grade gallium cap over much of the lead-zinc mineralisation**. We've only seen this where we've been drilling over the last few years and have focused only on the immediate targets. **The whole 900 square kilometre tenement is now a very good exploration target** for additional gallium."*

Look, I have no idea if there's enough gallium in Kroussou to matter, and that's the point. You're not paying for gallium in Kroussou because you're not really paying for Kroussou either at the current market cap.

Take Tinka Resources (TK.TSXV) as a comparable. TK is a MinTwit favorite for zinc/lead. Tinka holds the Ayawilca project in Peru, one of the largest undeveloped zinc deposits owned by a junior, with 75 Mt split between zinc (59.5 Mt), tin (14.1 Mt), and silver (1 Mt). The only problem there is the deposit depth (120-450m).

Still, TK has an EV of \$30M for that asset.

So while Kroussou isn't in the best jurisdiction (Gabon), it *does* have two other things going for it:

1. **High-tonnage:** 140Mt-300Mt is substantially higher than Tinka's or Emerita Resources' tonnage.
2. **Shallow Depth:** Most mineralization occurs at depths of just 15 meters, allowing for potentially large-scale, low-cost open-pit mining.

Kroussou is still in early-stage exploration, so the market is probably right assigning little value to the project.

That said, *you're not paying for Kroussou at the current market cap.* The only thing that matters is Couflens. Everything else is gravy.

## Management: Serial Value Creators

One word on management before I conclude. Ian Middlemas is the company's chairman and founder of the Apollo Group. The Apollo Group has realized over \$4B in value creation in the mining space. Here are two examples:

1. **Papillon Resources:** Identified the Fekola Gold Project in Mali when it was a junior explorer, drilled it to 5Moz, and **sold it to B2Gold for A\$615M.**
2. **Mantra Resources:** Took a greenfield discovery and turned it into a 150Mlbs uranium resource, eventually **sold to Uranium One for A\$1.02B cash.**

AON.ASX is a \$40M company today. I would take both of those outcomes in a heartbeat.

## Right Asset, Right Place, Right Time, Right Team

If I had to distill the thesis into one sentence, it would be: **AON.ASX is the right asset, at the right time, in the right place, led by the right team.**

Europe's economy is changing. The EU is telling you this in plain English. They are switching from a value-based economy to a war-based economy. One that requires domestic production of war metals, like the Salau mine.

It wouldn't surprise me to see the company announce a major government investment or takeover bid for one of the highest-grade tungsten assets globally, at a time when the world is desperate for non-Chinese tungsten.