

The World is Becoming Ever More Dangerous

News flow over the past week or two has been dominated by politics on many levels, most of it being notable for the extremism being inflicted on us. Domestically we are in the lead up to a Federal election with the debate being predictable and uninspiring. Many of us hope that the inept Albanese government will be given its marching orders. However, the rise of noisy minority voices once again is obstructing sensible government. The ridiculous statements by former Labor Senator Fatima Payman saying that Iran is a wonderful country for women, immediately causes us to ask whose payroll she is on. She has since back peddled.

Next we look at the international stage and we see the delusional state of Trump's mind when he declares that Ukraine started the war and calls President Zelensky a dictator while befriendng Putin, the greatest dictator since Hitler. It's no wonder Europe is worried. Wanting to turn Gaza into a new Las Vegas is the sort of statement that should have Trump sanctioned.

The international economic news is dominated by the 25% tariffs Trump wants to hit Canada and Mexico with. Anyone who has done Economics 101 can tell you that tariffs are most inefficient and hurtful to consumers in the country that imposes the tariffs. They are also inflationary. They transfer wealth from the people to inefficient businesses that can't stand on their own two feet. In 2025, tariffs are Trump's blunt weapon of choice. If he doesn't like you it is a case of "Here, cop this tariff".

In seeking to commercialise America's aid to Ukraine, Trump has become fixated upon doing a deal to access Ukraine's rare earths and other resources. In doing so he is making the same mistake that fooled many stock market investors. Rare earths are not rare. The world is awash with companies promoting their rare earth projects. What is far more significant is the shortage of Western downstream processing, which China has got in a stranglehold. Resources in the ground mean nothing in the absence of downstream processing capability.

However, the likelihood of a Ukraine/USA deal on the rare earths suddenly looks unlikely following the unprecedented outburst by Trump and Vance against Zelensky in the White House last night. It was the most un-presidential and immature outburst we have ever heard with Trump spouting out utter tripe while his attack dog, Vance, was targeting the man as opposed to the issues. It is incredible that such a psychotic duo is leading the USA. Add this to the USA siding with Russia and North Korea in the UN last week and we can only be very worried. The World is becoming even more messed up than it was before.

The fear factor should have driven the gold price higher but it came off on Friday night. I think that was a knee-jerk false move by traders. Expect a reversal next week in a flight to safety.

And finally we see the highly intimidatory action of the Chinese navy right on our doorstep. In what possible world can anyone say that this is okay? Imagine the outrage of China if we did the same in the South China Sea? The hypocrisy and arrogance of China obviously has no bounds. It is a warning to Australia that has deep implications for the future but what does Albanese do in response? Nothing. I suppose he is busy thinking about redecorating his new holiday home on the coast.

So what has all this got to do with the stock market? Maybe not much at all but maybe it erodes confidence generally in where we are going and such lack of confidence always finds its way back to the share market.

Uranium Stocks Butchered in the Market

A quick look around at the uranium company share prices shows a scene of destruction over recent months. It doesn't matter whether it is in the speculative end or the producers; Alligator, Aurora, Boss, Nexgen, Paladin and Peninsula have all been butchered. Maybe that means they are coming back into the buying range.

Uncertainty Compounds at Lindian

In what looks like an axing of the CEO, Lindian Resources (LI) announced yesterday that Alwyn Vorster was stepping down immediately. So far there is no-one to replace him. The ASX release says that the Company is engaging headhunters to try and find a new CEO.

So, we have seen an ambush and departure of the previous Executive Chairman with no thought as to who will replace him and take over his key role. We have seen the appointment of two new directors, with one of them resigning shortly afterwards. There was an unsuccessful s.249 meeting, and now the CEO has been shown the door with no replacement. You may well ask who is running the Company, if anyone.

It appears that there are two or three groups of shareholders calling the shots but none of these have operational experience. They are all wearing short pants. Shareholders must be getting worried that there is no leadership or direction because it is starting to look like a cluster*%&. Should shareholders just get out of Dodge or is there a chance that something good will come out of this? It is a shame to see such a good asset in the hands of clowns.

Disclosure: Interests associated with the author own shares in Lindian Resources. Several years ago FEC earned capital raising fees. .

Following up further on the RIU Explorers Conference, there are a few brief notes and comments on two companies that were interesting.

Golden Horse Minerals (GHM) - gold exploration**Price:** 30¢ **Mkt Cap:** \$48m (undiluted) **Cash:** \$15m (31/12/24)

The first thing that Golden Horse said to me at their booth was something to the effect “*this is the first time that the Southern Cross Belt has been consolidated under one owner*”. This is supposed to make me think that is a reason to buy, but do you know how many companies try this line on me? It is hardly a reason to get excited on its own. You first have to figure out whether the ground is worth having.

Golden Horse is a new entrant to the field having IPO'd in December 2024, raising \$18m. Its tenements cover 130 km of strike that include a number of historic gold mines with various styles, both open pit and underground. The Company can come up with any number of historical intercepts to whet your appetite but the future really depends upon whether it can join these up and show depth extensions.

Comment: *Golden Horse is a fresh face so there won't be any stale bulls to hold back the share price. There is a lot of work ahead of it but that should mean there will be plenty of news flow. There may be good value at these prices, but that is dependent upon exploration success. Seeing Emerald Resources as a 20.5% shareholder is encouraging as I hold that company in very high regard. Keep an eye on Golden Horse.*

Matsa Resources (MAT) - imminent gold production**Price:** 5.7¢ **Mkt Cap:** \$42m (undiluted) **Cash:** \$1.5m (31/12/24)

When I looked at Matsa in the past it seemed reasonable value but it always came across as being a bit discombobulated. It was missing the necessary spark and the share price performed accordingly. However, two recent events require a rethink here. The first is an unsolicited takeover bid from Patronus Resources, the largest shareholder with a 19.57% stake already. The second is a \$101m option deal with AngloGold Ashanti.

The \$101m option deal announced last week, whereby AngloGold Ashanti has an option to buy the Lake Carey Project, suggests that the current market capitalisation of \$41m grossly understates the value of the Company. Interestingly \$78m of the payment comes from a formula that takes into account the gold price (A\$4,500) and the ounces (936,000 oz) x 1.875% (US\$53/oz). There is a deferred component of \$20m based on JORC Resources discovered by AngloGold after the acquisition, calculated as 1% of the gold price at the time. It is a little complicated but you can get the gist.

Note that it is an 18 month option that would cost \$73m to exercise today, but that figure could be very different in 18 months time.

Matsa has excluded the Devon Pit, Fortitude North and Red October Village tenements from the deal. **Devon Pit** comprises Probable Reserves of 1.3 Mt at 2.4 gpt for 46,000 oz of gold and there 1 Mt at 2.4 gpt for 104,000 oz at Fortitude.

The bid by Patronus, at 4.5¢ a share, values Matsa at \$33m. The share price has risen to 5.7¢ at the time of writing, so it is difficult to see it succeeding on the current terms.

Matsa is very close to becoming a gold producer at Devon. It expects to be in production this quarter at a capital cost of only \$3m. AISC are estimated at a somewhat high A\$2,915/oz, but that is well and truly covered by an A\$ gold price today of A\$4,400/oz. Over the next 18 months the Company expects to generate free cash flow of \$73m. It is fully permitted. Ore will be delivered to third party mills.

There is good exploration potential at Devon and elsewhere, especially at Fortitude North so there is much more to be looking forward to.

Comment: *There is a list of reasons why Matsa comes across as good value. The market capitalisation of \$41m is underpinned by the bid from Patronus. The projected net cashflow from Devon of \$73m is well in excess of the current market capitalisation. The AngloGold deal, if consummated, is worth twice the current market capitalisation. Matsa looks to be a serious beneficiary of this higher gold price regime. We have added it to our chart coverage.*

What is wrong with “talking my own book”?

From time to time people have a sideswipe at me for “*talking my own book*”. Yes, I do write about companies in which I have an investment, sometimes, but in a minority of cases and it always comes with disclosure and disclaimer. If I like a story, I will always publish my views before going in to buy stock myself. I do not front run.

The purpose of the Weekly is to provide interesting reading that is also educational. I don't charge for it and I don't force people to read it. I try to point readers in the right direction as they are being bombarded by high pressure promotion from a long list of companies. It would be too puritanical to refuse to write about my favourite companies just because of the occasional jealousy and small minded sniping. If my approach offends anyone, you can always request a refund.

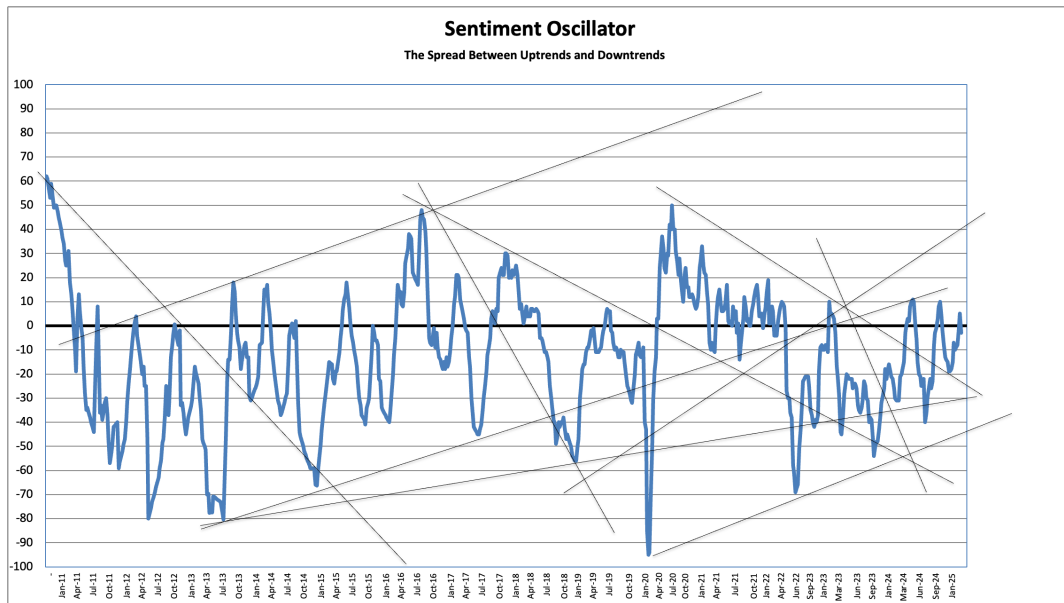
On the educational front, I will take the liberty of including a slide that appeared in a presentation released by Aguia recently (*I'm a director*). This highlights the difference between low grade gold projects at around 1 gpt, and high grade gold projects at around 30 gpt. A significantly lower operating cost per ounce is a given, but it is interesting to see how this happens operationally.

DRAMATICALLY SMALLER FOOTPRINT OF HIGH-GRADE U/G MINES

A FEW QUICK EXAMPLES SHOW WHY HIGH GRADE IS THE MOST ENVIRONMENTALLY FRIENDLY AND LOWEST COST

To Produce 1 oz of Gold at a 1.0 gpt Head Grade	... at a 30 gpt Head Grade
Fuel consumption in trucking rock to mill ... (and add on waste removal)	... you need <u>30</u> tonnes of ore (over greater distances)	... <u>or one</u> tonne of ore
Water consumption for processing ore ... (assuming 600 litres consumed per tonne treated)	... you need <u>18</u> tonnes of water	... or 0.6 tonnes of water
Consider the power consumption in plant for handling 30 tonnes of rock & 18 tonnes of water i.e. <u>48</u> tonnes in process	... <u>or 1.6</u> only tonnes in process, ore and water
Consider also;	<ul style="list-style-type: none"> • The surface area disturbed • The tailings disposal 	
<i>NB: Assumption of 1 tonne of water per tonne treated</i>	<i>60% of water recycled</i>	

This slide is included for general educational purposes only and is not intended to be specific to Company assets. It is based on the author's > 40 years experience as a specialist gold mining analyst. Individual projects may experience different performances.



Sentiment Oscillator: Uranium stocks dragged sentiment back into negative territory last week. There were 41% (42%) in uptrend and 44% (37%) 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	heavy correction after new high	
Metals and Mining	XMM	weaker	
Energy	XEJ	still down	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR	strong recovery	phosphate, gold
Alkane Resources	ALK	forming a wedge	gold
Alicanto Minerals	AQI	strongly higher	base metals, silver, gold
Alligator Energy	AGE	breached uptrend	uranium
Almonty Industries	All	surge to new high	tungsten
Alpha HPA	A4N	rising again	HPA
American Rare Earths	ARR	rising gently	rare earths
Anax Metals	ANX	new low after placement	copper
Andean Silver	ASL	back to support line	silver
Anteotech	ADO	back to low	silicon anodes, biotech
Arafura Resources	ARU	secondary downtrend in play	rare earths
Ardea Resources	ARL	new 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
Averina	AEV	hugging downtrend line after initial breakout	phosphate
Aurora Energy Metals	1AE	down	uranium
Aurelia Metals	AMI	rising	copper + base metals
Aurum Resources	AUE	falling	gold
Australian Gold and Copper	AGC	weaker	base metals, silver, gold
Australian Rare Earths	AR3	down again	rare earths
Australian Strategic Materials	ASM	testing downtrend	rare earths
BHP	BHP	secondary downtrend in play	diversified, iron ore
Ballymore Resources	BMR	back to lows	gold exploration
Barton Gold	BGD	gently higher	gold exploration
Beach Energy	BPT	rising	oil and gas
Bellevue Gold	BGL	down	gold
Besra Gold	BEZ	still down	gold
Black Cat Syndicate	BC8	new high	gold
Boab Metals	BML	back to support line	silver/lead
Brazil Critical Minerals	BCM	new low - two tranche plus 1 for 3	rare earths
Brazilian Rare Earths	BRE	back to downtrend	rare earths
Brightstar Resources	BTR	less steep uptrend	gold
Caravel Minerals	CVV	improving	copper

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Carnaby Resources	CNB		breaching downtrend	copper
Castile Resources	CST		down	gold/copper/cobalt
Catalyst Metals	CYL		surge higher	gold
Cazaly Resources	CAZ		new low	rare earths
Celsius Resources	CLA		at lows	copper
Centaurus Metals	CTM		rising	nickel/cobalt/HPA
Challenger Gold	CEL		rising	gold
Cobalt Blue	COB		at lows	cobalt
Critica. (was Venture)	CRI		rising	tin
Cyprium Metals	CYM		strong rally	copper
Delta Lithium	DLI		down	gold/lithium
Emerald Resources	EMR		back to highs	gold
Empire Energy	EEG		breached uptrend	gas
Emmerson Resources	ERM		uptrend	
EQ Resources	EQR		rising	tungsten
Evolution Mining	EVN		rising	gold
Felix Gold	FXG		spiked higher	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		sideways	niobium
Gold 50	G50		breached uptrend	gold exploration + gallium
Golden Horse	GHM		rising	gold exploration
Great Boulder Resources	GBR		steeply higher	gold exploration
Hamelin Gold	HMG		back to lows	gold exploration
Hastings Technology Metals	HAS		breaching recent uptrend	rare earths
Heavy Minerals	HVY		new high	garnet
Hillgrove Resources	HGO		new low	copper
Iltani Resources	ILT		rising again	antimony
Iluka Resources	ILU		new low	mineral sands
ioneer (was Global Geoscience)	INR		breached downtrend	lithium
Jindalee Lithium	JLL		at lows	lithium
Jupiter Mines	JSM		improving	manganese
Kaiser Reef	KAU		improving	gold
Kalina Power	KPO		breaching steep uptrend	carbon sequestration
Larvotto Resources	LRV		new high	gold, antimony
Lindian Resources	LIN		down	rare earths + bauxite
Li-S Energy	LIS		testing downtrend	Lithium sulphur battery technology
Lotus Resources	LOT		continuing down	uranium
Lucapa Diamond	LOM		collapsed on placement	diamonds
Lynas Corp.	LYC		down	rare earths
Many Peaks	MPK		rising	gold exploration
Marmota	MEU		spiked higher on titanium discovery	gold/uranium exploration
Matsa Resources	MAT		strongly higher	gold

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Mayur Resources	MRL		rising again	renewables, cement
Meeka Gold	MEK		uptrend	gold
MetalsX	MLX		rising	tin, nickel
Meteoric Resources	MEI		down	rare earths
Metro Mining	MMI		off its highs	bauxite
Midas Minerals	MM1		spiked higher, then pullback	lithium
Nagambie Resources	NAG		weaker	gold, antimony
Native Mineral Resources	NMR		steeply higher	gold
Neometals	NMT		down	lithium
New Murchison	NMG		sideways	gold
Newfield Resources	NWF		suspended	diamonds
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		rising	nickel/cobalt/HPA
Regis Resources	RRL		new high	gold
Regergen	RLT		bounce from lows	gas, helium
Richmond Vanadium	RVT		down	vanadium
RIO	RIO		down	diversified, iron ore
RTG Mining	RTG		down	copper
Rumble Resources	RTR		testing uptrend	zinc exploration
S2 Resources	S2R		down	gold exploration
Sandfire Resources	SFR		off its highs	copper
Santana Minerals	SMI		rising	gold
Santos	STO		breaching downtrend	oil/gas
Sarytogan Graphite	SGA		still down	graphite
Siren Gold	SNG		breached downtrend	gold exploration
Southern Palladium	SPD		pullback	PGMs
Stanmore Coal	SMR		down	coal
St George Mining	SGQ		collapse to new low	rare earths, niobium
Stellar Resources	SRZ		gently lower	tin
Summit Resources	SUM		down	niobium, rare earths
Sun Silver	SS1		down	silver
Suvo Strategic Minerals	SUV		down	kaolin
Talga Resources	TLG		rallying, about to meet resistance line	graphite
Tamboran Resources	TBN		rising	gas

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Terra Uranium	T92		rallying	uranium
Theta Gold Mines	TGM		rising again	gold
Toro Energy	TOE		steep rise	uranium
Torque Metals	TOR		back to lows	gold exploration + lithium
Vanadium Resources	VR8		back to lows	vanadium
Vintage Energy	VEN		sideways	gas
Vertex Minerals	VTX		testing uptrend	gold
Warriedar Resources	WA8		testing downtrend	gold exploration
West Cobar	WC1		new low	rare earth + lithium
Westgold Resources	WGX		spiked higher	gold
West Wits Mining	WWI		rising	gold
Whitehaven Coal	WHC		down	coal
Totals	41%	55	Uptrend	
	44%	59	Downtrend	
		134	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	31	23.1%
Gold Exploration	16	11.9%
Rare Earths	12	9.0%
Copper	11	8.2%
Uranium	9	6.7%
Lithium	6	4.5%
Oil/Gas/Hydrogen	6	4.5%
Graphite/graphene	3	2.2%
Iron Ore/Manganese	4	3.0%
Nickel	3	2.2%

HPA/Kaolin	2	1.5%	
Tungsten	2	1.5%	
Tin	3	2.2%	
Silver	3	2.2%	
Antimony	4	3.0%	
Potash/Phosphate	2	1.5%	
Coal	2	1.5%	
Diamonds	2	1.5%	
Niobium	1	0.7%	
Vanadium	2	40.0%	
Zinc/Lead	1	0.7%	
PGMs	1	0.7%	
Mineral Sands	1	0.7%	
Bauxite	1	0.7%	
Cobalt	1	0.7%	
Other	5	3.7%	
Total	134		

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