

## Gold and Rare Earth Stocks Respond to the Trade War

It has been a rather quite week in the lead up to Easter. This year we have Anzac Day the following Friday, making for a three day working week. All of this is happening during school holidays so we should be expecting another quiet week in our market. This edition of the Weekly is reflective of lower intensity of markets as they breathe a sigh of relief and they start to take the tariff war in their stride

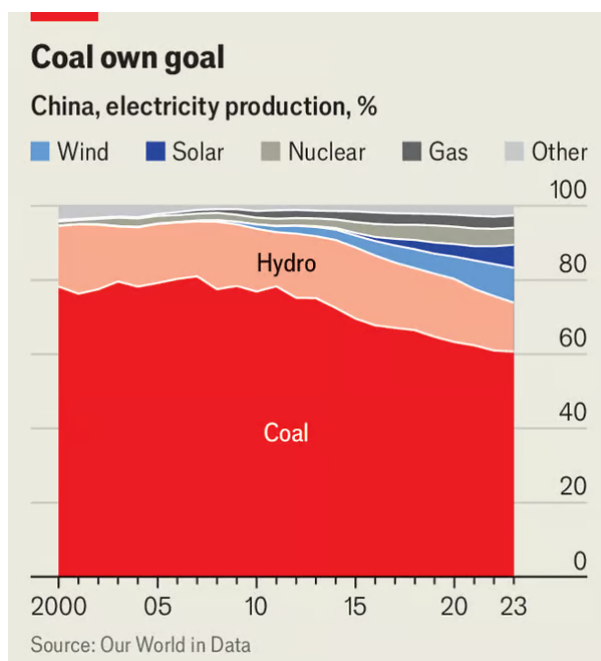
However, I would be remiss if I failed to point out that the upward momentum of the gold price continued to gather strength, and a little excitement.

### Carbon Emissions - China is the elephant

The task of reducing global carbon emissions becomes more challenging when you take into account what is happening in China with respect to coal-fired power stations. China has capacity for 1,170GW of coal-fired power generation, and it added another 100GW last year (about the same figure as all of Great Britain's capacity). Coal still supplies half of China's power and this accounts for 15% of global carbon emissions.

China produces 4.8 Bt of coal annually, being more than 50% of global production. It is an important source of employment and it is important in providing energy security for that country. It seems unlikely that China will be carbon neutral by 2060.

For all the effort that countries like Australia expend, we are irrelevant in the big picture - but we all knew this, didn't we? It is all about China, and who really knows what its priorities are. Source: *The Economist*, 31 March 2025



### A Surge of Interest in Rare Earth Stocks

Last week we saw a flurry of interest in rare earth stocks as speculators decided to consider what the tariff war could mean for that sector. Most recently, China has announced restrictions on exports of selective heavy rare earth elements, most notably dysprosium (Dy) and terbium (Tb) used in magnets. The global supply in DyTb is small at 2-3,000 tpa, but China supplied 50% of this.

The knee-jerk reaction of investors has been to buy into this sector that has been oversold ... again, because of China playing around with the rare earth prices. Is this a one week blip, or is it something with a longer time frame? It is probably an inflection point marking the bottom of a savage slide of share prices but the future is still clouded by the politics.

The rare earth sector is overcrowded with companies claiming to have very large "world-class" deposits, all around the world. The hurdles to establishing a commercially profitable operation are formidable but that doesn't stop the punters from having a flutter. The further away from capital expenditure and production, the greater the volatility in the share prices. Perhaps this is something to remember; the promise and the possibility is more exciting than the hard grind of actually going into production. The perfect example of this is Hastings.

The only company positioned to make profits from any near term surge in prices is Lynas (LYC), boosted by the new facility coming on stream in a few months. All the others including Arafura (ARU) Lindian (LIN), Meteoric (MEI) and many others still have a range of hurdles to overcome. Who knows what the economics will look like if, and when, they come on stream.

### A Few Company Updates

**Bellevue Gold (BGL)** - was re-quoted last week following a period of suspension during which it raised \$156.5m at 85¢. That came with a downgrading of guidance for 2024/25 from 150-165,000 oz p.a. to 129-134,000 oz. The share price understandably fell away under the weight of the raising, bottoming at 84¢. It has since rebounded above \$1.00.

From being a star performer that came into production at the perfect stage of the gold bull market, the Company and shareholders have had to surrender much of the benefits owing to a hedge book that went horribly wrong. The question now is whether 150,000 oz p.a. gold production target can be achieved. There are not many underground gold mines that can produce at this rate.

**Koonenberry Gold (KBN)** - reported good assays from its second hole at the Enmore Gold Project, in NE NSW. There were two zones of interest; a shallow zone of 76m at 1.17 gpt from 22m, and 172m at 2.07 gpt from 171m down

hole. There was a higher grade interval of 25m at 5.23 gpt, including 5m at 11.09 gpt.

The question that will be addressed; "is this a large tonnage, lower grade project or a smaller high grade project?" There will be much debate about this, and a lot more drilling will be required before we can really say. So, you can say it is a good technical success but we can't draw any conclusions on economics yet. That is par for the course in exploration. Nevertheless, so far so good.

**White Cliff Minerals (WCN)** - announced the sale of its Reedy Creek South Gold Project for \$1.2m, consistent with its intentions to focus on its Canadian copper projects where drilling has already begun.

The first reporting of RC drill results at the Rae Copper Exploration Project in Nunavut, Canada, revealed 175m of visually identifiable sulphides from 7m downhole in DAN25008, ending in mineralisation. Hole ... 005 returned 91m of sulphides from surface. Hole ... 007 showed intervals of sulphides of 24m from a depth of 28m, and 71m from a depth of 61m. Holes 004 and 006 provided similar results.

So, there are plenty of sulphides in the system to excite the geologist. Everyone loves a discovery as everyone loves good surprises, but these holes are really step-out holes from known mineralisation. Rather than being surprising, they are confirming the extensions that add to the critical mass i.e. they are incrementally beneficial. The next question relates to the grades, which should be known in 4-6 weeks. The resource at Danvers was historically calculated as 4.16 Mt at 2.96% Cu but this latest program is also considering larger tonnage, lower grade potential.

For more back ground see our initiating coverage on 5 April 2025. Click on the following link;

<http://www.fareastcapital.com.au/imagesDB/newsletter/WeeklyComm5April2025.pdf>

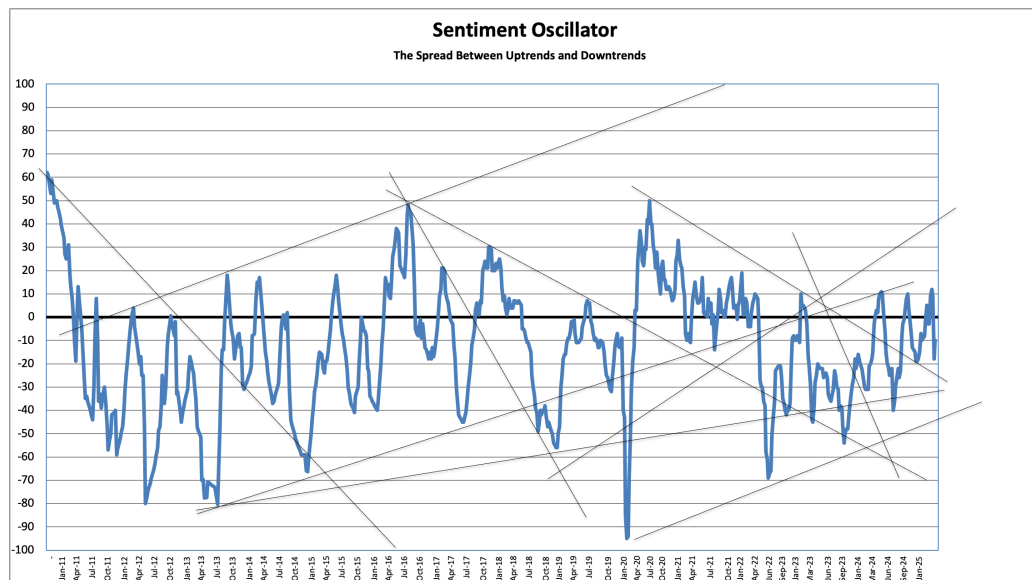
## Commissioned Research - a follow up

In commenting on the role of commissioned research last week, we should acknowledge the difficulty that many companies have in getting their messages out there. Anything that goes via the ASX platform is so totally sanitised by compliance that it can never be called visionary or predictive. So much of what is released to the ASX is backward looking.

If companies use an analyst with high integrity and a credible track record, that analyst is capable of saying things that look over the radar and it can circumvent the strictness of the ASX rules to some extent. However, it can get to be awkward if the ASX starts to question where the perspectives and information came from ... even though such a line is beyond its jurisdiction. As far as ASIC is concerned, it will watch to make sure it is not misleading or deceptive.

At what point can the authorities intervene to restrict information flows and impinge upon freedom of speech? The obvious source of much information flow is Hot Copper, which is totally unregulated. Posters can get away with posting as much misinformation as they want, anonymously, without any truth testing. Its unaccountability continues to be a serious anomaly.

But getting back to commissioned research; there is a role for it notwithstanding that it will probably be biased in limiting the negatives that it may consider ... because companies will only pay for good news flow. Just make sure that the analyst is credible.



**Sentiment Oscillator:** Sentiment receiver usefully one the week, assisted by money flowing into rare earth stocks with a number of downtrends being breached. There were 34% (32%) in uptrend and 44% (50%) in downtrend.

## Detailed Chart Comments

*NB. Only the bold comments have been updated. Comments in grey type are from previous weeks and will be less relevant. Please note that this list is a cross section of the market. It IS NOT a list of recommendations.*

Indices	Code	Trend Comment	
All Ordinaries	XAO	but bouncing strongly	
Metals and Mining	XMM	but bouncing strongly	
Energy	XEJ	down heavily	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR	strong recovery	phosphate, gold
Alkane Resources	ALK	rising	gold
Alicanto Minerals	AQI	down	base metals, silver, gold
Alligator Energy	AGE	down	uranium
Almonty Industries	All	surge to new high	tungsten
Alpha HPA	A4N	down	HPA
American Rare Earths	ARR	testing downtrend	rare earths
Anax Metals	ANX	new low after placement	copper
Andean Silver	ASL	back to downtrend	silver
Arafura Resources	ARU	rising	rare earths
Ardea Resources	ARL	breached uptrend	nickel
Arizona Lithium	AZL	new low	lithium
Astral Resources	AAR	sideways below resistance line	gold
Aureka	AKA	rising after name change from Navarre	gold exploration
Auric Mining	AWJ	down	gold
Aurora Energy Metals	1AE	down	uranium
Aurelia Metals	AMI	rising	copper + base metals
Aurum Resources	AUE	rising	gold
Australian Gold and Copper	AGC	breached steepest downtrend	base metals, silver, gold
Australian Rare Earths	AR3	testing downtrend	rare earths
Australian Strategic Materials	ASM	testing downtrend	rare earths
BHP	BHP	recovering from lows	diversified, iron ore
Ballymore Resources	BMR	back to lows	gold exploration
Barton Gold	BGD	gently higher	gold exploration
Beach Energy	BPT	down	oil and gas
Bellevue Gold	BGL	further slump on placement	gold
Besra Gold	BEZ	still down	gold
Black Cat Syndicate	BC8	new high	gold
Boab Metals	BML	breached support line	silver/lead
Brazil Critical Minerals	BCM	new low - two tranche plus 1 for 3	rare earths
Brazilian Rare Earths	BRE	testing downtrend	rare earths
Brightstar Resources	BTR	less steep uptrend	gold
Caravel Minerals	CVV	down	copper
Carnaby Resources	CNB	breaching downtrend	copper
Castile Resources	CST	testing downtrend	gold/copper/cobalt

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Catalyst Metals	CYL		surge higher	gold
Cazaly Resources	CAZ		new low	rare earths
Celsius Resources	CLA		at lows	copper
Centaurus Metals	CTM		testing downtrend	nickel/cobalt/HPA
Challenger Gold	CEL		rising	gold
Cobalt Blue	COB		back to lows	cobalt
Cyprium Metals	CYM		down	copper
Delta Lithium	DLI		down	gold/lithium
Emerald Resources	EMR		back to highs	gold
Empire Energy	EEG		breached uptrend	gas
Emmerson Resources	ERM		breached uptrend	gold
EQ Resources	EQR		rising	tungsten
Estrella Resources	ESR		rising	manganese
Evolution Mining	EVN		rising	gold
Felix Gold	FXG		pullback	gold exploration, antimony
First Graphene	FGR		steep rise	graphene
Fortescue Metals	FMG		down	iron ore
Genesis Minerals	GMD		rising	gold
Globe Metals and Mining	GBE		down	niobium
Gold 50	G50		breached uptrend	gold exploration + gallium
Golden Horse	GHM		heavy fall	gold exploration
Great Boulder Resources	GBR		steeply higher	gold exploration
Green360 Tech (was Suvo)	GT3		back to lows	kaolin
Hamelin Gold	HMG		testing downtrend	gold exploration
Heavy Minerals	HVY		new high	garnet
Hillgrove Resources	HGO		new low	copper
Iltani Resources	ILT		rising again	antimony
Iluka Resources	ILU		strong bounce	mineral sands
Jupiter Mines	JSM		improving	manganese
Kaiser Reef	KAU		improving	gold
Kalina Power	KPO		down	carbon sequestration
Larvotto Resources	LRV		testing uptrend	gold, antimony
Lindian Resources	LIN		down	rare earths + bauxite
Lotus Resources	LOT		continuing down	uranium
Lynas Corp.	LYC		rising again	rare earths
Many Peaks	MPK		rising	gold exploration
Marmota	MEU		spiked higher on titanium discovery	gold/uranium exploration
Matsa Resources	MAT		strongly higher	gold
Mayur Resources	MRL		down	renewables, cement
Meeka Gold	MEK		uptrend	gold
MetalsX	MLX		rising	tin, nickel
Meteoric Resources	MEI		breached downtrend	rare earths
Metro Mining	MMI		off its highs	bauxite
Midas Minerals	MM1		spiked higher, then pullback	lithium

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Native Mineral Resources	NMR		steeply higher	gold
New Murchison	NMG		sideways	gold
Nexgen Energy	NXG		down	uranium
Northern Star Res.	NST		rallying	gold
Nova Minerals	NVA		down	gold exploration
Novo Resources	NVO		testing downtrend	gold exploration
Pacific Gold	PGO		new low	gold exploration
Paladin Energy	PDN		collapse	uranium
Pantoro	PNR		new uptrend	gold
Patriot Battery Metals	PMT		pullback after strong rally	lithium
Peninsula Energy	PEN		down	uranium
Perseus Mining	PRU		correcting lower	gold
QMiners	QML		back to lows	copper
Queensland Pacific Metals	QPM		down	nickel/cobalt/HPA
Regis Resources	RRL		new high	gold
Regergen	RLT		surged higher	gas, helium
Richmond Vanadium	RVT		down	vanadium
RIO	RIO		down	diversified, iron ore
RTG Mining	RTG		rising	copper
Rumble Resources	RTR		testing uptrend	zinc exploration
S2 Resources	S2R		down	gold exploration
Sandfire Resources	SFR		breached uptrend	copper
Santana Minerals	SMI		heavy fall	gold
Santos	STO		breaching downtrend	oil/gas
Sarytogan Graphite	SGA		still down	graphite
Scorpion Minerals	SCN		testing downtrend	gold exploration
Siren Gold	SNG		rising	gold exploration
Southern Palladium	SPD		down	PGMs
Stanmore Coal	SMR		down	coal
St George Mining	SGQ		collapse to new low	rare earths, niobium
Stellar Resources	SRZ		testing downtrend	tin
Sun Silver	SS1		pullback	silver
Talga Resources	TLG		down	graphite
Tamboran Resources	TBN		breached uptrend	gas
Terra Uranium	T92		rallying	uranium
Theta Gold Mines	TGM		rising again	gold
Toro Energy	TOE		down	uranium
Torque Metals	TOR		hitting resistance	gold exploration + lithium
Vintage Energy	VEN		sideways	gas
Vertex Minerals	VTX		breached uptrend	gold
Warriedar Resources	WA8		stronger	gold exploration
West Cobar	WC1		new low	rare earth + lithium
Westgold Resources	WGX		spiked higher	gold
West Wits Mining	WWI		rising	gold

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Whitehaven Coal	WHC	<span style="background-color: red; color: white;">down</span>	coal
White Cliff Minerals	WCN	<span style="background-color: orange;">testing downtrend</span>	copper exploration
Totals	34%	42	Uptrend
	44%	55	Downtrend
		125	Total

### Guides to Chart Interpretations

- Charts usually go pass from one trend (up or down) into the other via a period of indecision and uncertainty during which the trend can either recover or change. This period is signified by the orange colour. The orange represent both the greatest risk and greatest reward possibilities.
- Once a chart is in confirmed up or downtrends it is not uncommon for 10-20% of that trend to have already transpired.
- There are trends within trends. The focus of this chart review is the immediate trend that affects the sentiment i.e. it can be a downtrend within a long-term uptrend.
- Not every chart warrants a new comment every week. The new comments are in bold type. Grey type comments may be dated.
- Individual charts provide a single view. It is valuable to look at charts of other companies in similar commodities, and the overall sentiment is also very valuable. Not many stocks can swim against the tide.
- We periodically add or delete charts, some times for obscure reasons. If a chart consistent gives poor signals or is very erratic, we may delete it. Sometimes we add a chart because we want to see what all the fuss is about. We do have a preference for charting stocks that we cover in our research as well.
- Errors and omissions may occur from time to time, especially in fast moving markets.

Amber Lights in Tables: Just a reminder if when the amber light is used in the table – it is when the charts are ambiguous or when there is a change of trend taking place. If a chart is breaching a downtrend it can either be a positive sign or a trap. Only once it has done more work can it be confirmed as a new uptrend. Maybe it is a new uptrend (or conversely a new downtrend); the risk takers can decide to jump on board early (or sell). They will maximise their profits (or minimise their losses if indeed it is the start of the new uptrend (downtrend). More risk-averse investors should wait a little longer, being prepared to give up some of the gains in return for greater certainty.

Weightings of Sectors Represented in the Company Charts			
Sector	No. of Companies	Weighting	
Gold	30	24.0%	
Gold Exploration	17	13.6%	
Copper	13	10.4%	
Rare Earths	11	8.8%	
Uranium	9	7.2%	
Oil/Gas/Hydrogen	6	4.8%	
Iron Ore/Manganese	5	4.0%	
Lithium	3	2.4%	
Graphite/graphene	3	2.4%	
Nickel	3	2.4%	
Silver	3	2.4%	
HPA/Kaolin	2	1.6%	
Tungsten	2	1.6%	
Tin	2	1.6%	
Antimony	2	1.6%	
Coal	2	1.6%	
Niobium	2	1.6%	
Potash/Phosphate	1	0.8%	
Vanadium	1	0.8%	

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Zinc/Lead	1	0.8%	
PGMs	1	0.8%	
Mineral Sands	1	0.8%	
Bauxite	1	0.8%	
Cobalt	1	0.8%	
Other	3	2.4%	
Total	125		

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