

Lindian just gets better with each drill hole

The Australian stock market has fallen out of step with the US markets for the time being. The All Ords has fallen 0.04% over the past five days, whereas the Dow Jones has risen 2.95% and the Nasdaq was up 3.39%. Many stocks under our chart coverage sank to new lows, but volume has been minimal. That is what happens in June. Maybe we will play catch up next week, following the 2.1% rise in the Dow on Friday, but we shouldn't expect too much joy this month. Trends won't be helpful but that is when news flow and new stories come into their own.

1. Lindian - a picture tells a thousand words

Lindian Resource (LIN) continued to release excellent assays from its recent drilling program, impressive both in lengths and grades. As Kangankunde is a large carbonatite body hundred of meters in diameter, there is no need to be worried about reporting of true widths that we look for in metallic style orebodies. We are more interested in the consistency of mineralisation within the carbonatite, the variability of grades in different zones and horizons, and the implications for mine planning. High grades are obviously important. Here, intervals of > 100m, at > 3% TREO, many from surface, suggest the Lindian has a monster on its hands. Mine life will not be a problem, but I suppose that applies to many of the rare earth discoveries. The more challenging question will be the appropriate scale of operations to commence with, given the limitations on the supply chain from the mine to market that still need to be addressed in today's world. More topically, when it gets to the stage of development, Lindian will want to avoid the recent experience of Hastings Technology Metals.

Kangankunde is a world class rare earths project in the true meaning of the expression, as opposed to being in the minds of the promoters. It is a stand-out takeover target for any of the super mining houses looking for a strong project with which to dominate the sector for decades to come.

Lindian has used a very simple, but effective way of getting this message across in last week's announcement. Figure 4 in the release diagrammatically illustrates the nearer surface zone on which it is concentrating in preparation for the release of a resource. Beneath that it has identified the Exploration Target Zone that goes down to about 1,000m depth. Of course, we must remember that this is still a "cartoon" that assumes solidarity of the mineralisation at depths, but it is nonetheless a good way to get the message across. This will be a multi-generational mine when it gets going.

Note: Euroz Hartleys' research brief said that they have a target resource for Lindian of 250 Mt at 2.4% TREO, with a Speculative Buy recommendation and a price target of 65¢.

Disclosure: Interests associated with the author owns shares in Lindian Resources and have received capital raising fees.

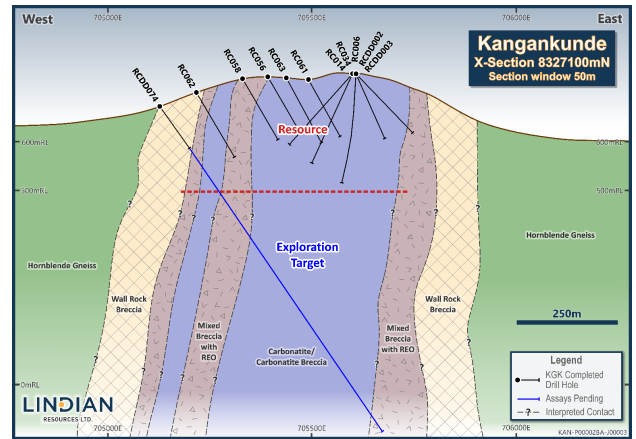


Figure 4: A West to East section looking north of the drilling program. RCDD074 deep drill hole finished at 980.5M with assays pending.

2. Hastings Clobbered on Capex Blowout

It is not that long ago that Hastings Technology Metals (HAS) was a market darling, peaking at \$5.42 in September last year. Rare earths were on the boil and Hastings had raised \$110m in a placement at \$4.40 a share. Wyloo Metals had invested \$150m through the issue of secured, redeemable, exchangeable notes so that Hastings could purchase a 22% strategic stake in Neo Performance Materials Inc, a rare earths processing and advanced permanent magnet producer listed in the TSX. In January 2023, the Federal Government's Northern Australia Infrastructure Facility (NAIF) announced it would be stumping up for \$220m of support with a 12 year lending facility.

The company was on a roll but last week the shares sank to a low of \$1.34 and a market capitalisation of \$172m. It seems that even \$500m companies have the same downside risk of many speculative companies when the market turns down. More specifically, it shows that the path to development and presumably respectability, is fraught with danger (project development risk).

Risk preferring punters out there love speculative situations. Maybe counter-intuitively, sometimes these can be lower risk than when companies embark upon the development of a project with enormous consequences, both good and bad.

When spin just looks pathetic

You can't blame the spin doctors from trying to dig some positives out of bad news, for that is their job, but there is no point in ignoring the elephant in the room.

Last week Hastings tried to make the best of bad news by skirting around the real issue of a major cost blowout, by saying "Staged development strategy to reduce project delivery risk and enable faster pathway to cash flow". Push

the spin doctors aside. The real news was that total project capital costs had blown out to an estimate of \$948m, with the Stage 1 component increasing by 40% to \$470m. That is why the shares were clobbered in the market.

Whether the situation gets any worse remains to be seen, but at the very least don't expect a quick turnaround. Of all the capital providers on the books, it may be that Andrew Forrest's Wyloo has done the smartest deal. Rather than offer common equity it advanced a structured convertible debt facility that could leave it in the box seat should any more wheels fall off.

3. Update on 5EA Investigation

Talking of share prices the have fallen heavily, I met with the new CEO of 5EA last week as I looked for reasons why the share price has collapsed so dramatically since achieving the NASDAQ listing, that was supposed to unleash a wave of buying. It seems as if the buying happened ahead of the listing and many shareholders bailed after the event.

I need to dig deeper and do a proper analysis, but so far it seems as if the market got ahead of itself. It was a classic example of people buying because others were buying, as punters were sucked into an uptrend. The lemmings took comfort that everyone else was running up the hill along side of them, and they couldn't see far enough ahead of the pack to see the impending cliff face they were about to leap over.

Some might think that once this very heavy market correction is over, there will be a point where the share can be bought again based on the fundamentals. They might be correct, but there is no point in rushing into it without having done the homework. A rapid rebound is unlikely.

The meeting with the new CEO, Susan Brennan, went well and it was good to see that she was making an effort, but she has only been in the job for a short while and was unable to answer all of my questions; that is why I need to dig deeper as I am still gathering information. At this juncture there is no reason to doubt her ability or the future prospects of the company, but shareholders need to realign there expectation to correspond with the reality that growth is not going to happen overnight. It takes time.

4. Alicanto to focus more on copper

I met with the CEO of Alicanto last week, following the release of some high grade silver interests at its Sala silver/zinc project in Sweden. Even though AQL has some very good geology, and even resources, the market is not showing the company much love. Maybe it is because the release of the Sala resource emphasised zinc ahead of the associated silver and zinc is hardly sexy.

The high grade component of the Inferred Mineral Resource was 4.5 Mt at 4.5% Zn and 58 gpt Ag, for a silver equivalent of 285 gpt. Maybe the subdued interest is because of the perception that obtaining a mining licence in Sweden is very difficult, judging by the very long time that it has been taking Talga Group. However, AQL is in a strong mining region to the south, a long way from the more sensitive Sami ground where Talga operates. Maybe it is just a bear market.

With a market capitalisation of only \$19m, Alicanto is very modestly priced given the rich potential on its leases. Perhaps the decision to focus more on the Great Falun

Copper Project will offer more market appeal. The Falun Mine, operated until 1992, produced 28 Mt at 4% copper, 4 gpt gold plus silver, lead and inc. The 10 km strike length of favourable geology could hold some pleasant surprises.

Disclosure: Interests associated with the author own shares in Alicanto

5. Musings on the Modern English Language

The English language, in fact any language, evolves over time. Popular usage and social trends have an impact and official reference books tag along in a constant process of movement and sedimentation of the language (if we want to express in a geological analogue).

The development of the language is accelerating in our modern society with the speed of the internet and interconnectivity, in a similar way that stock market and related cycles play out much faster than ever before, as information is distributed and digested at breakneck speed never previously experienced. Is it any wonder that the new generation of stock market punters want instant gratification in preference to long term investments, with that having implications for the availability of capital for project developments?

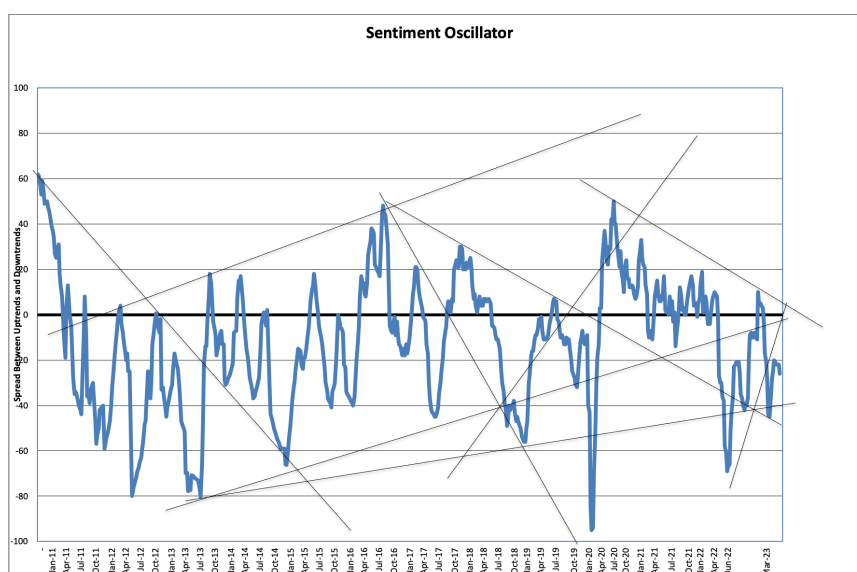
Take the definition of words as an example. The dictionary is our reference point to understanding what a word means. It has traditionally been our guide as to what word to use in any given situation, so as to better communicate with others. However, something is changing. There is increasingly a movement where people see the definition of words as being fluid and not strictly in accordance with the dictionary definition. A word can mean what the user wants it to mean, even if that is very academically incorrect. It is almost as if words are being used as a banner or an attention seeker designed for impact, but without them being supported by the definition or the context and the facts. They are thrown like bolts to create an emotive response but they are inappropriate in many circumstances. They over dramatise and distract the recipients both verbally and in writing, from the real substance. Their approach seems to be that if the message isn't dramatic enough in itself, add some drama!

While this is just a musing inspired by some comments of Janet Albrechtsen, it does have some relevance to ASX releases by an increasing number of companies. It is not enough to report clear facts. The company releases, particularly the headings and the highlights, are designed with promotion in mind. The body of the release may be much more mundane, and full of facts, but seriously, how many people bother to read beyond the high impact headline and highlights? Don't take that as a criticism. It is more a reflection of the hundreds and hundreds of companies out there vying for our attention and the need to process reports quickly. Everyone is time poor in this modern age, but no one more time poor than analysts who are having to process expanding numbers of ASX releases every year. The best they can hope for is to be able to cover a useful proportion of them, or respond to queries arising from releases.

Perhaps we need a filtering process to sort them according to specified criteria. Is this where AI steps in to help?

Maybe. One group is working on an algorithm designed to automatically identify new discoveries quickly in the hope that it will be the fastest to identify the next 10 bagger. It is a good objective, but the process is frustrated by the over exuberant use of key words in the releases themselves and

this leads to many false positives. That means you cannot avoid the use of more detailed examination to truth test what is being claimed in the releases. The algorithm does help, but it is not yet perfect.



Sentiment Oscillator: Sentiment was steady last week. There were 24% (24%) of the charts in uptrend, and 49% (49%) 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	falling in a broad triangle	
Metals and Mining	XMM	down	
Energy	XEJ	down	
Information Technology	XIJ	strongly higher	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
5EA Advanced Materials	5EA	down	boron
92 Energy	92E	testing downtrend	uranium
A-Cap Energy	ACB	new low	uranium
Alpha HPA	A4N	new high	HPA
Adriatic Resources	ADT	new high	zinc, polymetallic
Advance Metals (was Pacific American)	AVM	back to lows	coal, gold exploration
Alkane Resources	ALK	off its high	gold
Alicanto Minerals	AQI	sideways at lows	base metals, silver, gold
Almonty Industries	All	sideways	tungsten
Altech Chemical	ATC	failing at resistance line	HPA, anodes
Anteotech	ADO	breached downtrend	silicon anodes, biotech
Alto Metals	AME	at lows	gold exploration

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American Rare Earths	ARR	■	breached support line	rare earths
Antilles Gold	AAU	■	rising	gold
Anax Metals	ANX	■	sideways below 8c	copper
Aradura Resources	ARU	■	down	rare earths
Ardea Resources	ARL	■	new low	nickel
Aurelia Metals	AMI	■	back to lows	gold + base metals
Australian Rare Earths	AR3	■	heavy correction on placement	rare earths
Arizona Lithium	AZL	■	new low	lithium
Azure Minerals	AZS	■	rising again	nickel exploration
BHP	BHP	■	down	diversified, iron ore
Barton Gold	BGD	■	resuming uptrend	gold exploration
Beach Energy	BPT	■	testing resistance line	oil and gas
Bellevue Gold	BGL	■	off its highs	gold exploration
Benz Mining	BNZ	■	down again	gold
Black Cat Syndicate	BC8	■	recapturing uptrend	gold
BMG Resources	BMG	■	down	gold exploration
Boab Metals	BML	■	at resistance line	silver/lead
Buru Energy	BRU	■	sideways	oil
Calidus Resources	CAI	■	new low	gold
Caravel Minerals	CVV	■	slump	copper
Carnaby Resources	CNB	■	testing support line	copper
Castile Resources	CST	■	still in downtrend	gold/copper/cobalt
Celsius Resources	CLA	■	rising on takeover bid	copper
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	■	rising	gold
First Graphene	FGR	■	down	graphene
Fortescue Metals	FMG	■	testing downtrend	iron ore
FYI Resources	FYI	■	recovered to meet resistance line	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
Hamelin Gold	HMG	■	uptrend	gold exploration
Hastings Technology Metals	HAS	■	further collapse	rare earths

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Hazer Group	HZR		rising again	hydrogen
Heavy Minerals	HVY		slump back to trend line	garnet
Highfield Resources	HFR		down	potash
Hillgrove Resources	HGO		slump	copper
Iluka Resources	ILU		still at highs	mineral sands
ioneer (was Global Geoscience)	INR		testing downtrend	lithium
Ionic Rare Earths	IXR		down	rare earths
Jervois Mining	JVR		breached new uptrend	nickel/cobalt
Jindalee Resources	JRL		at lows	lithium
Kaiser Reef	KAU		sideways through downtrend	gold
Kalina Power	KPO		sideways at lows	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		slump	gold
Li-S Energy	LIS		breached downtrend	Lithium sulphur battery technology
Los Cerros	LCL		new uptrend	gold exploration
Lotus Resources	LOT		down	uranium
Lucapa Diamond	LOM		down again	diamonds
Lunnon Metals	LM8		resumed uptrend	nickel
Lynas Corp.	LYC		spike out of downtrend	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		at lows	gold
Megado Gold	MEG		rising	rare earths, gold exploration
MetalsX	MLX		down	tin, nickel
Meteoric Resources	MEI		rising again	rare earths
Metro Mining	MMI		still down	bauxite
Mithril Resources	MTH		sideways	gold/silver
Musgrave Minerals	MGV		testing downtrend	gold exploration
Nagambie Resources	NAG		down	gold, antimony
Neometals	NMT		breached downtrend	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		slump back to lows	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		rising again	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		sideways	nickel
Provaris Energy	PV1		down	hydrogen
PVW Resources	PVW		new low	rare earths
QMiners	QML		new low	copper
Queensland Pacific Metals	QPM		long term down	nickel/cobalt/HPA
RareX	REE		breached uptrend	rare earths, phosphate
Regis Resources	RRL		rising again	gold
Reergen	RLT		breaching steepest downtrend	gas, helium
Resource Mining Corp.	RMI		strong rally	nickel exploration
Richmond Vanadium	RVT		recovering	vanadium
RIO	RIO		down	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		down	graphite
Siren Gold	SNG		sideways through downtrend line	gold exploration
South Harz Potash	SHP		down again	potash
Southern Cross Gold	SXG		down	gold exploration
Stanmore Coal	SMR		surge higher	coal
Strandline Resources	STA		down	mineral sands
Sunstone Metals	STM		sideways	gold/copper exploration
Suvo Strategic Minerals	SUV		new low	kaolin
Talga Resources	TLG		down	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
West Cobar	WC1		down	rare earth + lithium
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	24%	34	Uptrend	

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	49%	70	Downtrend	
		142	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 Exploration	23	16.2%	
Gold	22	15.5%	
Rare Earths	16	11.3%	
Oil/Gas	8	5.6%	
Nickel	8	5.6%	
Copper	9	6.3%	
Lithium	8	5.6%	
Iron Ore/Manganese	5	3.5%	
Graphite/graphene	5	3.5%	
Uranium	4	2.8%	
Silver	4	44.4%	
Tungsten	3	2.1%	
Mineral Sands	2	1.4%	
Vanadium	3	33.3%	
Zinc/Lead	2	1.4%	
Coal	2	1.4%	
Potash/Phosphate	2	1.4%	
Bauxite	2	1.4%	

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Tin	2	1.4%	
Cobalt	1	0.7%	
Diamonds	2	1.4%	
Other	9		
Total	142		

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