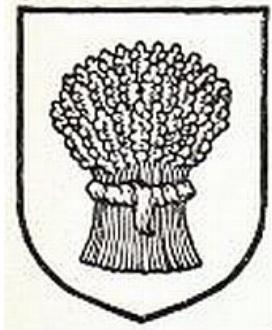


Thursday, February 5, 2026



HALLGARTEN + COMPANY

Portfolio Strategy

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Monthly Resources Review: The End of Empire

Performance Review – January 2026

Monthly Resources Review

The End of Empire

- + The long overdue deflation of the gold and silver price occurred on the last trading day of the month, but needs much more to restore sanity
- + Our long-expected blow-off in the mining markets seems to be in full flood with precious metals being the first swallow of a nuclear winter
- + The old saw that there is “no money” in the Canadian stock markets has been disproven by a tidal wave of financings of the good bad and the indifferent
- + Greenland tensions were deescalated but not without seemingly irreparable damage to relations between the Trump Administration and governments in Europe
- + If anything the events have proven to be a wake-up call to footdraggers in Europe that just thought they needed to outlast Trump to return to “normality”
- + Tin has soared above \$50,000 per tonne, before a pullback under the magic mark
- ✗ The beat of war drums reached a crescendo with an ill-advised move against Iran being the *guerre du jour*
- ✗ Tungsten continued to soar, reaching \$1200 per MTU of APT, in what looked like a last blast before a price slump
- ✗ The ill-considered Rio Tinto/Glencore merger talk continues to bubble
- ✗ The US dollar in which most metals are priced is looking “sick as a parrot”, not exactly a favorable scenario for markets
- ✗ China-Japan tensions have not gone away

Empires Should Be Made of Sterner Stuff

The US empire, if one talks about the gains from the Spanish-American War are long gone (the Philippines, Cuba, the Marianas) and to be left with Puerto Rico, is almost sad. Then there was Panama, the product of some meddling in Colombia, but what else was/is there? Empires come and empires go, but maybe it is the empire of the mind that matters. That certainly exists in Britain and France though it has been relabelled as soft-power. Even that can be eroded but seldom has one’s soft power been as brazenly and blatantly doused with gasoline and burnt to a crisp than that of the US over the last 12 months. When Canadian snowbirds would rather sit out a Toronto winter, than go to Florida, you know you are in the penalty box and its more than “five for fighting”.

So what remains of the US “empire”? Our interest is mining and we cannot help noticing that the other “frontier” states like Australia and Canada have expanded their mineral empires both domestically and internationally post-WW2, South Africa has presided over a genteel decline while the US has “done a

Thursday, February 5, 2026

Thelma & Louise". The greats of US mining fifty years ago, a swathe of household names with domestic and international interests (e.g. Kennecott, AMAX, ASARCO, Phelps Dodge, Cyprus Mines et al.) have dwindled to the rump of Freeport McMoran and Newmont, with the up and coming domestic plays (purely powered by Washington largesse) are the rather tragic hothouse flowers of MP Materials and US Rare Earth. Empires should be made of sterner stuff.

The reality is that pretty much all the running is being done by foreigners in the US mining space, with precious metals in Nevada pretty much a Canadian province for all mining intents and purposes. Swathes of the critical mineral's prospects are also being explored and developed by foreigners also. Just looking at Tungsten, the players are Canadian, Australian or UK listed. Even Almonty is an "immigrant" and its main projects are outside the US. Most of the small fry in Rare Earths are foreign listed, managed and controlled.

When the Great White Hopes of the US mining industry are His Royal Litigiousness and the lesser scions of the Gutnick dynasty (or their "made men") then you know you have hit bottom.

Despite all the sound and fury of a MAGA driven mining renaissance, the driving force personalities are from those countries that have recently been catching for some slight or another that is imagined that they have perpetrated.

Mining capital markets in the US are still in short pants.

But is a truly sophisticated mining ecosystem only domestic? Australian and Canadian miners despite their natural endowments have long had distant visions of where they might go next. In the UK capital markets due to relative under-endowment, the vision has been international for even longer. The sad state of the US mining empire means that the visionaries are those characters touting undersea mining or asteroids. Again, empires should be made of sterner stuff.

The Silver/Gold Ratio

If this Monthly Review had gone out on the last day of January, as it should by rights do, but never does, then we would have been forced into a mad scramble of rewriting in the dying hours of Friday's markets as the grim reaper stalked the precious metals markets taking gold down strongly and silver down massively. We can't say we were surprised, though we never would have predicted 25% in a day.

Frankly, it was a welcome and overdue blow-off. If you drink the Kool-Aid that the Reverend Joneses of the markets are ladling out, then you end up prone on the grass having foamed at the mouth until dead.

It's only a few months since we last published our silver/gold ratio musings but is had seemed increasingly nonsensical as it had seemed less like silver corrected closer to a historical norm than a Reddit-inspired Tulip bubble. In the wake of the slapdown, normally quite rational players started mumbling about the dark forces of the COMEX without even the slightest examination of their own temporary insanity or "irrational exuberance" as Alan Greenspan would have put it.

Thursday, February 5, 2026



Source: [Bullionbypost.com](https://www.bullionbypost.com)

Thursday, February 5, 2026

Hot – Tin in the Crucible

We present here for the edification of investors a rather comprehensive of the listed Tin universe excepting those Indonesian and Malaysian listed stories which do not seem to be accessible for the mere mortals outside of those markets.

| | Strategy | Ticker | Price | Currency | Market Cap | Country |
|--------------------|----------|----------|---------|----------|------------|-------------------|
| Alphamin Resources | AVOID | AFM.v | \$1.38 | CAD | \$1.765bn | DRC |
| Rome Resources | NEUTRAL | RMR.L | £0.195 | GBP | £13.91mn | DRC |
| First Tin | NEUTRAL | 1SN.L | £0.15 | GBP | £79.59mn | Australia/Germany |
| Metals X | NEUTRAL | MLX.ax | \$1.23 | AUD | \$1.09bn | Australia |
| Stellar Resources | LONG | SRZ.ax | \$0.035 | AUD | \$94.75mn | Australia |
| Elementos | LONG | ELT.ax | \$0.43 | AUD | \$141.53mn | Australia/Spain |
| Cornish Metals | NEUTRAL | TIN.L | £1.16 | GBP | £145mn | England |
| AfriTin Mining | NEUTRAL | ATM.L | £0.043 | GBP | £81.50 | Namibia |
| Minsur | LONG | MINSUR.U | 6.00 | PEN | 115.32mn | Peru/Brazil |

We challenge viewers to note a peculiarity of this table.... which is that, excepting Alphamin, the Canadian capital markets are stunningly under-represented. This is not surprising considering that London and Australia have long looked with enthusiasm towards Tin, whereas North American has been clearly underendowed with Tin resources/production and thus listed stories. The mediocre East Kemptville in Nova Scotia (which is held by Avalon Advanced Materials – TSX: AVL) to which we do not give any credence to.

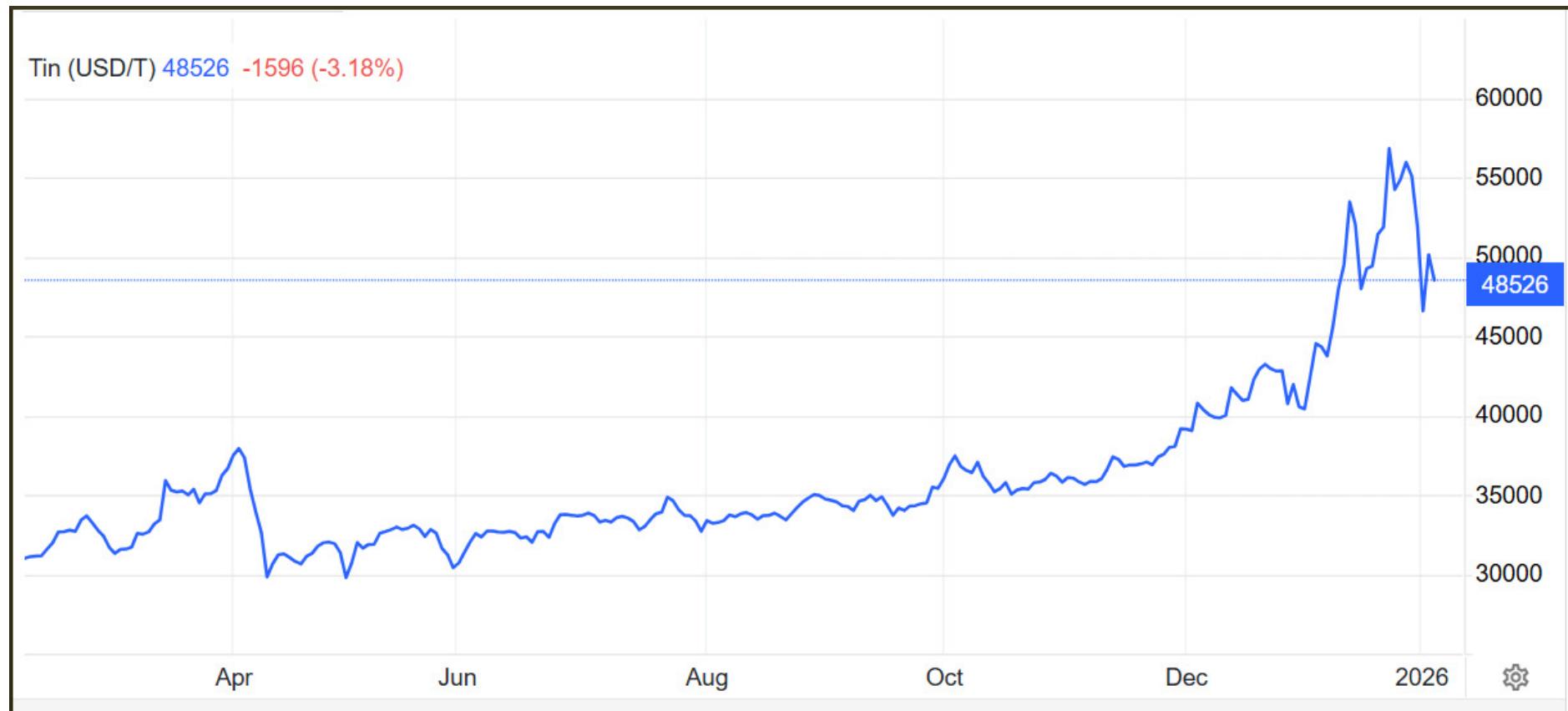
Indeed, perversely the thought has sometimes struck us that Aphamin listed in Canada to not get any love. It never wanted to raise money there and thus Bay Street ignored it while the Canadian markets scarcely knew Tin, let alone cared for isolated corners of the DRC. Why wouldn't the company have moved to London rather than perpetually complaining of "getting no love"?

The Tin tide has lifted all boats and taken Alphamin to top-dog position, but it is still scarcely the word on anyone's lips. While the added "benefit" of a Toronto listing was that regulators were tolerant of the slack reporting to investors of the status of M23 rebels until it was too late (in the first half of 2025) and again now. Then there was the change of control (Denham selling out to mid-east investors in 2025) that would have triggered a compulsory bid if listed on the ASX.

Finally, there is the issue (asking for a friend) that if the egress to Uganda (and thus Mombasa) is under rebel control yet again is the company paying a "transit charge" to said rebels? Perish the thought that such charges might fall under the Bribery Act (aka Corruption of Foreign Public Officials Act (SC 1998, c. 34)) though the retort might be that funding rebels *de facto* is not paying foreign officials.

We would note that Rome Resources started off listed in Toronto and then migrated to the AIM. One remnant listing though it is probably better than none, such is the situation in the United States markets.

Thursday, February 5, 2026



Thursday, February 5, 2026

Model Resources Portfolio Changes

The only change we made in January was to shed our LONG position in Canada Nickel (TSX-v: CNC) as we have a nickel exposure via NexMetals and see revival of that multimetal mine in Botswana as more desirable exposure than CNC.



Round Top – The Magical Morphing Mountain

We've known the rhyolite dome that goes by the name of Round Top Mountain in Texas since early last decade. Back then it was (to us at least) a Beryllium project with some Uranium, Lithium and maybe Rare Earths.

Now of course it is all the rage as the White House has anointed it as a national champion via US Rare Earth (RAR). Why the "s" fell off "earths" still boggles us as there is no such thing as a mine of a single Rare Earth. In any case the Gutnick clan transited thru the vehicle for a while. We leave it to investors to make up their mind (in light of the trading patterns) as to whether they really did let go or donned the cloak of invisibility.

We raised some eyebrows when interviewed recently by CNBC's Squawk Box in Asia by referring to Round Top as a beryllium mine. A visit to Texas Mineral Resources website provides some background:

"Initial mineral exploration in the area surrounding Round Top commenced in 1969 and continued

Thursday, February 5, 2026

through the late 1970s. Work in the area included prospecting trenches as well as approximately 22 drill holes within fluorite outcrops in the area. Although a downturn in the fluorite market inhibited further project development, this early work led to the identification of beryllium mineralization in the area. During the 1980s, Cabot Corporation conducted further beryllium exploration at Round Top consisting of mapping, sampling, and reverse circulation rotary drilling.

In 1987, Cabot entered into a joint venture agreement with Cyprus Metals Company to continue beryllium exploration focused on Round Top resulting in a feasibility study completed in 1988. Ultimately, Cyprus decided to exit the beryllium business and chose to refocus its efforts on copper mining, eventually merging with Phelps Dodge in 1999. Throughout the 1990s, the Round Top project lay dormant, eventually falling back under control of the Texas General Land Office. The project was subsequently acquired by Standard Silver Corporation, which changed its name to Texas Mineral Resources Corp. (TMR) in September 2010 to more appropriately reflect the current focus on Heavy Rare Earth Elements (HREEs)".

Hmmm. We actually have a copy of the ancient PEA done on the beryllium mine and there are quite a lot of exploratory adits. So until it is developed as something else, it remains a Beryllium mine in our understanding. And frankly the US needs Round Top's beryllium, in a way that it does NOT need its Rare Earths.

Rio/Glencore – Marriage Made in Hell

The shareholders of Rio Tinto needed a merger with Glencore like a hole in the head. At first the concept appeared to be the bored fantasizing of journalists imagining that a boom in metals prices must imply big dumb mergers and what was the biggest dumb merger they could think of? Now we wonder whether it was investment bankers hoping to railroad deal-shy managements to the negotiating table to generate eye-watering (mouth-watering for them) fees? It didn't matter if the deal flops there were fees to be gained either way. They also saw the ascension of a bean counter at Rio leaving a strategy gap which could be served by solving his problem of what to do in the form of an "inevitable" deal.

Market pundits dusted off their "copper is the new iron ore" argument to justify Rio's participation when we could argue that Glencore's coal is the new strychnine for any such marriage. Few bothered to note that "copper-poor" Rio is the largest copper producer in the US, which is really where it counts these days. Meanwhile much of Glencore's copper is DRC-sourced (and even that is being sold down this week in a curious deal with a US-backed SOE (let's call a spade a spade here). Glencore's upside is in Argentina, but then so is Rio's.

The proposed merger would have roughly doubled Rio's copper production and added about one million tons of future growth capacity. But these calculations took no account of Rio's longer term positioning via its Nuton partnerships, which are diversified geographically, but also weighted to Argentina.

Mercifully, under UK takeover regulations, Rio faced a 5th of February deadline to either confirm an offer or withdraw from negotiations for six months, unless Glencore requests an extension. Bloomberg

Thursday, February 5, 2026

claimed that such a request appeared highly probable. Why would Rio shareholders want six months more of this torture? As we go to print the deal has seen Rio walk away. Now it would be better for Rio's board to ditch the bean counter and send him back to the basement from whence he came.

Parting Shot

As we have often said the road to hell is paved with price support schemes. The most notorious of which was the collapse of the International Tin Council in 1985. People look at the Tin industry today and see the entirely respectable ITIA, but the key difference is that the ITIA is made up of companies in the space, whereas the ITC was massively dominated by the producing countries, a sort of OPEC of Tin, and it was this aspect that was its downfall.

We could not help but be reminded of this event in the not so dark distant past when we saw a report that ministers from the US, EU, UK, Japan, Australia and New Zealand were to meet in Washington at the end of last month to discuss a strategic alliance over critical minerals.

The summit was being touted as a step to repair transatlantic ties but coming two weeks after NATO's near death experience at the hands of the US, it seems a tad early for Lazarus to rise from his death bed and start dancing again.

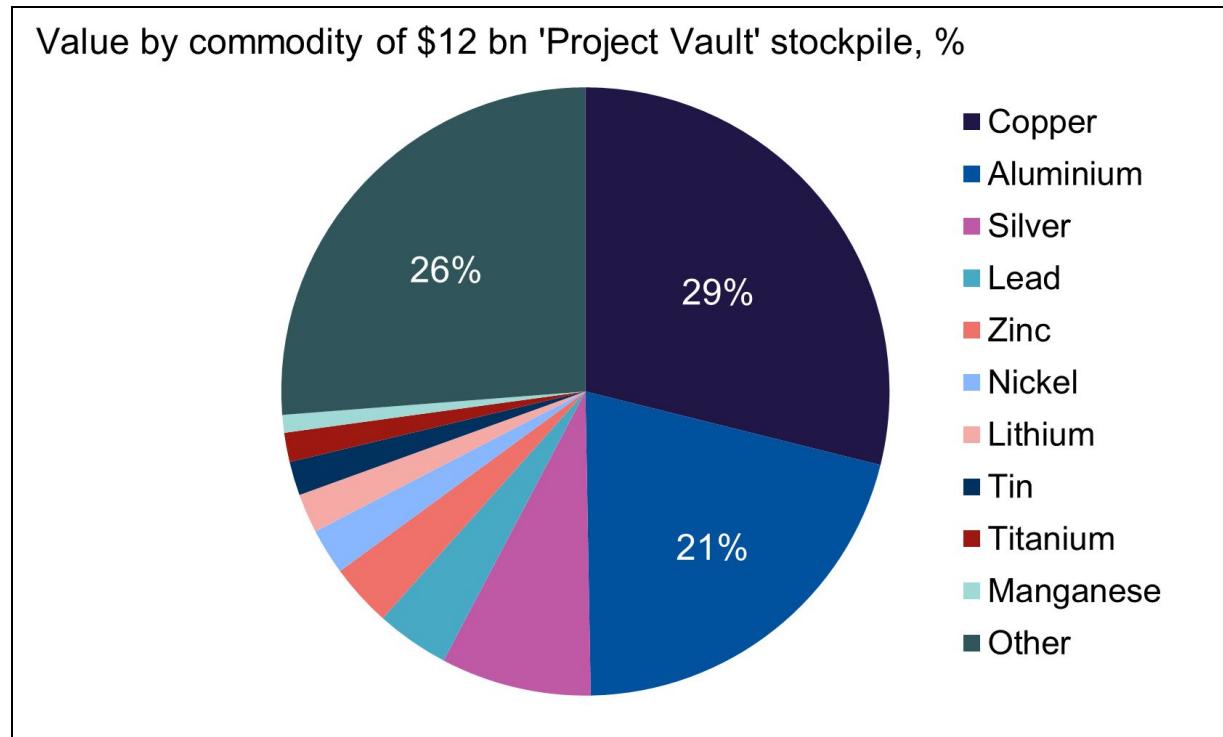
The latest powwow was said to involve around 20 countries including, the G7 members – the UK, US, Japan, France, Germany, Italy, and Canada – along with India and South Korea and Mexico, Australia, New Zealand and possibly Argentina.

Some were hoping (clearly the metal/mineral producers) that the US would guarantee a minimum price for critical minerals, especially REEs. Then it was reported that Washington has decided against the idea, which was like letting off a stink bomb at a party, and that sent share prices downwards in those mendicants that were rattling their begging bowls for this extra juicing of their stock prices. We haven't heard the old term "deadbeat dads" (those defaulting on alimony) in quite a while but thought it might be appropriate to repurpose it for "deadbeat REE wannabes".

Australia, which had been positioning itself as a critical minerals alternative to China, was particularly put out. The feckless Australian resources minister, Madeleine King, said a US decision not to offer minimum pricing "won't stop Australia from pursuing our critical minerals reserve programme". Thelma is hitting the accelerator and finds Louise has "exited the vehicle"!

Then there is stockpiling which we have advocated for ages. The US has now (re) discovered religion on this front and is following in the footsteps of Japan, which has actively built reserves for years to build resilience against China's willingness to switch off supplies to advance its foreign policy.

We came across this pie chart of what the stockpile is to be composed of:



At least this representation includes metals that really matter, including the many mundane metals that the US does not have a supply of or production of itself.

Australia, in a desperate bid to retrojustify its selective support of some critical metals story announced it would establish a AUD\$1.2bn (£610m) strategic reserve of minerals "it believes are vulnerable to supply disruption from China". How many of these metals will be those that Australian industry (particularly the defence industry) needs and how many will be just stockpiled to create an artificial offtaker structure for a very narrowly defined universe of the "anointed" with multi-billion dollar projects stuffed to the gills with overpaid FiFo employees?

The best strategy for any country to pursue is to build up strategic reserves *sotto voce*, not broadcast to the markets that they are going to "be buying willy-nilly at the highest possible prices". Who does that? Seemingly some governments in the West.

Recent & Upcoming

In the last month we published an Initiation on American Tungsten, an update on First Phosphate, a review of Tin with a focus on conflict in central Africa and the most recent Growth Minerals Review.

In the pipeline one might expect an Initiation on Talisker Resources, an update on Almonty Industries, a new Growth Minerals Review, an Initiation on Silver Viper and a an Initiation on Brazil Potash.

| MODEL RESOURCES PORTFOLIO @ END JANUARY | | | | | | | |
|---|--------------------------|----------|----------|-------|--------|--------|-----------|
| | Security | Ticker | Currency | Price | Change | 12-mth | |
| LONG EQUITIES | | | | | | | |
| Diversified Large/Mid-Cap | Hochschild | HOC.L | GBP | 6.66 | 278% | 30% | £2.80 |
| | Nittetsu Mining | 1515:TYO | JPY | 3450 | 257% | 54% | ¥2,320.00 |
| Base Metal Developers | Denarius Metals | DNRSF | USD | 0.47 | 13% | -11% | \$1.15 |
| Uranium | Sprott Physical Uranium | U.UN.to | CAD | 22.49 | 39% | 15% | \$20.00 |
| | enCore Energy | EU.v | CAD | 4.33 | -9% | 32% | \$4.90 |
| | Energy Fuels | UUUU | USD | 22.44 | 323% | 54% | \$7.50 |
| Zinc/Lead Plays | WisdomTree Zinc ETF | ZINC.L | USD | 11.18 | 25% | 6% | \$14.00 |
| | Group Eleven Resources | ZNG.v | CAD | 0.68 | 278% | -8% | \$0.35 |
| | Luca Mining | LUCA.v | CAD | 1.84 | 109% | 23% | \$1.40 |
| Silver Developer | AbraSilver | ABRA.v | CAD | 11.91 | 306% | 12% | \$4.20 |
| | Excelon Resources | EXN.v | CAD | 0.50 | 400% | -4% | 'n/a |
| Gold Producer | Soma Gold | SOMA.v | CAD | 2.08 | 308% | 34% | \$1.10 |
| | Aura Minerals | ORA.to | CAD | 45.97 | 142% | 0% | \$48.00 |
| | Asante Gold | ASE.v | CAD | 1.88 | 76% | 14% | \$2.40 |
| | Orvana Minerals | ORV.to | CAD | 1.89 | 530% | -10% | \$0.60 |
| | Talisker Resources | TSK.to | CAD | 1.92 | 449% | 33% | \$1.10 |
| Gold Developer | West Wits Mining | WWI.ax | AUD | 0.07 | 250% | -13% | \$0.024 |
| | Thesis Gold | TAU.v | CAD | 2.81 | -1% | 28% | \$1.32 |
| | Scottie Resources | SCOT.v | CAD | 1.94 | 90% | 20% | \$2.25 |
| Tungsten Producer | Almonty Industries | AII.to | CAD | 15.4 | 1216% | 28% | \$8.10 |
| Tungsten Developer | Guardian Metal Resources | GMET.L | GBP | 1.8 | 445% | 27% | £0.88 |
| Royalties | Elemental Royalties | ELE.v | CAD | 30.44 | 162% | 31% | \$25.00 |

| MODEL RESOURCES PORTFOLIO @ END JANUARY | | | | | | | |
|---|------------------------------|---------|----------|--------|--------|--------|----------|
| | Security | Ticker | Currency | Price | Change | 12-mth | |
| LONG EQUITIES | | | | | | | |
| Copper Explorers | Panoro Minerals | PML.v | CAD | 0.45 | 5% | 13% | \$0.85 |
| | Aldebaran Resources | ALDE.v | CAD | 3.47 | 94% | -5% | \$2.50 |
| | Arras Minerals | ARK.v | CAD | 0.74 | 37% | -1% | \$1.30 |
| | Copper Giant | CGNT.v | CAD | 0.61 | 149% | 24% | \$0.70 |
| Copper/Nickel Developer | NexMetals | NEXM.v | CAD | 5.37 | -32% | 0% | \$3.82 |
| Graphite Developer | Blencowe Resources | BRES.L | GBP | 0.08 | 100% | 14% | £0.09 |
| Lithium | E3 Lithium | ETL.v | CAD | 1.21 | 332% | 30% | \$2.55 |
| | Century Lithium | LCE.v | CAD | 0.57 | 613% | 90% | \$1.10 |
| Palladium | abrdn Palladium Physical ETF | PALL | USD | 153.86 | 69% | 6% | \$140.00 |
| Gold Explorer | Alpha Exploration | ALEX.v | CAD | 0.50 | -28% | 0% | \$1.00 |
| AgroMinerals | MinBos | MNB.ax | AUD | 0.12 | 140% | 20% | \$0.09 |
| Rare Earths | Rainbow Rare Earths | RBW.L | GBP | 0.18 | 49% | 0% | £0.30 |
| | Neo Performance Materials | NEO.to | CAD | 19.16 | 128% | 23% | \$14.00 |
| Tin | Rome Resources | RMR.L | GBP | 0.26 | 2% | 24% | n/a |
| | Elementos | ELT.ax | AUD | 0.36 | 414% | 13% | \$0.25 |
| | Stellar Resources | SRZ.ax | AUD | 0.04 | 167% | 38% | \$0.06 |
| Mineral Sands | Sheffield Resources | SFX.ax | AUD | 0.08 | -43% | 14% | \$0.28 |
| Oil & Gas | Shell | SHEL.L | EURO | 27.84 | 4% | 2% | £28.00 |
| SHORT EQUITIES | | | | | | | |
| Shorts | Golconda Gold | GG.v | CAD | 3.44 | 1086% | 39% | \$0.15 |
| | Euro Manganese | EMN.v | CAD | 0.22 | -2% | 29% | \$0.12 |
| | Patriot Battery Metals | PMET.to | CAD | 6.17 | 105% | 14% | \$1.60 |
| | USA Rare Earth | USAR | USD | 22.42 | 79% | 88% | \$3.00 |
| | Aya Gold & Silver | AYA | CAD | 22.1 | 89% | 13% | \$7.20 |

Thursday, February 5, 2026

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