

The market is shaking off the bears for the time being

Our market has done falling ... for the time being. Both the All Ords and the Metals and Mining Indices have aggressively breached short term downtrends. The turnaround in sentiment is flowing through to a wide range of stocks. There could be a scramble to invest some of that money that has been parked on the sidelines while fear of interest rate rises have been dominating investors' activity.

Lindian's \$9m placement at a premium

After having had the share price beaten up in December 2022, with a brokered placement of \$16m at 21¢ a share (plus options), Lindian has avoided the broking community altogether with its latest raising.

On Monday it announced a \$9m placement at 26¢, being a 10.5% premium, to three parties (including the Chairman, who is taking \$0.5m). There are attaching 1 for 2 options exercisable at 35¢ a share in three years.

Funds will be used to fast track the Stage 1 development of the Kangankunde Rare Earth Project, in Malawi, with a view to being operational in 2024.

Lindian also confirms that it has received significant interest from rare earths industry parties interested in participating in the Project, including in the funding and off-take functions.

The Bottom Line

This is a confidence building announcement from Lindian. Everyone wants to do placements at premiums, but it is rarely is achievable. Being able to do so speaks to the confidence in the quality of the project, which is well past the exploration phase.

Brokered placements often take time to be digested in the market as there are always sellers switching between options and the head stock, but in this case it would be reasonable to assume that the placees will hold their stock tightly. They are there for the big picture rather than taking discounted stock that they would look to trade out of prematurely. This is a much better handled capital raising that should be conducive for stronger share price performance.

We still don't have details on what development would look like, and how much it would cost, but we do know it is one of the highest grade rare earth projects available. There is plenty of room for optimism on this, arguably the best tangible rare earths project on the ASX.

Disclosure: Interests associated with the author own shares in Lindian. Capital raising fees have been received.

Odyssey is a sound gold asset play in WA

When I sat through a presentation by Odyssey Gold (ODY) last year, I commented that it had merit but not enough to make me switch out of other stocks to buy this one. I couldn't really fault it, but neither did I find it compelling.

However, last week the MD walked me through the significance of the recent drilling program and I have upgraded my opinion as a result. The key development has been the identification of the Highway Zone that demonstrates a 300 m strike length (still open) with a 10-20m true width, drilled to 200m depth.

Structurally, Highway is on a 90° bend in the strike direction from N-S to E-W that has opened up the rocks to provide a trap site for emplacement of gold mineralisation. The better grades are in steeply dipping BIF mineralisation that forms the boundary between gold bearing ultramafic to the SSW and barren basalts to the NNE. The width of the BIF can stretch out to 6m when mineralised, which tends to occur where crosscutting structures control the grade. An association with pyrite replacement adjacent to the gold mineralisation means that a ground based EM survey may be a useful tool in identifying the better grade zones.

The ultramafic rocks provide additional widths and tonnages at a lower grade, but the bulk numbers are still expected to come in around 2.5 gpt. Looking at the dimensions of up to seven veins at Highway, we think that it may be possible that they add up to 1,000-1,300 oz per vertical metre (ball park), but that is just our rough estimate. Add this to the rest of the ground at the Tuckanarra Project and you could justify an initial target of 300,000 oz at 2.5 gpt, to a depth of 140m, with the veins still open at depth. The Company is calculating the numbers now, so expect some sort of resource statement over the next couple of months.

The Bottom Line

Odyssey is not a wildly speculative gold exploration play. Rather, it is a modestly priced (\$23m) gold asset play that could be easily monetised through some sort of deal with any of the five treatment plants in the area looking for mill feed. As an example, Gascoyne would love to have > 2 gpt mill feed to lift its average grade for the 2.5 Mtpa mill.

The appointment of new MD, Matt Briggs, a geologist, seems to have had a positive impact on the understanding of the geology and that seems to be working for the Company.

Ian Middlemas, the Chairman, has a track record of monetising projects through value-adding corporate activity. The upside lies both in additional exploration results and dealing on the assets to accelerate gold production and cash returns to shareholders. The downside is minimal.

Cobalt stocks taking a dive

If you think some of your portfolio is performing poorly, spare a thought for shareholders in Jervois Global Limited. A year ago the shares were 93¢ in the market. Last week they hit a low of 5.3¢, on the back of an ASX release with massive volumes of 151.7m and 162.5 million shares on two consecutive days, worth about \$11m on each day. Those investors who tipped in \$231m last December in a raising at 42¢ will not be happy.

The release notified the market that the final construction of the Idaho Cobalt Operations was being suspended due to the low cobalt price, after having already spent US\$130m. The cobalt price has fallen by 57% over the last year, back below US\$35,000 pt. Even though it is a critical metal and theoretically in short supply, its extreme volatility is playing havoc with pricing signals in the market.

Interestingly, Perpetual Limited lodged a Form 605, Ceasing to be Substantial Shareholder Notice on the 28th March, the day before the announcement of the suspension of construction.

On 16 March Perpetual had 119.9 million shares, being 5.766% of the Company. In the previous month it had sold 23.9 million shares. It then sold another 17.4 million shares from the 16th of March to the 24th of March, taking its holding down to 102 million shares, being 4.9% of the issued shares. Perpetual was probably a big seller of more shares last week. Did Perpetual have an inkling of the bad news coming or was it just reading the tea leaves? Whatever, the share price is unlikely to recover much until its remaining shares have been offloaded. Maybe the contrarians should be buying now for the eventual recovery in the cobalt price.

Chilwa Minerals - a mineral sand & REO IPO

Sequoia Corporate Finance sat me down in front of Chilwa Minerals last week, an \$8m IPO that is about to go live. Chilwa is all about advancing a strandline minerals sands and rare earth project on the banks of Lake Chilwa in Malawi, coincidentally only 50 km east of Lindian's rare earth project at Kangankunde. It had previously been assessed as an ilmenite and zircon project by Mota-Engil, an Italian construction company that has had a presence in Malawi for 25 years. Amongst other projects, Mota-Engil built the 1,000 km long railway from Malawi to the port of Nacala in Mozambique.

New Management with Chilwa to make a difference

Back in 2015, Mota-Egnin spent around US\$5m drilling 1,484 air core holes to come up with an Inferred Resource of 62 Mt in four deposits, at grade of 6.53% THM. A scoping study was undertaken but it was marred by a number of flaws. Firstly, aircore drilling was a sub-optimal drilling method and there was often only 50% recovery of core. Secondly, the metallurgical test work appears to be flawed in its determination of a 16% slimes content. Interestingly, the study regarded the rare earth component as a contaminant. At the time the calculated NPV of an ilmenite and zircon development was a modest US\$50m.

The MD of Chilwa, WA-based Cadell Buss, saw the Chilwa Project as something worth revising with a sharper, more resource project focused team. He proposed a deal whereby Mota-Engin's subsidiary, Luso Global Mining, vended the project for 30.6% of Chilwa (post IPO).

Chilwa is now looking at a wider range of products and it has already completed test work that shows the slimes content is only 5-7%. These changes could lead to an NPV of something close to US\$200m, but this should be seen as a ballpark figure that will certainly change.

A modern drilling program will be essential

Chilwa's first task will be to complete a 17,000m drilling program using the more reliable sonic drilling method that will give much more complete samples. Part of the program will emphasise drilling to hit the footwall of the deposits, whereas 95% the earlier drilling stopped at 12m depths. One of these holes did drill as deep as 23m but it finished in mineralisation. Thus there is the potential for substantially larger tonnages than the existing 62 Mt resource by going deeper.

Chilwa has been advised that it will only need to twin 5% of the previous holes in order to verify the previous results, but if it experiences a wide disparity it may need to drill more. It intends to drill the Halala first, where there is believed to be an additional 70 Mt of mineralisation that is not yet in a resource category.

Consider counterparty risks in an IPO

When considering whether or not to take shares in an IPO, it pays to scrutinise who the broker or equity capital party involved is as this has implications for what the after-market will look like. It should not be just about raising the IPO amount. It is about the level of support in the subsequent months. What is the brokers' track record in previous IPOs? Sequoia has about 25-30 dealers on its private client desks in three cities, but also has a network of up to 300 financial planners with associated firms. Many hands make light work.

Sequoia believes that it has identified a cornerstone investor that is committed to taking 10-15% of the IPO (\$0.8m - \$1.2m). That is a good start but raising money has been rather difficult recently. Maybe the reversal in sentiment seen last week will make the task easier.

The Bottom Line

Chilwa seems to have a credible, long-life mineral sand project that it can advance. Whether or not the rare earth component is material remains to be seen, but the presence of low level radiation monazite and xenotime has already been confirmed. Mkango Resources (MKA.TSXV) has a rare earths project adjacent, to the south of the project ground recently acquired, suggesting that there is good prospectivity on Chilwa's ground for rare earths.

Having Mota-Engin involved, with its 25 year history in Malawi, goes a long way to mitigating geopolitical risk. Its deep business and governmental contacts should stand Chilwa in good stead in Malawi.

At the IPO price of \$13.44m (after rising \$8m) the Company is priced more like an exploration play than a development project of substance. Of course, you need to increase this number by 26% if you add on the performance rights that will be crystallised on the completion of a positive DFS - but no one should complain too much about paying on delivery of this milestone. We will know more when the PFS is completed, probably in 12 months time.

RareX is shooting the lights out with tonnage

As we suggested in our comments on 28/1/23, RareX (REE) is evolving into a very large scale phosphate project with rare earth credits. The release this week of a 500% increase in the Cummins Range resource to 397 Mt is consistent with our earlier expectations. The fall in the TREO grade from 1.15% to 0.33% shows the increasing dominance of the phosphate, but with total contained TREO now 1.3 Mt, only Arafura has a larger Measured and Indicated TREO resource in Australia.

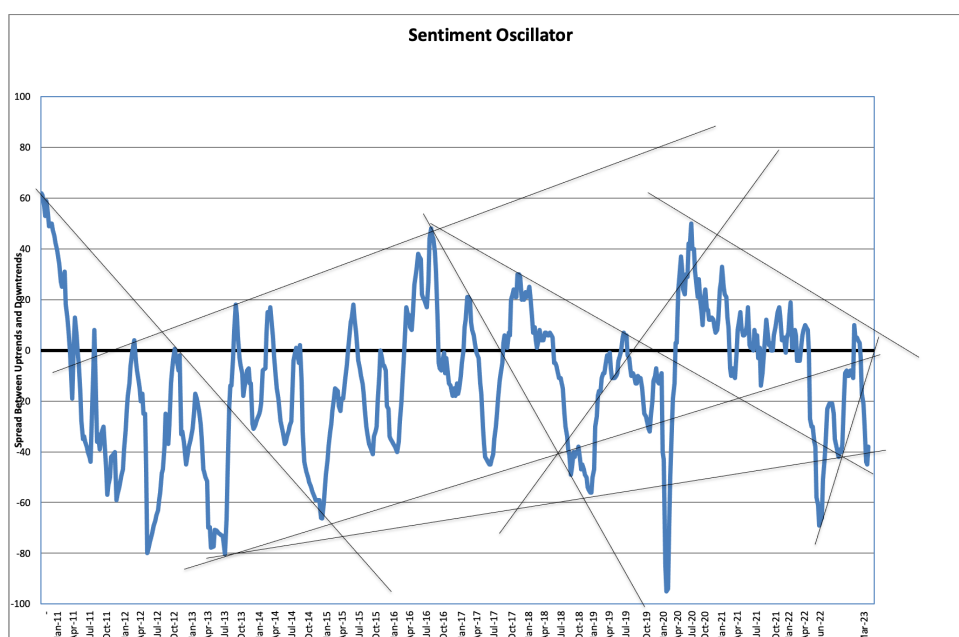
Interestingly, the phosphate is suitable for organic phosphate production that could make it suitable for lithium iron phosphate batteries (what I use in my off-grid solar system), which are supposed to have less fire risk than Li-Fe batteries. The Nd-Pr content of the TREO is a good

21%, as you would expect with monazite dominant mineralisation, and there are appreciable quantities of niobium scandium.

In recognition that this is no longer an exploration project but a very large development project, REE announced a management and board reshuffle to better position the company for what lies ahead.

Sarytogan upgrades graphite resource

Sarytogan has come through with the expected upgrade of its graphite mineral resource with 55% of the deposit now being Indicated and 45% Inferred. There has also been a 10% increase in the tonnage. See the coverage in last Saturday's Weekly for more detail.



Sentiment Oscillator: Sentiment improved last week with 17% (15%) of the charts in uptrend, and 55% (60%) 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	breached downtrend	
Metals and Mining	XMM	breached downtrend	
Energy	XEJ	breached downtrend	
Information Technology	XIJ	rising	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
92 Energy	92E	testing downtrend	uranium
A-Cap Energy	ACB	back to recent lows	uranium

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ADX Energy	ADX	orange	sideways	oil and gas
Alpha HPA	A4N	green	new high	HPA
Adriatic Resources	ADT	green	new high	zinc, polymetallic
Advance Metals (was Pacific American)	AVM	red	off its lows	coal, gold exploration
Alkane Resources	ALK	green	rising	gold
Alicanto Minerals	AQI	red	still down	base metals, silver, gold
Almonty Industries	AII	orange	sideways	tungsten
Altech Chemical	ATC	orange	sideways	HPA, anodes
Anteotech	ADO	orange	at lows	silicon anodes, biotech
Alto Metals	AME	orange	testing downtrend	gold exploration
American Rare Earths	ARR	orange	breached support line	rare earths
Antilles Gold	AAU	orange	testing resistance line	gold
Anax Metals	ANX	orange	testing downtrend	copper
Arafura Resources	ARU	red	down	rare earths
Ardea Resources	ARL	red	new low	nickel
Aurelia Metals	AMI	orange	testing downtrend	gold + base metals
Australian Rare Earths	AR3	red	back to lows	rare earths
Auteco Minerals	AUT	orange	breached downtrend	gold exploration
Arizona Lithium	AZL	red	new low	lithium
Azure Minerals	AZS	green	rising again	nickel exploration
BHP	BHP	red	strong rally to resistance line	diversified, iron ore
Barton Gold	BGD	orange	testing uptrend	gold exploration
Beach Energy	BPT	red	down	oil and gas
Bellevue Gold	BGL	green	off its highs	gold exploration
Benz Mining	BNZ	orange	slump	gold
Black Cat Syndicate	BC8	green	recapturing uptrend	gold
BMG Resources	BMG	red	down	gold exploration
Boab Metals	BML	red	down	silver/lead
Breaker Resources	BRB	green	takeover bid	gold exploration
Buru Energy	BRU	red	strong rally	oil
Calidus Resources	CAI	red	new low	gold
Caravel Minerals	CVV	red	down	copper
Carnaby Resources	CNB	orange	testing downtrend	copper
Castile Resources	CST	red	still in downtrend	gold/copper/cobalt
Celsius Resources	CLA	orange	sideways	copper
Chesser Resources	CHZ	orange	breaking downtrend	gold exploration
Cobalt Blue	COB	red	down	cobalt
Cyprium Metals	CYM	orange	slump on funding failure	copper
Dateline	DTR	red	back to lows	rare earths
Ecograf	EGR	red	new low	graphite
Emerald Resources	EMR	green	rising, new high	gold
Empire Energy	EEG	red	new low	gas
EQ Resources	EQR	green	rising	tungsten
Euro Manganese	EMN	red	down	manganese

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Evolution Energy	EV1		softer	graphite
Evolution Mining	EVN		down	gold
First Graphene	FGR		down	graphene
Fortescue Metals	FMG		testing downtrend	iron ore
FYI Resources	FYI		collapse on Alcoa withdrawing fromJV	HPA
Galena Mining	G1A		falling back to trend line	lead
Genesis Minerals	GMD		down	gold
Genmin	GEN		down	iron ore
Gold Road	GOR		back to support line	gold
Great Boulder Resources	GBR		sideways	gold exploration
Group 6 Metals	G6M		down	tungsten
Hastings Technology Metals	HAS		recovering	rare earths
Hazer Group	HZR		down again	hydrogen
Heavy Minerals	HVY		slump back to trend line	garnet
Highfield Resources	HFR		down	potash
Hillgrove Resources	HGO		slump	copper
Iluka Resources	ILU		breaching support line	mineral sands
Image Resources	IMA		still down	mineral sands
ioneer (was Global Geoscience)	INR		down	lithium
Ionic Rare Earths	IXR		down	rare earths
Jervois Mining	JVR		new low	nickel/cobalt
Kaiser Reef	KAU		sideways through downtrend	gold
Kalina Power	KPO		new low	power station additive
Krakatoa Resources	KTA		new low	rare earths
Kingfisher Mining	KFM		heavy fall	rare earths
Lepidico	LPD		down	lithium
Lindian Resources	LIN		rising again	bauxite
Lion One Metals	LLO		down	gold
Li-S Energy	LIS		down	Lithium sulphur battery technology
Los Cerros	LCL		down	gold exploration
Lotus Resources	LOT		down	uranium
Lucapa Diamond	LOM		down again	diamonds
Lunnon Metals	LM8		resumed uptrend	nickel
Lynas Corp.	LYC		turned down at resistance line	rare earths
Magnetic Resources	MAU		surge on REO news, then retracement	gold exploration
Mako Gold	MKG		sideways	gold exploration
Marmota	MEU		drifting lower	gold exploration
Matador Mining	MZZ		down	gold exploration
Mayur Resources	MRL		rising	renewables, cement
Meeka Gold	MEK		down	gold
Megado Gold	MEG		down	rare earths, gold exploration
MetalsX	MLX		down	tin, nickel
Meteoric Resources	MEI		rising again	rare earths
Metro Mining	MMI		still down	bauxite

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Mincor Resources	MCR	surge on takeover bid	gold/nickel
Mithril Resources	MTH	sideways	gold/silver
Musgrave Minerals	MGV	still falling, gently	gold exploration
Nagambie Resources	NAG	down	gold, antimony
Neometals	NMT	new low	lithium
Northern Star Res.	NST	rallying with the gold price	gold
Nova Minerals	NVA	new low	gold exploration
Orecorp	ORR	down	gold development
Pacific Gold	PGO	bounced to meet resistance line	gold exploration
Pantoro	PNR	new low	gold
Panoramic Res	PAN	down	nickel
Parabellum Resources	PBL	down	rare earths
Patriot Battery Metals	PMT	heavy slump after raising	lithium
Peak Resources	PEK	on trend line	rare earths
Peninsula Energy	PEN	sideways through downtrend	uranium
Perseus Mining	PRU	off its highs	gold
Poseidon Nickel	POS	at lows	nickel
Provaris Energy	PV1	down	hydrogen
PVW Resources	PVW	new low	rare earths
QMines	QML	down	copper
Queensland Pacific Metals	QPM	slump. still in downtrend	nickel/cobalt/HPA
RareX	REE	breaching downtrend	rare earths, phosphate
Regis Resources	RRL	breached support line	gold
Regergen	RLT	down	gas, helium
Resource Mining Corp.	RMI	gently down	nickel exploration
Richmond Vanadium	RVT	recovering	vanadium
RIO	RIO	breached uptrend but strong rally	diversified, iron ore
Rumble Resources	RTR	secondary downtrend	gold exploration
S2 Resources	S2R	sideways	gold exploration
Sandfire Resources	SFR	breached uptrend	copper
Santos	STO	softer	oil/gas
Sarama Resources	SRR	sideways through downtrend line	gold exploration
Sarytogan Graphite	SGA	on support line	graphite
Siren Gold	SNG	down	gold exploration
South Harz Potash	SHP	new low	potash
Southern Cross Gold	SXG	breached uptrend	gold exploration
Stanmore Coal	SMR	surge higher	coal
Strandline Resources	STA	down	mineral sands
Sunstone Metals	STM	new uptrend forming	gold/copper exploration
Suvo Strategic Minerals	SUV	risen to meet resistance line	kaolin
Talga Resources	TLG	slump on \$40m placement	graphite
Tamboran Resources	TBN	breached downtrend	gas
Technology Metals	TMT	down	vanadium
Theta Gold Mines	TGM	sideways	gold

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Thor Mining	THR	■	down	gold exploration
Tietto Minerals	TIE	■	breached downtrend	gold
Vanadium Resources	VR8	■	new low	vanadium
Venture Minerals	VMS	■	down	tin, tungsten
West African Resources	WAF	■	breaching downtrend	gold
Westgold Resources	WGX	■	good rally	gold
West Wits Mining	WWI	■	down	gold
Whitehaven Coal	WHC	■	down	coal
Xantippe Resources	XTC	■	sideways	lithium
Zenith Minerals	ZNC	■	down	gold exploration
Totals	17%	25	Uptrend	
	55%	79	Downtrend	
		144	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 Exploration	25	17.4%
Gold	23	16.0%
Rare Earths	15	10.4%
Oil/Gas	9	6.3%
Nickel	9	6.3%
Copper	9	6.3%
Lithium	7	4.9%
Iron Ore/Manganese	5	3.5%

Graphite/graphene	5	3.5%	
Uranium	4	2.8%	
Silver	4	50.0%	
Tungsten	3	2.1%	
Mineral Sands	3	2.1%	
Vanadium	3	37.5%	
Zinc/Lead	2	1.4%	
Coal	2	1.4%	
Potash/Phosphate	2	1.4%	
Bauxite	2	1.4%	
Tin	2	1.4%	
Cobalt	1	0.7%	
Diamonds	1	0.7%	
Other	8		
Total	144		

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