

## Too much histrionics regarding tariffs

We are being swamped with opinions on what the new tariffs are going to mean with the common consensus being that the sky is falling in. Rather than add to the panic perhaps it is worth standing back and taking a different, less emotional perspective.

Tariffs usually are motivated by politics rather than the pursuit of free trade. They are inefficient in a strict economic sense but they can be politically useful as a method of protectionism, especially when countries are being disadvantaged by other forms of market intervention such as export subsidies, quotas and even outright bans. So, it is wrong to demonise tariffs alone saying that they should never be imposed.

I heard of an example in Australia where a specialty glass manufacturer went out of business because it couldn't compete with Chinese imports on price. Once it closed its doors and left the market to a Chinese monopoly, the Chinese company jacked up prices dramatically. Consumers had to pay through the nose and the Chinese started to make super profits. Now that is a good example where tariffs would have been useful to counter either the dumping in our market that was designed to drive our local company to the wall, or subsidies. This is not an isolated example of the way the Chinese do business. It is standard practice.

Every country intervenes to some extent in trade with political or fiscal intent. Look at the restrictions on imports into the EU as the most obvious example. Also, we have seen plenty of evidence of China's malfeasance over the years. Why should we describe the US actions in such evil terms because it has decided to make a stand and do what others do? We might not like it, but let's not panic.

To see the over dramatisation all you have to do is listen to the hyperbolic rant of Ursula von der Leyen, saying that there will be "immense consequences", the world economy will "massively suffer" and "the consequences will be dire". I think there is no need to be so dramatic.

Really, everyone should just suck it in and get on with business. Yes, there will be adjustments required. Some companies will benefit, some won't, and portfolios will need to be adjusted. US inflation will go higher but it may go lower in countries that can't sell as much to the USA. We will find a new equilibrium when the dust settles.

### *Estrella is an interesting manganese play*

Manganese is not something we hear about very often, but occasionally a company comes along with an interesting project. The WA company associated with the Cornelius brothers comes to mind; Element (E25). That was a good stock market performer a few years back, though it has come back to earth with a thud.

Estrella Resources (ESR) is the latest manganese company to land on my desk, but it is very different when it

comes to grade, size and impurity levels - all positively different.

### *Why would you want manganese?*

Manganese has traditionally been used for speciality steels with that application consuming about 78% of supply, but now the manganese monohydrate form is becoming increasingly important for fast charging batteries. BYD has been a leader in this field as it is developing fast charging EV batteries. It has also been reported that Eric Sprott is a strong advocate of manganese for this application

Australia's Groote Eylandt in the NT has been a significant supplier of manganese product for many years, delivering up to 30% of world supply at times, but that mine is in its twilight with a remaining life of only five years. Its importance is highlighted by the volatility in the market recently when the port facility suffered serious damage from a cyclone, thereby interrupting world supply.

Going ahead, new supplies will need to be found. Estrella is well suited to fill the supply gap, depending upon the success of exploration programs and subsequent development.

### *Location in Timor-Leste*

ESR management first began sniffing around for manganese in Timor-Leste in 2008, and it was eventually granted the licences in March 2024. The length of time this took can be attributed to a number of factors with one of them being that the Government saw manganese as a low priority mineral back then. It preferred to focus on the oil and gas industry. Timor was the beneficiary of billions of dollars of earnings from the oil and gas sector, but these earnings are depleting with the next development, Sunrise, having a 10 year lead time. It needs to find other sources of income and employment before then.

The passing of the Mining Code in 2021, was another reason for the time it has taken. When questioned as to whether we should expect lengthy bureaucratic delays going forward, Estrella was optimistic that the country has just been progressing up the learning curve.

### *Logistical advantages*

Even though Timor has limited infrastructure, Estrella's properties are located as close as 400m from a sealed road and it has a location close to a deepwater port. Its proximity to the major market in China, being 20 days shorter shipping distance than South Africa, is of definite benefit.

### *Geology and exploration*

The Noni Formation host is quite extensive with a prospective horizon more than 100 km in length. The optimum locations for commencing a mining operation are yet to be established. Surface sampling has returned excellent grades ranging from 32% to 54% Mn, but we shall start to get a 3D perspective with RC and diamond

drilling programs commencing in May. IP has been run with positive imagery, but you still need to drill the prospects.

The prospective horizon originated from subsea lava flows that have risen to the surface and experienced supergene enrichment processes before being covered with limestone and then uplifted again. In some places it outcrops and in others it is underneath mountains. There should be plenty of material within 20m of the surface that could be amenable to open pit mining.

The quality seems good. Consumers generally want an iron to manganese ratio of 1:7 but here the ratio can be as small as 1:300, giving it a premium quality status. It also has low levels of sulphur and phosphorous impurities.

### *Good working relationship*

Estrella has formed a 70:30 partnership with the National Timor-Leste Mining and Services Company, Murak Rai Timor E.P. (MRT JV). The legislation requires mining companies to allow the government body to acquire 30% of a project prior to the granting of a mining licence. Estrella has decided to embrace the local ownership at an earlier stage rather than enter negotiations that could drag on at a later stage. Estrella will free carry its partner through the exploration and evaluation phases, leaving Murak Rai Timor to decide whether to contribute to the development costs or revert back to a 2% royalty, at the appropriate time.

### *The Bottom Line*

With a \$51m market capitalisation you could say that Estrella is not cheap. However, that depends upon how good the project is and where it might take the share price, noting that it has come off about 44% since its 4¢ high in February. ESR completed a \$3.75m placement in January, so it now has sufficient funds to commence a drilling program.

Estrella is a long term proposition but there is no reason for it not to provide many trading opportunities along the way. If Eric Sprott is correct in his enthusiasm, and companies like BYD continue to use manganese in their new, best batteries, the thematic is going to attract strong attention in a market that is becoming increasing tighter on the supply side. The next significant news flow will come from the proposed drilling programs.

### *White Cliff - promising copper exploration*

White Cliff Minerals (WCN) is an exploration company capitalised at around \$30m, with a share price of 1.6¢ and \$5m in the bank. The share price performance over recent years has not been anything special, but that may be about to change ... depending on exploration results over the next few months.

### *Rae Project, Nunavut, Canada - High Grade Copper*

In November 2024, WCN announced the acquisition of the Danvers Copper Project with a non-JORC compliant vein-hosted resource of 4.16 Mt at 2.96% Cu, from drill programs in 1967 and 1968. Better drill intercepts were generally in the range of 31-41m at grades of 2.2-4.9% Cu, at downhole depths of 15-67m. Follow-up drilling in 2003 and 2005 achieved larger intervals at lower grades. Consideration for the acquisition was C\$350,000 cash, the same value in shares and a 1% royalty.

In isolation you would describe this resources as modest but interesting. However, place it in the context of a larger

exploration play and it becomes more enticing. Prior to the above acquisition, in 2024, WCN reported the discovery of multiple high grade copper vein systems in a sediment-hosted, structurally controlled geological environment. Rock chip and surface samples along the 10 km long structural corridor returned numerous assays of 50-60% Cu. As fantastic as these sound, it must be remembered that this type of sampling is designed to maximise the grade as opposed to generating a reliable average grade that may be recovered in a mining exercise. It is designed to justify a budget for drilling programs.

Mission accomplished. The Company is about to commence a 4,000m drill program comprising 25 holes to depths of 200m. Drilling will start at **Danvers** where there is already a high grade resource and then progress to **Hulk** where IP has revealed a significant conductive anomaly covering 200 km<sup>2</sup> where porous sandstone appears that to have been a good trap site for sedimentary copper mineralisation. WCN will be targeting a horizon at depths of 180-250m vertical.

### *Great Bear, Canada - High Grade Copper*

Great Bear is WCN's second exploration project in remote Canada, in the NW Territories, but this is IOCG-U type geology. Like at Rae, sampling has returned some excellent high-grade copper value. At one prospect, **Slider**, WCN describes it as a genuine high-grade silver discovery owing to assays up to 7-9,000 gpt Ag. This is only 530m from the historical Spud Bonanza silver mine that produced 34 Moz of silver.

At **Coyote**, high grade gold and copper values suggest brecciation mineralisation. Another 4-5 prospects have also shown high grades at surface. Drilling is expected to occur in the second half of 2025. Exploration can be conducted year round except for an eight week period during which the caribou migrate.

### *WA Exploration Projects*

WCN has a few exploration projects including a JORC resource of 779,000 tonne at 1.7 gpt for 42,400 oz at Reedy South. It will likely divest the WA projects in favour of the more exciting Canadian ones.

### *The Bottom Line*

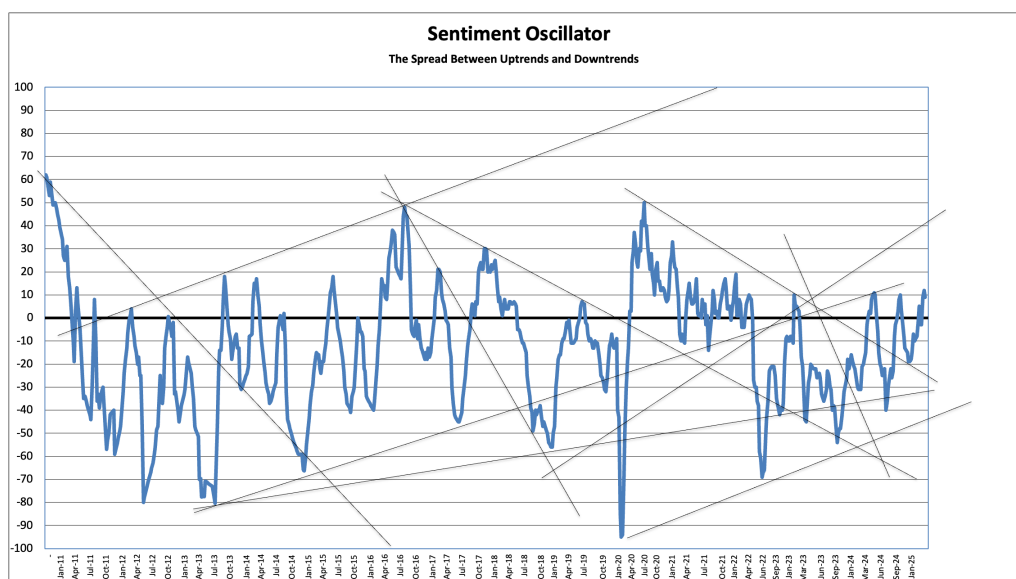
WCN is already well supported in the market with a capitalisation of \$30m, but if the forthcoming drilling hits good mineralisation the share price could go much higher. Just remember that it is speculative, as is all exploration. Nevertheless, I will look to take a position once this commentary has been released. The \$5m in the bank should be sufficient for the proposed programmes in 2025.

### *What is the real antimony price?*

We have seen a rush into antimony projects over the past 12—18 months on the back of the price rising from around US\$10,000 a tonne to US\$50-60,000 pt recently. Companies like Nagambie are quoting resources on a gold equivalent basis when the amount of value is in antimony, not gold.

With this in mind it is relevant to be passing on the comments of a commodities trader with truckloads of experience in antimony. He said that the real price of antimony is actually around US\$20,000 pt because that is

the price the Chinese are paying and they account for almost all of the volume. Don't be fooled by Australian promoters pushing their antimony projects on the higher, false price. That could end in a failure to meet expectations.



**Sentiment Oscillator:** Sentiment was slightly weaker over the week, but we should expect falls this coming week given the markets on Friday night. There were 43% (45%) in uptrend and 34% (33%) 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	down heavily	
Metals and Mining	XMM	down heavily	
Energy	XEJ	down heavily	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Agua Resources	AGR	strong recovery	phosphate, gold
Alkane Resources	ALK	rising	gold
Alicanto Minerals	AQI	breaching downtrend	base metals, silver, gold
Alligator Energy	AGE	testing downtrend	uranium
Almonty Industries	AII	surge to new high	tungsten
Alpha HPA	A4N	down	HPA
American Rare Earths	ARR	rising gently	rare earths
Anax Metals	ANX	new low after placement	copper
Andean Silver	ASL	back to downtrend	silver
Arafura Resources	ARU	rising	rare earths

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Ardea Resources	ARL		new uptrend	nickel
Arizona Lithium	AZL		new low	lithium
Astral Resources	AAR		sideways below resistance line	gold
Aureka	AKA		rising after name change from Navarre	gold exploration
Auric Mining	AWJ		down	gold
Aurora Energy Metals	1AE		rising again	uranium
Aurelia Metals	AMI		rising	copper + base metals
Aurum Resources	AUE		rising	gold
Australian Gold and Copper	AGC		breached steepest downtrend	base metals, silver, gold
Australian Rare Earths	AR3		down again	rare earths
Australian Strategic Materials	ASM		testing downtrend	rare earths
BHP	BHP		secondary downtrend in play	diversified, iron ore
Ballymore Resources	BMR		back to lows	gold exploration
Barton Gold	BGD		gently higher	gold exploration
Beach Energy	BPT		rising	oil and gas
Bellevue Gold	BGL		slump then suspension re guidance	gold
Besra Gold	BEZ		still down	gold
Black Cat Syndicate	BC8		new high	gold
Boab Metals	BML		breached support line	silver/lead
Brazil Critical Minerals	BCM		new low - two tranche plus 1 for 3	rare earths
Brazilian Rare Earths	BRE		back to downtrend	rare earths
Brightstar Resources	BTR		less steep uptrend	gold
Caravel Minerals	CVV		improving	copper
Carnaby Resources	CNB		breaching downtrend	copper
Castile Resources	CST		testing downtrend	gold/copper/cobalt
Catalyst Metals	CYL		surge higher	gold
Cazaly Resources	CAZ		new low	rare earths
Celsius Resources	CLA		at lows	copper
Centaurus Metals	CTM		rising	nickel/cobalt/HPA
Challenger Gold	CEL		rising	gold
Cobalt Blue	COB		testing downtrend	cobalt
Cyprium Metals	CYM		testing downtrend	copper
Delta Lithium	DLI		down	gold/lithium
Emerald Resources	EMR		back to highs	gold
Empire Energy	EEG		breached uptrend	gas
Emmerson Resources	ERM		uptrend	gold
EQ Resources	EQR		rising	tungsten
Estrella Resources	ESR		downtrend	manganese
Evolution Mining	EVN		rising	gold
Felix Gold	FXG		spiked higher	gold exploration, antimony
First Graphene	FGR		steep rise	graphene
Fortescue Metals	FMG		down	iron ore
Genesis Minerals	GMD		rising	gold

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Globe Metals and Mining	GBE		sideways	niobium
Gold 50	G50		breached uptrend	gold exploration + gallium
Golden Horse	GHM		rising	gold exploration
Great Boulder Resources	GBR		steeply higher	gold exploration
Green360 Tech (was Suvo)	GT3		testing downtrend	kaolin
Hamelin Gold	HMG		testing downtrend	gold exploration
Heavy Minerals	HVY		new high	garnet
Hillgrove Resources	HGO		new low	copper
Iltani Resources	ILT		rising again	antimony
Iluka Resources	ILU		new low	mineral sands
Jupiter Mines	JSM		improving	manganese
Kaiser Reef	KAU		improving	gold
Kalina Power	KPO		down	carbon sequestration
Larvotto Resources	LRV		new high	gold, antimony
Lindian Resources	LIN		down	rare earths + bauxite
Lotus Resources	LOT		continuing down	uranium
Lynas Corp.	LYC		rising again	rare earths
Many Peaks	MPK		rising	gold exploration
Marmota	MEU		spiked higher on titanium discovery	gold/uranium exploration
Matsa Resources	MAT		strongly higher	gold
Mayur Resources	MRL		rising again	renewables, cement
Meeka Gold	MEK		uptrend	gold
MetalsX	MLX		rising	tin, nickel
Meteoric Resources	MEI		new low	rare earths
Metro Mining	MMI		off its highs	bauxite
Midas Minerals	MM1		spiked higher, then pullback	lithium
Native Mineral Resources	NMR		steeply higher	gold
New Murchison	NMG		sideways	gold
Nexgen Energy	NXG		down	uranium
Northern Star Res.	NST		rallying	gold
Nova Minerals	NVA		down	gold exploration
Novo Resources	NVO		testing downtrend	gold exploration
Pacific Gold	PGO		new low	gold exploration
Paladin Energy	PDN		collapse	uranium
Pantoro	PNR		new uptrend	gold
Patriot Battery Metals	PMT		pullback after strong rally	lithium
Peninsula Energy	PEN		down	uranium
Perseus Mining	PRU		correcting lower	gold
QMines	QML		back to lows	copper
Queensland Pacific Metals	QPM		down	nickel/cobalt/HPA
Regis Resources	RRL		new high	gold
Regergen	RLT		surged higher	gas, helium
Richmond Vanadium	RVT		down	vanadium
RIO	RIO		down	diversified, iron ore

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RTG Mining	RTG		strong recovery	copper
Rumble Resources	RTR		testing uptrend	zinc exploration
S2 Resources	S2R		down	gold exploration
Sandfire Resources	SFR		breached uptrend	copper
Santana Minerals	SMI		rising	gold
Santos	STO		breaching downtrend	oil/gas
Sarytogan Graphite	SGA		still down	graphite
Scorpion Minerals	SCN		testing downtrend	gold exploration
Siren Gold	SNG		rising	gold exploration
Southern Palladium	SPD		pullback	PGMs
Stanmore Coal	SMR		down	coal
St George Mining	SGQ		collapse to new low	rare earths, niobium
Stellar Resources	SRZ		testing downtrend	tin
Sun Silver	SS1		pullback	silver
Talga Resources	TLG		rallying, about to meet resistance line	graphite
Tamboran Resources	TBN		breached uptrend	gas
Terra Uranium	T92		rallying	uranium
Theta Gold Mines	TGM		rising again	gold
Toro Energy	TOE		down	uranium
Torque Metals	TOR		hitting resistance	gold exploration + lithium
Vintage Energy	VEN		sideways	gas
Vertex Minerals	VTX		testing uptrend	gold
Warriedar Resources	WA8		stronger	gold exploration
West Cobar	WC1		new low	rare earth + lithium
Westgold Resources	WGX		spiked higher	gold
West Wits Mining	WWI		rising	gold
Whitehaven Coal	WHC		down	coal
White Cliffs	WCN		down	copper exploration
Totals	43%	54	Uptrend	
	34%	43	Downtrend	
		125	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	30	24.0%	
Gold Exploration	17	13.6%	
Copper	13	10.4%	
Rare Earths	11	8.8%	
Uranium	9	7.2%	
Oil/Gas/Hydrogen	6	4.8%	
Iron Ore/Manganese	5	4.0%	
Lithium	3	2.4%	
Graphite/graphene	3	2.4%	
Nickel	3	2.4%	
Silver	3	2.4%	
HPA/Kaolin	2	1.6%	
Tungsten	2	1.6%	
Tin	2	1.6%	
Antimony	2	1.6%	
Coal	2	1.6%	
Niobium	2	1.6%	
Potash/Phosphate	1	0.8%	
Vanadium	1	0.8%	
Zinc/Lead	1	0.8%	
PGMs	1	0.8%	
Mineral Sands	1	0.8%	
Bauxite	1	0.8%	
Cobalt	1	0.8%	
Other	3	2.4%	
Total	125		

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