

## Interest rate cycle peaks and gold goes higher

Buy on rumour and sell on news. Isn't that what they say? Well, that was the initial reaction last week when the Fed announced a 0.5% cut in US interest rates, but it recovered in the following days.

Apparently the Fed opted for the more aggressive cut because it was concerned about the job numbers and the risk of a slow down in the economy. Inflation certainly seem to be under control, dropping from 7% to 2.2%.

If we have truly seen the peak interest rates we can be expecting further cuts as we progress into 2025. This is likely to be the main driver of markets for the foreseeable future.

Maybe it is getting monotonous, but gold hit a another new high on Friday night. That is bad for producers with hedge positions, but great for everyone else ... provided you have gold stocks in your portfolio.

### *Agua's Santa Barbara gold treatment plant - on budget and on schedule*

Agua is on schedule and on budget for a restart in November as it takes delivery of capital items. Civil works projects are continuing. The front end of the plant has already had ore going through it in preparation for the instalment of new primary and secondary jaw crushers. Thickener and leach tanks have been ordered, as has the Merrill-Crowe circuit. Accommodation units are in transit.

The existing 30 tpd plant is scheduled to restart in November at the tiny cost of \$1.3m. That capacity will be expanded to 50 tpd in the subsequent months at modest incremental capital costs. Although the ASX won't allow the Company to say it will be producing gold because there is no JORC resource yet, you can draw your own conclusions as to why the plant is restarting. There will be no prohibition on reporting gold production when it happens.

All the Company can say at this juncture is that the previous operators processed 500 tonnes of ore in the pilot phase, recovering 20 gpt of gold, 2-3 years ago. That is the benchmark.

There are 7 km of veins that have been mapped and sampled but not yet drilled. The Company has brought forward the drilling program, expecting to commence with two rigs in February; one above ground and one underground. Given that 200m of adits have exposed the orebodies along strike, the drillers will know exactly where to drill to hit the veins. Drilling in proximity to the mine workings will enable a rapid calculation of resources, then the bigger picture will be tested with step-out drilling.

The recent placements at 2.5¢ raised \$5.1m before costs, meaning the restart is fully funded. These placements have been comfortably digested by the market and the shares are now consolidating in the range of 3.5-4¢.

*Disclosure: Interests associated with the author own shares and options in Agua Resources. The author is executive chairman of the Company.*

### *Uranium market movements are predictable*

At the beginning of the year the two sectors that were most in favour were gold and uranium. Whereas gold was attracting the more seasoned investors, uranium was attracting traders. Today, only the gold investments have delivered while uranium stocks have been treated harshly.

There was a lot of noise around uranium as ETFs raised money in 2023, with the aim of purchasing uranium inventories. The spot market for uranium usually has thin volumes so with the arrival of an ETF into the market it was inevitable that uranium prices would rise. It peaked at US\$105/lb in January, but it has been falling ever since. It penetrated US\$80/lb a few weeks ago.

Now it shouldn't surprise you to hear that the promoters of the ETFs were buying uranium company shares ahead of the run on the uranium price. That was done to obtain leverage. The run on the uranium price itself in late 2023 was the precondition for the run in the share prices. It enabled the traders to bail out for good profits just when Johnny Public was starting to get its act together. The inevitable happened; the uranium price fell and the uranium share prices basically collapsed. Surprise, surprise.

The lesson to be learnt from this exercise is that if you want to ensure that you make profits as opposed to being left holding the bag, you need to think ahead of the pack. There is nothing new here.

With this in mind I would be inclined to think that we should be looking at the sector again now that the heat has come out of it. There will be another run at some point. You can jump aboard once it starts to take shape and probably miss out on the first 25% of the run, or you can get set earlier and patiently wait. It is up to you.

There are plenty of uranium stocks to play, but this week we have identified two of the smaller companies that look underpriced at recent levels. More on them next week.

### *A day in the life of Alicanto Minerals*

There are plenty of reasons to be unhappy with Alicanto (AQI). Despite having good projects in Sweden the Company has consistently been unable to excite investors. There has been a procession of management changes that haven't made much difference. The directors have been excessively greedy in giving themselves performance rights. The share price has collapsed, and then, when there was a cheap entitlement issue at 1.3¢, many shareholders never received the entitlement documents, allegedly because they were emailed rather than posted. It really

looks like the Company was engineering a big shortfall to enable the “thieves” to get set at the bottom. This suspicion was amplified when a broker in Perth rang me to bid for a line of stock. As unhappy as I am, I rejected the bid as I smelt that something is happening under the radar.

A puritan would have nothing to do with Alicanto given the list of grievances, but there is no point in being a puritan and being poor. Rather, if you can't beat them, join them!

On Wednesday I thought “f... it. Lets just stir the pot”. I took the sellers out at 1.8¢ but the market was very thin and I only picked up < 300,000 shares. The shares quickly moved above 2¢ and continued to reach 2.3¢ on the close. Total turnover for the day was only one million shares, or about \$22,000, so we are talking tiny numbers. Nevertheless, this is a scenario that happens frequently, in big and small stocks.

What that tells you is that there are people who want stock but they are not sitting with bids in the screen. They panicked and jumped in after me. The share price rose 28% on no news flow. Interesting.

Now that the schemers have gotten set, and the directors have looked after their best interests with the performance rights, the ducks are all in a row. All that is needed now is the introduction of a new project which will be the subject of enthusiastic promotion and the shares could run back closer to 10¢ in a hurry. They could do even better, depending upon the merits of the project.

It is guesswork as to when this will happen but it would not be prudent to announce an initiative too close the EGM that voted to approve all those performance rights, because the implication would be that directors knew something that should have been disclosed. That means a passage of time is necessary to identify and close a deal. The jump in the share price on Wednesday suggests that there are some people with high expectations and they are suffering from FOMO big time. Why else would the shares jump 28% in a morning? We will watch with interest to see how this plays out. Just remember, it is only a rort if you are not in it!  
*Footnote: The shares edged up to 2.5¢ on Friday then closed at 2.3, but still no news flow. I'm not actually expecting any.*

### *Itani enters the antimony space*

As I said recently, “*turn on the light and the moths will come*”. We see another example of this with Itani Resources (ILT) announcing results from its Antimony Reward Project at Herberton, Qld. Though to be fair, ILT had its flag in the sand well ahead of the antimony rush. Maybe it had a crystal ball.

A total of 19 samples were taken from two vein systems with averages of 16.2% Sb and 10.9% Sb. When you see the word “vein” mentioned, it should be contrasted with words like “disseminated” and “zones”. A vein is by definition a narrow structure and this has its own implications for size and potential tonnages. In this example the veins widths sampled at surface ranged from 10 cm to 1m i.e. narrow. Remember that a sampling program like this is usually designed to extract the best possible assays in order to draw the attention to the upside, selectively. View the results as evidence of good grade but do not make any assumptions of continuity until there is significantly more work done. It is just the first step. As the

JORC table says, they were random rock chip samples i.e. highly selective.

A better idea can be obtained from looking at historical drilling that returned 3m at 3.49% Sb, 2m at 5.51% Sb and 12m at 2.73% Sb. Individual assays within these intercepts returned 1-2m at 11.9% Sb and 17.3% Sb. These are by no means shabby, so it is a legitimate prospect. The region has been known for antimony for many years.

### *Background*

Itani was a \$5m IPO in June 2023, with Canary Capital and Sanlam being the Lead Managers. The Herberton antimony assets were most recently drilled by Kangaroo Metals in 2007/08. One vein system was drilled over a 200m strike length around historical workings that extended to depths of 10m. A duplicate vein was identified 100m to the south, but not drilled.

### *The Bottom Line*

The issued capital is tight as the company has not been around long enough to blow out the capital structure. The shares have traded between 12¢ and 40¢, spiking on the antimony surge last August, but have since moderated in price.

Itani was capitalised at \$7.8m when it went into a trading halt to raise \$2.2m at 21¢ per share (14.6% discount to the 20 day VWAP). Interestingly, the shares rose to 26¢ the day the trading halt was lifted.

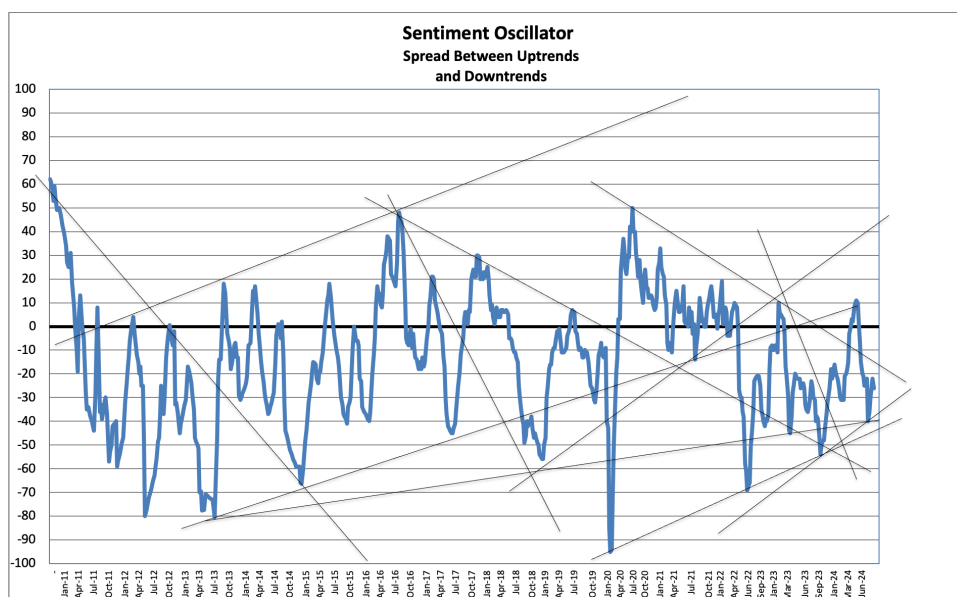
Normally I would not have been enthused by a grass roots exploration company such as this one, but with antimony in the spot light, it is now rather topical. There are good antimony credentials but unlike Hillgrove and the Victorian stories, there doesn't seem to be much, if any, gold associated with the antimony.

Whether or not shareholders can make money out of this one depends upon how long the antimony rush continues, and whether subsequent drilling can deliver exciting intercepts. The tight capital structure could lead to speculative volatility and good trading opportunities.

### *Auric Mining (AWJ) is worth looking at*

I have had a number of people suggest that I should be taking a close look at Auric Mining, a junior gold producer in WA. A quick glance at it tells me it is an example of the juniors that should be able to get into good cash flow with what may initially be modest gold resources, but with potential to grow. As I have been saying for a while now, you don't need a big orebody to make good cash flow at these gold prices. Auric is relying on processing through a third party mill, which is good if you can cut a deal like it has done. Many other companies have the gold but have trouble doing a deal to get the ore processed. I'll be doing more work on Auric over the next week.

This week we have deleted South Harz, Thor Mining and Voltaic Strategic Resources from our chart coverage, and added Auric Mining and Challenger Gold.



**Sentiment Oscillator:** Sentiment improved gently during the week. There were 27% (26%) of stocks in uptrend and 50% (52%) in downtrend at the close of the week

### 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	<b>new high</b>	
Metals and Mining	XMM	<b>bounced from low</b>	
Energy	XEJ	<b>still under long term downtrend line</b>	
Information Technology	XIJ	<b>new high</b>	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
5EA Advanced Materials	5EA	<b>new low</b>	boron
Advance Metals	AVM	<b>new low</b>	coal, gold exploration
Agua Resources	AGR	<b>new high</b>	phosphate, gold
Alkane Resources	ALK	<b>new low</b>	gold
Alicanto Minerals	AQI	<b>new low</b>	base metals, silver, gold
Alligator Energy	AGE	<b>new low</b>	uranium
Almonty Industries	All	<b>rising</b>	tungsten
Alpha HPA	A4N	<b>rising again</b>	HPA
Altech Chemical	ATC	<b>back in downtrend</b>	HPA, anodes
Alto Metals	AME	<b>new high</b>	gold
American Rare Earths	ARR	<b>consolidating</b>	rare earths
Anax Metals	ANX	<b>breaching downtrend</b>	copper
Andean Silver	ASL	<b>back to highs</b>	silver
Anteotech	ADO	<b>struggling at lows</b>	silicon anodes, biotech

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Arafura Resources	ARU		pullback	rare earths
Ardea Resources	ARL		down	nickel
Arizona Lithium	AZL		strong rally	lithium
Astral Resources	AAR		surge to new high	gold
Auric Mining	AWJ		rising	gold
Averina	AEV		rising	phosphate
Aurora Energy Metals	1AE		slump to new low	uranium
Aurelia Metals	AMI		breaching uptrend	copper + base metals
Australian Gold and Copper	AGC		weaker	base metals, silver, gold
Australian Rare Earths	AR3		new low	rare earths
Australian Strategic Materials	ASM		new uptrend breached	rare earths
BHP	BHP		new low	diversified, iron ore
Barton Gold	BGD		testing downtrend	gold exploration
Beach Energy	BPT		new low	oil and gas
Bellevue Gold	BGL		breached uptrend	gold
Besra Gold	BEZ		testing downtrend	gold
Black Cat Syndicate	BC8		new high	gold
Boab Metals	BML		sideways at lows	silver/lead
Brazil Critical Minerals	BCM		new low	rare earths
Brazilian Rare Earths	BRE		surge through downtrend	rare earths
Brightstar Resources	BTR		uptrend	gold
Caravel Minerals	CVV		back into downtrend	copper
Carnaby Resources	CNB		down	copper
Castile Resources	CST		testing downtrend	gold/copper/cobalt
Catalyst Metals	CYL		surge to new high	gold
Cazaly Resources	CAZ		breached new downtrend	rare earths
Celsius Resources	CLA		sideways	copper
Challenger Gold	CEL		rising off lows	gold
Cobalt Blue	COB		new low	cobalt
Critica. (was Venture)	CRI		down	tin
Cyprium Metals	CYM		breached uptrend	copper
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		breached uptrend	gas
EQ Resources	EQR		breaching downtrend	tungsten
Evolution Energy	EV1		collapse to a new low	graphite
Evolution Mining	EVN		rising	gold
First Graphene	FGR		down	graphene
Fortescue Metals	FMG		new low	iron ore
Genesis Minerals	GMD		rising	gold
Globe Metals and Mining	GBE		down	niobium
Gold 50	G50		falling	gold exploration + gallium
Great Boulder Resources	GBR		new low	gold exploration
Group 6 Metals	G6M		back to lows	tungsten
Hamelin Gold	HMG		down	gold exploration

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Hastings Technology Metals	HAS	back in downtrend	rare earths
Heavy Minerals	HVY	testing brief, sharp uptrend	garnet
Hillgrove Resources	HGO	new low	copper
Iluka Resources	ILU	breached downtrend	mineral sands
ioneer (was Global Geoscience)	INR	rising	lithium
Ionic Rare Earths	IXR	new low	rare earths
Jervois Mining	JVR	back to lows	nickel/cobalt
Jindalee Lithium	JLL	new low	lithium
Jupiter Mines	JSM	new low	manganese
Kaiser Reef	KAU	improving	gold
Krakatoa Resources	KTA	back to lows	rare earths
Larvotto Resources	LRV	steep rise	gold, antimony
Lindian Resources	LIN	sideways at lows	rare earths + bauxite
Li-S Energy	LIS	sideways	Lithium sulphur battery technology
LCL Resources	LCL	new low	gold/nickel exploration
Lotus Resources	LOT	new low	uranium
Lucapa Diamond	LOM	collapsing due to institution dumping shares	diamonds
Lunnon Metals	LM8	down	nickel
Lynas Corp.	LYC	testing downtrend	rare earths
Marmota	MEU	gently lower	gold/uranium exploration
Mayur Resources	MRL	stronger	renewables, cement
Meeka Gold	MEK	uptrend	gold
MetalsX	MLX	rising	tin, nickel
Meteoric Resources	MEI	new low	rare earths
Metro Mining	MMI	breached uptrend	bauxite
Midas Minerals	MM1	testing downtrend	lithium
Nagambie Resources	NAG	testing steep uptrend	gold, antimony
Neometals	NMT	testing downtrend	lithium
Newfield Resources	NWF	rallying	diamonds
Nexgen Energy	NXG	breached uptrend	uranium
Northern Star Res.	NST	rising again	gold
Nova Minerals	NVA	down	gold exploration
Novo Resources	NVO	down	gold exploration
Pacific Gold	PGO	breached downtrend	gold exploration
Paladin Energy	PDN	down heavily on takeover bid	uranium
Pantoro	PNR	rising again	gold
Patriot Battery Metals	PMT	collapse to a new low	lithium
Peninsula Energy	PEN	new low	uranium
Perseus Mining	PRU	correcting lower	gold
Provaris Energy	PV1	new low	hydrogen
QMines	QML	rising	copper
Queensland Pacific Metals	QPM	new low	nickel/cobalt/HPA
RareX	REE	new low	phosphate, rare earths
Regis Resources	RRL	down	gold

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Regergen	RLT		surge on production news	gas, helium
Richmond Vanadium	RVT		bounced from lows	vanadium
RIO	RIO		testing downtrend	diversified, iron ore
RTG Mining	RTG		rising again	copper
Rumble Resources	RTR		testing downtrend	zinc exploration
S2 Resources	S2R		down	gold exploration
Sandfire Resources	SFR		down	copper
Santos	STO		down	oil/gas
Sarytogan Graphite	SGA		new low on project update	graphite
Siren Gold	SNG		testing downtrend	gold exploration
Southern Cross Gold	SXG		surging on antimony	gold exploration
Southern Palladium	SPD		rising again	PGMs
Stanmore Coal	SMR		down	coal
St George Mining	SGQ		down	rare earths, niobium
Stellar Resources	SRZ		breaching downtrend	tin
Summit Resources	SUM		rising again	niobium, rare earths
Sun Silver	SS1		rising	silver
Suvo Strategic Minerals	SUV		sideways through uptrend	kaolin
Talga Resources	TLG		slump	graphite
Tamboran Resources	TBN		down	gas
Theta Gold Mines	TGM		rising again	gold
Torque Metals	TOR		back to lows	gold exploration + lithium
Vanadium Resources	VR8		down	vanadium
Vintage Energy	VEN		new low	gas
Vertex Minerals	VTX		steeply higher	gold
Walkabout Resources	WKT		sideways	graphite
Warriedar Resources	WA8		testing uptrend after placement	gold exploration
West Cobar	WC1		spike on antimony news	rare earth + lithium
Westgold Resources	WGX		rising	gold
West Wits Mining	WWI		sideways	gold
Whitehaven Coal	WHC		heavy fall	coal
Totals	27%	36	Uptrend	
	50%	67	Downtrend	
		135	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	28	20.7%	
Gold Exploration	15	11.1%	
Rare Earths	13	9.6%	
Copper	10	7.4%	
Uranium	6	4.4%	
Lithium	6	4.4%	
Oil/Gas	6	4.4%	
Nickel	5	3.7%	
Graphite/graphene	5	3.7%	
Iron Ore/Manganese	4	3.0%	
Potash/Phosphate	3	2.2%	
Coal	3	2.2%	
Tungsten	3	2.2%	
Tin	3	2.2%	
Silver	4	3.0%	
Diamonds	2	1.5%	
Niobium	2	1.5%	
Vanadium	2	20.0%	
Zinc/Lead	2	1.5%	
Mineral Sands	1	0.7%	
Bauxite	1	0.7%	
Cobalt	1	0.7%	
Other	10		
Total	135		

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