

s.249D on Lindian could open a better door for shareholders

The markets suffered another mid-week, interest related scare last week when traders in the USA decided to focus on the implications of hawkish comments rather than the actual 25 basis point cut in interest rates. Traders are never sensible but they are inspired by anything that can cause panic, one way or the other. That is how they generate volatility from which they profit.

Lindian: too good to be bogged down by fighting

Readers will be aware that I have covered Lindian Resources (LIN) for a number of years, with some enthusiasm. Initially it was due to the very high grade bauxite assets in Guinea (which it still has), and more recently due to the high grade Kangankunde rare earths project in Malawi.

Like all rare earth companies the Lindian share price has taken a battering. The collapse of share prices will always cause anguish amongst the true believers. Devoted shareholders are prone to looking at the board and management to hold them responsible for their paper losses even when the bear market carries much of the blame. Frustration can lead to changes at the board level in the hope that shuffling the pack can turn things around, even where the macro environment is the greatest source of that frustration.

Lindian is a case in point. The previous chairman, Asimwe Kabunga, resigned when it was apparent that he didn't get the numbers to achieve re-election at the recent AGM. My comment at the time was that he was unlikely to take this lying down. He has too big a stake (~ 11%) to just walk away. Further, he is the key man in the relationships in the countries where Lindian operates - countries where personal relationships are very important.

Predictably, Asimwe has just lobbed a s249D notice on Lindian. That obliges Lindian to call a General Meeting of shareholders to consider resolutions to remove two directors and appoint a new director.

The additional director is none other than me, Warwick Grigor, so I thought that readers might be interested to hear my rationale for allowing myself to be nominated. After all, most people would walk the other way rather than get into a board stoush.

The first point is that we should not be looking at this as a board stoush. It is about frustrations of shareholders flowing over, such that a tipping point has been achieved. What the Company needs is for everyone on the board to be pulling in the same direction. That direction should be what is best for shareholders - all shareholders equally - without entertaining factions that might be pushing for preferential treatment for anyone. Everything needs to be on the table to ensure this outcome. There is no room for hidden agendas or efforts to whisk control away from the general body of shareholders.

Should I be elected to the board of Lindian you can be sure that this will be my overriding imperative. Regular readers will know that I am critical of companies that are run by directors that prioritise their welfare ahead of the welfare of shareholders.

Kangankunde is such a valuable, strategic rare earths asset that we should not be surprised if parties are scheming to gain control of it, by hook or crook, at the cheapest price possible. That would be human nature. A strong, independent board is needed to stand up and make sure this doesn't happen. However, if through a process of maximisation of the value of the project, such that a third party is prepared to pay top dollar for control and all shareholders benefit equally, then so be it. We all know that selling out for maximum capital gain is a faster route to riches than being a long term operator.

That all may sound idealistic but there is nothing wrong with that. There is the possibility that the existing board and Asimwe will be able to come to some sort of compromise rather than engage in the mud slinging which invariably happens with a s249D process, but the parties need to remove the focus on personalities that bring biases into the equation. We all have to be objective and work as a team. Otherwise you might find that the jackals win out and shareholders lose.

Aguia absorbing escrowed share sales

When Aguia made a scrip bid for Andean Mining a year ago it was a condition of the bid that all Andean shareholders were escrowed for a six months period. While the lawyers ummed and arrd about the condition because it was unusual, they eventually approved it on the basis that it was voluntary. There was no obligation on the shareholders to accept the condition, but of course, it would have been totally irrational not to accept it. The alternative would have been stuck with shares that would never have been tradable. As it happened, there was close to unanimous acceptance (there are always a few people missing in action).

The logic for the escrow was thus; most of the 100 shareholders in Andean had been stuck in an unlisted entity for a long time. Some had been there for more than three years. You could imagine that these people would have been instant sellers as soon as their shares were tradeable out of sheer relief as opposed to making a sensible investment decision - and I used the word "investment" advisably, as opposed to punting.

The six months escrow period was designed to provide a useful time frame in which the management could demonstrate the merits of the Company's projects and achieve some positive momentum in the share price. Had the incoming shareholders sold out quickly six months ago it would have caused havoc in the Company's plans to raise equity capital needed to redevelop the gold project.

So, an escrow - call it a moratorium if you like - was deemed to be the smartest move for everyone.

Until I came along as chairman and took over the corporate reigns, Andean was as good as dead and everyone was looking at 100% losses. However, when William Howe showed me the Santa Barbara gold project and I worked out the potential gold production and profits, I immediately jumped on the opportunity and raised the money needed to purchase the 100% interest. Still, the job for Andean shareholders was only half done. The Company had to achieve an ASX listing if it was going to do right by its shareholders.

The previous attempt at listing via an IPO, with the primary asset being the El Dovo copper/gold project, failed in late 2022. I have an aversion to IPOs for many reasons but the time involved, the bureaucracy and the compliance hurdles feed that aversion. As it happened Andean was able to negotiate a win-win takeover deal with Aguia rather than attempt a second IPO.

That is now history but the above mentioned escrow eventually had to run its course. The escrow was lifted on 13th December and the shares received via the takeover became tradeable last week. Last Monday there was record turnover in the shares as impatient sellers (previous escrowed) drove the share price down from 3¢ to 2.4¢ on intraday trading. However, there was strong support in the market. The selling was comfortably absorbed and the share price ended up back where it had started. It is pleasing to see the vast majority of new shareholders that came in via the takeover are embracing the exciting future and hanging in there for the first gold pour.

As a director of an ASX-listed company I am happy when shareholders are happy, and this usually coincides with a rising share price. It is a bit like the saying "*Happy wife, happy life*". Well, I feel the same about shareholders, though a catchy phrase escapes me just now.

Getting back to Aguia's operations at the Santa Barbara gold project, expectations are high that we will all get a pleasant surprise in time for Christmas. It is very close now.

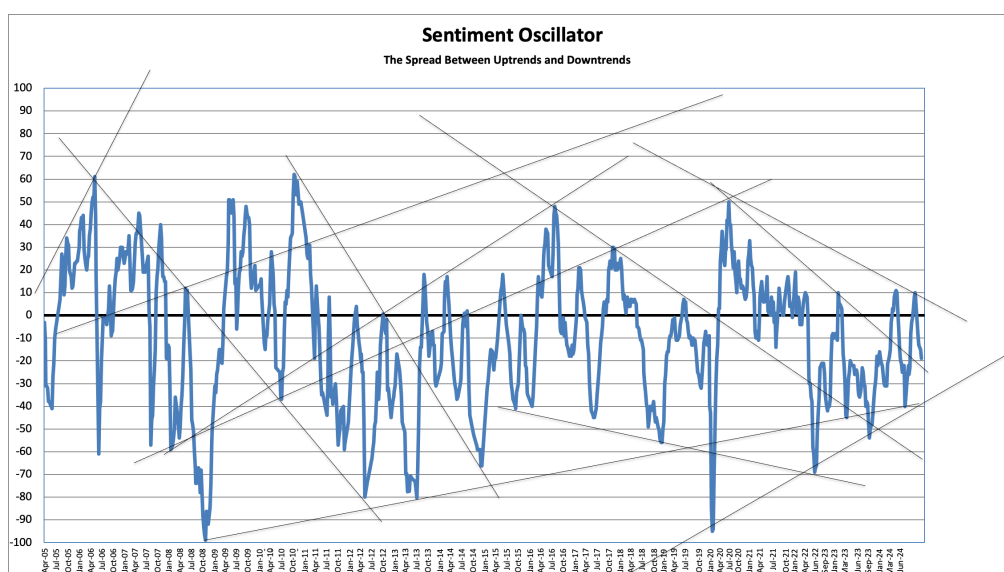
Externalities being ignored in nuclear debate

We have been seeing the Labor Party, and thus the sitting Federal Government, over-reacting to the Liberal's push for nuclear power in Australia. They are throwing numbers around to justify their view, but you can take their numbers with a grain of salt. It is actually a rather moronic debate that is lacking in backup on the accounting side.

With all this discussion about how much it will cost Australia to build nuclear power plants, you can be sure that there is little weighting given to externalities. These are best described as "knock on items" that are too difficult to quantify precisely but nevertheless real. You could call them hidden costs and benefits that never make it to the economic models yet, they are very significant.

There is an incredible number of scientists and researchers spending their days trying to calculate the myriad of different sources of carbon emissions in the world. There are probably at least 10-20,000 worldwide, but no-one really knows. It is the biggest growth sector in universities and government research bodies - including the CSIRO. That means their jobs rely on the perpetuation of the climate debate. Think of how many would lose their jobs if we solved the problem. Maybe more of them should be focusing on nuclear power improvements given the potential of this source of power to dramatically cut carbon emissions, in Australia and worldwide.

We have added two gold stocks to the chart coverage: Aureka (AKA) and Santana Minerals (SMI). We have deleted Alto Metals following the merger with Brightstar, and dropped Arizona Lithium.



Sentiment Oscillator: Sentiment weakened slightly with 29% (30%) in uptrend and 48% (45%) in downtrend. This week, for a longer term view, we took the starting date back to April 2005, rather than January 2011. This was prompted by a reader commenting that the Oscillator spent probably 80% of its time below equilibrium, suggesting that the sector is a tough place in which to make money. Yes, that is correct, but the follow-on comment is that the key to success involves more than just following the trend.

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	down	
Metals and Mining	XMM	down	
Energy	XEJ	still down	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR	back to long term support line	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	rising	tungsten
Alpha HPA	A4N	rising again	HPA
Altech Chemical	ATC	breached support line	HPA, anodes
American Rare Earths	ARR	sideways breach of downtrend	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	down	nickel
Arizona Lithium	AZL	new low	lithium
Astral Resources	AAR	on support line	gold
Aureka	AKA	rising after name change from Navarre	gold exploration
Auric Mining	AWJ	breached uptrend	gold
Averina	AEV	hugging downtrend line after initial breakout	phosphate
Aurora Energy Metals	1AE	surge on asset sale	uranium
Aurelia Metals	AMI	rising	copper + base metals
Australian Gold and Copper	AGC	weaker	base metals, silver, gold
Australian Rare Earths	AR3	down	rare earths
Australian Strategic Materials	ASM	down	rare earths
BHP	BHP	secondary downtrend in play	diversified, iron ore
Barton Gold	BGD	gently higher	gold exploration
Beach Energy	BPT	new low	oil and gas
Bellevue Gold	BGL	down	gold
Besra Gold	BEZ	still down	gold
Black Cat Syndicate	BC8	new high	gold
Boab Metals	BML	rising	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
Carnaby Resources	CNB	down	copper











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Castile Resources	CST		gently higher	gold/copper/cobalt
Catalyst Metals	CYL		down	gold
Cazaly Resources	CAZ		sideways	rare earths
Celsius Resources	CLA		sideways	copper
Challenger Gold	CEL		struggling to hold downtrend breach	gold
Cobalt Blue	COB		at lows	cobalt
Critica. (was Venture)	CRI		testing downtrend	tin
Cyprium Metals	CYM		strong rally	copper
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		breached uptrend	gas
EQ Resources	EQR		testing uptrend	tungsten
Evolution Energy	EV1		back to lows	graphite
Evolution Mining	EVN		rising	gold
Felix Gold	FXG		breached downtrend	gold exploration, antimony
First Graphene	FGR		down	graphene
Fortescue Metals	FMG		rally run out of steam	iron ore
Genesis Minerals	GMD		rising	gold
Globe Metals and Mining	GBE		sideways	niobium
Gold 50	G50		rising again	gold exploration + gallium
Great Boulder Resources	GBR		new low	gold exploration
Group 6 Metals	G6M		suspended	tungsten
Hamelin Gold	HMG		back to lows	gold exploration
Hastings Technology Metals	HAS		breached downtrend	rare earths
Heavy Minerals	HVY		sideways	garnet
Hillgrove Resources	HGO		testing downtrend	copper
Iltani Resources	ILT		down	antimony
Iluka Resources	ILU		breached uptrend	mineral sands
ioneer (was Global Geoscience)	INR		breached uptrend	lithium
Ionic Rare Earths	IXR		new low	rare earths
Jindalee Lithium	JLL		new low	lithium
Jupiter Mines	JSM		new low	manganese
Kaiser Reef	KAU		improving	gold
Kalina Power	KPO		breaching steep uptrend	carbon sequestration
Larvotto Resources	LRV		breaching uptrend	gold, antimony
Lindian Resources	LIN		down	rare earths + bauxite
Li-S Energy	LIS		down again	Lithium sulphur battery technology
Lotus Resources	LOT		continuing down	uranium
Lucapa Diamond	LOM		collapsing due to institution dumping shares	diamonds
Lunnon Metals	LM8		down	nickel
Lynas Corp.	LYC		down	rare earths
Marmota	MEU		testing downtrend	gold/uranium exploration
Mayur Resources	MRL		stronger	renewables, cement
Meeka Gold	MEK		uptrend	gold
MetalsX	MLX		rising	tin, nickel

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Meteoric Resources	MEI	down	rare earths
Metro Mining	MMI	back to high	bauxite
Midas Minerals	MM1	pullback	lithium
Nagambie Resources	NAG	stronger	gold, antimony
Neometals	NMT	down	lithium
Newfield Resources	NWF	suspended	diamonds
Nexgen Energy	NXG	breached uptrend	uranium
Northern Star Res.	NST	falling back to support line	gold
Nova Minerals	NVA	surged higher	gold exploration
Novo Resources	NVO	down	gold exploration
Pacific Gold	PGO	new low	gold exploration
Paladin Energy	PDN	testing steep downtrend	uranium
Pantoro	PNR	down	gold
Patriot Battery Metals	PMT	collapse to a new low	lithium
Peninsula Energy	PEN	reconstructed	uranium
Perseus Mining	PRU	correcting lower	gold
Provaris Energy	PV1	new low	hydrogen
QMines	QML	down	copper
Queensland Pacific Metals	QPM	rising	nickel/cobalt/HPA
RareX	REE	sideways at the bottom of a downtrend	phosphate, rare earths
Regis Resources	RRL	new uptrend	gold
Regergen	RLT	down	gas, helium
Richmond Vanadium	RVT	down	vanadium
RIO	RIO	down	diversified, iron ore
RTG Mining	RTG	down	copper
Rumble Resources	RTR	slump on placement	zinc exploration
S2 Resources	S2R	down	gold exploration
Sandfire Resources	SFR	rising again - new high	copper
Santana Minerals	SMI	falling	gold
Santos	STO	down	oil/gas
Sarytogan Graphite	SGA	still down	graphite
Siren Gold	SNG	spike and fall on corporate bid	gold exploration
Southern Cross Gold	SXG	new high - consolidating with Mawson	gold exploration
Southern Palladium	SPD	pullback	PGMs
Stanmore Coal	SMR	rising	coal
St George Mining	SGQ	suspended	rare earths, niobium
Stellar Resources	SRZ	sideways	tin
Summit Resources	SUM	down	niobium, rare earths
Sun Silver	SS1	breached downtrend	silver
Suvo Strategic Minerals	SUV	down	kaolin
Talga Resources	TLG	back to downtrend line	graphite
Tamboran Resources	TBN	down	gas
Terra Uranium	T92	down	uranium
Theta Gold Mines	TGM	rising again	gold

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Toro Energy	TOE		down	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		steeply higher	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		sideways	gold
Whitehaven Coal	WHC		strong rally	coal
Totals	29%	39	Uptrend	
	48%	64	Downtrend	
		133	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	25	18.8%	
Rare Earths	15	11.3%	
Gold Exploration	14	10.5%	
Copper	11	8.3%	
Uranium	9	6.8%	
Lithium	6	4.5%	
Oil/Gas/Hydrogen	7	5.3%	
Graphite/graphene	4	3.0%	
Iron Ore/Manganese	4	3.0%	
Nickel	3	2.3%	
HPA/Kaolin	3	2.3%	
Tungsten	3	2.3%	

Tin	3	2.3%	
Silver	3	2.3%	
Antimony	4	3.0%	
Potash/Phosphate	2	1.5%	
Coal	2	1.5%	
Diamonds	2	1.5%	
Niobium	1	0.8%	
Vanadium	2	40.0%	
Zinc/Lead	1	0.8%	
PGMs	1	0.8%	
Mineral Sands	1	0.8%	
Bauxite	1	0.8%	
Cobalt	1	0.8%	
Other	5	3.8%	
Total	133		

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