

American Rare Earths is positioned to benefit from Trump

"Did you buy on the dip or did you miss the boat?" That is what Kitco was asking in an email this morning as it reviewed the gold price movements.

Once again we have seen how gut reactions are too emotionally charged. A 9% fall in the gold price was the correction many people were looking for but did they have sufficient conviction to act and buy on the dip? Probably not, is the most likely answer.

The macro arguments for a higher gold price are as strong as ever with the Ukraine War cranking up to a higher level of intensity with new weapons being used and North Korea now sending 100,000 troops to fight. Interest rates, inflation and currency movements will always affect the gold price, but when you consider global instability, gold is still the best place to be.

American Rare Earths - strategic positioning

We have always thought that American Rare Earth's (ARR) project location in the USA offered some geopolitical strategic advantages but the election of Trump may further shift the landscape in the Company's favour. While enthusiasm for green energy will take a backseat, the Trump administration's focus on "America First" policies and bolstering domestic industries could prove beneficial for ARR. With a strong emphasis on reducing reliance on foreign supply chains and ensuring critical materials are produced domestically, ARR is well positioned to align with these priorities.

Just as Trump once championed the oil industry with his "drill, baby, drill!" ethos, we anticipate similar enthusiasm for domestic mining initiatives that strengthen the U.S. supply chain. As a Republican-led, mining-supportive state, Wyoming offers a favourable regulatory environment. With Wyoming Senator John Barrasso's prominence in mining reform advocacy, we anticipate his leadership could create tangible benefits for Halleck Creek.

As the US continues to focus inward on domestic supplies of NdPr, for industrial and defence applications, ARR might actually get a tickle along. So, let's look at the current status of Halleck Creek, the lead rare earth project in Wyoming

Size is not a problem

With a global resource of 2.34 billion tonnes there is no shortage of material to establish a mine with a life of > 100 years, but we are more interested in the higher grade sections that can run at 4-5,000 ppm TREE, that are on State land. Being on State land rather than Federal BLM ground, permitting is expected to be faster. Recent examples in Wyoming suggest that permitting could be achieved in under two years making this an opportunity rather than a limitation. ARR has already initiated baseline

monitoring, a critical first step towards ensuring a smooth permitting process.

The Scoping Study released in March 2024, targets the smaller area and talks of capex of US\$380m and a 2.9 year payback. A simple process would involve upgrading feed from 3,800 ppm to 3-4% through screening, removing 80% of the gangue material. Starting from ROM feed of 3 Mtpa, only 600,000 tpa would be fed to the recovery circuit that would employ gravity and magnetic separation units to achieve 67% recovery rates using low temperature (90°) leaching. Operating costs are expected to be a low \$38/kg NdPr Eq.

An important point of distinction is that ARR would produce metal oxide and not a concentrate. That takes it one step further along the value adding path than merely producing a rare earth concentrate. Also, the option exists to install a refinery on site to achieve 98-99% product purity. That would obviously be of great strategic interest to the USA Government.

Funding is adequate for this stage

With \$12m in the kitty and \$4m in financial assets the Company is well-funded for the time being. The political favour has worked to its advantage with a Wyoming Government grant of \$10.7m. The grant enables the Company to receive a 50% rebate on exploration and project development expenditure up to July 2027.

While it is only a letter of intent, and therefore not binding, ARR has announced a US Export Import Bank (EXIM) Letter of Intent to raise up to US\$456m. EXIM is the official export credit agency of the US Federal Government with the mission to support US exporters and jobs.

Bringing in the big guns

Back in August, ARR announced an internal restructuring to better assist the advancement of Halleck Creek (it has a number of other rare earth projects). As part of this initiative, it has engaged BMO Capital Markets as a strategic financial advisor. Their role includes identifying and securing strategic investments, joint ventures, and offtake agreements, as well as exploring funding opportunities to advance the project. One would assume that this group is also well positioned to ensure ARR gets access to all the government incentives that are available.

Timeline

Even with fast tracking it is realistic to expect challenges, but with the current shift in U.S. government support for onshore mining and efforts toward mining reform, coupled with the advantages of permitting on state lands, the project could potentially be developed within a five-year timeframe. A PFS is scheduled for next year. An application has been lodged to open a test mine that would feed a pilot plant. With the right strategic partner and government

support, the pathway to commercial commissioning could be significantly accelerated.

The Bottom Line

ARR is demonstrating some gravitas with a market capitalisation of \$138m. The share price has been steady at 25-30¢ for some time. This is a very USA-centric company that is mostly run out of the USA, where it has boots on the ground. It is probable that there will be some sort of corporate deal or joint venture with a strategic partner. Thus, there are special considerations to consider when comparing it to other ASX listed rare earth companies.

The net impact on ARR of the Trump Presidency is yet to be established, but the more it is seen as a USA company, the greater the chances of success with funding and approvals.

Antimony on a rocket to the moon

The antimony price just keeps going higher. Last week there were reports of antimony trioxide prices hitting \$37,500 per tonne, up from \$18,300 per tonne. It is all because the Chinese are controlling the market. A move like this will excite speculators in the short term, driving antimony stocks higher, but getting a mine into production takes time and who knows what the market will be like in 2-3 years time. So it will be better to trade the sentiment rather than get bogged down in backing possible mine developments.

Whatever you expect, it'll be wrong

A front page column on The New York Times recently told us what most of us already realise, but prefer not to admit - especially in the financial services sector. After all, our value to clients is supposed to be based on superior knowledge, judgement and the ability to see into the

future... isn't it? The reality is that whatever we expect, it is likely to be wrong, so don't be too dogmatic about describing the future with Trump. It is as if we have been handed a pack of cards but they are still being shuffled.

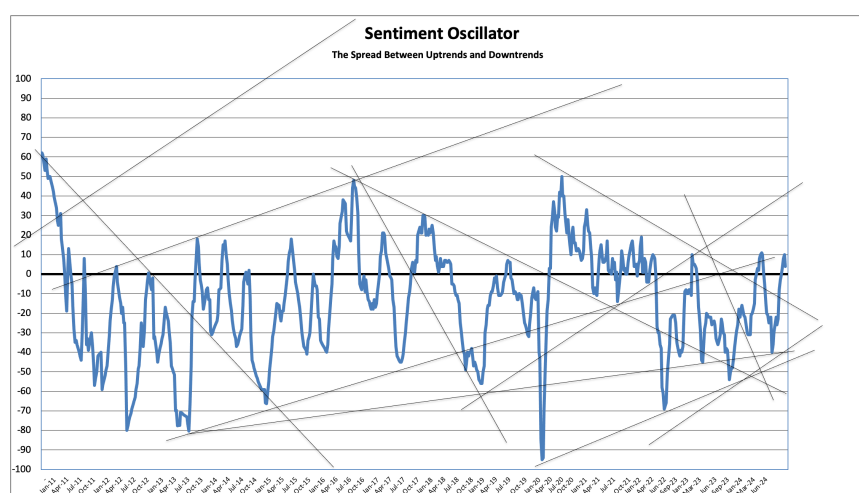
Our lack of ability to predict the future is most noticeable in national and global events. That is the conclusion of psychologist Philip Tetlock after several years of study. (I hope he didn't get paid too much public money to figure this out. After all, his conclusion would have been one of the most accurately predictable outcomes).

In business it is useful to have some expectations about the future but the really successful people are those who are able to recognise when and to where the goal posts are moving. Quick adaptability to changing circumstances is the key to success rather than just following the pack which moves on consensus.

Agua Update - gold is very close

On Friday Agua Resources released a positive update on the recommissioning progress at the high-grade Santa Barbara gold project. The Company is not allowed to offer guidance because of the ASX Listing Rule dictating that it is impossible to have a gold mine ahead of JORC resources. The Company has to be very careful about what it says and how it says it or it will be pinged by the ASX. Nevertheless, it is reasonable to assume that if a gold treatment plant is being switched on, it will be treating rock that contains gold. Watch this space for reports of actual events over the next month.

Disclosure: Interests associated with the author own shares and in Agua and the author is the Executive Chairman.



Sentiment Oscillator: Not updated

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	testing ST downtrend	
Metals and Mining	XMM	pullback	
Energy	XEJ	strong rally	
Information Technology	XIJ	new high	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR	consolidating at highs	phosphate, gold
Alkane Resources	ALK	breached downtrend	gold
Alicanto Minerals	AQI	strongly higher	base metals, silver, gold
Alligator Energy	AGE	breached steepest downtrend	uranium
Almonty Industries	All	rising	tungsten
Alpha HPA	A4N	rising again	HPA
Altech Chemical	ATC	rising	HPA, anodes
Alto Metals	AME	new high	gold
American Rare Earths	ARR	sideways breach of downtrend	rare earths
Anax Metals	ANX	new low after placement	copper
Andean Silver	ASL	new highs	silver
Anteotech	ADO	spike higher	silicon anodes, biotech
Arafura Resources	ARU	secondary downtrend in play	rare earths
Ardea Resources	ARL	down	nickel
Arizona Lithium	AZL	sideways through downtrend	lithium
Astral Resources	AAR	new high	gold
Auric Mining	AWJ	rising	gold
Averina	AEV	hugging downtrend line after initial breakout	phosphate
Aurora Energy Metals	1AE	back to lows	uranium
Aurelia Metals	AMI	rising	copper + base metals
Australian Gold and Copper	AGC	weaker	base metals, silver, gold
Australian Rare Earths	AR3	surge then heavy pullback	rare earths
Australian Strategic Materials	ASM	new uptrend breached	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	recovering	gold
Besra Gold	BEZ	still down	gold
Black Cat Syndicate	BC8	slump on \$80m placement at 52c	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	breached downtrend	rare earths
Brightstar Resources	BTR	higher	gold
Caravel Minerals	CVV	sideways	copper

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Carnaby Resources	CNB		breached downtrend	copper
Castile Resources	CST		gently higher	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		hugging uptrend line	gold
Cobalt Blue	COB		breached downtrend	cobalt
Critica. (was Venture)	CRI		sideways	tin
Cyprium Metals	CYM		down again	copper
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		breached uptrend	gas
EQ Resources	EQR		testing uptrend	tungsten
Evolution Energy	EV1		testing uptrend	graphite
Evolution Mining	EVN		rising	gold
Felix Gold	FXG		breaching steps uptrend	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		down	niobium
Gold 50	G50		breached downtrend	gold exploration + gallium
Great Boulder Resources	GBR		new low	gold exploration
Group 6 Metals	G6M		suspended	tungsten
Hamelin Gold	HMG		breached downtrend	gold exploration
Hastings Technology Metals	HAS		back in downtrend	rare earths
Heavy Minerals	HVY		testing brief, sharp uptrend	garnet
Hillgrove Resources	HGO		testing downtrend	copper
Iltani Resources	ILT		pullback	antimony
Iluka Resources	ILU		breached uptrend	mineral sands
ioneer (was Global Geoscience)	INR		rising	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
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		spiked higher	Lithium sulphur battery technology
LCL Resources	LCL		sideways at the bottom	gold/nickel exploration
Lotus Resources	LOT		breached downtrend, rising gently	uranium
Lucapa Diamond	LOM		collapsing due to institution dumping shares	diamonds
Lunnon Metals	LM8		steep rise	nickel
Lynas Corp.	LYC		rising	rare earths
Marmota	MEU		testing downtrend	gold/uranium exploration

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Mayur Resources	MRL		stronger	renewables, cement
Meeka Gold	MEK		uptrend	gold
MetalsX	MLX		rising	tin, nickel
Meteoric Resources	MEI		recovering	rare earths
Metro Mining	MMI		breached downtrend	bauxite
Midas Minerals	MM1		pullback	lithium
Nagambie Resources	NAG		returning to downtrend	gold, antimony
Neometals	NMT		breached uptrend	lithium
Newfield Resources	NWF		rallying	diamonds
Nexgen Energy	NXG		breached downtrend	uranium
Northern Star Res.	NST		rising again	gold
Nova Minerals	NVA		surged higher	gold exploration
Novo Resources	NVO		sideways through downtrend	gold exploration
Pacific Gold	PGO		breached downtrend	gold exploration
Paladin Energy	PDN		crunched down	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		breached uptrend	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		surge on production news	gas, helium
Richmond Vanadium	RVT		sideways	vanadium
RIO	RIO		pullback	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
Santos	STO		down	oil/gas
Sarytogan Graphite	SGA		testing downtrend	graphite
Siren Gold	SNG		spike and fall on corporate bid	gold exploration
Southern Cross Gold	SXG		breaching uptrend	gold exploration
Southern Palladium	SPD		spiked higher	PGMs
Stanmore Coal	SMR		risen to meet resistance line	coal
St George Mining	SGQ		down	rare earths, niobium
Stellar Resources	SRZ		rising again	tin
Summit Resources	SUM		down	niobium, rare earths
Sun Silver	SS1		breached uptrend	silver
Suvo Strategic Minerals	SUV		sideways through uptrend	kaolin
Talga Resources	TLG		back to downtrend line	graphite
Tamboran Resources	TBN		down	gas

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Terra Uranium	T92	■	down	uranium
Theta Gold Mines	TGM	■	rising again	gold
Toro Energy	TOE	■	breached downtrend	uranium
Torque Metals	TOR	■	back to lows	gold exploration + lithium
Vanadium Resources	VR8	■	back to lows	vanadium
Vintage Energy	VEN	■	new low	gas
Vertex Minerals	VTX	■	steeply higher	gold
Walkabout Resources	WKT	■	sideways	graphite
Warriedar Resources	WA8	■	down	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	36%	49	Uptrend	
	32%	43	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	25	18.5%
Rare Earths	16	11.9%
Gold Exploration	14	10.4%
Copper	11	8.1%
Uranium	9	6.7%
Lithium	6	4.4%
Oil/Gas/Hydrogen	7	5.2%
Graphite/graphene	5	3.7%
Iron Ore/Manganese	4	3.0%

Nickel	3	2.2%	
HPA/Kaolin	3	2.2%	
Tungsten	3	2.2%	
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	135		

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