

Tuesday, November 4, 2025



HALLGARTEN + COMPANY

Portfolio Strategy

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Monthly Resources Review: Surplus to Requirements

Performance Review – October 2025

Monthly Resources Review

Surplus to Requirements

- + Gold and silver prices staged a dramatic retreat during the month, gold from sheer exhaustion (and peace “possibilities”) while silver reacted to the easing of a feeding frenzy that increasingly looked hare-brained
- + Argentina managed to turn around sentiment, bizarrely with Trump as the backstop for Milei’s policy travails, and Milei secured his long sought after majority in Congress
- + The Antimony price started to correct, much to the displeasure of promoters, as it became too expensive as an input for its main usership, fire retardants
- + Tungsten kept on moving higher, but seemed to pause by month-end
- + The Trump-Xi “deal” should be seen as buying time to achieve independence from China dependency with Xi thinking he wins, but long term should be a loser
- ✗ The rebound in gold and silver after their correction was a false dawn, with more downside to come
- ✗ The Trump-Xi trade deal (really more of a moratorium on action) potentially spells bad news for all those dual use metals that promoters are plugging so heavily
- ✗ The price of US Antimony was crushed as it launched an amateurish takeover move on ASX-listed Larvotto without seemingly reading the takeover rules downunder
- ✗ The Lithium crowd sees a new dawn, in slightly improved pricing, while we see a booby-trap, as none of the fundamentals that made Lithium weak have gone away
- ✗ Has no-one bothered to add up the potential amount of Rare Earths that might flow out of just the “real” REE projects that are producing, or about to come off the drawing board, as we see a massive tsunami of product potentially drowning everybody in the space?

What Would Noah Do?

There are good reasons that Noah’s Ark took on animals two by two. One example of each would have been a museum ship with zero possibility of a long-term future. Meanwhile two of each worked although that did not do much for genetic diversity, but Noah was a shipbuilder not a biologist.

In recent times we have developed the habit of declaring certain companies in the critical/strategic/specialty metals & minerals space as “surplus to requirements”. Though the CEOs, IR people and strategic shareholders certainly don’t like it, it is a good way to close down the conversation/lecture/diatribe because fleetingly, across their faces, one can see that they realise that it’s true.

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In 2012 there were something like two hundred Rare Earth wannabes out there and while that may have been a good basis (mathematically) for a gene pool, one had to see them up close to realize that some good old Darwinian action was not only wanted, but inevitable. And so it was, natural selection reduced them to around 20 over the following eight years. But that Arafura was one of the survivors shows that unpleasant mutations can survive the cull. Mountain Pass died and then came too life. Now that is one for the biology textbooks! It's like Jurassic Park where the brontosauri come back bigger and dumber than in the first go around. This isn't supposed to happen.

One colleague undertook a survey and indicated that, by his count, there were around 80 listed companies touting having worthy Rare Earth assets/projects. This is plainly ridiculous. If after the Great Cull the number sank to 20 then a rebound to 30 listed plays might have been reasonable. Instead, they have quadrupled in number, but the demand for REEs would scarcely have increased by 20% since 2020 and moreover the output of a mere five of the twenty, if they'd get going, would have solved the West's issues with this not rare set of elements.

Since 2014, the number of Tungsten seekers shrank by maybe a third and has now risen by five to seven names. This is a far more measured response.

When anyone waves a Niobium project at us and mentioned the word "critical" in the same sentence we say "surplus to requirements". Conversation over. They struggle on and we say Brazil/Quebec have over 80% of global production, not China, then they fall silent. But why should we need to say this? They are the ones touting the project and its criticality. Do they not know this fundamental detail?

Any hard rock lithium project that is not currently producing is "surplus to requirements" but, but, but the price has risen. Stop arguing, accept your project is dead meat and move on.

In our beloved Antimony, we have seen the one listed explorer of the last boom (Adroit on the TSX-v) and one listed producer (Mandalay, also on the TSX-v) multiply tenfold (twentyfold if we take into account that Adroit died mid-last decade). Think about it... most of these players are saying 1% is high-grade then they will be in for a rude shock when they see that most of the existing production is happening at grades of 10% or more. Sorry to tell them, grades of less than 5% are "surplus to requirements".

A store that sells too much of what no-one wants (or has enough of) quickly goes bust. Why shouldn't this eternal economic reality pertain to the mining space and why do its denizens not see the possibility or reality of their own irrelevance? Until they do, we will have to keep disabusing them.

RTZ and the Swap from Hell?

We came across a story, sourced from Reuters, which needed some addressing. The thesis was that Rio Tinto was considering offering "non-core assets" to Chinalco in exchange for the 11% stake the Chinese own in it, worth \$12.8bn (AUD\$19.75bn) currently.

The assets being mooted as part and parcel of this infernal swap include Richards Bay Minerals (the HMS

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giant in South Africa), Rio's stake in Simandou, the iron ore mine in Guinea, as well as other non-lithium industrial mineral producers QIT, Borax and Dampier Salt.

The mathematics of this swap are \$4.9bn for Rio's stake in Simandou (assuming an iron ore price of \$85 per ton) according to a valuation emanating from Citibank. Additionally, Rio Tinto could raise a further \$6bn for so-called tail assets which include the 74% stake in RBM as well as other non-lithium industrial mineral producers QIT, Borax and Dampier Salt.

The origins of the Chinalco stake now are (almost) shrouded in the mists of time.

Why Rio needs to vend these assets as a package boggles us..... it smacks of a grand gesture rather than common sense. We can see the Borax sales being blocked by Washington for starters. South Africa may be a BRICS nation and thus partnered (of sorts) with China but would it want RBM in Chinese hands?

QIT is the titanium assets in Madagascar and Quebec. Canada may have differing opinions on whether it wants China owning that. Australia might also beg to differ on Dampier Salt the world's largest marine salt exporter passing to Chinese hands. This whole asset swap story might be either the fevered imaginings of journalists (or analysts) or a kite-flying exercise from the newly-appointed CEO Simon Trott who took charge in September and may be feeling the need to stamp his imprimatur on the company. Act in haste, repent at leisure might be a good motto to recall here.

It has been speculated that the removal of Chinalco as a shareholder might then provide an opportunity to buy back shares and potentially remove Rio Tinto's London listing entirely. The latter move always seems bizarre to us as the UK has the biggest mining investors institutionally and RTZ's head office and its brain's trust (for what that is worth) are in the UK.

An analyst at Citi claimed "A China state-owned enterprise being the largest shareholder was increasingly being seen as a complication in an increasingly polarized globalised geopolitical environment in our view". As a small minority shareholder, with no board seat, we do not see why this should be so and smacks of saying something for the sake of saying something.

So, in summation this is an asset swap that Rio Tinto needs like a hole in the head.

Nationalisation by Any Other Name

The iron grip of the Indonesian state upon its tin industry was tightened even more during the last month when the country's President Prabowo Subianto formally handed over six previously-confiscated tin smelters to state-owned PT Timah. The six smelters were seized by authorities in 2024 as a part of the country's investigation into historical corruption in the Tin trade.

The International Tin Association (the ITA) estimated that the six smelters—PT Tinindo Internusa (TIN), PT Refined Bangka Tin (RBT), CV Venus Inti Perkasa (VIP), PT Stanindo Inti Perkasa (SIP), PT Menara Cipta Mulia (MCM), and PT Sariwiguna Bina Sentosa (SBS)—represented approximately half of the country's refined tin production capacity.

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The ITA repeated local media reports that the value of the assets transferred to PT Timah is more than IDR 1.45 trillion (approximately US\$88mn). While alleging illegality, it sounds like the confiscated assets were not compensated. How much fair value or due process was involved in this grab is unclear.



Above can be seen the President announcing his “integration” of seized assets.

One of the (ostensible) bugbears of the government has been smuggling [and] illegal mining. One does not need to scratch the surface too much to work out which nation might be the beneficiary of illegal mining and smuggling.

The government has been on a roll with a crackdown on illegal mining in Indonesia with, over the past month, raids on various companies alleged to be involved in the illegal extraction and smuggling of Tin from PT Timah’s mining concessions. Needless to say, the culprits (or those behind them) are not European or US entities so in searching for the hidden hand (as in Africa) one does not need to go far to come to the usual culprit.

If there is one benefit from the witch-hunt then it is that Tin prices surged following widespread reporting of this crackdown and a slowdown in Indonesia’s output from June to August due to unrelated licensing delays. However, Indonesian exports are now accelerating as licensing issues are resolved, and ITA anticipates a resumption in the recovery of the country’s Tin output.

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PT Timah's RKAB (coal and mineral work plan) targets production of 22,000 tonnes in 2025, and the company intends to raise this to 30,000 tonnes in 2026, rising further to up to 80,000 tonnes in future. If true this might screw up pricing in the global Tin market, but somehow we doubt that there is enough juice in Indonesian Tin deposits to nearly quadruple production in any sustained manner.

Over time the Chicken Littles foreseeing higher Indonesian and Burmese production have proven to be wrong.

The Tin price has been great of late having more than doubled from its longer-term price over the last decade. If Indonesia is just converting illegal volumes into legal volumes, then one cannot see a reason why it should hit prices. Time will tell.

Portfolio Changes

The change to the Model Resources Portfolio during the month of October was the disposal of the LONG position in Eoro Resources, the Bolivian Tin/Silver story in the wake of a meeting with the management at the Nordic Mines event in Stockholm.

Almonty Goes Domestic

At month end, in a not unsurprising move, at least for us, Almonty Industries Inc. (NASDAQ: ALM | TSX: AII | ASX: AII | OTCQX: ALMTF | Frankfurt: ALI1) announced that it had entered into a binding share purchase transaction to get its hands on an onshore Tungsten asset in the US. This was a rather inevitable next step in its process of turning itself into a "national champion" in the US for the Tungsten space.

The purchase involved U.S. Tungsten Inc., a US-based privately-owned minerals explorer, to acquire the exclusive right to explore, develop and mine unpatented tungsten mining claims located in Beaverhead County, Montana, known as the Gentung Browns Lake Tungsten Project for consideration of US\$9.75mn.

Not much detail was provided on the assets, but we happened to have an unrelated meeting with someone who knew very well these assets when they had been in the hands of the once mighty Union Carbide. We saw no mention of this in the Almonty release.

We might elaborate on this deal and the underlying strategy if we do an update on Almonty, a long-time constituent in the **LONG** category in our Model Resources Portfolio.

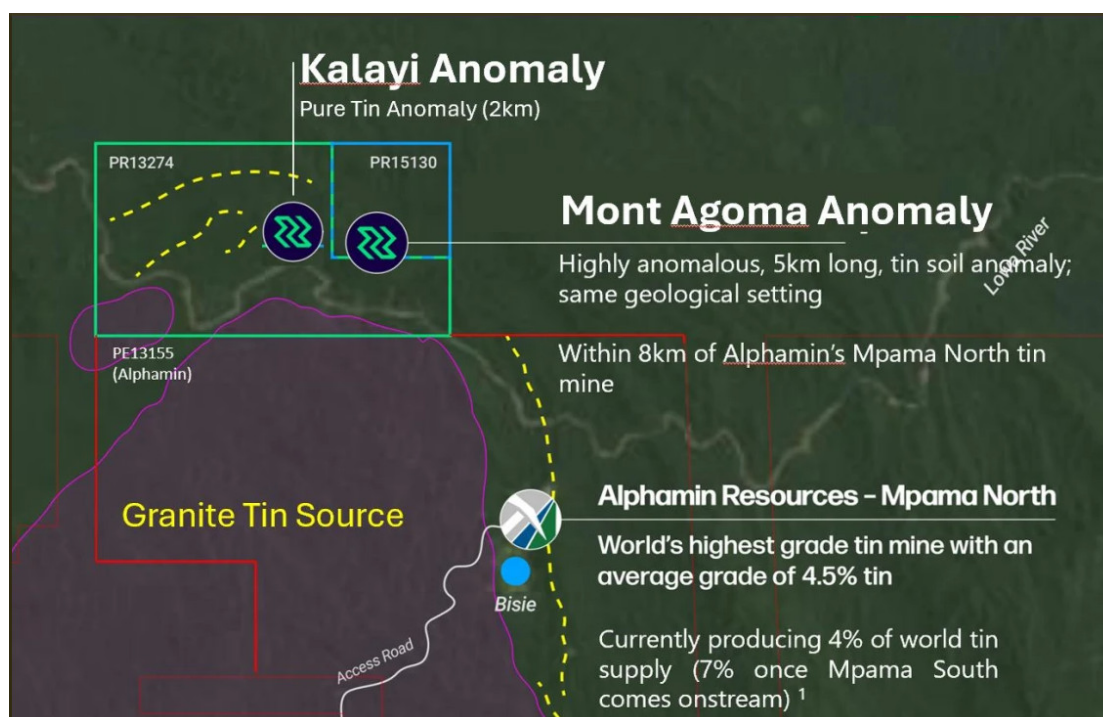
When in Rome...

At the very end of the month Rome Resources (AIM: RMR), the DRC-focused tin and copper explorer which is a LONG constituent in our Model Resources Portfolio, announced its maiden mineral resource estimate (MRE) for its Bisie North Project. In management's words this confirmed "the presence of a large, multi-metallic tin-copper-zinc system" across its Kalayi and Mont Agoma prospects.

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The MRE, prepared by The MSA Group (Pty) Ltd in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Best Practice Guidelines

Our interest in this prospect is only due to its Tin potential and we are getting the feeling that our Tin-centric interest is the right way to go here as the other metals are not generating any excitement for us and indeed even look like they may detract from the simplicity of production compared to a Tin only focus. The Bisie North project is only a few kilometres from the mighty Bisie project of Alphamin that we used to cover intensively.



The targets of Rome consist of Mont Agoma, with a wide polymetallic zone with dominant copper near surface, Tin increasing at depth as seen in analogous deposits, while Kalayi has near-surface high-grade tin, open at depth and expected to increase in width and grade.

The release spoke of a “combined” Inferred Mineral Resource made up of:

10.6 kt Sn | 46.9 kt Cu | 86.2 kt Zn | 1.46mn oz Ag

However, as these cannot be mined as one mine, the devil is in the details with:

Mount Agoma Resource										
Category	Tonnes (mns)	NSR USD/tonne	Cu %	Sn %	Zn %	Ag g/t	Cu '000 tonnes	Sn '000 tonnes	Zn '000 tonnes	Ag mn ozs
Inferred	3.16	166	1.45	0.19	2.72	14.3	45.9	6.1	86.2	1.46

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Results from the Mont Agoma East zone, where a near-surface, 23-metre zone of high-grade tin mineralisation has been confirmed, will be incorporated into a follow-up MRE.

And below can be seen the more interesting MRE for Kalayi:

Kalayi Resource			
Category	Tonnes (mns)	Sn %	Sn '000 tonnes
Inferred	3.16	0.19	6.1

The MRE indicates that only a fraction of the prospective license area has been explored, with drilling to date extending to just 220 - 250 metres depth, leaving substantial scope, in management's estimation, for further discovery within the wider license area.

The company also mooted an "internal exploration target" which isn't that internal if its in a press release! This consisted of the company's geological team estimating an additional 102-260 kt of tin that could be defined through deeper and step-out drilling.

Tin grades at Mont Agoma have been shown to increase with depth, a trend consistent with analogous systems such as Alphamin's Bisie mine and Minsur's San Rafael deposit in Peru, both of which demonstrate tin grade strengthening in deeper parts of the system. Well, that remains to be seen.

Hats off to Rome though as Alphamin, with the road access and infrastructure, have been rather petulant about cooperation. This forced Rome to rely upon expensive helicopter drilling (and indeed all access). The costs of this in turn limit the affordability of drillable metres. Maybe this lack of amenability is due to Rome coat-tailing on AFM's mine success or maybe due to sheer sour grapes as Alphamin has no drilling results itself, as it is doing no more exploratory drilling than that to advance underground development.

Parting Shot

It's time for a retraction.... when we said "the US DoD is smart enough to see who is a promoter and who is real"... well, we were wrong. They have of late fallen for the old fallacy that if it looks like a duck, walks like a duck and quacks like a duck, then it must be a duck. The denizens of Howe Street have long known how to disguise a mule as a duck.

With Panic on the Potomac having become the mood music, even those in the US defense establishment are falling prey to the blandishments of the promotorial class. But we wonder if it is the defense establishment or rather some basement office in White House where a few leftover Mohicans from the DOGE push are sticking pins in stock lists of supposed critical minerals "miners" and then

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raining money down upon the lucky recipients. The military have an imperative which is a supply of material to make materiel. The White House has a priority of press conferences and soundbites and being seen to be “doing something”.

The three landmark deals in the Trump push/putsch are MP Materials, Lithium Americas and Trilogy. MP Materials ticks a few boxes and leaves many unticked. The fact that the US military doesn’t need most of the limited suite of light REEs that MP produces seems to be a mere detail. A more specialized mine might have been a better horse to back. Then Lithium Americas seems to fly totally in the face of the Administration’s disinterest in the so-called “energy transition” and the general US public needing to be bludgeoned into any interest in EVs. Finally, Trilogy falls into the “difficult” category of copper projects (with Alaska bringing a few demerits of its own) compared to a swathe of projects in the mine-friendly US Southwest, so why back this project.

It would be illuminating to see the selection criteria as the horses chosen so far, to use a racing metaphor, do not have much form (nor pedigree) and having them eventually sent to the glue factory, after so much taxpayer money has been sent their way, would not be a good look.

Recent & Upcoming

In the last month we published an Initiation on tungsten explorer Happy Creek Minerals, a review of the stunning Argentine mid-term elections and the most recent Growth Minerals Review.

In the pipeline one might expect an Initiation on Talisker Resources, a new Growth Minerals Review, an Initiation on Silver Viper, an Initiation of Magma Silver, and a review of Cesium, its uses and sources.

MODEL RESOURCES PORTFOLIO @ END OCTOBER

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Security	Ticker	Currency	Price	Change		12-mth Target	
				last 12 mths	last mth		
LONG EQUITIES							
Diversified Large/Mid-Cap	Hochschild	HOC.L	GBP	3.31	46%	-9%	£2.80
Base Metal Developers	Denarius Metals	DNRSF	USD	0.39	-51%	-3%	\$1.15
Uranium	Sprott Physical Uranium	U.UN.to	CAD	19.82	10%	-2%	\$20.00
	enCore Energy	EU.v	CAD	4.30	-19%	-4%	\$4.90
	Energy Fuels	UUUU	USD	20.51	266%	34%	\$7.50
Zinc/Lead Plays	WisdomTree Zinc ETF	ZINC.L	USD	10.23	3%	5%	\$14.00
	Group Eleven Resources	ZNG.v	CAD	0.32	73%	-16%	\$0.35
	Luca Mining	LUCA.v	CAD	1.40	137%	-13%	\$1.40
Nickel Developer	Canada Nickel	CNC.v	CAD	1.19	17%	17%	\$2.15
Silver Developer	AbraSilver	ABRA.v	CAD	6.57	112%	-13%	\$4.20
Gold Producer	Soma Gold	SOMA.v	CAD	1.31	-2%	5%	\$1.10
	Aura Minerals	ORA.to	CAD	45.97	155%	0%	\$48.00
	Asante Gold	ASE.v	CAD	2.08	55%	-11%	\$2.40
	Orvana Minerals	ORV.to	CAD	1.35	229%	118%	\$0.60
	Talisker Resources	TSK.to	CAD	1.49	217%	5%	\$1.10
Gold Developer	West Wits Mining	WWI.ax	AUD	0.05	233%	0%	\$0.024
	Thesis Gold	TAU.v	CAD	1.78	128%	-3%	\$1.32
Royalties	Elemental Royalties	ELE.v	CAD	21.18	71%	-15%	\$25.00
Copper Explorers	Panoro Minerals	PML.v	CAD	0.40	38%	-29%	\$0.85
	Aldebaran Resources	ALDE.v	CAD	3.80	130%	48%	\$2.50

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Security		Ticker	Currency	Price	Change		12-mth
					last 12 mths	last mth	Target
LONG EQUITIES							
Copper/Nickel Developer	NexMetals	NEXM.v	CAD	5.43	-51%	-29%	\$3.82
Tungsten Producers	Almonty Industries	AII.to	CAD	9.97	1101%	19%	\$8.10
	Guardian Metal Resources	GMET.L	GBP	1.02	300%	-10%	£0.88
Graphite Developer	Blencowe Resources	BRES.L	GBP	0.07	40%	17%	£0.09
Lithium	E3 Lithium	ETL.v	CAD	1.07	-6%	-29%	\$2.55
	Century Lithium	LCE.v	CAD	0.29	-24%	12%	\$1.10
Palladium	abrdn Palladium Physical ETF	PALL	USD	131.67	33%	15%	\$140.00
Gold Explorer	Alpha Exploration	ALEX.v	CAD	0.52	-28%	-15%	\$1.00
AgroMinerals	MinBos	MNB.ax	AUD	0.07	63%	-30%	\$0.09
Rare Earths	Rainbow Rare Earths	RBW.L	GBP	0.20	57%	5%	£0.30
	Neo Performance Materials	NEO.to	CAD	19.34	141%	-3%	\$14.00
Tin	Rome Resources	RMR.L	GBP	0.28	-38%	-10%	n/a
	Elementos	ELT.ax	AUD	0.34	325%	113%	\$0.25
Mineral Sands	Sheffield Resources	SFX.ax	AUD	0.10	-52%	-29%	\$0.72
Oil & Gas	Shell	SHEL.L	EURO	28.48	9%	7%	£28.00
SHORT EQUITIES							
Shorts	Golconda Gold	GG.v	CAD	1.88	527%	4%	\$0.15
	Euro Manganese	EMN.v	CAD	0.17	-38%	6%	\$0.12
	Patriot Battery Metals	PMET.to	CAD	3.77	4%	-6%	\$1.60
	USA Rare Earth	USAR	USD	19.45	80%	13%	\$3.00
	Aya Gold & Silver	AYA	CAD	14.92	-16%	-7%	\$7.20

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