

What is China's game with graphite?

It has been another week lacking in inspiration, though the corporate activity in the larger players in the lithium sector has been a standout. Gold continues to be strong, breaking through the US\$2,000/oz barrier last night. If ever it was a good time for gold companies to be raising equity, this is it. Expect more funds to flow bullion's way. Graphite stocks rallied in response to the announcement of an export ban by China, on both natural and synthetic graphite, citing national security concerns.

What does the ban really mean?

ASX-listed granite companies surged in the first instance but most came back when the news was fully digested. The sector is not really in a position to benefit from the ban yet, but it should be helpful in the longer term. Graphite prices may rise in the short term but very few companies have product in the market that will benefit.

There is no shortage of graphite deposits around the world awaiting financing and development, but the world is very dependent upon China's downstream processing. It still accounts for 92% of global graphite battery anode capacity and there is nothing tangible on the horizon that is going to remove this heavy dependence on China.

As we are seeing across a wide range of commodities and downstream products, China is more than willing to throw its weight around in the markets and strangle supply chains. The CCP is happy to weaponise its position of dominance with strategies that confuse market pricing signals and make it difficult for Western companies to advance financing and production plans. We have seen in the rare earths market and now the focus is expanding to cover graphite.

Yet, it is not as if graphite is a scarce commodity. There are plenty of projects on the drawing boards that could be fast tracked as a response. Similarly, Western world initiatives to develop its own battery supplies will be prioritised. If the effect of China's actions is to raise the price of graphite and graphite anodes, it will provide greater incentive for the free world to boost supply. A question that will then remain is whether or not China subsequently floods the market to force prices down again.

Rather than quote supply side concerns, it would make sense to expand supply rather than restrict exports. Apart from just being aggressive it is difficult to see how China gains from this strategy ... unless ... it is all about increasing the penetration of its EV cars in preference to those produced in the Western world. If the Western world's production of EVs is constrained by a shortage of anodes, China is well positioned to fill the gap. It will still export the anodes, but they will be in the cars themselves rather than as components for Western manufacturers.

This strategy may work well for a year or three, but it will likely prompt a strong supply response. Once again China is showing that it can't be relied upon. We have to develop

our own supply chains ASAP and that would be good for a range of emerging graphite companies.

Larvotto is going where angels fear to tread

It is interesting to see that Larvotto Resources (LRV) has agreed to buy the Hillgrove gold/antimony mine from the Administrator for \$8m, including \$4.89m in environmental bonds. When the previous owner purchased the mine for \$4m in paper (Red River Resources), I congratulated it on buying a project that had sent every previous owner over the past 40 years broke.

I have actually kept a close eye on this project since the 1970s when Vam made a reasonable go of it on the back of the booming gold price, but the initial success fizzled out due to shortages of working capital and general operational difficulties. Since then Hillgrove has been owned by a succession of owners that have blown more than \$200m on trying to make it work. Red River started to get some success on drilling for gold rather than worrying about the antimony, but it couldn't carry on.

Will Larvotto do any better? Maybe, but it won't be easy. Nothing has ever been easy at Hillgrove. It has the benefit of associations with GAGE Capital Management, a Beijing-based asset manager, and Trafigura, a large global commodity trader, but it needs very good operational management on site more than strong shareholders. It will also need access to substantial capital.

Antimony is a very scarce critical metal with 85% of supply being controlled by Russia, China and Tajikistan. The price has risen from around US\$6,000 pt in 2020, to US\$12-14,000 pt more recently. The Chinese will happily take concentrates but payment terms will be harsh. There is also a smelter in Oman that is also looking for concentrates. Gold is obviously increasing in favour just now but the mine is not producing yet.

Larvotto has taken on a challenging project. There is no reason why it can't work but there is also no guarantee that it will. We wish it the best of luck.

Why should any group of people own a country?

Unfortunately it seems that the failure of the Voice to get up is not the end of it. The No voters may have won the battle, but judging by the reaction of the losers it seems to be that war is ongoing. The minority Aboriginal elite and the media led by the Aboriginal Broadcasting Commission (ABC) will continue to reject the democratic outcome and seek to impose their ambitions on the majority of the nation. Yet, there needs to be the consideration of a much deeper concept that recognises what is happening in the world at large right now, and the path we that mankind is walking towards as the future unfolds.

Notwithstanding the back-peddling on globalism that has been caused initially by Covid and then the Chinese Communist Party's willing to weaponise its trade

advantage, modern transport and the interconnectedness that has come with the internet has changed our perspectives forever. The world is getting smaller and smaller and migration has accelerated everywhere. Societies are no longer ethnically pure. In Australia, as an example, the last 40-50 years of migration has changed to the composition of our population from that of a UK and European ethnicity to one of multiculturalism that takes into account peoples from all around the world. The concept of the "Ocker Australian" is outdated, as much as we would like to hang onto its romanticism.

Any given land mass in this world is no longer the exclusive property of a single, defined group of people. Tradition has fallen by the way in favour of economic rationalism. What country has the right to prevent people from other places immigrating in pursuit of a better life? Put simply, the globe belongs to everyone collectively, and it is available to those who will make the most efficient use of it.

It might seem a bit radical to suggest such a libertarian view of the world, and I will acknowledge that we are not quite there yet, but we are definitely a long way down the path. Nationalism is taking a backward step in favour of individualism as the primary institution, even though that individualism is increasingly being restricted on a day to day basis due to increasing laws and regulations that comprise peoples' freedom to do what they want. Order within a society is an underlying theme as our individual behaviour is being managed by the process of homogenisation, with society telling us what we are allowed to say and think. I'm not saying I'm in favour of it, I'm just saying it is happening.

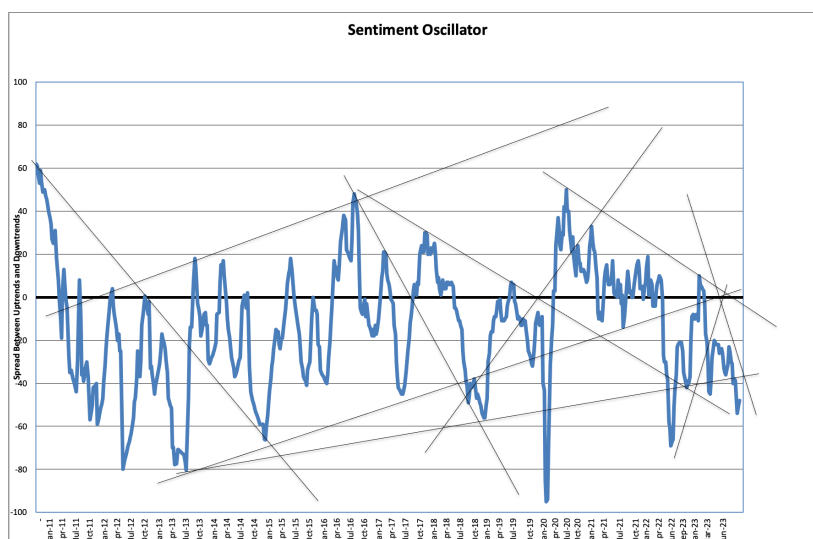
What has this got to do with the claims of Aboriginals? Well, have a look at the open letter published last Sunday referenced in an article by Janet Albrechtsen in Saturday's Weekend Australian, 28 October 2023, saying "*Australia is our country ... "We do not for one moment accept that this country is not ours. Always was. Always will be."*

My contention expressed in the earlier paragraphs is that the ownership of a country, any country, is becoming a dated concept. Most countries in the world have been exposed to hundreds if not thousands of years of repeated migration. Any one national population is made of many different ethnic groups. Maybe you can argue that due to its isolation Australia is different. Maybe you could have argued that its ethnic mix up until 1788, was more pure so Australia was an exception. Whether or not that was true then, it no longer matters today. Australia has caught up with the rest of the world over the last 235 years and it is now a very diverse population.

For Aboriginal elitists to argue that Australia belongs to them and that it should be returned to them, in preference to the other 97% of our population, is retrograde thinking. It is out of step with the trends in the rest of the world. Ownership of a country, any country, has passed from ethnic ownership to one of economic ownership. Anything else is patently racist.

The debate should not be one about ownership or the rights of any ethnic group. It should be about individual human rights and how they fit into the broader society. The objective, consistent with democracy, should be to make Australia (and the world) as equitable as possible. Governments should take initiatives to improve the lives of individuals or classes of society who have been disaffected by the ever-changing dynamics of our society. There will always be winners and losers. Government policy should focus on the extremes and bring them back into line as we try and improve the collective benefit of advances in social behaviour and technology, and hopefully, quality of life.

Arguing about who owns what in this modern world is simply childish when it pits ethnicities and races against each other. We are all in this together. That 3% minority should just grow up and stop living in there past.



Sentiment Oscillator: Sentiment was steady over week. There were 13% (13%) of the charts in uptrend, and 61% (61%) 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	still in downtrend	
Metals and Mining	XMM	continuing lower	
Energy	XEJ	breached uptrend	
Information Technology	XIJ	heavy slump	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
5EA Advanced Materials	5EA	breached steepest downtrend	boron
92 Energy	92E	heavy fall on exploration news	uranium
A-Cap Energy	ACB	testing uptrend	uranium
Alpha HPA	A4N	breaching downtrend	HPA
Adriatic Resources	ADT	new high	zinc, polymetallic
Advance Metals (was Pacific American)	AVM	back to lows	coal, gold exploration
Aguia Resources	AGR	at lows	phosphate, copper exploration
Alkane Resources	ALK	down	gold
Alicanto Minerals	AQI	stronger	base metals, silver, gold
Almonty Industries	All	weaker	tungsten
Altech Chemical	ATC	new low on placement	HPA, anodes
Anteotech	ADO	new low on placement	silicon anodes, biotech
Alto Metals	AME	at lows with a placement	gold exploration
American Rare Earths	ARR	sideways	rare earths
Antilles Gold	AAU	new low	gold and copper expl.
Anax Metals	ANX	new low	copper
Aradura Resources	ARU	new low	rare earths
Ardea Resources	ARL	secondary downtrend	nickel
Aurelia Metals	AMI	failed at secondary downtrend	gold + base metals
Australian Rare Earths	AR3	down	rare earths
Australian Strategic Materials	ASM	breached uptrend	rare earths
Arizona Lithium	AZL	new low	lithium
Azure Minerals	AZS	another surge higher then pullback	nickel exploration
BHP	BHP	down	diversified, iron ore
Barton Gold	BGD	testing downtrend	gold exploration
Beach Energy	BPT	breached uptrend	oil and gas
Bellevue Gold	BGL	new high	gold exploration
Black Cat Syndicate	BC8	new low on placement	gold
BMG Resources	BMG	down	gold exploration
Boab Metals	BML	new low	silver/lead
Calidus Resources	CAI	new low	gold
Caravel Minerals	CVV	still down	copper
Carnaby Resources	CNB	new low	copper
Castile Resources	CST	back to lows	gold/copper/cobalt

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Cazaly Resources	CAZ		down	rare earths
Celsius Resources	CLA		sideways	copper
Cobalt Blue	COB		down again	cobalt
Cyprum Metals	CYM		collapse on return from suspension	copper
Dateline	DTR		down	rare earths
Ecograp	EGR		breaking downtrend	graphite
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		risen to resistance line	gas
EQ Resources	EQR		testing uptrend	tungsten
Euro Manganese	EMN		new low	manganese
Evolution Energy	EV1		new low	graphite
Evolution Mining	EVN		breeched uptrend	gold
First Graphene	FGR		breeched uptrend	graphene
Fortescue Metals	FMG		bounced above downtrend line	iron ore
FYI Resources	FYI		down	HPA
Galena Mining	G1A		testing downtrend	lead
Genesis Minerals	GMD		testing support	gold
Genmin	GEN		suspended	iron ore
Gold 50	G50		down	gold exploration + gallium
Great Boulder Resources	GBR		new low	gold exploration
Group 6 Metals	G6M		down	tungsten
Hamelin Gold	HMG		testing downtrend	gold exploration
Hastings Technology Metals	HAS		new low	rare earths
Hazer Group	HZR		breeched steepest downtrend	hydrogen
Heavy Minerals	HVY		down	garnet
Highfield Resources	HFR		new low	potash
Hillgrove Resources	HGO		rising gently	copper
Iluka Resources	ILU		heavy fall	mineral sands
ioneer (was Global Geoscience)	INR		down	lithium
Ionic Rare Earths	IXR		breeched downtrend	rare earths
Jervois Mining	JVR		new low	nickel/cobalt
Jindalee Resources	JRL		testing downtrend	lithium
Kaiser Reef	KAU		sideways through downtrend	gold
Kalina Power	KPO		testing downtrend	power station additive
Krakatoa Resources	KTA		secondary downtrend	rare earths
Kingfisher Mining	KFM		down	rare earths
Lepidico	LPD		improving	lithium
Lindian Resources	LIN		down	rare earths + bauxite
Lion One Metals	LLO		surge out of downtrend	gold
Li-S Energy	LIS		new low	Lithium sulphur battery technology
LCL Resources	LCL		back to lows	gold exploration
Lotus Resources	LOT		rising	uranium
Lucapa Diamond	LOM		testing downtrend	diamonds
Lunnon Metals	LM8		new low	nickel

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Lynas Corp.	LYC	still down	rare earths
Marmota	MEU	breached downtrend	gold exploration
Matador Mining	MZZ	down	gold exploration
Mayur Resources	MRL	breached uptrend	renewables, cement
Meeka Gold	MEK	down	gold
Megado Minerals	MEG	down	rare earths, gold exploration
MetalsX	MLX	down	tin, nickel
Meteoric Resources	MEI	off its high	rare earths
Metro Mining	MMI	sideways	bauxite
Midas Minerals	MM1	slump	lithium
Nagambie Resources	NAG	new low	gold, antimony
Neometals	NMT	new low	lithium
Newfield Resources	NWF	down	diamonds
Northern Star Res.	NST	rising	gold
Nova Minerals	NVA	spiked higher	gold exploration
Orecorp	ORR	rising	gold development
Pacific Gold	PGO	breached short term uptrend	gold exploration
Pantoro	PNR	fallen back to lows	gold
Panoramic Res	PAN	collapse on placement	nickel
Parabellum Resources	PBL	down - suspended	rare earths
Patriot Battery Metals	PMT	breached uptrend	lithium
Peak Resources	PEK	new low	rare earths
Peninsula Energy	PEN	collapse	uranium
Perseus Mining	PRU	breached downtrend	gold
Poseidon Nickel	POS	collapse	nickel
Provaris Energy	PV1	turning down	hydrogen
QMines	QML	new low	copper
Queensland Pacific Metals	QPM	long term down	nickel/cobalt/HPA
RareX	REE	breached downtrend	rare earths, phosphate
Regis Resources	RRL	collapse	gold
Regergen	RLT	strong bounce from lows	gas, helium
Richmond Vanadium	RVT	sideways	vanadium
RIO	RIO	breached resistance line	diversified, iron ore
Rumble Resources	RTR	secondary downtrend	gold exploration
S2 Resources	S2R	sideways though uptrend	gold exploration
Sandfire Resources	SFR	down	copper
Santos	STO	rising	oil/gas
Sarama Resources	SRR	at rock bottom	gold exploration
Sarytogan Graphite	SGA	new low	graphite
Siren Gold	SNG	breaching short term uptrend	gold exploration
South Harz Potash	SHP	down again	potash
Southern Cross Gold	SXG	surge higher	gold exploration
Southern Palladium	SPD	breached downtrend	PGMs
Stanmore Coal	SMR	new high	coal

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Strandline Resources	STA	■	new low	mineral sands
Sunstone Metals	STM	■	meeting resistance line	gold/copper exploration
Suvo Strategic Minerals	SUV	■	improving	kaolin
Talga Resources	TLG	■	down	graphite
Tamboran Resources	TBN	■	improving	gas
Technology Metals	TMT	■	down	vanadium
Theta Gold Mines	TGM	■	strong rise	gold
Thor Energy	THR	■	back into downtrend	uranium
Tietto Minerals	TIE	■	testing downtrend	gold
Vanadium Resources	VR8	■	drifting lower	vanadium
Venture Minerals	VMS	■	down	tin, tungsten
Vintage Energy	VEN	■	breached downtrend	gas
Voltaic Strategic Resources	VSR	■	new low	REO + lithium
West African Resources	WAF	■	new low	gold
West Cobar	WC1	■	down	rare earth + lithium
Westgold Resources	WGX	■	new high	gold
West Wits Mining	WWI	■	sideways	gold
Whitehaven Coal	WHC	■	testing downtrend	coal
Xantippe Resources	XTC	■	down	lithium
Zenith Minerals	ZNC	■	breached downtrend	gold exploration
Totals	13%	18	Uptrend	
	61%	86	Downtrend	
		140	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
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Gold Exploration	18	12.9%	
Gold	19	13.6%	
Rare Earths	17	12.1%	
Lithium	10	7.1%	
Oil/Gas	8	5.7%	
Copper	9	6.4%	
Nickel	7	5.0%	
Iron Ore/Manganese	5	3.6%	
Graphite/graphene	5	3.6%	
Uranium	6	4.3%	
Silver	4	40.0%	
Tungsten	3	2.1%	
Mineral Sands	2	1.4%	
Vanadium	3	30.0%	
Zinc/Lead	2	1.4%	
Coal	2	1.4%	
Potash/Phosphate	3	2.1%	
Bauxite	2	1.4%	
Tin	2	1.4%	
Cobalt	1	0.7%	
Diamonds	2	1.4%	
Other	10		
Total	140		

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