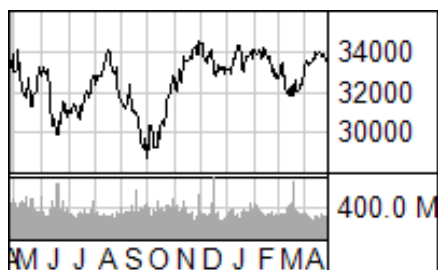


Barton Gold - a thinking man's gold stock

Take a look at this simple chart of the Dow Jones Indices. We often look to the Dow's performance overnight before setting out expectations in the mornings, though the composition of this index is very different to our heavily weighted resources indices. Note how the ceiling over the last year is around 34,000. Each time it is sold down, it seems to rise again to hit the ceiling, irrespective of what the narrative is telling us. Is there a message in this observation?

Maybe it is saying that there is enough institutional support (private and governmental) at the big end of the market that macro trends aren't a major concern, even with inflation humming away. Equity markets are okay but it is more of a stock pickers market than a bull market.

However, that is cold comfort for players in commodity and resource equity markets, as we have seen so far in 2023. We seem to have reverted back to a slower market with reduced volumes, typical of the way the markets performed prior to the influx of funds due to Covid stimulus. Again, it is more of a stock pickers market without a favourable trend of rising prices to help us. It will likely remain like this until there is a new thematic that captivates our imagination.



Quarterly Reporting Time

There was a flood of quarterlies coming through last week, as the reports have to be in by the end of April. For a while the quarterly was just a restatement of previous news flow, courtesy of the continuous disclosure requirements, but times are changing. The ASX has been strangling news items in some cases by saying "the ASX is not the appropriate platform on which to disseminate ...". It seems to be saying that companies can use social media as an alternative, but the rules are still a bit vague.

It also means the companies sometimes have to wait until a quarterly to release information that it believes shareholders need to receive, but which the ASX has previously knocked back. It may be subtle as opposed to headline news, but it could still be valuable information when thrown into the mix. So, the quarterlies are becoming more than just a re-hash of previous announcements. They may be more newsworthy.

The important line that everyone looks for when reading a quarterly is the available cash. That is an indicator of

whether or not a company is about to raise capital in the next month or two, but many companies try to sneak out a raising before they have to disclose this figure, anticipating the scrutiny that it will receive. Just remember another trick - many companies try and push payments off until the day after the closing date for calculating cash - here, 31st March, to make the figure look a little better.

1. Barton Gold is diligently progressing

We first covered Barton Gold on 5/11/22, when the share price was 14¢. It is now 22¢, having peaked at 38¢ in January, which is a good result given what the rest of the market has been doing. Back then we suggested that " ... it could be a serious gold producer in the making". We attended a presentation last week following the announcement that its 100%-owned Tunkillia Mineral Resource in South Australia had grown by 20% to 1.15 Moz of gold.

An asset manager with a drill bit-approach

One of the most notable features of Barton is its emphasis on asset management. You don't often hear that from junior companies. It manages its assets as opposed to just raising cash and spending it, like virtually every other junior resource company. That is a reflection of where the company came from - out of a family office, run by a fund/asset manager - with the Founder previously being MD of PARQ Capital Management. The board and management still hold about 30% of the issued capital, so it is strongly aligned with its general body of shareholders.

Apart from the specific plant related assets and exploration projects, Barton's assets include a 140 person camp and real estate at Tarcoola. There is a 20 man exploration camp at Tunkillia. These facilities are rented out to regional explorers and government personnel. There is also the longest, privately owned airstrip in South Australia - big enough to take Hercules aircraft. It has been receiving useful cash flow from the sale of some of the surplus assets, keeping cash balances at healthy levels of just under \$10m.

The growth strategy as espoused

Barton wants to be producing 150,000 oz pa. in five years time (but this does require further exploration success and a 2 Moz resource). In the meantime, a more modest Stage 1 production level of 40-60,000 oz p.a. is the first objective.

Barton has the 650,000 tpa Central Gawler mill sitting there waiting to be turned on (currently in care-and-maintenance mode). That will be a plant for higher grade ore positions to the north of the licence, in and around the 70m deep Perseverance pit. To the west of the pit there have been five exploration targets that the Company is confident will add to the resource base. Now that it has an understanding of the structure it will conduct a shallow, 2D seismic survey ahead of deciding where to drill.

All permits are in place - a quick start-up is possible

Permitting a new mine can be a drawn out headache, especially when it comes to environmental matters. That is why a brownfields site like Tarcoola, with all the permits in place, can circumvent much frustration. All that the company needs to do is satisfy itself that it makes commercial sense to restart the plant, and submit a revised Work Plan to the government. Here, it could take 10-16 weeks to recommission the mill, and \$5-10m in capital.

The drive is coming from the exploration success

Apart from the ground near Tarcoola, the big picture involves exploration drilling around Tunkillia, 70 km to the south, to prove up large tonnages of low grade in the order of 1 gpt. This is where it hopes to have economies of scale with mining widths of around 80m and utilising high volume buckets, and a 5 Mtpa mill. It has just announced a resource of 30.8 Mt at 0.94 gpt, with the first 7.1 Mt being oxidised and transitional ore grading 0.98 gpt, so the ball is rolling.

An interesting figure quoted was a 300,000m data base of drilling. Of this, 249,000m were drilled in the period 1996 to 2005, when the average gold price was only \$300/oz. The gold price is dramatically higher now, allowing for different perspectives on what is economic, warranting a fresh look at the potential.

The Bottom Line

The presentation last week was a good example of sound, responsible promotion. It wasn't a case of selling the sizzle. It was an analytical, well-articulated explanation of what the assets base is and what it may become, with continued exploration success. It could appeal to investors that want to back a well-focused gold growth company as opposed to a hot speculative trade. As the title of this Weekly says, it is a thinking man's gold company. At the current \$40m market capitalisation, the shares are inexpensive.

Alex Scanlon, the MD, unashamedly says he wants to do a "Karlawinda". That is the low grade gold project developed by Capricorn Metal (CMM) producing around 120,000 oz p.a. at AISC of A\$1,252/oz last quarter, on a head grade of only 1 gpt. Given that Nick Giorgetta's team is the best in the gold business (in my opinion), that is ambitious. Nevertheless, it is a noble target. Shareholders will be very happy if Barton can pull this off, or any reasonable approximation of it.

No suggestion of a placement coming

Regular readers might notice that there is sometimes a correlation between companies presenting to Far East Capital, and us covering them in the Weekly, and a subsequent placement of shares. Sometimes we may suspect that a placement is coming, using our intuition, with the very fact that they are on a roadshow being an indicator.

The companies are seeking to drum up interest, either generally or for specific purposes. If they are planning a placement, this could be viewed as information that could affect the share price, and therefore inside information. So,

Mum has to be the word - especially if you have been wall-crossed.

You have to read between the lines and see how much cash companies have and figure it out for yourself. Though, sometimes it gets annoying when companies only make an effort to inform us when they want something - money - and then disappear over the horizon thereafter.

In this instance with Barton, we can confidently say that it is not planning a capital raising in the foreseeable future.

2. Cazaly acquires Canadian rare earth

Notwithstanding the bottlenecks in the supply chain, Australian juniors continue to pick up rare earth projects all around the globe. The latest is Cazaly Resources (CAZ).

Carb Lake Project (CAZ to acquire 100%)

Lake Carb REE project is located in NW Ontario, Canada. It comprises a large, 2.5 to 3km diameter circular magnetic anomaly known as the Carb Lake Carbonatite Complex prospective for Rare Earth Elements and Niobium. It lies under 7-12m of shallow cover.

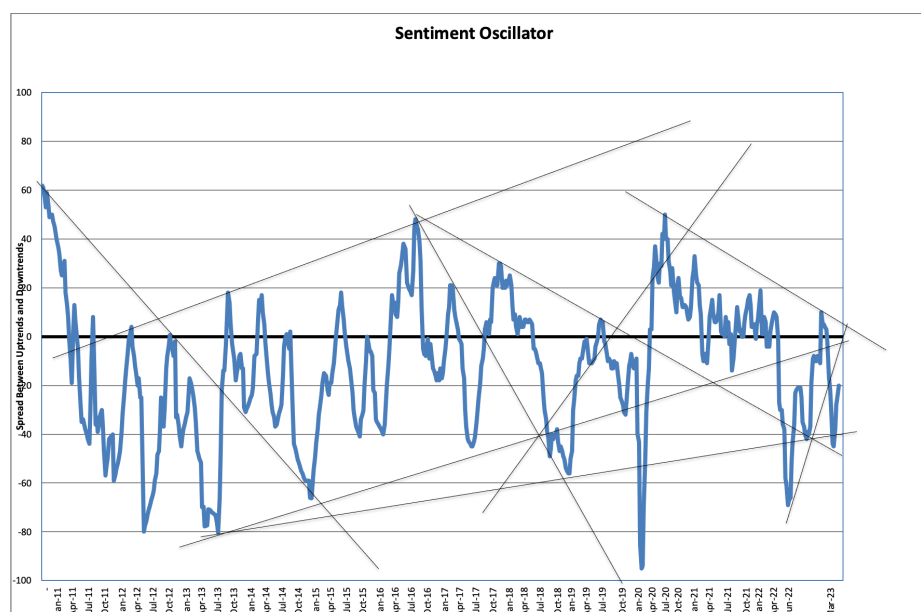
This is very much a greenfields exploration project that has had limited exploration. It was initially recognised as a large circular aeromagnetic anomaly in 1967, when Big Nama Creek Mines Ltd was exploring for niobium. It was tested by four diamond drill holes which intersected a coarse grained carbonate rock described as sövite, alternating with layers of silico-carbonatite. It seems that assays were only taken for light rare earths at the time, with grades of 5% Ce and 1% La being recorded in one of the holes. Up to 8% P₂O₈ was recovered with appetite and enriched niobium up to 1,500 ppm, seemingly with apatite. A higher niobium grade of 7.1% was achieved in 1978, when another two holes were drilled.

Today, it is an open book

There is not a lot that can be said about Carb Lake, other than observe that it is a largely unexplored, legitimate target for REE mineralisation. It gives CAZ a seat at the table with a classic carbonate body that could be anything. Time will tell. Seeing the 8% P₂O₈ grade remind me of Cummins Range, the RareEX project in the Kimberley region of WA.

Cazaly is paying an option fee of C\$15,000 for a two month exclusivity to complete due diligence, with the ability to buy the project for C\$85,000. The vendor would retain a 2% NSR. So, it is not an expensive entry. Maybe this is a great buy, but time will tell.

Disclosure: Interests associated with the author own shares in Cazaly, having been in the bottom draw for a long time.



Sentiment Oscillator: Sentiment was steady last week. There were 23% (23%) of the charts in uptrend, and 44% (43%) 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	pausing	
Metals and Mining	XMM	steeply higher, then pullback	
Energy	XEJ	at secondary resistance line	
Information Technology	XIJ	rising	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
92 Energy	92E	testing downtrend	uranium
A-Cap Energy	ACB	new low	uranium
ADX Energy	ADX	sideways	oil and gas
Alpha HPA	A4N	new high	HPA
Adriatic Resources	ADT	new high	zinc, polymetallic
Advance Metals (was Pacific American)	AVM	off its lows	coal, gold exploration
Alkane Resources	ALK	new high	gold
Alicanto Minerals	AQI	still down	base metals, silver, gold
Almonty Industries	AII	sideways	tungsten
Altech Chemical	ATC	falling at resistance line	HPA, anodes
Anteotech	ADO	at lows	silicon anodes, biotech
Alto Metals	AME	sideways	gold exploration
American Rare Earths	ARR	breached support line	rare earths
Antilles Gold	AAU	trying to breach downtrend	gold

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Anax Metals	ANX		testing downtrend	copper
Arafura Resources	ARU		down	rare earths
Ardea Resources	ARL		new low	nickel
Aurelia Metals	AMI		rising	gold + base metals
Australian Rare Earths	AR3		heavy correction on placement	rare earths
Auteco Minerals	AUT		breached downtrend	gold exploration
Arizona Lithium	AZL		new low	lithium
Azure Minerals	AZS		rising again	nickel exploration
BHP	BHP		testing downtrend	diversified, iron ore
Barton Gold	BGD		testing uptrend	gold exploration
Beach Energy	BPT		testing resistance line	oil and gas
Bellevue Gold	BGL		off its highs	gold exploration
Benz Mining	BNZ		slump	gold
Black Cat Syndicate	BC8		recapturing uptrend	gold
BMG Resources	BMG		down	gold exploration
Boab Metals	BML		at resistance line	silver/lead
Breaker Resources	BRB		takeover bid	gold exploration
Buru Energy	BRU		testing resistance line	oil
Calidus Resources	CAI		new low	gold
Caravel Minerals	CVV		rising again	copper
Carnaby Resources	CNB		breached downtrend	copper
Castile Resources	CST		still in downtrend	gold/copper/cobalt
Celsius Resources	CLA		sideways	copper
Chesser Resources	CHZ		still testing downtrend	gold exploration
Cobalt Blue	COB		down	cobalt
Cyprium Metals	CYM		suspended	copper
Dateline	DTR		back to lows	rare earths
Ecograf	EGR		new low	graphite
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		new low	gas
EQ Resources	EQR		rising	tungsten
Euro Manganese	EMN		down	manganese
Evolution Energy	EV1		softer	graphite
Evolution Mining	EVN		breaching downtrend	gold
First Graphene	FGR		down	graphene
Fortescue Metals	FMG		testing downtrend	iron ore
FYI Resources	FYI		collapse on Alcoa withdrawing from JV	HPA
Galena Mining	G1A		breached uptrend	lead
Genesis Minerals	GMD		down	gold
Genmin	GEN		down	iron ore
Gold Road	GOR		back to support line	gold
Great Boulder Resources	GBR		sideways	gold exploration
Group 6 Metals	G6M		down	tungsten
Hastings Technology Metals	HAS		back to lows	rare earths

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Hazer Group	HZR		breached downtrend	hydrogen
Heavy Minerals	HVY		slump back to trend line	garnet
Highfield Resources	HFR		down	potash
Hillgrove Resources	HGO		slump	copper
Iluka Resources	ILU		breaching support line	mineral sands
ioneer (was Global Geoscience)	INR		down	lithium
Ionic Rare Earths	IXR		down	rare earths
Jervois Mining	JVR		new low	nickel/cobalt
Kaiser Reef	KAU		sideways through downtrend	gold
Kalina Power	KPO		new low	power station additive
Krakatoa Resources	KTA		new low	rare earths
Kingfisher Mining	KFM		heavy fall	rare earths
Lepidico	LPD		down	lithium
Lindian Resources	LIN		rising again	rare earths + bauxite
Lion One Metals	LLO		breached downtrend	gold
Li-S Energy	LIS		breached downtrend	Lithium sulphur battery technology
Los Cerros	LCL		down	gold exploration
Lotus Resources	LOT		down	uranium
Lucapa Diamond	LOM		down again	diamonds
Lunnon Metals	LM8		resumed uptrend	nickel
Lynas Corp.	LYC		turned down at resistance line	rare earths
Magnetic Resources	MAU		new low	gold exploration
Mako Gold	MKG		sideways	gold exploration
Marmota	MEU		drifting lower	gold exploration
Matador Mining	MZZ		down	gold exploration
Mayur Resources	MRL		rising	renewables, cement
Meeka Gold	MEK		down	gold
Megado Gold	MEG		breached downtrend	rare earths, gold exploration
MetalsX	MLX		down	tin, nickel
Meteoric Resources	MEI		rising again	rare earths
Metro Mining	MMI		still down	bauxite
Mincor Resources	MCR		surge on takeover bid	gold/nickel
Mithril Resources	MTH		sideways	gold/silver
Musgrave Minerals	MGV		testing downtrend	gold exploration
Nagambie Resources	NAG		down	gold, antimony
Neometals	NMT		new low	lithium
Newfield Resources	NWF		down	diamonds
Northern Star Res.	NST		new high	gold
Nova Minerals	NVA		collapse on -.3 gpt grade, 9.9 Moz	gold exploration
OreCorp	ORR		down	gold development
Pacific Gold	PGO		breached downtrend	gold exploration
Pantoro	PNR		new low	gold
Panoramic Res	PAN		down	nickel
Parabellum Resources	PBL		down	rare earths

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Patriot Battery Metals	PMT		heavy slump after raising	lithium
Peak Resources	PEK		on trend line	rare earths
Peninsula Energy	PEN		sideways through downtrend	uranium
Perseus Mining	PRU		off its highs	gold
Poseidon Nickel	POS		breached downtrend	nickel
Provaris Energy	PV1		down	hydrogen
PVW Resources	PVW		new low	rare earths
QMiners	QML		down	copper
Queensland Pacific Metals	QPM		breached downtrend	nickel/cobalt/HPA
RareX	REE		rising	rare earths, phosphate
Regis Resources	RRL		rising again	gold
Renergen	RLT		down	gas, helium
Resource Mining Corp.	RMI		gently down	nickel exploration
Richmond Vanadium	RVT		recovering	vanadium
RIO	RIO		breached uptrend but strong rally	diversified, iron ore
Rumble Resources	RTR		secondary downtrend	gold exploration
S2 Resources	S2R		sideways	gold exploration
Sandfire Resources	SFR		breached uptrend	copper
Santos	STO		softer	oil/gas
Sarama Resources	SRR		sideways through downtrend line	gold exploration
Sarytogan Graphite	SGA		breached support line	graphite
Siren Gold	SNG		down	gold exploration
South Harz Potash	SHP		breaching downtrend	potash
Southern Cross Gold	SXG		rising again	gold exploration
Stanmore Coal	SMR		surge higher	coal
Strandline Resources	STA		down	mineral sands
Sunstone Metals	STM		new uptrend forming	gold/copper exploration
Suvo Strategic Minerals	SUV		risen to meet resistance line	kaolin
Talga Resources	TLG		slump on \$40m placement	graphite
Tamboran Resources	TBN		breached downtrend	gas
Technology Metals	TMT		down	vanadium
Theta Gold Mines	TGM		rising	gold
Thor Mining	THR		down	gold exploration
Tietto Minerals	TIE		breached downtrend	gold
Vanadium Resources	VR8		new low	vanadium
Venture Minerals	VMS		down	tin, tungsten
West African Resources	WAF		breaching downtrend	gold
Westgold Resources	WGX		good rally	gold
West Wits Mining	WWI		downtrend breached	gold
Whitehaven Coal	WHC		breached downtrend	coal
Xantippe Resources	XTC		sideways	lithium
Zenith Minerals	ZNC		down	gold exploration
Totals	23%	33	Uptrend	
	44%	64	Downtrend	

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		144	Total
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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 Exploration	25	17.4%	
Gold	23	16.0%	
Rare Earths	15	10.4%	
Oil/Gas	9	6.3%	
Nickel	9	6.3%	
Copper	9	6.3%	
Lithium	7	4.9%	
Iron Ore/Manganese	5	3.5%	
Graphite/graphene	5	3.5%	
Uranium	4	2.8%	
Silver	4	50.0%	
Tungsten	3	2.1%	
Mineral Sands	2	1.4%	
Vanadium	3	37.5%	
Zinc/Lead	2	1.4%	
Coal	2	1.4%	
Potash/Phosphate	2	1.4%	
Bauxite	2	1.4%	

Tin	2	1.4%	
Cobalt	1	0.7%	
Diamonds	2	1.4%	
Other	8		
Total	144		

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